

Mark K. Mosley Division Manager Production Department Hobbs Division North American Production

December 29, 1981

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

Conoco Inc. P.O. Box 460 726 E. Michigan Hobbs, NM 88240 (505) 393-4141

OIL CONSERVATION DIVISION SANTA FE

Attention: Mr. Joe D. Ramey

Gentlemen:

Amend PLC-58 Gile community File community Application for Permission to Surface Commingle Production from the Northeast Haynes No. 8E, Unit L, Section 15, T-24N, R-5W, Rio Arriba County, New Mexico.

Conoco Inc. requests administrative approval under the provisions of Rule 303-B to surface commingle Basin Dakota production from Well No. 8E into a common tank battery located in the SE/4 SE/4 of Section 16, T-24N, R-5W, Rio Arriba County. Commission Order No. R-5205A gave approval to commingle Otero Gallup and Basin Dakota production from Wells Nos. 1-8 at this facility. Commission Order PLC-58 gave approval to commingle Basin Dakota production from Well No. 4E at this facility.

Ownership and working interest for all zones is common. Quality of the crude and condensate is virtually identical and commingling will not reduce the commercial value.

The Northeast Haynes No. 8E is currently producing an average of 1 barrel per day of 45° gravity crude valued at \$35.00 per barrel. The Otero Gallup zone for the lease produces approximately 14 barrels per day of 46.4° gravity crude with a value of \$35.00 per barrel.

A lease and battery plat are attached for your review and file. The production will be allocated on the basis of well tests.

Yours very truly,

memosly

RLM:jlj Attachment

cc: USGS Drawer 600 Farmington, NM 87401



