

IN OFFICE 000

1964 JAN 15 PM 1 11 33
Newell, New Mexico 88201

January 9, 1964

Teneco Inc.
P. O. Box 810
Farmington, New Mexico

Attention: Mr. Chester P. Farmer

Gentlemen:

Your letter of December 31, 1963, requests approval to commingle Many Hacks Gallup oil from Huvajo-Uta lease 14-20-604-1948 with the oil produced from the portion of Huvajo-Uta lease 14-20-604-1948-A which is not in the Huerfano Gallup unit participating area into a central tank battery located on lease -1948-A.

The diagrams you have submitted show oil produced from lease -1948 will be measured by a metering separator prior to commingling with oil from lease -1948-A. The difference between metered production from lease -1948 and the total production sold from the central tank battery will be the amount of oil production to be allocated to lease -1948-A.

The method you propose for the commingling of oil is hereby approved, limited to the Gallup oil produced from lease -1948 and from Huerfano Gallup unit well No. 276, lease -1948-A. If well No. 276 is determined by the unit operator, Huerfano Gallup unit, to be essential for unit operations, the well must be produced through unit facilities and approval must then be obtained for off lease storage of lease -1948. Prior approval must be received from this office for the commingling of production from any other well completed on lease -1948-A.

You are requested to notify our Damage office when the installation is completed so that a field inspection can be made.

Very truly yours,

(Orig.Sgd.) CARL C. TRAYWICK

CARL C. TRAYWICK
Acting Oil & Gas Supervisor

cc:
Durango
Farmington
Newell
Account

MOCC - Santa Fe /