



July 14, 1997

Engineering Department  
State of New Mexico  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87504

RE: APPLICATION FOR EXCEPTION TO RULE 303-A FOR ADMINISTRATIVE APPROVAL TO SURFACE COMMINGLE GAS PRODUCTION FROM THE COCHITI "5" FEDERAL COM #1 (PIERCE CROSSING; WOLFCAMP, NORTH) GAS POOL AND THE COCHITI "8" FEDERAL #2 (MALAGA; DELAWARE) OIL POOL ON THE COCHITI "5" FEDERAL LEASE LOCATED IN UNIT N, SECTION 5, TOWNSHIP 24 SOUTH, RANGE 29 EAST, EDDY COUNTY, NEW MEXICO

Gentlemen:

Maralo, Inc. requests administrative approval to surface commingle gas production in a common facility as stated above. In support of this request, the following information is submitted:

A Plat is attached showing the location and reservoir of each well.

Enclosed is a battery diagram which describes the proposed operation.

The Cochiti "5" Federal Com #1 and the Cochiti "8" Federal #2 leases produced approximately 66 MCFPD from the Delaware and Wolfcamp reservoirs. The individual well production for May, 1997 is listed below:

**Cochiti "5" Federal Com #1**

<u>UL</u>	<u>BOPD</u>	<u>BWPD</u>	<u>MCFPD</u>	<u>GRAVITY</u>	<u>FORMATION</u>
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N	-0-	-0-	54		Wolfcamp, North (Gas)
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CALL ✓ VERBAC  
8-11:00 TT

Page 2  
Maralo, Inc.  
Surface Commingle Application

**Cochiti "8" Federal #2**

<u>UL</u>	<u>BOPD</u>	<u>BWPD</u>	<u>MCFPD</u>	<u>OIL GRAVITY</u>	<u>FORMATION</u>
C	9	120	12	40.1	Delaware


The production from each lease will be metered separately prior to compression and allocated based on wellhead measurement in accordance with OCD applicable provisions. A single sales meter will be installed downstream.

Commingle proposal notices have been sent to working interest owners (See attached letter). Royalty interests and overriding interests will not be affected.

Operating costs will be reduced by shared compressor usage. The actual commercial value of such commingled production will not be lessened or changed.

If you require additional information, please call me at (915) 684-7441.

Sincerely,

  
Dorothea Logan  
Regulatory Analyst

Attachments: (4) sets

cc: BLM/Roswell (4) sets  
OCD/Artesia (1) set  
El Paso Natural Gas Company

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-10  
Revised February 10, 199  
Instruction on bac  
Submit to Appropriate District Office  
State Lease - 4 Copie  
Fee Lease - 3 Copie

OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number <b>30-015-27996</b>	Pool Code <b>96402</b>	Pool Name <b>PIERCE CROSSING; WOLFCAMP, NORTH (GAS)</b>
Property Code <b>15173</b>	Property Name <b>COCHITI "5" FEDERAL COM</b>	Well Number <b>1</b>
OGHD No. <b>014007</b>	Operator Name <b>MARALO, INC.</b>	Elevation <b>3004'</b>

Surface Location

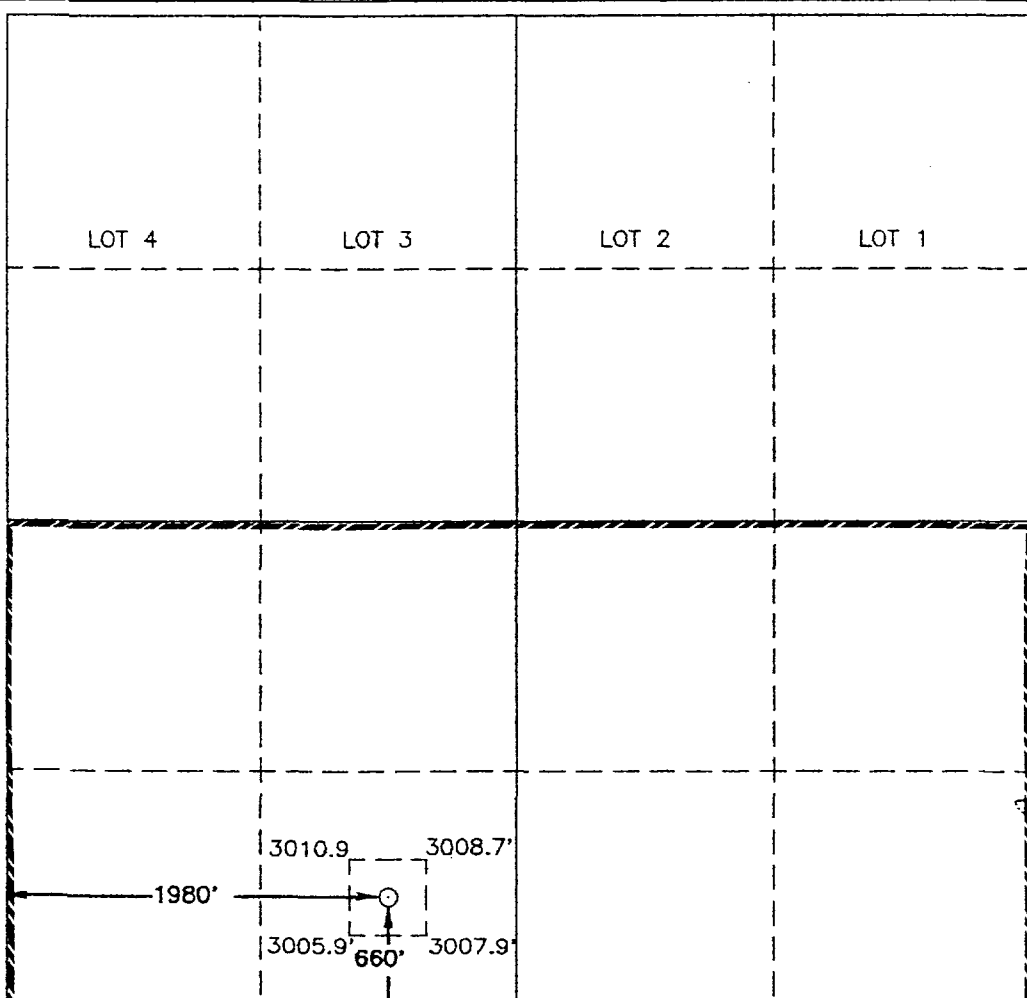
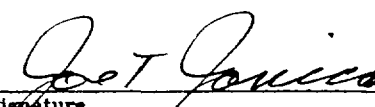
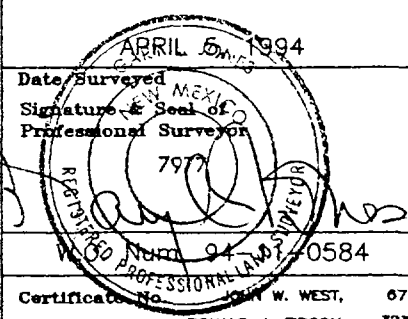
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	5	24 S	29 E		660	SOUTH	1980	WEST	EDC

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
---	---	---	---	---	---	---	---	---	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

LOT 4	LOT 3	LOT 2	LOT 1
			
<b>OPERATOR CERTIFICATION</b>  I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.   Signature JOE T. JANICA Printed Name AGENT Title 5/10/94 Date			
<b>SURVEYOR CERTIFICATION</b>  I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.   Date Surveyed Signature & Seal of Professional Surveyor 7977 Certificate No. 94-0584 JOHN W. WEST, 076 RONALD J. EIDSON, 3239 GARY L. JONES, 7977			

## DISTRICT I

P.O. Box 1960, Hobbs, NM 88241-1960

## DISTRICT II

P.O. Drawer DD, Artesia, NM 88211-0719

## DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

## DISTRICT IV

P.O. BOX 2088, SANTA FE, N.M. 87504-2088

## State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

Revised February 10, 1994

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

## OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number <b>30-015-28618</b>	Pool Code <b>42940</b>	Pool Name <b>MALAGA; DELAWARE</b>
Property Code <b>17421</b>	Property Name <b>COCHITI 8 FEDERAL</b>	Well Number <b>2</b>
OGRID No. <b>014007</b>	Operator Name <b>MARALO INC.</b>	Elevation <b>3023</b>

## Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	8	24 S	29 E		660	NORTH	1980	WEST	EDD:

## Bottom Hole Location If Different From Surface

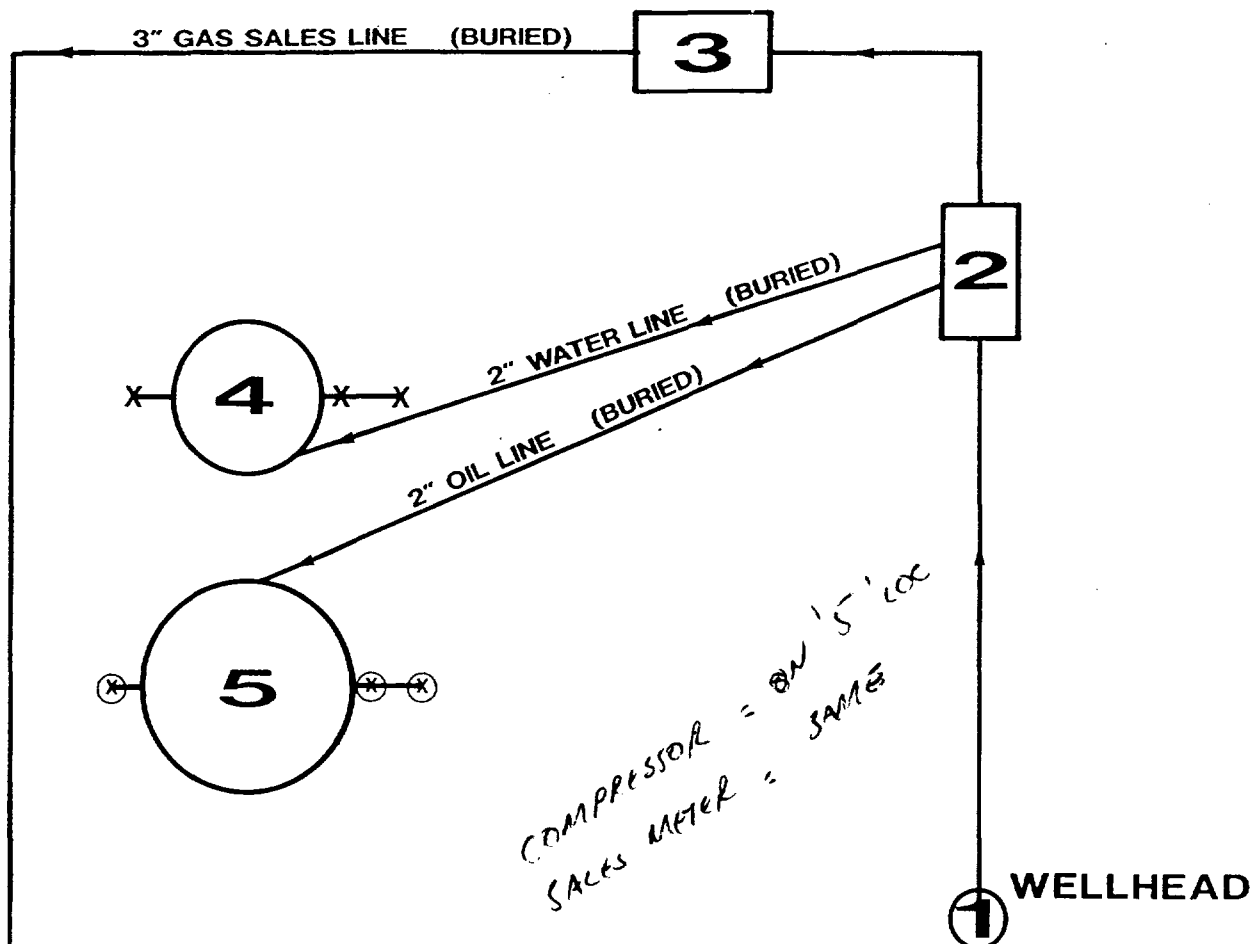
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres <b>40</b>	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<b>OPERATOR CERTIFICATION</b> I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.  Signature <b>Joe T. Janica</b> Printed Name <b>AGENT</b> Title <b>7-31-95</b> Date	
	<b>SURVEYOR CERTIFICATION</b> I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief. <b>JULY 13, 1995</b> Date Surveyed  Signature <b>Donald J. Eidson</b> Professional Surveyor NEW MEXICO 3239 7-17-95 85-1105 JOHN W. WEST 676 3239 12641	

EXHIBIT "A"



1 - WELLHEAD

2 - 1.5 MM BTU 10,000# Gas Production Unit

3 - Meter Run (Maralo, Inc.) Check

4 - 6'X16' 210 BBL Fiberglass Tank (Water)

5 - 12'X20' 400 BBL Steel Tank (Oil)

6 - 3" Meter Run (El Paso Nat. Gas) Sales

7 - Compressor

**maralo**<sup>INC.</sup>

**COCHITI "5" Fed. #1**

660' FSL & 1980' FWL, SECTION 5

T - 24 - S, R - 29 - E

PIERCE CROSSING; WOLFCAMP, NORTH (GAS)

**EDDY COUNTY, NEW MEXICO**

To EL PASO  
Nat. Gas Pipeline

From Cochiti  
8 Fed. #2


7-11-97

**COCHITI 8 Fed. #2**

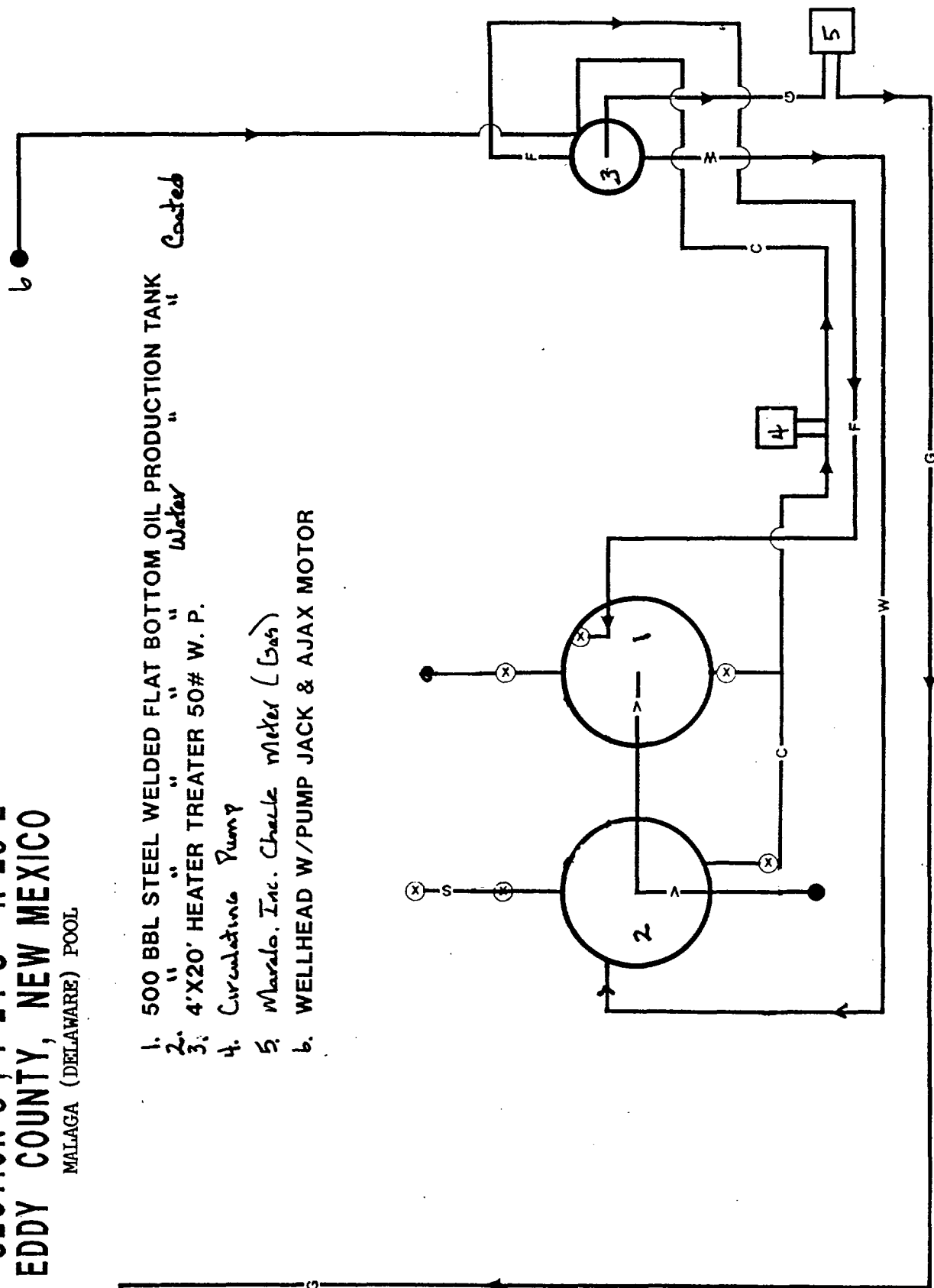
## 660' FNL & 1980' FEL

**SECTION 8, T 24 S - R 29 E  
EDDY COUNTY, NEW MEXICO**

MALAGA (DELAWARE) POOL


 To Compressor  
 2 Coditi: 5 Fil. 1

1. 500 BBL STEEL WELDED FLAT BOTTOM OIL
2. " " " " " " " " " " " "
3. 4'X20' HEATER TREATER 50# W. P.
4. Circulating Pump
5. Maralo, Inc. Charle Meter (Gas)
6. WELLHEAD W/PUMP JACK & AJAX MOTOR



16-71-2



Certified Mail - RRR

July 11, 1997

TO THE WORKING INTEREST OWNERS ON EXHIBIT "A":

Re: Notification of Surface Commingling of Production from  
Cochiti "8" Federal #2 and Cochiti "5" Federal #1  
Cochiti Prospect (NM-190)  
Eddy County, New Mexico


Ladies and Gentlemen:

Please be advised that this letter shall serve as Maralo's formal notification to you that Maralo has applied with the Bureau of Land Management (BLM) and the Oil Conservation Division (OCD) for approval to combine production from the captioned wells into a single tank battery facility, with separate metering devices, so that the apportionment between the federal leases with different royalty rates can be calculated.

Should you have any questions concerning this matter, please feel free to contact us.

Very truly yours,

MARALO, INC.



Joe C. Pulido, CPL  
Land Manager

AF:jr

Xc: Anita Fuller  
Dorothea Owen

EXHIBIT "A"

WORKING INTEREST OWNERS

COCHITI PROSPECT (NM-190)  
EDDY COUNTY, NEW MEXICO

MRL Partners  
Dept. 6  
P. O. Box 4887  
Houston, TX 77210-4887

L. R. French, Jr.  
P. O. Box 11327  
Midland, TX 79702

Louis Dreyfus Natural Gas Corp.  
P. O. Box 960116  
Oklahoma City, OK 73185-0163