

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING  
GOVERNOR

May 15, 1991

RECEIVED

MAY 20 1991

O. C. D.  
ARTESIA OFFICE

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

Mr. Henry Musselman, President  
Musselman, Owen & King Operating Inc.  
507 N. Marienfeld, Suite 100  
Midland, Texas 79701

Re: Musselman, Owen & King Operating, Inc.  
Smith Federal Well No. 1K, 1-22S-23E  
Indian Basin Upper Penn (Pro. Gas)  
Eddy County, New Mexico

Dear Mr. Musselman:

Your plan to work off overproduction for this well as outlined in your letter of April 11, 1991 is approved subject to the limits set out in Amoco's April 24, 1991 letter. We understand that you are in agreement with these limits.

You are authorized to make up the overproduction during a 24-month (or shorter) period beginning May 1, 1991. Maximum production each month during the make-up period shall not exceed 62.5% of the monthly allowable assigned to the well or 1600 MCFD, whichever is less.

We appreciate your cooperation in this matter.

Sincerely,

A handwritten signature in dark ink, appearing to read "William J. Lemay".

WILLIAM J. LEMAY,  
Director

WJL/JM/dr

cc: Amoco Production Company  
Oryx Energy Company  
Kerr-McGee Corporation  
Hondo Oil and Gas  
Bill Fenn, Inc.  
✓ Mike Williams - OCD Artesia  
Charlie Engleke - OCD Santa Fe