

ABOVE THIS LINE FOR DIVISION USE ONLY

256-B

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505



**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

**Application Acronyms:**

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**

- [A] Location - Spacing Unit - Simultaneous Dedication  
 NSL  NSP  SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement  
 DHC  CTB  PLC  PC  OLS  OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
 WFX  PMX  SWD  IPI  EOR  PPR

- [D] Other: Specify \_\_\_\_\_

RECEIVED  
2007 SEP 14 PM 12:51

[2] **NOTIFICATION REQUIRED TO: - Check Those Which Apply, or  Does Not Apply**

- [A]  Working, Royalty or Overriding Royalty Interest Owners
- [B]  Offset Operators, Leaseholders or Surface Owner
- [C]  Application is One Which Requires Published Legal Notice
- [D]  Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E]  For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F]  Waivers are Attached

*Identical Ownership*

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Celeste G. Dale      Celeste G. Dale      Regulatory Specialist      9/17/07  
 Print or Type Name      Signature      Title      Date

Celeste.g.dale@conacophilips.com  
 e-mail Address





ConocoPhillips Company  
3300 N. A Street, Bldg. 6  
Midland, Texas 79705

EXPLORATION & PRODUCTION  
Mid-Continent Business Unit

August 21, 2007

New Mexico Oil Conservation Division  
Attn: Engineering Bureau  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87504

**Re: Request for Administrative Amendment Of  
Commingle Oder PC-256 To Authorize The Surface  
Commingle Of Penrose Skelly Grayburg Production  
From the Lockhart A27 Lease With The Currently  
Approved Commingled Blinebry, Tubb, Drinkard,  
Wantz-Abo, and Paddock Production From The Same  
Lease.**

**To Whom It May Concern:**

ConocoPhillips respectfully request administrative approval to surface commingle Penrose Skelly Grayburg from its Lockhart A27 Lease (N/2, Sec. 27, T-21S, R-37E) with the Blinebry, Tubb, Drinkard, Wantz-Abo, and Paddock production from this lease, which is already approved for commingling by Commingling Oder PC-256.

1. Attached is a copy of the amended Commingling Order PC-256 which approved the commingling of Blinebry, Tubb, Drinkard, Wantz-Abo, and Paddock production from the Lockhart A-27 Lease. Production from all of these formations is currently marginal and production is allocated by well test for these five pools. Production from the Penrose Skelly Grayburg is expected to be marginal and it is requested that its commingled production be approved for allocation by well test.
2. Also attached is a table which identifies all of the wells on this lease and the pools from which each well is producing. Well No. 3 and No. 8 in the Lockhart Lease have been approved to re-complete into the Penrose Skelly Grayburg Pool. In order to minimize operation cost for the interest owners and to maximize Penrose Skelly Grayburg oil recovery from this lease the Penrose Skelly Grayburg Pool production needs to be stored in the existing battery for this lease.
3. A Certification of Working Interest ownership and Notice.
4. A table of Lockhart A-27 Battery recent production volumes and gravities with the expected production volume and gravity from the Penrose Skelly Grayburg Pool is included in this application. The expected oil gravity of Penrose Skelly Grayburg production is 33 API as determined from offset operator's well. The existing Lockhart A-27 Battery has commingled oil gravity of 37.7 API.
5. Also included in this table are the gravities and calculated values of (a) currently commingled production, (b) Penrose Skelly Grayburg expected production alone, and (c) all six formations commingled. Notice that the combined oil gravity should change no more than 4.7 degree API and the value is the same based on sale of sour crude is deemed 40 API gravity.

6. A schematic diagram of the Lockhart A-27 Lease Battery in addition to a lease plat is also enclosed with this application.

Since this is a Federal lease, a copy of this application and its attachments will also be submitted to the United States Bureau of Land Management for approval.

Sincerely,



Celeste G. Dale  
Regulatory Specialist  
Mid-Continent Business Unit

Cc: Bureau of Land Management  
Pecos District  
Attn: J. Amos  
620 East Greene Street  
Carlsbad, NM 88220



STATE OF NEW MEXICO  
 ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
 OIL CONSERVATION DIVISION



BRUCE KING  
 GOVERNOR

ANITA LOCKWOOD  
 CABINET SECRETARY

POST OFFICE BOX 2089  
 STATE LAND OFFICE BUILDING  
 SANTA FE, NEW MEXICO 87504  
 (505) 827-5800

**AMENDED COMMINGLING ORDER PC-256**

Conoco, Inc.  
 10 Desta Drive, Suite 100W  
 Midland, TX 79705-4500

Attention: Jerry W. Hoover

**LEASE NAME:** Lockhart A-27 Lease  
**DESCRIPTION:** N/2 of Section 27, Township 21 South, Range 37 East, NMPM,  
 Lea County, New Mexico.

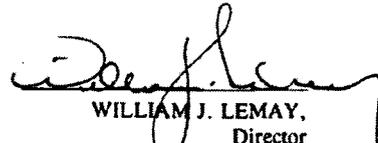
The above-named company is hereby authorized to commingle Blinebry, Tubb, Drinkard, Wantz-Abo and Paddock Pool production in a common tank battery and to determine the production from each pool by separately metering the Paddock Pool production from the Lockhart A-27 Well No. 14 prior to commingling, and to determine the remaining pool production by well tests. (If this method is to be authorized, all commingled production must be of marginal nature; further, the operator shall notify the Santa Fe office of the Division in the event any well in the commingled battery becomes capable of top allowable production, at which time the Division will amend this order or take such other action as may be appropriate.)

**FURTHER:** The operator shall notify the Hobbs District Office of the Division upon implementation of the commingling process.

**NOTE:** This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

**REMARKS:** This amendment requires that Paddock Pool production from the Lockhart A-27 Well No. 14 be separately metered due to diversity in ownership.

DONE at Santa Fe, New Mexico, on this 22nd day of February, 1994.

  
 WILLIAM J. LEMAY,  
 Director

cc: Oil Conservation Division - Hobbs  
 Oil Conservation Division - Data Processing

*See Landman's  
 new note  
 on THIS*

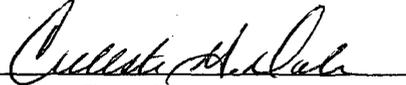


API	Legal Well Name	Well Status	Pool		Unit Letter	Surface Legal Location		North/South Distance (ft)	North/South Reference	East/West Distance (ft)	East/West Reference	Co.	TD
			Pool	Code		Pool	Code						
300250680000	LOCKHART A-27 01	TA'd / To be recom to Tubb/Drkd	Blinebry	6660	C	Sec 27, T-21S, R-37E	330	N	1,650	W	Lea	7652	
300250680100	LOCKHART A-27 02	Producing	Paddock	49210	F	Sec. 27, T-21S, R-37E	1,980	N	1,980	W	Lea	7541	
300250680700	LOCKHART A-27 03	Producing / To be recom to Penrose Sk/Gb	Wantz Abo	62700	E	Sec 27, T-21S, R-37E	1,980	N	330	W	Lea	7866	
300250679800	LOCKHART A-27 04	Plugged & Abandoned	Not Applicable	NA	D	Sec 27, T-21S, R-37E	660	N	510	W	Lea	7782	
300250680300	LOCKHART A-27 05	Producing	Blinebry O&G/Drinkard	19190/6660	A	Sec. 27, T-21S, R-37E	660	N	660	E	Lea	6867	
300250680400	LOCKHART A-27 06	Producing	Paddock	49210	B	Sec. 27, T-21S, R-37E	660	N	1,980	E	Lea	6565	
300250680600	LOCKHART A-27 07	Producing	Paddock	49210	C	Sec. 27, T-21S, R-37E	660	N	1,650	W	Lea	6670	
300250680500	LOCKHART A-27 08	TA'd / To be recom to Penrose Sk/Gb	Paddock	49210	D	Sec 27, T-21S, R-37E	810	N	660	W	Lea	6630	
300250680200	LOCKHART A-27 09	Producing	Drinkard	19190	E	Sec. 27, T-21S, R-37E	1,980	N	660	W	Lea	6677	
300250679500	LOCKHART A-27 10	Producing	Paddock	49210	G	Sec 27, T-21S, R-37E	1,980	N	1,980	E	Lea	6569	
300250679700	LOCKHART A-27 11	TA'd / To be P&A'd	Paddock	49210	H	Sec 27, T-21S, R-37E	1980	N	660	W	Lea	6610	
300250679600	LOCKHART A-27 12	TA'd / To be recom to Blin/Tubb/Drkd	Hare Simpson	29830	D	Sec 27, T-21S, R-37E	330	N	330	W	Lea	7615	
300250679900	LOCKHART A-27 13	Producing	Paddock	49210	E	Sec. 27, T-21S, R-37E	2,130	N	330	W	Lea	7773	
300253216900	LOCKHART A-27 14	Producing	Paddock	49210	A	Sec 27, T-21-S,R 37 E	660	N	990	E	Lea	5400	
300253417100	LOCKHART A-27 15	Producing	Blinebry O&G/Drinkard	19190/6660	F	Sec. 27, T-21 S, R-37 E	1,980	N	2,310	W	Lea	6700	
300253431200	LOCKHART A-27 16	Producing	Blinebry (Pro Gas)	6660	B	Sec. 27, T-21 S, R-37 E	660	N	2,200	E	Lea	6700	

Pools: Penrose Skelly Grayburg, Paddock, Blinebry Oil & Gas (Oil), Blinebry (Pro Gas), Tubb, Drinkard Oil, Wantz Abo, Hare Simpson

**PROOF OF NOTICE**  
**Lockhart A-27 Lease, LEA CO., NM**

I hereby certify that a complete copy of this application was sent by certified mail to the below listed parties on September 12, 2007.

Signed: 

Name: Celeste G. Dale

Title: Regulatory Specialist

Date: 09/12/2007

**WORKING INTEREST OWNERS**

ConocoPhillips Company  
3300 N. "A" St., Bldg. 6  
Midland, TX 79705-5490

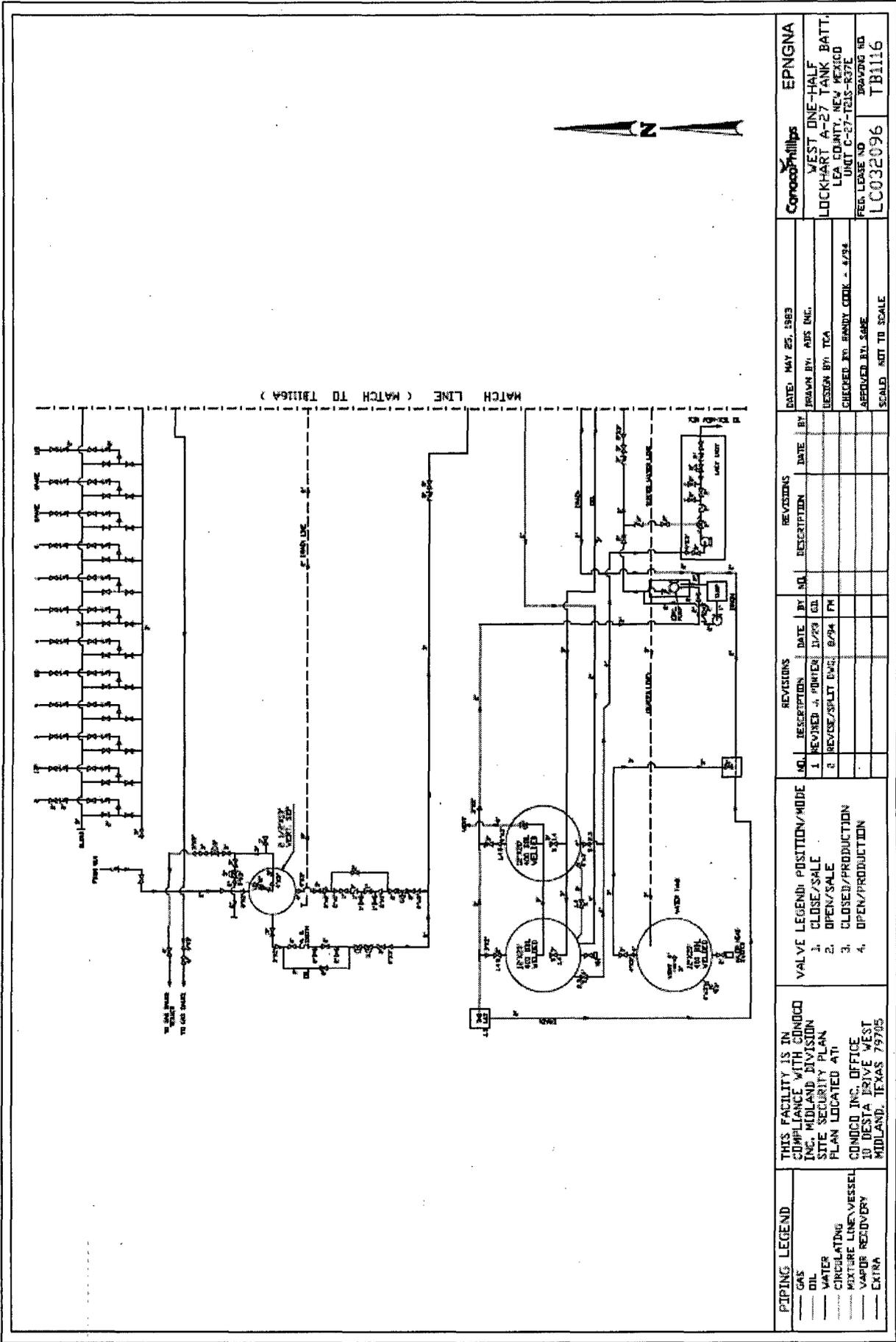
Apache Corporation  
Attn: Partner Operations  
2000 Post Oak Blvd., Ste. 100  
Houston, TX 77056-4400

Chevron, USA Inc.  
Attn: Partner Operations  
P. O. Box 36366  
Houston, TX 77236

**Lockhart A-27 Lease**  
**Application To Surface Commingle**

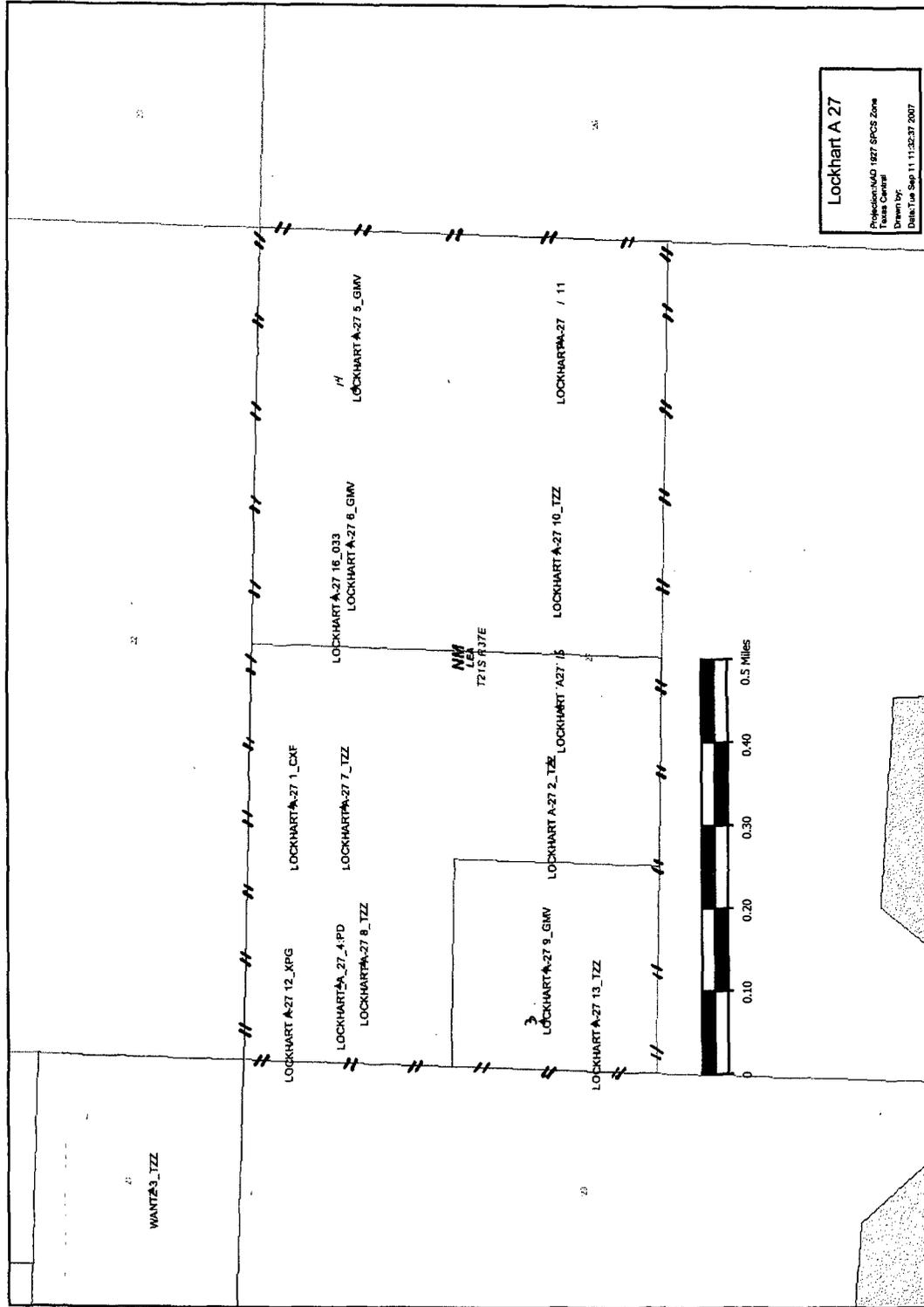
Pool	BOPD	API Gravity	MSCFD	BWPD	Comments
Currently Commingled Battery - (Blinebry, Tubb, Drinkard, Wantz- Abo, Paddock)	37.3	37.7	758	112	
Lockhart #3 Penrose Skelly Grayburg recompletions	35	33	100	100	Gravity determined from offset lease, Eunice King #8, in same pool.
Lockhart #8 Penrose Skelly Grayburg recompletions	35	33	100	100	Gravity determined from offset lease, Eunice King #8, in same pool.
	107.3	35.2	958	312	

Production Revenues				
Pool	BOPD	API Gravity	\$ Value/BO*	Revenue/Day
Currently Commingled Battery - (Blinebry, Tubb, Drinkard, Wantz- Abo, Paddock)	37.3	37.7	58.97	2199.581
Lockhart #3 Penrose Skelly Grayburg recompletions	35	33	58.97	2063.95
Lockhart #8 Penrose Skelly Grayburg recompletions	35	33	58.97	2063.95
	107.3	35.2	58.97	6327.481
* Value/BO is paid on sour crude price deemed API 40 gravity.				



<b>PIPING LEGEND</b> --- GAS --- OIL --- WATER --- CIRCULATING --- MIXTURE LINE/VESSEL --- VAPOR RECOVERY --- EXTRA		THIS FACILITY IS IN COMPLIANCE WITH CONOCO INC. MIDLAND DIVISION SITE SECURITY PLAN PLAN LOCATED AT CONOCO INC. OFFICE 10 DESTA DRIVE WEST MIDLAND, TEXAS 79705		<b>VALVE LEGEND: POSITION/MODE</b> 1. CLOSE/SALE 2. OPEN/SALE 3. CLOSED/PRODUCTION 4. OPEN/PRODUCTION		<table border="1"> <thead> <tr> <th>NO.</th> <th>DESCRIPTION</th> <th>DATE</th> <th>BY</th> <th>NO.</th> <th>DESCRIPTION</th> <th>DATE</th> <th>BY</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>REVISED 4. PORTER</td> <td>11/79</td> <td>COL</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>2</td> <td>REVISE/SPLIT ENR</td> <td>8/84</td> <td>FM</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>		NO.	DESCRIPTION	DATE	BY	NO.	DESCRIPTION	DATE	BY	1	REVISED 4. PORTER	11/79	COL					2	REVISE/SPLIT ENR	8/84	FM					REVISIONS DATED MAY 25, 1983 DRAWN BY: ADS INC. DESIGN BY: TCA CHECKED BY: RANDY COOK - 4/84 APPROVED BY: SAME SCALED: NOT TO SCALE		CONOCO Phillips EPNGNA WEST ONE-HALF LOCKHART A-27 TANK BATT. LEA COUNTY, NEW MEXICO UNIT C-27-TBLS-R37E FED. LEASE NO. LC032096 DRAWING NO. TB1116	
NO.	DESCRIPTION	DATE	BY	NO.	DESCRIPTION	DATE	BY																												
1	REVISED 4. PORTER	11/79	COL																																
2	REVISE/SPLIT ENR	8/84	FM																																







Mid-America – Permian Basin  
P. O. Box 2197  
Houston, TX 77252-2197  
Tel: 832-486-2000  
Fax: 832-486-6446

October 31, 2007

RE: Surface Commingling Application  
Lockhart A-27 Wells  
Serial No.: LC-032096-A  
ConocoPhillips Lease No: 018643  
Lea County, New Mexico

According to Commingling Order PC-256, amended January 25, 1994, the Lockhart A-27 #14 (Paddock) is identified as having a diversity in ownership. In 1993, one of the working interest owners had elected to go non-consent in the recompletion of this well which created an interest formula that was not common with the other wells and pools on the lease.

Since this time, the well has paid out effective March 31, 1997, as noted on the attached internal memo dated September 2, 1997 in which a request for transfer of master file was made. As a result of this, the ownership reverted back to after payout status which is consistent with the other wells and pools on the lease.

As previously certified by ConocoPhillips on August 27, 2007, the Lockhart A-27 wells are located on lease LC-032096-A, the N/2 of Section 27, T21S, R37E, covering all depths. The ownership for the working interest owners is consistent for all depths and is noted below:

<u>Working Interest Owner</u>	<u>Working Interest</u>	<u>Net Revenue Interest</u>	<u>Federal Royalty Interest</u>	<u>Other Burdens</u>
ConocoPhillips Company	50%	40.30%	12.5%	7.50%
Chevron USA Inc.	25%	20.15%	12.5%	7.50%
Apache	25%	20.15%	12.5%	7.50%

I certify that the above information is true and correct.

Thomas Scarbrough, CPL  
Staff Landman  
ConocoPhillips Company  
August 27, 2007

Microsoft Mail v3.0 IPM.Microsoft Mail.Note  
From: Saunders, Lori (Legacy)  
To: Gates, Deana (Legacy)  
Subject: FW: REQUEST FOR TRANSFER OF MASTER FILE  
Date: 1997-09-02 08:28  
Priority:  
Message ID: 3AAEE788  
Parent message ID: 49C78CDA  
Conversation ID: 49C78CDA

-----  
From: Brewer, Diana K.  
To: Wohletz, Judy L.  
Cc: Fields, Eddie L.; Lewis, Barbara J.; Reyes, Ed M.; Saunders, Lori  
(Legacy); Yarbrough, Ceal O.; McGowan, Debbie K; Brewer, Diana K.; Frost, N  
Lexyle; Lay, Phyllis A.; Waltrip, Marc E.; Will, Brenda K.  
Subject: REQUEST FOR TRANSFER OF MASTER FILE  
Date: Thursday, August 28, 1997 02:12PM

Division: Midland Lease Name: Lockhart A-27

FROM TO

Field	QMB (NMFU)	QMB (NMFU)
Lease Code	6812948	6812945
Well Number	14	14
Pool Code	TZZ	TZZ
Pool Name	Paddock	Paddock

Effective Date of Change 0497

Explanation or other applicable notes: Well paid out effective 03-31-97.

Please be sure Production Data Base and Gas Accounting section receives a copy as soon as information is available. This information will not be processed unless all fields are filled in including explanation.

Diana Brewer  
Sr. Oil & Gas Assistant

**Jones, William V., EMNRD**

**From:** Dale, Celeste G [Celeste.G.Dale@conocophillips.com]  
**Sent:** Thursday, November 01, 2007 8:55 AM  
**To:** Jones, William V., EMNRD  
**Subject:** FW: Pool Commingling Application on behalf of COP: Lockhart A27  
**Importance:** High  
**Attachments:** Dimiterchik, Betty B..vcf; LOCKHART A-27 #14 - Ownership Certification\_20071031163327\_001.PDF

Here's the Land info....

Celeste G. Dale  
 Regulatory Specialist  
 ConocoPhillips Company  
 Mid-Continent Business Unit,  
 3300 N. "A" St., Bldg. 6 #133  
 Midland, TX 79705-5490  
 432-688-6884  
 Fax 432-688-6019

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**From:** Dimiterchik, Betty B.  
**Sent:** Wednesday, October 31, 2007 4:40 PM  
**To:** Perez, Martin E; Dale, Celeste G; Johansen, Larry D.  
**Cc:** Scarbrough, Thomas J.  
**Subject:** RE: Pool Commingling Application on behalf of COP: Lockhart A27  
**Importance:** High

Attached is certification from Land that the ownership is consistent for the subject lease and for all depths. As noted on the certification, the #14 had been non-consented by one of the parties in 1993; however, the well paid out in 1997. Therefore, the ownership is currently the same throughout the lease.

Let me know if you have any questions.

*Betty Dimiterchik*  
*Sr. Land Analyst*  
*Permian Basin*  
*Bus: 832-486-2339*  
*Fax: 832-486-6446*

---

**From:** Perez, Martin E  
**Sent:** Wednesday, October 31, 2007 10:09 AM  
**To:** Scarbrough, Thomas J.  
**Cc:** Dale, Celeste G; Johansen, Larry D.; Dimiterchik, Betty B.  
**Subject:** RE: Pool Commingling Application on behalf of COP: Lockhart A27

11/1/2007

Tom,

Did you complete this review. Can you send some official document so Celeste can submit?

Thanks,  
Martin

---

**From:** Scarbrough, Thomas J.  
**Sent:** Thursday, October 25, 2007 1:29 PM  
**To:** Perez, Martin E; Dimiterchik, Betty B.  
**Cc:** Dale, Celeste G; Lowder, Jack T  
**Subject:** RE: Pool Commingling Application on behalf of COP: Lockhart A27

Land is reviewing this today. Our records show the ownership as uniform, however, we will double check!

Tom Scarbrough, CPL  
Staff Landman  
ConocoPhillips Company  
600 N. Dairy Ashford, 3WL-14066  
Houston, Texas 77079  
Phone: 832-486-2338  
Fax: 832-486-2674  
Tom.Scarbrough@ConocoPhillips.Com

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**From:** Perez, Martin E  
**Sent:** Thursday, October 25, 2007 1:23 PM  
**To:** Scarbrough, Thomas J.; Dimiterchik, Betty B.  
**Cc:** Dale, Celeste G; Lowder, Jack T  
**Subject:** FW: Pool Commingling Application on behalf of COP: Lockhart A27

Tom,

Do you have any news on this?

Thanks,  
Martin

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**From:** Johansen, Larry D.  
**Sent:** Thursday, October 25, 2007 10:09 AM  
**To:** Perez, Martin E  
**Subject:** FW: Pool Commingling Application on behalf of COP: Lockhart A27

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**From:** Johansen, Larry D.  
**Sent:** Tuesday, October 23, 2007 1:18 PM  
**To:** Scarbrough, Thomas J. (Tom.Scarbrough@conocophillips.com)  
**Cc:** Dimiterchik, Betty B. (Betty.A.Dimiterchik@conocophillips.com)  
**Subject:** FW: Pool Commingling Application on behalf of COP: Lockhart A27

11/1/2007

FYI

---

**From:** Dale, Celeste G  
**Sent:** Tuesday, October 23, 2007 10:45 AM  
**To:** Johansen, Larry D.  
**Subject:** RE: Pool Commingling Application on behalf of COP: Lockhart A27

I haven't rec'd. any word from Tom yet in order to re-submit...

Celeste G. Dale  
Regulatory Specialist  
ConocoPhillips Company  
Mid-Continent Business Unit,  
3300 N. "A" St., Bldg. 6 #133  
Midland, TX 79705-5490  
432-688-6884  
Fax 432-688-6019

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**From:** Johansen, Larry D.  
**Sent:** Tuesday, October 23, 2007 9:37 AM  
**To:** Dale, Celeste G  
**Subject:** RE: Pool Commingling Application on behalf of COP: Lockhart A27

Has there been any response from OCD yet?

Larry

---

**From:** Dale, Celeste G  
**Sent:** Wednesday, October 10, 2007 7:36 AM  
**To:** Scarbrough, Thomas J.; Johansen, Larry D.  
**Subject:** FW: Pool Commingling Application on behalf of COP: Lockhart A27

Tom,  
Per the following note (referencing the link to the Statewide Rule) from the OCD regarding our Surface Commingling Application on the Lockhart; please provide answers to their questions & provide (another) certification, as applicable.  
[http://www.emnrd.state.nm.us/o cd/documents/RULEBOOK07-02-14\\_001.DOC#\\_19.15.5.303\\_SEGREGATION\\_OF](http://www.emnrd.state.nm.us/o cd/documents/RULEBOOK07-02-14_001.DOC#_19.15.5.303_SEGREGATION_OF)

Larry,

Per the following note; please send a writeup showing any tests or production available on each well completed in the Penrose Skelly; Grayburg Pool.

Many thanks,

Celeste

11/1/2007

Celeste G. Dale  
Regulatory Specialist  
ConocoPhillips Company  
Mid-Continent Business Unit,  
3300 N. "A" St., Bldg. 6 #133  
Midland, TX 79705-5490  
432-688-6884  
Fax 432-688-6019

---

**From:** Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]  
**Sent:** Tuesday, October 09, 2007 7:15 PM  
**To:** Dale, Celeste G  
**Cc:** Ezeanyim, Richard, EMNRD  
**Subject:** Pool Commingling Application on behalf of COP: Lockhart A27

Hello Celeste:

Your landman gave a splitout of WI ownership for this lease and that ownership is uniform by depth. Please read the definition of "identical ownership" in Division Rule 303 and show that to your landman and ask if this meets that definition - and have him sign something stating this is true. The Order PC-256 mentions the Lockhart A-27 #14 (Paddock) production is different than the bulk of the other production - this shows other interests may exist or did exist in this lease? Are the "Other Burdens" for each WI owner the same people in the same amounts?

If this is not identical ownership, then "well tests" will not be an option unless you go to hearing and get it approved there as another exception to Rule 303. Also, if interests are not identical, these must be noticed and we will need a list of all parties noticed and when they were noticed.

Also, please send a writeup showing any tests or production available on each well completed in the Penrose Skelly; Grayburg Pool.

Thank You,

William V. Jones PE  
New Mexico Oil Conservation Division  
1220 South St. Francis  
Santa Fe, NM 87505  
505-476-3448

Confidentiality Notice: This e-mail, including all attachments is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited unless specifically provided under the New Mexico Inspection of Public Records Act. If you are not the intended recipient, please contact the sender and destroy all copies of this message. -- This email has been scanned by the Sybari - Antigen Email System.

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This inbound email has been scanned by the MessageLabs Email Security System.

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11/1/2007