



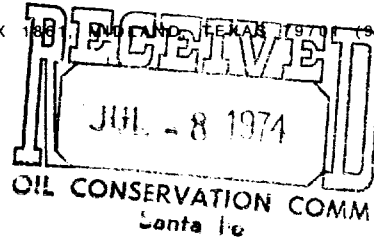
NORTH AMERICAN EXPLORATION AND PRODUCTION GROUP
Midland Production District

SUN OIL COMPANY

901 W. WALL, POST OFFICE BOX 188

MIDLAND, TEXAS 79701 (915) 682-8271

July 5, 1974



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

RE: SURFACE COMMINGLING
Walter Lynch Lease
Drinkard & Wantz Granite Wash Pools
Ut. -K-, Sec. 1, T22S, R37E
Lea County, New Mexico

Gentlemen:

Sun Oil Company respectfully requests permission to commingle on the surface, production from the above named pools.

Please find attached, copies of a schematic diagram showing the proposed installation with ACT addition and copies of current lease plat.

Following is a price and gravity breakdown of Drinkard and Granite Wash crudes:

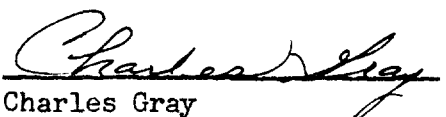
<u>FIELD</u>	<u>VOLUMES</u>	<u>GRAVITY</u>	<u>PRICE/BBL.</u>	<u>COMMINGLED GRAVITY & PRICE</u>
Drinkard	142 BBLs.	41.5°	\$10.11	
Granite Wash	187 BBLs.	34.6°	\$ 9.99	
				Average 37.6° \$10.05

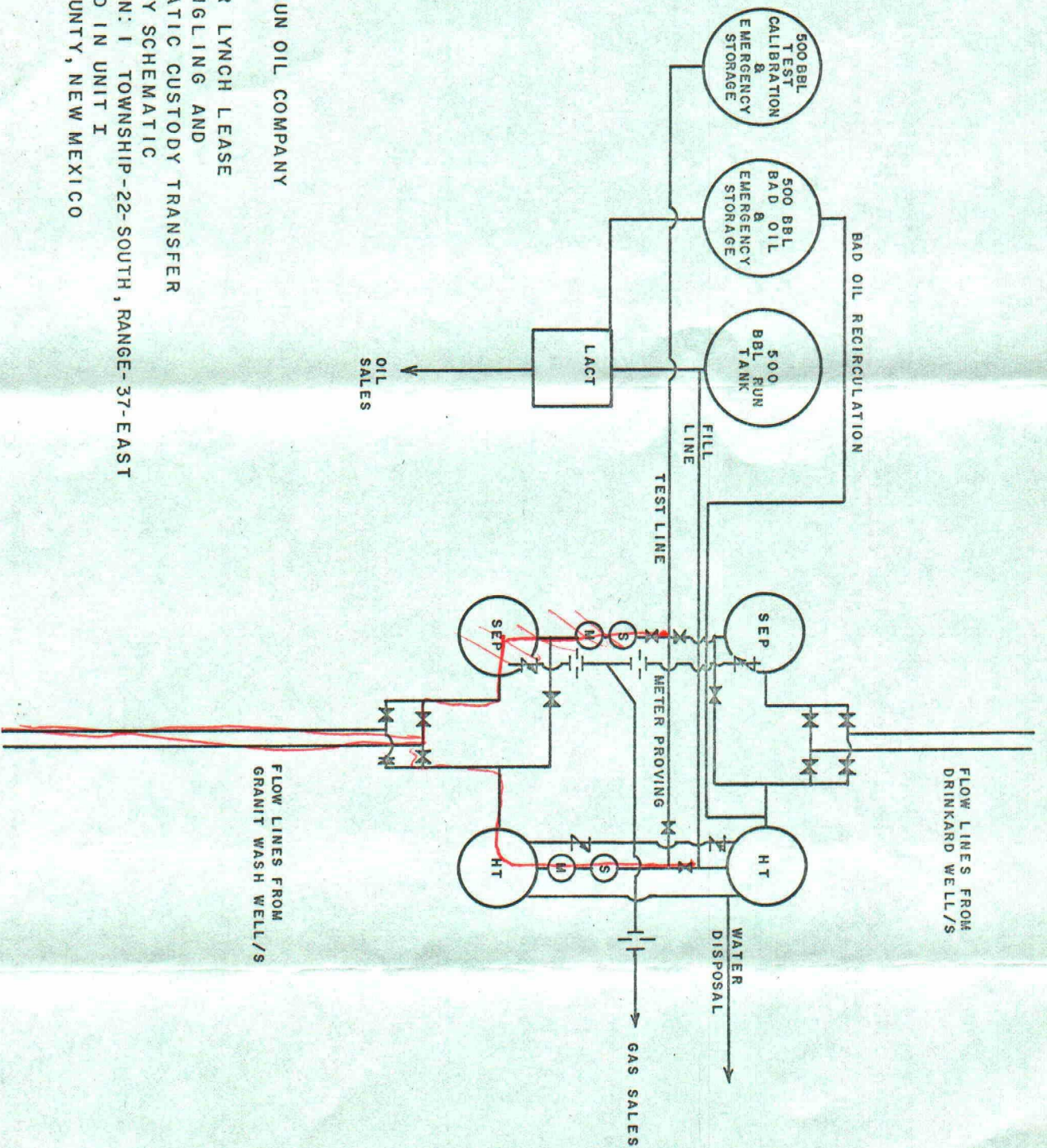
(Note: Crude sold separately would average \$10.04/Bbl.

Well no. 2 listed on the plat will be recompleted as a Paddock - Drinkard dual with commingling of Drinkard crude, however, separate facilities will serve the Paddock zone, as this crude is sour.

If further information is required, please advise.

Very truly yours,
SUN OIL COMPANY


Charles Gray
Proration



SUN OIL COMPANY

WALTER LYNCH LEASE
 COMMINGLING AND
 AUTOMATIC CUSTODY TRANSFER
 BATTERY SCHEMATIC
 SECTION: 1 TOWNSHIP-22-SOUTH, RANGE-37-EAST
 LOCATED IN UNIT I
 LEA COUNTY, NEW MEXICO

