



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS  
GOVERNOR

August 20, 1987

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

Mr. Steven L. Burleson  
P. O. Box 2479  
Midland, Texas 79702

Dear Mr. Burleson:

Your August 12, 1987 letter inquired about allowable eligible for restoration under Rule 11(h) of Order No. R-8170 for your Federal Y 1C-5 (not 25), 23S-36E, Jalmat Pool.

According to our records, your well would have received as a non-marginal well from April 1, 1986 to June 30, 1987 allowable of 68,370 MCF and produced during that time 39710 MCF so that 28660 MCF should be available to be applied to overproduction if the well is eligible under Rule 11(h). In order to be eligible you must document:

- 1) The well failed to produce at NM allowable rates due to lack of market for the gas or lack of access to market.
- 2) You were willing to produce your well and sell gas at prices mutually agreeable to both you and the purchaser during the entire time.
- 3) You have done no work on the well to improve productivity during the period of time described above.
- 4) The well has had the ability to produce at top allowable rates during the time period.

As of June 30, 1987 your well is overproduced in the amount of 7,399 MCF. None of the underproduction will be credited until the well has been determined to be eligible through the documentation required above and only to the extent needed to hold the well to less than six times overproduced.

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