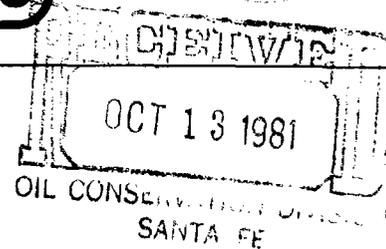




CTB

Production Department
Hobbs Division
Western Hemisphere Petroleum Division

Conoco Inc.
P.O. Box 460
726 E. Michigan
Hobbs, NM 88240
(505) 393-4141



October 5, 1981

New Mexico Oil Conservation Division
Department of Energy and Minerals
State of New Mexico
P. O. Box 2088
Santa Fe, NM 87501

Attention: Dan Nutter

Dear Mr. Nutter,

Reference is made to our letter of August 17, 1981, requesting approval to determine commingled production from the Jack B-26 and Jack B-27 leases on the basis of well tests. Attached is the USGS's approval of this request.

If the request meets with your approval, we would appreciate receiving a letter indicating your consent.

Yours very truly,

M. K. Mosley
Division Manager

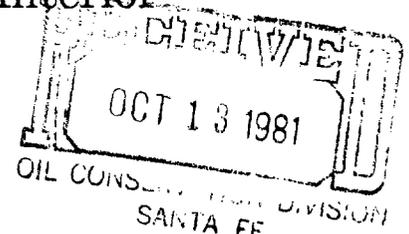
RLM/jlj

cc: NMOCD, Hobbs



United States Department of the Interior

GEOLOGICAL SURVEY
South Central Region
Roswell District
P.O. Drawer 1857
Roswell, New Mexico 88202-1857



September 23, 1981

Conoco, Inc.
P.O. Box 460
Hobbs, New Mexico 88240

Attention L.P. Thompson

Gentlemen:

Reference is made to your letter of August 17, 1981, whereby you requested approval to determine commingled production on the basis of well test. Your application is hereby approved subject to like approval by the New Mexico Oil Conservation Division.

Sincerely yours,

Armando C. Lopez
James A. Gillham
District Supervisor



L. P. Thompson
 Division Manager
 Production Department
 Hobbs Division
 North American Production
 AUG 27 1981
 NEW MEXICO OIL CONSERVATION DIVISION
 SANTA FE

Conoco Inc.
 P.O. Box 460
 726 E. Michigan
 Hobbs, NM 88240
 (505) 393-4141

August 17, 1981

New Mexico Oil Conservation Division
 Department of Energy and Minerals
 State of New Mexico
 P.O. Box 2088
 Santa Fe, NM 87501

U.S. Geological Survey
 P.O. Box 1157
 Hobbs, NM 88240

*hold
 Conoco will
 check w/ USGS
 Hugh Snygram
 9/1/81*

Gentlemen:

Application for Permission to Determine Commingled Production from the Jack B-26 and Jack B-27 Leases by the Use of Well Tests

Surface commingling of Justis Blinbry production from the Jack B-26 and Jack B-27 leases located in Sections 26 and 27, T-24S, R-37E, Lea County, New Mexico into a common battery facility was approved in 1968. Production from the Jack B-27 lease is metered prior to commingling and production from the Jack B-26 lease is determined by the subtraction method.

Conoco Inc. now requests administrative approval as provided by Rule 309-B to determine commingled production on the basis of well tests as the production is of marginal nature. Average daily production for the Jack B-27 lease was 21 bbls in June and 25 bbls in July. Average daily production for the Jack B-26 was 45 bbls in June and 33 bbls in July.

If this request meets with your approval, we would appreciate receiving a letter indicating your consent. Please contact us if any further information is required.

Yours very truly,

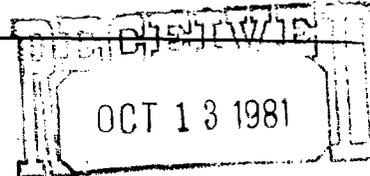
RLM:bep
 cc: NMOCD, Hobbs

*Order C-187
 approved commingling
 but negd sep metering
 of Jack B.26 because
 of a separate royalty
 rate on that well. Order
 was amended in 1970
 under provision that the
 higher royalty rate would
 be paid for all
 production from the
 lease.*



L. P. Thompson
Division Manager
Production Department
Hobbs Division
North American Production

Conoco Inc.
P.O. Box 460
726 E. Michigan
Hobbs, NM 88240
(505) 393-4141



OIL CONSERVATION DIVISION
SANTA FE

AUG 23 1981

August 17, 1981

New Mexico Oil Conservation Division
Department of Energy and Minerals
State of New Mexico
P.O. Box 2088
Santa Fe, NM 87501

RECEIVED
JUL 23 1981

U. S. GEOLOGICAL SURVEY
HOBBS, NEW MEXICO

U.S. Geological Survey
P.O. Box 1157
Hobbs, NM 88240

Gentlemen:

Application for Permission to Determine Commingled Production from the Jack B-26 and Jack B-27 Leases by the Use of Well Tests

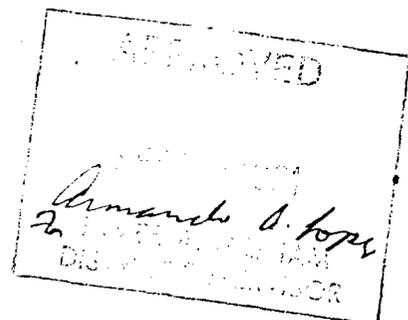
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Conoco Inc. now requests administrative approval as provided by Rule 309-B to determine commingled production on the basis of well tests as the production is of marginal nature. Average daily production for the Jack B-27 lease was 21 bbls in June and 25 bbls in July. Average daily production for the Jack B-26 was 45 bbls in June and 33 bbls in July.

If this request meets with your approval, we would appreciate receiving a letter indicating your consent. Please contact us if any further information is required.

Yours very truly,

RLM:bep
cc: NMOCD, Hobbs



SUBJECT TO LIKE
APPROVAL BY STATE



CONTINENTAL OIL COMPANY

P. O. Box 460
HOBBS, NEW MEXICO 88240

170 AUG 6 PM 1 05

PRODUCTION DEPARTMENT
HOBBS DIVISION
L. P. THOMPSON
Division Manager
G. C. JAMIESON
Assistant Division Manager

1001 NORTH TURNER
TELEPHONE 393-4141

August 4, 1970

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

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

Gentlemen:

Subject: Amendment to Administrative Order CTB-187

Administrative Order CTB-187 dated October 29, 1968, authorized commingling of the Justis-Blinebry production from the Jack B-26 and Jack B-27 leases. The order provided for separate measurement of production from Jack B-26 well No. 1 because of a difference in royalty rate. Continental Oil Company now desires to eliminate the meter for this individual well and in lieu thereof pay the higher royalty rate which applies to the remainder of the lease. The attached schematic diagram shows the manner in which the system will be operated under this proposal.

Attached hereto is a copy of a letter from the USGS approving the modification of the commingling system. It is respectfully requested that Administrative Order No. CTB-187 be amended so as to eliminate the requirement for separate metering of production from Jack B-26 No. 1.

Yours very truly,

LPT-SW

CC: NMOCC-Hobbs, R. L. Adams, J. J. Bowden, J. W. Kellahin

NEW MEXICO OIL CONSERVATION DIVISION
POST OFFICE BOX 2088
SANTA FE, NEW MEXICO 87501

AMENDMENT
COMMINGLING ORDER CTB-187

Conoco Inc.
P. O. Box 460
Hobbs, New Mexico 88240

Attention: L. P. Thompson

The above-named company is hereby authorized to commingle Justis Blinebry pool production from the following leases:

Lease Name: Jack 26
Description: NW/4, N/2 SW/4, and SE/4 of Sec. 26

Lease Name: Jack 27
Description: E/2 of Sec. 27

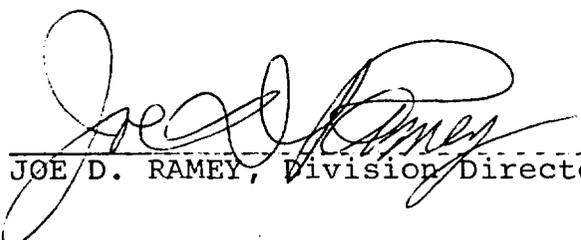
All in Township 24 South, Range 37 East,
Lea County

Production shall be allocated to each lease by well tests (if this method or the subtraction method above is to be authorized, all commingled production must be of identical ownership: working interest, royalty interest, and overriding royalty interest).

NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 309-B of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

REMARKS: Administrative Order CTB-187, prior to this amendment, required metering production from the Jack 27 Lease and determination of Jack 26 production by subtraction because of a difference in royalty rates applicable to the two leases. The USGS has now given its consent to determination by well tests.

DONE at Santa Fe, New Mexico, on this 17th day of November, 1981.



JOE/D. RAMEY, Division Director

USGS - Roswell
Oil & Gas Engineering - Hobbs
Oil Conservation Division - Hobbs