

Lynx Petroleum Consultants, Inc.

P.O. Box 1708
3325 Enterprise Drive
Hobbs, New Mexico 88241

505 392-6950 Fax: 505 392-7886

April 14, 1998

Oil Conservation Division
P.O. Box 1980
Hobbs, NM 88241

Re: Lynx Federal Well No. 2

Gentlemen:

Attached is a C-104 for recompletion of the Lynx Federal Well No. 2. We are asking the OCD to issue new oil and gas POD's for this well. An explanation for your use in understanding our request follows.

Prior to April 1, 1998, this well was completed in the Grayburg San Andres pool. It produced into a tank battery along with the seven other wells on this property. This tank battery, covered by POD's 1200510 (oil) and 1200530 (gas), is located at Unit Letter O, Sec. 15, T-17S, R-32E.

This well was recompleted to the Queen pool April 1, 1998. We have set a separate oil tank and separate gas meter for this well in order to prevent surface commingling of production. Water for this well will be stored along with the other wells on this property in the original water tank covered by POD 1200550. These separate facilities are also located at Unit Letter O, Sec. 15, T-17S, R-32E. The other seven wells will continue to produce into the original battery covered by POD's 1200510 and 1200530. Attached is a Site Facility Diagram for your convenience.

If you have any questions, please do not hesitate to call. I work part time and may be reached between 8 a.m. and 12 p.m. at 505-392-6950.

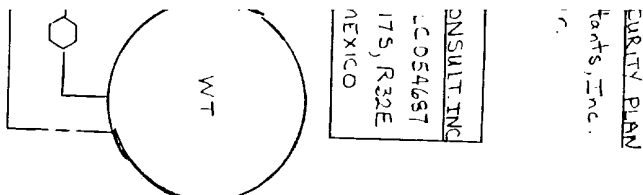
Sincerely,

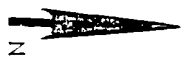
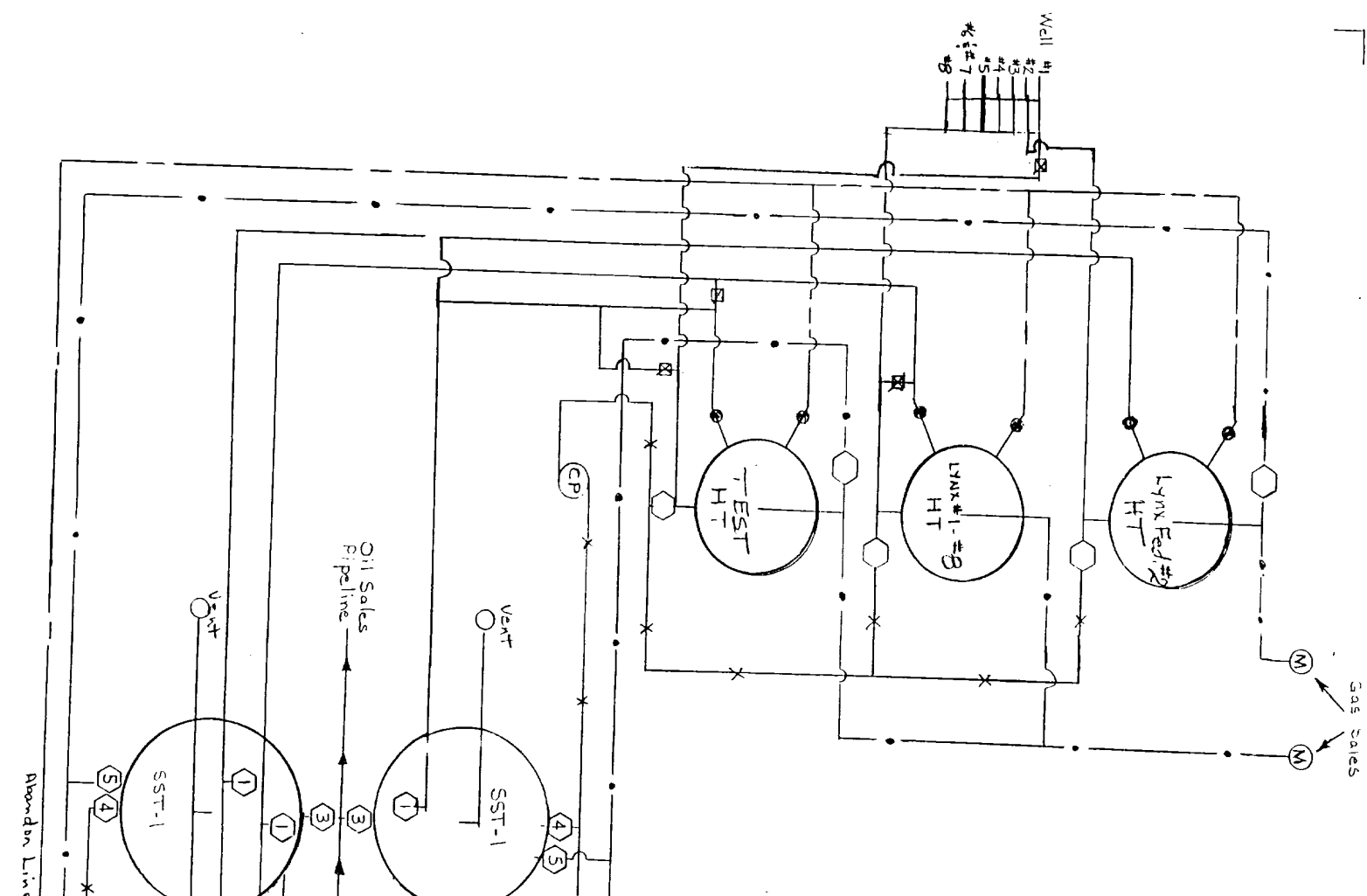
LYNX PETROLEUM CONSULTANTS, INC.

Debbie McKelvey

/dm

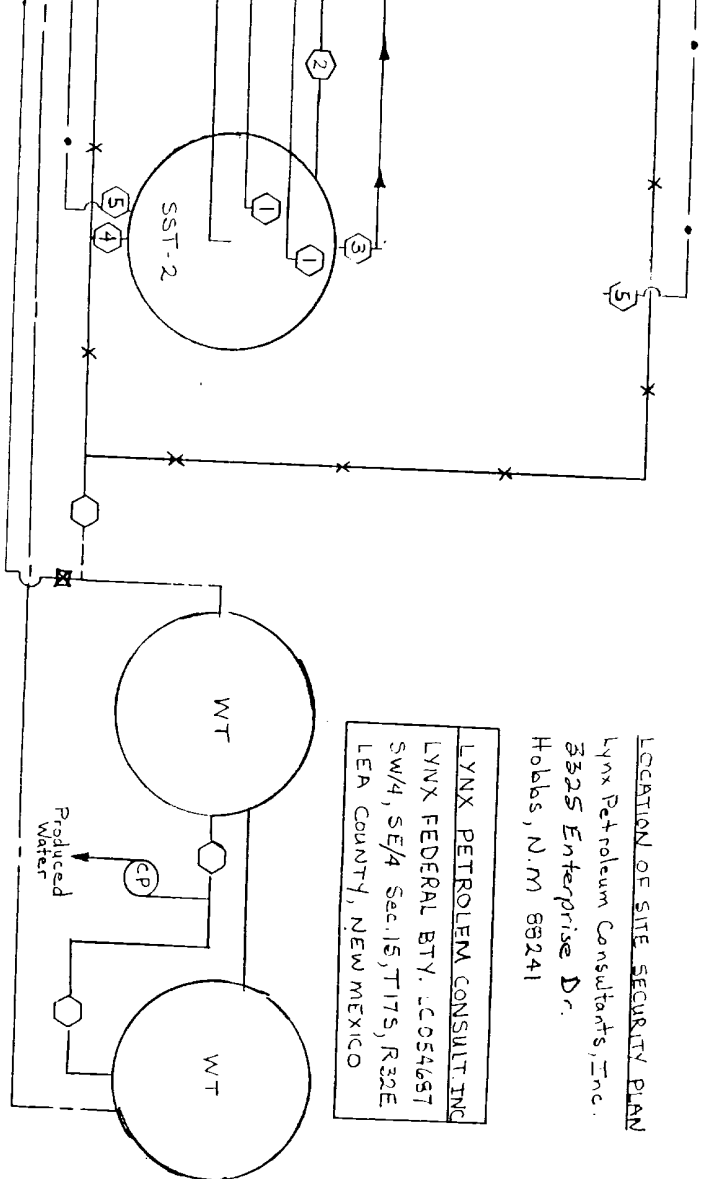
Attachment





SITE FACILITY DIAGRAM (Revised 4/6/98)

- PRODUCTION SYSTEM OPEN**
1. Oil Sales by tank gauge to pipeline
 2. Seal Requirements
- A. Production Phase**
- (1) All valves 3 sealed closed
 - (2) All valves 4 sealed closed
- B. Sales Phase (Sales from SST-1)**
- (1) All valves 4 sealed closed
 - (2) Valve 2 sealed closed
 - (3) Valve 3 on SST-2 sealed closed
- Note: Valves 5 are on 1" gas rolling lines



LOCATION OF SITE SECURITY PLAN
 Lynx Petroleum Consultants, Inc.
 3325 Enterprise Dr.
 Hobbs, N.M. 88241

LYNX PETROLEUM CONSULTING
 LYNX FEDERAL BTY. LC0546ST
 SW/4, SE/4 Sec. 15, T17S, R32E
 LEA COUNTY, NEW MEXICO