



KERR-McGEE OIL & GAS ONSHORE LLC

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June 18, 2002

State of New Mexico
Oil Conservation Division
1301 West Grand Avenue
Artesia, NM 88210

RE: Exemption From Annual Shut-In Pressure Test Requirement
Conoco State #7
1690' FNL & 1780 FWL
UL-F, Section 2-T22S-R23E
API 30-015-30875



Dear Sir or Madam:

Please accept this request for exemption from OCD Rule 402, requiring an annual shut-in pressure test on natural gas wells. The subject well produces a substantial amount of water, lifted by an electric submersible pump. When shut-in, a fluid level will rise in the wellbore and when returned to production, normal gas production is delayed until the well is once again stabilized.

Thank you very much for your attention to this request.

Sincerely,

Beverly Hoffman
Sr. Proration Analyst