

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501



October 2, 1967

C
Continental Oil Company
P. O. Box 1621
Durango, Colorado

Attention: Mr. H. D. Haley

Administrative Order PC-333

O
Gentlemen:

Reference is made to your application dated June 20, 1967, for administrative authority to commingle Otero-Gallup oil production and Basin-Dakota condensate production from your Northeast Haynes Well No. 2, located in Section 16, Township 24 North, Range 5 West, Rio Arriba County, New Mexico, allocating the production by means of periodic well tests. We have now received the consent of the United States Geological Survey to the proposed commingling.

Y
By the authority vested in me under the provisions of Rule 303 (b) of the Commission Rules and Regulations, you are hereby authorized to commingle the production from the aforesaid pools on said lease in the above-described manner. Provided, however, that the installation shall be operated in accordance with the provisions of the Commission "Manual for the Installation and Operation of Commingling Facilities."

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/DBH/esr

cc: Oil Conservation Commission - with enclosure - Attec
United States Geological Survey - Roswell
Oil & Gas Engineering Committee - Hobbs

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501



TO: Mr. J. Edgar Hoover
FBI
Washington, D. C.

FROM: Mr. J. Edgar Hoover

RE: [Illegible]

DATE: [Illegible]

On April 1, 1968, I received a letter from Mr. J. Edgar Hoover, dated April 1, 1968, in which he requested that I provide information regarding the activities of the [Illegible] in the [Illegible] area. I have reviewed the records of the [Illegible] and have determined that the [Illegible] has been active in the [Illegible] area since [Illegible]. I have also determined that the [Illegible] has been active in the [Illegible] area since [Illegible]. I have also determined that the [Illegible] has been active in the [Illegible] area since [Illegible].

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Very truly yours,

[Illegible Signature]
[Illegible Title]

cc: [Illegible]

Enclosed for the Bureau are two copies of a letterhead memorandum dated and captioned as above. One copy of the letterhead memorandum is being furnished to the [Illegible] for their information.

MAIL OFFICE 000

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P. O. Box 1621
Durango, Colorado
June 20, 1967

New Mexico Oil Conservation Commission (S)
P. O. Box 2000
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr., Secretary-Director

Re: REQUEST TO SURFACE COMMINGLE
OTERO GALLUP OIL AND BASIN DAKOTA
CONDENSATE
NORTHEAST HAYNES WELL NO. 2
SECTION 16, T24N, R1W
RIO ARriba COUNTY, NEW MEXICO

Gentlemen:

Continental Oil Company requests administrative approval to surface commingle Otero Gallup oil production and Basin Dakota condensate production from the Northeast Haynes Well No. 2. The well was recently recompleted in the Gallup formation as a dual producer.

Gallup and Dakota hydrocarbon production is commonly owned by the Navajo Indian Tribe. Production in the wellbore is segregated by a production packer with the Gallup being produced through tubing and the Dakota produced through the casing-tubing annulus. The proposed surface commingling facilities will be installed as shown on the attached schematic diagram.

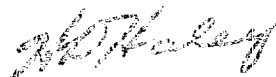
Required production tests of the Gallup will be conducted during the prescribed periods by shutting off Dakota production. Tests of the Dakota for production purposes will be made with the Gallup shut-in.

The value of the commingled production will not be less than the sum of the values of production from the Gallup and Dakota zones. The gravities, volumes of production and values of oil produced are shown on the attached Table I.

for Marine Oil Conservation Formations
Page 101

Copies of this application are being distributed to the United States Geological Offices in Roswell and Farmington, New Mexico. With these copies, we request U.S.G.S. approval so that upon receipt of such approval we may notify the MOCOC in compliance with Rule 303(b).

Yours very truly,



H. D. Haley
District Manager
Durango District
Production Department

ISO/mjs
AHL

cc: Mr. E. A. Austin, Continental Oil Co., Denver, Colorado
U.S.G.S., Roswell, New Mexico
U.S.G.S., Farmington, New Mexico

TABLE 2
 PRODUCTION AND REVENUE DATA
 NORTHEAST HAZINE NO. 1
 FRODOGEE SURFACE COMMINGLING
 OTHER GALLUP AND SAKOTA DAKOTA POOLS

Average Daily Oil Production:

Gallup	25 BOPD	(Recent Well Completion)
Sakota	5 BOPD	(Average last 3 Months)

Gravity of Oil Produced:

Gallup	40° API
Sakota	41° API

Value of Oil Produced:

Gallup	=	2.75 (less \$.10 Apache diff. and \$.10 Liavas P.L.Taxiff)
		x 25 BOPD = 963.75
Sakota	=	2.50 (less \$.10 Apache diff. and \$.10 Liavas P.L.Taxiff)
		x 5 BOPD = <u>12.50</u>

TOTAL VALUE DATED OIL PROD.: \$72.67

Gravity of Gas-Engled Oil:

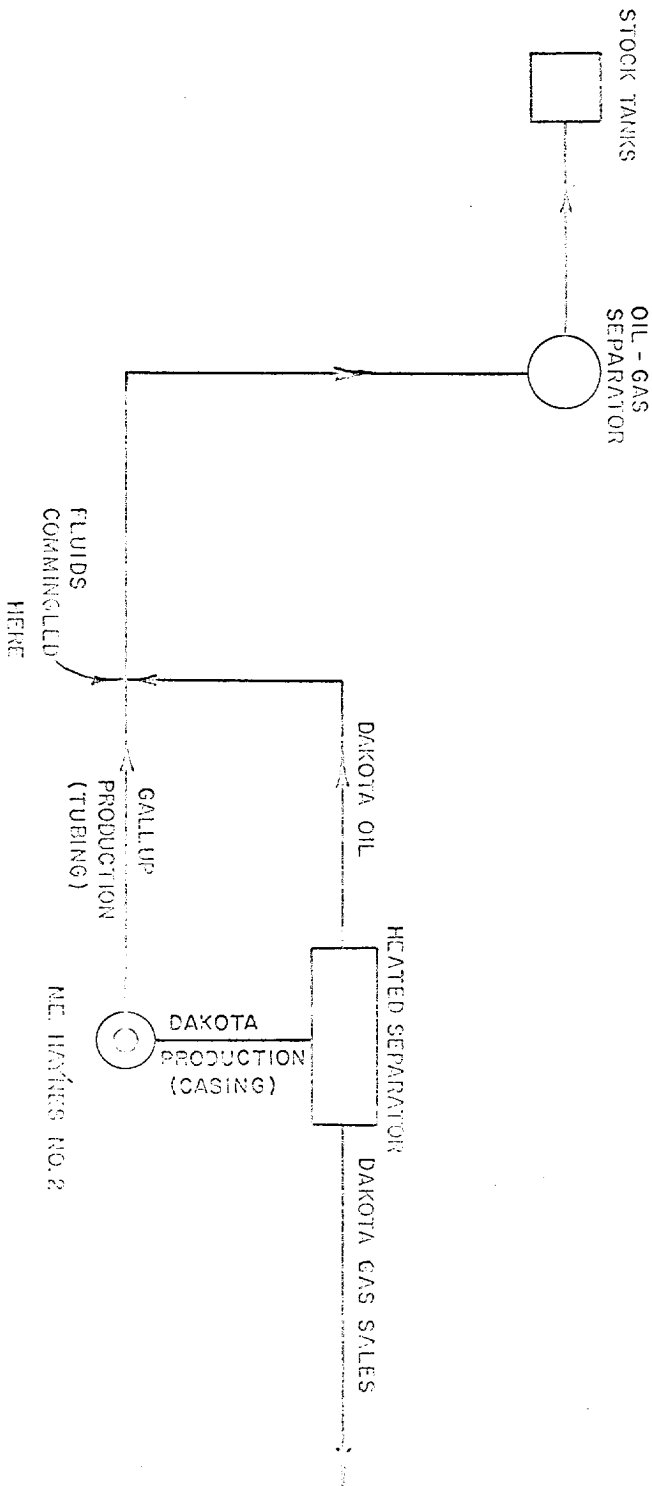
Gallup - Sakota Blend 42.3° API

Value of Commingled Oil Produced:

30.00 x 25 BOPD	(73.95)
TOTAL VALUE DATED COMMINGLED OIL PROD.: \$73.95	

Other Oil Sources:	Liavas Fipalina Ltd.
Royalty Interest Owner:	Gallup - Jicarilla Apache Tribe
	Sakota - Jicarilla Apache Tribe

The value of the commingled production will not be less than the value of production from each common source of supply.



SCHILLATTO DIAGRAM
 PROPOSED INSTALLATION FOR SURFACE
 COMMINGLING
 NE HAYNES NO. 2
 OTERO GALLUP OIL-GAS-DAKOTA COMINGLING
 SEC. 16, 124N 10W
 RIO ARriba CO., NEW MEXICO



CONTINENTAL OIL COMPANY

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CONTINENTAL OIL COMPANY

P. O. Box 1621
Durango, Colorado
August 17, 1967

New Mexico Oil Conservation Commission (3)
P. O. Box 2088
Santa Fe, New Mexico

Attn: Mr. A. L. Portex, Jr.
Secretary-Director

RE: REQUEST TO SURFACE COMMINGLE
OTERO-GALLUP OIL AND BASIN
DAKOTA CONDENSATE
NORTHEAST HAYNES WELL NO. 2
SEC. 16, T24N, R5W
RIO ARriba COUNTY, NEW MEXICO

Gentlemen:

In compliance with N.M.O.C.C. Rules and Regulations Rule 303 (b), we are attaching a copy of U. S. Geological Survey approval regarding the referenced request to surface commingle Otero-Gallup oil and Basin-Dakota condensate from our Northeast Haynes Well No. 2, located in Section 16, T24N, R5W, Rio Arriba County, New Mexico.

Very truly yours,

H. D. Haley
Division Manager
Durango Division
Production Department

LSC/ca

cc: Mr. R. L. Adams, Continental Oil Company, Houston, Texas
Mr. B. E. Anderson, Continental Oil Company, Farmington, New Mexico