



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

BRUCE KING
GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

September 29, 1993

Sage Energy Co.
ATT: Tonya Streun
P O Drawer 3068
Midland, TX 79702

RE: Application to Drill
T-27S, R-34E

Gentlemen:

We are approving your applications to drill three wells in the NVANU T-17S, R-34E to the North Vacuum Abo pool, but the San Andres interval in this area was once a Yates Waterflood now shut in. We will not require, but recommend that you consider cementing the San Andres interval. By properly cementing this interval to ensure protection from corrosion.

If you have any questions on this matter, please call the District office in Hobbs NM (505) 393-6161.

Very truly yours,

OIL CONSERVATION DIVISION

Jerry Sexton
District I, Supervisor

JS:dp

