CONTINENTAL OIL COMPANY

P. O. Box 1621 Durango, Colorado March 14, 1966

New Mexico Oil Conservation Commission P. O. Box 2088 Santa Fe, New Mexico

Attn: Mr. D. S. Nutter, Chief Engineer

Gentlemen:

Attached are two copies of United States Geological Survey's approval to produce and sell gas from the Undesignated Chacra zone in dual well Jicarilla 30 No. 4, Unit F, Section 31, T25N, RAW, Rio Arriba County, New Mexico, by combining it with the Undesignated Gallup oil and gas production in a common flowline after metering the Chacra gas at the wellhead.

Application for the above method was submitted to the Commission on December 22, 1965.

Very truly yours,

G. A. Brown

Production Engineer

S. A. Brewn

Durango District

Production Department

GAB/cb

CC: New Mexico Oil Conservation Commission P. O. Box 697
Aztec, New Mexico



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March 7, 1966



UNITED STATES DEPARTMENT OF THE INTERIOR GEOLOGICAL SURVEY

Drawer 1857 Roswell, New Mexico 88201

Continental Oil Company P. O. Box 1621 Durango, Colorado

Attention: Mr. H. D. Haley

Gentlemen:

Your letter of Feb. 21, 1966 requests permission to measure Chacra gas produced from a recently completed Gallup oil-Chacra gas dual completion in the SE\(\frac{1}{2}\)NV\(\frac{1}{2}\) sec. 31, T. 25 N., R. 4 W. on Jicarilla tribal lease contract No. 41 and then sell the Chacra gas through the present Gallup casinghead gas sales system.

The method you propose for allocating gas production by measuring Chacra gas produced at the wellhead and subtracting from total sales to determine Gallup casing gas production is satisfactory to this office. Form 9-361, Lessee's Monthly Report of Sales and Royalty, must show all computations used in the calculations of gas volumes from each formation.

Sincerely yours,

JOHN A. ANDERSON

Regional Oil & Gas Supervisor