



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
HOBBS DISTRICT OFFICE

September 11, 1989

GARREY CARRUTHERS  
GOVERNOR

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

Texas Crude Inc.  
P.O. Box 2359  
Midland, TX 79702

Attn: Mr. E. Dale McCarter

RE: Recompletion  
Kincheloe "2" State #1  
Unit S, Section 2, T21S, R36E

Gentlemen:

Our approval of your proposed recompletion of the above-referenced well is subject to the following:

The Oil Center Glorieta is a gas pool with 160-acre proration units. You propose an oil well completion with 40 acres dedicated.

This pool consists of one gas well and four oil wells and the OCD is proposing the pool be reclassified from a gas pool to an oil pool. However, should opposition be received to this change in pool classification and your well is completed with a GOR in excess of 100,000/1 it will be classified as a gas well and will require 160 acres be dedicated to it. It is not the current policy of the OCD to approve non-standard gas proration units in unprorated gas pools, and after looking at the other wells in this pool it appears you would not have 160 acres to dedicate to a gas well since there is another well in the SW/4 of Section 2.

Let me remind you that any recompletion work is strictly at your own risk pending the outcome of the proposed reclassification of this pool. I have enclosed a copy of my letter to the current operators in this pool concerning our recommendation for reclassification.

If you have any questions concerning this, please feel free to contact me.

Very truly yours,

OIL CONSERVATION DIVISION

Jerry Sexton  
Supervisor, District I

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*Handwritten note:* Enclosed is a copy of my letter to the current operators in this pool concerning our recommendation for reclassification.