

~~12/2/96~~  
CTB

8/7/96  
433

**Nearburg Producing Company**

Exploration and Production  
3300 North Loop West  
Building 2, Suite 120  
Midland, Texas 79701  
915 686-6221  
Fax 915 686-1805

July 16, 1996

Mr. David Catanach  
Oil Conservation Division  
2040 South Pacheco  
Santa Fe, New Mexico 87504-2088

Re: Surface Commingling and Off-Lease  
Storage and Measurement  
Dagger Draw Upper Penn North  
Eddy County, New Mexico

Dear Mr. Catanach:

Nearburg Producing Company hereby requests administrative approval for surface commingling and off-lease metering and storage from the wells listed on Attachment I to the production battery located in Units F and G, SE/4NW/4 and NE/4SW/4 of Section 31, T-19-S, R-25-E, Eddy County, New Mexico.

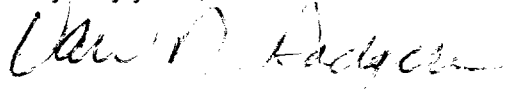
Because the ownership of these wells differs, all oil, gas and water will be individually metered prior to surface commingling. All meters will be calibrated on a regular basis. The subject wells all produce from the same zone, that being the Cisco/Canyon.

The purpose of the off-lease storage is to reduce operating costs for storage and treating, thereby extending the economic life of each well. Without approval, it will be necessary to install and maintain separate facilities for each well. This will greatly increase costs and shorten the economic life of the wells.

In accordance with the Oil Conservation Division's Rules 303-b and 309-b, the following diagram and lists of owners notified are enclosed for your information: Attachment II, a diagram of the measurement equipment, separators and storage tanks in accordance with the "Manual for Installation and Operation of Commingling Facilities"; Attachment III, notification of interest owners. All required notices pursuant to Rule 309-b have been mailed to these owners with instructions that any objection must be filed within twenty (20) days.

Thank you for your cooperation in this matter. If you have any questions, please feel free to call.

Very truly yours,



Van N. Rodgers  
Production Landman

VNR:kg

Attachments

## ATTACHMENT I

### Dagger Draw 31 Fed #1

Unit D

660' FNL & 660' FWL Sec. 31, T19S, R25E

### Dagger Draw 31 Fed #2

Unit B

660' FNL & 1930' FEL Sec. 31, T19S, R25E

### Dagger Draw 31 Fed #4

Unit E

2086' FNL & 766' FWL Sec. 31, T19S, R25E

### Dagger Draw 31 Fed. #5

Unit C

660' FNL & 1980' FWL Sec. 31, T19S, R25E

### Dagger Draw 31 Fed #6

Unit A

660' FNL & 660' FEL Sec. 31, T19S, R25E

### Foster 31 Fed #1

Unit N

600' FSL & 1980' FWL Sec. 31, T19S, R25E

### Foster 31 Fed #2

Unit L

1980' FSL & 710' FWL Sec. 31, T19S, R25E

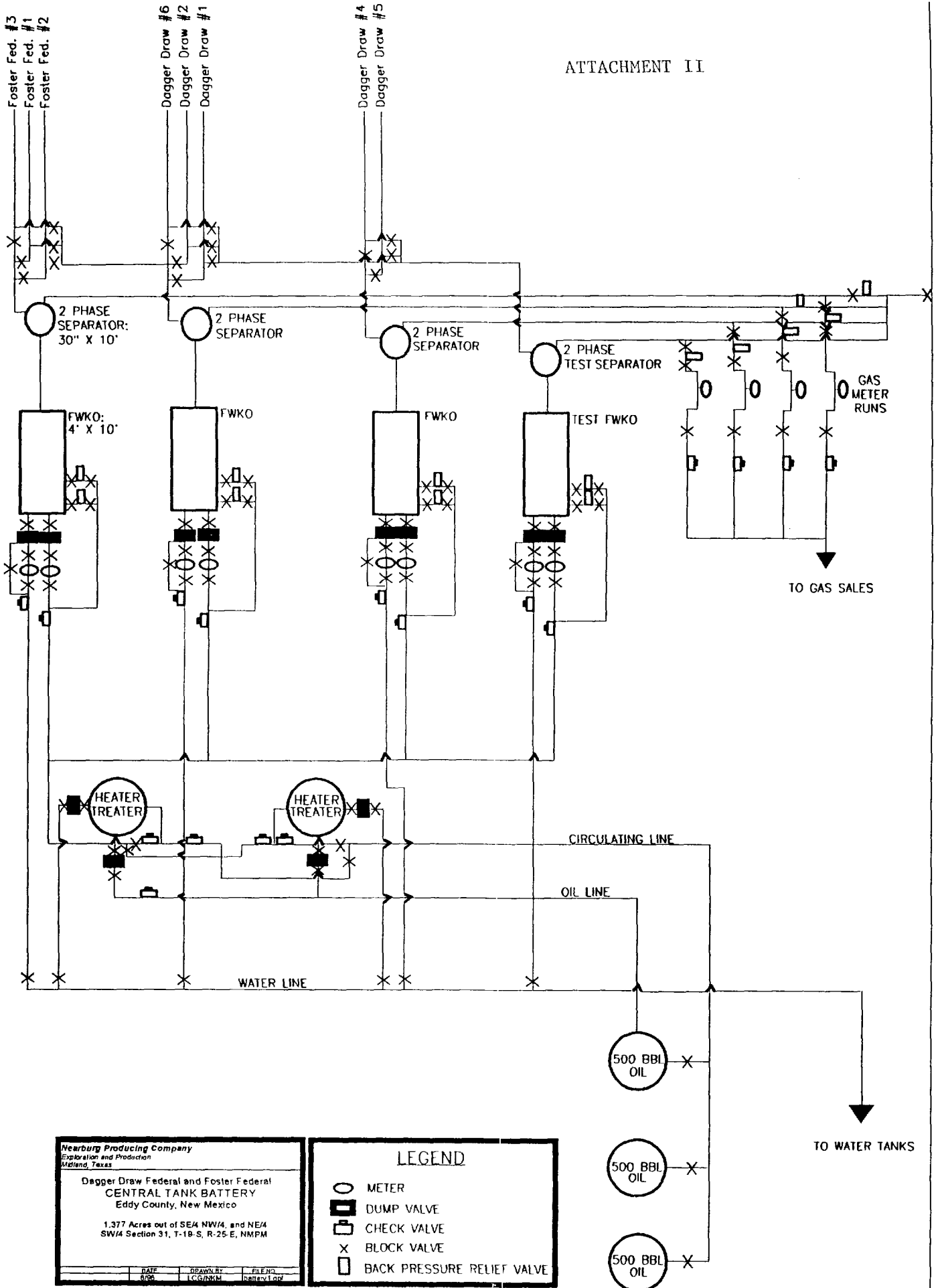
### Foster 31 Fed #3

Unit M

990' FSL & 799' FWL Sec. 31, T19S, R25E

all in Eddy County, New Mexico

# ATTACHMENT II



**Nearburg Producing Company**  
Exploration and Production  
Midland, Texas

**Dagger Draw Federal and Foster Federal  
CENTRAL TANK BATTERY**  
Eddy County, New Mexico

1.377 Acres out of SE1/4 NW1/4, and NE1/4  
SW1/4 Section 31, T-19-S, R-25-E, NMPM

DATE	DRAWN BY	FILED BY
6/96	LC/SJ/KM	DATE/LOG

**LEGEND**

- METER
- DUMP VALVE
- CHECK VALVE
- X BLOCK VALVE
- BACK PRESSURE RELIEF VALVE

### ATTACHMENT III

William H. Aspden  
1595 South Wasatch Drive  
Salt Lake City, Utah 84108

R. E. Chambers Estate  
Robert E. Chambers, Jr., Independent Executor  
2413 Clayton Lane  
Wichita Falls, Texas 76308

W. T. Probandt  
415 West Wall, Suite 1608  
Midland, Texas 79701

Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, New Mexico 88210

Yates Drilling Company  
105 South Fourth Street  
Artesia, New Mexico 88210

Conoco, Inc.  
10 Desta Drive, Suite 100W  
Midland, Texas 79705