

August 11, 1997

New Mexico Oil Conservation Division, District II
811 South 1st Street
Artesia, N. M. 88210

Attn: Mr. Tim Gum
District II Supervisor

Re: Gas Well Shut-In Pressure Report Exemption Request
Dow B 33 Federal #2
Unit Letter C, Sec. 33, T-17-S , R-31-E
API 30-015-27675; Loco Hills-Atoka, East (Gas)

Mr. Gum:

Texaco Exploration and Production Inc. requests an exemption from the Gas Well Shut-In Pressure Report for 1997 for the above well. This well is currently averaging 115 BOPD and 2315 MCF. Considering the well's significant gas production, if the twenty-four hour shut-in pressure test is conducted, both TEPI and the State of New Mexico will realize lost revenues. In addition to the lost revenue, there is the possibility of killing the well while it is shut-in for the pressure test. This would mean additional downtime and swabbing costs.

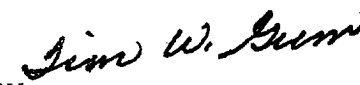
It is understood that if this exemption is approved that it applies only to the Gas Well Shut-In Pressure Report for 1997. It is also understood that if this well is shut-in for any other reason, the shut-in pressure test will then be conducted.

If you have any questions concerning this request, please contact Ray Short or Mike Parker in TEPI's Carlsbad office at 887-5676. My phone number is 397-0418. Thank you for your assistance with this request.

Yours very truly,



Monte C. Duncan
Engineer's Assistant


Approved by _____
Approval Date 8/18/97

/mcd, Chrono
cc: Ray Short, TEPI