

DOYLE HARTMAN

Oil Operator

500 N. MAIN

P.O. BOX 10426

MIDLAND, TEXAS 79702

(915) 684-4011

January 19, 1990

Mr. Jerry Sexton
New Mexico Oil Conservation Division
District I Office
Post Office Box 1980
Hobbs, New Mexico 88240-1980

Re: A. L. Christmas No. 1
990' FNL & 460' FEL (D)
Section 18, T-22-S, R-37-E
Lea County, New Mexico

Dear Mr. Sexton:

Attached please find a revised OCD Form C-102 Well Location and Acreage Dedication plat to be substituted in place of the Form C-102 dated January 15, 1990 transmitted by my letter of the same date changing the classification of the subject well from a Eumont gas producer to a Eumont oil producer. The previous January 15, 1990 Form C-102 outlined a 40-acre proration unit associated with the referenced well and in accordance with the Eumont Oil Field Rules. Due to the fact that the W/2 W/2 of Section 18 is comprised of lots, the 40-acre proration unit originally depicted consisted of Lot 1 entirely, 37.00 acres (NW/4 NW/4) and 3 acres of Lot 2 (SW/4 NW/4).

Following a recent phone conversation with your office, we were informed that the 40-acre proration unit described above as previously submitted would require a hearing before the OCD since it combines a portion of the adjacent lot. Since the production from the referenced well currently does not approach or exceed the allowable for a full 40-acre Eumont Oil tract, we have elected to revise our dedicated acreage to reflect the 37.00 acres of Lot No. 1 (NW/4 NW/4) only. Should the production from the referenced well approach any future allowable constraints, we will at that time seek a hearing to dedicate a full 40-acre proration unit to the A. L. Christmas No. 1 well.

Should you require additional information concerning this matter, please contact me.

Very truly yours,

DOYLE HARTMAN



Michael Stewart
Engineer

MS/lr
Enclosures

RECEIVED

JAN 22 1990

OGD
HOBBS OFFICE

*David
Hartman*

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January 15, 1990



Mr. Jerry Sexton
State of New Mexico
Oil Conservation Division
District I
Post Office box 1980
Hobbs, New Mexico 88240

Re: A. L. Christmas No. 1
990' FNL & 460' FEL (D)
Section 18, T-22-S, R-37-E
Lea County, New Mexico
Change of Classification

Dear Mr. Sexton:

Pursuant to our January 12, 1990 phone conversation concerning the referenced well, enclosed please find two copies of the OCD form C-116, Gas-Oil Ratio Test and three revised copies of form C-102 Well Location and Acreage Plat reclassifying the referenced well from a gas well to an oil well effective January 15, 1990. As I had explained, the A. L. Christmas No. 1 well was originally completed on November 2, 1989 and tested the following date producing at a rate of 219 MCFPD, 1/2 BOPD and 36 BWPD as per the attached form C-105.

During the time period from the completion and initial test of the subject well to the connection into Northern Natural Gas Company's sales facilities on January 3, 1990, the well was produced intermittently to prevent reservoir damage and waste due to the water production associated with the A. L. Christmas No. 1. Upon our much delayed connection into Northern's sales facilities on January 3, 1990, the well has been produced on an uninterrupted basis. By closely monitoring the well it is evident that since the original completion and testing of the well in November, 1989 the oil production from the referenced well has continued to increase. Therefore, decreasing the gas-oil ratio associated with the well.

It now appears that the production from the A. L. Christmas No. 1 well has stabilized at the rates submitted on the attached form C-116, which would classify the well as an Eumont oil well. In addition to the attached form C-116, I have enclosed a revised form C-102 outlining the 40-acre oil proration unit pertaining to the change in classification of the referenced well. As noted on the form C-102, the W/2 W/2 of Section 18 is comprised of lots totaling 148 acres which was previously entirely dedicated to the A. L. Christmas No. 1 as a gas well. The change in

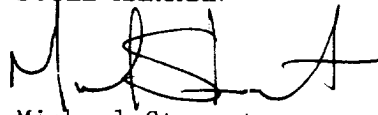
Oil Conservation Division
January 15, 1990
Page 2

classification of the referenced well necessitates the revision of the dedicated acreage to a 40-acre proration unit in accordance with the State of New Mexico's Special Rules and Regulations for the Eumont gas pool as provided in rule 2(g)2 thereof.

Should you have any questions concerning this matter or require additional information, please contact me.

Very truly yours,

DOYLE HARTMAN

A handwritten signature in black ink, appearing to read 'Michael Stewart', with a stylized flourish at the end.

Michael Stewart
Engineer

MS/lr
Enclosures