

ARGO OIL CORPORATION

(A DELAWARE CORPORATION)

MILAM BUILDING
SAN ANTONIO 5, TEXAS

GENERAL OFFICES
1700 BROADWAY
DENVER 2, COLORADO

September 23, 1959

NM-1115
Argo Oil Corporation
B. T. Lanehart Well No. 1
Jalmat Field
Lea County, New Mexico

Mr. A. L. Porter, Jr., Secretary-Director
Oil Conservation Commission
Mabry Hall
State Capitol
Santa Fe, New Mexico

Dear Mr. Porter:

Argo Oil Corporation's No. 1 B. T. Lanehart (Unit H. Section 21, T-25-S, R-37-E) is currently over-produced six times its current allowable. This over-production was caused by the changing of the well from Marginal Status to a Non-Marginal Status effective July 1, 1958 by Supplement No. SF-544 dated May 26, 1959.

Argo Oil Corporation hereby requests an exception to the over-production shut-in provision of Order R-520, as amended by Order R-967, in order that this well might be produced at a decreased rate to make up its over-production without being shut-in in order to prevent waste and permanent damage to the well. Order R-520, as amended by Order R-967, states in part:

"The Commission may allow overproduction to be made up at a lesser rate than would be the case if the well were completely shut-in upon a showing at public hearing after due notice that complete shut-in of the well would result in material damage to the well."

The request for this exception was delayed as Argo has an additional 80 acres which adjoins this well that has been tied up in legal proceedings. This acreage has now been released and we are now making application to include it in the B. T. Lanehart Unit which will increase our allowable and more rapidly reduce our over-production.

Very truly yours,

CDH:rj

cc: R. R. Ullstrom/Denver
R. O. Price/Midland

El Paso Natural Gas Company
P. O. Box 1384
Jal, New Mexico