STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT



OIL CONSERVATION DIVISION HOBBS DISTRICT OFFICE

March 17, 1988

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

GARREY CARRUTHERS GOVERNOR

> Harvey E. Yates Company P.O. Box 1933 Roswell, NM 88202

Re: French 36 State #1-D Sextion 36, T18S, R32E

Gentlemen:

It is noted on Form C-103 submitted March 15, 1988, that you perforated the above-referenced well 8544--8849' which our Geologist indicates will be in the Upper Bone Spring. If this zone is productive you will need to file a recompletion for the Querecho Plains Upper Bone Spring.

To produce from both the upper and the lower Bone Spring in the Querecho Plains Field will require approval of a multiple completion or authority to downhole commingle.

If you have further questions, please feel free to contact us.

Very truly yours,

OIL CONSERVATION DIVISION

Jørry Sextón Supervisor, District I

JS/ed