



Manzano Oil Corporation

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November 25, 1994

New Mexico Oil Conservation Division
P.O. Box 1980
Hobbs, New Mexico 88241

Attn: Jerry Sexton
District I, Supervisor

Re: Annual Deliverability Test (R-9974-A)
Neuhaus Federal #2-B
Section 14, T20S, R35E

Gentlemen:

I have discussed with Steve Guidry of Marathon the merits of the Annual Deliverability Test for use in the determination of the 50% production penalty that order R-9974 requires of the captioned well.

Steve and I agreed that the Deliverability test scheduled for October 1994 would neither restrict current producing rates nor increase them. Steve said he would consult with the Marathon office in Midland and recommend that the test be omitted because it would serve no purpose.

Steve also stated that if I did not hear from him, I could assume that I had Marathon's permission to forget the test. To this date, I have not had notice from Marathon that they would require a Deliverability test; therefore, with your permission the test will not be run on Neuhaus Federal #2-B.

Sincerely,

D.E. Brown
VP Engineering

DB:ah

cc: Steve Guidry
Marathon Oil Company
P.O. Box 2409
Hobbs, NM 88241