



STATE OF NEW MEXICO

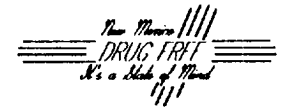
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
AZTEC DISTRICT OFFICE

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AZTEC, NEW MEXICO 87410  
(505) 334-6178



March 16, 1992

Robert G. Flesher  
Phillips Petroleum Company  
5525 US HWY #64 NBU #3004  
Farmington, NM 87501

Re: San Juan 32-8 Unit wells, # 36 G-25-32N-08W, #37 I-23-32N-08W,  
#41 F-23-32N-08W

Dear Mr. Flesher:

The decision has been made by this office to reverse the classification on the referenced wells to their original designation of Los Pinos, North Fruitland Sand. The reversal is based on the evidence that was presented at the conclusion of the 30 day investigation, from the core that Meridian presented at the meeting of March 13th at their Farmington office. The core data indicates that the sand in question doesn't appear to be marine by it's angular to sub-angular sands, absence of burrowing organisms and only traces of glauconite. Questions were also raised and left unanswered by presentations by both Phillips and Meridian of their respective interpretation from cross sections through the area. Other data such as gas, water and pressure analysis is inconclusive.

To effect the change Phillips will submit new C-104s for each well changing the pool back to the original designation.

If you have any questions, please contact me.

Your's truly,

Ernie Busch  
District Petroleum Geologist

cc: Frank D. Gorham III-PWG Partnership  
Kirk Czirr-Phillips Petroleum Company  
Duanne Spenser-BLM Farmington  
Bill Hobbs-Meridian Oil Inc.  
Richard Fraley-Meridian Oil Inc.  
Alan Alexander-Meridian Oil Inc.  
Tommy Nusz-Meridian Oil Inc.