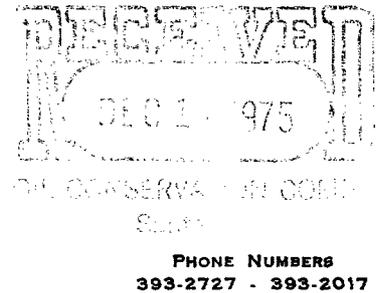


Oil Reports and Gas Services, Inc.

P. O. BOX 763
HOBBS, NEW MEXICO 88240

December 9, 1975



Mr. Daniel S. Nutter
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: R. L. Burns Corp.
Commingle Application
Vada Pruitt No. 1 & No. 2

Dear Mr. Nutter:

In accordance with your recent letter and our telephone conversation, we submit an amended application to commingle production from the Vada Pruitt No. 1 and the Vada Pruitt No. 2, located in the South one-half of Section 1, Township 9 South, Range 34 East, Lea County, New Mexico. In support of this application we present the following facts:

1. All production from the Vada Pruitt lease is from a common source of supply, being the Vada Penn pool.
2. The N/2 S/2 of Section 1 has identical royalty and working interest.
3. The S/2 S/2 of Section 1 has identical royalty and working interest.
4. The SW/4 of Section 1 is dedicated to the Vada Pruitt No. 1 by a communitization agreement dated March 24, 1972.
5. The SE/4 of Section 1 is dedicated to the Vada Pruitt No. 2 by a communitization agreement dated May 7, 1975.
6. The only difference in interest between the two communitization agreements is a 3% overriding royalty as follows:

Vada Pruitt #1:	W. C. Osburne	1%
	Phillip M. Jones	1%
	Louis A. J. Gordon	2/3 of 1%
	Tulane Gordon III	1/3 of 1%
Vada Pruitt #2:	W. C. Osburne	1 1/2%
	Louis A. J. Gordon	1%
	Tulane Gordon III	1/2 of 1%

These interests are represented by Mr. W. C. Osburne and have been furnished a copy of this application by certified mail.

Page 2

Mr. Daniel S. Nutter

December 9, 1975

7. Oil production will be continuously metered from each well. Casinghead gas production is small and will be allocated on the basis of periodic gas-oil ratio tests. Such tests will be accomplished by shutting in one well and measuring gas production through the Warren Petroleum Company sales meter.

Attached is a plat showing the acreage involved and a schematic diagram of the tank battery facilities.

*no separate
meters for
gas OK
Don*

Yours very truly,

OIL REPORTS AND GAS SERVICES, INC.

Donna Holler

(Mrs.) Donna Holler

DH/ra

cc: Mr. W. C. Osburne by Certified Mail
358 Mid-America Building
Midland, Texas 79701

United States Geological Survey
P. O. Drawer 1857
Roswell, New Mexico 88201

United States Geological Survey
P. O. Box 1157
Hobbs, New Mexico 88240

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE NEW MEXICO 87501

Oil Reports and Gas Services, Inc.
P. O. Box 763
Hobbs, New Mexico 88240

Attention: Mrs. Donna Holler

Gentlemen:

Reference is made to your application for authority to commingle production from the R. L. Burns Corporation's Vada Pruitt Wells Nos. 1 and 2, located in Units K and I, respectively, of Section 1, Township 9 South, Range 34 East, Lea County, New Mexico. It is our understanding that these wells have common ownership throughout with the exception of a small difference in overriding royalty interests.

Commission Rules require that each lease be metered separately before administrative approval can be given for commingling when the ownership is not identical throughout. Your proposal is to meter only one lease and determine production from the other by subtraction. You also propose to determine gas production attributable to each lease by well tests.

It will be necessary to separately meter the production from each lease or go to hearing with this matter. However, we may be able to waive the requirement for hearing if all four of the overriding royalty owners will agree in writing to this method of allocating production.

Very truly yours,

DANIEL S. NUTTER
Chief Engineer

DSN/dr

*see note on
orig application*

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE NEW MEXICO 87501

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P. O. Box 763
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Very truly yours,

DANIEL S. NUTTER
Chief Engineer

DSN/dr

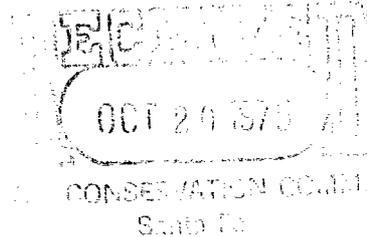
Oil Reports and Gas Services, Inc.

P. O. BOX 763
HOBBS, NEW MEXICO 88240

October 17, 1975

PHONE NUMBERS
393-2727 - 393-2017

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



Gentlemen:

Application is hereby made on behalf of R. L. Burns Corp. to commingle production from the Vada Pruitt No. 1 and the Vada Pruitt No. 2, located in the South one-half of Section 1, Township 9 South, Range 34 East, Lea County, New Mexico. In support of this application we present the following facts:

1. All production from the Vada Pruitt lease is from a common source of supply, being the Vada Penn pool.
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6. The only difference in interest between the two communitization agreements is a 3% overriding royalty as follows:

Vada Pruitt #1:	W. C. Osburne	✓	1%
	Phillip M. Jones		1%
	Louis A. J. Gordon	-	2/3 of 1%
	Tulane Gordon III	-	1/3 of 1%
Vada Pruitt #2:	W. C. Osburne	-	1 1/2%
	Louis A. J. Gordon	-	1%
	Tulane Gordon III	-	1/2 of 1%

These interests are represented by Mr. W. C. Osburne and have been furnished a copy of this application by certified mail.

*12/10 Donna Hester received -
She now proposes to also meter the
No 1 well. Use one gas
meter run for both
wells OK*

Page 2
Oil Conservation Commission
October 17, 1975

7. Oil production from the Vada Pruitt No. 2 will be continuously metered with the remainder of the lease production to be allocated to the Vada Pruitt No. 1. Casing head gas production is small and will be allocated on the basis of periodic gas-oil ratio tests. Such tests will be accomplished by shutting in one well at a time and measuring gas production through the Warren Petroleum Company sales meter.

Attached is a plat showing the acreage involved and a schematic diagram of the tank battery facilities.

Yours very truly,

OIL REPORTS & GAS SERVICES, INC.



(Mrs.) Donna Holler

DH/ra

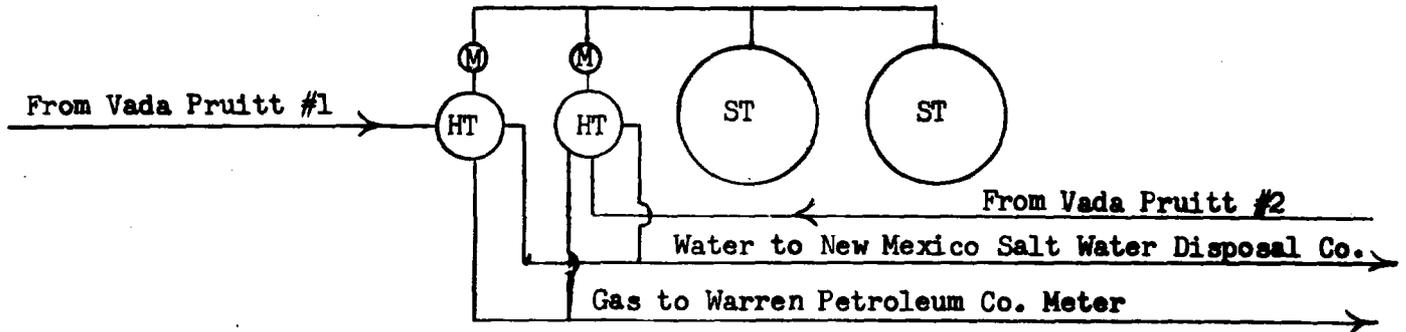
cc: Mr. W. C. Osburne by Certified Mail
358 Mid-America Building
Midland, Texas 79701

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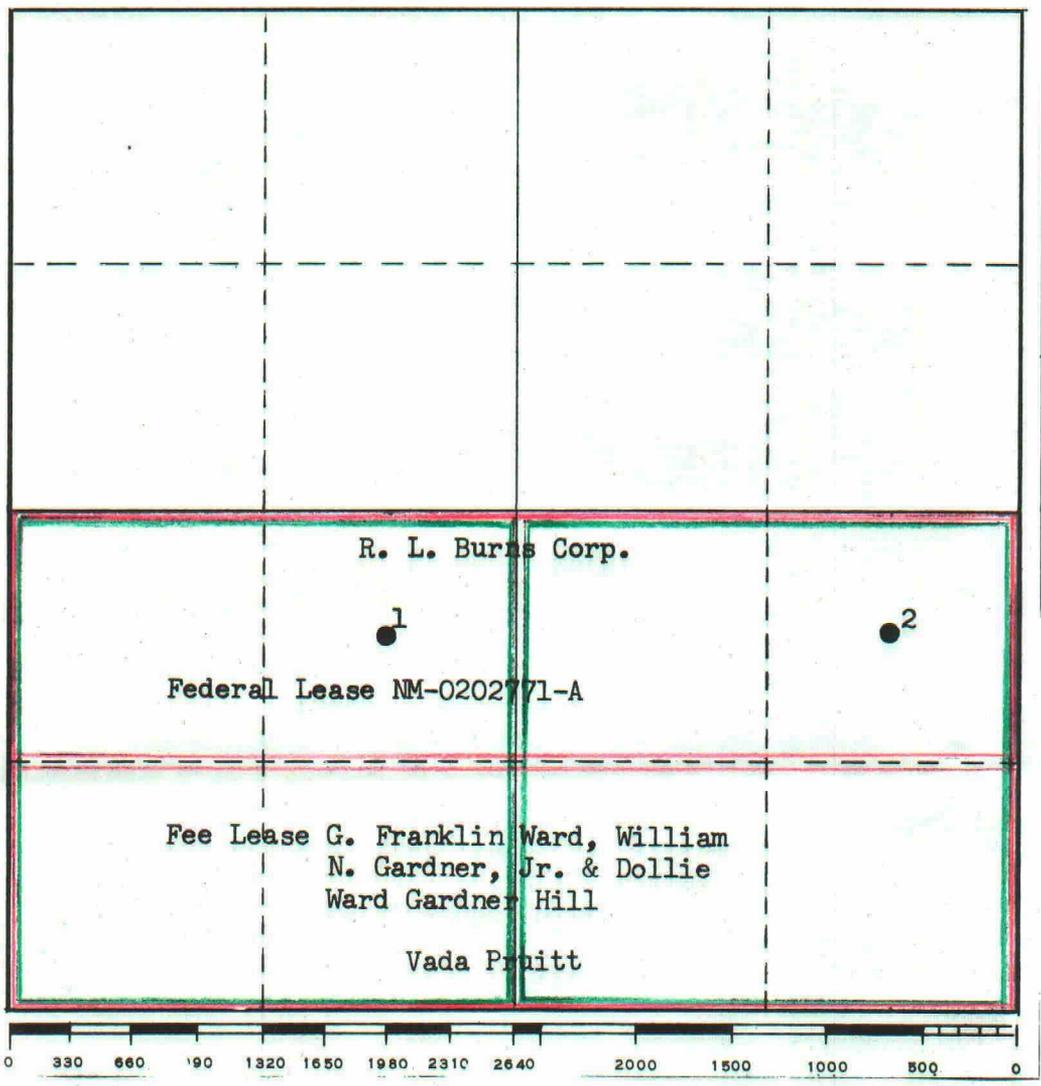
TANK BATTERY FACILITIES

R. L. Burns Corp.
Vada Pruitt Lease



Symbols:

ST Stock Tank
HT Heater Treater
M Oil Meter



R. L. Burns Corp.
Vada Pruitt Lease
S/2 Section 1, T9S, R34E
Lea County, New Mexico

— Basic Lease
— Acreage Dedicated to Well