



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

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O. C. D.  
ARTESIA, OFFICE

GARREY CARRUTHERS  
GOVERNOR

January 9, 1990

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

Padilla & Snyder  
200 W. Marcy  
Suite 212  
Santa Fe, New Mexico 87504-2523

Dear Mr. Padilla:

As per our meeting on January 8, 1990, please be advised that authorization is hereby given for a temporary special 30-day testing period for Siete Oil and Gas Corporation's Osage Federal Well No. 13 subject to the following restrictions:

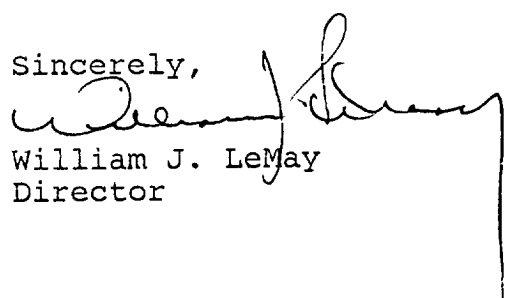
1. Production during this test period shall not exceed 1,600 MCF gas per day.

2. At the expiration of this test period, the subject well shall be produced at a rate consistent with the current gas allowable and GOR restrictions prescribed for the South Parkway Bone Spring Pool unless a written application for extension of said testing period, including a discussion of the need for additional testing, is submitted to and approved by the Division.

3. If testing indicates the need for a higher GOR for the South Parkway Bone Spring Pool, the applicant shall file a written application for the promulgation of special rules and regulations for the subject pool.

4. If testing does not indicate the need for a higher GOR for the subject pool, or, if after notice and hearing, the Division denies such application for the promulgation of special pool rules, the subject well shall be required to be shut-in or curtailed in order to make up any casinghead gas overproduction accumulated during the special testing period.

Sincerely,

  
William J. LeMay  
Director

xc: ✓OCD-Artesia