

**TAMARACK PETROLEUM COMPANY  
500 WEST TEXAS, SUITE 1485  
MIDLAND, TEXAS**

**HEARING EXHIBITS  
CASE # 11378  
LEASE COMMINGLING BY WELL TEST  
SAUNDERS PERMO PENNSYLVANIAN POOL  
LEA COUNTY, NEW MEXICO**

**EXHIBITS PREPARED BY:  
HAL GILL  
DISTRICT ENGINEER  
TAMARACK PETROLEUM COMPANY**

**Oil Conservation Division**

**COMMINGLING ORDER CTB-411**

Tamrack Petroleum Company, Inc.  
500 West Texas, Suite 1485  
Midland, Texas 79701

Attention: T. Wayne Green

The above named company is hereby authorized to commingle Saunders Permo Upper Penn Pool production from the following wells:

Lease: Lion State Well No.1  
Description: NW/4 SE/4, and;

Lease: Lion State 'A' Well No.2  
Description: SE/4 SE/4, and;

Lease: Saunders State Well Nos.1 and 3  
Description: SE/4 SW/4 and SW/4 SE/4,

all in Section 9, Township 14 South, Range 33 East, and;

Lease: Saunders State Well No.2  
Description: SW/4 NW/4,

in Section 9, Township 14 South, Range 33 East, Lea County, New Mexico.

Production shall be allocated to each well by separately metering the production from each lease prior to commingling.

NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

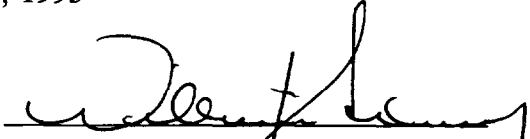
FURTHER: The operator shall notify the Hobbs district office upon implementation of the commingling process.

REMARKS: Commingled production shall be stored in the Saunders and Lion State tank battery facility located in Unit ~~P~~, Section 9, Township 14 South, Range 33 East, NMPM, Lea County, New Mexico.

*Commingling Order CTB-411*  
*Tamarck Petroleum Company, Inc.*  
*July 24, 1995*  
*Page 2*

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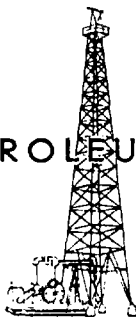
DONE at Santa Fe, New Mexico, on this 24th day of July, 1995

  
WILLIAM J. LEMAY,  
Division Director

WJL/BES

cc: Oil Conservation Division - Hobbs

# TAMARACK PETROLEUM COMPANY, INC.



500 WEST TEXAS, SUITE 1405  
MIDLAND, TEXAS 79701

TELEPHONE: 915/683-5474  
FACSIMILE: 915/683-7306

June 20, 1995

"Interest Owners"

Re: Surface Commingling  
Lion State, Lion State -A- & Saunders State

Dear Sir or Madam:

Tamarack Petroleum Company, Inc. is seeking permission from the New Mexico Oil Conservation Division to surface commingle production from the above referenced leases.

Tamarack proposes to tie the Lion State No. 1 and Lion State -A- No. 2 into the Saunders State battery. The Lion State and Lion State -A- battery is in need of repair. If Tamarack receives permission from the NMOCD, five wells will be serviced by one battery instead of five wells being serviced by two batteries. Consolidation of batteries will allow the Lion State, Lion State -A- and Saunders State wells to produce economically and reduce operating costs, such that it will extend the life of these leases and increase ultimate recovery from these properties.

If you concur with surface commingling these leases into one central battery and the allocation of production and distribution of sales revenue by a 24 hour test taken monthly, please sign at the bottom and return to Tamarack Petroleum Co., Inc.

Sincerely,

A handwritten signature in cursive script, appearing to read "T. Wayne Green".

T. Wayne Green  
Production Agent

APPROVED:

Name: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

EXHIBIT 2  
CASE #11378

**Tamarack Petroleum Company  
Lion State, Lion State "A", & Saunders State Leases  
Saunders Permo Upper Penn Field  
Lea County, New Mexico**

**MONTHLY WELL TEST HISTORY: 1995**

|     | Lion State #1 |      |  | Lion State "A" #2 |      |  | Saunders St. #2 |      |  | Saunders St. #3 |      |
|-----|---------------|------|--|-------------------|------|--|-----------------|------|--|-----------------|------|
|     | BOPD          | BWPD |  | BOPD              | BWPD |  | BOPD            | BWPD |  | BOPD            | BWPD |
| Jan | 8             | 8    |  | 6                 | 8    |  | 6               | 7    |  | 8               | 10   |
| Feb | 8             | 10   |  | 5                 | 8    |  | 5               | 8    |  | 6               | 9    |
| Mar | 3             | 36   |  | 5                 | 9    |  | 4               | 10   |  | 5               | 8    |
| Apr | 4             | 38   |  | 5                 | 8    |  | 4               | 8    |  | 5               | 8    |
| May | 8             | 12   |  | 6                 | 9    |  | 4               | 8    |  | 4               | 9    |
| Jun | 8             | 11   |  | 6                 | 8    |  | 4               | 6    |  | 4               | 7    |
| Jul | 7             | 11   |  | 5                 | 8    |  | 5               | 8    |  | 4               | 6    |
| Aug | 7             | 12   |  | 5                 | 8    |  | 4               | 8    |  | 4               | 8    |
| Sep | 6             | 9    |  | 5                 | 8    |  | 4               | 8    |  | 4               | 10   |

Tamarack Petroleum Company  
Lion State, Lion State "A" Leases  
Saunders Permo Upper Penn Field  
Lea County, New Mexico

Production History May 1994 - June 1995

| LEASE: LION STATE |          | 01-J-09-14S-33E |          |       |         |           |           |
|-------------------|----------|-----------------|----------|-------|---------|-----------|-----------|
| MONTH             | OIL PROD | OIL RUNS        | GAS PROD | WATER | GRAVITY | OIL PRICE | GAS PRICE |
| MAY'94            | 83       | 81              | 264      | 1168  | 40.8    | \$17.25   | \$1.50    |
| JUN               | 176      | 183             | 700      | 1107  | 40.3    | \$18.00   | \$1.56    |
| JUL               | 188      | 189             | 800      | 211   | 39.2    | \$17.98   | \$1.56    |
| AUG               | 274      | 246             | 784      | 267   | 39.8    | \$15.98   | \$1.56    |
| SEP               | 275      | 280             | 925      | 298   | 40.0    | \$16.00   | \$1.58    |
| OCT               | 295      | 0               | 944      | 326   | 40.0    | \$0.00    | \$1.55    |
| NOV               | 275      | 306             | 941      | 290   | 40.7    | \$16.50   | \$1.29    |
| DEC               | 277      | 103             | 933      | 286   | 41.1    | \$15.25   | \$1.31    |
| JAN '95           | 210      | 262             | 832      | 265   | 41.3    | \$17.00   | \$1.31    |
| FEB               | 113      | 0               | 706      | 165   | 40.0    | \$0.00    | \$1.18    |
| MAR               | 89       | 146             | 552      | 1105  | 41.2    | \$17.25   | \$1.20    |
| APR               | 131      | 0               | 1048     | 957   | 40.0    | \$0.00    | \$1.21    |
| MAY               | 238      | 225             | 1348     | 403   | 40.5    | \$19.02   | \$1.18    |
| JUN               | 220      | 317             | 1151     | 341   | 40.4    | \$17.63   | \$1.18    |
| JUL               | 215      | 209             | 1151     | 360   | 39.6    | \$16.40   | \$1.05    |

| LEASE: LION STATE -A- |          | 02-P-09-14S-33E |          |       |         |           |           |
|-----------------------|----------|-----------------|----------|-------|---------|-----------|-----------|
| MONTH                 | OIL PROD | OIL RUNS        | GAS PROD | WATER | GRAVITY | OIL PRICE | GAS PRICE |
| MAY'94                | 98       | 132             | 446      | 229   | 40.8    | \$17.25   | \$1.50    |
| JUN                   | 109      | 0               | 533      | 165   | 40.3    | \$18.00   | \$1.56    |
| JUL                   | 107      | 143             | 548      | 164   | 39.2    | \$17.98   | \$1.56    |
| AUG                   | 189      | 205             | 701      | 325   | 39.8    | \$15.98   | \$1.56    |
| SEP                   | 178      | 0               | 726      | 270   | 40.0    | \$16.00   | \$1.58    |
| OCT                   | 153      | 170             | 463      | 334   | 40.0    | \$0.00    | \$1.55    |
| NOV                   | 18       | 170             | 159      | 371   | 40.7    | \$16.50   | \$1.29    |
| DEC                   | 171      | 191             | 229      | 333   | 41.1    | \$15.25   | \$1.31    |
| JAN '95               | 182      | 0               | 81       | 263   | 41.3    | \$17.00   | \$1.31    |
| FEB                   | 135      | 206             | 564      | 216   | 40.0    | \$0.00    | \$1.18    |
| MAR                   | 118      | 132             | 606      | 233   | 41.2    | \$17.25   | \$1.20    |
| APR                   | 120      | 0               | 765      | 242   | 40.0    | \$0.00    | \$1.21    |
| MAY                   | 157      | 148             | 887      | 282   | 40.5    | \$19.02   | \$1.18    |
| JUN                   | 163      | 235             | 855      | 227   | 40.4    | \$17.63   | \$1.18    |
| JUL                   | 156      | 152             | 838      | 233   | 39.6    | \$16.40   | \$1.05    |

**EXHIBIT**  
CASE #11378

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Tamarack Petroleum Company  
Saunders State Lease  
Saunders Permo Upper Penn Field  
Lea County, New Mexico

Production History May 1994 - June 1995

| LEASE: SAUNDERS STATE |          |          | 01-N-09-14S-33E |       |         |           |           |
|-----------------------|----------|----------|-----------------|-------|---------|-----------|-----------|
| MONTH                 | OIL PROD | OIL RUNS | GAS PROD        | WATER | GRAVITY | OIL PRICE | GAS PRICE |
| WELL SHUT-IN          |          |          |                 |       |         |           |           |

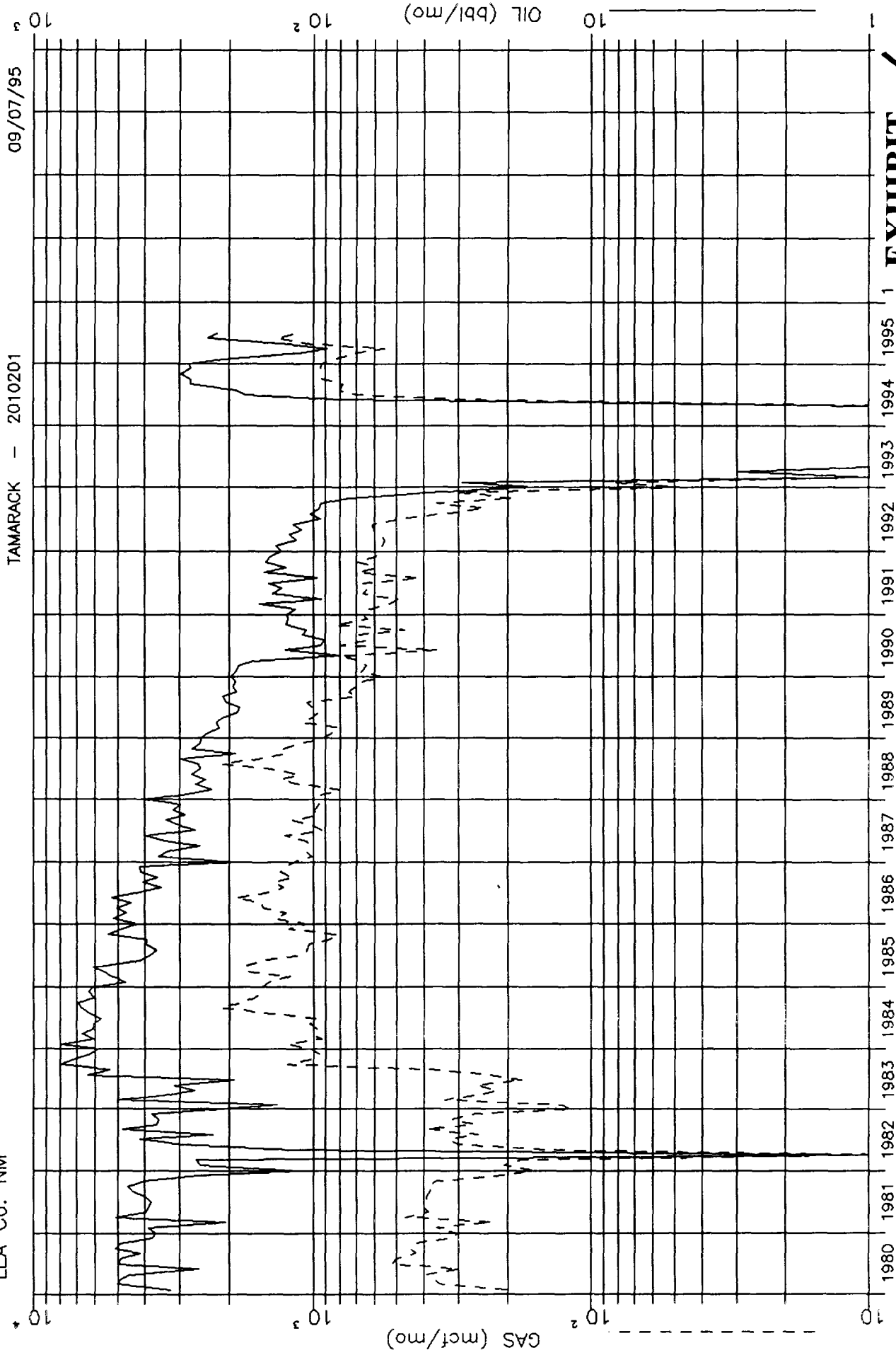
| LEASE: SAUNDERS STATE |          | 02-E-16-14S-33E |          |       |         |           |           |  |
|-----------------------|----------|-----------------|----------|-------|---------|-----------|-----------|--|
| MONTH                 | OIL PROD | OIL RUNS        | GAS PROD | WATER | GRAVITY | OIL PRICE | GAS PRICE |  |
| MAY'94                | 98       | 132             | 445      | 229   | 41.4    | \$18.10   | \$1.35    |  |
| JUN                   | 109      | 0               | 532      | 165   | 40.4    | \$0.00    | \$1.33    |  |
| JUL                   | 107      | 143             | 547      | 164   | 40.3    | \$19.35   | \$1.33    |  |
| AUG                   | 189      | 205             | 700      | 325   | 40.4    | \$16.60   | \$1.35    |  |
| SEP                   | 178      | 0               | 725      | 270   | 40.3    | \$0.00    | \$1.35    |  |
| OCT                   | 153      | 170             | 462      | 334   | 41.0    | \$17.10   | \$1.32    |  |
| NOV                   | 168      | 170             | 158      | 371   | 41.1    | \$16.35   | \$1.29    |  |
| DEC                   | 171      | 191             | 228      | 333   | 41.7    | \$16.85   | \$1.36    |  |
| JAN '95               | 182      | 0               | 80       | 263   | 41.3    | \$0.00    | \$1.31    |  |
| FEB                   | 135      | 206             | 563      | 216   | 41.7    | \$17.35   | \$1.31    |  |
| MAR                   | 118      | 132             | 605      | 233   | 41.6    | \$17.85   | \$1.18    |  |
| APR                   | 120      | 0               | 764      | 242   | 41.0    | \$0.00    | \$1.21    |  |
| MAY                   | 118      | 179             | 643      | 264   | 41.1    | \$19.03   | \$1.65    |  |
| JUN                   | 112      | 178             | 592      | 178   | 41.0    | \$17.40   | \$1.67    |  |
| JUL                   | 79       | 68              | 454      | 204   | 39.0    | \$16.40   | \$1.51    |  |

| LEASE: SAUNDERS STATE |          | 03-O-09-14S-33E |          |       |         |           |           |  |
|-----------------------|----------|-----------------|----------|-------|---------|-----------|-----------|--|
| MONTH                 | OIL PROD | OIL RUNS        | GAS PROD | WATER | GRAVITY | OIL PRICE | GAS PRICE |  |
| MAY'94                | 239      | 322             | 1086     | 481   | 41.4    | \$18.10   | \$1.35    |  |
| JUN                   | 215      | 0               | 1051     | 510   | 40.4    | \$0.00    | \$1.33    |  |
| JUL                   | 202      | 271             | 1033     | 262   | 40.3    | \$19.35   | \$1.33    |  |
| AUG                   | 230      | 249             | 854      | 264   | 40.4    | \$16.60   | \$1.35    |  |
| SEP                   | 177      | 0               | 726      | 384   | 40.3    | \$0.00    | \$1.35    |  |
| OCT                   | 276      | 307             | 832      | 307   | 41.0    | \$17.10   | \$1.32    |  |
| NOV                   | 237      | 240             | 224      | 273   | 41.1    | \$16.35   | \$1.29    |  |
| DEC                   | 242      | 270             | 322      | 244   | 41.7    | \$16.85   | \$1.36    |  |
| JAN '95               | 219      | 0               | 96       | 267   | 41.3    | \$0.00    | \$1.31    |  |
| FEB                   | 162      | 248             | 678      | 236   | 41.7    | \$17.35   | \$1.31    |  |
| MAR                   | 152      | 170             | 780      | 255   | 41.6    | \$17.85   | \$1.18    |  |
| APR                   | 131      | 0               | 840      | 261   | 41.0    | \$0.00    | \$1.21    |  |
| MAY                   | 126      | 193             | 691      | 323   | 41.1    | \$19.03   | \$1.65    |  |
| JUN                   | 123      | 197             | 654      | 229   | 41.0    | \$17.40   | \$1.67    |  |
| JUL                   | 127      | 110             | 732      | 229   | 39.0    | \$16.40   | \$1.51    |  |

# LION STATE 001

TAMARACK PETROLEUM CO. INC.  
SAUNDERS PERMO UPPER PENN  
LEA Co. NM

CUM OIL = 243,000 MB THROUGH 06/95  
CUM GAS = 257,471 MMCF THROUGH 06/95  
TAMARACK - 2010201



EXHIBIT

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CASE #11378



# LION STATE -A- 002

TAMARACK PETROLEUM CO. INC.  
SAUNDERS PERMO UPPER PENN  
LEA Co. NM

CUM OIL = 338.043 MB THROUGH 06/95  
CUM GAS = 408.899 MMCF THROUGH 06/95  
TAMARACK - 2010202 09/07/95

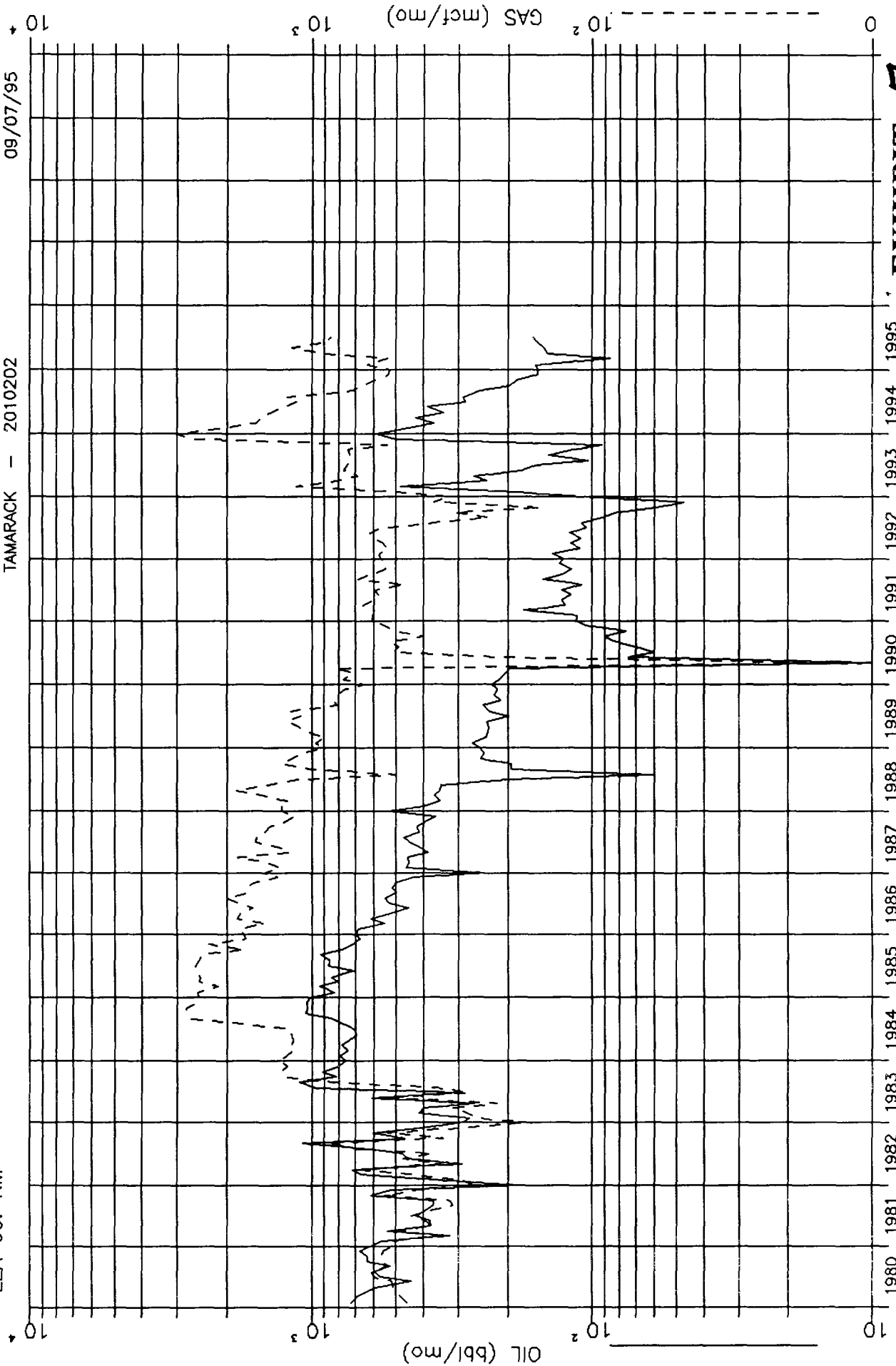


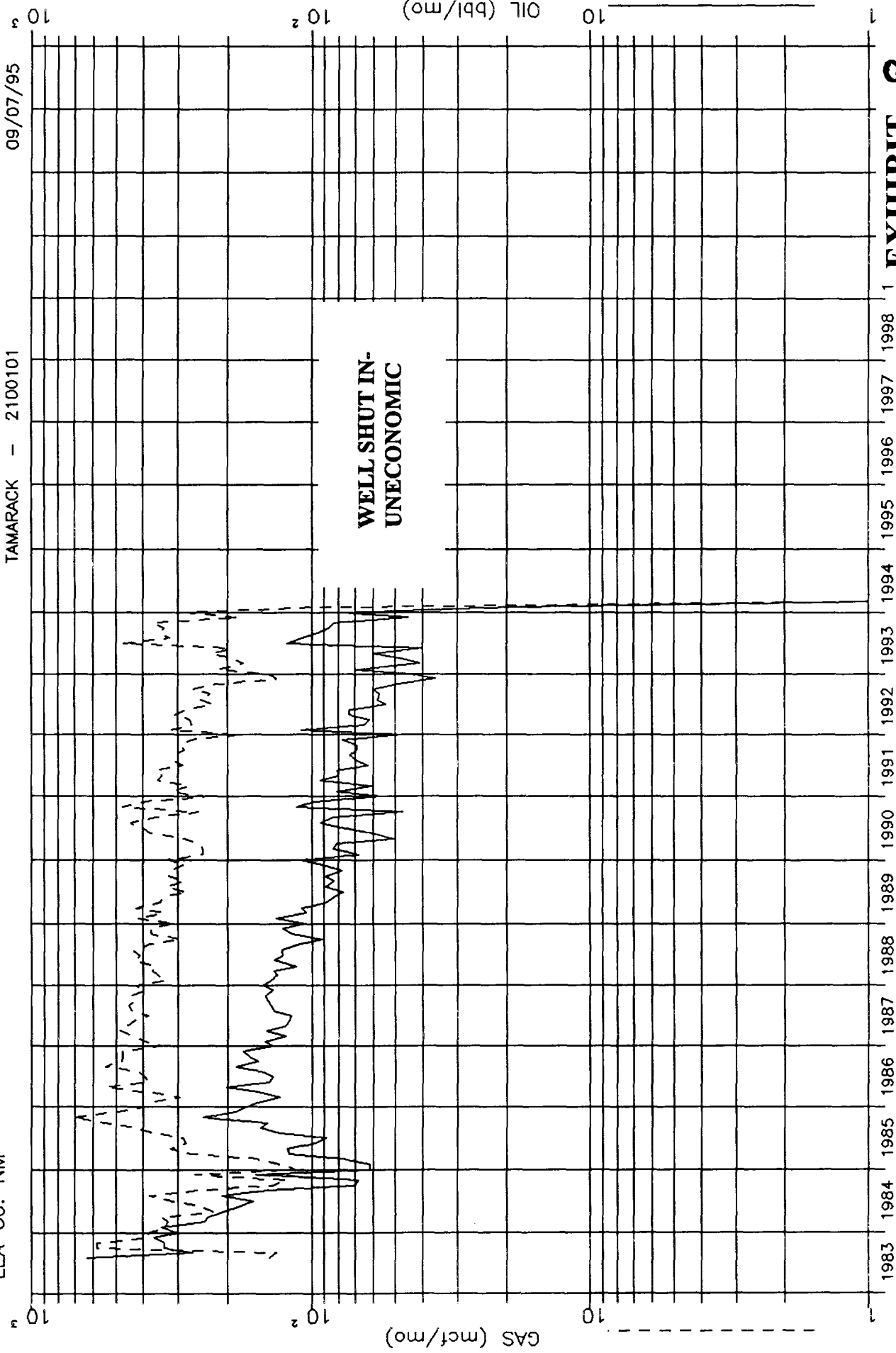
EXHIBIT 7

CASE #11378

# SAUNDERS STATE 1

TAMARACK PETROLEUM CO. INC.  
SAUNDERS PERMO UPPER PENN  
LEA Co. NM

CUM OIL = 15.349 MB THROUGH 06/95  
CUM GAS = 41.797 MMCF THROUGH 06/95  
TAMARACK - 2100101

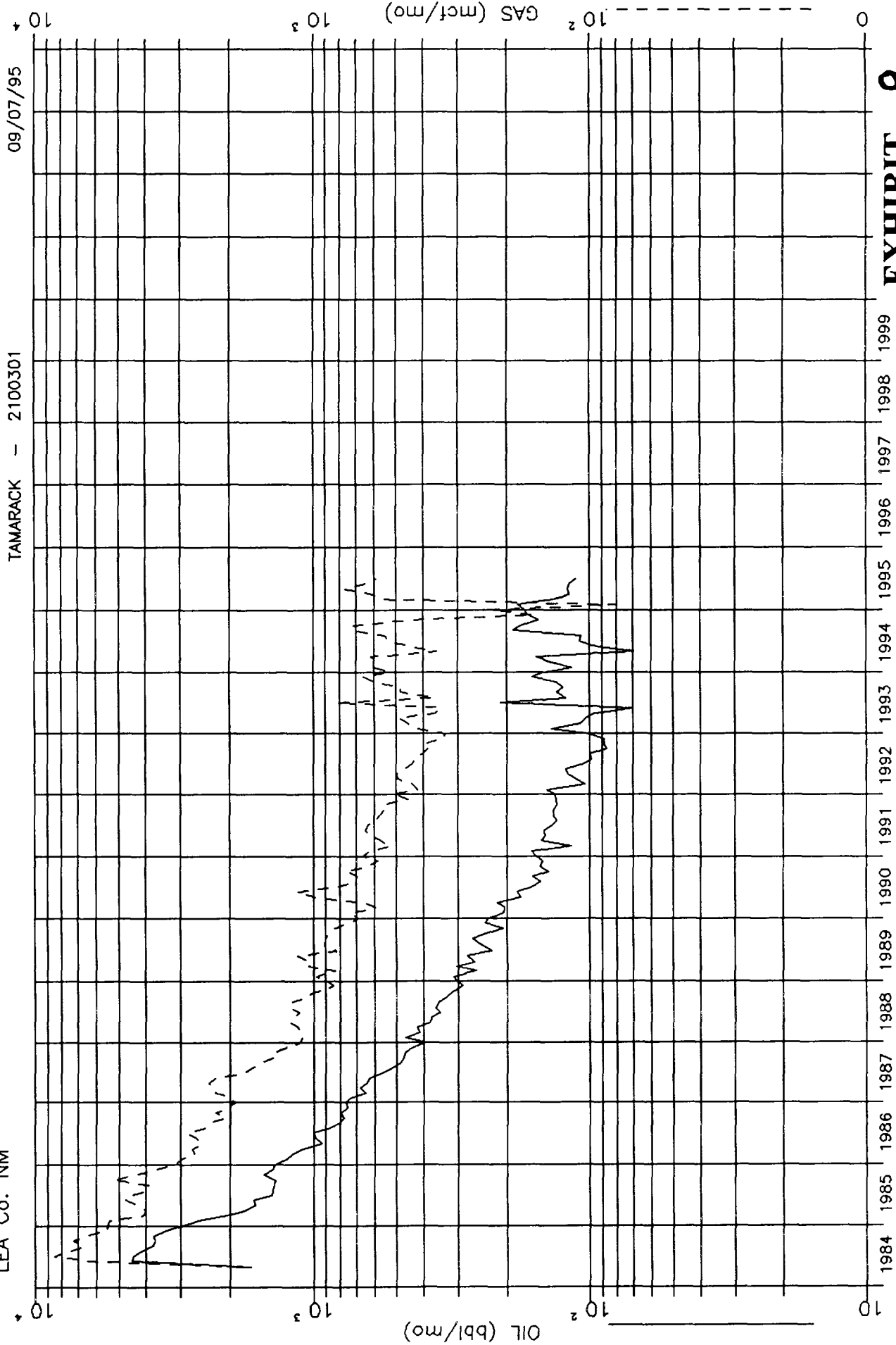


# SAUNDERS STATE 2

TAMARACK PETROLEUM CO. INC.  
SAUNDERS PERMO UPPER PENN  
LEA Co. NM

CUM OIL = 85.974 MB THROUGH 06/95  
CUM GAS = 217.069 MMCF THROUGH 06/95

TAMARACK - 2100301



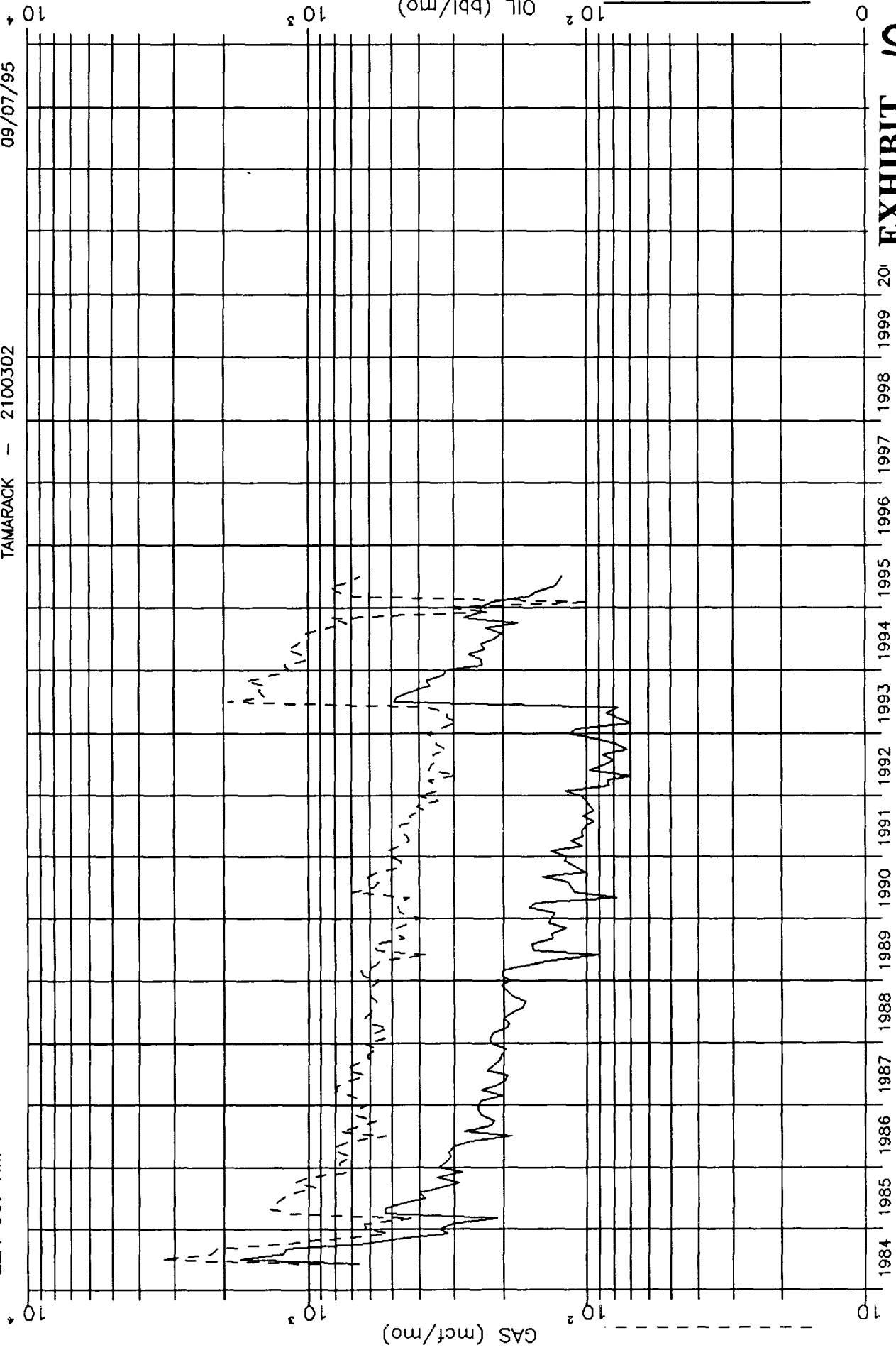
# SAUNDERS STATE 3

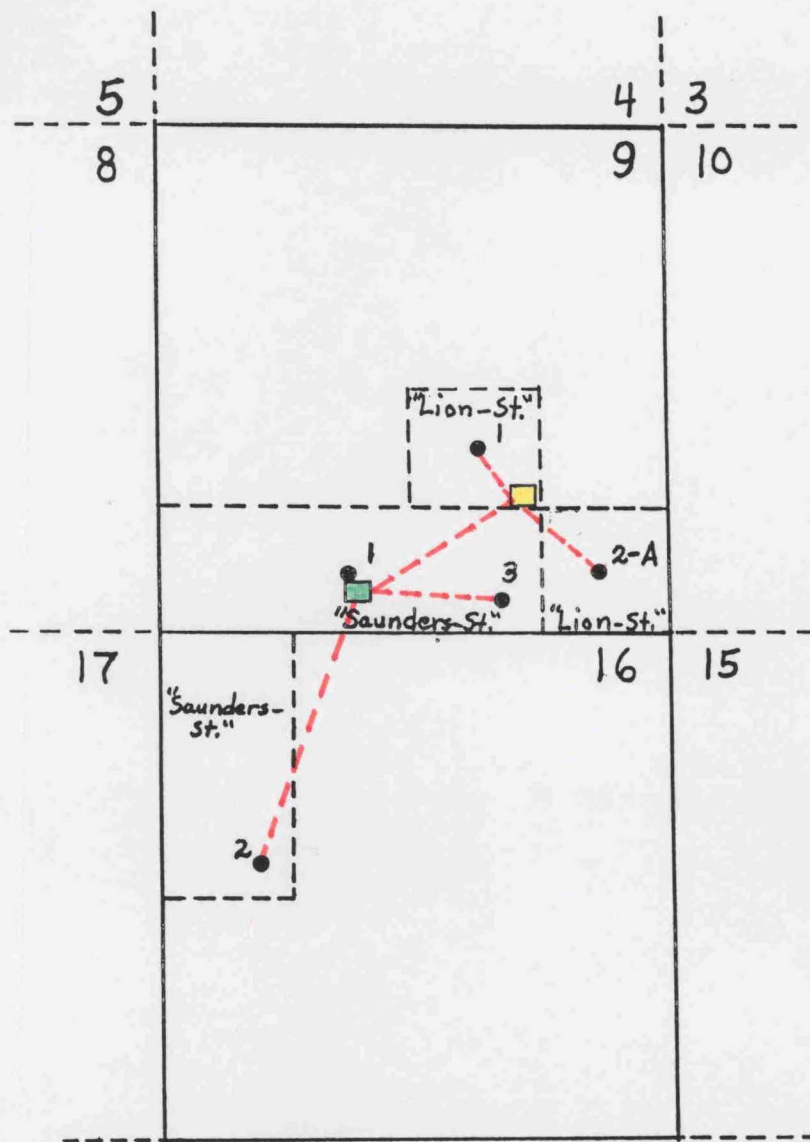
TAMARACK PETROLEUM CO. INC.  
SAUNDERS PERMO UPPER PENN  
LEA Co. NM

CUM OIL = 31.305 MB THROUGH 06/95  
CUM GAS = 94.650 MMCF THROUGH 06/95

TAMARACK - 2100302

09/07/95





LEGEND

- PROPOSED COMMINGLED BATTERY (LION-STATE)
- BATTERY TO BE ABANDONED & DISMANTLED (SAUNDERS-STATE)
- EXISTING FLOW LINES

**TAMARACK PETROLEUM COMPANY, INC.**

SAUNDERS STATE & LION STATE LEASES  
SAUNDERS PERMO UPPER PENN FIELD  
T-14-S, R-33-E  
LEA COUNTY, TEXAS

**PROPOSED COMMINGLING**

SCALE: 1"=2000'

DATE: 9-12-95

**EXHIBIT**

11

CASE #11378

**Tamarack Petroleum Company  
Lion State, Lion State "A", Saunders State leases  
Saunders Permo Upper Penn Field  
Lea County, New Mexico**

**Estimated Cost to Consolidate to a Commingled Battery and Install Metering Equipment  
(using metering equipment for allocation):**

| <u>Item</u>                                     | <u>Estimated Cost</u> |
|---|-----------------------|
| 3 - One barrel metering pots @ \$1500/ea.       | \$4,500               |
| Move Saunders tanks to Lion State battery & set | 2,000                 |
| Repair heater treater                           | 1,500                 |
| Move two heater treaters                        | 1,000                 |
| Connections & fittings                          | 4,500                 |
| Labor   | 2,000                 |
| Supervision: 4 days                             | 2,000                 |
| Miscellaneous & Contingencies                   | <u>1,500</u>          |
| Total Estimated Cost                            | \$19,000              |

**Estimated Cost to Consolidate to a Commingled Battery (using monthly well tests for  
allocation):**

| <u>Item</u>                                     | <u>Estimated Cost</u> |
|---|-----------------------|
| Move Saunders tanks to Lion State battery & set | \$2,000               |
| Connections & fittings                          | 2,500                 |
| Labor   | 800                   |
| Supervision                                     | 500                   |
| Miscellaneous & Contingencies                   | <u>500</u>            |
| Total Estimated Cost                            | \$6,300               |

Note: Estimated cost to upgrade both batteries to acceptable condition to continue use was more than \$20,000, and could not be justified. This was the reason for the application to commingle in the first place, which was granted with the provision of the metering requirement. The purpose of this hearing is to get permission to allocate using well tests in lieu of metering equipment in order to be able to continue producing at economic levels.

## 1995 Revenue

| Saunders State Lease |                   |                  |                |
|----------------------|-------------------|------------------|----------------|
| Month-Yr.            | Net Wl Rev.<br>\$ | Oper. Cost<br>\$ | Net Rev.<br>\$ |
| Jan-95               | 241               | 1948             | (1,707)        |
| Feb-95               | 7363              | 3233             | 4,130          |
| Mar-95               | 5540              | 2379             | 3,161          |
| Apr-95               | 1513              | 1813             | (300)          |
| May-95               | 7352              | 4395             | 2,957          |
| Jun-95               | 6781              | 5538             | 1,243          |
|                      | 28790             | 19306            | 9,484          |

## Investment Analysis

## Comments

## Projected Future Reserves

**EXHIBIT** 13  
CASE #11378

**Tamarack Petroleum Company  
Lion State & Lion State "A"  
Saunders Permo Upper Penn Field  
Lea County, New Mexico**

| DIVISION OF INTEREST<br>LION STATE & LION STATE "A"   |                                |                                   |                                       |                         |          |
|---|--------------------------------|-----------------------------------|---------------------------------------|-------------------------|----------|
| OWNER NAME AND ADDRESS  | DECIMAL<br>REVENUE<br>INTEREST | TYPE OF<br>OWNER                  | COMMINGLE BY WELL TEST<br>ALLOCATION? |                         | COMMENTS |
|   |                                |                                   | INTEREST<br>APPROVED                  | INTEREST<br>DISAPPROVED |          |
| STATE OF NEW MEXICO<br>P. O. Box 1148<br>Santa Fe, New Mexico 87504   | 0.1250000                      | ROYALTY                           | 0.1250000                             |                         |          |
| B. W. CHRONISTER<br>9722 Losa<br>Dallas, Texas 75218  | 0.0083333                      | ROYALTY                           | 0.0083333                             |                         |          |
| J. L. EVERSON<br>1400 Country Club St.<br>Midland, Texas 79701  | 0.0083333                      | ROYALTY                           | 0.0083333                             |                         |          |
| MARILYN NABER MORDEN EXEX EST.<br>EST. A. D. MORDEN, JR.<br>5631 Tipperary<br>Lincoln, Nebraska 68512                             | 0.0083333                      | ROYALTY                           | 0.0083333                             |                         |          |
| ESTATE OF ARTHUR D. BRAGG<br>c/o Tamarack Petroleum Co., Inc.<br>777 E. Wisconsin Ave. - Suite 1920<br>Milwaukee, Wisconsin 53202 | 0.0187500                      | WORKING<br>INTEREST<br>OWNER      | 0.0187500                             |                         |          |
| TAMARACK PETROLEUM COMPANY, INC.<br>777 E. Wisconsin Ave. - Suite 1920<br>Milwaukee, Wisconsin 53202                              | 0.8312501                      | WORKING<br>INTEREST<br>(OPERATOR) | 0.8312501                             |                         |          |
| TOTAL   | 1.0000000                      |                                   | 1.0000000                             | 0.0000000               |          |



**Tamarack Petroleum Company  
Saunders State Lease  
Saunders Permo Upper Penn Field  
Lea County, New Mexico**

| DIVISION OF INTEREST<br>SAUNDERS STATE LEASE  |                                |                                   |                                       |                         |          |
|---|--------------------------------|-----------------------------------|---------------------------------------|-------------------------|----------|
| OWNER NAME AND ADDRESS  | DECIMAL<br>REVENUE<br>INTEREST | TYPE OF<br>OWNER                  | COMMINGLE BY WELL TEST<br>ALLOCATION? |                         | COMMENTS |
|   |                                |                                   | INTEREST<br>APPROVED                  | INTEREST<br>DISAPPROVED |          |
| STATE OF NEW MEXICO<br>P. O. Box 1148<br>Santa Fe, New Mexico 87504   | 0.1250000                      | ROYALTY                           | 0.1250000                             |                         |          |
| THE ROBERT B. TRAINER, 1973 TRUST<br>c/o Glenora Co.<br>777 E. Wisconsin Ave. - Suite 2395<br>Milwaukee, Wisconsin 53202        | 0.0038021                      | ROYALTY                           | 0.0038021                             |                         |          |
| THE ROBERT A. UIHLEIN, JR. 1976 TRUST<br>c/o Glenora Co.<br>777 E. Wisconsin Ave. - Suite 2395<br>Milwaukee, Wisconsin 53202    | 0.0025520                      | ROYALTY                           | 0.0025520                             |                         |          |
| EST. OF ARTHUR D. BRAGG<br>c/o Tamarack Petroleum Co., Inc.<br>777 E. Wisconsin Ave. - Suite 1920<br>Milwaukee, Wisconsin 53202 | 0.0031250                      | ROYALTY                           | 0.0031250                             |                         |          |
| TAMARACK PETROLEUM COMPANY, INC.<br>777 E. Wisconsin Ave. - Suite 1920<br>Milwaukee, Wisconsin 53202                            | 0.8655209                      | WORKING<br>INTEREST<br>(OPERATOR) | 0.8655209                             |                         |          |
| TOTAL   | 1.0000000                      |                                   | 1.0000000                             | 0.0000000               |          |

# TAMARACK PETROLEUM COMPANY, INC.



500 WEST TEXAS, SUITE 1485  
MIDLAND, TEXAS 79701

TELEPHONE: 915/683-5474  
FACSIMILE: 915/683-7308

June 20, 1995

"Interest Owners"

Re: Surface Commingling  
Lion State, Lion State -A- & Saunders State

Dear Sir or Madam:

Tamarack Petroleum Company, Inc. is seeking permission from the New Mexico Oil Conservation Division to surface commingle production from the above referenced leases.

Tamarack proposes to tie the Lion State No. 1 and Lion State -A- No. 2 into the Saunders State battery. The Lion State and Lion State -A- battery is in need of repair. If Tamarack receives permission from the NMOCD, five wells will be serviced by one battery instead of five wells being serviced by two batteries. Consolidation of batteries will allow the Lion State, Lion State -A- and Saunders State wells to produce economically and reduce operating costs, such that it will extend the life of these leases and increase ultimate recovery from these properties.

If you concur with surface commingling these leases into one central battery and the allocation of production and distribution of sales revenue by a 24 hour test taken monthly, please sign at the bottom and return to Tamarack Petroleum Co., Inc.

Sincerely,

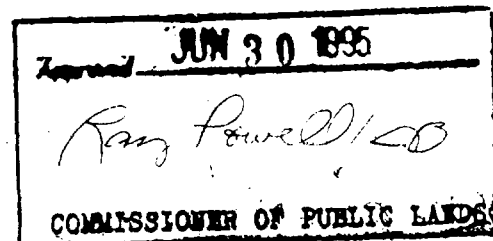
T. Wayne Green  
Production Agent

APPROVED:

Name: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_



**EXHIBIT**  
CASE #11378

16



State of New Mexico  
Commissioner of Public Lands

RAY POWELL, M.S., D.V.M.  
COMMISSIONER

310 OLD SANTA FE TRAIL P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

(505) 827-5760  
FAX (505) 827-5766

June 30, 1995

Tamarack Petroleum Company, Inc.  
500 West Texas, Suite 1485  
Midland, Texas 79701

Attn: Mr. T. Wayne Green

Re: Surface Commingling Application  
Saunders State Well Nos. 1-N, 3-O, Sec. 9-14S-33E  
Lion State A Well No. 2-P, Sec. 9-14S-33E  
Lion State Well No. 1-J, Sec. 9-14S-33E  
Lion State A Well No. 2-P Sec. 9-14S-33E  
Saunders State Well No. 2-E Sec. 16-14S-33E  
Permo Upper Penn Pool  
Lea County, New Mexico

Dear Mr. Green:

This office is in receipt of your letter of June 20, 1995, wherein you have requested our approval to surface commingle the Permo Upper Penn production from the above referenced wells into the Saunders State battery located in the SW/4SE/4 of Section 9-14S-33E.

It is our understanding that the production from the above mentioned wells will be allocated based upon monthly well tests.

Since it appears that there will be no loss of revenue to the State of New Mexico as a result of your proposed request, your application is hereby approved. Any deviation from the substance of your request will be sufficient grounds for rescinding our approval. Our approval is subject to like approval by the New Mexico Oil conservation Division.

Please submit a thirty (\$30.00) dollar filing fee and a copy of the New Mexico Oil Conservation Division's Order approving this application.

*Rec'd 7-28-95 ck #2241*  
*96*

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Tamarack Petroleum Company, Inc.  
June 30, 1995  
Page 2

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

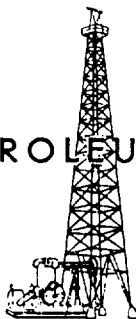
RAY POWELL, M.S., D.V.M.  
COMMISSIONER OF PUBLIC LANDS

BY:   
JAMI BAILEY, Deputy Director  
Oil, Gas and Minerals Division  
(505) 827-5745

RP/JB/pm

cc: Reader File  
OCD-Santa Fe Attn: Mr. Ben Stone  
Attn: Mr. David Catanach

# TAMARACK PETROLEUM COMPANY, INC.



500 WEST TEXAS, SUITE 1485  
MIDLAND, TEXAS 79701

TELEPHONE: 915/683-5474  
FACSIMILE: 915/683-7306

June 20, 1995

"Interest Owners"

Re: Surface Commingling  
Lion State, Lion State -A- & Saunders State

Dear Sir or Madam:

Tamarack Petroleum Company, Inc. is seeking permission from the New Mexico Oil Conservation Division to surface commingle production from the above referenced leases.

Tamarack proposes to tie the Lion State No. 1 and Lion State -A- No. 2 into the Saunders State battery. The Lion State and Lion State -A- battery is in need of repair. If Tamarack receives permission from the NMOC, five wells will be serviced by one battery instead of five wells being serviced by two batteries. Consolidation of batteries will allow the Lion State, Lion State -A- and Saunders State wells to produce economically and reduce operating costs, such that it will extend the life of these leases and increase ultimate recovery from these properties.

If you concur with surface commingling these leases into one central battery and the allocation of production and distribution of sales revenue by a 24 hour test taken monthly, please sign at the bottom and return to Tamarack Petroleum Co., Inc.

Sincerely,

A handwritten signature in cursive script that reads "T. Wayne Green".

T. Wayne Green  
Production Agent

APPROVED:

Name: ROBERT B. TRAINER 1973 TRUST

By: Thomas F. Lechner - TRUSTEE

Date: 7/19/95

# TAMARACK PETROLEUM COMPANY, INC.



500 WEST TEXAS, SUITE 1485  
MIDLAND, TEXAS 79701

TELEPHONE: 915/683-5474  
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T. Wayne Green  
Production Agent

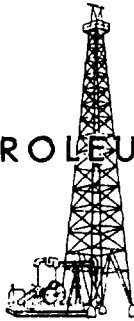
APPROVED:

Name: ROBERT A UHLEIN JR 1976 TRUST

By: Thomas F. Lehner - TRUSTEE

Date: 7/19/95

# TAMARACK PETROLEUM COMPANY, INC.



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T. Wayne Green  
Production Agent

APPROVED:

Name: TAMARACK PETROLEUM COMPANY, INC.

By: Robert P. Frost

Date: 6/26/95

# TAMARACK PETROLEUM COMPANY, INC.



500 WEST TEXAS, SUITE 1485  
MIDLAND, TEXAS 79701

TELEPHONE: 915/683-5474  
FACSIMILE: 915/683-7306

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Sincerely,

T. Wayne Green  
Production Agent

APPROVED: *H. L. BRACE TAYLOR*

Name: *[Signature]*

By: \_\_\_\_\_

Date: *6/26/95*



# TAMARACK PETROLEUM COMPANY, INC.



500 WEST TEXAS, SUITE 1485  
MIDLAND, TEXAS 79701

TELEPHONE: 915/683-5474  
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T. Wayne Green  
Production Agent

APPROVED:

Name: J. L. Everson

By: J. L. Everson

Date: June 23, 1995

EXHIBIT 22  
CASE #11378

# TAMARACK PETROLEUM COMPANY, INC.



500 WEST TEXAS, SUITE 1485  
MIDLAND, TEXAS 79701

TELEPHONE: 915/683-5474  
FACSIMILE: 915/683-7306

June 20, 1995

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Sincerely,

T. Wayne Green  
Production Agent

APPROVED:

Name:

By: \_\_\_\_\_

Date: 7/18/95

# TAMARACK PETROLEUM COMPANY, INC.



500 WEST TEXAS, SUITE 1485  
MIDLAND, TEXAS 79701

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FACSIMILE: 915/683-7306

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Sincerely,

T. Wayne Green  
Production Agent

APPROVED:

Name: Marilyn N. Morden

By: Marilyn N. Morden

Date: 9-16-95

EXHIBIT 24  
CASE #11378