

Mr. Joe Ramey

MAILED 10 JAN 10 1963
December 8, 1962

Mr. Elvis Utz
Gas Department
New Mexico Oil Conservation Commission
Santa Fe, New Mexico

SUBJECT: Neville G. Penrose, Inc.
Warlick Queen No. 1, Location A-19-21-37
Eumont Pool

Dear Mr. Utz:

Pursuant to our telephone conversation of December 7, 1962, we are writing to request the reinstatement of the non-marginal classification for the subject well effective July 1, 1962.

On November 1, 1962, the well was classified from non-marginal to marginal status. On November 19, 1962, we fraced the subject well with 20,000 gallons of refined oil plus 49,000 pounds of sand in four stages, using 2,000 pounds of naphthalene. After recovering approximately 600 barrels of a total 800 barrel oil load, the well was turned into the El Paso 250 lb. gathering system, on December 3, 1962. Since being turned into the El Paso system, the well has been producing at the rate of approximately 850,000 CF per day. Prior to the frac treatment the well produced 100,000 CF of gas per day or less. Subsequent to the frac treatment the producing wellhead pressure has been 300 psi and prior to the frac it was 250 psi or less. El Paso has scheduled the well for a new four-point back pressure test in January, and we will be filing Form 103 December 8, 1962.

The accumulated under-production from the subject well on July 1, 1962, was approximately 17,450 MCF. The accumulated under-production as of December 1, 1962, was approximately 28,000 MCF. At the time that the workover was planned, we planned to recover the 17,450 MCF of underage plus the December allowable during the month of December, and to carry the remaining 10,000 MCF of underage forward for recovery into 1963. As a matter of fact, the economic justification for the workover was in part predicated on recovering the underage. We had consulted with El Paso Natural Gas Company, and they