

**Jones, William V., EMNRD**

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**From:** Jones, William V., EMNRD  
**Sent:** Sunday, December 07, 2008 4:07 PM  
**To:** 'Dale, Celeste G'  
**Cc:** Ezeanyim, Richard, EMNRD; Warnell, Terry G, EMNRD; Brooks, David K., EMNRD; Kautz, Paul, EMNRD; Mull, Donna, EMNRD; Sanchez, Daniel J., EMNRD; Macquesten, Gail, EMNRD  
**Subject:** RE: Surface Commingle Application from ConocoPhillips: Hardy 36 State Lease

Hello Celeste:

Per your request to add the #3 well (Skaggs-Grayburg Pool) to the Hardy 36 State surface commingle:

Please send a signed confirmation from a supervisor that oil and gas from the Hardy 36 State Well No. 28 is being continuously, separately metered prior to being commingled for sales – as per the requirements in PC-916 5<sup>th</sup> amendment.

Thank You,

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

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**From:** Jones, William V., EMNRD  
**Sent:** Wednesday, November 26, 2008 1:50 PM  
**To:** 'Dale, Celeste G'  
**Cc:** Ezeanyim, Richard, EMNRD; Warnell, Terry G, EMNRD; Brooks, David K., EMNRD; Kautz, Paul, EMNRD; Mull, Donna, EMNRD; Sanchez, Daniel J., EMNRD; Macquesten, Gail, EMNRD  
**Subject:** Surface Commingle Application from ConocoPhillips: Hardy 36 State Lease

Hello Celeste:

Your application asks for another amendment to PC-916 to add the Skaggs-Grayburg Pool (well #3) to the existing commingle.

Your letter asks that Well #28 be allowed to commingle after using periodic well tests to determine the production splits *because it is a marginal producer*. Well #28 is (the only) diversely owned well in this commingle and these all seem to be producing from “oil” Pools.

For diversely owned “oil” wells, Rule 303 (new rules Part 12 Sections 9-11) only allows the OCD to issue surface commingling permits where continuous metering is used between diversely owned production – so “well testing” is not an option. If this were a marginal gas well, it may be considered – see rule 303.

However, we would consider this at an examiner hearing if sufficient evidence is presented by the applicant showing correlative rights are not being violated.

Please ask your foremen if they are willing to install separate facilities for Well #28 prior to it being commingled with the others or if they are willing to come to an examiner hearing in Santa Fe and present evidence showing why this does not need to be done.

The previous commingle order (PC-916 5<sup>th</sup> amendment) requires the Well #28 to be continuously and separately metered – so the facilities should already be in place?

Let me know.

Regards,