

Oil Reports and Gas Services, Inc.

P. O. BOX 763
HOBBS, NEW MEXICO 88240

July 26, 1977

PHONE NUMBERS
393-2727 - 393-2017

*Flowing as
gas well*

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

Re: Dallas McCasland
Aztec State No. 1
Sec. 16, T23S, R36E

Attention: Mr. Jerry Sexton

Gentlemen:

The Aztec State No. 1 is flowing on an intermitter with a plunger lift. The volume of oil produced during a 24-hour period will vary from less than 1/2 barrel to 1 1/2 barrels. As is customary, every attempt is made to obtain an annual test with the well producing at its optimum capacity in order to have sufficient allowable. We then rounded off to the next highest barrel, which in this instance should not have been done.

We concur that a well's producing capacity is more clearly revealed by a long term overall pattern than a carefully supervised test run under ideal conditions. The production reported on the Form O-115 is as accurate as is possible with daily gauges and would thus indicate that the well's normal production is with a ratio in excess of 100,000 to 1.

Yours very truly,

OIL REPORTS & GAS SERVICES, INC.

Benna Miller
(Mrs.) Benna Miller

ED/km

cc: Dallas McCasland
P. O. Box 206
Sunice, New Mexico 88251