



PETROLEUM PRODUCTS

TEXACO
U.S.A.
A DIVISION OF TEXACO INC.
P. O. BOX 728
HOBBS, NEW MEXICO 88240
(505) 393-7191

July 29, 1983

LEG - CONTRACTS AND AGREEMENTS
Drilling
Central Vacuum Unit Well No. 162

New Mexico Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico 88240

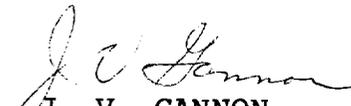
Attention: Mr. Jerry Sexton
District I Supervisor

Dear Sir:

Texaco Inc. proposes to resume drilling operations on its Central Vacuum Unit Well No. 162 on or about August 2, 1983. Drilling operations on this well have been suspended since April 15, 1983, while an attempt was made to deplete a waterflow from the salt section. To date, approximately 495,000 barrels of salt water have flowed from the well and it is currently flowing approximately 1200 BSWPD.

Texaco further proposes that within 45 days of the completion of Central Vacuum Unit Well No. 162 drilling operations will commence on a relief well to be known as Central Vacuum Unit Monitor Well No. 1. Location for this well is 960' FNL & 284' FWL, Section 6, T-18-S, R-35-E. The well will be drilled to a total depth 2800' to penetrate the salt section. Texaco will dispose of water flowing from this well through existing approved SWD wells or WI wells in the area.

Yours very truly,


J. V. GANNON
District Manager

JVG/pdh