

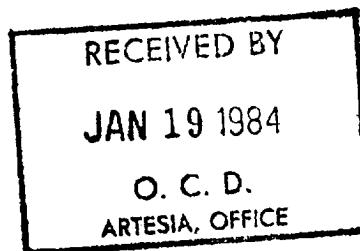


January 17, 1984

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

Attention: Mike Williams

Subject: Moore #2
Wildcat Delaware Completion
Sec. 35, T24S, R26E
Eddy County, New Mexico



Gentlemen:

The Moore #2 was completed in the Delaware formation (from 4823'-4827') in March, 1983. Producing rates of this high GOR oil completion were 15 B0, 290 MCF, and 85 BWPD from pump testing. These perforations were temporarily abandoned to test an additional Delaware interval (4374'-4383'). Swab testing of this interval has resulted in production of approximately 10 B0, 60 BW, and 100 MCFPD. Since the zones had similar producing characteristics, the production was commingled.

Neither zone, nor the commingled stream, will flow continuously; therefore, it is proposed to produce the well by gas lift, since compression will be available to deliver casinghead gas to Natural Gas Pipeline Company's high pressure line. Per our conversation January 6, 1984, you recommended that we postpone the state required GOR test (Form C116) for the commingled stream until a gas lift facility is in operation. A pipeline will be constructed at Mesa's expense to transport the casinghead gas to Natural Gas Pipeline Company. Natural Gas Pipeline Company, however, is reluctant to provide a pipeline connection without a potential test (Form C116) of the commingled stream.

We would like to obtain a pipeline connection before producing by gas lift to avoid the unnecessary flaring of relatively large casinghead gas volumes while waiting on pipeline connection. If you are agreeable to the deferral of the state required GOR test until a gas lift facility is in operation, please return a copy of this letter to Natural Gas Pipeline Company in the enclosed envelope.

Sincerely,

K. H. Sheffield, Jr.
K. H. Sheffield, Jr.

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Enclosure

XC: MPH, GSD, DAH, REM, Production Records

The OCD is agreeable to the deferral of the GOR test until a gas lift facility is in operation and the test can be run. *MW*