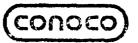
Love



L. P. Thompson
Division Manager

E. L. Oshlo Assistant Division Manager

Production Department Hobbs Division North American Production

February 15, 1978

Continental Oil Company P.O. Box 460 1001 North Turner Hobbs, New Mexico 88240 (505) 393-4141

c 0 1979

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

Attention Mr. R. L. Stamets

Gentlemen:

My letter dated November 28, 1977 requested that Stevens B No. 8-A-12-23-36 and McCallister A No. 2-A-24-26-36 be reclassifed to salt water disposal wells. This request was prompted by a call from your Hobbs office asking that this action be taken. Upon further review of the situation, we believe that our November 28 letter was not in accordance with the facts and Continental's needs.

The Stevens B No. 8 well is receiving water into the producing formation for the Langlie Mattix Pool. There is currently underway an effort to unitize this area into the King Langlie Mattix Unit to be operated by Getty Oil Company. The Stevens B No. 8 will probably be an injector in this unit waterflood. We are currently monitoring fluid levels in offset wells; and as soon as a response is noted, those wells will be placed on production.

McCallister A No. 2 was authorized as an injection well in the Scarborough Pressure Maintenance Project. Upon checking our injection reports, we find that production from offsetting wells has not been reported. There are three direct offsets to this injector: (1) Amoco Farnsworth A Fed. No. 2, (2) Continental's Eaves A No. 6, and (3) Continental's McCallister A No. 7.

Our review indicates that the original classification of these wells was correct, and we hereby request that they now be reclassified to their original status as injection wells.

Yours very truly,

E.C. Oesle

YTL/jj

CC: C. F. Ellis - Houston

G. E. Downing - Ponca City

B. E. Gillespie - Hobbs