



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

March 11, 1988

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

C. W. Trainer
c/o Oil Reports & Gas Services Inc.
Box 755
Hobbs, NM 88240

Re: Betty State #1-L
Section 16, T17S, R35E
North Vacuum Atoka-Morrow Gas Pool

Gentlemen:

We have received Form C-104, Request to Transport Natural Gas, for the above-referenced well. You indicate Llano Inc. will be the gas transporter, and we have received a notice of gas connection from Llano, Inc. However, it appears from this connection notice this well does not meet the requirement of the measurement of gas well gas before it leaves the lease as set out in Director LeMay's recent memo.

The gas from the Betty State #1, located in Unit L, Section 16, T17S, R35E, is being delivered to Llano's transportation facility through the delivery station located on the T. H. McElvain Oil and Gas New Mexico State AC lease in Unit H, Section 22, T17S, R35E.

Gas delivered to Llano through a delivery station is not reported on their monthly C-111 on a per well basis. We feel this set up does not meet the requirement of metering gas well gas before it leaves the lease.

We have attached a copy of Director LeMay's memo for your information.

Please advise how you will correct this situation.

Very truly yours,

OIL CONSERVATION DIVISION

Jerry Sexton
Supervisor, District I

JS/ED/ed

cc: Llano Inc.