



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

February 16, 1982

BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

PO BOX 1980
HOBBS, NEW MEXICO 86240
(505) 393-6161

Julian Ard
P. O. Box 17360
Fort Worth, Texas 76102

Dear Mr. Ard:

We have received from the U. S. G. S. an approved copy of a Notice of Intent to Drill for your South Teas Federal Well No. 1 to be drilled in Unit G of Section 23, T-20-S, R-33-E, Lea County, New Mexico.

Although this well is shown as a wildcat on the form, it is in fact within a mile of the Teas Pennsylvanian Pool, which has special spacing rules. The special rules require that a well be located no nearer than 990 feet to the outer boundary of a quarter section, thus making this proposed location unorthodox. Actually, the location is unorthodox for a wildcat well, for that matter.

Before production will be authorized from a well at this location, it will be necessary for it to be approved by the office of the Oil Conservation Division in Santa Fe, either administratively or after hearing, whichever is appropriate.

Yours very truly,

OIL CONSERVATION DIVISION

Jerry Sexton
Supervisor, District 1

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NSA