STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOLIRCES DEPARTMENT

OIL CONSERVATION DIVISION HOBBS DISTRICT OFFICE



GARREY CARRUTHERS

September 14, 1989

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

Union Oil Company of California P.O. Box 1768 Andrews, TX 79714

Attn: Randy Dutton

Re: Exception To Rule 402

Gentlemen:

As requested in your letter dated September 13, 1989, and for the reasons outlined therein, the wells listed below will be exempt from the shut-in pressure test requirement of Division Rule 402. This exemption is being made on a non-expiring basis pending workover or shut in of the well.

GEM MORROW GAS POOL

North Maduro Federal #1-H Sec. 20, T19S, R33E

NORTH QUAIL RIDGE MORROW GAS POOL

Pipeline Deep Unit #3-G Sec. 7, T19S, R34E

Very truly yours,

OIL CONSERVATION DIVISION

Jerry Sexton Supervisor, District I

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cc: Llano Inc., Box 1320, Hobbs, NM 88240 - gas transporter Phillips 66 Natural Gas OCD - Santa Fe, NM