

Je XI

State of New Mexico Energy, Minerals and Natural Resources Department Oil Conservation Division P.O. Box 1980 Hobbs, New Mexico 88241-1980

-----

Re: Packer Leakage Test Red Hills Federal 1-A 444 33

Gentlemen:

Reference is made to your letter of March 9, 1989 requesting a packer leakage test be conducted on the subject well no later than April 9, 1989. This is to advise that, due to mechanical problems, we are unable to conduct the test before the deadline.

On March 10, 1989 a bottomhole pressure recorder was run in the upper tubing (Wolfcamp) to obtain a shut in pressure test. On March 13th the BHP recorder was found to be stuck. While attempting to fish the recorder, the wire line broke leaving 13,300' of slick line in the tubing. Subsequent attempts to recover the slick line and recorder have been unsuccessful. Because of these restrictions in the tubing, the Wolfcamp zone will not flow.

An evaluation is being made of an alternate method of producing the Wolfcamp or of fishing the junk in the tubing. The lower tubing (Penn) is currently shut in as being uneconomical to produce.

If you have any questions, please call the undersigned at (918) 494-0000.

Sincerely,

KAISER-FRANCIS OIL COMPANY

Mitton

Milton Griffin

MG:dmk

cc: David Rodawalt Bob Major