



IN REPLY REFER TO:

UNITED STATES OFFICE O.C.G.
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Water Resources Division
P.O. Box 4217
Albuquerque, New Mexico 87106
June 7, 1967

Mr. F. F. Lovering
Manager, Southwestern Region
Phillips Petroleum Company
Phillips Bldg. 4th and Washington
Odessa, Texas 79760

Dear Mr. Lovering:

Subject: Possible acquisition of Phillips Petroleum Company
No. 1 Hat Mesa Unit, Sec. 11, T. 21 S., R. 32 E.,
Lea County, New Mexico for use as Capitan aquifer
Water observation well. Federal lease No. NM 0257272

This office is engaged in a study of the hydrology of the subsurface Capitan Limestone and associated formations in southeastern New Mexico and western Texas. As part of this program we are establishing a network of water level observation wells using abandoned cased oil tests as the observation wells. In the event that the No. 1 Hat Mesa Unit should prove to be an unsuccessful exploration test and would be plugged by Phillips, the Water Resources Division would like to include this well in our observation program.

If the Water Resources Division of the U.S. Geological Survey would be able to take over the hole after it had been plugged back to the base of the Capitan Limestone, we would assume all future costs, expense, and liability with respect to plugging and abandonment in accordance with the prevailing U.S.G.S. Branch of Oil and Gas Operations regulations. Phillips Petroleum Company would probably want to reserve the oil and gas rights to this well as we are interested only in water information.

This proposal has been discussed briefly with Mr. W. J. Mueller, associate reservoir engineer in Odessa. If you would like to discuss this proposal further please do not hesitate to call me collect at 505 247-0311, extension 2246. We certainly appreciate your cooperation with our study. Thank you.

Sincerely yours,

William L. Hiss
William L. Hiss
Hydrologist

For W. E. Hale, District Chief

cc: Mr. John Anderson, USGS Branch of Oil and Gas Operations, Roswell, N.Mex.
Mr. Michael P. Solan, Bureau of Land Management, Santa Fe, N. Mex.
Mr. D. S. Nutter, Chief, Engineer, N. Mex. Oil Conservation Com, Santa Fe
Mr. J. S. Havens, WRD, U.S.G.S. Carlsbad, New Mexico
Mr. Arthur Brown, USGS Branch of Oil and Gas Operations, Hobbs, N.Mex.
Mr. Joe Ramey, New Mexico Oil Conservation Com. Hobbs, N. Mex. ✓