



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

November 16, 1992

BRUCE KING
GOVERNOR

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

Mid-Continent Energy Inc.
3400 Mid-Continent Tower
401 South Boston
Tulsa, OK 74103-4071

Attn: Mr. Jack H. Harris

RE: Fanning 'A' #1
Unit B, Sec. 33, T23S, R37E

Gentlemen:

Your request to test the Drinkard zone by producing the above-referenced well downhole commingled with the Blinbry zone has been reviewed.

I believe it would be better for you to test the Drinkard zone under a packer and as soon as you find out what the pressures are I may be able to give you permission to produce the well downhole commingled for 30 days while you are getting approval of the downhole commingle permit from our Santa Fe office.

If you have further questions, please contact me at (505) 393-6161.

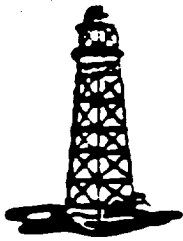
Very truly yours,

OIL CONSERVATION DIVISION

Jerry Sexton
Supervisor, District I

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MID-CONTINENT ENERGY, INC.

Oil and Gas Exploration,
Production and Acquisitions

November 13, 1992

Receptionist located on 35th Floor

Mr. Jerry Sexton-District One Supervisor
State of New Mexico Oil Conservation Division
P.O. Box 1980
Hobbs, NM 88241-1980

RE: Operators Request to Test Downhole Commingle
Fanning "A"
Section 33-T23S-R37E
Teague Blinebry Field
Lea County, New Mexico

Dear Mr. Sexton:

Mid-Continent Energy currently operates the above referenced well which produces from the Blinebry formation. All our other wells in the area are downhole commingle in the Blinebry and Drinkard zones, and we would like to test the Drinkard in our Fanning "A" to determine if it is currently commercially productive.

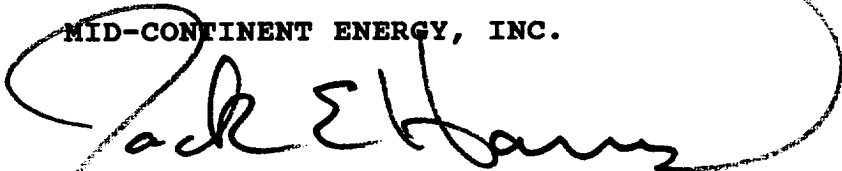
Because of the mechanical make-up of the well, the only way to test the Drinkard is to temporarily commingle with the existing Blinebry perforations and pump test.

We are unsure how an operator obtains permission to commingle for test purposes. As you know, permitting for a commingled completion may not be necessary because there is a good chance the Drinkard will be water productive, and thus plugged back and never produced.

If possible could you please give us permission to test the Drinkard by downhole commingling, and if not, instructions on how to get a permit to test this lower zone.

Sincerely,

MID-CONTINENT ENERGY, INC.


Jack E. Harris
Production Engineer

JEH/sdb

Prod. Under PKR & as soon as you find out
pressures I will give you 30 days to get
approval.