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ARTESIA, OFFICE

PHILLIPS

PHILLIPS PETROLEUM COMPANY

ODESSA, TEXAS 79762 4001 PENBROOK

EXPLORATION AND PRODUCTION GROUP Permian Basin Region

April 2, 1985

RE: Leasehold Production Requirements USA-9 Well No. 1, Lease Nos. NM-13232 and NM-16101 - John R. Seay, Operator Artesia Plant/Systems Gas Well Gas Proration by Shut-In, Eddy County, New Mexico

John R. Seay P. O. Box 50772 Midland, Texas 79710

Dear Mr. Seay:

Reference is made to your telephone request of April 2, 1985, and our notice of gas well gas proration dated September 4, 1984.

In order to maintain your leasehold production status, this is to advise that Phillips will take a maximum of 50 Mcf/Day of produced gas from the USA-9 Well No. 1 on April 16 and 17, 1985. It is understood that the production on April 16, 1985 will be sufficient to hold your lease for the 30-day production period ending on that date; and further, that the production on April 17, 1985, will be sufficient to hold your lease for the 30-day production period ending on May 16, 1985. In addition, a like amount of production will be accepted on June 16 and 17, 1985, to cover the respective 30-day production periods ending June 16, 1985, and July 16, 1985.

It is requested that R. W. Gray Pumping Service contact Don Laird - Artesia Plant Superintendent (505) 677-3154 prior to the designated production dates in order to coordinate the flowing of the USA-9 Well No. 1 under these criteria.

Cordially yours,

E. E. Clark

THM/sdi REG3.1/usa

cc: Bureau of Land Management Department of the Interior Box 1778 Carlsbad, New Mexico 88220 NM Oil Conservation Division

Artesia, New Mexico 88210

Drawer DD

Gray Pumping Service Box 1046 Artesia, New Mexico 88210

Don Laird (Phillips' Artesia Plant)