



TONEY ANAYA
GOVERNOR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

May 27, 1986

RECEIVED
MAY 29 1986
OIL CON. DIV.
DIST. 3

50 YEARS



1935 - 1985

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Columbus Energy Corporation
P. O. Box 2038
Farmington, New Mexico 87499

Attention: Wayne L. Converse

Re: Surface Gas Commingling
San Juan County, New Mexico

Dear Sir:

Reference is made to your request of April 28, 1986 for authority to surface commingle the Basin Dakota gas production from two of your wells located in Sections 19 and 30, T-25N, R-9W, San Juan County, New Mexico. It is our understanding that the production from your Ladd No. 1-R well will be metered, commingled with the production from the Huerfano No. 1-E, and the commingled stream run through a sales meter. This type of facility will allow exact allocation of production from each well by means of the Subtraction Method. The wells will also have their own separation and storage equipment for condensate production. It is also our understanding that commingling is necessary to meet minimum pipeline take requirements.

You are hereby authorized to surface commingle the Dakota gas production from the two wells listed below. Gas production attributable to each well shall be determined by the Subtraction Method and reported to this office. Liquid production from each well shall be stored and metered separately.

<u>Well & No.</u>	<u>Location</u>
Ladd No. 1-R	Sec. 19, T-25N, R-9W, NMPM
Huerfano No. 1-E	Sec. 30, T-25N, R-9W, NMPM

It is the responsibility of the operator to notify the transporter of this commingling authority.

Sincerely,

A handwritten signature in cursive script, appearing to read "R. L. Stamets".

R. L. Stamets
Director

RLS/DC/et

xc: Oil Conservation Division - Aztec
Harold Garcia
D. Catanach