



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

January 23, 1984

TONY ANAYA
GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88240
(505) 393-6161

Natomas North America Inc.
1010 Gibraltar Savings Center
Midland, TX 79701

Attn: Mr. Jack Goodwin, Division Manager

Gentlemen:

On January 11, 1984, the New Mexico Oil Conservation Division convened the final nomenclature committee meeting. The committee accomplished its goal to standardize the formation tops in the Delaware Basin in Lea County, New Mexico, for the Bell Canyon, Cherry Canyon, Brushy Canyon, Bone Spring, Strawn, Atoka and Morrow formations.

The final cross sections will be incorporated into the pool rules of the OCD study area. This will be accomplished at the Examiner Hearing for February 29, 1984. At this hearing we will seek three exceptions for wells which cross the proposed boundaries, one well reclassification of its producing interval, the abolishment of three pools, the creation of two new pools, and the extension of one pool.

According to our records your State 23 Well #2-F (1980/N & W) of Section 23, T23S, R34E, is completed as follows:

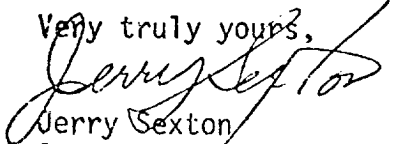
- Atoka & Morrow dual completion
- Atoka Perfs 12033-052' & 12796-802'
- Packer -- 13006'
- Morrow perfs 13232-298'
- Nomenclature Morrow top -- 12764'

In order to avoid the relocation of the packer in this well, an exception will be granted allowing the well to remain as it now is.

According to our records your State 23 Well #1-N in Sec. 23, T23S, R34E, is now classified as an Antelope Ridge Atoka Gas well with perfs at 12903-21'. The nomenclature Morrow top is at 12873' which is higher than your perfs of 12903-21', therefore this well will be reclassified from Antelope Ridge Atoka to Antelope Ridge Morrow.

The final cross sections will be available in Hobbs from Superior Reproductions at (505) 393-4061. Please review the above and inform us in writing whether or not you are in agreement with the proposed grandfathered-in exception and pool change outlined in this letter.

Very truly yours,


Jerry Sexton
Supervisor, District I

JS/PK/ed