

REAHO CORPORATION

MERCANTILE BANK BUILDING

DALLAS 1, TEXAS

November 12, 1957 11 00

Mr. R. F. Montgomery
Proration Manager
New Mexico Oil Conservation Commission
PO Box 2045
Hobbs, New Mexico

Re: Amerada-State "B" well #3, and
Amerada-State "B" well #4
Jalmat Pool, Sec. 25-T22S-R35E
Lea County, New Mexico

Dear Mr. Montgomery:

We are in receipt of your letter of November 8, 1957 relative to the above-captioned wells. I wish to give you the following information on these two wells.

Amerada-State "B" well #3 was placed on the pump on August 19, 1957 and on that date pumped 13 hours and produced 53.40 barrels of oil. At the time the well was put on the pump we had 772 barrels of load oil in the hole, and the reason for putting the pumping unit on the well was to recover this load oil. As of November 6, 1957, which is the last report we have in this office, the #3 well pumped for 7 hours and produced 11.68 barrels of oil and 3.34 barrels of water, leaving 61 barrels of load oil to recover. We have hesitated to file completion reports on this well until such time as we recover the load oil, as we thought it best for your records that we potential the well after all load oil had been recovered. You can see from this November 6th report that the well is not an economical well to produce, and it is very likely we will have to do some additional work on the well before filing completion reports.

On July 26, 1957 the Amerada-State "B" well #4 reached a total depth of 3,878 feet and was temporarily abandoned pending the final completion of well #3. A steel plug was placed in the top of the surface casing in this well and the rig released, as it is still undetermined as to what steps to take regarding the final completion of this well.

Both wells #3 and #4 on this lease are under consideration by all

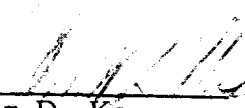
Mr. R. F. Montgomery - 2

interested owners, and I assure you that within the next ten days your office will be advised as to what is to be done with these two wells.

Very truly yours

REAHO CORPORATION

By


Homer D. Key

hdk/hm