



COQUINA OIL CORPORATION

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February 16, 1982

New Mexico Oil Conservation Commission
P. O. Box 1980
Hobbs, New Mexico 88240

Attn: Supervisor- Oil & Gas

RE: Request for Test Allowable
Wilson State Battery 4 #42
Wilson Yates Seven Rivers Pool
Lea County, New Mexico

Gentlemen:

The Wilson State 4-42 was deepened to a new producing zone during November 1981. After considerable testing of the formation a essentially water free oil producing well has been established. Form C-103 dated 12/8/81 detailed the work performed on this well. As indicated on Form C-116 dated 2/11/82 the #42 well is capable of producing in excess of it's current allowable.

Coquina intends to make application to request an exception to Statewide Rule 505 which mandates an 80 BOPD allowable for this poration unit based on its depth.

In preliminary discussions with Mr. D. S. Nutter of the Santa Fe Oil Conservation office on February 16, 1982, it was agreed that the well should be adequately tested to assess its productive capability.

At the present rate of 75-80 BOPD the well is capable of flowing out the casing and we are unable to calculate any productivity value. Swab tests run during the deepening of the well indicate that approximately 250-300 BOPD could be produced. It is requested that a special allowable of 10,000 barrels be assigned to this well beginning on February 15, 1982. This would allow Coquina the flexibility of increasing the withdrawal rate in a stepwise manner while monitoring the working fluid levels.