

Catanach, David

From: Wtor1948@aol.com
Sent: Wednesday, November 14, 2001 9:05 AM
To: DCATANACH@state.nm.us
Subject: Re: Conoco App

David,

After speaking with the facilities engineer at Conoco, he is going to set a separator for the Lockhart B35 so that the gas can be measured separately. Please let me know if you need more information.

Thank you,
Ann Ritchie
Conoco, Inc.

11/14/2001

Catanach, David

From: Catanach, David
Sent: Friday, November 09, 2001 2:53 PM
To: Ann Ritchie (E-mail)
Subject: Conoco App

Ann. If the interest ownership is not common throughout between the Lockhart "A" and Lockhart "B" leases, production from each lease is required to be metered prior to commingling. Authorization to allocate production by well tests can only be granted after notice and hearing.

Let me know how Conoco wants to proceed.

PS. Mark's surface commingling committee seems to have disbanded. I do believe however, that our new chief engineer, Mr. Richard Ezeanum, will be taking over that duty. You might give him a call if you have any questions about that.

Catanach, David

From: Wtor1948@aol.com
Sent: Wednesday, November 07, 2001 9:47 AM
To: DCATANACH@state.nm.us
Subject: Re: Conoco Application

David,
The Lockhart A 35 has the 4 overriding royalty interest owners, the Lockhart B 35 does not. Please let me know if I need to file any amended documents.
Thank you.
Yours truly,
Ann E. Ritchie, Regulatory Agent
Conoco, Inc.
(915) 684-6381
Wtor1948@aol.com

Catanach, David

From: Wtor1948@aol.com
Sent: Wednesday, November 07, 2001 12:24 PM
To: DCATANACH@state.nm.us
Subject: Re: Conoco Application

David,
I asked Kay Maddox to go through Jerry Hoover's files from the file room - she found a surface commingling order # PC 173 which covers the pools for the Lockhart B 35 battery. I apologize that I did not find or look for this order sooner. I made a trip to Santa Fe last year for the purpose of copying every commingling file that Conoco had @ the OCD - I did not get anything on the Lockhart B 35, again I a sorry for this mistake.

Thank you,
Ann Ritchie
Conoco, Inc.
(915) 684-6381
Wtor1948@aol.com

Catanach, David

From: Wtor1948@aol.com
Sent: Tuesday, November 06, 2001 10:16 AM
To: DCATANACH@state.nm.us
Subject: Re: Conoco Application

David,

After reviewing all of the prior filings by Jerry Hoover and all the references to surface commingling in the files, I do not find a current Surface Commingling Order for the Lockhart A 35 or the Lockhart B 35 batteries. The "stray" well is the Lockhart B 35#5 that is completed in the Paddock. In the event your office has no record of any requests on the Paddock for commingling, please let me know if I need to amend the application to include the Paddock production. It is my understanding that there is no variation in the royalty owners between formations.

I do not believe that the overriding royalty interest is not the same in the two leases - but I would like to run this by Carl Sherrill before I commit to that - the listing he sent me does not definitively distinguish the two properties - but the overrides are not on both pages. I combined the two pages as the legal descriptions were the same. All the owners listed were sent a copy of the application on October 8, 2001. Due to the nature of the production, it was my hope that we could allocate production by well testing - are there any conditions, in the event the overrides are not in both leases, that we can allocate by well test and not meter the gas? I know there were some meetings last year with Mark Ashley and this issue was brought up - but I never heard any conclusions.

Thank you,

Ann Ritchie/Conoco
915 684-6381
Wtor1948@aol.com

11/9/2001

Catanach, David

To: Ann Ritchie (E-mail)
Subject: Conoco Application

Hi Ann. I have a question on the Lockhart A-35 application to surface commingle. What is the order authorizing the commingling of the Lockhart B-35 Lease? Also, is the interest ownership the same between the A-35 and the B-35 wells? If not, the production would have to be metered prior to commingling. Please advise.

Thanks,

DRC