



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OFFICE OF THE SECRETARY
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-6960

Jennifer A. Salisbury
CABINET SECRETARY

October 20, 1997

Clayton Williams Energy, Inc.
ATT: Robin S. McCarley
Six Desta Drive
Suite 3000
Midland, TX 79705

RE: Reclassification of Well
State A AC-2, #38-K
Sec. 9-T22S-R36E
Jalmat Tansill Yates SR Pool

Gentlemen:

According to the recently submitted Gas-Oil-Ratio Test dated 4-20-97, the above-referenced well will be reclassified from a prorated gas well to an oil well in the Jalmat Tansill Yates Seven Rivers Pool effective January 1, 1998, and the gas allowable cancelled effective 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 November 3, 1997.

If the well is to be reclassified to an oil well in the Jalmat Tansill Yates Seven Rivers Pool, please submit the following:

- 1.) Revised Form C-102, acreage dedication plat, outlining 40 acres for this oil well completion.
- 2.) Form C-104 showing reclassification from gas to oil effective January 1, 1998, and designating change of transporters to oil and casinghead gas.

If you have questions, concerning the above, please contact Nelda Morgan at (505) 393-6161.

Very truly yours,

OIL CONSERVATION DIVISION

Chris Williams
Chris Williams
Supervisor, District I

CW:nm

6-27-98
Remain
[Signature]
[Circular Stamp]