

P. O. DRAWER DD
ARTESIA, NEW MEXICO 88211

April 23, 1982

Holly Energy Inc.
P.O. Box 726
Artesia, N.M. 88210

RE: REPORT (X) DUE NOTICE

Cowtown Loyd

#1-I-14-18-28

Travis Upper Penn

GAS OIL RATIO TEST DUE May 24, 1982

Under the provision of Rule 301, Division Rules & Regulations, a Gas-Oil Ratio Test must be taken on the subject well and reported to this office on Form C-116. The test must be taken not sooner than 20 days nor later than 30 days following completion of the well. During gas-oil ratio tests, each well shall be produced at a rate not exceeding top unit allowable for the pool in which it is located by more than 25 percent. No well shall be assigned an allowable greater than the amount of oil produced on official tests during a 24-hour period.

SUBSURFACE PRESSURE TEST DUE

WILDCAT WELLS ONLY: Rule 302, provides in part that "The operator shall make a subsurface pressure test on the discovery well of any new pool hereafter discovered and shall report the results thereof to the Division within 30 days after completion of such discovery well." The results of this test should be filed in triplicate with appropriate Division Office on Division Form C-124.

MULTI POINT BACK PRESSURE TEST FOR GAS WELLS DUE

To establish comparable open flow capacity, all gas wells shall be tested in accordance with the Division "Manual for Back Pressure Testing of Natural Gas Wells". Such test shall be reported on forms prescribed by the Division within 60 days after (1) the date of the initial connection of a well and (2) the date of re-connection following workover. Tests of unconnected gas wells are to be submitted within 40 days following the installation of a Christmas Tree, Rule 401.