

CURRY ENGINEERING

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Mr. Jerry Sexton
NEW MEXICO OIL CONSERVATION DIVISION
P. O. Box 1980
Hobbs, New Mexico 88240

Re Petron Oil Company
Santa Fe "21" State, Well No. 1
Section 21, T23S, R34E, Lea Co., NM
Antelope Ridge (Bone Springs) Field

Dear Mr. Sexton:

J. C. Williamson and myself have assigned a part of our interests in several leases in the Antelope Ridge Field Area to Petron Oil Company who will be operating some of the properties. It is my understanding that all the legal formalities and bonds required for their operations are now complete and in place. The enclosed forms transfer the operations of the subject well to Petron, with whom I will be their representative agent for this area. I will bring some of the Petron people in to meet you and part of your staff before long.

We have successfully treated the existing perforations in the subject well, which was originally drilled and abandoned by Sedco, but re-entered and completed in the Bone Springs formation by my company. The objective of the current operation was to clean the well out and re-complete in the Morrow formation, but we had some difficulty in cleaning the hole up and elected to attempt to stimulate the existing perforations. These perforations were heavily fractured and the well has responded very well; however, we are still recovering drilled up rubber and other trash that has prevented us producing at a sufficiently to meet the State initial potential tests and to our own satisfaction. We are requesting a temporary allowable of 1000 barrels for the month of November so we may sell some of the oil on hand and can continue to produce the well to test.

We expect to be able to potential this well within a week or so and will then file our C-104 and other data as required by the Commission. Please advise if these forms are not satisfactory to accomplish our immediate purpose. Thanks a lot for your earlier assistance in solving our lease problems with the State Land Office.

Best regards,

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