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TEXAS PACIFIC OIL COMPANY, INC.

P. O. Box 1069
Hobbs, New Mexico 88240

March 31, 1970

APR 1 1970

PC

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

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

Re: Commingling Installation
State "C" A/c-2 Lease
Sec. 4, T-12-S; R-33-E
Lea County, New Mexico

Dear Sir:

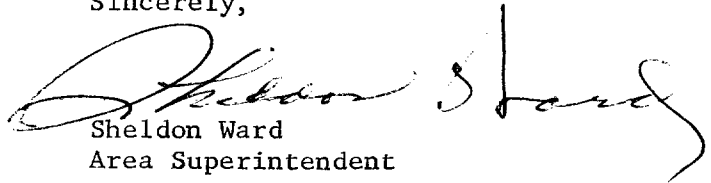
Texas Pacific Oil Company, Inc. respectfully requests administrative approval of exception to Rule 303 "Segregation of Production from Pools" to permit the commingling of production on the captioned lease as shown on the attached plat.

This lease contains two oil wells, Well #1 is a North Bagley Upper Penn and Well #2 is a North Bagley Lower Penn. It is proposed that these two pools be commingled to produce in common facilities, the commonly owned production, as shown on the attached schematic diagram.

The wells in each pool to be commingled on this application are marginal and are physically incapable of producing top allowable from their respective pools; therefore commingling will be accomplished without separately metering the production from each pool. We propose instead to allocate production from each well on the basis of well tests conducted periodically.

The expected average gravity will be 47.5° from the Upper Penn and 46.8° from the Lower Penn. No change in the value of the hydrocarbons of the commingled production is expected.

Sincerely,

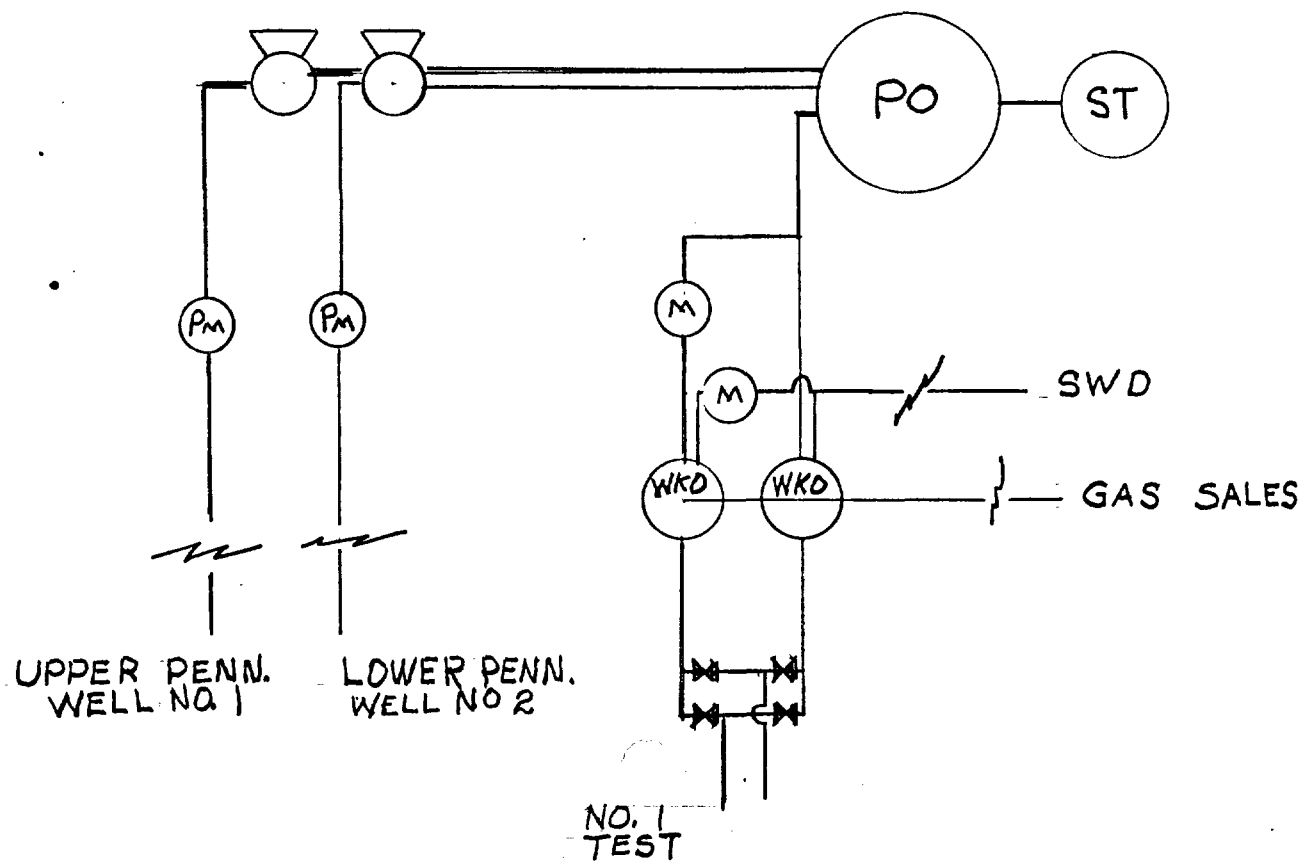

Sheldon Ward
Area Superintendent

cc: Oil Conservation Commission, Hobbs, New Mexico
Commissioner of Public Lands

SW:mls

TEXAS PACIFIC OIL CO., INC.
STATE "C" A/c-2 LEASE
Sec. 4, T-12-S; R-33-E
Commingling Installation

NORTH BAGLEY



TEXAS PACIFIC OIL CO., INC
STATE "CU A/c-2 LEASE
Sec. 4, T-12-S; R-33-E
Proposed Commingling
O - N. Bailev Upper Penn