

PENROC Oil Corporation

P. O. DRAWER 831 • MIDLAND, TEXAS • 79701

Telephone (915) 683-1861

April 18, 1974

Re: Penroc Oil Corporation
Dero "A" Federal Comm.
No. 2-J, Sec.35,19S,28E
Eddy Co., New Mexico

New Mexico Oil Conservation Commission
P. O. Drawer DD
Artesia, New Mexico 88210

RECEIVED

Attention Mr. W. A. Gressett
District II Supervisor

APR 19 1974

Dear Sir:

O. C. C.
ARTESIA, OFFICE

Attached are Forms C-104 and a tabulation of deviations for the above captioned well.

As we discussed by phone April 11, 1974, Phillips Petroleum Co. attempted to conduct a 4-point test on the well but because of its erratic nature of flow was unable to achieve a valid set of results. It was decided to await pipeline connection and try again. Connection was made April 3, 1974 and within a short period of time the well could not sustain a level of flow against the line pressure of 1050 psi.

A compressor was installed and started April 6, 1974. On the 7th of April the flow was 1.5 million gas and 126 barrels condensate. Each day hence has seen a steady improvement to where on the 14th of April the flow was 1.775 million gas and 225 barrels condensate. Production will no doubt continue to improve as the well cleans up.

The flow gauge through the compressor noted above has been reported as the initial potential of the well. If more information is needed please let me know.

Very truly yours,

PENROC OIL CORPORATION


Sterling J. Talley

SJT/be