



**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
Ascarte C 24, #1-B
Sec. 24-T25S-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

Chris Williams

Chris Williams
Supervisor, District I
CWilliams

EFF 6/1/99
Reclass
Oil to Gas

dp

Submit 2 copies to Appropriate District Office.

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-116
Revised 1/1/89

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240
DISTRICT II
P.O. Drawer DD, Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WV

OIL CONSERVATION DIVISION
2040 Pacheco St.
Santa Fe, NM 87505

6-18-99

GAS - OIL RATIO TEST

Operator		Pool		County											
Midland Operating, Inc.		Jalmat; Tan-Yates-7 Rvrs (Oil)		Lea											
Address		3300 N. 'A' Street; Bld 2, Ste. 104; Midland, TX 79705		TEST - (X)											
		TYPE OF TEST - (X)		Scheduled <input checked="" type="checkbox"/> Special <input type="checkbox"/>											
LEASE NAME	WELL NO.	LOCATION				DATE OF TEST	CHOKE SIZE	TBG. PRESS.	DAILY ALLOW-ABLE	LENGTH OF TEST HOURS	Completion		Special		GAS - OIL RATIO CU.FT/BBL.
		U	S	T	R						WATER BBL'S.	PROD. DURING TEST GRAV. OIL	OIL BBL'S.	GAS M.C.F.	
Arnott Ramsay A	1	C	2	25S	36E	5/25/99	P			24	32	1	2	2000	
	5	G	2	25S	36E	5/25/99	P			24	32	1	2	1700	
Ascarte C 24	1	B	24	25S	36E	5/26/99	P			24	28	0	26.1	1100	
Aztec	1	K	21	25S	37E	5/24/99	P			24	29	1	13.0	NA	
E. J. Wells	3	E	12	25S	36E	5/27/99	P			24	28	3	2.5	1300	
Federal	1	E	21	25S	37E	5/24/99	P			24	35	4.6	10.1	1000	
Hadfield	2	P	21	25S	37E		S			24				2391	
Lanehart 22	1	D	22	25S	37E	5/24/99	P			24	32	2.3	20.9	2196	
Possh	3	K	36	24S	36E	5/25/99	P			24	516	28	3.5	9130	
State W	2	O	36	24S	36E	5/25/99	P			24	438	26	2.0	9087	
Stevens A 34	5	A	34	23S	36E	5/24/99	P			24		0.0	0.0	6511	

Instructions:

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in order that well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Division.

Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.60.

Report casing pressure in lieu of tubing pressure for any well producing through casing.

(See Rule 301, Rule 1116 & appropriate pool rules.)

I hereby certify that the above information is true and complete to the best of my knowledge and belief.

Signature *Michael D. Prichard*

Michael D. Prichard Operations Engineer

Printed name and title

Date 6/3/99 (915) 570-0077 Telephone No.