COQUINA OIL CORPORATION

in if the Spethwest, Metherd, Texas 78701 (1915) and 111

January 18, 1971

New Mexico Oil Conservation Commission P. O. Box 1980 Hobbs, New Mexico 88240

Attention: Mr. Joe Ramey

RE: Coquina Oil Corporation Texaco State 1-P, 16-23-37 Gas Connection for sale of Casinghead Gas

Gentlemen:

El Paso Natural Gas Company has this well under contract to purchase the casinghead gas.

El Paso Natural Gas Company informs me that they are currently in the process of obtaining Right of Way for the gathering lines, but that Right of Way clearance has not been received (see attached letter from El Paso Natural Gas Company). In addition, we have pending a request for a Small Producers Certificate. Approval of this request is expected about February 15, 1971.

Sincerely yours,

COQUINA OIL CORPORATION

/J. B. Taylor Superintendent

JBT/pv

Encl. 1

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OIL CONSERVATION COUNTY

El Paso Natural Gas Company

El Paso, Texas 79999

January 15, 1971

ADDRESS REPLY TO: 600 BUILDING OF THE SOUTHWEST MIDLAND, TEXAS 79701

Coquina Oil Company 400 Building of the Southwest Midland, Texas 79701

Attention: Jim Taylor

Gentlemen:

This is to advise that El Paso Natural Gas Company is in the process of obtaining Right of Way to connect your Texaco-State #1 well, located 330' FSL and 660' FEL of Section 16, T-23-S, R-37-E, Lea County, New Mexico.

We expect Right of Way to be obtained within the near future and will have the well connected a short time after Right of Way clearance has been received.

Yours very truly,

H. O. Whitt

Gas Contracts and Records

HOW:om

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OIL CONSERVATION COMM.