

Presidio Oil Company

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SUBSIDIARIES

Peake Operating Company
Presidio Energy, Inc.
Presidio Exploration, Inc.
The Desana Corporation
The Petroleum Corp. of Delaware

August 8, 1991

State of New Mexico
Oil Conservation Division
District II
811 South First
Artesia, New Mexico 88210

RECEIVED

AUG 12 1991

O. C. D.
ARTESIA OFFICE

RE: Lease No. NM-0144698
Superior Federal No. 9
Section 1, T20S, R29E
Eddy County, New Mexico

ATTN: Mr. Mike Williams

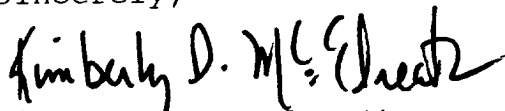
Presidio Exploration, Inc. request exemption from packer leakage test on subject well due to the following:

The well was initially completed as a dual completion with Atoka producing through tubing and Strawn producing through casing-tubing annulus. Due to higher liquid rate than anticipated from the Strawn, the Atoka zone was plugged off to allow Strawn to flow up tubing to increase flow velocity and reduce liquid loading. An amended Well Completion Report and Sundry Notice for plug-back of the Atoka zone has been filed with your office. When Strawn liquid production decreases to a rate where liquid can flow through casing-tubing annulus without undue use of reservoir energy, operations will begin to restore Atoka production through tubing and the Strawn will be produced through the casing-tubing annulus.

Presidio Exploration, Inc. respectfully request this exemption be approved.

If additional information is required, please notify me.

Sincerely,



Kimberly D. McElreath
District Engineer

KM/me