



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

RECEIVED

GARREY CARRUTHERS
GOVERNOR

SEP 30 '88

O. C. D.
ARTESIA, OFFICE

September 26, 1988

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

Mr. Ernest L. Padilla
P.O. Box 2523
Santa Fe, NM 87504-2523

RE: Hardship Classification - City
of Carlsbad No. 1; O-25-22S-
26E; Eddy County, New Mexico;
South Carlsbad-Morrow Pool;
Case 8717, Order No.
R-8064.

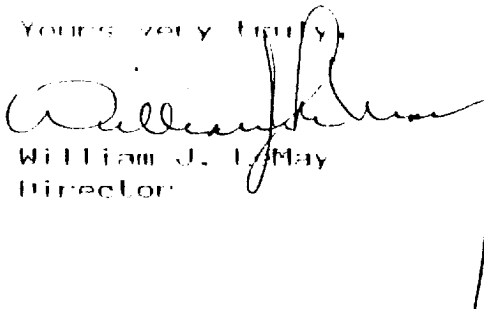
Dear Mr. Padilla:

Your letter dated September 23, 1988 has been received and reviewed. It appears that the well's performance continues to qualify the well for hardship classification. The well's overproduction continues to increase, not because of increased producing rates but because of decreasing allowables. This situation is actually worse than appears on the proration schedule because of a flaw in the computer program. The overproduction limit as of July 31, should be 86,695 and the well is now 25-times overproduced.

We note the producing rate has declined in recent months and, considering the serious overproduced status the maximum flow rate should be reduced accordingly.

The hardship classification is hereby extended to October 1, 1989 and the maximum flow rate is reduced to 900 MCF/day which is slightly less than twice the average allowable over the past twelve months.

Yours very truly,


William J. L. May
Director

WJL/VTL/ag

xc: Transwestern Pipeline
✓ Mike Williams - Oil Conservation Division - Artesia
Allen Armi jo - Oil Conservation Division - Santa Fe