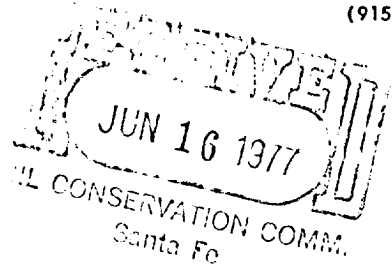


COQUINA OIL CORPORATION
P. O. DRAWER 2960
MIDLAND, TEXAS 79702

June 14, 1977

(915) 682-6271

Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501



Re: Texaco State Well
No.1-P, Section 16
T23S R37E, Lea Co.
New Mexico

Attention: Mr. Joe D. Ramey

Gentlemen:

Please reference our subject letter of May 13, 1977 indicating our plans to cement off the Langlie Mattix zone in reply to your letter of May 5, 1977.

Due to the marginal status of our well, we have experienced reticence on the part of some of our partners to approve monies for workover in lieu of plugging and abandoning the well with casing recovery.

As discussed with Mr. Runyon in your Hobbs office, Texaco's District Engineer in Hobbs, Mr. Sprague, advised yesterday that Texaco will probably not initiate water injection into the Langlie Mattix zone until late this year or early 1978.

We, therefore, request permission to defer workover or abandonment of our subject well to coincide with initiation of water injection into Texaco's proposed injection well No. 10, New Mexico "BZ" State.

Yours very truly,

COQUINA OIL CORPORATION


J. C. Solari

Manager of Production

JCS:kyr

cc: Mr. Jerry Sexton, Hobbs NMOCC

Jerry:
Would have no objection to this. Suggest you check with Texaco & confirm start up time.

Let me know.



6-20-77 doc: TEXACO IS HOPING FOR A START UP IN LATE AUG. OR EARLY SEPT. OF THIS YEAR. I TALKED TO MR SPRAGUE MENTIONED ABOVE. HE WILL GIVE ME A CALL ABOUT 1 MO. BEFORE START UP IF YOU WANT TO HANDLE IT THIS WAY.