

SKELLY OIL COMPANY

Eunice, New Mexico

October 14, 1954

Mr. A. Cummings
R. Olsen Oil Company
Jal, New Mexico

Dear Sir:

In response to your request that the Skelly Oil Company consider tying into their gathering system your Olsen-State "B" well #1, located in Southeast quarter of the Southwest quarter, Section 18, Township 21s, Range 37e, Lea County, New Mexico, to determine if we could afford to take the gas from this well and we have run tests as shown below.

A flow meter was set on this well and run for three days. During this period the well flowed for a few minutes one time per day. A total volume was calculated to be approximately 5,654 cubic feet per day. This would cost us \$1,500.00 in labor to install 5,280 feet of gathering system and 4" metering equipment that would be required to tie in this gas.

In view of the small amount of gas available, it would be impossible for Skelly Oil Company to tie in this gas to our gathering system and ever receive a payout.

Yours very truly,



J. R. Green

District Superintendent

JRG/bn