



Texaco USA

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Hobbs NM 88240
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Unit L

Sec. 1, T202, R368

DATE: July 27, 1995

TO: Mr. Jerry Sexton
New Mexico Oil Conservation Division
P.O. Box 1980
Hobbs, New Mexico

FROM: Tom Sebastain
Texaco, E & P, Inc.

SUBJECT: New Mexico "E" State Nct-1 #6

During the completion of New Mexico "E" State Nct-1 #6, gas or air was noted escaping from around the annulus of the surface casing. At that time, a PhD (Tri-sensor) monitor was used to determine the nature of what was escaping. The monitor indicated that it was not hydrogen-sulfide gas, carbon dioxide or any explosive gases. The surface bradenhead was checked for pressure. There was none. The annulus between the surface (8 5/8") and production casing (5 1/2") was loaded with fresh water and tested to 200# psi. There was no indication of communication or leaks.

At this time, we plan to leave the cellar open and check periodically. If you have any questions or would like to discuss this matter further, please call. My number is 393-1098.

Sincerely,

Tom V. Sebastain