

State of New Mexico
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
Santa Fe, New Mexico 87505



July 6, 1995

Ensearch Exploration, Inc.
6 Desta Drive, Suite 5250
Midland, Texas 79705-5510

Attention: Mr. S. D. Reed


Re: Lambirth Well No. 3
Unit G, Section 31, T-5S, R-33E,
Lea County, New Mexico

Dear Mr. Reed:

I have received notice from our Hobbs OCD office that the Lambirth Well No. 3 is producing water in excess of what is allowed under Division Order No. DHC-755. This order authorized the downhole commingling of Pennsylvanian and Fusselman production subject to certain conditions, one of which was that water production was not to exceed 100 barrels per day. If the subject well is producing in excess of this amount, Division Order No. DHC-755 needs to be amended at an Examiner Hearing in Santa Fe.

Please advise me at your earliest convenience as to the status of current production from the subject well in order that we may discuss options to obtain approval for such production.

Sincerely,


David Catanach
Engineer

xc: ✓ OCD-Hobbs-Nelda Morgan
File-DHC-755

R-10445

Total 300 bpd
water

VILLAGRA BUILDING - 408 Galisteo
Forestry and Resources Conservation Division
P.O. Box 1948 87504-1948
827-5830
Park and Recreation Division
P.O. Box 1147 87504-1147
827-7465

2040 South Pacheco
Office of the Secretary
827-5950
Administrative Services
827-5925
Energy Conservation & Management
827-5900
Mining and Minerals
827-5970
Oil Conservation
827-7131

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**U C D HOBBS
OFFICE**