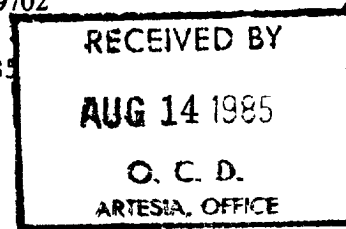


DINERO

P.O. DRAWER 10505
MIDLAND, TEXAS 79702

August 13, 1985



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

RE: Annual Gas Well Shut-in
Pressure Test for 1985

Gentlemen:

Dinero Operating Company, Operator, request exemption of the following well from the Annual Shut-in Pressure Test for 1985:

Aminoil Federal No. 1
Sec. 22, T-24-S, R-28-E
Eddy County, New Mexico

We lost our Big Chief Comm. No. 2 and 3 in the Morrow when they were last shut in for this test and we had to recompleate in the Atoka.

An offset to our Aminoil Federal No. 1 Well, our Vasquez No. 1 Well, was lost and then plugged due to damage and or low production. In as much as the Aminoil Federal No. 1 Well is the best well we have in this area, we would not like to loose any production, or have to recompleate, by shutting this well in.

It is a fact accepted by Operators in this immediate area that these zones are probably the most fluid sensitive producing horizons that they have ever worked with. Any fluid that accumulates or is allowed to stand in the well bore causes a formation swelling and blocking to such an extent that the well never recovers and production is lost forever. Therefore, we request that you grant an exception to Rule 402 and exempt this well.

Thank you for your attention to this matter. If there is any question concerning this, please advise.

Very truly yours,

DINERO OPERATING COMPANY

Lavonda Norman
Production Supervisor

/ln

APP'D.
8-26-85