



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

TONEY ANAYA
GOVERNOR

October 31, 1986

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88240
(505) 393-6161

Phillips Petroleum Company
4001 Penbrook
Odessa, TX 79762

Attn: Mr. Larry Sanders

Re: Warrior Inc.
Seale Federal Well #4-N
Sec. 34, T20S, R36E
Eumont Pool

Dear Mr. Sanders:

Your notice to Warrior to shut in the above well due to being 6 times over produced has been received. After reviewing the situation, it appears all the gas production from the lease was being reported by Phillips as coming from the #4 well. I checked Warrior's monthly report and they have not reported any production from the #4 well since August 1983.

There appears to be some lack of communication between Warrior and Phillips and I assume the gas well gas was not being separately metered, or when the #4 well became non-productive, you would have been aware of the situation.

Harold Garcia in our Santa Fe gas proration department advises that Phillips should file a correction showing no production for Well #4 since it was shut in. He said this could be done by letter. If you have questions concerning this filing, please contact him at (505) 827-5813.

Very truly yours,

OIL CONSERVATION DIVISION

Jerry Serton
Jerry Serton
Supervisor, District I

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cc: Warrior, Inc.
c/o Unique Engineering
P.O. Box 5315
Hobbs, NM 88240