

Ox Is

AMERADA HESS CORPORATION

P.O. DRAWER "D"
MONUMENT, NEW MEXICO 88265

July, 24, 1992

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

Attn: Mr. Jerry Sexton

Mr. Sexton:

We recently received a letter from your office dated July 16, 1992 regarding a packer leakage test on NMGSAU #511, (formerly the Phillips Petroleum Land Office #1), located in Unit K, Section 19, Township 19S, Range 37E. The letter stated that a packer leakage test must be received by July 30, 1992 to prevent cancellation of allowable.

The NMGSAU #511 presently has a Baker Model "R" packer set at 3746', between the closed in Eumont perforations and the producing Grayburg San Andres perforations. We have AFE approval to run 1400' of 5-1/2" flush joint liner across the Eumont and Grayburg completion intervals. Isolation between the zones will be achieved through cementation. Furthermore, we are planning to commence this work on or before August 15, 1992.

As a result, we request a waiver of the packer leakage test and cancellation of allowable on July 30th, and, will notify your office when the workover begins. Thank you for your assistance in this matter; and, if you require any additional information, please contact Al Young at 393-0253.