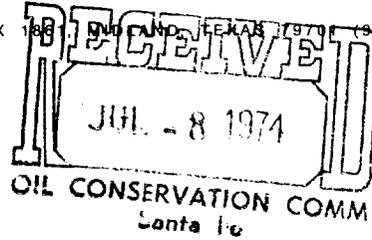




NORTH AMERICAN EXPLORATION AND PRODUCTION GROUP
Midland Production District

SUN OIL COMPANY 901 W. WALL, POST OFFICE BOX 188 SANTA FE, NEW MEXICO 87501 (505) 682-8271

July 5, 1974



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

RE: SURFACE COMMINGLING
Walter Lynch Lease
Drinkard & Wantz Granite Wash Pools
Ut. -K-, Sec. 1, T22S, R37E
Lea County, New Mexico

Gentlemen:

Sun Oil Company respectfully requests permission to commingle on the surface, production from the above named pools.

Please find attached, copies of a schematic diagram showing the proposed installation with ACT addition and copies of current lease plat.

Following is a price and gravity breakdown of Drinkard and Granite Wash crudes:

<u>FIELD</u>	<u>VOLUMES</u>	<u>GRAVITY</u>	<u>PRICE/BBL.</u>	<u>COMMINGLED GRAVITY & PRICE</u>	
Drinkard	142 BBLs.	41.5°	\$10.11	Average 37.6°	\$10.05
Granite Wash	187 BBLs.	34.6°	\$ 9.99		

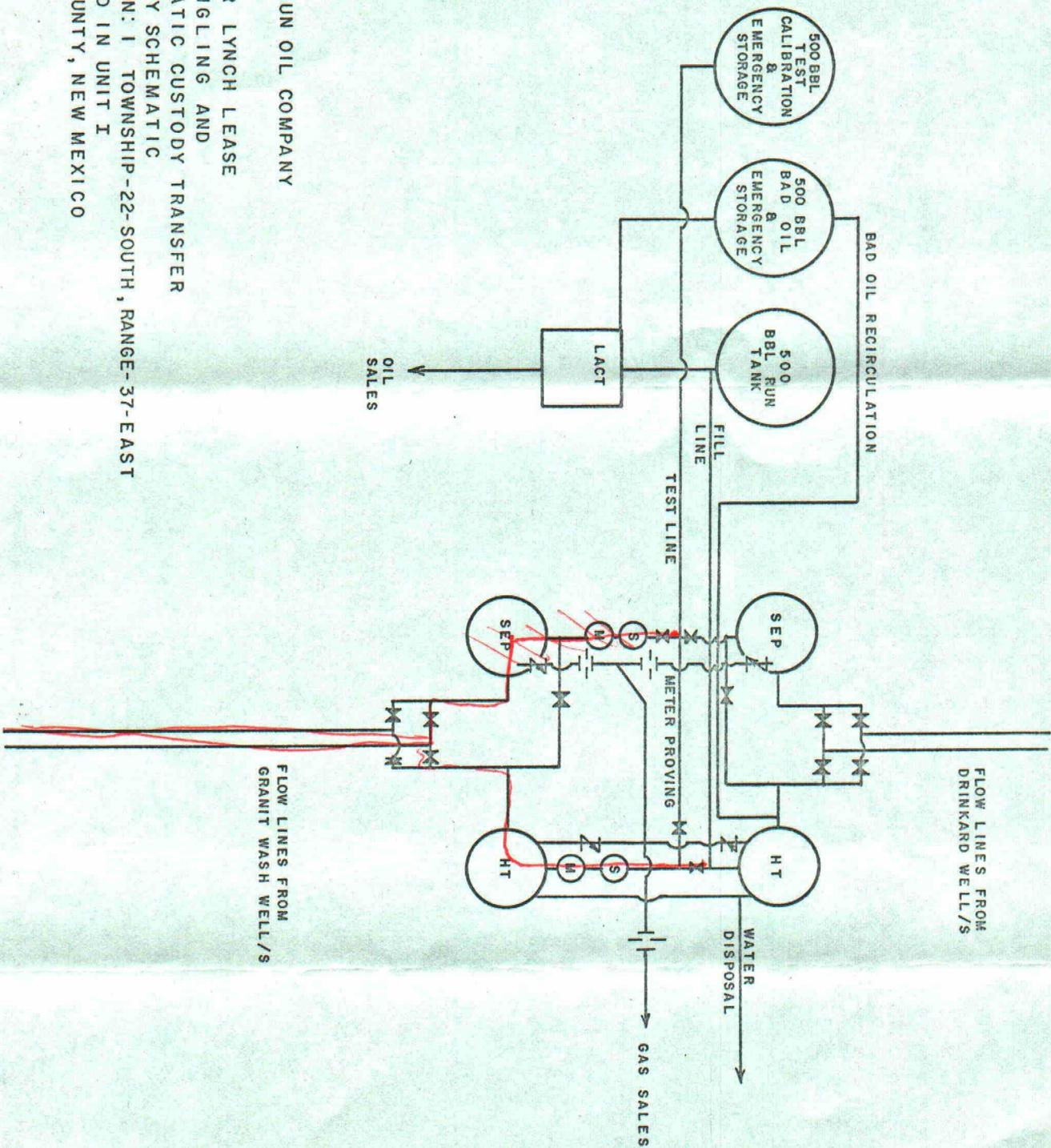
(Note: Crude sold separately would average \$10.04/Bbl.)

Well no. 2 listed on the plat will be recompleted as a Paddock - Drinkard dual with commingling of Drinkard crude, however, separate facilities will serve the Paddock zone, as this crude is sour.

If further information is required, please advise.

Very truly yours,
SUN OIL COMPANY

Charles Gray
Proration



SUN OIL COMPANY

WALTER LYNCH LEASE
 COMMINGLING AND
 AUTOMATIC CUSTODY TRANSFER
 BATTERY SCHEMATIC
 SECTION: I TOWNSHIP-22-SOUTH, RANGE-37-EAST
 LOCATED IN UNIT I
 LEA COUNTY, NEW MEXICO

35

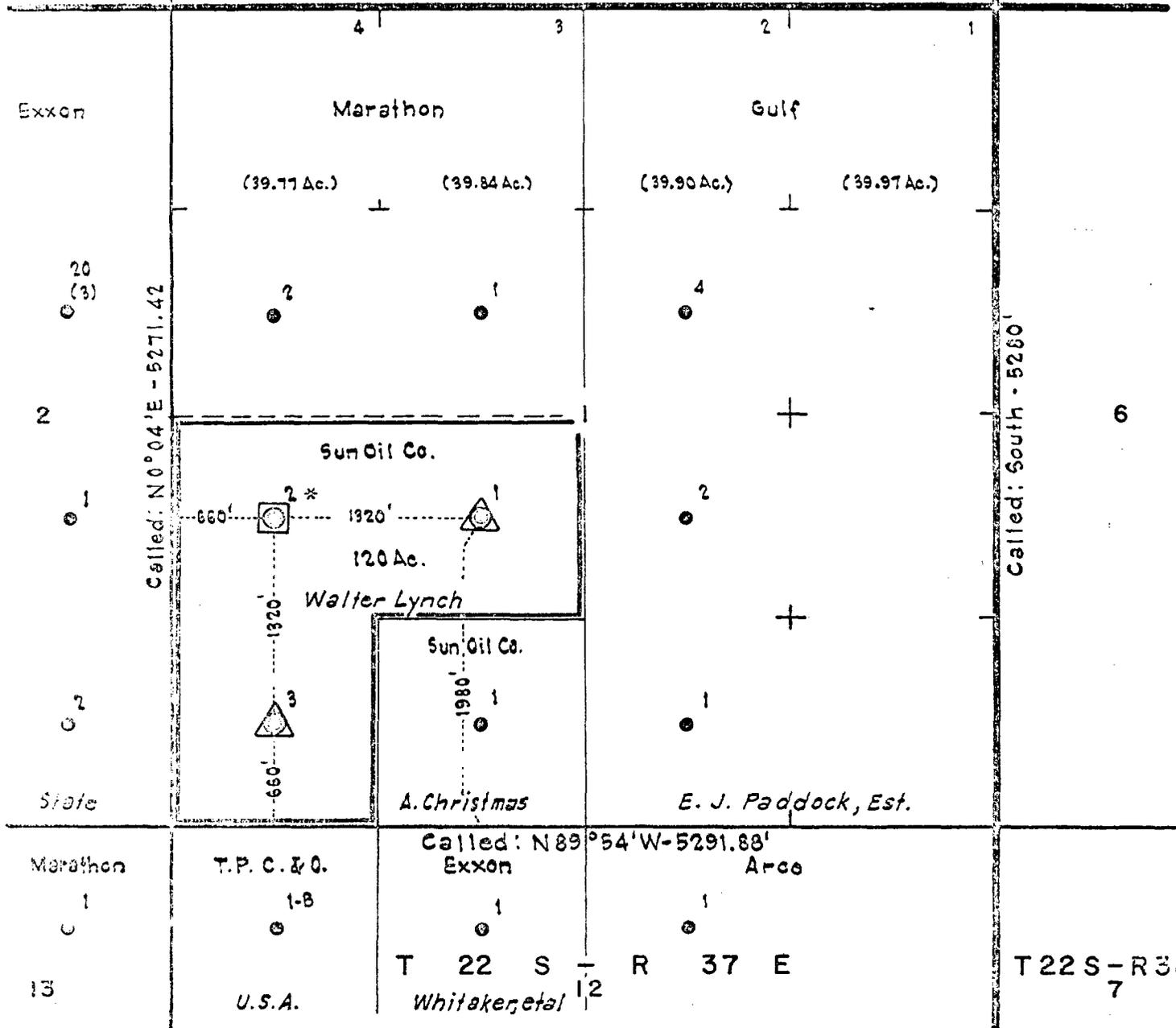
36

31

T 21 S - R 37 E

T 21 S - R 38 E

Called: $689^{\circ}59'E - 5280'$



LEGEND



DRINKARD PRODUCERS



GRANITE WASH PRODUCERS



PADDOCK PRODUCERS

*

Presently Paddock producer scheduled to be recompleted as Paddock-Drinkard dual

SUN OIL COMPANY

WALTER LYNCH - 120 AC. LSE.

OUT OF

SW/4 SEC. 1, T 22 S - R 37 E

LEA COUNTY, NEW MEXICO

Scale: 1" = 1000'

JULY 2, 1970