



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

Jennifer A. Salisbury
CABINET SECRETARY

OFFICE OF THE SECRETARY
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-5980

April 29, 1996

Meridian Oil Inc.
ATT: Alyson E. McInturff
P. O. Box 51810
Midland, TX 79710-1810

RE: Reclassification of Well
State E, #2-O
Sec. 35-T20S-R37E
Eumont Yates SR-QN Pool

Gentlemen:

The annual Gas-Oil-Ratio Test for the above referenced well indicated this well should be reclassified from an oil well to a gas well in the Eumont Pool, with the oil allowable being cancelled effective July 1, 1996.

If this test does not reflect the proper classification of this well, please submit a re-test by June 28, 1996.

If the well is to be reclassified from oil to gas you will need to submit the following:

- 1.) Form C-102 acreage dedication plat for the well, outlining a standard 640 acres proration unit or application for a NSP.
- 2.) Form C-104 showing reclassification from oil to gas effective July 1, 1996, indicating transporters of condensate and dry gas for this well.
- 3.) Indicate if gas well gas is separately metered.

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

Very truly yours,

OIL CONSERVATION DIVISION

Jerry Sexton
Jerry Sexton
Supervisor, District I

JS:nm

5-1-96
Remain Dil
(5)