



L. P. Thompson
Division Manager

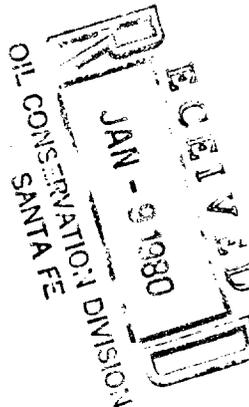
John R. Kemp
Assistant Division Manager

Production Department
Hobbs Division
North American Production

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

January 4, 1980

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



Attention: Mr Dan Nutter

Gentlemen:

Application for Permission to Surface Commingle Production from the Penrose Skelly Grayburg Zone with Production from the Drinkard, Blinebry Oil & Gas and Tubb Oil Zones on the Hawk B-1 Lease

Permission is requested to commingle production from the Penrose Skelly Grayburg Zone with production from the Drinkard, Blinebry Oil & Gas and Tubb Oil zones on the Hawk B-1 Lease, Sections 8 and 9, T-21S, R-37E, Lea County. Ownership and Working Interest for all zones is common. The quality of the crude oil is virtually identical. Therefore, there will be no reduction in value because of the commingling. The value of the production is as follows:

<u>Zone</u>	<u>Oil Gravity</u>	<u>Daily Volume per Well</u>	<u>Value per BBL</u>
Drinkard	37.5	20	\$34.04
Blinebry Oil & Gas	37.5	6	34.04
Tubb Oil	37.5	22	34.04
Penrose Skelly Grayburg	37.5	29	34.04

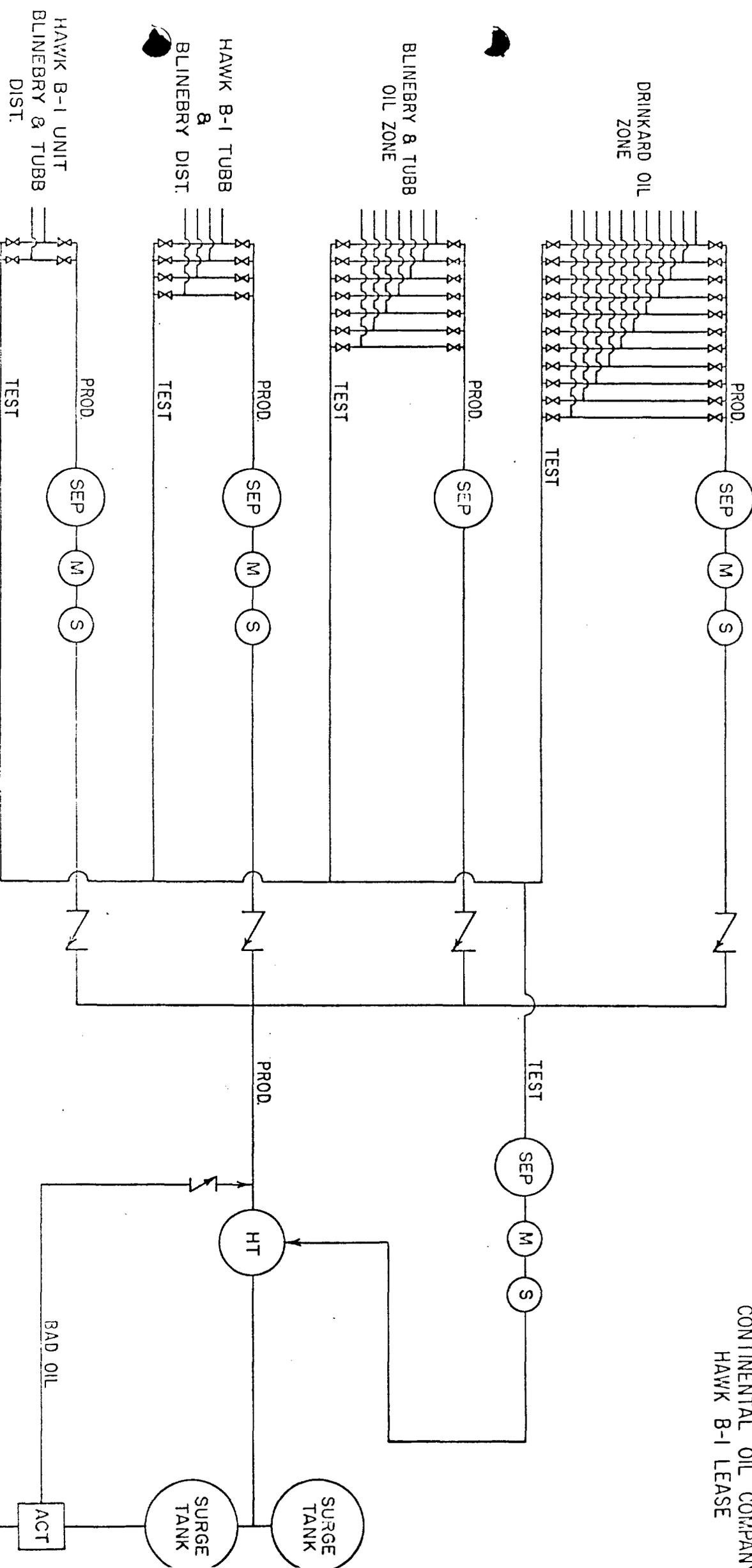
Administrative Order PC-113 gave approval to commingle the Drinkard, Blinebry Oil & Gas and Tubb Oil zones.

Lease and battery plats are attached for your review. The Penrose Skelly Grayburg production, which is from Well No. 12, will tie into the existing Drinkard production header. No changes are anticipated at the present battery. Production will be determined by periodic well tests.

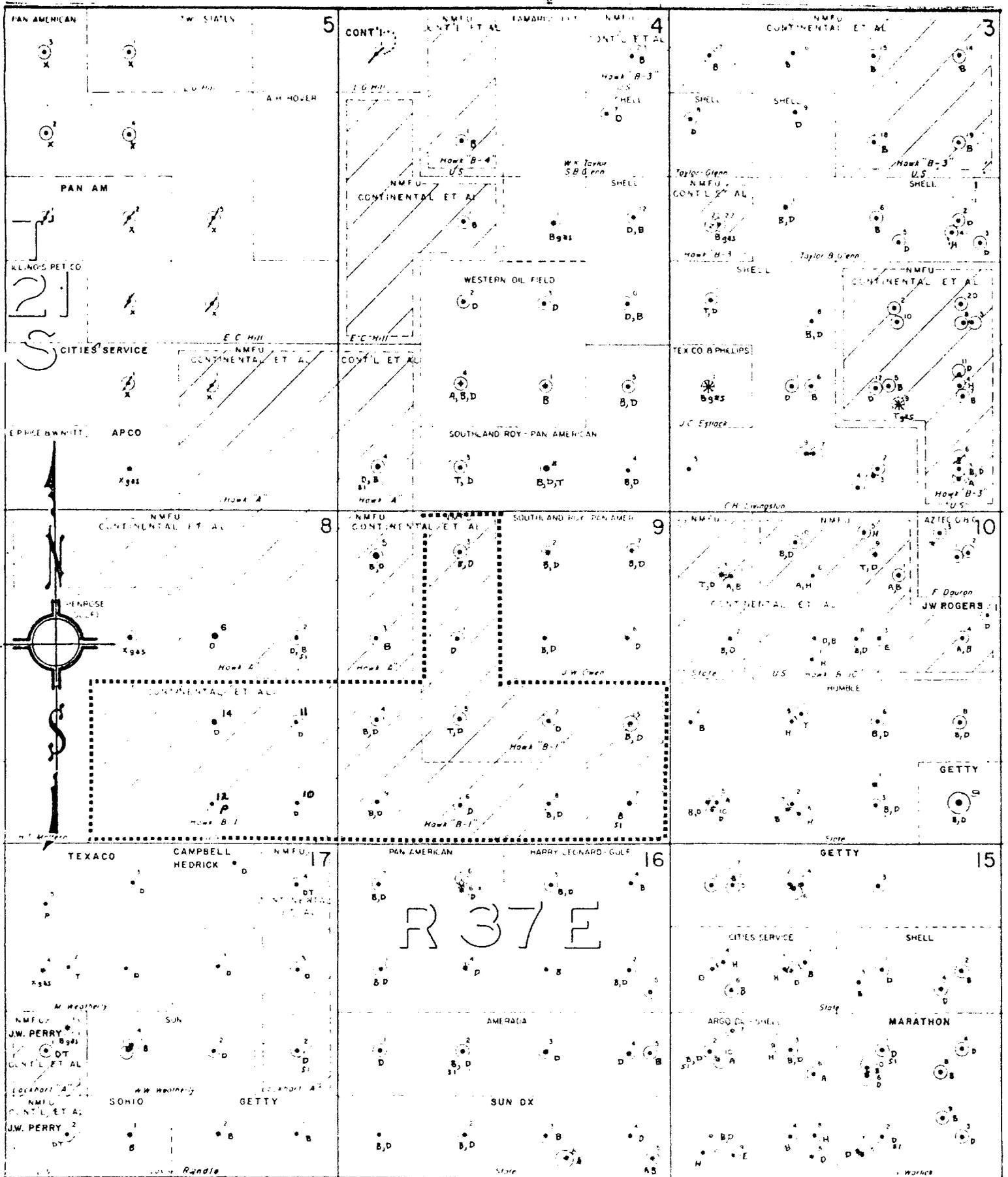
Yours very truly,

JRA:bep
Attachments

CONTINENTAL OIL COMPANY
HAWK B-1 LEASE



1



- Blinebry-Terry Blinebry Completion
- Drinkard Oil Completion
- Tubb Oil Completion
- Hare Oil Completion
- Wantz Abo Oil Completion
- Brunson Ellenburger Oil Completion
- Penrose Skelly Oil Completion
- Eumont Queen Oil Completion

..... Hawk B-1 Lease

CONTINENTAL OIL COMPANY
 PRODUCTION DEPARTMENT
 HOBBS DIVISION
 HAWK B-1 LEASE
 LOCATION PLAT
 LEA COUNTY, NEW MEXICO
 Scale: 1" = 2000'