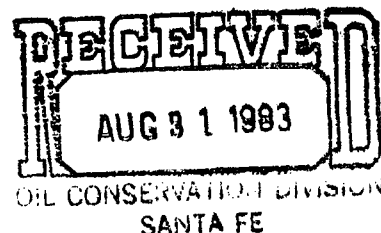




Mark K. Mosley
 Division Manager
 Production Department
 Hobbs Division
 North American Production

Conoco Inc.
 P. O. Box 460
 726 E. Michigan
 Hobbs, NM 88240
 (505) 393-4141



August 24, 1983

New Mexico Oil Conservation Division
 P. O. Box 2088
 Santa Fe, NM 87501

Attention: Mr. Gilbert P. Quintana

Gentlemen:

Application For Approval To Downhole Commingle Sims Federal No. 1

Conoco Inc. respectfully requests an exception to Division Rule 303-A to allow downhole commingling of production from the Warren Tubb and Blinebry Oil and Gas Zones in the above referenced well, located 660' FSL and 2,130' FEL of Section 23, Township 20S, Range 38E, Lea County, New Mexico.

The Sims Federal No. 1 is currently producing from the Blinebry Oil and Gas Zone with a retrievable bridge plug between the Blinebry and Tubb zones. Testing of the Warren Tubb was completed in September, 1982, and the retrievable bridge plug was set. Production from the Blinebry started in December, 1982.

We are attaching a schematic showing both the present and proposed wellbore conditions, plats showing dedicated acreage and offset lease ownership, Form C-116 showing the latest test data for each zone, and a Federal Well Completion Report for each zone showing completion and treating information. Due to the short production history, decline curves have not been developed.

Bottom Hole Pressures and other required data is as follows:

<u>Zone</u>	<u>BHP</u> <u>PSI</u>	<u>Gravity</u>	<u>Oil Price</u> <u>\$/BBL</u>
Blinebry O&G	648	41.6	\$30.00
Warren Tubb	747	37.8	\$29.70

We believe that the fluids will not be incompatible in the well bore, because we downhole commingle production from the same two zones in our Warren Unit No. 64, which is two locations away. The ownership of these two zones is the same. As indicated by the above per barrel price, the total value will not be significantly reduced by commingling. Below is our suggested allocation of production between the two zones. This allocation is based on the ratio of production as shown in the tests.

	<u>Oil</u>	<u>Gas</u>
Blinebry O&G	61%	71%
Warren Tubb	39%	29%

NMOCD

Page 2

August 24, 1983

We have notified offset operators and the Bureau of Land Management as required. If you should have any questions concerning this application, please contact M. E. Gordon at extension 119, of this office.

Yours very truly,

A handwritten signature in cursive script, appearing to read "M. E. Gordon".

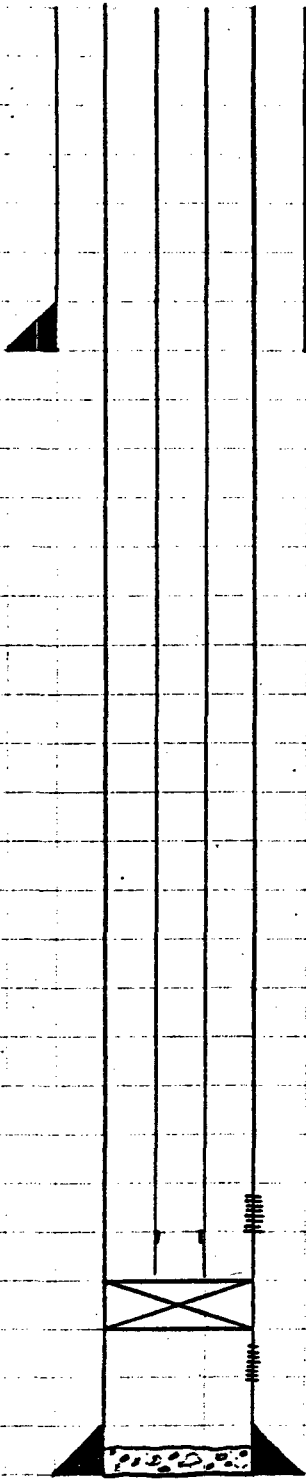
MEG:cyg

cc: NMOCD - Hobbs

Sims Federal #1

T. Salt : 1665'
 B. Salt : 2725'

Sec 23, T-20S, R-38E
 660' FSL # 2310' FEL
 Elevation : 3563' GL
 Zero : 11' AGL



9 5/8", 36 #, K-55 surface casing
 @ 1554' w/ 600 sx circ.

2 3/8" buttress tbg @ 6289' w/ SN @ 6289', SOPMA @ 6320'

7" Baker Lok-Set RBP @ 6320'

Blinebry Perfs : 5954', 75', 81', 6023', 29', 43', 48', 54',
 86', 92', 98', 6104', 70', 76', 82', 88', 6263', 69'

Tubb Perfs : 6589', 95', 6601', 07', 13', 19', 39', 45', 51', 88', 94',
 99', 6718', 24', 30', 36', 42', 48'

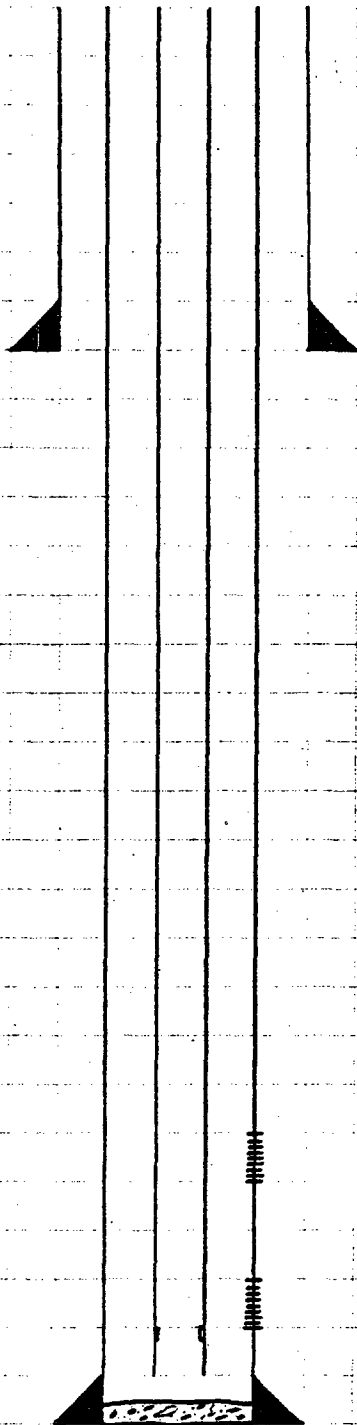
7", 16 jts 32# L-80 BT4C, 4 jts 26# L-80 BT4C
 144 jts 26# K-55 LT4C production casing @ 6800'
 w/ 700 sx circ.

TD - 6800'
 PBTD - 6765'

Sims Federal #1

T. Salt : 1665'
 B. Salt : 2725'

Sec 23, T-20S, R-38E
 660' FSL & 2310' FEL
 Elevation : 3563' GL
 Zero : 11' AGL



9 5/8", 36 #, K-55 surface casing @ 1554'
 w/ 600 sx. circ.

2 3/8" tbg @ 6725' w/ SN @ 6725', SOPMA @ 6755'

Blinebry Perfs : 5954', 75', 81', 6023', 29', 43', 48', 54',
 86', 92', 98', 6104', 70', 76', 82', 88', 6263', 69'

Tubb Perfs : 6589', 95', 6601', 07', 13', 19', 39', 45', 51', 88',
 94', 99', 6718', 24', 30', 36', 42', 48'

TD - 6800'
 PBTD - 6765'

7", 16 jts 32# L-80 BT&C, 4 jts 26# L-80 BT&C,
 144 jts 26# K-55 LT&C production casing @
 6800' w/ 700 sx circ.

MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

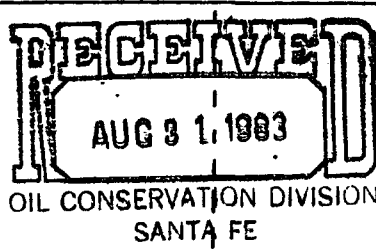
Operator CONOCO, INC.		Lease SIMMS FED.			Well No. 1
Unit Letter 0	Section 23	Township 20 SOUTH	Range 38 EAST	County LEA	
Actual Footage Location of Well: 2130 feet from the EAST line and 660 feet from the SOUTH line					
Ground Level Elev. 3564, 2	Producing Formation Blinebry/Tubb		Pool Blinebry Oil Gas/Tubb	Dedicated Acreage: 40 acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name: *John A. Panther*
 Position: *Administrative Supervisor*
 Company: *Conoco Inc.*
 Date: *January 25, 1982*

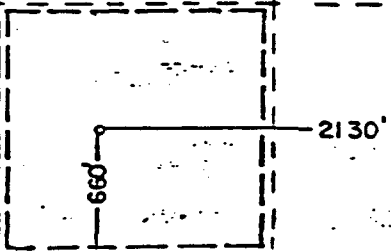
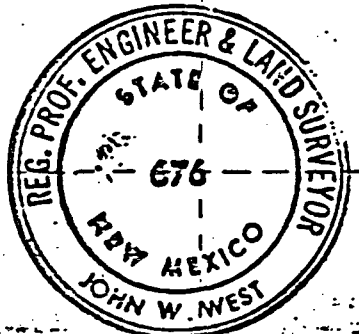
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

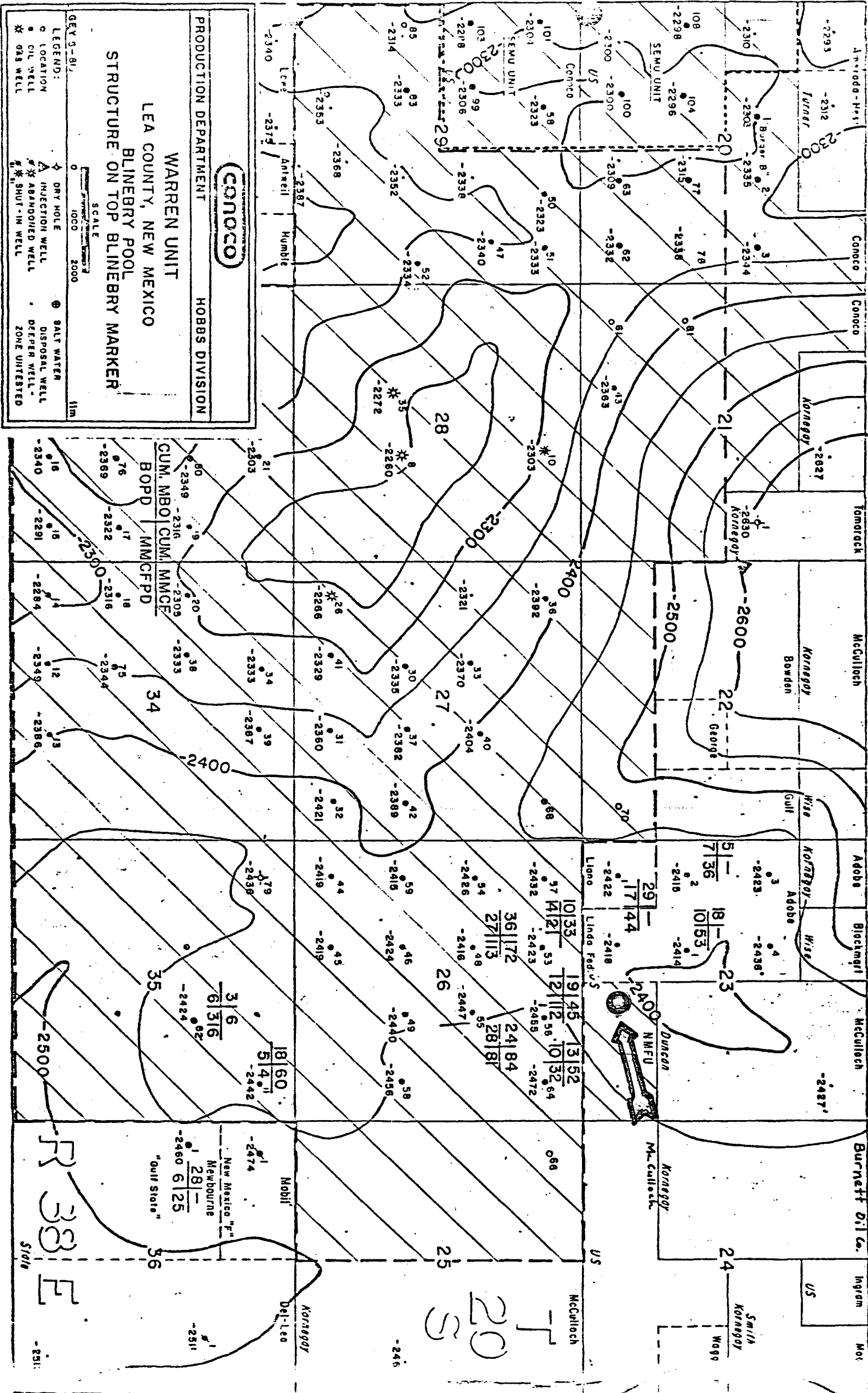
Date Surveyed **1-21-82**

Registered Professional Engineer and/or Land Surveyor

John West

Certificate No. **JOHN W. WEST 676**
PATRICK A. ROMERO 6563
Ronald J. Eidson 3239





NEW MEXICO OIL CONSERVATION COMMISSION
GAS - OIL RATIO TESTS

C-116
Revised 1-1-65

Operator Conoco Inc.		Pool Blinberry Oil and Gas		County Lea											
Address P. O. Box 460, Hobbs, NM 88240		TYPE OF TEST - (X) <input checked="" type="checkbox"/> Scheduled <input type="checkbox"/> Special <input type="checkbox"/>		Completion <input type="checkbox"/>											
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	STATUS	CHOKESIZE	TBG. PRESS.	DAILY ALLOWABLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS - OIL RATIO CU.FT./BBL	
		U	S	T							R	WATER BBLs.	GRAV. OIL		OIL BBLs.
Sims Federal	001	0	23	20S	38E	7-5-83	P		10	24	5	41.6	17	102.	6000

SECRET
AUG 31 1983
OIL CONSERVATION DIVISION
SANTA FE

No well will be assigned an allowable greater than the amount of oil produced on the official test.
During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Commission.
Gas volumes must be reported in MCF measured at a pressure base of 15,025 psia and a temperature of 60° F. Specific gravity base will be 0.60.
Report casing pressure in lieu of tubing pressure for any well producing through casing.
Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Commission in accordance with Rule 301 and appropriate pool rules.

I hereby certify that the above information is true and complete to the best of my knowledge and belief.

David L. Swann
(Signature)

Administrative Supervisor

8-22-83
(Date)

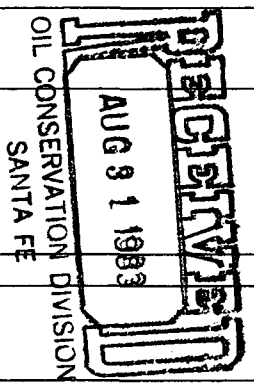
NEW MEXICO OIL CONSERVATION COMMISSION
GAS-OIL RATIO TESTS

C-116
Revised 1-1-65

Operator **Conoco Inc.** Pool **Warren Tubb** County **Lea**

Address **P. O. Box 460, Hobbs, NM 88240** TYPE OF TEST - (X) Scheduled Special

LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	STATE	CHOKESIZE	TBG. PRESS.	DAILY ALLOWABLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS - OIL RATIO CU.FT./BBL.	
		U	S	T							R	WATER BBL'S.	GRAV. OIL		OIL BBL'S.
Sims Federal	001	0	23	20S	38E	9-82	P		NA	24	2	37.8	11	40	3636



No well will be assigned an allowable greater than the amount of oil produced on the official test.
 During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Commission.
 Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.60.

Report casing pressure in lieu of tubing pressure for any well producing through casing.
 Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Commission in accordance with Rule 301 and appropriate pool rules.

I hereby certify that the above information is true and complete to the best of my knowledge and belief.

David L. Starn
(Signature)

Administrative Supervisor

8-22-83
(Date)

**UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY**

SUBMIT IN DUPLICATE*

(See other instructions on reverse side)

Form approved
Budget Bureau No. 43-R355.1

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1. TYPE OF WELL: OIL WELL GAS WELL DRY Other _____

2. TYPE OF COMPLETION: NEW WELL WORK OVER DEEP-EN PLUG BACK DIFF. RESVR. Other _____

3. NAME OF OPERATOR
CONOCO INC.

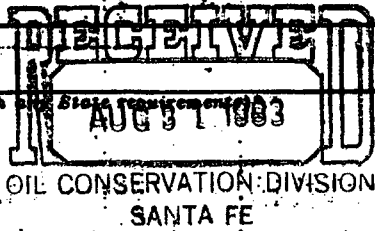
4. ADDRESS OF OPERATOR
P. O. Box 460, Hobbs, N.M. 88240

5. LOCATION OF WELL (Report location clearly and in accordance with State requirements)

At surface **660' FSL & 2130' FEL**

At top prod. interval reported below

At total depth



5. LEASE DESIGNATION AND SERIAL NO.
NM 43739

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
Sims Federal

9. WELL NO.
1

10. FIELD AND POOL, OR WILDCAT
Blinbery / Tubb

11. SEC., T., R., M. OR BLOCK AND SUBVEY OR AREA
Sec 23 T-20S R-38E

14. PERMIT NO. _____ DATE ISSUED _____

12. COUNTY OR PARISH **Lea** 13. STATE **N.M.**

15. DATE SPUNDED **3-4-82** 16. DATE T.D. REACHED **3-24-82** 17. DATE COMPL. (Ready to prod.) **10/30/82** 18. ELEVATIONS (DF, REB, RT, GR, ETC.)* **3563' GR** 19. ELEV. CASINGHEAD **NA**

20. TOTAL DEPTH, MD & TVD **6800'** 21. PLUG. BACK T.D., MD & TVD **6765'** 22. IF MULTIPLE COMPL. HOW MANY? **2** 23. INTERVALS DRILLED BY **ALL** ROTARY TOOLS **ALL** CABLE TOOLS **NONE**

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*
Blinbery 5994' - 6269'

25. WAS DIRECTIONAL SURVEY MADE **Yes**

26. TYPE ELECTRIC AND OTHER LOGS RUN
GR-CNL-Density & Dual Later log

27. WAS WELL CORED **No**

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
9 5/8"	36#	1554'	12 1/4"	600 S	Circ
7"	26#	6800'	8 3/4"	3300 S	Circ

29. LINER RECORD				30. TUBING RECORD			
SIZE	TOP (MD)	BOTTOM (MD)	BACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKED SET (MD)
		NONE			2 3/8"	6319'	6320'

31. PERFORATION RECORD (Interval, size and number)
5994', 75', 81', 6023', 29', 43', 48', 54', 86', 92', 98', 6104', 70', 76', 82', 88', 6283' & 6269' w/ JPF. (18 holes)

32. ACL, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
5994' - 6269'	36 lbs 15% acid. Flush w/ 57 bbls 7FW. Sand from w/ 1098 bbls gel & 74 802# sand. Flush w/ 50 bbls for fluid.

33. PRODUCTION

DATE FIRST PRODUCTION **11-12-82** PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) **Pumping** WELL STATUS (Producing or shut-in) **Producing (testing)**

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL	GAS—MCF	WATER—BBL	GAS-OIL RATIO
11-22-82	24	NA	→	49	12	70	245

FLOW. TURNING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL	GAS—MCF	WATER—BBL	OIL GRAVITY-API (CORR.)
NA	NA	→	49	12	70	NA

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) **Vented** TEST WITNESSED BY **J. Spurlock**

35. LIST OF ATTACHMENTS

INSTRUCTIONS

1: This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases to either a Federal agency or a State agency, with, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be filed, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal or State office. See instructions on items 22 and 24, and 28, below regarding separate reports for separate completions.

2: If prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formations and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments to be listed on this form, see item 30.

3: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State office for specific instructions.

4: Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments.

5: 22 and 24: If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) (if any) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

6: 25: "Sacks Cement": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

7: 33: Submit a separate completion report on this form for each interval to be separately produced. (See instruction for items 22 and 24 above.)

FORMATION		TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	38.	NAME	CHROMIUM MARKERS	WRAS. DEPTH	TRUB VERT. DEPTH
3 LINEGRY	5994	6269				TOP SALT		1575	
UBB	6589	6649				BASE SALT		1650	
TUBB	6688	6748				YATES		2720	
						QUEEN		2860	
						GRAY BURG		3680	
						GLOR IETA		4010	
						BLINEGRY		5552	
						TUBB		6014	
						D RINKARD		6507	
								6690	

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN DUPLICATE*

(See other instructions on reverse side)

Form approved
Budget Bureau No. 42-23554

5. LEASE DESIGNATION AND SERIAL NO.

NM 43739

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Sims Federal

9. WELL NO.

10. FIELD AND POOL OR WILDCAT

Blincy/Tubb

11. SEC. T. R.M. OR BLOCK AND SURVEY OR AREA

Sec 23 T-205 R-38E

12. COUNTY OR PARISH

Lea

13. STATE

N.M.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

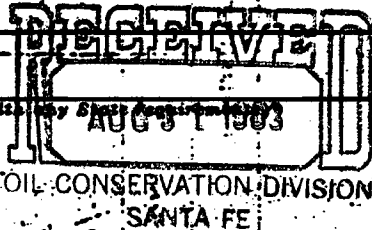
1. TYPE OF WELL: OIL WELL GAS WELL DRY Other _____

2. TYPE OF COMPLETION: NEW WELL WORK OVER DEEP-EN PLUG BACK DIFF. RESVL. Other _____

3. NAME OF OPERATOR
CONOCO INC.

4. ADDRESS OF OPERATOR
P. O. Box 460, Hobbs, N.M. 88240

5. LOCATION OF WELL (Report location clearly and in accordance with any State regulations)
At surface 660' FSL 9-2130' FEL
At top prod. interval reported below ✓
At total depth ✓



14. PERMIT NO. _____ DATE ISSUED _____

15. DATE SPUNDED 3-4-82 16. DATE T.D. REACHED 3-24-82 17. DATE COMPL. (Ready to prod.) 5-22-82 18. ELEVATIONS (DP, REB, NT, GR, ETC.)* 3563' GR 19. ELEV. CASINGHEAD NA

20. TOTAL DEPTH, MD & TVD 6800' 21. PLUG. BACK T.D., MD & TVD 6765' 22. IF MULTIPLE COMPL., HOW MANY? 2 23. INTERVALS DRILLED BY → 24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)* Lower Tubb 6688'-6748' Upper Tubb 6589'-6649' 25. WAS DIRECTIONAL SURVEY MADE Yes

26. TYPE ELECTRIC AND OTHER LOGS RUN GR-CNL - Density & Dual Later logs 27. WAS WELL CURED No

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
9 5/8"	36#	15.54'	12 1/4"	600 sq chert 'C'	Circ.
7"	26#	6800'	8 3/4"	3300 sq chert 'C'	Circ.

29. LINER RECORD 30. TUBING RECORD

SIZE	TOP (MD)	BOTTOM (MD)	BACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
		NONE			2 3/8"	6756'	

31. PERFORATION RECORD (Interval, size and number)

Lower Tubb 6688', 94', 79', 6718', 24', 30', 30', 42'
9 6748' w/ JSPF. (9 holes)

Upper Tubb 6589', 95', 6601', 07', 13', 19', 39', 46'
9 6649' w/ JSPF (9 holes)

32. ACID SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
6688'-6748'	38 bbls 15% acid, Acid frac w/ gel
6589'-6649'	31 bbls 15% acid, Acid frac w/ gel

33. PRODUCTION

DATE FIRST PRODUCTION 5-22-82 PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) Pumping WELL STATUS (Producing or shut-in) Shut-in

DATE OF TEST	HOURS TESTED	CHOKER SIZE	PROD'N. FOR TEST PERIOD	OIL—BSL.	GAS—MCF.	WATER—BSL.	GAS-OIL RATIO
6-16-82	24	NA	→	19	50	7	2632

FLOW. TURNING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BSL.	GAS—MCF.	WATER—BSL.	OIL GRAVITY-API (CORR.)
NA	NA	→	19	50	7	NA

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) Vented TEST WITNESSED BY J. Sparlock

35. LIST OF ATTACHMENTS

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED A. E. Benington TITLE Administrative Supervisor DATE 11-24-82

INSTRUCTIONS

1: This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases to either a Federal agency or a State agency, (th, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal or State office. See instructions on items 22 and 24, and 33, below regarding separate reports for separate completions.

2: If prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formations and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments shall be listed on this form, see item 35.

3: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State mineral office for specific instructions.

4: Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments. 22 and 24: If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) (if any) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

5: "Sacks Cement": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool. 32: Submit a separate completion report on this form for each interval to be separately produced. (See instruction for items 22 and 24 above.)

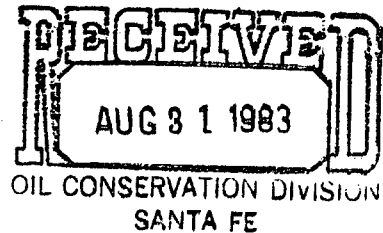
FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	GEOLOGIC MARKERS
nebr	5994	6269		Kuster	1575
Tubb	6589	6649		Top Salt	1650
Tubb	6688	6748		Base Salt	2720
				Yates	2810
				Queen	3670
				Graftburg	4010
				Glorieta	5552
				Almexby	6014
				Tubb	6507
				Drinfeld	6680



Mark K. Mosley
Division Manager
Production Department
Hobbs Division
North American Production

Conoco Inc.
P. O. Box 460
726 E. Michigan
Hobbs, NM 88240
(505) 393-4141

August 24, 1983



Bureau of Land Management
1717 W. 2nd Street
Roswell, NM 88201

Gentlemen:

Application To Downhole Commingle Sims Federal No. 1

Conoco Inc. is making an application to the New Mexico Oil Conservation Division to downhole commingle Blinebry Oil and Gas and Warren Tubb production in the subject well, located in the SW/4 of SE/4, Section 23, T-20S, R-38E, Lea County, New Mexico. A location plat is attached.

As required under Rule 303(c) of the NMOCD's Rules and Regulations, this letter is your notification of the proposed commingling.

Yours very truly,

MEG:cyg
Attachment

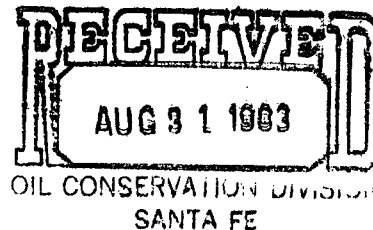


Mark K. Mosley
Division Manager
Production Department
Hobbs Division
North American Production

Conoco Inc.
P. O. Box 460
726 E. Michigan
Hobbs, NM 88240
(505) 393-4141

August 24, 1983

See Attached Address List



Gentlemen:

Application To Downhole Commingle Sims Federal No. 1

Conoco Inc. is making an application to the New Mexico Oil Conservation Division to downhole commingle Blinebry Oil and Gas and Warren Tubb production in the subject well, located in the SW/4 of SE/4, Section 23, T-20S, R-38E, Lea County, New Mexico. A location plat is attached.

As required under Rule 303 (c) of the NMOCD's Rules and Regulations, this letter is your notification, as an offset operator, of the proposed commingling.

Yours very truly,

MEG:cyg
Attachment

Address List - Offset Operators
Sims Federal No. 1
Application for Downhole Commingling

Adobe Oil and Gas Corporation
1100 Western United Life Bldg.
Midland, TX 79701

Llano, Inc.
P. O. Box 1320
Hobbs, NM 88240

Burnett Oil Co., Inc.
1214 1st National Bank Bldg.
Fort Worth, TX 76102

McCulloch Oil Corporation
Jamestown Office Park
Suite 250 E
3033 N. 63rd St.
Oklahoma City, OK 73116