P. O. BUX 871 SANTA FE. NEW MEXICO

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January 7, 1963

Texaco Inc. P. O. Box 728 Hobbs, New Mexico

Attention: Mr. J. G. Blevins, Jr.

Gentlemen:

Reference is made to your letter of December 21, 1962, requesting administrative approval of your State of New Mexico "AE" Well No. 4, located in Unit F, Section 12, Township 18 South, Range 34 East, Lea County, as a tubingless completion in the Vacuum-Abo Pool; also to your letter of December 28, 1962, regarding the use of 30 feet of conductor pipe in the subject well rather than 320 feet of surface casing as had been proposed on Form C-101, "Notice of Intention to Drill," when submitted to the Hobbs office of the Commission for approval on November 29, 1962.

Inasmuch as no pressure or corrosion problems are anticipated in the well, and protective measures will be taken to combat the expected paraffin problem, the Commission has no objection to the proposed tubingless completion and hereby approves the same

As to the completion of the well without at least 300 feet of surface casing, this office has serious doubts that the Hobbs office of the Commission would have approved the C-101 had it called for 30 feet of conductor pipe and no surface casing; or that it would have approved a C-102 so altering the casing program had such a form been submitted. We feel sure that our Hobbs personnel are concerned as much or more about long range separation of the fresh water sands and the salt section as the are about protecting the fresh water sands during the relative