

OIL CONSERVATION DIVISION
ARTESIA, NEW MEX. 88210

TO: Lori

FROM: Tim Gunn

DATE: 10-23-98

NUMBER OF SHEETS (INCLUDING TRANSMITTAL SHEET) 2

IF YOU HAVE ANY PROBLEMS WITH THIS TRANSMISSION, PLEASE CALL 505 748 1289.
FAX NUMBER (505) 748-9720

10/22/98

RE: READ & STEVENS
HARRIS FEDERAL NO.11
CHAVES COUNTY, NM
ORDER NO. R-10622

Dear Lori :

My fax dated 10/15/98 stated that Read and Stevens was trying to find additional deliverability test as required by the above Order . They were not successful in finding any more test. I requested a test be conducted as soon as possible with the actual test being performed on 10/20/98. The results of this test shows the current allowable should be 866 MCPPD (25,980 MCF 30 day month). The latest production data we have is for July , 1998 at 25,954 MCF , this rate is below allowable.

The highest monthly producing rate since 1/1/98 was 29,394 MCF. Because Read & Stevens did not comply with the Order requirement to have semi-annual test , should we look at reducing the allowable . The original allowable was 1209 as compared to 866 MCPD . This decrease is most likely just normal decline however we do not know since the required test were not conducted.

Please advise.

TWG

