

NEW MEXIC ENERGY, MINERALS & NATURAL RESOURCES DEPARTMENT

OFFICE OF THE SECRET, 2040 South Pacheco Stre Santa Fe, New Mesico #7 (\$05) 827-5950

Jennifer A. Salisbury CABINET SECRETARY

September 24, 1998

Midland Operating, Inc. 3300 North A Street Bldg. Two - Suite 104 Midland, Tx 79705

Reclassification of Well RE: Hadfield, #2-P Sec. 21-T25S-R37E 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 Pool, with the oil allowable being cancelled effective January 1, 1999.

If for some reason you feel this test does not reflect the proper classification of this well, please submit another test for our consideration by October 20, 1998.

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

- Form C-102 acreage dedication plat for the well, 1.) outlining a standard 640 acres proration unit or application for a NSP.
- Form C-104 showing reclassification from oil to gas 2.) effective January 1, 1999, indicating transporters of condensate and dry gas for this well.
- Indicate if gas well gas is separately metered. 3.)

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

Very truly yours,

OIL CONSERVATION DIVISION

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Chris Williams Supervisor, District I

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