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June 26, 1979

New Mexico Oil Conservation Division (3)
Department of Energy & Minerals
State of New Mexico
P.O. Box 2088
Santa Fe, NM 87501

Attention Mr. Joe D. Ramey, Director

Gentlemen:

Application for Permission to Surface Commingle Production from Warren Unit No. 11 and No. 58. Warren Unit No. 11 is downhole commingled in the Blinebry and Drinkard zones. Warren Unit No. 58 is pending downhole commingling approval in the Blinebry and Tubb zones. Warren Unit No. 11 location is in Section 35, Township 20-S, Range 38-E, Lea County, and Warren Unit No. 58 location is in Section 26, Township 20-S, Range 38-E, Lea County, New Mexico.

Rec'd 8/28
Feds say they don't have to give approval

Continental Oil Company respectfully requests administrative approval under the provisions of Rule 303 to commingle production from the Warren Drinkard, East; Blinebry Oil & Gas and the Tubb Oil zones of Sections 35 and 26, Township 20-S, Range 38-E, Lea County, New Mexico. Wells and pools to be surfaced commingled are as follows:

1. Warren Unit No. 11 - downhole commingled in the Blinebry Oil and Gas zone and the Warren Drinkard, East zone. Allocation is 80% oil and 10% gas to the Blinebry and 20% oil and 90% gas to the Drinkard.
2. Warren Unit No. 58 - pending downhole commingling in the Blinebry Oil & Gas zone and the Warren Tubb Oil zone. Allocation will be based on the well tests.

In support of this request, we should like to point out that the existing facility is located in Unit Letter A, Section 35, Township 20-S, Range 38-E. The facility is in accordance with the applicable provisions of the Commission's Manual for the Installation and Operation of Commingling Facilities, now current, and Rule 303 (B) as follows:

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1. Ownership of all zones is common.
2. The facility is in substantial compliance with the installation depicted on Figure 3 in the manual. The schematic drawing of the current facility was submitted when the well was initially completed in the Blinebry and Drinkard zones. See attached.

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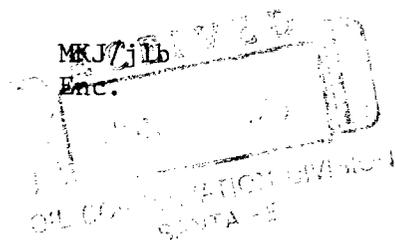
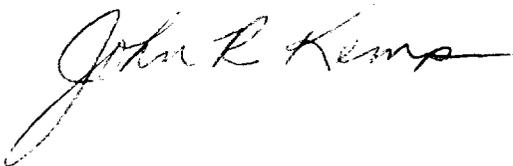
3. Production from each zone to be commingled will be allocated on the basis of well tests. There is one separate testing facility on this lease.
4. The common test vessels will be utilized with well test headers controlled such that only one well from any one zone may be tested at any one time. The existing bad oil return system utilizes the common test vessel and is designed so that wells cannot be tested while bad oil is being returned.
5. B S & W content will be periodically determined by the standard centrifugal testing procedure. The lease LACT unit is proved monthly.
6. The value of the commingled crude will remain at present prices as indicated below:

<u>Formation</u>	<u>Production Data</u>		<u>Value</u>
	<u>Oil Gravity</u>	<u>Daily Volume</u>	
Warren Unit No. 11			
Blinebry Oil and Gas	37.2	11	\$18.04
Warren Drinkard, East	37.2	3	\$16.83
Warren Unit No. 58			
Blinebry Oil and Gas	37.4	20	\$18.07
Warren Tubb Oil	37.4	1	\$13.58

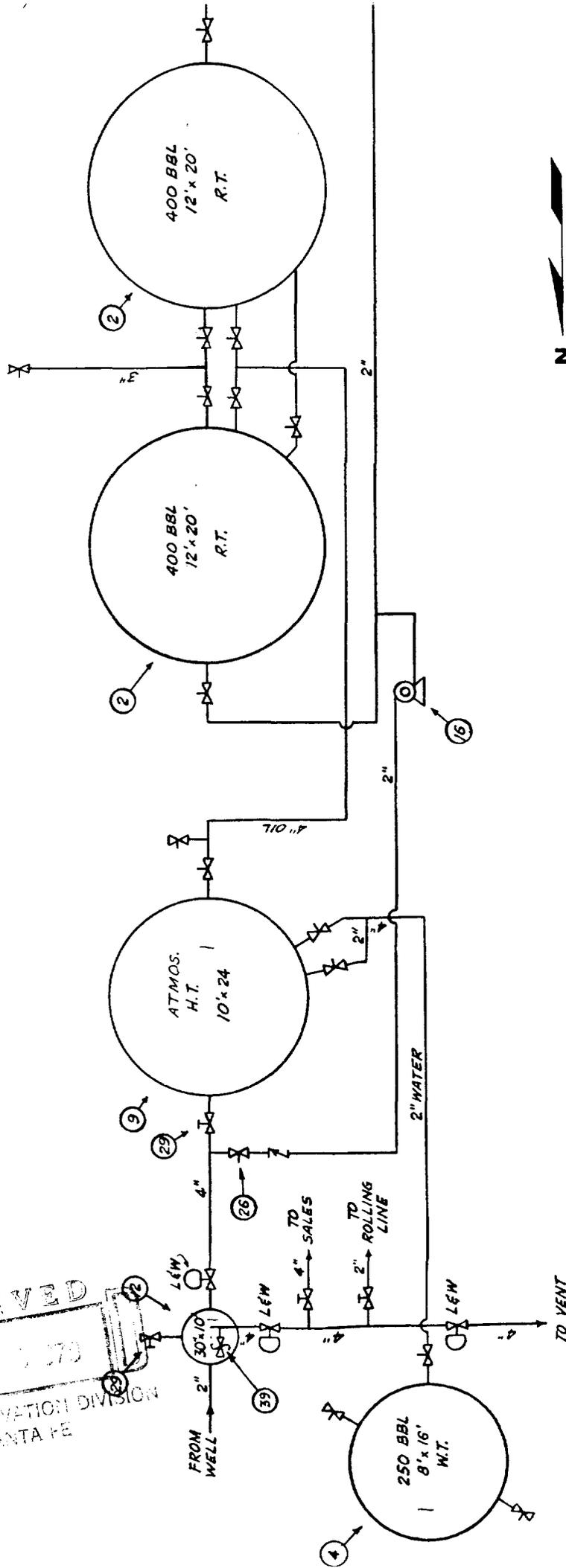
A plat is attached showing to the best of our knowledge and belief the location of the Warren Unit No. 11 and No. 58, those wells to be commingled and offset wells and ownership thereof.

In view of the facts set out herein, it is respectfully requested that the Division enter an order granting an exception to Rule 303 (A) and permit the commingling of production from the Blinebry Oil and Gas; Warren Drinkard, East; and the Warren Tubb Oil zone as described above.

Yours very truly,



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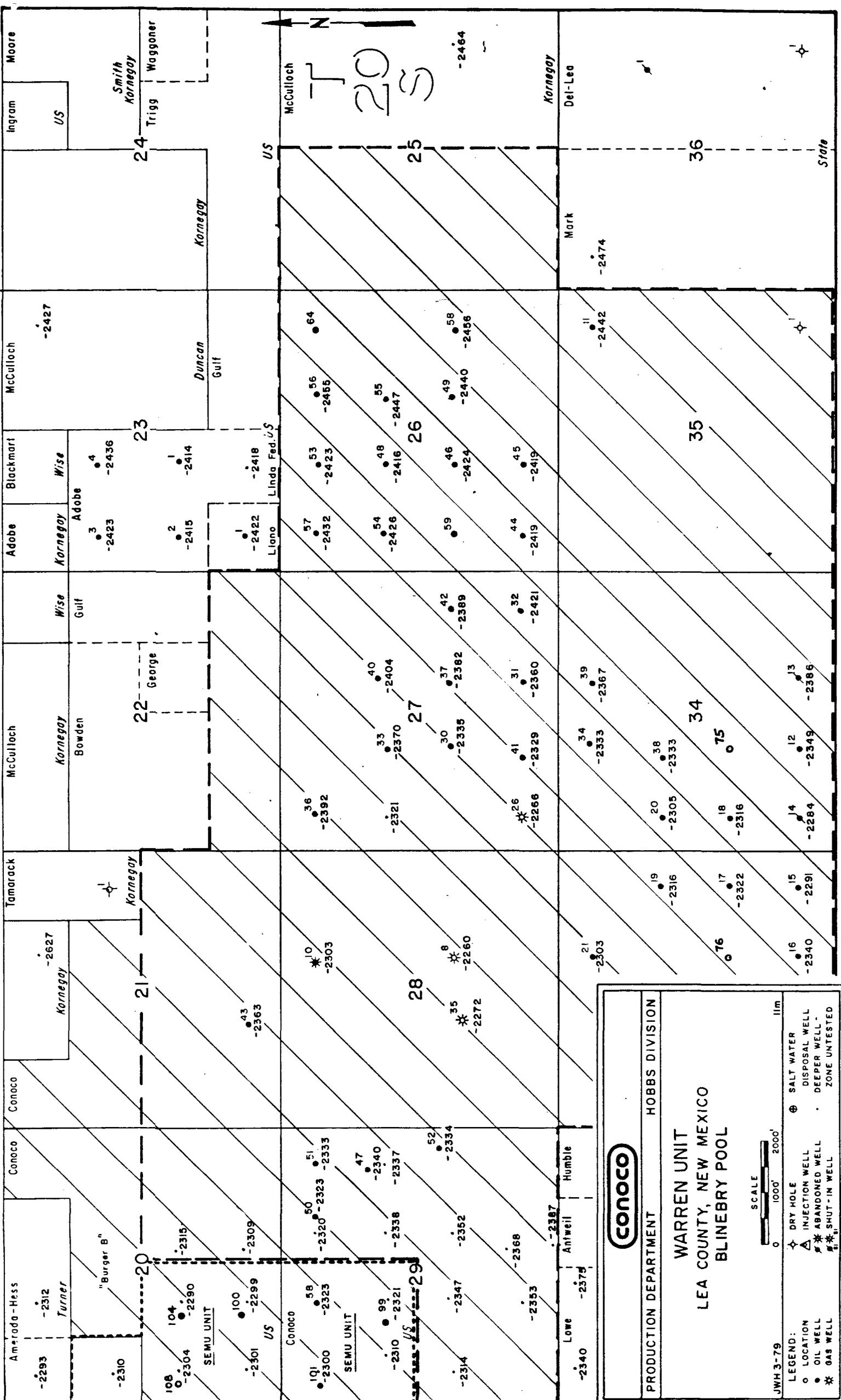


- ② TANK, BOLTED, RUM
- ④ TANK, BOLTED WATER
- ⑨ HEATER TREATER
- ⑫ SEPARATOR, O & G
- ⑬ PUMP, CENTRIFUGAL
- ⑭ VALVE, LUBE PLUG
- ⑮ VALVE, GATE
- ⑯ PRESSURE RELIEF VALVE

NO.	REVISIONS DESCRIPTION	DATE	BY

DATE:	11-30-73
DRAWN BY:	F. BARKER
DESIGN BY:	F. T. CHAVEZ
CHECKED BY:	<i>[Signature]</i>
APPROVED BY:	<i>[Signature]</i>
SCALE:	NONE

TITLE:	EAST BATTERY
PRODUCTION DEPT.:	WARREN UNIT
JOB:	WARREN UNIT
HOE:	DRAWING 1
	7



CONOCO

PRODUCTION DEPARTMENT HOBBS DIVISION

WARREN UNIT
LEA COUNTY, NEW MEXICO
BLINEBRY POOL

JWH 3-79 SCALE 0 1000' 2000' 11m

LEGEND:

- LOCATION
- OIL WELL
- ⊙ GAS WELL
- ⊕ DRY HOLE
- ⊕ INJECTION WELL
- ⊕ ABANDONED WELL
- ⊕ SHUT-IN WELL
- ⊕ SALT WATER DISPOSAL WELL
- ⊕ DEEPER WELL
- ⊕ ZONE UNTESTED

