SOUTHERN UNION PRODUCTION COMPANY

POST OFFICE BOX 808
FARMINGTON, NEW MEXICO 87401

OCTOBER 30, 1964

NEW MEXICO OIL CONSERVATION COMMISSION 1000 RIO BRAZOS ROAD AZTEC, NEW MEXICO

ATTENTION MR. E. C. ARNOLD

DEAR MR. ARNOLD:

This is in reference to the Southern Union Production Company's No. 1-31 Federal Well, (Which is a dual completion) located in Unit Letter N, Section 31, Township 30 North, Range 11 West, San Juan County, New Mexico.

During our recent conversation concerning the Southern Union Production Company No. 1-31 Federal, it was suggested that we apply for relief of shut-in on the Undesignated Mesaverde pay zone.

EXCESSIVE WATER ENCROACHMENT WHEN THE WELL IS SHUT IN CAUSES PRODUCTION PROBLEMS WHEN WE TRY TO PRODUCE THIS SIDE OF THE WELL. THE UNDESIGNATED MESAVERDE IS NOW PRODUCING 292 MCF/D WITH 38 BARRELS OF WATER PER DAY. WE FEEL THAT IN LESS THAN 700 DAYS THE UNDESIGNATED MESAVERDE WILL BE IMPOSSIBLE TO PRODUCE.

1, THEREFORE, REQUEST THAT THE SOUTHERN UNION PRODUCTION COMPANY No. 1-31 FEDERAL UNDESIGNATED MESAVERDE PAY ZONE BE RELIEVED FROM FURTHER SHUT-IN UNTIL THE ABOVE MENTIONED PAY ZONE IS DEPLETED.

Yours VERY TRULY,

SOUTHERN UNION PRODUCTION COMPANY

VERNE ROCKHOLD

JR. ENGINEER

VR: AY

cc: BILL VANDERSLICE VAL RIPPER