



GARREY CARRUTHERS
GOVERNOR

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

September 25, 1987

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

Santa Fe Energy Operating Partners, L.P.
500 West Illinois, Suite 500
Midland, TX 79701

Attn: Mr. Thomas E. Gentry

Re: Sprinkle Federal #4-F
Section 26, T18S, R32E

Gentlemen:

In reply to your letter dated September 15, 1987, the following is the basis for the change in pool designation.

The Sprinkle Federal #4 was permitted as a Querecho Plains Upper Bone Spring well and when a test allowable was requested and we had no completion information a test allowable was authorized for the permitted zone, Upper Bone Spring. When the completion forms were later submitted our Geologist checked perforations and indicated the well should be placed in the Querecho Plains Lower Bone Spring Pool. The base of the upper pool on the Sprinkle Fed #4 log is picked at 8743 feet, and the well is perforated at 8823-8836 feet.

You indicate a zone of interest at 8542-50 and 8574-80 feet. This interval would be Upper Bone Spring and to produce both zones you would have to apply for multiple completion. One alternative would be to produce the lower zone for a time, then isolate it and test the upper zone and when production declines both zones could be produced as a downhole commingled well.

We regret any problems that the change from upper to lower Bone Spring may have caused you, but when pools are broken down into upper and lower it is difficult for us to determine the proper pool without the logs.

Very truly yours,

OIL CONSERVATION DIVISION

Jerry Sexton
Supervisor, District I

JS/ED/ed