L. P. Thompson Division Manager Production Department Hobbs Division Western Hemisphere Petroleum Division

Continental Oil Company P.O. Box 460 1001 North Turner Hobbs, New Mexico 88240 (505) 393-4141

June 29, 1976

Oil Conservation Commission State of New Mexico P. O. Drawer "DD" Artesia, NM 88210

Attention: Mr. W. A. Gressett

Dear Sir:

Levers Federal No. 1-E - Levers Federal No. 2-R - Sec. 21, T-21S, R-25E, Eddy County, New Mexico

Attached for your consideration and processing is the sundry report, form C-103, attesting to the capability to produce for Levers Federal No. 1, and the request for allowable, form C-104, with supporting acreage dedication, form C-102, and inclination report for Levers Federal No. 2.

Orifice meters are installed downstream from the separator for each well for the purpose of allocating gas production. A schematic of this installation is attached to show the measurement prior to commingling.

Please contact this office if further clarification is necessary.

Yours very truly,

L. P. Shumpson

L. P. Thompson Division Manager

CB:dlh Enc.