



BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE
February 11, 1980

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

Knox Industries, Inc.
P. O. Box 3023
Midland, Texas 79702

Gentlemen:

Your Form C-101 for the New Mexico State Well No. 1 located in Unit F of Section 2, T-19-S, R-34-E, has been approved by the District I office of the Oil Conservation Division, but you should be aware that it was our understanding that the well was being drilled under the drilling permit approved by this office on October 26, 1979, and the casing requirements on this permit were disregarded.

This will require additional cementing of the intermediate casing since it was set 1000' shallower than the approved permit called for, and it has been inadequately cemented to conform with Oil Conservation Division regulations.

The above confirms the telephone conversation between Mr. Wright of your office and Jerry Sexton of the Hobbs Oil Conservation Division office.

Yours very truly,

OIL CONSERVATION DIVISION

Jerry Sexton
Supervisor, District 1

JS/mc