



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

GARREY CARRUTHERS
GOVERNOR

July 24, 1990

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

BTA Oil Producers
104 South Pecos
Midland, TX 79701

Attn: Mr. Thomas J. Williams

Re: EXCEPTION TO RULE 402

Chiso "B" 8711 JV-P #1
Unit K, Sec. 14, T22S, R34E
Ojo Chiso-Morrow Gas Pool
Lea County, NM

Gentlemen:

As requested in your letter of July 23, 1990, and for the reasons outlined therein, the well referenced above will be exempt from the shut-in pressure test requirement of Division Rule 402. This exemption is being made on a non-expiring basis pending workover or shut in of the well.

Very truly yours,

OIL CONSERVATION DIVISION

Jerry Sexton
Supervisor, District I

cc: OCD Santa Fe

BTA Oil Producers - gas transporter
104 South Pecos, Midland, TX 79701



MIDLAND PARTNERS
CARLTON BEAL
CARLTON BEAL, JR.
BARRY BEAL
SPENCER BEAL
KELLY BEAL

DENVER PARTNER
BARRY BEAL, JR.

BTA OIL PRODUCERS
104 SOUTH PECOS
MIDLAND, TEXAS 79701
AC 915-682-3753

ROCKY MOUNTAIN DIVISION
555-17TH STREET
SUITE 835
DENVER, CO 80202
AC 303-292-9299

July 23, 1990

RE: Exception to Rule 402
Shut-In Pressure Test
Chiso "B" 8711 JV-P
K. Sec 14, T225, R 34E
Lea County, New Mexico

OK

State of New Mexico
Energy & Mineral Department
Oil Conservation Commission
P. O. Box 1980
Hobbs, New Mexico 88240-1980

ATTENTION: Mr. Jerry Sexton

Dear Mr. Sexton:

BTA Oil Producers would like to apply for an exception to Rule 402 - Shut-In Pressure Test on the above referenced well.

The well is currently producing 2755 MCFD, 40 BOPD, and 220 BWPD with FTP 380 psi. Due to the large volume of water the well is producing, it is felt that the well would not recover naturally from a shut-in period. Any shut-in period on this well could result in an expenditure upon attempting to return the well to production. Also a possible loss of reserves if the production was not recovered.

If you have any questions or need any further information, please contact me.

Yours very truly,

Thomas J. Williams
For BTA Oil Producers

TJW/lsm

cc: Dorothy Houghton