



BLISS PETROLEUM, INC.

(505) 393-7320

P.O. BOX 1817

HOBBS, N.M. 88241

August 27, 1985

Mr. J. T. Sexton
Supervisor
New Mexico Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico 88240

Re: Application to rod pump the State "AR" No. 2

Dear Mr. Sexton:

We respectfully request that we be allowed to rod pump the State "AR" No. 2; Sec. 2, T11S, R37E, Lea County, New Mexico.

DISCUSSION:

The well was formerly owned by Texaco, Inc. and was completed in the Echols Devonian. It was P&A'd in April of 1973. Bliss Petroleum, Inc. acquired the well in a farmout with AMOCO Production Company in September of 1983. In September and October of 1983 an unsuccessful reentry attempt was made with the goal of tying back the 5 1/2" casing to surface and producing the Echols Devonian. Casing was run to surface, but it was not possible to get inside the 5 1/2" stub. The well was finally T&A'd on 10-11-83.

Subsequent to the well having been T&A'd, it has been discovered that there is oil at the surface and that the well pressure builds to 90 psig. Upon blowing the casing down, it has been possible to produce 2-3 BOPD every few days.

In March of 1985, an oil analysis was run on a sample from the State "AR" No. 2 and an offset, operated by Bliss Petroleum, Inc., the State "AR" No. 4; (currently rod pumping the Echols Devonian: 11,425 - 11,580 (OH)) 1950' FSL & 1650' FWL, Sec. 2, T11S, R37E, Lea County, N.M.. The oil sample from the No. 2 looks similar to the sample from the No. 4.

It is believed that if rod pumped from approximately 3900 feet that the well could produce 5-6 BOPD and 150 BWPD. Rods and tubing were run in the well and a pumping unit has been set this month. We began pumping the well on 8-14-85.