STATE OF NEW MEXICO



ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION HOBBS DISTRICT OFFICE

GARREY CARRUTHERS

August 12, 1990

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

Xeric Oil and Gas Company P.O. Box 51311 Midland, TX 79710

Attn: Randall Capps

Re: Fina State Well #1-L Section 31, T19S, R35E

Gentlemen:

As indicated on your completion report, the above-referenced well has been completed as a gas well in the Seven Rivers formation. As a gas well it will require 160-acre dedication and also the location,(330/W and 1650/S) is unorthodox and will require approval from our Santa Fe office. This approval may be obtained by making administrative application for an unorthodox location as covered in Rule 104 F.

In order to complete our records for this well please submit Form C-103 covering the setting, cementing and testing of casing strings. Also, submit Form C-102, acreage dedication plat outlining the 160 acres to be dedicated to this Seven Rivers gas well.

When the gas is connected to a gathering system please file another C-104 showing gas connection date. (Only sections I, II, & III will need to be completed).

Very truly yours,

OIL CONSERVATION DIVISION

Jerry Sexton Supervisor, District I