



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P. O. Drawer 1857
Roswell, New Mexico 88201

November 13, 1967

Union Oil Company of California
Post Office Box 671
Midland, Texas 79701

CTB-115

Gentlemen:

Your letter of November 7, 1967, requests approval to commingle Seven Rivers-Queen production from Federal leases New Mexico 0560352 and Las Cruces 062085 in the Shugart pool located in sec. 31, T. 18 S., R. 31 E., N.M.P.M., Eddy County, New Mexico.

For royalty purposes, production allocation will be based on monthly well tests and resulting lease production as reported on Lessee's Monthly Report of Operations (form 9-329). The Lessee's Monthly Report of Sales and Royalty (form 9-361) must show all computations used in the calculation of lease sales.

The method of commingling described by your application is hereby approved subject to like approval by the New Mexico Oil Conservation Commission.

Please notify the District Engineer, U. S. Geological Survey, Post Office Drawer U, Artesia, New Mexico 88210, when the installation is completed and operative so that an inspection can be made.

Sincerely yours,

(ORIG. SGD.) JOHN A. ANDERSON

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

cc:
N.M.O.C.C., Santa Fe
Artesia (2)
Roswell
Accounts