STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION HOBBS DISTRICT OFFICE

November 11, 1988

GARREY CARRUTHERS

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

EP Operating Company 6 Desta Drive, Suite 5250 Midland, TX 79705-5510

Attn: Mr. S. D. Reed

Re: Reclassification of Well Lambirth #4 Unit O Sec. 31, T5S, R33E Roosevelt County, NM South Peterson Penn Associated Pool

Gentlemen:

The recently submitted "scheduled" gas/oil ratio test will cause the above-referenced well to be reclassified from an oil well to a gas well effective January 1, 1989.

If you do not feel this test reflects the proper classification of the well, please submit another test for our consideration by November 18, 1988.

According to R-5353 a well with a gas/oil ratio in excess of 30,000/l is to be classified as a gas well and shall have 320 acres dedicated or must obtain approval of a non-standard proration unit.

If the well is to be reclassified to gas, please file an acreage dedication plat, Form C-102, outlining the acreage to be dedicated.

Very truly yours,

OIL CONSERVATION DIVISION

Jerry Sexton Supervisor, District I

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submitted new test - remains oil