



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

GARREY CARRUTHERS
GOVERNOR

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

January 19, 1987

Mr. Kevin Fitzgerald
Mallon Oil Co.
1099 18th St., Suite 2750
Denver, CO 80202

Re: Request for lower rate to make-up overproduction

Dear Mr. Fitzgerald:

Your request for 200 MCF/D per well to make-up overproduction cannot be granted as it is only a little less than the 240 MCF/D allowed by pool rules.

In consideration of the personal communication between you and I, and Mr. George Mallon and I, there is a need to allow some production of your overproduced wells to prevent hardship to the gas plant served by your wells. I have not yet received the data that I requested as to the minimum gas amount needed to prevent this undue hardship. In the absence of that data and relying only on your previous statement of need, I can permit that the following wells be produced at a maximum of 50 MCF/D pending receipt of that data by January 28:

Howard-Federal 1 #8
Howard-Federal 1 #11
Johnson-Federal 12 #5

If the data is not received by January 28, I will rescind this permission.

Sincerely,

Frank T. Chavez
District Supervisor

FTC/dj

xc: Mr. Vic T. Lyons
Well Files
Operator File