



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

GARREY CARRUTHERS
GOVERNOR

December 3, 1990

RECEIVED

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

DEC 4 '90

C. C. D.
ARTESIA, OFFICE

Merit Energy
12221 Merit Drive
Suite 1040
Dallas, Texas 75251

Attention: Ms. Sheryl Carruth

Re: Bridge Oil Co., L.P.
State W No. 1 Well, G-3-23S-26E
South Carlsbad Morrow Pool
Eddy County, New Mexico

Dear Ms. Carruth:

Ms. Louise Lindsey of Bridge Oil Co. told me that Merit Energy has purchased this well and will begin operating it soon.

We have discussed a production reporting error with Bridge personnel and would like to provide you with information which will help you report produced volumes correctly each month.

Volumes reported for this well by Bridge on Form C-115 for June and July, 1990, are shown below and compared to the volumes El Paso reported on Form C-111.

<u>Month</u>	<u>Bridge C-115</u>	<u>El Paso C-111</u>
June 1990	3735 MCF	5228 MCF
July 1990	3422 MCF	4791 MCF

Gas from the South Carlsbad Morrow Pool is commingled downhole with South Carlsbad Atoka gas. Order No. DHC-391 (copy attached) authorized this and directed that 30% of gas production be allocated to the Atoka and 70% to the Morrow.

Bridge personnel say they have been reporting on a 50/50 basis as is indicated by the above volumes for June and July; the Bridge C-115 volume is approximately 5/7ths of the El Paso C-111 volume each month.

Please begin allocating and reporting the gas on Form C-115 as set out in the