F	A	X
•		

Date 06-03-97

Number of pages including cover sheet 13

TQ:

Ben Stone

Oil Conservation Division

RE:

Surface Commingling

Phone

(505)827-8186

Fax Phone

(505)827-8177

FROM:

Margaret Whited

**MEW Enterprise** 

500 E.C.R. 140

Midland, TX 79706

Рһопе

(915)570-8613

Fax Phone

Same

CC:

REMARKS:

□ Urgent

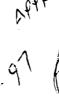
For your review

Reply ASAP

☐ Please Comment

Thank you so much for your response to my phone call. Please find the information you need for the surface commingle. Just let me know if you need something else. Again, thanks for all

your help.





(Instructions on reverse)

10+11

	OF	BATOR'S	COPY				
iomi 3160-5	VN	HTED STATES	5				FORM APPROVED
November 1994)	Dun A B/FE//	TAPE AND WELL IN	MTTT DIAL				OMB No. 1004-0135
		ENT OF THE II Fland mana					Expires July 31, 1996
9				LS		5. Lease	Serial Na.
SUNDRY NOTICES AND REPORTS ON WELLS  Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.				an, Allottee or Tribe Name			
	Mied Wen. Use For	m 3100-3 (AFU	i) for such prop	osais.			
SUBMIT	IN TRIPLICATE	Other Instru	ctions on rev	erse sid	9	7. )f Uni	or CA/Agreement, Name and/or No.
🖸 Oil Well 🚨 Gas	Well Chher						lance and Nu.,
2. Name of Operator  M.E. W. E. to  3a. Address	epaire					9. Al'I W	e Below e Below
500 ECR 140	Midland Ty 2	7206	3b. Plane No. (	- 86/3		10. Field a	and Pool, or Exploratory Area
4. Location of Well (Fou	tage, Sec., T., R., M., or	Survey Description	DeKalo Fed.	NW45	27-TIOS, R.25	B. Her	akis, \$ 05980
4. Location of Well (Four Name of Fig. See 14. E. 2.	uss numprey,	של של לא	35, F105, R'20	se. Mon	work sta sta	H. Count	y or Parish, State
Sec 22,7/05, R24	E					Cha	ives, N.M.
12. CHE	CK APPROPRIAT	E BOX(ES) TO	INDICATE N	ATURE (	OF NOTICE,	REPORT, C	OR OTHER DATA
TYPE OF SUBMISS	ION			TYPE (	P ACTION		
Notice of Intent	Acidiz	.c	Decpen	ı	Production (St	art/Resume)	Water Shut-Off
Subsequent Report	Alter (	•	Fracture Treat		Reclamation		Well Integrity
Stosequent Report	1	Kepair - Pi	New Construc		Recomplete		Other Surface
Final Abandonment	Notice	e Plans n to injection	Plug and Aban Plug Back		Temporarity / Water Disposa		Comingal T of fi
testing has been comp	ni the involved operation	ns. If the operation ent Notices shall be dion.)	results in a multip	le completion Il requireme	on or recompletions, including re	n in a new into	ent reports shall be filed within 30 da erval, a Form 3160.4 shall be filed on a been completed, and the operator h
MM - 0 7306						1	APPROVED
005728	Lenged Fed	#.↓ #.↓	30-∞ -	_			PETER W. CHESTER
A 8144		7	30-00	5-0001	6		JUL 1997
905439 FBA	1101111111	#/	30-00				REAU OF LAND MANAGEMEN ROSWELL RESOURCE AREA
Please see	A. HAchied	SOR	discription	~ 06	- Applia	ution.	JAIA
					, ,		
14. Thereby certify that the Name (Printed/Typed,	, -	ontest	Ti	itle			
Russell	Whited				where		
Signature	Markto	<del>)</del>	l n	atc	22-97		
	7	THIS SPACE F	OR FEDERAL	OR STAT	E OFFICE US		
							and the second s
Approved by		A STATE OF THE STA	· · · · · · · · · · · · · · · · · · ·	Title	<u> </u>		Date
Approved by  Conditions of approval, if certify that the applicant	any, are attached. App	proval of this notice		or Office			Date

2411

PHONE NO. : 505 395 2173 State of New Mexico T Submit 3 Copies Form C-103 Energy, Minerals and Natural Resources Department 10 Appropriate Revised 1-1-89 District Office <u>DISTRICT 1</u>
P.O. Box 1980, Hobbs, NM 88240 **OIL CONSERVATION DIVISION** WELL API NO. P.O. Box 2088 DISTRICT II
P.O. Drawer DD, Aneela, NM \$8210 Santa Fe, New Mexico 87504-2088 5. Indicate Type of Lees FEE 🔀 STATE DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410 4. State Oil & Gaz Linuse No. SUNDRY NOTICES AND REPORTS ON WELLS ( DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A MARY Ann CANAON Dekalb Fed Lenard Fed DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) Type of Well: METT X Walt [ OTHER MOHANK FOO Name of Operator & Well No. Entenpaire 9. Pool name or Wildon 500 ECR Bitter Lakes South Post # 05480 Midland TX 79706 Well Location Feet From The Feet From The 10-5 'C - S Range 25 E ion (Show whether DF, RKB, RT, GR, etc.) NMPM Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data 11. NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF: PERFORM REMEDIAL WORK PLUG AND ABANDON REMEDIAL WORK **ALTERING CASING** TEMPORARILY ABANDON CHANGE PLANS COMMENCE DRILLING OPNS. PLUG AND ABANDONMENT **PULL OR ALTER CASING** DASING TEST AND CEMENT JOB OTHER: Suctace comingle OTHER: 12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103. A HACHMENTS, your consideration is greatly aprecated me Commer

To whom it may concern:

(This space for State Use)

CONDITIONS OF APPROVAL, IF ANY

ANTROVED BY-

MEW Enterprise respectfully request your approval for off lease storage and commingling of the following wells:

Wells proposed for commingling and off lease storage.

Dekalb Federal -

NW4 Sec 27 - T105 - R25E

Well's #1 & #3

Leonard Federal -

W/2, SW 1/4 Sec 26, S 1/2 NE 1/4, NE 1/4 NE 1/4, E 1/2 SE 1/4 Sec 27 E 1/4 NH/ 1/4 TH 1/0 ... 1/0 Can 45 \_ TING DOCD

Well's #1 & #3

Leonard Federal -

W/2, SW 1/4 Sec 26, S 1/2 NE 1/4, NE 1/4 NE 1/4, E 1/2 SE 1/4 Sec 27 E 1/2 Sec 34, E 1/2 less NW 1/4 NE 1/4, W 1/2 w 1/2 Sec 35 - T10S-R25E Well's #1 & #4

Mohawk Federal -

S 1/2 s 1/2 Sec 22 - T10S - R25E Well #1-A

### Wells proposed for commingling only

Mary Ann Cannon -

SW 1/4, W 1/2 SE 1/4 Sec 27, NW 1/4 NE 1/4, NE 1/4 NW 1/4 Sec 34 - T10S - R25 E
Weil's # 1, #2, #3, #4, #5, #6 and #7(SWD)

All wells are producing from the Bitter Lakes South San Andres formation all approximate the same depth Pool # 05980.

Page 3 of 11

Phone & Fax # (915)570-8613

### 500 ECR 140 Midland, TX 79706

4/22/97

RE: Off lease storage and commingling.
Bitter Lakes, South San Andres
Pool #05980
Chaves County, NM

To whom it may concern:

MEW Enterprise respectfully request your approval for off lease storage and commingling of the following wells:

Wells proposed for commingling and off lease storage.

Dekalb Federal -

NW4 Sec 27 - T10S - R25E

Well's #1 & #3

Leonard Federal -

W/2, SW 1/4 Sec 26, S 1/2 NE 1/4, NE 1/4 NE 1/4, E 1/2 SE 1/4 Sec 27 E 1/2 Sec 34, E 1/2 less NW 1/4 NE 1/4, W 1/2 w 1/2 Sec 35 - T10S-R25E Well's #1 & #4

Mohawk Federal -

S 1/2 s 1/2 Sec 22 - T10S - R25E

Well #1-A

Wells proposed for commingling and

## Mary Ann Cannon -

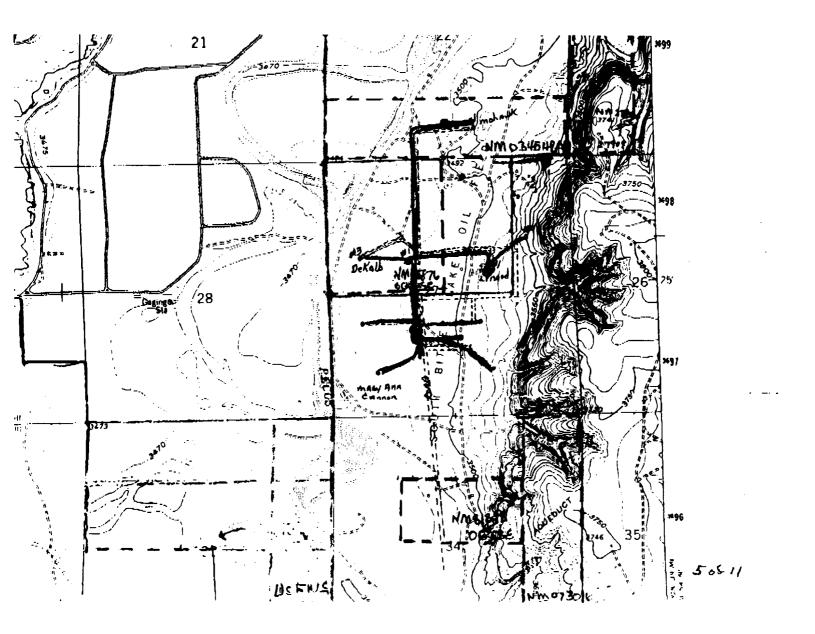
SW 1/4, W 1/2 SE 1/4 Sec 27, NW 1/4 NE 1/4, NE 1/4 NW 1/4 Sec 34 - T10S - R25 E
Well's # 1, #2, #3, #4, #5, #6 and #7(SWD)

All wells are producing from the Bitter Lakes South San Andres formation all approximate the same depth Pool # 05980.

Page 3 of 11

### Phone & Fax # (915)570-8613



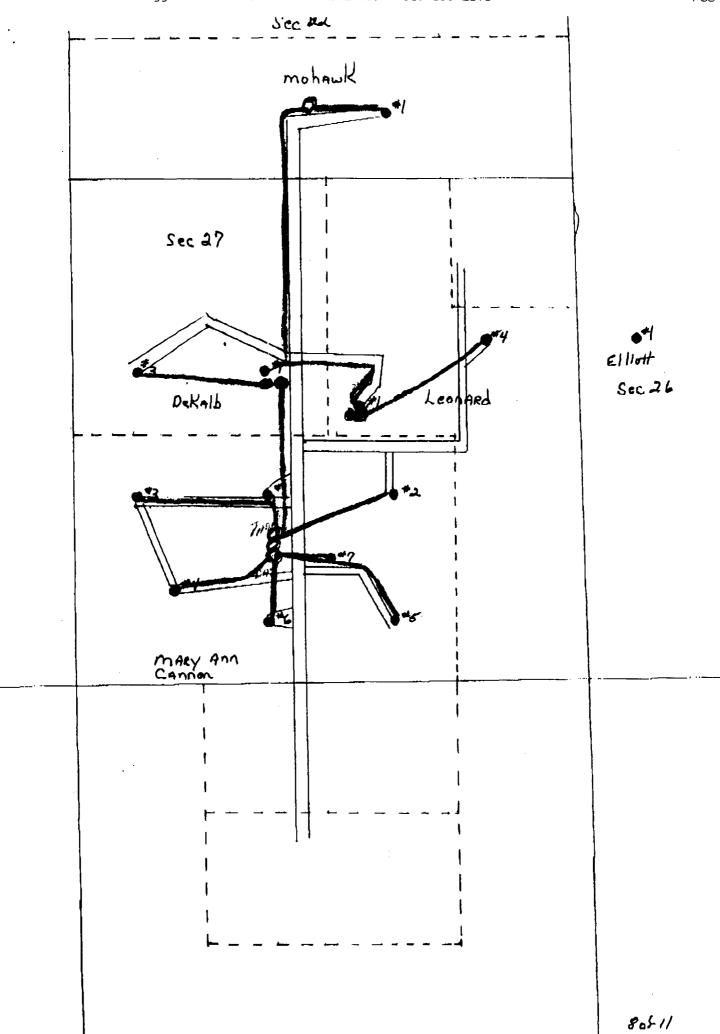


STANDARD FORM 299 (1994) Prescribed by DOM/USDA/DOT		1
P.L. 96-487 and Federal Register Notice 6 1 8 t APPLICATION FOR UTILITY SYSTE	FORM APPROVED OMB NO. 1004-0060 Expires: June 30, 1995	
ON FED	ERAL LANDS	FOR AGENCY USE ONLY
NOTE: Before completing and filing the application, the	applicant should completely review this package and schedule a	Application Number
preapplication meeting with representatives of the may have specific and unique requirements to be the help of the agency representative, the application	Date filed	
1. Name and address of applicant (include zip code)	2. Name, title, and address of authorized agent if different	3. TELEPHONE (area code)
MEW. Enterpolac 500 Ecrito	from Item 1 (include zip cody)  Russell White & Owner	Applicant
midland TV 29706	Russell Walter Contre	9/5-570-86/3
•	•	Authwizzsi Agent 9/5-570-86/3
4. As applicant are you? (check one)	5. Specify what application is for: (check one)	
a. 😼 Individual	a. New authorization	
b. Corporation*	b. Agenewing existing authorization No.	
c. Partnership/Association*	c. Amend existing authorization No.	
d. U State Government/State Agency	d. Assign existing authorization No.     e. Existing use for which no authorization has been rec	
e. Local Government f. Federal Agency	cived*	
	f Other*	
* If checked, complete supplemental page	If checked, provide details under Isem 7	
6 If an individual, or partnership are you a citizen(s) of	the United States? 🚨 Yes 🚨 No	
(length width grading, etc.): (d) term of years need timing of construction; and (h) temporary work areas A. 2" & DR 11 paly pipe Flawling to provide the Area of the C. No Row's need For cleaning follows:  D. life of wells  E. Year Around  F. Bil + Water produced from wells  Consider the Around  Consider the Around  E. Server of the Around  E. Bil + Water produced from wells  Consider the Around	is system or facility. (e.g., canal, pipeline, road); (b) related structure (c) time of year of use or operation; (f) Volume or amount inceded for construction (Attach additional sheets, if additional species of the laker Sen Andres wells, any 300 three sec 34, 00, 22 Thosas 25E  The existing Rows Road ways, Length as like existing Rows Road ways, Length as like existing for second has been givin, Apy to meed for constrution (or Laying) as	of product to be transported; (g) duration and the is needed.)  1945 Apr 3700
8. Attach a map covering area and show location of pro	ject proposni	
9. State or Loc government approval:   Anached	M Applied for D Not required	
10. Nonreturnable application fee:  Attached	Not required	
11. Pleas regimes crown international leanuries or affect in	nternational waterways? 🔲 Yes 📈 No (If "yes," indicate or	t map)
12. Give statement of your technical and financial capable for the state of the sta	illity to construct operate, maintain, and terminate system for which $\mathcal{N}, \mathcal{M}$ ,	
BLM Bond	ISPAC WALL WALC	
Nm Bond \$ 80 6259		
•		
		60511
(Continued on reverse)	This f	orm is authorized for local reproduction
13a. Describe other reasonable alternative routes and mod		
There are no alternative	Routes more cost essective	•
h. Why were these alternatives not selected?		
cost prohibated		
COST Problems		
c. Give explanation as to why it is necessary to cross Po	ederal Lands.	

The three Lease are all on Federal Lunds

¢.	Give explanation as to why it is necessary to cross Pederal Lands.
	The three Lease are all on Federal Lunds
4.	List authorizations and pending applications filed for similar projects which may provide information to the authorizing agency. (Specify number, date, code, or name)
	none
5.	Provide statement of need for project, including the economic feasibility and items such as: (a) cost of proposal (construction, operation, and maintenance), (b) estimated cost of next best alternative; and (c) expected public benefits.  A. Low production, high maintance on 3 seperate tank Battarys, more timby marketing of B produced caude oil. Apr cost is 5000000 tower maintance cost of 300000000000000000000000000000000000
	Describe probable effects on the population in the area, including the social and economic aspects, and the rural lifestyles.
0.	no Residental Acea,
7.	Describe likely environmental effects that the proposed project will have on: (a) air quality; (b) visual impact; (c) surface and ground water quality and quantity; (d) the control or structural change on any stream or other body of water; (e) existing noise levels; and (f) the surface of the land, including vegetation, permafrost, soil, and soil stability. A. Non-e, b, Lower wish impact (no fants) C, none, d, none, E, none, F, none
	Describe the probable effects that the proposed project will have on (a) populations of fish, plantife, wildlife, and marine life, including threatened and endangered species; and (b) marine mammals, including hunting, capturing, collecting, or killing these animals
	A. none, B. none.
9.	State whether any hazardous material, as defined in this paragraph, will be used, produced, transported or stored on or within the right-of-way or any of the right-of-way facilities, or used in the construction, operation, maintenance or termination of the right-of-way or any of its facilities. "Hazardous material" means any substance pullutant or contaminant that is listed as hazardous under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. 9601 et seq., and its regulations. The definition of hazardous substances under CERCLA includes any "hazardous waste" as defined in the Resource Conservation and Recovery Act of 1976 (RCRA), as amended, 42 U.S.C. 9601 et seq., and its regulations. The term hazardous materials also includes any nuclear of byproduct material as defined by the Atomic Energy Act of 1954, as amended, 42 U.S.C. 2011 et seq. The term does not include petroleum, including crude oil or any fraction thereof that is not otherwise specifically listed or designated as a hazardous substance under CERCLA Section 101(14), 42 U.S.C. 9601(14), nor does the term include natural gas.
	None
20.	Name all the Department(s)/Agency(ics) where this application is being filed
	Nmoce
	BLM
==   H   beli	ERRAY CERTURY. That I am of legal age and authorized to do business in the State and that I have personally examined the information contained in the application and leve that the information submitted is correct to the best of my knowledge.
=	nature of Applicant Russell Mentel DAG MEW. Entracin Dale 4-25-97
=	

Title 18, U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, Sections, or fraudulent statements or representations as to any matter within its jurisdiction.



### 500 ECR 140 Midland, TX 79706

#### 4/22/97

#### D. Individual well production.

#### Dekalb

#1) 3.58 BOPD - 3.7 BWPD

#3) 1.00 BOPD - 1.22 BWPD

#### Leonard

#1) 0.93 BOPD - Trace BWPD

#4) 0.83 BOPD - Trace BWPD

#### Mohawk

#1) 1.25 BOPD - Trace BWPD

#### Mary Ann Cannon

#1) 1.22 BOPD - 35 BWPD

#2) 1.12 BOPD - .50 BWPD

#3) 0.45 BOPD - Trace BWPD

#4) 0.48 BOPD - Trace BWPD

#5) -0- BOPD - -0- BWPD

#6) 0.64 BOPD - 0.22 BWPD

#7) inj well - 240# inj PSI

## 500 ECR 140 Midland, TX 79706

#### 4/22/97

E. Testing

Well test will be conducted monthly by producing each well for a 24 hr period into a portable tank calculating the volume by color cut and shake out. Doing this and multiplying by the number of days produced each month.

- F. All oil produced from same zone and equal gravity so we see no effect on reduced royalties.
- G. One of the main reasons for this proposal is to help minimize the problems associated with this low gravity crude (heavy bottoms, high corrosion on the lifting equipment down hole and storage facilities). I am sure everyone involved is aware of the sporadic history over the past years, this proposal will help eliminate the long wait to fill a tank to marketable levels.
- H. Royalty Rates

Mary Ann Cannon - 0.75

Dekalb - 0.835 and 0.096 NRI if >15 BOPD per well

Leonard - 0.825 + 0.12 NRI if >15 BOPD per well

Mohawk - 0.825 + 0.104 NRI if >15 BOPD per well

Page 10 of 11

Phone & Fax # (915)570-8613

## M.E.W. Enterprise

500 ECR 140 Midland, TX 79706

#### 1VII UI aliu, 1 1 / 7 / UU

4/22/97

If you should have any questions please call me at (915)570-8613. Thank You for your Cooperation.

Sincerely,

MEW Enterprise Russell Whited

Rum White

Owner

Page 11 of 11

Phone & Fax # (915)570-8613

2-13-97

Ila L. White Key Ranch Estates Route 1 Trinidad, TX 75163-9801

RE: Commingling oil production



To whom it may concern;

Our records indicate you hold 0.0025% OR in our Leonard Federal wells in Chaves County, NM. M.E.W. Enterprise is requesting your approval for off lease storage and commingling of the following wells which will include the Mary Ann Cannon wells.

Wells proposed for commingling and off lease storage: Dekalb #1 F-27-10S-25E, Dekalb #3 E-27-10S-25E,

Leonard #1 G-27-10S-25E, Leonard #4 H-27-10S-25E and Mohawk #1 O-22-10S-25E.

Wells proposed for commingling, only: Mary Ann Cannon Lease Sec 27-10S-25E

All wells are producing from the Bitter Lakes, South - San Andres formation, pool #05980. M.E.W. Enterprise holds the plugging bond & operates all the above leases. Because of the lagging crude oil market, the never ending increase in operating cost, and the low volumes of crude oil produced from these individual wells, it is imperative that such marginal wells be given every opportunity to extend their longevity through lowering the cost of production. With this plan to commingle, three (3) tank batteries can be removed from the sensitive area of the Game Refuge. This will also enable us to market our produced crude in a more timely manner.

M.E.W. proposes the following plan: We plan to lay 2" poly pipe from the Mohawk Federal #1 to the Dekalb Fed Battery and from the Leonard Federal #1 & 4 to the Dekalb Fed Battery. At that point tie the two flowlines into a header system with the Dekalb #1 & 3. The header system will then be tied into the existing SWD line that connecting to the Mary Ann Cannon Lease SWD. Disconnect this line from the SWD system and tie it into the production facilities at the Mary Ann Cannon Battery. Which will separate the oil & water to their prospective tanks.

One of the main reasons for this proposal is to help minimize the problems associated with this low gravity crude (heavy tank bottoms, high corrosion on the lifting equipment down hole, etc.) I am sure everyone involved is aware of the sporadic production history over the past years, this proposal will help eliminate the long wait to fill a tank to marketable levels. I believe the approach of having a commingled off lease storage buttery is the only sound approach.

M.E.W. proposes doing a 90 day test on every well in this battery, along with the test currently being done every month. A 24 hour test collecting all fluids will be performed followed by a shake out of the produced fluids. This will give us a percentage sample of oil & water. These percentages of oil will be used to calculate your percentage of oil at the off lease storage battery. The same will be performed on a monthly basis. These test and past experience of the production of each well will produce accurate information for calculating disbursements of interest.

We believe that these wells do have more oil to give up. But, it is an absolute must that production cost go down and revenue come in more timely. Many wells in the near future will become uneconomical to produce if something is not done very soon.

Enclosed you will find two (2) copies of this letter. Please sign both copies, retain one for your records and return the other one by March 15th, 1997 to M.E.W. Enterprise, 500 E.C.R. 140, Midland, TX 79706. If we do not hear from you by the above date we will assume that you have no objections to our proposal. At that time we will begin the filing process with the proper Government agencies.

Thank you for your time and cooperation. If you have any questions, please call Margaret or myself at (915)570-8613.

	Sincerely,	
	Russell Whit Owner	red
Agreed and accepted this	day of	1997.
		Representative for above interest holder/:

500 ECR 140 Midland, TX 79706

4/22/97

### Attachment

Green: Shows existing flowlines and tank batteries on lease.

Red: Shows proposed flowlines.

Blue: Shows existing line that will be used to transport all oil and H2O from the Mohawk,

Dekalb & Leonard leases to the Mary Ann Cannon central facility.

#### Division of Interest Owners by Lease

Leave Name & Numbers	INTEREST OWNER'S NAME	TYPE OF INTEREST	PERCENTAGE
Mary Ann Cant	юп 1,2,3,4,5,6,& 7		
	Cannon, Hazel Bales	Ri	0.075
	Cannon, Joe GeorgeEstate - Hazel	RI	0.05
	Grace, L.E.	ÓR	0.00333
	Grace, W.E.	RI	0.01
	Lemon, Helen Joan O.	Ri	0.0075
	Loffland, J. M., Jr.	OR	0.005
	Marguerite Colton Trust	OR	0.0258
	MEW Enterprise	wi	0.75
	Morgan, Florence E.	RI	0.0075
	Morgan, Joseph K.	RI	0.03
	Morgan, Willis E., Jr	RI	0.03
	Ryser, Bill & Charleie - Ryser Family Trust	OR	0.00333334
	Schlittler, Louise	OR	0.003333333
	Community Common	0,1	100%
Dekalb Federal	1&3		
	Childres, James W.	OR	0.004186
	Childress, Shirley C.	OR	0.0041666
	Cunningham, Harold D., Sr.	OR	0.0125
	Deeper, Lynn E.	OR	0.0013889
	Hinkle, R. R., Co., Inc	OR	0.00825
	Landsheft, Richard H., Jr.	OR	0.0013889
	Landsheft, William Bryan	OR	0.0013889
	Marshall, Samuel H., Trust	OR	0.0125
	McQuiddy Communication & Energy, Inc.	OR	0.00625
	MEW Enterprise	WI	0.921
	Minerals Management	RI	0.029
	-1404		100%
Leonard Feder			
	Fins Oil & Gas	OR	0.04
	MEW Enterprise	WI —:	0.945
	Minerals Management	RI	0.005
	The Blanco Company	OR	0.0075
	White, Ila L.	OR	0.0025
Mohawk Feder	al #1		100%
W-4	Grace, L.E.	OR	0.001333334
	Loffland, J. M. , Jr.	OR	0.001
	Marguerite Colton Trust	OR	0.005
	MEW Enterprise	WI	0.929
	Minerale Management	RI	0.021
	Ryser, Bill & Charleie - Ryser Family Trust	OR	0.00133333
	Schlittler, Louise	OR	0.00133333
	Anderson, Bruce & Jacquiline	OR	0.035
	Horst, Volu	OR	0.005
	comme and	VIV.	100%