

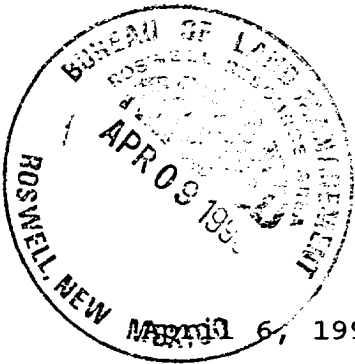
NM Oil Cons. Commission
Drawer DD
Artesia, NM 88210

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RECEIVED

APR -2 '90

Q. C. D.
ARTESIA, OFFICE



Bureau of Land Management Roswell Resource Area
P. O. Drawer 1857
Roswell, New Mexico 88202

Attention: Mr. Pete Chester

Re: **Commingle Approval Request**
Conoco #8 Fed. #1
NE NE Sec. 8, T11S, R27E
Chaves County, New Mexico
Lease #NM02146

Dear Mr. Chester:

The above referenced well was completed on 5/25/89. It was subsequently shut in waiting on a pipeline. First delivery occurred on 2/14/90.

Please accept this as BHP Petroleum's formal request for approval to commingle the gas produced from the subject well with two state wells in the vicinity.

The following information is submitted in support of our request:

1) The two state wells that the approval to commingle the gas with are:

- a. Ervin Ranch State #1 - operated by BHP P(A)
1650' FSL & 1650' FEL, Section 5, T11S, R27E
Chaves County, N.M.
- b. Yates #36 State #1 - operated by BHP P(A)
1980' FSL & 990' FWL, Section 36, T10S, R26E
Chaves County, N.M.

7-2. 2) The gas purchaser, Transwestern Pipeline Company would not construct the pipeline to hook up any of these wells involved. BHP Petroleum constructed the pipeline from the Conoco #8 ~~State #1~~ to the tie in point with Transwestern's line in the NE SE Section 28, T10S, R27E. The tie in point is also the location of the sales meter.

3) The subject well does have an allocation meter in place and in operation. The production from the Conoco #8 ~~State #1~~ well will be reported on Form 3160-6 for February 1990 and for all future months. The current meter run does not have a

dsf
cc - Jamie
cc - David

7-2 #1

April 6, 1990
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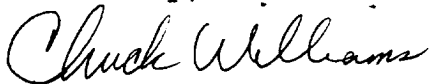
continuous temperature recorder installed. Onshore Order No. 5 has a provision whereby a variance can be approved eliminating the requirement of a continuous temperature recorder for wells producing 200-500 MCFGPD. The subject well produces approximately 300 MCFGPD. Thus we request a variance from the requirement for a continuous temperature recorder. If our request is denied, a continuous temperature recorder will be installed immediately.

The two state wells also have allocation meter runs installed and in operation.

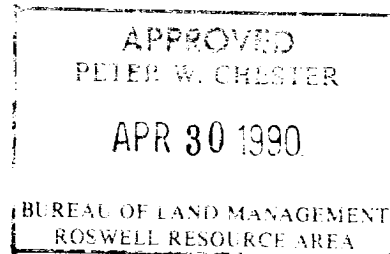
BHP regrets that commingling occurred prior to authorization and intends to do everything in its power to see that it doesn't happen again.

Please don't hesitate to contact me if you have any questions or need any additional information.

Sincerely,



Chuck Williams
Administrator, Field Services
Inland Business Unit



CW:nj

cc: Jesse Roberts
Well File