

NEW MEXICO ENERGY, MINERALS & NATURAL RESOURCES DEPARTMENT

Hobbs - District I 1625 North French Drive Hobbs, NM 88240 OFF: (505) 393-6161 FAX: (505) 393-0720

Jennifer A. Salisbury CABINET SECRETARY

August 26, 1999

Midland Operating, Inc. ATT: Michael Prichard 3300 North A Street Bldg. 2, Suite 104 Midland, TX 79705

RE: Reclassification of Well Stevens A-34, #5-A Sec. 34-T23S-R36E Jalmat Tansill Yates SR Pool

Gentlemen:

The annual Gas-Oil-Ratio Test for the above-referenced well indicated this well should be reclassified from an oil well to a gas well in the Jalmat Tansill Yates Seven Rivers Pool, with the oil allowable being cancelled effective January 1, 2000.

If this test does not reflect the proper classification of this well, please submit another test for our consideration by September 8, 1999.

If the well is to be reclassified from oil to gas you will need to submit the following:

- 1. Form C-102 acreage dedication plat for the well outlining a standard 160 acres proration unit or application for a NSP.
- 2. Form C-104 showing reclassification from oil to gas effective January 1, 2000, indicating transporters of condensate and dry gas For this well.
- 3. Indicate if gas well gas is separately metered.

If you have questions concerning the above, please contact Nelda Morgan at (505) 393-6161 Ext. 101.

Very truly yours. OIL CONSERVATION DIVISION

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Chris Williams Supervisor, District I CW:nm

Reclassion il 15 Gas Effilizza