



PHILLIPS 66 NATURAL GAS COMPANY

A SUBSIDIARY OF PHILLIPS PETROLEUM COMPANY

ODESSA, TEXAS 79762
4001 PENBROOK

October 9, 1986

Notice of Overproduction
Seale Federal, Well No. 4
Eumont Yates - SR-Q Field

Warrior, Inc.
C/O Unique Engineering - Merchant
P. O. Box 5315
Hobbs, New Mexico 88240

Dear Sir:

The subject prorated gas well is in violation of Rule 11(b) of the New Mexico General Rules for Prorated Gas Pools. The October, 1986 Southeast Gas Proration Schedule shows this prorated gas well exceeding six times its average monthly allowable by the amount of 164,520 MCF. Your Seale Federal, No. 4, must be shut-in and remain shut-in until the accumulated overproduction is reduced to within its allowable limits.

Effective November 1, 1986, Phillips 66 Natural Gas Company will not accept any further deliveries from the subject well until we have received notification in writing that the well has been approved to resume production. A copy of any orders approving a hardship status or approval to produce at a reduced rate is also requested. Well No. 4 is connected to Phillips 66 Natural Gas Company's gathering system serving the Eunice Plant.

Please direct all correspondence or inquiries to the undersigned at the letterhead address or call (915) 367-1488.

Sincerely,

A handwritten signature in cursive script that reads "Larry M. Sanders".

Larry M. Sanders, Agent
Phillips 66 Natural Gas Company

LMS/lsw
REG3.1/pool

cc: New Mexico Department of Energy, Oil Conservation Division

RECEIVED

OCT 13 1986

U.S.
HOBBS OFFICE