

Sonat Exploration Company
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Midland TX 79701
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SONAT EXPLORATION

RECEIVED

JUN 16 1995

OIL CON. DIV.
DIST. 2

June 15, 1995

Mr. Tim Gum
NMOCD
811 South First Street
Artesia, New Mexico 88210

Re: Lotos Federal No. 801
Unit Letter D, Section 8, T24S, R31E
Eddy County, New Mexico

Mr. Gum:

Sonat Exploration respectfully requests approval of the following:

- (1) a temporary allowable to pump test a wildcat Bone Spring zone in the Lotos Federal No. 801, C104 attached.
 - a) It is anticipated that pump testing the Bone Spring will not exceed 30 days.
30 days of oil allowable at 50 BOPD and gas allowable at 2000 GOR will satisfy our expectations.
- (2) temporary approval to surface commingle the Bone Spring oil and gas with Delaware oil and gas at our Lotos Federal lease battery.
 - a) All working interest and royalty interest are common to the Delaware and Bone Spring to all wells going into this battery.
 - b) Temporary surface commingling will allow us to test the Bone Spring more accurately and more economically, and will prevent waste by allowing us to sell the gas during the pump test.
 - c) Bottle samples of the Bone Spring oil indicate it is a 40-50 gravity (sweet) crude, so commingling of the oil would not reduce the total value of the oil production.

If you have any questions, please contact me at (915) 684-0405 or 684-0400.
Your consideration in these matters is appreciated.

Sincerely,

K. Glenn Carter

K. Glenn Carter
Sr. Drilling and Production Engineer

cc: MJL
Wellfile
Jwb