

OIL PRODUCER

W. A. MONCRIEF, JR.
400 Metro Building
MIDLAND, TEXAS 79701
December 29, 1977

TELEPHONE 682-1762

Mr. Jerry Sexton
Oil Conservation Commission
P. O. Box 1980
Hobbs, New Mexico 88240

Re: W. A. Moncrief, Jr., #1 State "8"
Unit G, Section 8, T16S, R34E
Lea County, New Mexico

Dear Mr. Sexton:

Attached are five (5) copies of the first three sections of Form C-104 on the above referenced well by which I am requesting a 3,000 barrel test allowable for the month of January.

Our five day bottom hole pressure bomb revealed that:

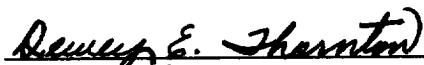
- (1.) We do have limited permeability in the Devonian even though we had permeability at the wellbore and the zone took 200 barrels of mud when it was drilled.
- (2.) The well does not appear to have formation damage.
- (3.) The well is pumping off due to the lack of permeability rather than formation damage.
- (4.) The well showed no depletion from one shut-in period to the other indicating that this well is tied into the good reservoir encountered in the Shell #1 Williams to the south.

We continue to have mechanical problems with our Kobe equipment. Fine material coming into the wellbore with the oil, or possibly with occasional slugs of drilling mud lost to the formation during drilling, is cutting out the rings on the downhole pump. We have asked Kobe to build us a downhole pump with stainless steel rings to hopefully eliminate this problem.

This should enable us to determine whether or not this is a commercial zone.

Respectfully yours,

MONCRIEF OIL INTERESTS


Dewey E. Thornton,
Exploration Manager

DET:rw