STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION HORRS DISTRICT OFFICE

TONEY ANAYA GOVERNOR

November 17, 1986

POST OFFICE BOX 1980 HOBBS, NEW MEXICO 88240 (505) 393-6161

Phillips Petroleum Company 4001 Penbrook Street Odessa, TX 79762

Attn: W. J. Mueller

Re: State 1-2 Well #1-E Section 2, T19S, R32E Intention to Plugback

Gentlemen:

We have received your intention to plugback from the Wolfcamp and recomplete the above-referenced well in the Bone Spring. The Bone Spring recompletion will come under the East Lusk-Bone Spring Pool which has special rules that provide for 160-acre spacing.

Please submit Form C-102, acreage dedication plat, dedicating 160 acres to the Bone Spring recompletion.

Very truly yours,

OIL CONSERVATION DIVISION

Jerry Sexton Supervisor, District I

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12.286 Called Larry Sanders. the have made. application for 13 P.