

DE CONSERVATION RECEIVED
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January 26, 1994

Case 10908

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

Attn: William J. Lemay, Director

Re: Application of Snyder Oil Corporation
for Downhole Commingling
San Juan County, New Mexico

Gentlemen:

Please consider this letter the formal application of Snyder Oil Corporation for an Order of the New Mexico Oil Conservation Division approving the downhole commingling of production from the Wildcat Gallup Oil Pool and the Basin Dakota Gas Pool in the wellbore of its Con Hale #2E Well located in the SW/4SW/4 (Unit M) of Section 15, Township 26 North, Range 8 West, N.M.P.M., San Juan County, New Mexico.

The Con Hale #2E Well is currently dually completed in the Gallup and Dakota formations. However, the Gallup formation can no longer be economically produced independently of the Dakota formation and, consequently, downhole commingling is necessary to permit the continued production from the Gallup formation.

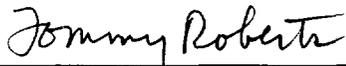
This application was verbally communicated to the office of the New Mexico Oil Conservation Division on January 24, 1994, at which time Snyder Oil Corporation was advised that the application would be placed on the February 17, 1994 Examiner Hearing Docket.

State of New Mexico
Energy, Minerals & Natural Resources Dept.
New Mexico Oil Conservation Division
January 26, 1994
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Please advise should you require any additional information.

Sincerely,

Tansey, Rosebrough, Gerding
& Strother, P.C.



TOMMY ROBERTS, Attorney
for Snyder Oil Corporation

TR:nk

cc: Supervisor, District III Office
New Mexico Oil Conservation Division
1000 Rio Brazos Road
Aztec, New Mexico 87410

Snyder Oil Corporation
P.O. Box 2038
Farmington, New Mexico 87499
Attn: Wayne Converse

ON SITE Technologies, Ltd.
P.O. Box 2606
Farmington, New Mexico 87499
Attn: Joe A. Wilbanks