

a Mallon Resources subsidiary

January 21, 1997

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CHLCAR DIV. Defici

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

Re: Black River 10 Fed. Com 1 SWNW Section 10-T24S-R26E Eddy County, NM

Dear Sirs:

Attached please find initial gas well multipoint test results for the above referenced well. A pipeline deliverability could not be measured for this well due to the well's flow capacity and production equipment capacity limitations. The calculated deliverability as shown on the attached forms C-122 and C-122-C is 17,440 MCF/D.

Please do not hesitate to call if you have any questions regarding the above.

Sincerely,

Ray E. Jones Vice President, Engineering

REJ/liw

Enclosures