

OPERATING DIVISION

CLINTON OIL COMPANY

217 NORTH WATER / WICHITA, KANSAS 67202 / 316 262-8231

October 6, 1970

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

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

Re: Federal Lease #NM 03153
Clinton-O. H. Randel #1
Section 9-26N-11W
San Juan County, New Mexico

Dear Mr. Porter:

Clinton Oil Company requests approval to commingle on the surface the liquids produced from the Gallup and Dakota formations in the subject well.

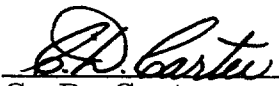
The two formations currently produce separately through a common well bore into separate tanks. Condensate with a gravity of 61° API and a value of \$2.80 per barrel is produced from the Dakota formation. Oil with a gravity of 36° API and a value of \$2.77 per barrel is produced from the Gallup formation. The commingled liquids will have an estimated gravity of 40° API and a value of \$2.85 per barrel. All prices are after trucking charges of 20¢ per barrel. The purchaser is Plateau Inc., P. O. Box 108, Farmington, New Mexico, 87401.

The two formations are commonly owned under the same lease. Waste will be prevented by the granting of this request.

Attached are Exhibit "A", lease plat; Exhibit "B", tabulation of daily production during July and August, 1970; and Exhibit "C", approval by the U. S. Department of Interior.

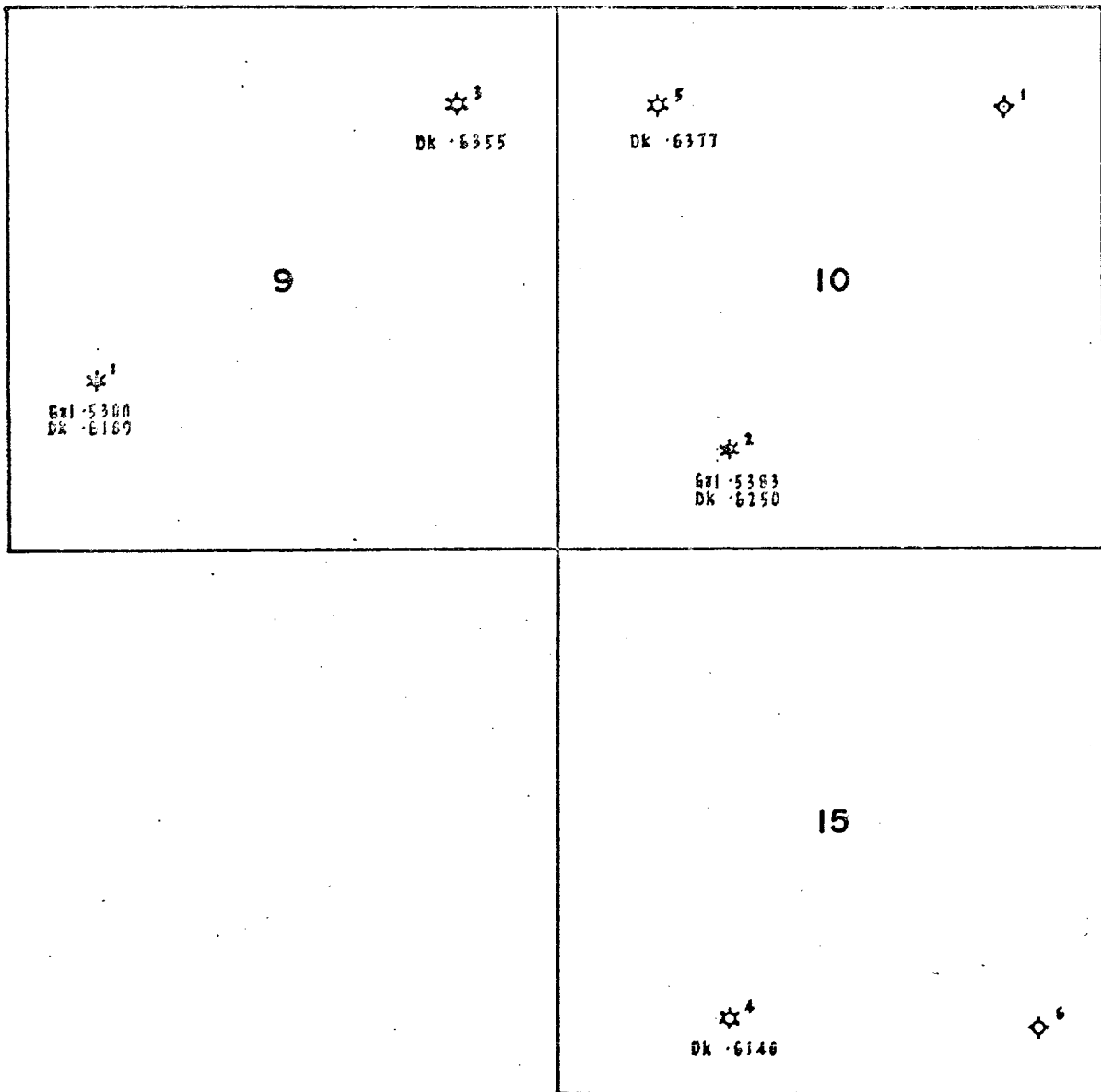
Yours very truly,

CLINTON OIL COMPANY


C. D. Carter
Ass't Vice President
Operating Division

VWK/gw
Attachments

R I I W



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26
S

CLINTON OIL COMPANY
USA-O.H. RANDEL LEASE
GALLEGOS GALLUP-BASIN DAKOTA FIELDS
SAN JUAN CO., NEW MEXICO

SCALE 3" = 1 MILE

EXHIBIT "A"

Daily Production - July & August, 1970
 Clinton-O. H. Randel #1
 San Juan County, New Mexico

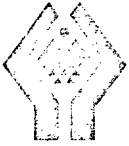
BASIN DAKOTA POOL

GALLEGOS GALLUP POOL

	<u>July</u>	<u>August</u>		<u>July</u>	<u>August</u>
1	0	0		0	6
2	0	0		15	5
3	5	0		10	5
4	0	4		7	3
5	0	0		6	13
6	6	1		8	5
7	0	0		7	5
8	14	2		7	9
9	0	0		6	8
10	11	0		7	7
11	0	2		5	6
12	0	0		8	7
13	0	3		4	7
14	0	0		5	1
15	0	0		13	0
16	0	0		5	0
17	0	0		5	0
18	0	0		6	0
19	0	0		7	0
20	0	0		7	0
21	0	0		7	2
22	0	0		6	10
23	0	0		5	3
24	0	0		7	12
25	0	0		7	7
26	0	0		6	6
27	0	0		10	7
28	0	0		7	5
29	0	0		7	7
30	0	15		0	18
31	0	2		5	8
Total	36	29		205	172

VWK/gw
 9-21-70

EXHIBIT "B"



United States Department of the Interior

RECEIVED

GEOLOGICAL SURVEY

OCT 6 1970

P. O. Drawer 1857
Roswell, New Mexico 88201

OPERATING DIVISION

October 2, 1970

Clinton Oil Company
217 North Water
Wichita, Kansas 67202

Attention: Mr. C. D. Carter

Re: Lease NM 03153
San Juan County, New Mexico

Gentlemen:

Your letter of September 21, 1970 requests approval to commingle on the surface the liquids produced from the Gallup and Dakota formations from dually completed well No. 1 O. H. Randel, NW $\frac{1}{4}$ SW $\frac{1}{4}$ sec. 9, T. 26 N., R. 11 W., San Juan County, New Mexico on lease New Mexico 03153.

As stated in your letter, the condensate from the Dakota formation has a gravity of 61° API and a value of \$2.80 per barrel. The oil from the Gallup formation has a gravity of 36° API and a value of \$2.77 per barrel. When combined the gravity will be about 40° API with a value of \$2.85 per barrel. All values are after trucking charges of 20 cents per barrel. The commingled value of the liquids should never be less than the combined value of each zone separately.

Your plan for commingling liquid production on the surface is hereby approved provided that regular semiannual tests of production be made and commingled production allocated back to each zone based on this test.

Sincerely yours,

CARL C. TRAYWICK
Acting Oil and Gas Supervisor

EXHIBIT "C"