



KLEASER N/R 6-15-93

Midland Division
Exploration Production

OIL CONSERVATION DIVISION

Conoco Inc. RECEIVED
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May 25, 1993

Mr. William LeMay
State of New Mexico
Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87504-2088

**Request for Amendment of Commingling Order CTB-187 to
Include Off-Lease Storage and Surface Commingling of
Production from the Justis Tubb-Drinkard and Justis
Blinebry Pools on the Jack B-26 and Jack B-27 Leases at the
Jack B-26 Battery located in Unit E, Sec. 26, T-24S, R-37E**

Dear Mr. LeMay:

Conoco Inc. requests approval for surface commingling and off-lease storage of production from the Justis Tubb-Drinkard and Justis Blinebry Pools on the Jack B-26 and Jack B-27 Leases at the Jack B-26 battery facility. Initial Tubb-Drinkard production for these two leases is anticipated from a proposed recompletion in the Jack B-26 No. 2.

Commingling Order CTB-187 currently authorizes off-lease storage and surface commingling of Justis Blinebry production from the Jack B-26 and Jack B-27 Leases at the Jack B-26 facility. Copies of this original administrative order, issued October 29, 1968, and of a previous amendment of August 18, 1970, are attached as EXHIBITS A.1 and A.2.

Production from all wells currently producing to the Jack B-26 battery is marginal and Tubb-Drinkard production is also expected to be marginal. These two leases and their well locations are shown on the attached map, EXHIBIT B. Since Tubb-Drinkard production is not currently available from either the Jack B-26 or Jack B-27 leases, the fluid gravity for Tubb-Drinkard oil was secured from a nearby producer from the Justis Tubb-Drinkard Pool, Conoco's State A-2 No. 4 well. EXHIBIT C contains the oil gravities, producing rates, and anticipated revenues for each lease, each pool, and for the proposed commingled production. Revenue is shown to be the same for commingled sales as for sales of the two pools separately.

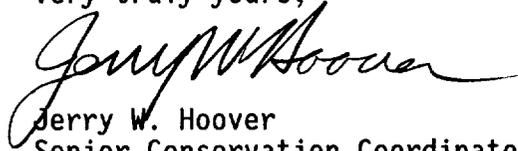
EXHIBIT D is a battery schematic for the Jack B-26 commingled battery showing the addition of Tubb-Drinkard production from the Jack B-26 No. 2 well. Since participation interests in this proposed recompletion will be different from that in the other wells on the two leases, the Tubb-Drinkard production will be metered separately before being commingled in common storage with the Blinebry production.

The difference in interests for the Jack B-26 No. 2 well was created by the non-participation of a working interest owner in this recompletion project. All of the other royalty interests are the same for these two leases. Therefore, it is also requested that the amendment of Order CTB-187 provide that, when revenue from the recompletion has paid out the costs of the project and working interests for this well are once again identical with the remainder of these two leases, separate metering for this well will no longer be required.

EXHIBIT E includes copies of the letter sent to the interest owners and of the certified mail receipts from the mailing of this application to all of the working interest and royalty interest owners of these two leases.

Should you have any further questions concerning this application, please contact Jerry Hoover at (915) 686-6548.

Very truly yours,



Jerry W. Hoover
Senior Conservation Coordinator