P.O. BOX 7924 • PHONE (915) 683-1814 MIDLAND, TEXAS 79703

Consulting Petroleum Engineer

Lease Management RECEIVED

August 10, 1982

AUG 1 1 1982 O. C. D. artesia, office

State of New Mexico Energy and Minerals Department Oil Conservation Division Sante Fe, New Mexico 87501

ATTN: DIVISION DIRECTOR

RE: APPLICATION RULE 107 (d) 3 EXCEPTION CLEMENTS ENERGY, INC. KING 35 COM #1 J-35-14-26 CHAVES COUNTY, NEW MEXICO

Mr. Ramey,

Clements Energy, Inc. is hereby making application for a temporary exception of Division Rule 107(d)3 for its recently drilled and completed (King 35 Com #1-J-35-14-26) located in Chaves County, New Mexico. As stated in a letter addressed to Clements Energy, Inc., dated July 29, 1982, from the NMOCC District II, Artesia office, Rule 107(d)3 requires the tubing to be set not more than 250' above the top of the pay.

The tubing in the referenced well is set at 4969' KB and the top of the pay is at 6925'. We respectfully request a temporary exception to Division Rule 107(d)3 be made for the following reasons:

1) Gas is dry (2) Completion has been made naturally and attempts to kill the well for lowering the tubing will result in damage to the sand resulting in waste. At such time that the well either depletes and a stimulation is required the tubing will be lowered or if the well produces with a lower GOR, then loads up with fluid, the tubing will be lowered.

If you have any questions concerning this matter, please contact me at 915-683-1814.

Agent Clements Energy

cc: Bill Gressett Clements Energy, Inc.