

# Presidio Oil Company

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## SUBSIDIARIES

Peake Operating Company  
Presidio Energy, Inc.  
Presidio Exploration, Inc.  
The Desana Corporation  
The Petroleum Corp. of Delaware

April 5, 1988

Jim Bruce  
Hinkle, Fox, Eaton, Coffield & Hensley  
218 Montezuma  
Santa Fe, New Mexico 87504-7068

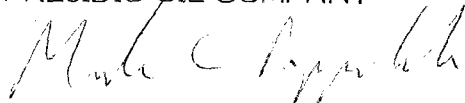
Dear Jim:

On April 4, I spoke with Darryl Moore with the New Mexico Oil and Gas Commission in Artesia concerning the Atoka/Morrow problem on the Superior Federal #6 well. New Mexico recognizes the top of the Atoka at 10488' and the top of the Morrow at 10990'. Originally, the well was completed below New Mexico's Morrow top. In May, 1987 the well was recompleted in several shallow zones, one of which was from 10952'-10958'. This zone is in the Atoka Formation. The well was producing 475 Mcf per day prior to the recompletion and 600 Mcf per day after. I don't feel that the Atoka zone is contributing a large volume of gas but is probably contributing some.

Presidio is allowed to produce from the Morrow and Strawn but the Atoka may be questionable. Any help you could give to rectify this situation would be greatly appreciated.

Sincerely,

PRESIDIO OIL COMPANY



Mark C. Poppendeck  
Geologist

MCP/ds

