

New Mexico Oil Conservation Commission  
January 16, 1976  
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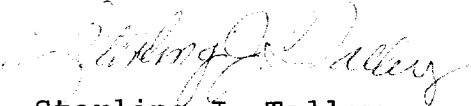
sulted. For these reasons it is Penroc's request that approval be granted to produce the JCW-State from the Morrow with the dry Canyon perforations exposed below the packer.

El Paso Natural Gas Company tested this well on November 26, 1975. Results indicated insufficient pressure to enter El Paso's high pressure system and volume of gas was too low for the Company to utilize a compressor. Therefore El Paso has released its call on the gas in order that a market into Phillips Petroleum Company's low pressure system can be achieved. This being the case, some production of hydrocarbons can be realized that otherwise may be lost forever.

Your early consideration of this request will be appreciated.

Very truly yours,

PENROC OIL CORPORATION

  
Sterling J. Talley

SJT/be