



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

25-20-28

GARREY CARRUTHERS
GOVERNOR

January 20, 1988

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

RECEIVED

JAN 22 '88

O. C. D.
ARTESIA, OFFICE

Mr. S. E. Thames, Jr.
Liberty Oil and Gas Corp.
P. O. Box 430
Livonia, La. 70755-0430

Dear Mr. Thames:

As requested in your letter dated January 13, 1988 I am forwarding pertinent pages out of gas proration schedules for S.E. New Mexico for months June, 1987 through January, 1988. Each of these schedules except June shows your Lea Federal Well No. 1 to be excessively overproduced in violation of our rules. Our computer automatically generates a letter advising the producer and transporter of such violation the first month such violation occurs, which would have been in July, 1987. When I asked our data processing manager for the file copy he said it would take some time to retrieve that far in the past. It is our position, however, that the gas proration schedule is the official notice of violation.

If you need further data, our records are open to the public and can be copied at a nominal cost. I made these copies myself, but my time is limited. I have also enclosed a copy of Order R-8170 which is our basic gas proration order.

I hope this material is of some assistance to you.

Sincerely,

VICTOR T. LYON,
Chief Petroleum Engineer

VTL/dr

cc: Mike Williams
Artesia District Office