

5809 South Western, Suite 200 Amarillo, Texas 79110-3607 Phone: (806) 358-0181

Oil Conservation Division P.O. Box 1980 Hobbs, NM 88240 Attn: Mr. Jerry Sexton

Re: Recompletion Stephens Estate No. 1 Section 24 - 21S - 37E Lea County, NM

March 6, 1989

Gentlemen:

Attached is Form C-103 covering the recompletion of the subject well as a Blinebry gas producer, as well as a map of the general area.

The Stephens Estate is an eighty-acre lease covering the West half of the Southwest quarter of Section 24. Well No. 1 is currently a down-hole commingled Drinkard-Abo completion. Well No. 2 is a dual Blinebry- Drinkard completion. Permission has been granted recently to down-hole commingle these two zones in Well No. 2.

A separate letter is being sent to the Commission in Santa Fe requesting that the down-hole commingling of Well No. 1 be expanded to include the Blinebry. To accomplish this we request that you designate this 30-acre lease as Blinebry gas unit with both Well Nos. 1 and 2 as gas producers from it.

Well Nos. 1 and 2 were both reclassified to gas in 1973. Well No. 1 has not been produced from the Blinebry since then. A production decline curve is attached showing the last years production before the zone was squeezed.

If anything more is required for your permission to do this work, please let us know at your early convenience.

Yours very truly,

Observefil

Bruce O. Barthel President

BOB/1h

Enclosure