



October 9, 1996

New Mexico Oil Conservation Division, District I  
P.O. Box 1980  
Hobbs, New Mexico 88240

Attn: Mr. Jerry Sexton  
District I Supervisor

Re: Gas Well Shut-In Pressure Report Exemption Request  
Bilbrey 33 Federal #2  
Unit Letter K, Sec. 33, T-21-S, R-32-E  
API 30-025-32383; Bilbrey Morrow (Gas)

Mr. Sexton:

Texaco Exploration and Production Inc. requests an exemption from the Gas Well Shut-In Pressure Report for 1996 on the above well. This well is currently averaging 1 BOPD and 844 MCFD. It produces from the Morrow, a water sensitive formation. Considering the well's water production, if the twenty-four hour shut-in pressure test is conducted, there is a risk of the well dying and sustaining formation damage. If this were to occur, both TEPI and the State of New Mexico would realize lost revenues. In addition to the lost revenue, the necessary swabbing runs would generate additional costs.

It is understood that if this exemption is approved that it applies only to the Gas Well Shut-In Pressure Report for 1996. It is also understood that if this well is shut-in for any other reason the shut-in pressure test will then be conducted.

If you have any questions concerning this request, please contact Ray Short @ 887-5676 or myself @ 397-0418. Thank you for your assistance in this matter.

Yours very truly,

Monte C. Duncan  
Engineer's Assistant

Approved by  
Approval Date

  
NOV 13 1996

/mcd, Chrono

cc: Ray Short, TEPI