



September 8, 1995

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

Mr. Sexton:

Texaco Exploration and Production Inc. requests an exemption from the Gas Well Shut-In Pressure Report for 1995 on the above well. This well is currently averaging 6 BOPD, 950 MCFD, and 20 BWPD. 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 1995. 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 Hollis Cox @ 393-3566, Todd Moehlenbrock @ (915) 672-4861, 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

9-11-95

/mcd

cc: Hollis Cox, TEPI; Todd Moehlenbrock, TEPI
Chrono