



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

BRUCE KING
GOVERNOR

April 23, 1991

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

Zia Energy Inc.
P.O. Box 2219
Hobbs, NM 88240

Attn: Farris Nelson

Re: Reclassification of Well
EUMONT POOL
Adobe State #3-L
Sec. 17, T22S, R37E

Gentlemen:

Due to the recently scheduled gas/oil ratio test the above-referenced well will be reclassified from oil to gas effective July 1, 1991, and the oil allowable cancelled that date.

If for some reason you feel this test does not reflect the proper classification of this well, please submit another test for our consideration by May 7, 1991.

If the well is to be reclassified to gas, please file a revised C-102, acreage dedication plat, outlining the acreage to be dedicated to the gas well. If this acreage is less than the standard for a Eumont gas well, it will require approval from our Santa Fe office of a NSP.

Also, gas well gas must be separately metered and if the transporter changes due to reclassification, please file Form C-104 so indicating.

Very truly yours,

OIL CONSERVATION DIVISION

Jerry Sexton
Supervisor, District I

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submitted new test - remains oil