



David L. Wacker
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Hobbs Division
North American Production

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October 5, 1988

Mr. William LeMay, Director
State of New Mexico
Energy & Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87501-2088

Dear Mr. LeMay:

Jicarilla 22 Lease - Surface Commingle

On September 23, 1988, Conoco requested permission to surface commingle production from the West Lindrith Gallup Dakota with production from the Blanco Mesaverde on the Jicarilla 22 lease, Sections 15, 16, 21 & 22, T25N, R4W, Rio Arriba County, New Mexico.

Conoco originally requested permission to allocate production back to the individual wells based on well tests. However, we are now requesting approval to separate and meter the Mesaverde production at the wellhead, remerge this production back into one flowline, and send to the battery for reseparation and sale. Although we presently have only one Mesaverde completion, this same procedure would be taken for all future Mesaverde completions.

The attached schematic reflects the flow of production from wellhead to sales.

Please contact Ms. Ceal Yarbrough at (505) 397-5825 if you have any questions.

Yours very truly,

A handwritten signature in cursive script that reads "David L. Wacker".

David L. Wacker
Division Manager

COY:jd

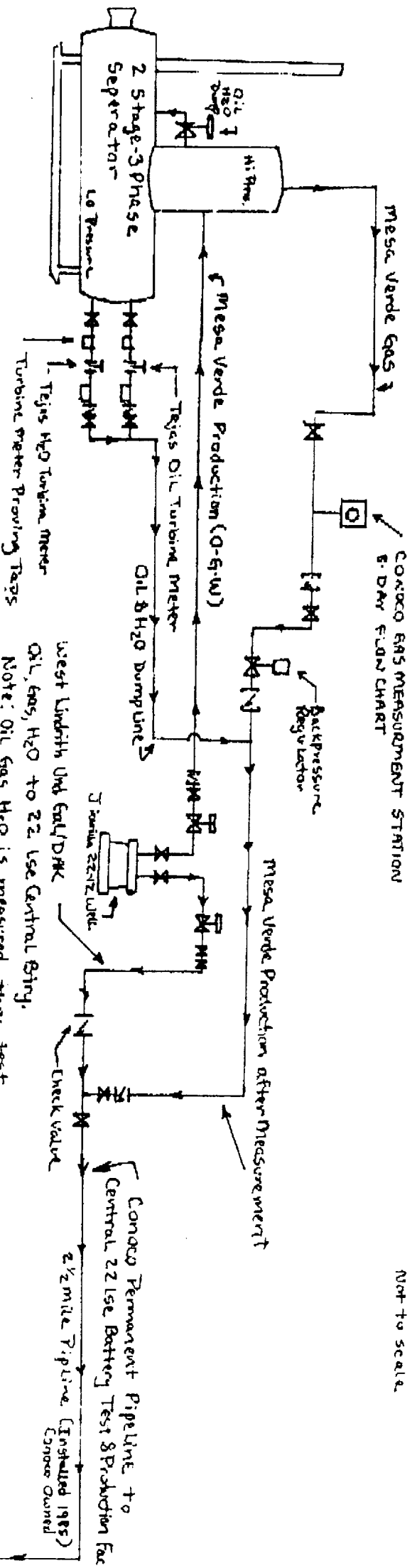
Gas Accounting, Oil Accounting

Mesa Verde; Gas- 8 Day Gas Chart at 22-12 well
 Oil- Tejas Turbine meter at 22-12 well
 H2O- Tejas Turbine meter at 22-12 well

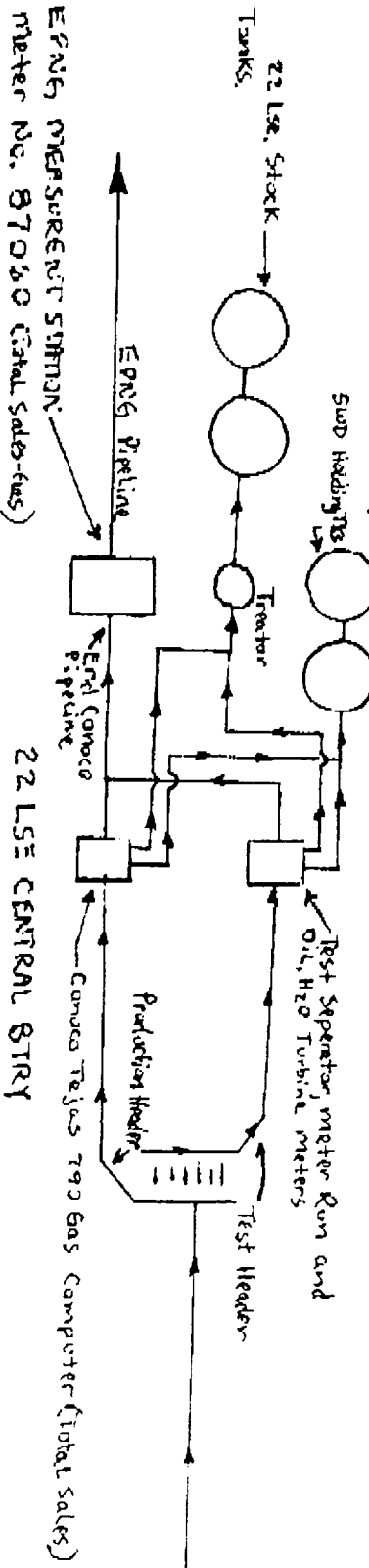
West Lindrith Und. Gallup/Dakota:
 Gas- Quarterly well tests at 22 Central Brg.
 Oil- Quarterly well tests at 22 Central Brg.
 H2O- quarterly well tests at 22 Central Brg.

Symbols:
 [] Rising/Block Valve
 [X] Check Valve
 [M] Intermittent

Not to scale.



West Lindrith Und. Gall/DK
 Oil, Gas, H2O to 22 LSE Central Brg.
 Note: Oil, Gas, H2O is measured thru test system at 22 Central Brg. Gas, Oil is allocated back to well from quarterly tests taken with well measured at well.



CONOCO SCHEMATIC Showing Permanent Production Equipment with Surface Commingling at Jicarilla 22-12 TYPE OF WELL GAS/GAS OIL DUAL.

Destinations:
 Mesa Verde: Oil- To Conoco transportation
 H2O- To Jicarilla 30-15 SUD
 Gas- To EPN6 @ Station 87060

West Lindrith Und. Gallup/Dakota:
 Oil- To Conoco transportation
 H2O- To Jicarilla 30-15 SUD
 Gas- To EPN6 @ Station 87060