



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

GARREY CARRUTHERS
GOVERNOR

May 24, 1988

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

Highland Production Company
810 North Dixie Blvd, Suite 202
Dessa, TX 79761

Attn: Mr. Marvin L. Smith

Re: Conoco A Federal #1-G 19-26-32
Conoco A Federal #2-H 19-26-32

Gentlemen:

We have received copies of the above-referenced applications for permit to drill which have been approved by the BLM.

This is to advise that your Conoco A Federal #1 will be considered as a Wildcat Bone Spring well instead of East Mason Bone Spring as you had indicated. The Conoco A Federal #2 will come under the North Mason-Delaware Pool instead of the East Mason Delaware as indicated on your APD.

If you have questions concerning the above, please contact this office.

Very truly yours,

OIL CONSERVATION DIVISION

Jerry Sexton
Supervisor, District I

JS/ED/ed