



TONEY ANAYA
GOVERNOR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

March 1, 1985

Mr. D. M. Erickson
Valex Petroleum, Inc.
1700 Lincoln St., Suite 3413
Denver, CO 80203

Re: Delinquent reports

Dear Mr. Erickson:

After reviewing our records we find that there are still serious problems.

1. SFP 28 #3 and SFP 29#3 are producing to a central delivery point. Regulations require that gas wells be metered individually or commingled only after special application. If these wells are not being metered separately, they are to be shut-in until individual well meters are installed or until surface commingling is approved. Also, because the Gas Company cannot report individual well volumes, you are considered the transporter for reporting purposes and you will be required to file amended C-104's showing yourself as the transporter and you will be required to file report C-111 monthly. Please report the date that gas was first delivered into the pipeline and conduct a Deliverability test as required under the regulations (see attachment).

2. If SFP 29 #44 is connected to the pipeline, it may be produced only until the packer test is conducted and then must be shut-in until the test is approved, the multiple completion application is approved, and, the form C-104 is approved.

If you have any questions, please contact this office.

Sincerely,

Frank T. Chavez
District Supervisor

FTC/dj
Attachment

xc: Operator File
Well File