

P. O. BOX 1492 El. PASO, TEXAS 79978

PHONE: 915-543-2600

March 17, 1978

ONSERVATION COMM

Alamo Petroleum Company One Energy Square, Suite 600 4925 Greenville Avenue Dallas, Texas 75206

Attention: Mr. T. H. Charlett

Vice President-Operations

Re: Compressor Installation Davis Federal #1 Well

S W/4, Unit L, Sec. 24, T-26-N R-11-W, San Juan County, New Mexico

Dual Completion Basin Dakota Field Gallegos Gallup Field

Gentlemen:

In reference to your letter of March 9, 1978, El Paso is agreeable to Alamo's compressor installation on the Davis Federal #1 Well (dual completion) and the resultant commingling of gas and the allocation of such gas to each well proportionally based on upstream measurement.

However, we have been advised by our Technical Operations personnel that it may be necessary for Alamo to install pulsation equipment in conjunction with their compressor to protect El Paso's measurement meter from error due to pulsation.

If we can be of further assistance, please advise.

Yours very truly,

PRORATION DEPARTMENT

Dean V. Rittmann

Manager, Operations & Administration

DVR: cmn

cc: Northwest Pipeline Corporation
P. O. Box 1526
Salt Lake City, Utah 84110

New Mexico Oil Conservation Commission P. O. Box 2088
Santa Fe, New Mexico 87501