Conoco

W. C. Blackburn Division Manager Production Department

October 13, 1972

Western Hemisphere Petroleum Division Continental Oil Company 152 North Durbin Pacific Western Life Building Casper, Wyoming 82601 (307) 234-7311

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

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

Gentlemen:

Request for Surface Commingling Undesignated Gallup and West Lindrith Gallup-Dakota Pools Sections 17, 18, 19, and 20, Township 25 North, Range 4 West, Rio Arriba County, New Mexico File: JO-986.511.N2-JO

Attached you will find three copies of our application as an exception to Rule 303-A in accordance with Rule 303-B for the subject commingling. Continental Oil Company requests administrative approval to commingle on the surface oil production from the undesignated Gallup Pool from wells No. 2, 3, and 4 with production from the West Lindrith Gallup-Dakota Pool, produced from Well No. 5 on the Jicarilla 20 lease located in Township 25 North, Range 4 West, Rio Arriba County, New Mexico.

Continental Oil Company owns 100% of the working interests for both the undesignated Gallup Pool and the West Lindrith Dakota-Gallup Pool. The Jicarilla Apache Indian Tribe owns all of the mineral royalty and there are no overriding royalty burdens on the Jicarilla lease. Therefore, the ownership and royalties for both of the subject Pools are identical.

Attached you will find a schematic diagram of the surface production facilities now installed on the lease. The diagram shows the existing well test facilities whereby wells can be tested individually. In addition, the attached map shows the location of the four producing wells and the location of the tank battery facilities.

The value of the commingled production will not be less than the sum of the values of production from the separate common sources of supply. The gravities, the volumes of production, and the selling price of the oil produced are shown on the attached Table I.

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Copies of this application are being distributed to the U.S.G.S. offices in Roswell, New Mexico and Durango, Colorado. With these copies we request the U.S.G.S. approval so that upon receipt of such approval, we may notify the New Mexico Oil Conservation Commission in compliance with their Rule No. 303-B.

Very truly yours,

me Blackburn

eb Attachs.

cc: R. L. Adams Continental Oil Company Box 2197 Houston, Texas 77001

> U.S.G.S. Drawer 1857 Roswell, New Mexico 88201

U.S.G.S. P. O. Box 1621 Durango, Colorado

TABLE I

PRODUCTION AND REVENUE DATA JICARILLA 20 LEASE, SECTIONS 17, 18, 19, 20 T25N, R4W, RIO ARRIBA COUNTY, NEW MEXICO

Average Daily Production					
	Well <u>No.</u>	<u>0i1</u>	<u>Water</u>	API <u>Gravity</u>	
Gallup	2	8	0	43.0 ⁰	Well Test
Gallup	3	7	0	43.6 [°]	Well Test
Gallup	4	15	0	43.6 ⁰	Well Test
Dakota-Gallup	5	25	0	45.7 ⁰	Well Test
Total	4	55	0	43.8 ⁰	Run Ticket

Value of Production

All oil is sold at the Shell Oil Company's posted price for oil 40° API or over which is \$3.31/barrel less \$0.18 per barrel gathering charge or \$3.13 per barrel.

The value of the commingled production from the Gallup and Gallup-Dakota pools will not be less than the value of the production from each common source of supply.



