

W. A. MONCRIEF, JR.

OIL PRODUCER

400 METRO BUILDING
MIDLAND, TEXAS 79701

TELEPHONE 682-1762

May 26, 1983

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

Re: W.A. Moncrief, Jr.
#1 Yates State
Unit G, section 30, T16S, R37E
Lea County, New Mexico

Dear Mr. Sexton:

Attached are five (5) copies of form C-104 and six (6) copies of form C-105 for the Paddock zone and for the Upper Penn zone in the above-referenced well.

The Upper Penn perfs 10,628-10,639 were tested seperately on the pump at a stabilized rate of 8.4 BOPD of 44° gravity crude with a GOR of 3721-1.

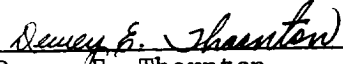
The Paddock perfs 6273-6384 were later tested seperately on the pump for 3 BOPD of 32° gravity crude with gas TSTM.

Operator then received permission to perforate another Upper Penn zone 10,778-10,788' without squeezing the Paddock perfs and tried to test the 10,778-10,788 perfs individually under a packer. This resulted in gas locking and we received permission to test the Paddock perfs and both sets of Upper Penn perfs together utilizing a tubing anchor. The combined production from all perfs was 20 BOPD indicating that the upper Penn perfs 10,778-10,788 were contributing 8.6 BOPD. The gravity of the commingled production was 40.5° at 68°. Gas production from all perfs was 33 MCFGPD.

I had verbal approval from Joe Ramey to test all perfs commingled, have requested an exception to rule 303-A and asked for permission to continue producing the Paddock and Upper Penn zones commingled.

If you need additional information pertaining to this well, call me at 915/682-5101 or 682-1762.

Very truly yours,


Dewey E. Thornton
Exploration Manager

xc:Harvey E. Yates Co. - Roswell
Yates Energy Corp. - Roswell
Monsanto Co. - Midland
Cibola Energy Corp - Albuquerque
Texas Universal Petroleum - Midland