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CONTINENTAL OIL COMPANY

P. O. Box 1621
Durango, Colorado
February 28, 1966

New Mexico Oil Conservation Commission (3)
P. O. Box 2088
Santa Fe, New Mexico

Attn: Mr. A. L. Porter, Jr. - Secretary and Director

Gentlemen:

Continental Oil Company has just completed the Table Mesa No. 29 in the Mississippian Formation as a helium bearing gas well. The well is located in Unit H, Section 9, T27N, R17W, San Juan County, New Mexico.

Under the provisions of Commission Rule 303-b, administrative approval is requested to commingle in common facilities, the liquid condensate production from the Undesignated Mississippian gas pool and the existing Table Mesa Pennsylvanian "C" gas pool. Both zones underlie the same lease and have common ownership. Both zones are marginal so far as liquid hydrocarbon condensate production is concerned and gas production from each zone is non-prorated.

Attached is a schematic diagram of the surface installation to be used, which is already in existence. Gas production from each zone will be metered separately at all times. Liquid condensate production to be allocated to each zone may be determined on the basis of periodic gas-oil ratio tests with the test system as shown on the schematic diagram. The initial API gravity of the Mississippian condensate from Well No. 29 is 68.7° and the initial gas-oil ratio is 67,800:1.

The drill stem test on Well No. 29 was 5000 MCFD with a final bottom hole flowing pressure of 2312 psig. It is estimated that approximately 3000 MCFD of gas will be produced for sales to the Helium Plant in Shiprock, New Mexico. Detailed data on gravity, volumes and value of liquid by hydrocarbons from the Pennsylvanian "C" gas pool and the expected gravity and value of the commingled liquid hydrocarbons are attached.

The value of the commingled liquid hydrocarbons will not be less than the value of the production from each common source of supply.

Very truly yours,

Ben W. Smith

Ben W. Smith
Assistant District Manager
Durango District
Production Department

ILLEGIBLE

GAB/sf
Attachments

COMMINGLING DATA
PENNSYLVANIAN - MISSISSIPPIAN LIQUID HYDROCARBONS
TABLE MESA FIELD
SAN JUAN COUNTY, NEW MEXICO

Production Data:

Pennsylvanian "C" Gas Zone (Current 2-1-66):

Gas - 3686 MCFD
Condensate - 141 BPD
GOR - 26,142:1

Mississippian Gas Zone (Anticipated Values):

Gas - 3000 MCFD
Condensate - 44 BPD
GOR (Measured) - 67,800:1

Top Unit Allowable: Both oil and gas non-prorated.

Crude Purchaser: Shell Pipeline Company, Farmington, New Mexico.

Liquid Hydrocarbon Gravities:

Pennsylvanian Zone - 57.5° API
Mississippian Zone (Initial) - 68.5° API
Anticipated Commingled Liquid Gravity - 59.1° API

Value of 57.5° API Gravity - \$2.44

Value of 68.5° API Gravity - \$2.22

Value of 59.1° API Gravity - \$2.40

Value Calculations:

\$2.44 X 96 BPD - \$234.24/Day (Based on 2500 MCFD Gas Rate)

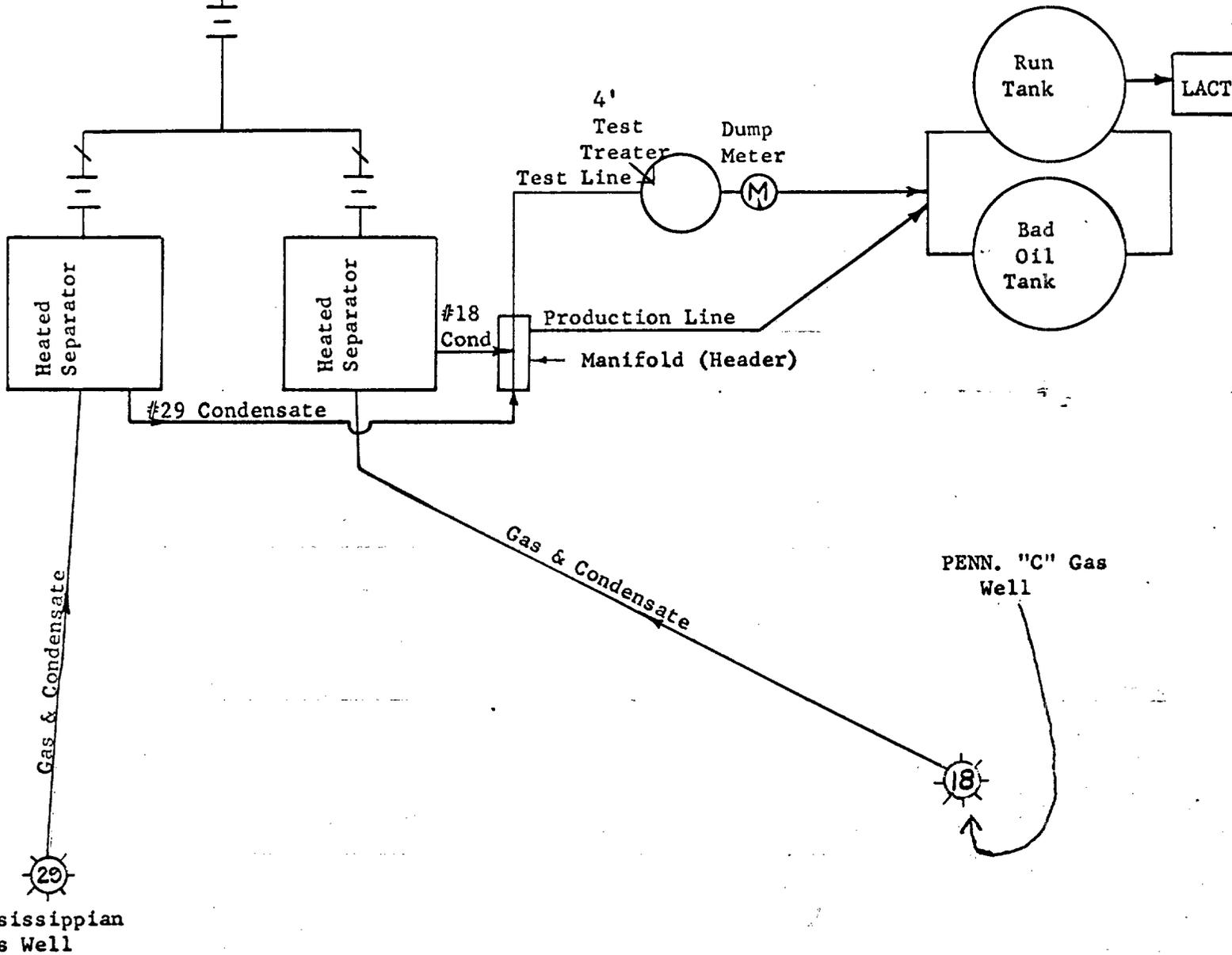
\$2.22 X 44 BPD - 97.68/Day (Based on 3000 MCFD Gas Rate)

TOTAL \$331.92/Day (Separate sources of supply)

\$2.40 X 140 BPD - \$336.00/Day (Commingled)

ILLEGIBLE

To U. S. Bureau of
Mines-Helium Plant
Sales



SCHMATIC DIAGRAM
TABLE MESA FIELD
PROPOSED - PENNSYLVANIAN AND
MISSISSIPPIAN GAS PRODUCTION
AND CONDENSATE COMMINGLING
SYSTEM
SAN JUAN COUNTY, NEW MEXICO

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		CONTINENTAL OIL COMPANY			
PRODUCTION DEPARTMENT					
DRAWN	GAB	SCALE	1"=2000'	FILE NO.	
CHECKED		DATE			
APPROVED		SHEET		OF	

TABLE MESA FIELD
PENNSYLVANIAN AND MISSISSIPPIAN WELLS
SAN JUAN COUNTY, NEW MEXICO