



PHILLIPS 66 NATURAL GAS COMPANY

A SUBSIDIARY OF PHILLIPS PETROLEUM COMPANY

ODESSA, TEXAS 79762
4001 PENBROOK

August 7, 1987

Notice of Overproduction
Eumont Yates-SR-Queen Pool
A. B. Reeves, Well Nos. 6 & 7
Sec. 29, T-20-S, R-37-E
Lea County, New Mexico

Sun Exploration and Production Company
Box 1861
Midland, Texas 79702

Dear Sir:

The subject prorated gas wells are in violation of Rule 11(b) of the New Mexico General Rules for Prorated Gas Pools. The August, 1987 Southeast Gas Proration Schedule shows these prorated gas wells exceeding six times their average monthly allowable by the amount of 82,731 MCF. Your A. B. Reeves, No. 6 and No. 7 must be shut-in and remain shut-in until the accumulated overproduction is reduced to within its allowable limits.

Effective September 1, 1987, Phillips 66 Natural Gas Company will not accept any further deliveries from the subject wells until we have received notification in writing that the wells have been approved to resume production. A copy of any orders approving a hardship status or approval to produce at a reduced rate is also requested. Well Nos. 6 and 7 are connected to Phillips 66 Natural Gas Company's gathering system serving the Eunice Plant.

Please direct all correspondence or inquiries to the undersigned at the letterhead address or call (915) 367-1488.

Sincerely,

Larry M. Sanders, Agent
Phillips 66 Natural Gas Company

LMS/lsw
REG3.1/pool

cc: New Mexico Department of Energy, Oil Conservation Division
Hobbs District Office