

CONSERVATION DIVISION
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3162 (067)

~~TOP SECRET~~

P. O. Box 730
ATTN: Mr. J. A. Head
Hobbs, NM 88240

RE: LC-032100
~~C.H. Lockhart NCT-1 No. 11~~
Sec. 18, T22S, R38E
Lea County, New Mexico

PC-4

Gentlemen:

Your request to amend the current ~~surface commingling~~ authority to include production from the Wantz Granite Wash zone in the C.H. Lockhart NCT-1 well No. 11 to the existing Drinkard-Abo S., Blinebry Oil and Gas, Paddock, and Tubb zones commingling system on lease No. LC-032100 in the manner described in your application to the New Mexico Oil Conservation Commission is hereby approved.

As stated in your application, production allocation will be made based on well tests. Also, it is our understanding that commingling is based on economics and will not result in reduced royalty.

This approval is subject to the concurrence of the New Mexico Oil Conservation Division.

Please contact Shannon Shaw or Adam Salameh at (505) 887-6544 or at the letterhead address if any further information is required.

Sincerely,

/s/ David Stout

FOR Richard L. Manus
Area Manager

cc: NM (065, B. Lopez)
NM (067, S. Shaw)
NM (067A), K. Haston)
NMOCD - Attn.: Mr. D.R. Catanach
PO Box 2088
Santa Fe, NM 87504