



SOUTHWESTERN DISTRICT

SUN PRODUCTION COMPANY

901 W. WALL, POST OFFICE BOX 1861, MIDLAND, TEXAS 79702 (915) 685-0300

July 17, 1981

Mr. Sexton  
Energy and Minerals Dept.  
Oil Conservation Division  
P. O. Box 1980  
Hobbs, N.M. 88240

Dear Mr. Sexton:

Reference is made to your letter dated June 29, 1981 concerning the packer leakage test performed on our dual completed well, the Walter Lynch #1 (Unit K, Sec. 1, T-22-S, R-37-E).

We apologize for the delayed response to this problem. As you may know Sun is presently in the process of merging the producing properties of recently acquired Sun Texas Oil Company into Sun's operating system. Extensive realignment of districts, personnel and equipment has taken place. As a result this matter of a packer leak in our Walter Lynch #1 was not brought to the attention of the appropriate department on a more timely basis.

Nevertheless, after reviewing the situation, it has been determined that it is no longer feasible to produce the two formations (Drinkard/Wantz Granite Wash) separately from the subject well. Attached for your reference is Sun's application for commingling approval for the Walter Lynch #1.

Yours truly,

A handwritten signature in cursive script, reading "David G. Mendoza".  
David G. Mendoza

DGM/nc

CC: Mr. Joe D. Ramsey  
Energy and Minerals Dept.  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, N.M. 87501