

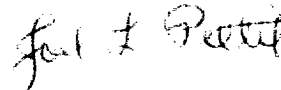
Oil Conservation Division
Jerry Sexton
July 2, 1987
Page 2

As we discussed several weeks ago, a 500 psi test below the 8 5/8" casing seat at 4925' is the equivalent of a 10.3 ppg mud at the proposed T.D. of 14,000'. Order No. R-111-A calls for a 1000 psi test but 200' of open hole section was not anticipated by these rules. The two potash concerns in this area agreed three weeks ago to abide by the decision of the Oil Conservation Division concerning this problem. Once again, the offset wells in this area have not encountered any abnormal pressures necessitating higher mud weight.

As directed by Mr. Seay, Pennzoil will call the Division's answering service this weekend in order to provide the Division an opportunity to witness these tests if desired. I will be out of the office the next ten days, however, the rig can be contacted through McVay Drlg. in Hobbs. Roy Johnson, Pennzoil's production accountant, can direct any comments you might have concerning the testing procedure to the proper Pennzoil personnel on Monday, 7-6-87.

Thank you for your cooperation in this matter.

Yours truly,



Joel L. Pettit
Operations Supt.

JLP/jp

cc: G. SanFilippo
R. Hodgins
Well File

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