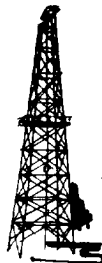


HEYCO

PETROLEUM PRODUCERS



HARVEY E. YATES COMPANY

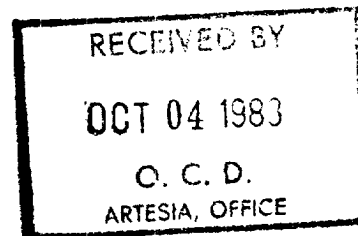
P. O. BOX 1933

SUITE 300, SECURITY NATIONAL BANK BUILDING

505/623-6601

ROSWELL, NEW MEXICO 88201

October 3, 1983



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

Attention: Mr. Les Clemments

Re: Cedar Hills Com #2
G, Sec. 15, T-21S, R-37E
Burton Flats - Morrow
Burton Flats - Strawn
October 15, Packer Leakage Test

Dear Les:

Last year the Cedar Hills Com #2 was granted an exemption to running a packer leakage test. The history of the well indicates that whenever the well is shut in due to the Gas Company of New Mexico requiring HEYCO to shut the well in, or due to mechanical problems, or packer leakage test, the well is unable to recover from said shut in. The well then requires that a swab unit be put on the well for three to four weeks before returning the well to productive levels.

The well is currently undergoing swabbing procedures, this being the fourth week to attempt to produce the well after being shut in due to Gas Company of New Mexico line problems. The well currently has a mechanical problem down hole due to a swab that was lost in the hole and your office was contacted on September 14, 1983 by letter regarding this problem in requesting for exemption from packer leakage test. I personally talked to Mike, he requested that your office be contacted October 1, 1983 and be advised of the situation. Please accept this letter as notice to our condition and circumstances, and we would appreciate your assistance in this matter.

Sincerely,

Ray F. Nokes
Reservoir Engineer

RFN:mlb

cc: Well file