

# PENROC Oil Corporation

P. O. DRAWER 831 • MIDLAND, TEXAS • 79701

**RECEIVED**

Telephone (915) 683-1861

**MAR 7 1977**

March 4, 1977

**O. C. C.**  
**ARTESIA, OFFICE**

Re: NM-89, State #2 well  
State Lse. B-4575, Unit P  
SE/4 SE/4 Sec. 28-17S-28E  
Eddy County, New Mexico

Oil Conservation Commission  
State of New Mexico  
P. O. Drawer DD  
Artesia, New Mexico 88210

Attention Mr. W. A. Gressett  
Supervisor

Gentlemen:

Penroc Oil Corporation handles operations as Agent for the designated operator of the Hanover Petroleum Corporation State No. 2 well located in Section 28, T-17-S, R-28-E. The well is in the Empire Abo pool.

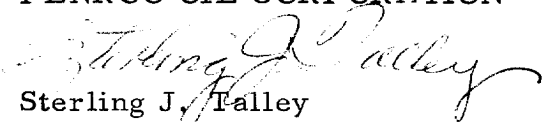
As of December 31, 1976, this well had a cumulative overproduction of casinghead gas of 14,618 MCF. During January and February of 1977, the producing days were limited in order that the casinghead gas allowable would not be exceeded. In order to reach a zero overproduced status in the shortest time it would be necessary to shut in the State No. 2 for approximately 52 days.

To prevent damage to the producing formation because of such a long shut in period, Penroc respectfully requests that production be allowed long enough each month until approximately one-half the casinghead gas allowable is reached and then shut in until the first day of the succeeding month and continue this plan until zero overproduction is reached.

May we have your approval?

Very truly yours,

PENROC OIL CORPORATION

  
Sterling J. Talley  
President

SJT:mlm