

PHILLIPS PETROLEUM COMPANY

ODESSA. TEXAS 79762 4001 PENBROOK

EXPLORATION AND PRODUCTION GROUP Permian Basin Region May 2, 1985 RECEIVED BY

MAY 3 1985

O. C. D. ARTESIA, OFFICE

Federal X No. 1 - K 21-17-30 - Pipeline Proration - Loco Hills/Square Lake Segment, Lee Plant Gathering System Lea County, New Mexico

Anadarko Production Company P. O. Box 608, Eunice, New Mexico 88231

Gentlemen:

Please refer to our April 15, 1985, notice of gas well proration (copy attached) in the Loco Hills and Square Lake Booster segment of the Lee Plant gathering system.

It has come to our attention that your Federal X Well No. 1 - located in Unit K, Section 21, T-17-S, R-30-E, Eddy County, is classified as a statutory gas well. It is requested that this well be shut in immediately. The New Mexico Oil Conservation Division guidelines for gas proration stipulate that gas well production be the first production shut out when pipe line proration is necessary.

Records indicate that Phillips' meter number 017761 serves both oil and gas wells on the Federal X lease. We will continue to accept, through that meter, the casinghead gas production from the oil wells.

Please contact Mr. Glenn Donaldson, Artesia, telephone (505) 677-3154 or me if you have any questions.

Your cooperation is appreciated.

Cordially

T. Harold McLemore (915) 367-1257

THM:se

Attachment

cc: New Mexico Dept. of Energy, OCD, Santa Fe, New Mexico New Mexico Dept. of Energy, OCD, Artesia, New Mexico New Mexico Dept. of Energy, OCD, Hobbs, New Mexico Land Commissioner, State of New Mexico, Santa Fe, New Mexico BLM/MMS, U. S. Dept. of the Interior, Carlsbad, New Mexico

Mr. Glenn Donaldson - Meter No. 017761