



c/5F
Up

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
New Mexico DF State Com #1
Unit Letter J, Sec. 32, T-21-S , R-23-E
API 30-015-10723; Indian Basin Upper Penn. (Pro Gas)

New Mexico DF State Com #3
Unit Letter G, Sec. 32, T-21-S , R-23-E
API 30-015-29284; Indian Basin Upper Penn. (Pro Gas)

Mr. Gum:

Texaco Exploration and Production Inc. requests an exemption from the Gas Well Shut-In Pressure Report for 1997 for the above two wells. The New Mexico DF State Com #1 is currently averaging 4 BOPD and 3644 MCFD. The New Mexico DF State Com #3 is currently averaging 8 BOPD and 2483 MCFD. Considering the significant gas production of these two wells, if the 24 hour shut-in pressure tests are conducted, both TEPI and the State of New Mexico will realize lost revenues. In addition to lost revenue, there is the possibility of killing the wells while they are shut-in for the pressure tests. 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 these wells are shut-in for any other reason the shut-in pressure tests 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