



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

February 5, 1988

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Alpha Twenty One Production Co.
P. O. Box 1206
Jal, New Mexico 88252

Re: El Paso State No. 1 - J-22-23S-36E
El Paso Plant No. 1 - L-32-23S-37-E
Lea County, New Mexico; Case 8066; Order R-7458

Gentlemen:

I have received Mr. Sexton's letter of February 1 furnishing copy of my letter of September 29, 1986 according your well the status of hardship. I have now reviewed the file on your hearing March 4, 1984 and find the only exhibits offered were 21-day shut in bottom hole pressure surveys.

Although my 1986 letter did not so specify, hardship classifications are granted on a year-to-year basis and must be renewed annually. Furthermore, the Division is very strict on granting this classification because, in these days and times, everybody considers his particular situation to be a hardship.

Mr. LeMay's memorandum of January 22, 1988 provided a moratorium against shut-in of overproduced wells until March 31, 1988. Prior to that date I must have additional data on which to base continuation of your hardship classification. I would like you to furnish tubing pressure, line pressure, gas volumes, water volumes and description of conditions to support your contention that the well will be damaged by complete shut-in.

Order R-8066 in permitting the 75 MCF/day producing rate observed that this rate was less than the average allowable in the Jalmat pool. For your information the average allowable in 1987 was 67 MCF/day for an 80-acre unit. Under Order R-7458 your average production should have been half of that, except for my 1986 letter. It would be helpful if you can recount any perceived damage to the wells during their 21-day shut-in prior