

No bottom hole pressure tests have been run on either zone of the State Y No. 3. However, because of its proximity to the State Y No. 7, similar production histories, and roughly equivalent production totals, bottom hole pressures in No. 3 are expected to approximate those in State Y No. 7. On this basis, estimates of State Y No. 3 bottom hole pressures are 260 psig in the Blinebry and 1000 psig in the Montoya.

Sufficient pump capacity will be available to lift the anticipated 110 BFPD commingled production, and prevent fluid buildup in the wellbore and possible contamination of the two producing zones.

Approval of this application will allow this well to be worked over and returned to production at far less expense than would otherwise be required. In addition, the more efficient operation will allow the well to produce additional reserves from both zones which would otherwise not be recovered.

Additional information, such as decline curves, Form C-116-A, List of Offset Operators, and lease and well information is included as required by Rule 303-C. Offset Operators and the U. S. Geological Survey are being notified by registered mail with a copy of this application.

Thank you for your consideration.

Very truly yours,



J. L. Tweed

KG:ad

cc: Offset Operators  
NMOCC Area Supervisor  
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