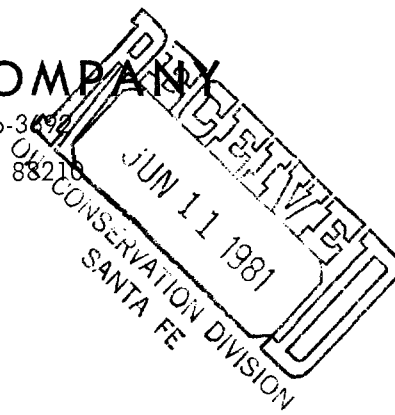


HARLAN OIL COMPANY

Box 668 — Phone 746-3692
ARTESIA, NEW MEXICO 88210

June 9, 1981



Mr. Joe Ramey
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, N. M. 87501

Re: Request to commingle
LC 064670 (B)
LC 064670

Dear Joe:

Please find enclosed a copy from the U. S. G. S. approving
our request to commingle production.

Our thanks for your help on this.

Very truly yours

Budd Hebert,
Land Department

BH/dh

Enclosure



United States Department of the Interior

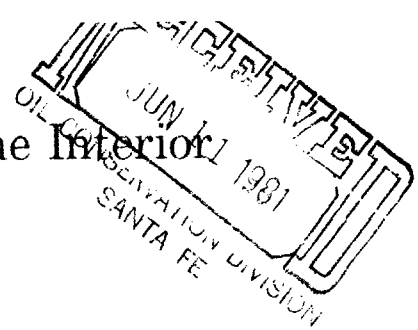
GEOLOGICAL SURVEY

South Central Region

Roswell District

P. O. Drawer 1857

Roswell, New Mexico 88201



Harlan Oil Company
Attention: Budd H. Hebert
P O. Box 668
Artesia, New Mexico 88210

Gentlemen:

Your letter of May 18, 1981 requested approval to surface commingle Seven Rivers production from well No. 1 Featherstone-Welch lease No. LC-064670-B with Queen/Grayburg production from well No. 1 Featherstone Federal lease No. LC-064670 with the storage tank being located in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ sec. 22, T. 19 S., R. 28 E., N.M.P.M., Eddy County, New Mexico.

Your application for commingling is hereby approved subject to like approval by the New Mexico Oil Conservation Division. The production attributed to each lease should be allocated as follows:

<u>Lease</u>	<u>% of Total Production</u>
LC-064670	42%
LC-064670-B	58%

Sincerely yours,

James A. Gillham
James A. Gillham
District Supervisor

Enclosure: Application

HARLAN OIL COMPANY

Box 668 — Phone 746-3692

ARTESIA, NEW MEXICO 88210

May 28, 1981

*Held for USGS
Approval*

Mr. Joe D. Ramey, Director
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Request for Administrative
Approval to Grant an Exception
to Rule 303-A & 309-A

Dear Joe:

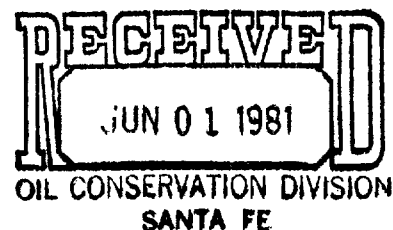
Harlan Oil Company respectfully requests that they be allowed to commingle oil production on leases LC-064670 and LC-064670-B by placing oil produced from these two leases in a common tank battery.

We are presently producing oil from a depth of 1773 to 1785 feet (Queen/Grayburg) on Lease LC-064670-B (Featherstone Federal #1 located 330 FNL and 990 FWL of Section 22, T. 19 S., R. 28 E.) and from a depth of 1113 to 1133 feet (Seven Rivers) on Lease LC-064670 (Featherstone-Welch #1 located 1650 FNL and 990 FWL of Section 22, T. 19 S., R. 28 E.

Gravity of oil produced from the Featherstone Federal #1 is 35.6 and that from the Featherstone-Welch #1 is 34.7. We are presently producing about 40 barrels of oil per month from the Featherstone Federal #1 and about 56 barrels of oil per month from the Featherstone-Welch #1. Value of production from each is \$34.90 per barrel for the Featherstone Federal #1 and \$35.88 per barrel for the Featherstone-Welch #1. The expected levels of gravity, volume and value once the wells are commingled will not vary significantly from that achieved with separate production.

Ownership on Leases LC-064670 and LC-064670-B are common and are as follows:

U. S. A.	.1250 R I
Glenna Herzog	.0050 O R R I
Featherstone Farms, Ltd.	.0450 O R R I
Featherstone Farms, Ltd.	.4125 W I
Harlan Oil Company	.4125 W I
	<u>1.0000</u>



Mr. Joe D. Ramey, Director
New Mexico Oil Conservation Division

Page 2
May 28, 1981

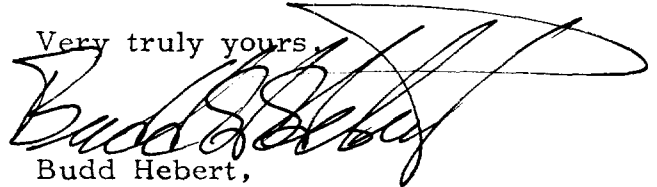
All parties have been notified by registered mail of our proposal to commingle this production.

Please find enclosed the following:

1. Schematic Diagram of Proposed Installation
2. Plat showing well locations
3. Copy of letter to U. S. G. S.

Should you have any further questions please call and I will attempt to respond. We are in need of a decision at your earliest convenience as the present tank batteries need to be replaced.

Very truly yours,



Budd Hebert,
Land Department

BH:dh

Enclosures

