



Consolidated Oil & Gas, Inc.

LINCOLN TOWER BUILDING
1860 LINCOLN STREET
DENVER, COLORADO 80295
(303) 861-5252

P.O. BOX 2038
FARMINGTON, NEW MEXICO 87401

May 24, 1982

STATE OF NEW MEXICO
Energy and Minerals Department
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico

Gentlemen;

Reference is made to our application for down hole commingling the Basin Dakota and Flora Vista Gallup formations within the wellbore of the Cain 1-E, Section 25, T31N, R13W, San Juan County, New Mexico, dated March 5, 1982.

The ownership, working interest, royalty and overriding royalty is common for both zones.

Yours truly,

CONSOLIDATED OIL & GAS, INC.

BARNEY JONES
Drilling Foreman

BJ/ke

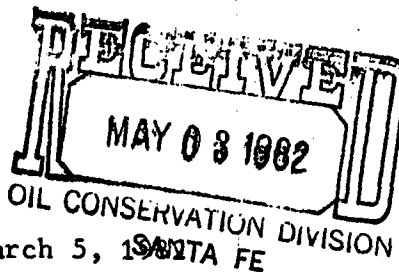
CC: Frank Chavez, NMOCC, Aztec, NM



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March 5, 1982

STATE OF NEW MEXICO
Energy & Minerals Department
Oil Conservation Division
1000 Brazos Road
Aztec, New Mexico

Attn: Mr. Frank Chavez

Dear Mr. Chavez,

Consolidated Oil & Gas, Inc. hereby requests authorization to commingle the Basin Dakota and undesigned Gallup formations within the wellbore in our Cain 1-E, 1450' F/SL & 1105 F/EL, Unit] - Sec. 25, T31N, R13W, San Juan County, New Mexico.

The Gallup formation has never been commercially productive. After fracturing the Gallup, it was swab tested, recovering 4 bbl of oil and a trace of water per day. The gas was too small to measure but would burn a 2 - 3 foot flare. The Gallup formation would never flow on its own.

The Dakota formation will log off with water, so we have been shutting in the Dakota for 3 - 5 days and producing this zone behind a compressor. This is why the 24 hour production test on Form C-116 is above 50 mcf daily average. The well had recently been turned on.

Consolidated would like to commingle the Gallup & Dakota; allocating 10% oil and 95% gas to the Dakota and 90% oil and 5% gas to the Gallup formations, based on production curves and previous well tests.

Enclosed please find information requested.

Is the ownership, working interest, royalty, and overriding royalty common for both zones?

Sincerely,

Barney Jones

BARNEY JONES
Drilling Foreman

BJ/ke
Encls.