STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT



OIL CONSERVATION DIVISION HOBBS DISTRICT OFFICE

February 20, 1989

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

Nearburg Producing Company P.O. Box 31405 Dallas, TX 75231-0405

Attn: Mr. T. R. McDonald

Re: Price Family Trust 1I Well #1

Unit I, Sec. 17, T17S, R37E

Gentlemen:

Your call advising that you would plug back and set plug above Wolfcamp and attempt to kick off in a southerly direction was received Saturday, February 17, 1989.

This letter will serve to advise that no production will be approved for this well until you have obtained approval from our Santa Fe office for the intentional directional drilling. Also, as I am sure you are aware, we require mulit-shot surveys on directionally drilled wells.

Very truly yours,

OIL CONSERVATION DIVISION

Jerry Sexton Supervisor, District I

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