Hobbs, New Mexico,
July 5th, 1935

Mr. F. J. Vesley,
State Oil & Gas Inspector,
Carlsbad, New Mexico.

In re: Arnott-Ramsay "B" #1
Sec. 32, 26S- 37 E.

Dear Sir:

Confirming recent telephone conversation between yourself and Mr. Gray, we plan to perforate the 5-1/2" OD Casing in Arnott-Ramsay "B" #1 in order to flow the oil production. The present status of the well is as follows:

Elevation 2984'
10-3/4" OD Surface Casing set at 266' and cemented with 225 sacks.
7-5/8" OD Casing set at 2609' and cemented with 535 sacks
5-1/2" OD Casing set at 3194' and cemented with 100 sacks
Drilled to 3240' and tested small volume of fluid, mostly water, acid treated with 1,000 gallons 60% Hydrochloric Acid Solution. Would not flow, but swabbed 33 barrels oil and 70 barrels water. Acid treated with 2,000 gallons 60% Hydrochloric Acid Solution. Would not flow, but swabbed 33 barrels oil 67 barrels water. Drilled to 3400', but all tests below 3240' showed 100% sulphur water. Plugged back to 3240'. Well would not flow, but swabbed 38½ barrels oil and 49½ barrels water.

We plan to perforate the 5-1/2" Casing beginning at approximately 3150' with the Lane-Wells Gun perforator. If an adequate supply of gas is obtained a packer will be run on 2-1/2" tubing and set in the casing at approximately 3180'. A string of 1" tubing will be run inside the 2-1/2" tubing. The gas then, can be taken from the casing, introduced into the 1" tubing, and be used to flow the well through the 2-1/2" tubing. The gas-oil ratio can be controlled by valves at the surface. This, we believe, is one of the best methods of effecting gas conservation.

Yours very truly,

Approved:

Date JUL 9 1935

Signed F. J. Vesley
State Oil & Gas Inspector

GYPSY OIL COMPANY

C C Cummings
L.M.

DUPLICATE

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