

DOYLE HARTMAN

Oil Operator

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August 17, 1988

El Paso Natural Gas Company
One Petroleum Center, Building 2
3300 North "A" Street
Midland, Texas 79705

RE: Compressor Installation
Samedan Hughes Fed Lease
NW/4 Section 19
T-23-S, R-37-E
Meter No. 58372

Shell State Lease
SE/4 Section 13
T-23-S, R-36-E
Meter No. 58540
Lea County, New Mexico

Reference to our letter of August 4, 1988 concerning compressor installation on Samedan Hughes Well No. 1 and Shell State Well No. 5. In our letter of August 4, 1988 we stated we would install our compressor at 2030' FNL and 610' FWL of Section 19, T-23-S, R-37-E. We also stated the compressor system would discharge into El Paso pipeline at meter station no. 58372. After further study we have determined it would be better to locate the compressor at Shell State Well No. 5 instead of at Samedan Hughes Well No. 1. We propose to install the compressor system at a location 1700' FSL and 1550' FEL of Section 13, T-23-S, R-36-E, Lea County, New Mexico. The compressor system will discharge into El Paso's pipeline at meter station No. 58540. We request you note this change and welcome any comments or suggestions.

We have received a letter from William J. Le May, Director State of New Mexico Oil Conservation Division stating he had no objection to our proposed installation. They do have some concern about who will file the C-111 forms with the state of New Mexico. We propose to have our gas meter charts integrated and calculated by a third party measurement company. We will notify El Paso Measurement Department of the production from each well and they can allocate the total production accordingly. I feel that under these conditions El Paso should continue to file the C-111 forms. If you do not agree please let me know and we can change our plans as required. If you have any other suggestions or comments please advise.

Very truly yours,

Larry A. Nemyr

Larry A. Nemyr
Production Engineer

LAN/sgb