NM CONS. COMMISSION
Drawer DD
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Getty

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Central Exploration and Production Division

June 8, 1984

Bureau of Land Management
P.O. Drawer 1857
Roswell, New Mexico 88201

Gentlemen:

Getty Oil Company respectfully requests permission to surface commingle production from its D.D. Federal 24 No. 1 and its proposed D.D. Federal 25 No. 1. The D.D. Federal 24 lease is located in Section 24, T-19S, R-24E in Eddy County, New Mexico.

There is one producing well on the lease, D.D. Federal 24 No. 1, which is located 990' FSL and 660' FEL of Section 24. The subject well is completed in the Canyon interval 7706'-7838'. Currently, the well is shut-in awaiting the execution of a gas sales contract. The well was tested in March 1984 for 21 days with a final flowing production rate of 176 BOPD, 462 BWPD and 1926 MCFPD.

The D.D. Federal 25 lease is located in Section 36, T-19S, R-24E in Eddy County, New Mexico. This well will be drilled in June or July, 1984, and completed in the Canyon interval. We anticipate similar production as D.D. Federal 24 No. 1, due to its relatively identical structural position. (Exhibit I). The D.D. Federal 25 No. 1 will be located 1980' FNL and 660' FEL of Section 25.

Certain economic considerations make this application a necessity for Getty Oil Company. The surface commingling is being requested prior to drilling of the D.D. Federal 25 No. 1 due to the cost of installing a separate production facility to test this well. The estimated cost to install a separate production facility is $250,000, while the cost to transport the produced fluids to the D.D. Federal 24 lease is $15,000. The existing facility can test and accommodate the production from D.D. Federal 25 No. 1 more efficiently than temporary separation equipment. Slight modifications may be required on the existing production facility with no additional surface damage as sufficient room exits on the D.D. Federal 24 No. 1 location.

At the present time, Getty has a storage facility in Section 24 consisting of (1) 30" x 10' 2-phase separator, (1) 6' x 20' 3-phase heater treater, (2) 500-barrel oil storage tanks and (1) 1000-barrel water storage tank.

The D.D. Federal 25 No. 1 production will flow from the wellhead via a 4" poly-ethylene pipeline to the 30" x 10' 2-phase separator in Section 24. This distance