THE TEXAS COMPANY

Fort Worth, Texas, May 27, 1932.

41478 - State A-3 Well, Lea County, New Mexico.

Mr. W. F. Batson, Wink, Texas.

Dear Sir:

I have your memorandum attached to "Notice of Intention to Drill" the above well, which bears the notation of Mr. J. D. Hunter, State Oil and Gas Inspector, that $8\frac{1}{4}$ " casing must be cemented to 120' of the surface.

We do not believe that it is necessary to cement the $8\frac{1}{4}$ " casing to the surface in order to protect the salt and water horizons in accordance with the rules and regulations set out by the New Mexico State Land Office, under the supervision of the State Geologist.

The casing program outlined by us for our State A-3 anticipates that 120' of $12\frac{1}{2}$ " casing will be cemented for the purpose of sealing off any surface water, and that 1700' of $8\frac{1}{4}$ " casing will be cemented with approximately 70 sacks of cement for the purpose of protecting salt strata occurring below the seat of this string. We feel that the water horizon expected between 900' and 1000' in this well will be amply protected by the heavy rotary mud. We anticipate cementing the $6\frac{1}{4}$ " casing at approximately 3600' with 70 sacks of cement, which completely seals off any oil, water or gas from the salt section. We feel that cementing the $8\frac{1}{4}$ " casing from top to bottom would cause us an undue expense which would not accomplish any better protection of the Mr. W. F. Batson. -2- May 27, 1932.

various strata than we have provided in our program.

We further cite the casing program of other wells which have been completed in that area, as follows:

| B. V. Lynch No. 1: | 256' 606' 1002' 1475' | - 18-5/8" - 16" - 13-3/8" - 10" | (Pulled) (Pulled) |
|--------------------|--------------------------------|--|------------------------------|
| | | | (Cemented with 225 sacks) |
| State A-1: | 121' | - 18-5/8" | |
| | 621' | - 15-1/2" | (Pulled) |
| | | - 12-1/2" | ` |
| | | - 10" | (Cemented with 70 sacks) |
| | 35901 | - 8-5/8" | (Cemented with 70 sacks) |
| State A-2: | 1261 | - 20" | - |
| | | - 15-1/2" | |
| | | -12-1/2" | (Pulled) |
| | | | (Cemented with 70 sacks) |
| | 3615 ' | - 6-1/4" | (Cemented with 70 sacks) |

None of the above strings were cemented except as shown and it occurs to us that the cementing practice followed in other wells in that area and which has been found satisfactory, should also be satisfactory in our State A-3 well with the further protection afforded by the heavy rotary mud behind the $8\frac{1}{4}$ " casing in our State A-3, which was not present in the other wells on account of their being drilled with cable tools.

I am attaching hereto an extra copy of this letter which is to be delivered by you to Mr. Hunter and, at the same time, you will please explain to him why the casing program outlined in our original "Notice of Intention to Drill" should be satisfactory and, if possible, get him to relieve us of the obligation to cement the $8\frac{1}{4}$ " casing from top to bottom. Mr. W. F. Batson.

-3-

May 27, 1932.

Please let this have your prompt attention and advise me as soon as possible.

Very truly yours, Barrowsk

CBW-H cc-Mr. J. D. Hunter TTF-AEW

NOTE TO W F BATSON NOT ON MR HUNTER'S COPY:

Please see if you can get Mr. Hunter to relieve us of the requirement to cement the $8\frac{1}{4}$ " casing from top to bottom.