

Another method given consideration was to simply watch for significant changes in the amount of condensate produced from the two zones. The Morrow is very dry gas with liquid recoveries of 4 BPM or less, whereas the Wolfcamp is very wet in comparison with liquid recoveries around 100 BPM. Since gauge reports are submitted to this office by the contract pumper at eight day intervals, it is very easy to monitor the condensate production. With the packer set at 11,415' and the bottom of the Wolfcamp perforations at 9821', there should be approximately 1590' of "dead" fluid above the packer as shown on the attached well schematic and a leaking packer should cause a significant increase in liquid production from the Morrow zone which would be readily detectable.

Champlin therefore respectfully requests that in lieu of the annual packer leakage test on this particular well, the State "36" #1, that the Oil Conservation Division of the State of New Mexico Energy & Minerals Department accept a certified copy of Champlin's eight day gauge report showing the daily liquid production from the Morrow & Wolfcamp zones separately. Champlin, at the Division's discretion, would maintain a file of these gauge reports and/or submit to the Oil Conservation Division a certified copy of each report as it is received from the "pumper". Should conditions suggest the packer is leaking, Champlin will take the necessary steps to ascertain whether or not a leak exists and will correct the situation to the satisfaction of the Oil Conservation Division.

The patience and consideration of the Oil Conservation Division regarding this matter in the past has been greatly appreciated and Champlin hopes the Oil Conservation Division will look on this request favorably.

Yours very truly,

CHAMPLIN PETROLEUM COMPANY



K. W. Lewis
District Engineer

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Attachments