OIL CONSERVATION COM. "SSION P. O. BOX 871

SANTA FE, NEW MEXICO

July 9, 1963

Texaco Inc. P. O. Box 359 Midland, Texas

Attention: Mr. J. E. Robinson, Jr.

Gentlemen:

Reference is made to your letter of June 25, 1963, wherein you state that your State of New Mexico "AE" Well No. 8, drilled at a surface location 2310 feet from the North line and 330 feet from the West line of Section 12, Township 18 South, Range 34 East, Lea County, New Mexico, as a projected producer in the Vacuum Abo Reef Pool had deviated northwest rather than northeast as had been anticipated. The directional and deviational survey run by Sastman Oil Well Survey Company indicates that the well is bottomed 457.07 Morth 540 57' West from the surface location or 44.18 feet from the East line and 2047.49 feet from the North line of Section 11, Township 18 South, Range 34 East, indicating that Unit H of Section 11 is productive in this well from the Vacuum Abo Reef Pool rather than Unit E of section 12.

Inasmuch as both units are on the same lease, being State of New Nextco Lease No. B-1258, it is the opinion of the Commission that Unit H of Section 11 should be dedicated to the well. You are, therefore, requested to file an amended Form C-128, Acreage Dedication Plat, dedicating Unit H to the well, and the Commission records will be amended to show such dedication. You are also hereby author ized to move the location of your proposed State "AE" Well No. 10 from Unit H of Section 11 to Unit B of Section 12, provided however that Well No. 10 shall be drilled in such a manner as to ensure tha the perforated interval of said well will be within the horizontal limits of said Unit E.

As to Well No. 8, perforations in this well shall be held to at least 8723 feet measured depth from the surface.

Very truly yours,

A. L. PORTER, Jr. Secretary-Director

ALP/DSN/esr

FILL COMSERVATION COMMISSION OF BOX 854