

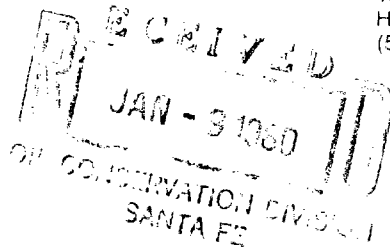


L. P. Thompson
Division Manager

John R. Kemp
Assistant Division Manager

Production Department
Hobbs Division
North American Production

Conoco Inc.
P. O. Box 460
1001 North Turner
Hobbs, NM 88240
(505) 393-4141



January 7, 1980

New Mexico Oil Conservation Division
Department of Energy and Minerals
State of New Mexico
P.O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. Dan Nutter

Gentlemen:

Request for Approval to Surface Commingle Production from the Blinebry Oil & Gas Zone with Production from the Warren Tubb Oil Zone on the Burger B-20 Lease

Permission is requested to commingle production from the Blinebry Oil & Gas zone with production from the Warren Tubb Oil zone on the Burger B-20 Lease, Section 20, Township 20-S, Range 38-E, Lea County, New Mexico. Ownership and Working Interest for both zones is common. The quality of the crude oil is virtually identical. Therefore, no reduction in the value of the oil will occur because of commingling. The value of the production is as follows:

<u>Zone</u>	<u>Oil Gravity</u>	<u>Volume in BOPD per ¹ Formation</u>	<u>Value per Barrel</u>
Blinebry Oil & Gas	37.6 ⁰	60	\$32.75
Warren Tubb Oil	37.4 ⁰	60	32.75

Currently, the lease has one producing well which is dually completed, one well being dually completing and plans are to drill and dually complete one additional well. This will be the extent of development for the lease.

¹Volume is based upon anticipated production once current development plans for the lease are completed.

NMOCD

January 7, 1980

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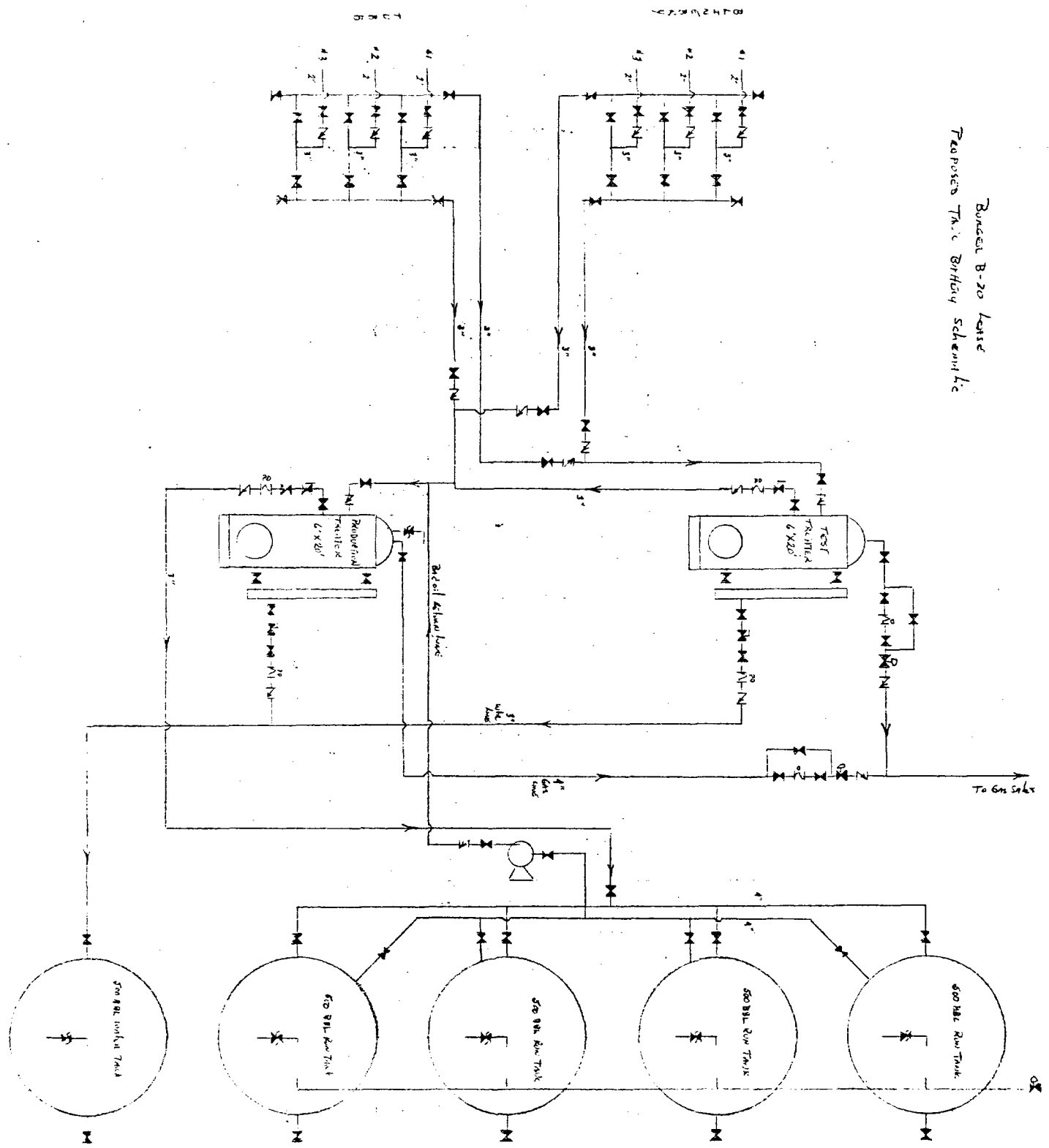
A lease plat and battery schematic are attached for your review and file. Production will be allocated by use of well tests through a test heater treater.

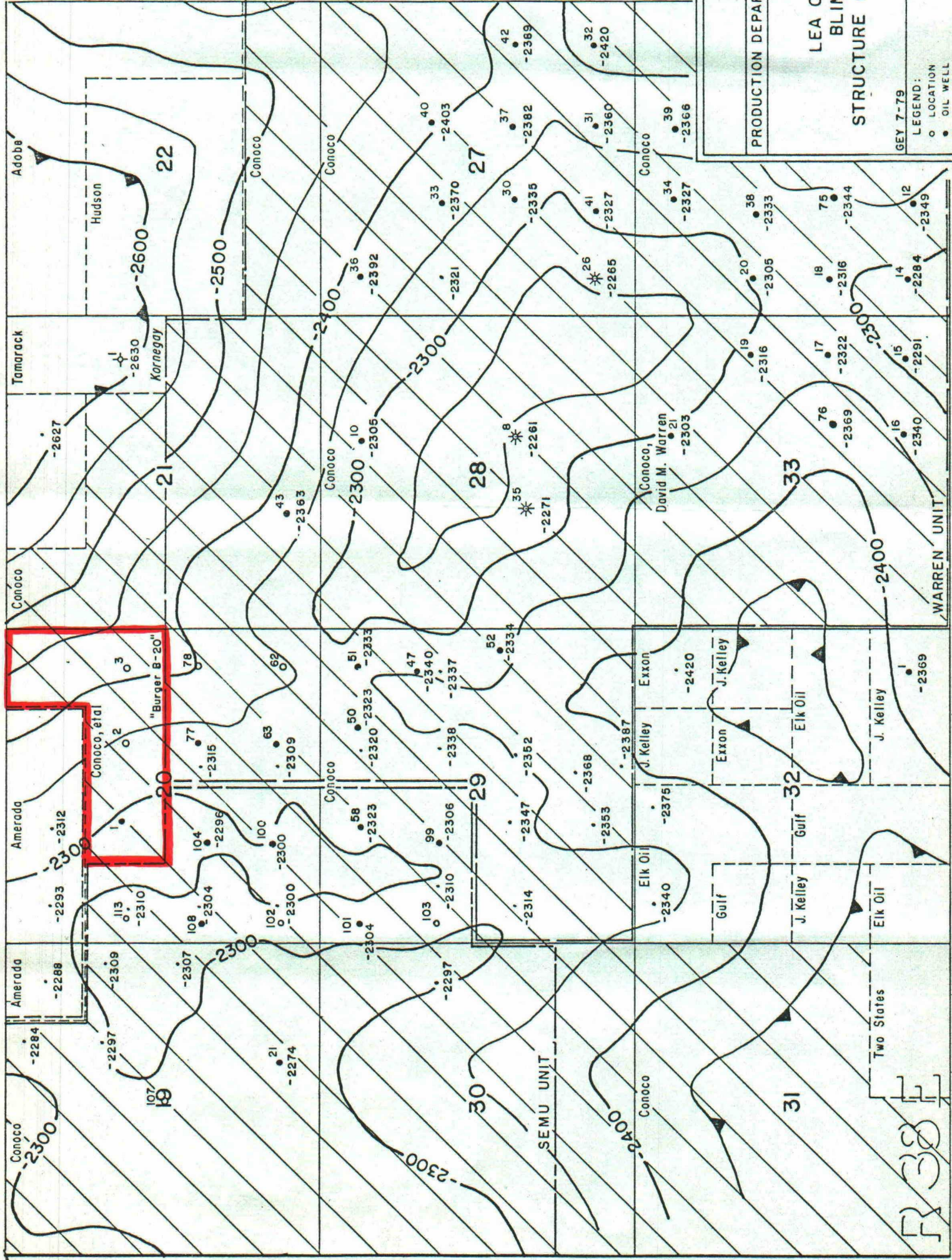
Yours very truly,

A handwritten signature in cursive script, reading "John R. Kemp". The signature is written in black ink and is positioned below the typed name "John R. Kemp".

JRA:bep
Attachments

Bureau B-20 Lease
Proposed Tank Battery Schematic





T 20 S

CONOCO

PRODUCTION DEPARTMENT	HOBBS DIVISION
SEMU UNIT	
LEA COUNTY, NEW MEXICO	
BLINBERY OIL POOL	
STRUCTURE ON TOP BLINBERY MARKER	
GEY 7-79	
LEGEND:	
○	LOCATION
●	OIL WELL
✱	SHUT-IN WELL
✱	ABANDONED WELL
✱	INJECTION WELL
✱	DRY HOLE
⊕	SALT WATER DISPOSAL WELL
⊕	DEEPER WELL
⊕	ZONE UNTESTED

SCALE
0 1000 2000 11m