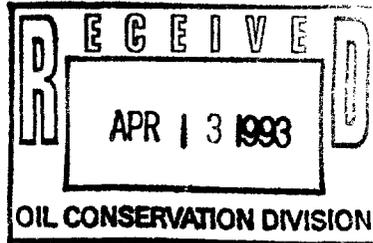


OIL CONSERVATION DIVISION
ENERGY, MINERALS & NATURAL RESOURCES DEPARTMENT
STATE OF NEW MEXICO

In the Matter of the
Application of Mobil
Exploration & Producing
U.S. Inc. for Downhole
Commingling, Lea County,
New Mexico



Case No. 10727

APPLICATION

COMES NOW the Applicant Mobil Exploration & Producing U.S. Inc. by and through its attorneys, Montgomery & Andrews, P.A., and applies to the Division for an order authorizing the downhole commingling of South Shoe Bar-Upper Pennsylvanian Pool and South Shoe Bar-Wolfcamp Pool oil production in the Lovington Deep State No. 1 Well, the Lovington Deep State No. 2 Well, the Lovington Deep State No. 3 Well, the Lovington Deep Amoco State No. 1 Well and the Lovington Deep Amoco State No. 2 Well, all located in Lea County, New Mexico approximately 6 miles southwest of Lovington, New Mexico. In support of said Application, Applicant states:

A. Lovington Deep State No. 1 Well

1. The Applicant is the operator of the Lovington Deep State No. 1 Well located 823 feet from the North line and 581 feet from the East line of Section 1, Township 17S, Range 35E, Lea County, New Mexico.

2. This well is currently producing oil from the Upper Pennsylvanian formation.

3. The Applicant intends to utilize this well to produce oil from the Wolfcamp formation.

4. In order to increase the efficiency of operation of this well and to maximize the recovery of oil reserves from these two zones, the Applicant proposes to commingle these two zones in the well bore.

B. Lovington Deep State No. 2 Well

5. The Applicant is the operator of the Lovington Deep State No. 2 Well located 660 feet from the East line and 1830 feet from the South line of Section 1, Township 17S, Range 35E, Lea County, New Mexico.

6. This well is currently producing oil from the Upper Pennsylvanian formation.

7. The Applicant intends to utilize this well to produce oil from the Wolfcamp formation.

8. In order to increase the efficiency of operation of this well and to maximize the recovery of oil reserves from these two zones, the Applicant proposes to commingle these two zones in the well bore.

C. Lovington Deep State No. 3 Well

9. The Applicant is the operator of the Lovington Deep State No. 3 Well located 1,874 feet from the North line and 1,980 feet from the East line of Section 1, Township 17S, Range 35E, Lea County, New Mexico.

10. This well is currently producing oil from the Upper Wolfcamp formation and has previously produced oil from the Upper Pennsylvanian formation.

11. In order to increase the efficiency of operation of this well and to maximize the recovery of oil reserves from these two zones, the Applicant proposes to commingle these two zones in the well bore.

D. Lovington Deep Amoco State No. 1 Well

12. The Applicant is the operator of the Lovington Deep Amoco State No. 1 Well located 1980 feet from the North line and 660 feet from the West line of Section 6, Township 17S, Range 36E, Lea County, New Mexico.

13. This well is currently producing oil from the Upper Pennsylvanian formation.

14. The Applicant intends to utilize this well to produce oil from the Wolfcamp formation.

15. In order to increase the efficiency of operation of this well and to maximize the recovery of oil reserves from these two zones, the Applicant proposes to commingle these two zones in the well bore.

E. Lovington Deep Amoco State No. 2 Well

16. The Applicant is the operator of the Lovington Deep Amoco State No. 2 Well located 510 feet from the West line and

1830 feet from the South line of Section 6, Township 17S,
Range 36E, Lea County, New Mexico.

17. This well is currently producing oil from the Upper
Pennsylvanian formation.

18. The Applicant intends to utilize this well to produce
oil from the Wolfcamp formation.

19. In order to increase the efficiency of operation of
this well and to maximize the recovery of oil reserves from these
two zones, the Applicant proposes to commingle these two zones in
the well bore.

WHEREFORE, Applicant Mobil Exploration & Producing U.S. Inc.
respectfully requests that the Division hold a hearing on this
matter and, at the conclusion of that hearing, enter its order
approving the downhole commingling of the Upper Pennsylvanian and
Wolfcamp zones in the wellbores of these five wells.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

By 
Edmund H. Kendrick
Post Office Box 2307
Santa Fe, New Mexico 87504
(505) 982-3873

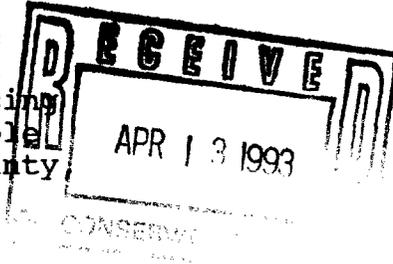
Attorneys for Mobil Exploration
& Producing U.S. Inc.

[EHK:Mobil-Application]

OIL CONSERVATION DIVISION
ENERGY, MINERALS & NATURAL RESOURCES DEPARTMENT

STATE OF NEW MEXICO

In the Matter of the
Application of Mobil
Exploration & Producing
U.S. Inc. for Downhole
Commingling, Lea County
New Mexico



Case No. 10728

APPLICATION

COMES NOW the Applicant Mobil Exploration & Producing U.S. Inc. by and through its attorneys, Montgomery & Andrews, P.A., and applies to the Division for an order authorizing the downhole commingling of South Shoe Bar-Upper Pennsylvanian Pool and South Shoe Bar-Wolfcamp Pool oil production in the Lovington Deep State No. 1 Well, the Lovington Deep State No. 2 Well, the Lovington Deep State No. 3 Well, the Lovington Deep Amoco State No. 1 Well and the Lovington Deep Amoco State No. 2 Well, all located in Lea County, New Mexico approximately 6 miles southwest of Lovington, New Mexico. In support of said Application, Applicant states:

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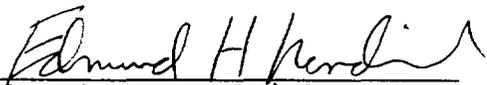
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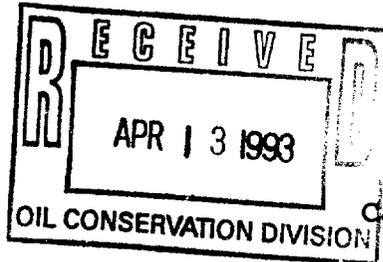
Attorneys for Mobil Exploration
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[EHK: Mobil-Application]

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BY 
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Post Office Box 2307
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Attorneys for Mobil Exploration
& Producing U.S. Inc.

[EHK:Mobil-Application]



JIM BACA
COMMISSIONER

State of New Mexico
OFFICE OF THE
Commissioner of Public Lands
Santa Fe

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

May 13, 1993

Mobil Exploration and Producing U.S. Inc.
12450 Greenspoint Drive
Houston, Texas 77060-1991

Attn: Ms. Sheena Mathews

Re: Application to Downhole Commingle
NMOCD Case No. 10727
Shoe Bar - Upper Penn Pool
Shoe Bar - Wolfcamp Pool
Sections 1 & 6, 17S-36E
Section 36-16S-35E
Section 31-16S-36E
Lea County, New Mexico

Dear Ms. Mathews:

Reference is made to your application of May 10, 1993, wherein you have requested our approval to downhole commingle production from the upper Pennsylvanian and Wolfcamp zones for the South Shoebar field. Wells in the field are Lovington Deep State #1 (Section 1, T-17S, R-35E), #2 (Section 1, T-17S, R-35E), & #3 (Section 1, T-17S, R-35E), Lovington Deep Amoco State #1 (Section 6, T-17S, R-36E), #2 (Section 6, T-17S, R-36E), #3 (Section 6, T-17S, R-36E), Lovington Deep Yates State #1 (Section 36, T-16S, R-35E) and Kriti State #1 (Section 31, T-16S, R-36E).

It is our understanding that currently, the Wolfcamp and Upper Pennsylvanian are surface commingled. Total value of the crude will not be reduced by downhole commingling, and the crude will be sold at the same gravity it is currently selling.

Since it appears that all the New Mexico Oil Conservation Division rules and regulations have been complied with and there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request for downhole commingling 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.

Mobil Exploration & Producing U.S. Inc.
May 13, 1993
Page 2

Your filing fee in the amount of thirty (\$30.00) dollars has been received.

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

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*
FLOYD O. PRANDO, Director
Oil/Gas and Minerals Division
(505) 827-5744
JB/FOP/pm
encls.

cc: Reader File
B-10639-3
V-788-1
LG-7265

DATE CANCELLED - C.D.