



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

TONEY ANAYA
GOVERNOR

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OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:

MC _____
DHC _____ X
NSL _____
NSP _____
SWD _____
WFX _____
PMX _____

Gentlemen:

I have examined the application for the:

Energy Resources Group *State 17 #1-A* *17-6-34*
Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

OK JS — THEY NEED TO ADDRESS
ALLOWANCE FACTORS

Yours very truly,

Jerry Sexton
Supervisor, District 1

/mc