



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

May 19, 1999

Redstone Oil & Gas Company
8235 Douglas Avenue
Suite 1050
Dallas, Texas 75225

Attention: Mr. C. S. Royal

Re: Form C-107-A
DHC Application
Rock Tank No. 1
Unit D, Section 7, T-23S, R-26E
Eddy County, New Mexico

Dear Mr. Royal:

I have reviewed the application to downhole commingle the Rock Tank Well No. 1 and have determined that additional production data is needed to process your application. Your proposed allocation between the Upper and Lower Morrow zones appears to be based on a one day production test of each zone. The Lower Morrow production test does not appear to be a good representation of actual Lower Morrow production as depicted on the production graph.

Please send additional supporting data to justify your proposed allocation of production. This may include production data in tabular form or other data you feel supports your proposed allocation. If you have any questions, please contact me at (505) 827-8184.

Sincerely,

David Catanach
Engineer

Xc: OCD-Artesia