



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OFFICE OF THE SECRETARY
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-8980

Jennifer A. Salisbury
CABINET SECRETARY

October 20, 1997

Southwest Royalties Inc.
ATT: Anna M. Schelling
P. O. Box 11390
Midland, TX 79702-1390

RE: Reclassification of Well
Sholes A, #2-A
Sec. 24-T25S-R36E
Jalmat Tansill Yates SR Pool

Gentlemen:

The annual Gas-Oil-Ratio Test for the above-referenced well indicated this well should be reclassified from an oil well to a gas well in the Jalmat Pool, with the oil allowable being cancelled effective January 1, 1998.

If for some reason you feel this test does not reflect the proper classification of this well, please submit another test for our consideration by November 3, 1997.

If the well is to be reclassified from oil to gas you will need to submit the following:

- 1.) Form C-102 acreage dedication plat for the well, outlining a standard 640 acres proration unit or application for a NSP.
- 2.) Form C-104 showing reclassification from oil to gas effective January 1, 1998, indicating transporters of condensate and dry gas for this well.
- 3.) Indicate if gas well gas is separately metered.

If you have questions concerning the above, please contact Nelda Morgan at (505) 393-6161.

Very truly yours,

OIL CONSERVATION DIVISION

Chris Williams
Chris Williams
Supervisor, District I

CW:nm

11-13-97


Remains Oil

3

Submit 2 copies to Appropriate District Office.
 DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240
 DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210
 DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
 Energy, Minerals and Natural Resources Department
OIL CONSERVATION DIVISION
 P.O. Box 2088
 Santa Fe, New Mexico 87504-2088

Form C-116
 Revised 1/1/89

11-13-97


Mary

GAS - OIL RATIO TEST

| Operator | | Pool | | County | | | | | | | | | | | |
|---|----------|---------------------------------------|----|---|--------------|--------------------|-----------|--------------|-------------------|----------------------|-------------------|------------|-----------------------------|-----------|---------|
| 021355 SOUTHWEST ROYALTIES INC | | 33820 JALMAT TANSILL YATE SEVEN RIVER | | LEA | | | | | | | | | | | |
| Address | | TYPE OF TEST - (X) | | Completion | | | | | | | | | | | |
| P O BOX 11390 MIDLAND TX 79702 | | Scheduled <input type="checkbox"/> | | Special <input checked="" type="checkbox"/> | | | | | | | | | | | |
| LEASE NAME | WELL NO. | LOCATION | | | DATE OF TEST | TYPE OF TEST - (X) | CHOKESIZE | TUBG. PRESS. | DAILY ALLOW. ABLE | LENGTH OF TEST HOURS | PROD. DURING TEST | | GAS - OIL RATIO CU.FT./BBL. | | |
| | | U | S | T | | | | | | | R | WATER BBL. | | GRAV. OIL | OL BBL. |
| 018087 Sholes A <i>Remains Oil</i> | 1 | P | 24 | 25S | 36E | 09/16/97 | P | — | M | 24 | 6 | 27.2 | 2 | 169 | 84500 |
| | 2 | A | 24 | 25S | 36E | 09/18/97 | P | — | M | 24 | 2432 | 27.2 | 3 | 96 | 32000 |

Instructions:

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Division.
 Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F.
 Specific gravity base will be 0.60.
 Report casing pressure in lieu of tubing pressure for any well producing through casing.

I hereby certify that the above information is true and complete to the best of my knowledge and belief.

Anna M. Schelling
 Signature

Anna M. Schelling/Regulatory Analyst
 Printed name and title

November 5, 1997
 Date
 915/686-9927
 Ext 307
 Telephone No.

(See Rule 301, Rule 1116 & appropriate pool rules.)

