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August 17, 1979

New Mexico Oil Conservation Division
Department of Energy and Minerals
State of New Mexico
P. O. Box 2088
Santa Fe, NM 87501

Attention Mr. Joe D. Ramey

Gentlemen:

Application for Permission to Surface Commingle Production from
Lockhart A-17 Nos. 1, 2, 3 and 4

Conoco Inc. respectfully requests administrative approval under the provisions of Rule 303 to surface commingle production from the Blinebry Oil and Gas zone in Lockhart A-17 No. 2 with production from the Penrose Skelly Grayburg zone in Lockhart A-17 Nos. 1, 3 and 4. All wells are located in Section 17, T-21S, R-37E, Lea County, New Mexico. Wells and pools to be surface commingled are as follows:

1. Lockhart A-17 No. 1 - Dually completed in the Penrose Skelly Grayburg zone and the Eumont Queen Gas zone.
not incl
2. Lockhart A-17 No. 2 - Dually completed in the Blinebry Oil and Gas zone and the Drinkard zone.
not incl
3. Lockhart A-17 No. 3 - Dually completed in the Penrose Skelly Grayburg zone and the Drinkard zone.
not incl
4. Lockhart A-17 No. 4 - Downhole commingled in the Blinebry Oil and Gas zone and Tubbs Oil zone, which is dually completed with the Penrose Skelly Grayburg zone.
not incl

In support of this request, we should like to point out the existing facility is located in Unit Letter H, Section 17, T-21S, R-37E, Lea County, New Mexico. The facility is in accordance with applicable provisions of the Commission's "Manual for the Installation and Operation of Commingling Facilities," now current, and Rule 303(B) as follows:

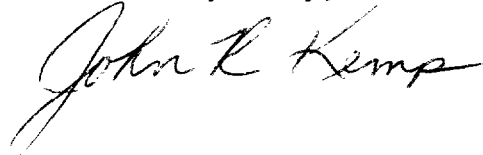
1. Ownership of all zones is common.
2. The facility is in substantial compliance with the installation depicted in Figure 3 of the manual. A schematic drawing of the current facility is attached.
3. The common test vessel will be utilized with well test headers controlled such that only one well from any one zone may be tested at any one time. The existing bad oil return system utilizes the common test vessel and is designed so wells cannot be tested while bad oil is being returned.
4. BS&W content will be periodically determined by the standard centrifugal testing procedure.
5. The value of the commingled oil will remain at present prices as indicated below:

<u>Formation</u>	<u>Oil Gravity</u>	<u>Production Data</u>	
		<u>Daily Volume</u>	<u>Value</u>
Lockhart A-17 No. 1 Penrose Skelly Grayburg	36	3	\$19.21
Lockhart A-17 No. 2 Blinebry Oil & Gas	38	35	\$19.22
Lockhart A-17 No. 3 Penrose Skelly Grayburg	36	7	\$19.21
Lockhart A-17 No. 4 Penrose Skelly Grayburg	36	4	\$19.21

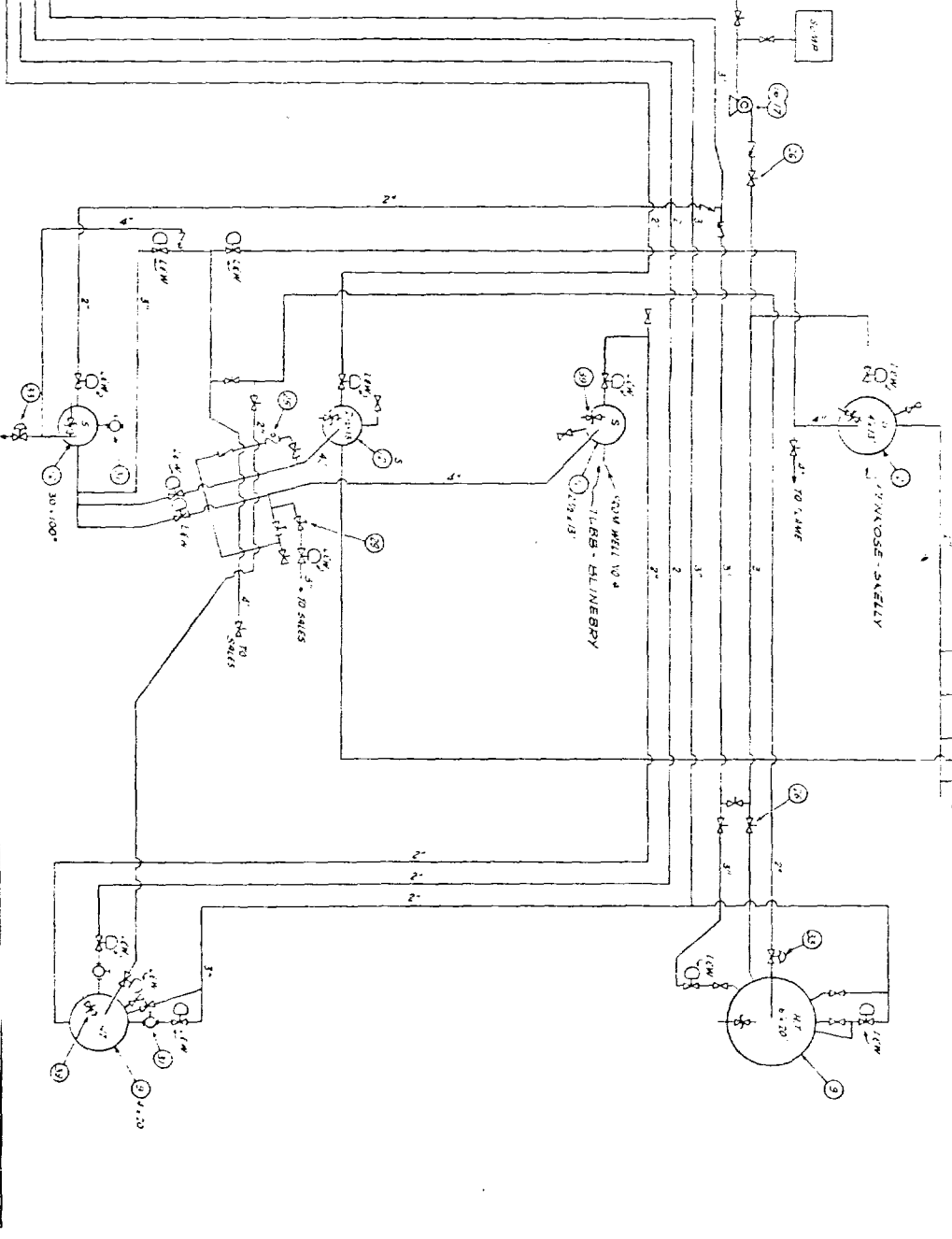
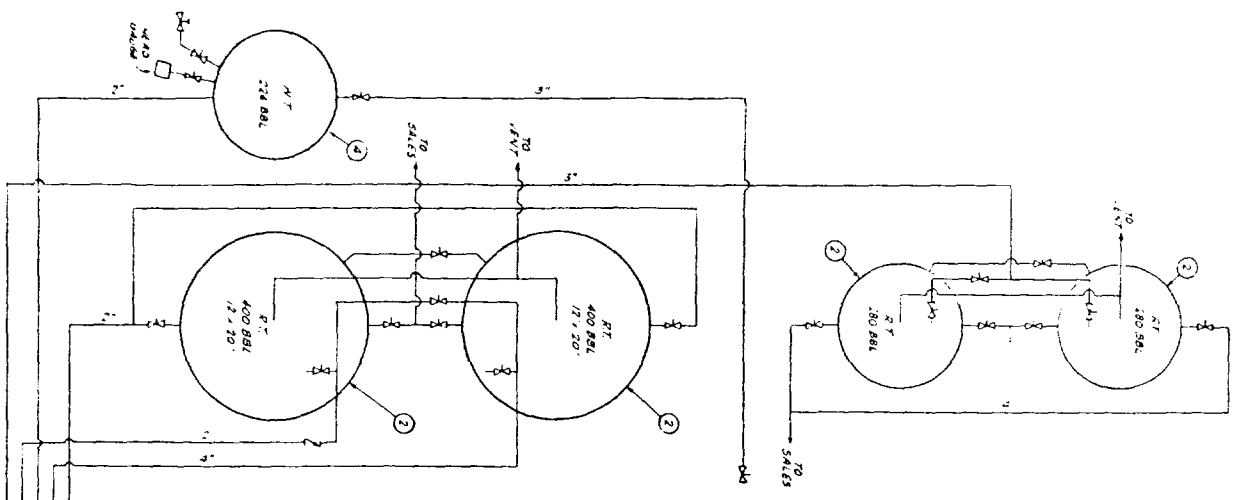
A plat is attached showing the location of the subject wells and offset wells and ownership thereof.

In view of the facts set out herein, it is requested the Division enter an order granting an exception to Rule 303(A) and permit the surface commingling of production from the Blinebry Oil and Gas zone and Penrose Skelly Grayburg zone as described above.

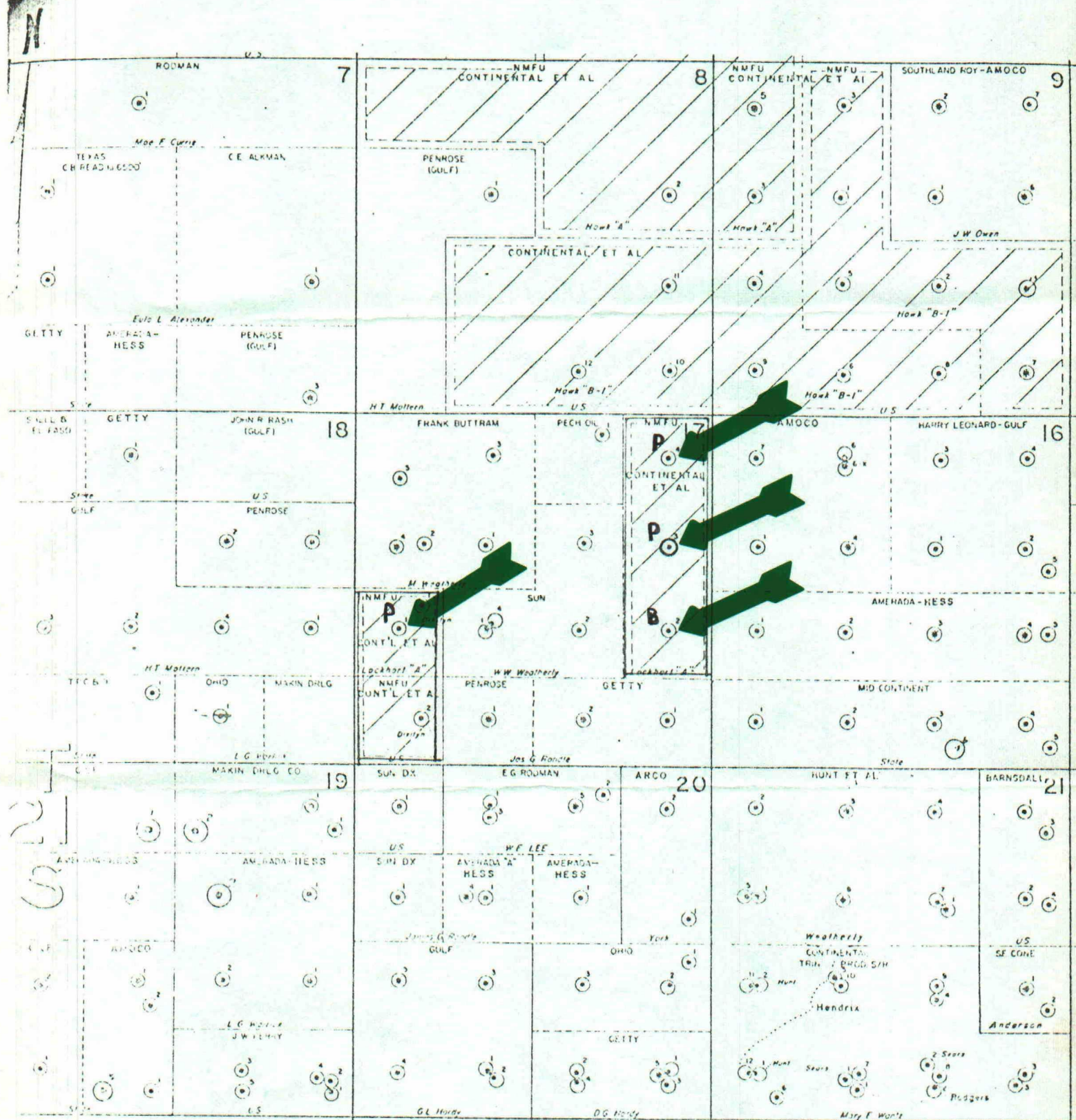
Yours very truly,



JRA:cab
Attachments



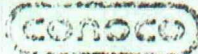
Purson SK
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 Blocks



R37E

P - Penrose Skelly Grayburg

B - Blinebry Oil & Gas

	
PRODUCTION DEPARTMENT	HOBBS DIVISION
<p>LEA COUNTY, NEW MEXICO</p> <p>WANTZ &</p> <p>LOCKHART A-17 LEASE</p>	
<p>SCALE</p> 	