



David L. Wacker
Division Manager
Production Department
Hobbs Division
North American Production

Conoco Inc.
726 East Michigan
P.O. Box 460
Hobbs, NM 88241
(505) 397-5800

April 14, 1989

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APR 18 1989

**OIL CONSERVATION DIV.
SANTA FE**

Gentlemen:

By the attached copy of our application to the New Mexico Oil Conservation Division, Conoco is notifying the working interest owners of our proposal to surface commingle production from the following Conoco-operated properties in the Dagger Draw area.

Lodewick A - NW/4-19-19S-25E
Lehman Federal - SW/4-18-19S-25E
Barbara Federal - SE/4-18-19S-25E

Also attached for your information is a copy of the original application and commingle order (PLC-70) for the Dagger Draw area and the application and approval for Commingle Order CTB-338.

If you have any questions, please contact Ms. Ceal Yarbrough at (505) 397-5825.

Yours very truly,

David L. Wacker
Division Manager

COY:jd
Enc.
cc/enc:
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87504-2088

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**OIL CONSERVATION DIV.
SANTA FE**

Working Interest Owners

OXY USA, Inc.
Box 69
Hobbs, NM 88240

Explorers Petroleum Corp.
P. O. Box 1933
Roswell, NM 88201

Yates Energy Corporation
Sunwest Centre - Suite 1010
Roswell, NM 88201

Fred G. Yates Inc.
P. o. Box 2323
Roswell, NM 88202-2323

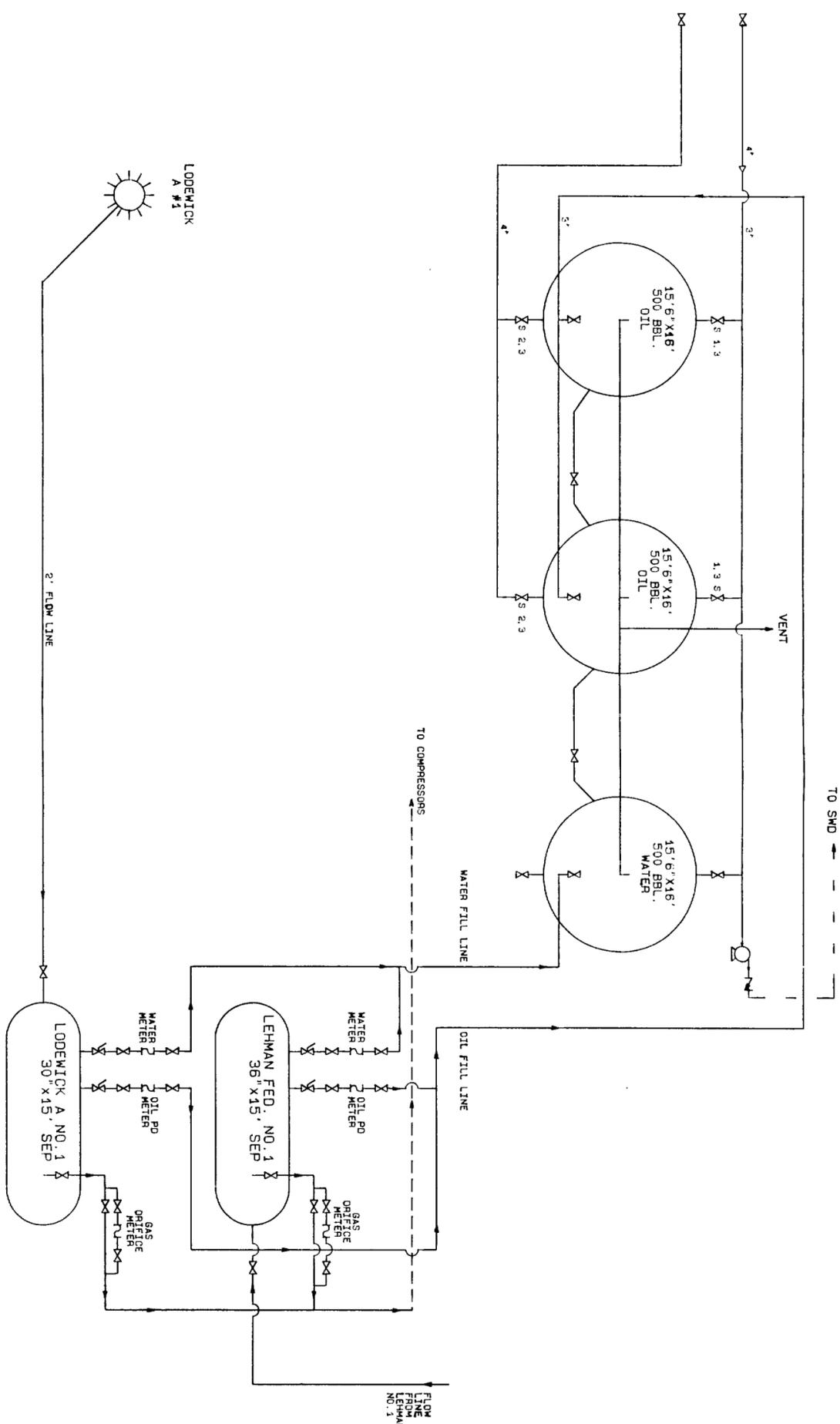
Spiral Inc.
P. o. Box 1933
Roswell, NM 88201

Marathon Oil Company
Box 552
Midland, TX 79702

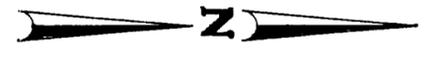
Harvey E. Yates Company
Box 1933
Roswell, NM 88201

Yates Petroleum Corp.
105 S. Fourth Street
Artesia, NM 88210

S. P. Yates
105 S. Fourth Street
Artesia, NM 88210



"PROPOSED LODEWICK A TANK BATTERY"



THIS FACILITY IS IN COMPLIANCE WITH CONOCO INC. HOBBS DIVISION SITE SECURITY PLAN.
 PLAN LOCATED AT CONOCO INC. OFFICE
 P.O. BOX 460-726 EAST MICHIGAN
 HOBBS, NEW MEXICO 88240

VALVE LEGEND: POSITION/MODE
 1. CLOSED/SALE
 2. OPEN/SALE
 3. CLOSED/PRODUCTION
 4. OPEN/PRODUCTION

NO.	REVISIONS	DATE

DATE: 1-2-83
 DRAWN BY: A.D.R. INC.
 DESIGN BY:
 CHECKED BY:
 APPROVED BY:
 SCALE: NET TO SCALE

PRODUCTION DEPARTMENT: CONOCO
 HOBBS DIVISION
 LODEWICK A TANK BATTERY
 UNIT C-19-1195-R25E
 EDDY COUNTY, NEW MEXICO

FED LEASE NO.:
 DRAWING NO.: H06-1196

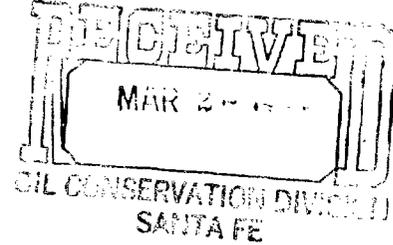


David L. Wacker
Division Manager
Production Department
Hobbs Division
North American Production

Conoco Inc.
726 East Michigan
P.O. Box 460
Hobbs, NM 88241
(505) 397-5800

March 17, 1989

Mr. William LeMay
State of New Mexico
Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87504-2088



Dear Mr. LeMay:

Request for Approval to Surface Commingle the North Dagger Draw
Upper Penn Production from the Barbara Federal No. 8,
SE/4 Section 18, T19S, R25E, Eddy County, New Mexico

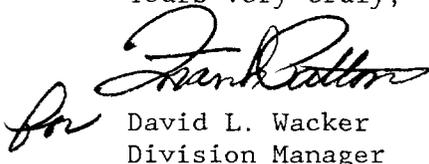
Conoco Inc. requests an amendment to Commingling Order CTB-338, dated January 13, 1989, by including the production from the Barbara Federal No. 8, SE/4 Section 18, T19S, R25E, Eddy County, New Mexico. This well will be completed in the North Dagger Draw Penn.

Although the subject well is not completed at this time, it is anticipated that the quality of the crude will be identical and the commingling will not reduce the commercial value. The production from each lease will be metered separately at the battery using positive displacement temperature compensated meters for the oil and temperature compensated gas meters.

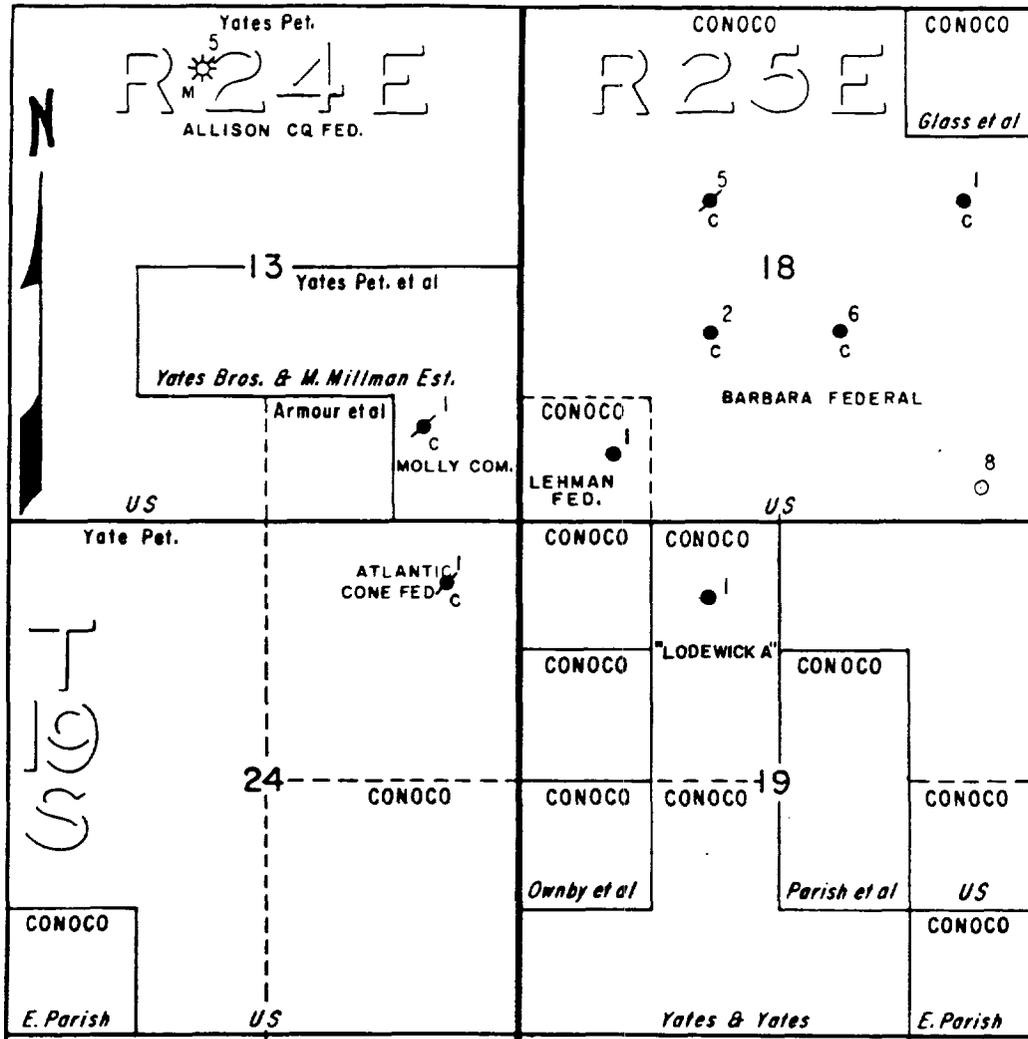
Additionally, Conoco requests approval for off-lease storage for the Barbara Federal No. 8. The battery to be used for this proposed commingling is located at the Lodewick A No. 1, Unit C, Section 19, T19S, R25E.

A lease plat and battery schematic are attached. Your early consideration of these requests would be appreciated. Should you have any questions concerning this matter, please contact Ms. Geal Yarbrough at (505)397-5825.

Yours very truly,


David L. Wacker
Division Manager

COY:mjm
Enc
cc/enc:
Bureau of Land Management
P. O. Box 1778
Carlsbad, NM 88220



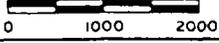
- M MORROW WELL
- C CISCO WELL



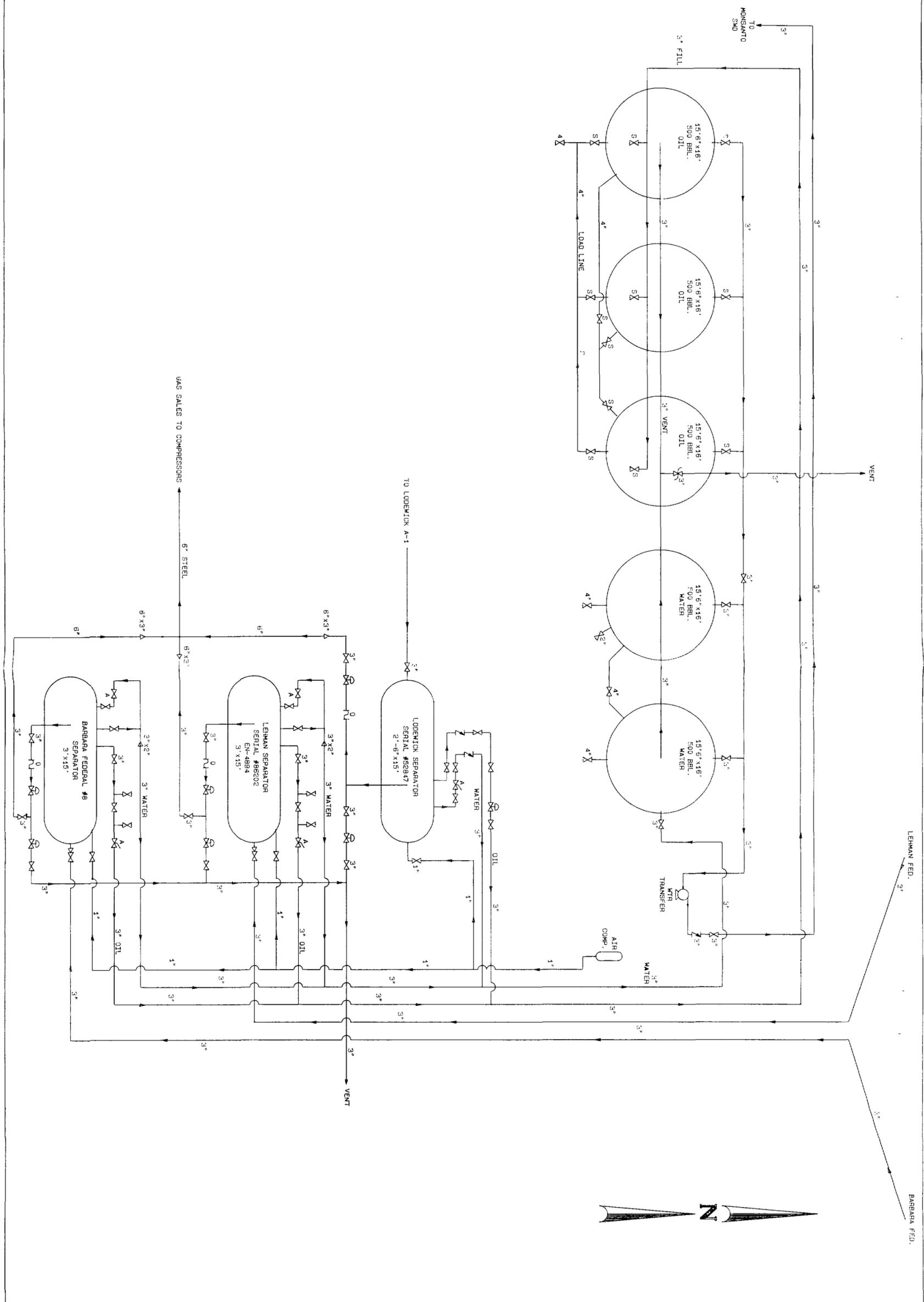
PRODUCTION DEPARTMENT
HOBBS DIVISION

EDDY COUNTY, NEW MEXICO

SCALE



LEGEND: ○ LOCATION ● OIL WELL ✱ GAS WELL	✧ DRY HOLE ▲ INJECTION WELL ✱ ABANDONED WELL ✱ SHUT-IN WELL	⊕ SALT WATER ⊖ DISPOSAL WELL • DEEPER WELL ○ ZONE UNTESTED
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THIS FACILITY IS IN COMPLIANCE WITH CONOCO INC. HOBBS DIVISION SITE SECURITY PLAN.

PLAN LOCATED AT CONOCO INC. OFFICE
P.O. BOX 480-728 EAST MICHIGAN
HOBBS, NEW MEXICO 88240

VALVE LEGEND: POSITION/MODE

1. CLOSED/SALE
2. OPEN/SALE
3. CLOSED/PRODUCTION
4. OPEN/PRODUCTION

NO.	REVISIONS DESCRIPTION	DATE BY
1	REVISE PIPE	2/88/SH

DATE: 3/17/89	PRODUCTION DEPARTMENT: CONOCO
DRAWN BY: S.B.	HOBBS DIVISION
DESIGN BY:	PROPOSED LODEWICK
CHECKED BY:	COMMINGLED TANK BATTERY
APPROVED BY:	UNIT C-19-T19S-R25E
SCALE: NOT TO SCALE	EDDY COUNTY, NEW MEXICO
	FED LEASE NO:
	DRAWING NO: H06-1196-A