

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION HOBBS DISTRICT OFFICE

BRUCE KING GOVERNOR

April 23, 1991

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

Zia Energy Inc. P.O. Box 2219 Hobbs, NM 88240

Attn: Faris Nelson

Re: RECLASSIFICATION OF WELL EUMONT POOL Falk State Well #1-C Sec. 34, T2OS, R36E

Gentlemen:

Due to the recently submitted scheduled gas/oil ratio test the abovereferenced well will be reclassified from gas to oil effective July 1, 1991, and the gas allowable cancelled that date.

If for some reason you feel this test does not reflect the proper classification of this well, please submit another test for our consideration by May 7, 1991.

If the well is to be reclassified to oil, please file a revised acreage dedication plat, Form C-102, outlining acreage to be dedicated to oil well. Also, if the gas transporter changes due to reclassification, please file Form C-104 so indicating.

Very truly yours,

OIL CONSERVATION DIVISION

Jerry Sexton Supervisor, District I

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submitted new test - remains gas