

DENVER PRODUCING DIVN. MANAGER FILE		
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November 5, 1963

WAIVER TO REDRILL
KNUDSON WELL NO. 2
LUFT FIELD
LOGAN COUNTY, COLORADO

AIR MAIL

Mr. H. R. Thompson (2)
Shell Oil Company
P. O. Box 2547
Billings, Montana

Dear Sir:

This letter confirms the telephone discussion of November 4, 1963 between Mr. Winn of Shell Oil Company and Mr. Thornton of Texaco concerning the above subject.

Texaco Inc. requests a waiver or consent, in writing from Shell Oil Company as Unit Operator of the Luft Field Unit Water Flood to re-enter or redrill Texaco's D. M. Knudson Well No. 2 located SW SE NE, Section 17-T8N-R53W, Logan County, Colorado, to test the Dakota "D" and "J" Sands.

Knudson Well No. 2 was originally drilled and plugged and abandoned in October 1952. At that time well spacing was 20-acre drilling units. On July 22, 1958 the field limits of Luft Field were revised (reduced) to coincide with the Luft Unit Area and the Knudson No. 2 Well is outside the Luft Unit Area. The area outside the Luft Unit Area has been operating under 1956 general well spacing rules of the Colorado Oil and Gas Conservation Commission, specifically Rule 317 which specified 40-acre spacing units and 600-foot setback from the lease or property line.

The location of the Knudson No. 2 Well is 330 feet north and 330 feet east of the Luft Unit boundary. Rule 317 of the Colorado Oil and Gas Conservation Commission allows the drilling of a well closer than 600 feet to the lease or property line when a waiver, or consent, in writing is signed by the lease owners toward whom the well location is proposed to be moved. Knudson No. 2 Well is a diagonal northeast offset to the Shell Oil Company Morris No. 4 Well, now included in the Luft Water Flood Unit.

Mr. H. R. Thompson

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November 4, 1963

Texaco requests approval to re-enter (redrill) Texaco's Knudson No. 2 as an excepted location in the SW SE NE, Section 17-T8N-R53W, Logan County, Colorado. Please return one signed copy of this letter to this office to serve as Shell Oil Company's approval of a waiver, or consent, in writing for the excepted location, Knudson No. 2.

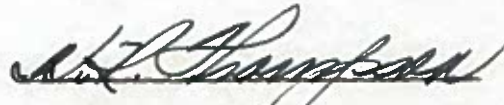
Very truly yours,

SIGNED: J. F. NEILL

J. F. Neill

JTT-WH

Approved and Waived



For ~~By~~ SHELL OIL COMPANY

Date November 8, 1963