STATE OF NEW MEXICO



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION HOBBS DISTRICT OFFICE

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

April 26, 1994

Pyramid Energy Inc. ATT: Scott Graef 10100 Reunion Place, Suite 210 San Antonio, TX 78216

RE: Producing well without an Allowable

Gentlemen:

On August 7, 1992 a letter from our office was sent to you cancelling your Intent to Re-enter the West Pearl Queen Unit #163-D, Sec.33, T-19S, R-35E. No response from your office was received.

On November 5, 1993 you sent form C-104 changing the oil transporter to Eott Oil Pipeline Co. and the Statistical Report for Jan. 1993 shows production. Our files have no report (C-103) stating that you did work on this well, (C-105) showing Completion Report, or (C-104) asking for an allowable to be assigned.

To bring this well to state regulation, we need these form filed with District I Hobbs office. If you have some questions on this matter, please call (505) 393-6161.

Yours very truly,

OIL CONSERVATION DIVISION

Jerry Sexton District I, Supervisor

JS:dp cc:file

Last Fred 1/93 Ren C-1039 C-105