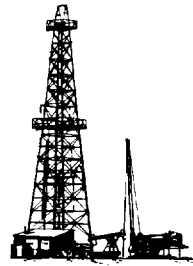




3103 - 79TH STREET • LUBBOCK, TEXAS 79423 • 806/745-4638



November 10, 1997

State of New Mexico
Energy and Minerals Department
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: Surface Commingling
El Zorro G Federal lease
Well #1 - Allison Penn Pool
Well #2 - Allison Devonian Pool
W $\frac{1}{2}$ Sec. 1, T9S, R36E
Lea County, New Mexico

Gentlemen:

We have recently drilled our El Zorro G Federal No. 2 well and are currently completing it in the Devonian zone. The lease is currently producing via Well No. 1 which is completed in the Bough C Penn zone and adequate tank battery facilities are in place.

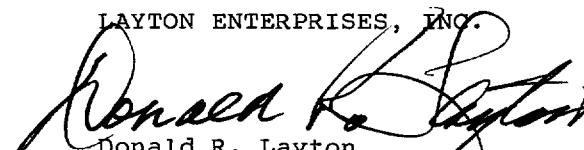
Under the provisions of Rule 309-B, we request authority to commingle production from the El Zorro G Federal Wells No. 1 and No. 2 in the presently existing and operating tank battery facilities.

Commingling will not affect lease stipulations nor the interests of royalty or overriding royalty owners. The attached data sheet, lease plat, and tank battery diagram provide pertinent data.

Interest owners and purchasers will be notified with copies of this application.

Very truly yours,

LAYTON ENTERPRISES, INC.



Donald R. Layton
President

DRL/bw1

EL ZORRO G FEDERAL LEASE NO. NMLC 069300

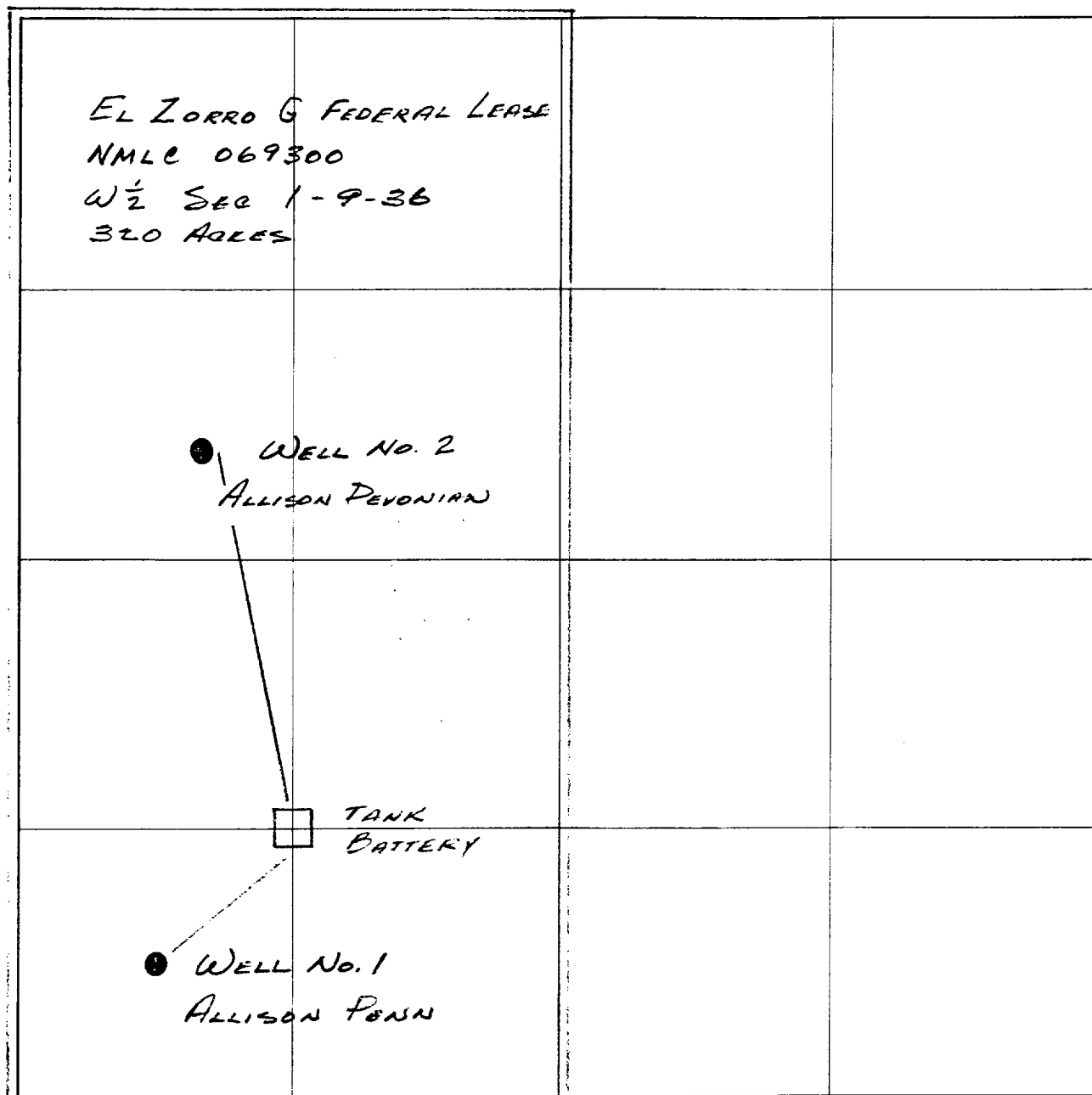
SURFACE COMMINGLING DATA

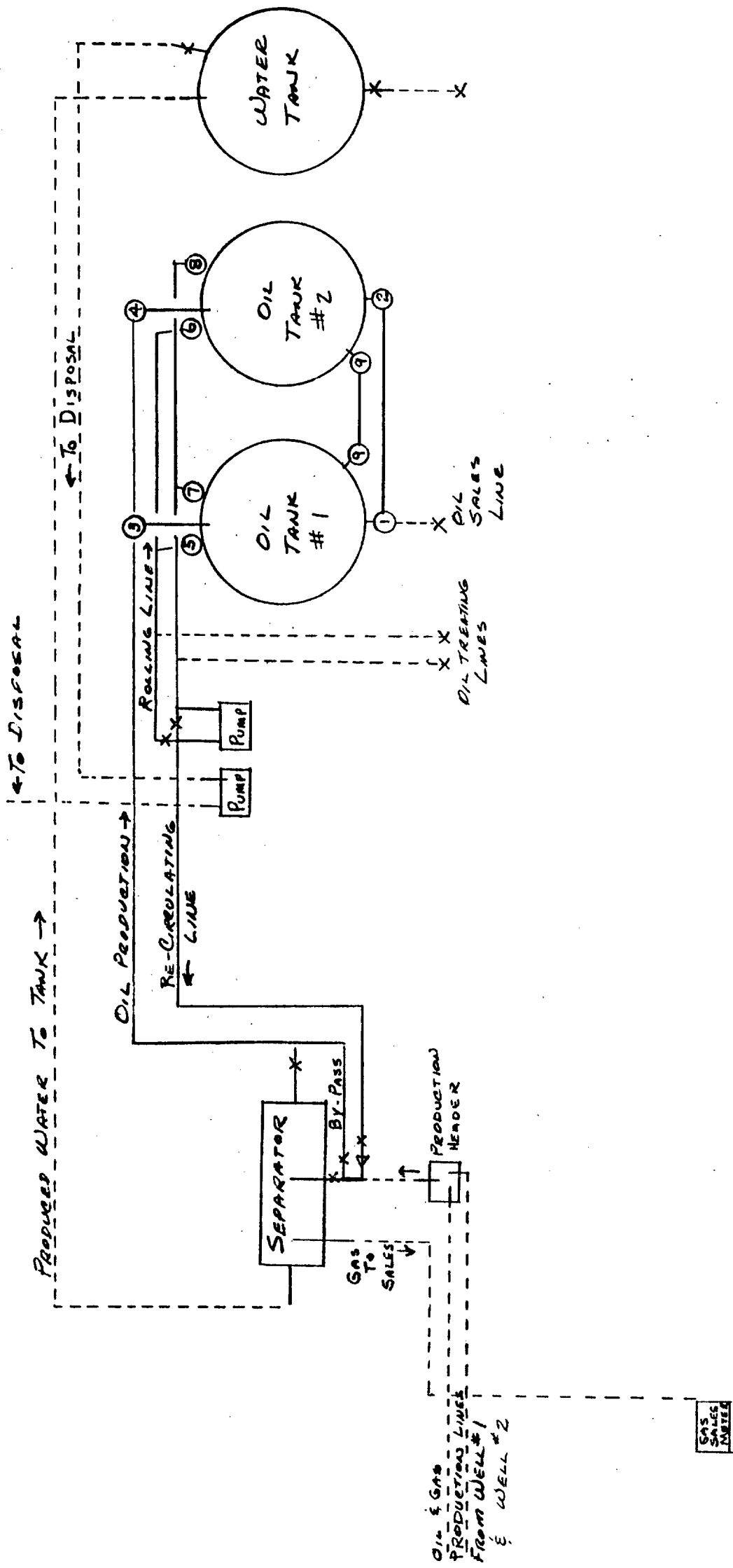
	<u>El Zorro G Federal No. 1</u>	<u>El Zorro G Federal No. 2</u>
Location of Well	660' FSL 660' FWL Sec 1, T9S, R36E Lea County, NM	2180 ' FNL 880' FWL Sec 1, T9S, R36E Lea County, NM
Location of Tank Battery		C, SW¼, Sec 1, T9S, R36E
Oil Purchaser		Navajo Refining Co.
Gas Purchaser		Warren Petroleum Co.
Field	Allison Penn	Allison Devonian
Producing Zone	Bough "C" Penn @ 9690'-9717'	Devonian @ 12,349'-12,369'
Oil Gravity (*)	45	46
Volumes (**)	5 BOPD	Est. 100 BOPD

(*) Oil produced from both zones is very similar as to gravity and viscosity and both are classified as West Texas Intermediate with identical values.

(**) Production volumes will be allocated and reported based on monthly well tests.

SECTION 1 TOWNSHIP 9S RANGE 36E COUNTY LEA STATE New Mexico





LAYTON ENTERPRISES, INC.
 EL ZORRO "G" FEDERAL LEASE #LC069300
 ALLISON PENN FIELD TANK BATTERY NO. 1
 SWSW4, SEC 1, T9S, R36E
 LEA COUNTY, NEW MEXICO

