

Oil Reports and Gas Services, Inc.

P O BOX 755

HOBBS NEW MEXICO 88241

September 10, 1987

PHONE NUMBERS
393-2727 - 393-2017

Bureau of Land Management
P. O. Box 1778
Carlsbad, New Mexico 88220

Re: L & C Production Company
Danciger No. 1
Federal Lease NM-39160

Gentlemen:

The subject well was completed February 11, 1983 by Beach Exploration, Inc. and a gas connection was made to Phillips Petroleum Company March 1, 1983. Production declined rapidly and the well was shut in during August 1986.

L & C Production Company purchased the property June 1, 1987 and returned the well to production during July. A request was made to Phillips for a reconnection.

Attached is a copy of a letter from Phillips stating that the gas volume is so small it is uneconomical to process through their system even though a gathering line is already in place.

Therefore it is respectfully requested that permission be granted to vent this small volume of gas indefinitely or until such time the volume should increase to an economical level.

Yours very truly,


Donna Holler

DH/cg

cc: Oil Conservation Division
P. O. Box 1980
Hobbs, NM 88241

L & C Production Company
P. O. Box 1915
Eunice, NM 88231



PHILLIPS 66 NATURAL GAS COMPANY

A SUBSIDIARY OF PHILLIPS PETROLEUM COMPANY

PART OF THE PHILLIPS 66 SYSTEM
HARTFORD, CT (603) 281-1000 FAX (603) 281-1001
August 27, 1987

SUBJECT: **#1 Danciger**
330'N & 1650'E Sec 1-23S-35E
Lea County, New Mexico

L & C Production Company
P. O. Box 1915
Eunice, New Mexico 88231

Attn: Mr. Roy Calvin

Dear Mr. Calvin,

As we discussed via telephone, Phillips 66 Natural Gas Company has tested and evaluated the above referenced well for possible connection into our Eunice Gathering System in Lea County, New Mexico. The extremely low volume available from your well makes it uneconomic for P66NGC to purchase or process your gas, and we hereby decline to offer a purchase contract on this well.

We appreciate the opportunity to evaluate your well, and I hope we have the opportunity to do business with you in the future.

Very truly yours,

PHILLIPS 66 NATURAL GAS COMPANY

A handwritten signature in cursive script, reading "Michael A. Fitzgibbons".

Michael A. Fitzgibbons
820-M Plaza Office Building
(918) 661-0858

MAF:bjd - RC