

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5600

COMMINGLING ORDER PC-847

Samedan Oil Corporation
10 Desta Drive, Suite 240 East
Midland, TX 79705

Attention: Judy Throneberry

LEASE NAME: Sarah "B" Lease Well Nos. 1 and 2
DESCRIPTION: SE/4 SE/4 of Section 11 and NE/4 SW/4 of Section 12, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico.

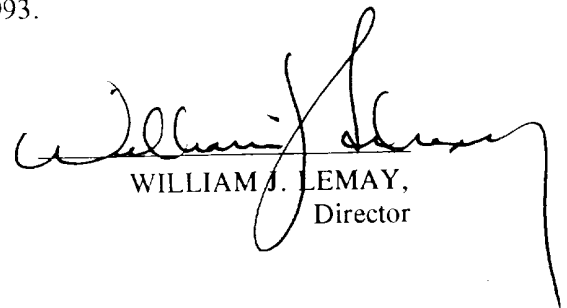
The above-named company is hereby authorized to commingle Cline Tubb and Blinebry Oil & Gas Pool production in a common tank battery and to determine the production from each pool by well tests. (If this method is to be authorized, all commingled production must be of marginal nature; further, the operator shall notify the Santa Fe office of the Division in the event any well in the commingled battery becomes capable of top allowable production, at which time the Division will amend this order or take such other action as may be appropriate.

FURTHER: The operator shall notify the Hobbs District Office of the Division upon implementation of the commingling process.

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.

REMARKS: The commingled production shall be stored in a tank battery facility located in Unit Letter P of Section 11, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico.

DONE at Santa Fe, New Mexico, on this 23rd day of September, 1993.


WILLIAM J. LEMAY,
Director

cc: Oil Conservation Division- Hobbs
US Bureau of Land Management - Carlsbad

OPERATOR'S CC

Form 3160-5
(June 1990)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

8 1993

FORM APPROVED

Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

5. Lease Designation and Serial No.

NM 2244

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

8. Well Name and No.

Sarah B #2

2. Name of Operator

Samedan Oil Corporation

9. API Well No.

30-025-32178

3. Address and Telephone No.

10 Desta Dr. Ste. 240E, Midland, TX 79705 (915) 684-8491

10. Field and Pool, or Exploratory Area

Cline/Tubb

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

2310 FSL & 1653 FWL Sec. 12, T-23-S, R-37-E

11. County or Parish, State

Lea

CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

Notice of Intent

Abandonment

Change of Plans

Subsequent Report

Recompletion

New Construction

Final Abandonment Notice

Plugging Back

Non-Routine Fracturing

Casing Repair

Water Shut-Off

Altering Casing

Conversion to Injection

Other Surface Commingle

Dispose Water

Note: Report results of multiple completion or Well Completion or Recompletion Report and Log form.

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

See Attachment

Permit - PC 847

SEP 7 11 25 AM '93
 CARB AREA

RECEIVED

14. I hereby certify that the foregoing is true and correct.

Signed

Judy Thronberry

Title Division Production Clerk

Date 9/3/93

(This space for Federal or State office use)

Approved by

Adam Salameh

Title

Date 9/21/93

Conditions of approval, if any:

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, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Exception to Rule 303-A
Surface Commingling of the
Sarah B. Lease, Fed Lease #NM2244
Sec 11, T-23-S, R-37-E, Lea County

Samedan is requesting permission to surface commingle the Tubb Pool and the Blinebry Pool in the Cline field at the tank battery located at the Sarah B Well #1, Sec 11, T-23-S, R-37-E, Lea County.

At the present time two wells, Sarah B #1 and Sarah B #2, are producing from the Tubb zone into the battery. Plans are being made for dual completions on both wells from the Blinebry zone and the Tubb zones.

1. Samedan owns and operates 100% of the Sarah B. Lease

2. Tubb Zone: Daily production = 85 bbls oil
Gravity @ 60 = 33.8. Sulfur = .389
Value = \$16.25 per bbl for sweet crude

Blinebry Zone: Daily Production = 70 bbls oil (estimate)
Gravity @ 60 = 40.0 (representative)
Value = \$16.35 per bbls for sweet crude

Commingled oil: Expected gravity = 37.0 Sweet Crude
Expected value = \$16.31 per bbl.

3. The actual commercial value of the commingled production will be equal to the sum of the values of the production from each common source of supply.

Please find attached a schematic diagram of the battery installation and plats showing well locations.

Submit to Appropriate District Office
 Late Lease - 4 copies
 Fee Lease - 3 copies

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-102
 Revised 1-1-89

SAMEDAN OIL CORP
 RECEIVED

OIL CONSERVATION DIVISION

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

MAR 8 1993

DISTRICT I
 P.O. Box 1080, Hobbs, NM 88240

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

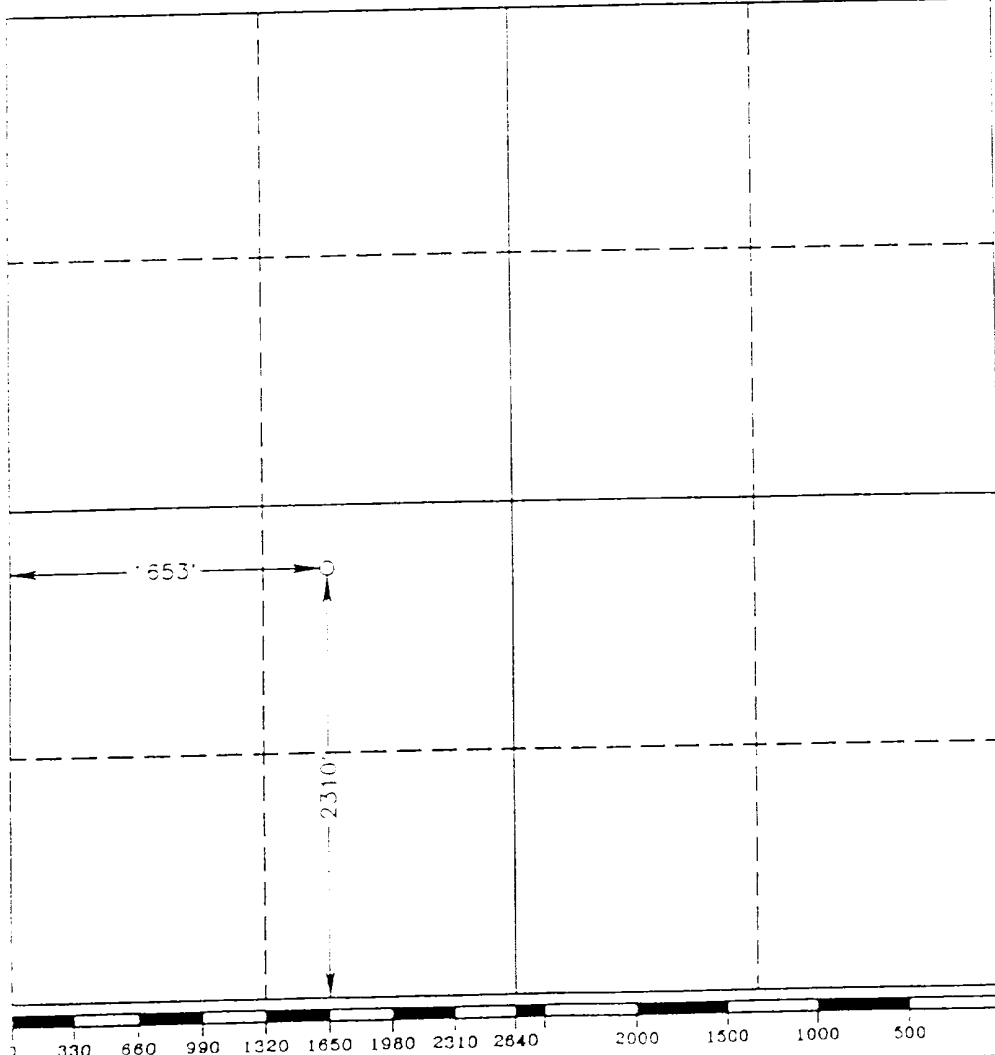
DISTRICT III
 P.O. Box 100 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT MIDLAND OFFICE

All Distances must be from the outer boundaries of the section

Operator SAMEDAN OIL CORPORATION		Lease SARAH "B"		Well No. 2
Unit Letter K	Section 12	Township 23 SOUTH	Range 37 EAST NMPM	County LEA
Actual Footage Location of Well: 2310 feet from the SOUTH line and 1653 feet from the WEST line				
Ground Level Elev. 3300.8'	Producing Formation TUBB	Pool GUINE	Dedicated Acreage: 40 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
 - If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
 - If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
 - Yes No If answer is "yes" type of consolidation _____
- If answer is "no" list of owners and tract descriptions which have actually been consolidated. (Use reverse side of this form necessary.)
 No allowable will be assigned to the well unit all interests have been consolidated (by communitization, unitization, forced-pooling, otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Gary L. Jones
 Signature

Printed Name
 Position
 Company
 Date

SURVEYOR CERTIFICATION

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 knowledge and belief.

Date Surveyed
 MARCH 04, 1993

Signature & Seal of Professional Surveyor

Gary L. Jones

GARY L. JONES
 NEW MEXICO
 1977

Certificate No. JOHN W. WEST 876
 RONALD J. EDSON, 3239
 GARRARD JONES, 1977

95-11-0565

Submit to Appropriate District Office
 State Lease - 4 copies
 Private Lease - 3 copies

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-102
 Revised 1-1-89

OIL CONSERVATION DIVISION

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

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

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

DISTRICT III
 P.O. Box 100, Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

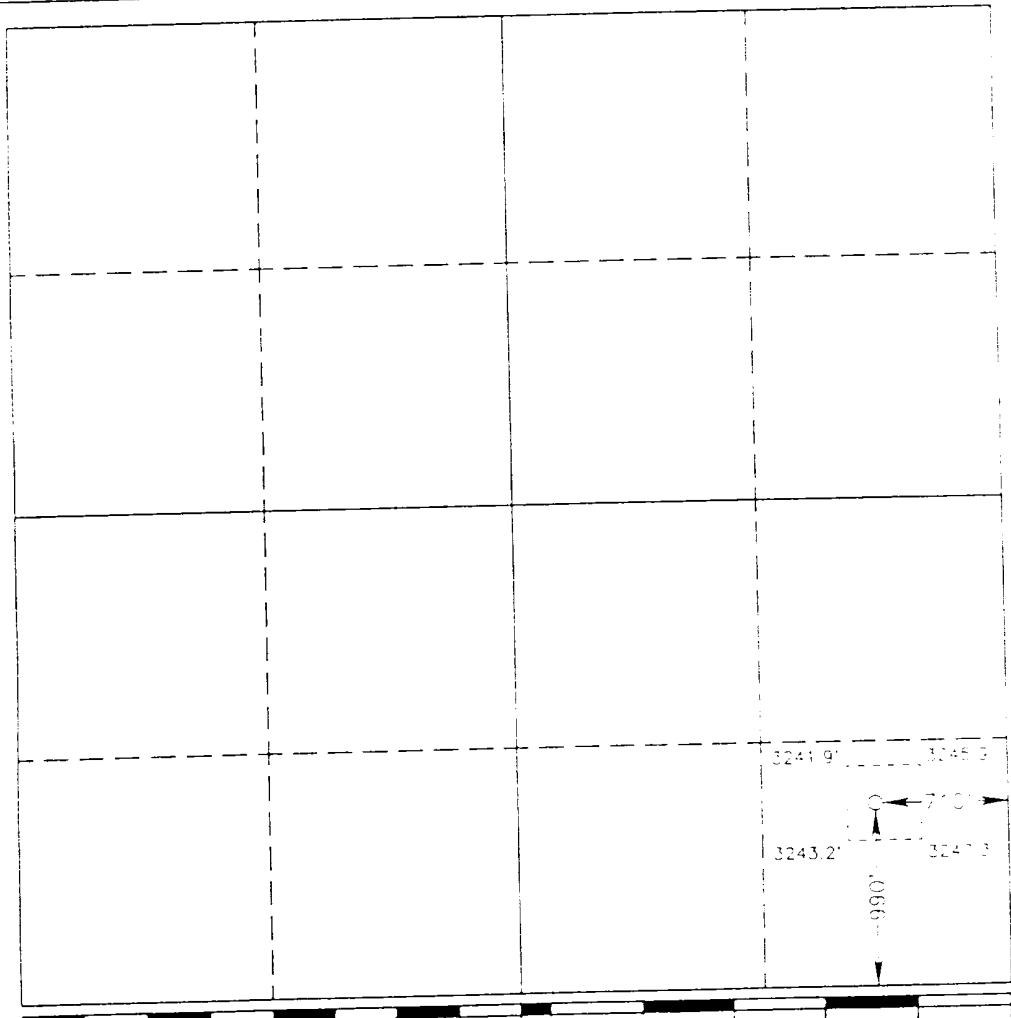
Operator SAMEDAN OIL CORP.			Lease SARAH B		Well No.
Unit Letter P	Section 11	Township 23 SOUTH	Range 37 EAST	County NMPM	LEA
Actual Footage Location of Well: 990 feet from the SOUTH line and 710 feet from the EAST line					
Ground Level Elev. 3239.2'	Producing Formation TUBB		Pool CLINE	Dedicated Acreage: 40 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
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Yes No If answer is "yes" type of consolidation _____

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No allowable will be assigned to the well unit all interests have been consolidated (by communitization, unitization, forced-pooling, otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Garry Thronley
 Signature

Printed Name

Position

Company

Date

SURVEYOR CERTIFICATION

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 knowledge and belief.

Date Surveyed
June 17, 1983

Signature & Seal of Professional Surveyor

Garry L. Jones
 Signature

GARY L. JONES
NEW MEXICO
1972
PROFESSIONAL SURVEYOR

Certificate No. **JOHN V. BOYD** 878
RONALD J. BOYD 3239
GARY L. JONES 7977

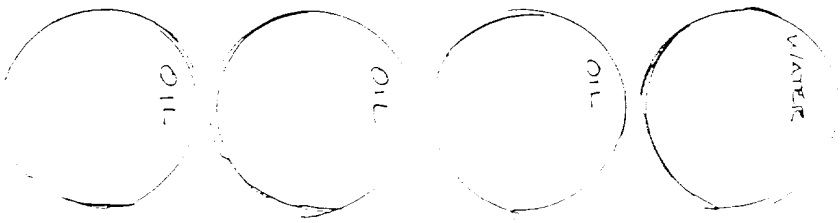
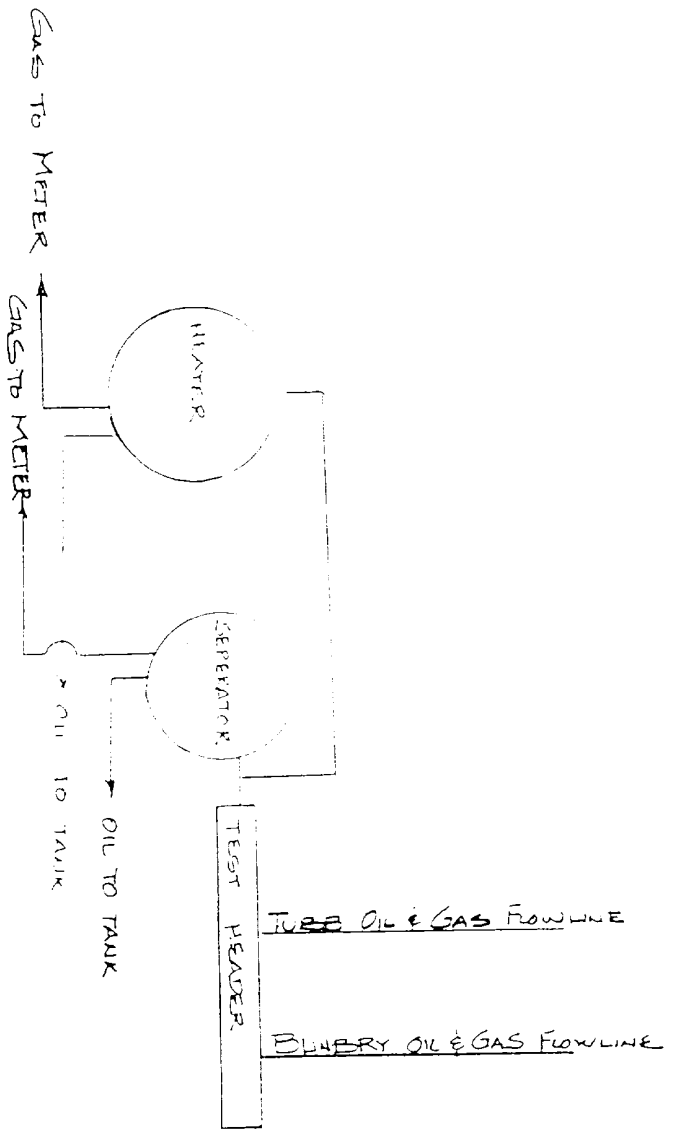
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Samedan Oil Corporation
10100 Beech Street, Suite 101 East
Midland, Texas 79705

M

SARAH B LEASE TANK BATTERY

Section 11, T-23-S, R-37-E
Lea County, New Mexico



Exception to Rule 303-A
Surface Commingling of the
Sarah B. Lease, Fed Lease #NM2244
Sec 11, T-23-S, R-37-E, Lea County

Samedan is requesting permission to surface commingle the Tubb Pool and the Lower Paddock/ Blinebry Pool in the Cline field at the tank battery located at the Sarah B Well #1, Sec 11, T-23-S, R-37-E, Lea County.

At the present time two wells, Sarah B #1 and Sarah B #2, are producing from the Tubb zone into the battery. Plans are being made for dual completions on both wells from the Blinebry zone and the Tubb zones.

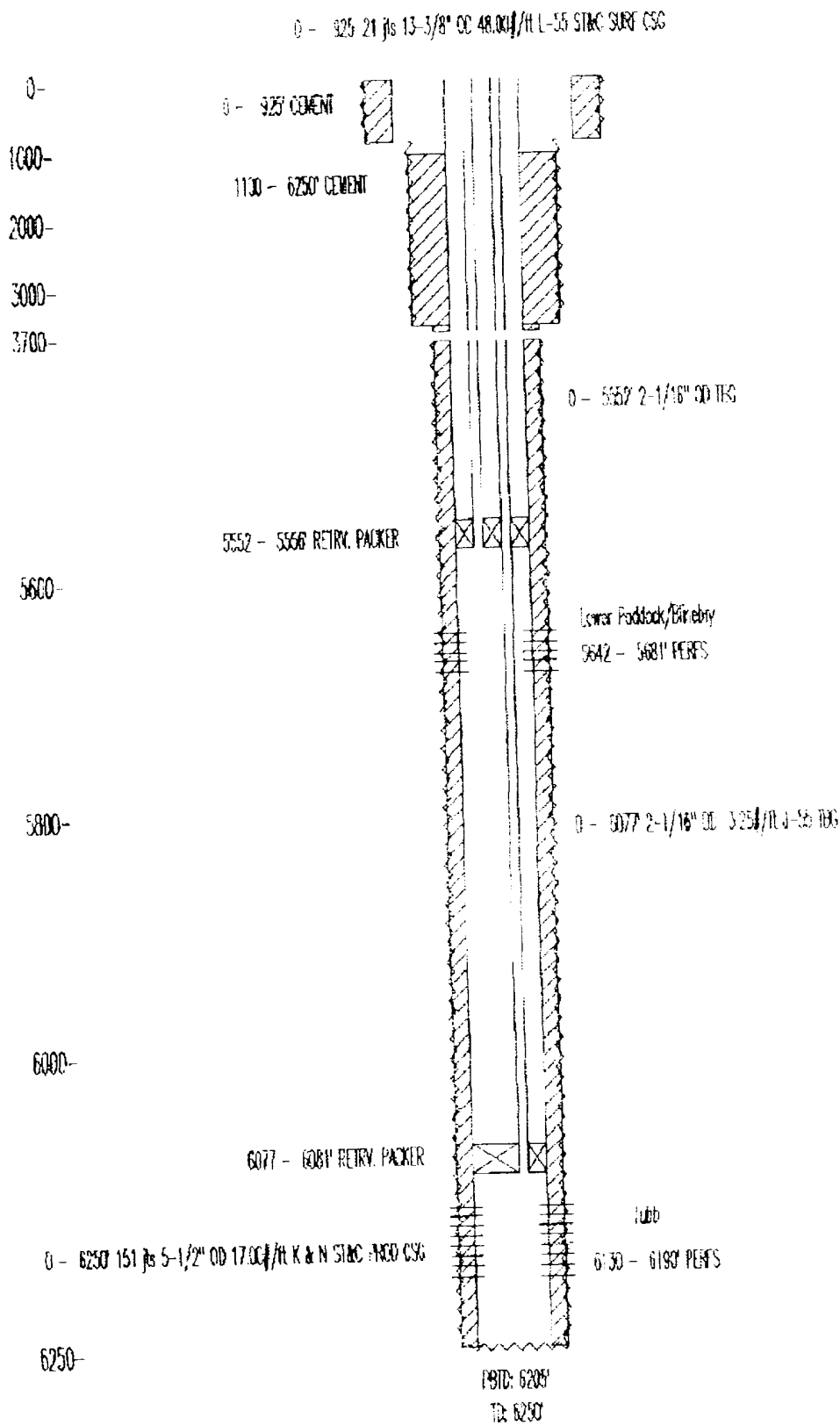
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2. Tubb Zone: Daily production = 85 bbls oil
Gravity @ 60 = 33.8. Sulfur = .389
Value = \$16.25 per bbl for sweet crude

Blinebry Zone: Daily Production = 70 bbls oil (estimate)
Gravity @ 60 = 40.0 (representative)
Value = \$16.35 per bbls for sweet crude

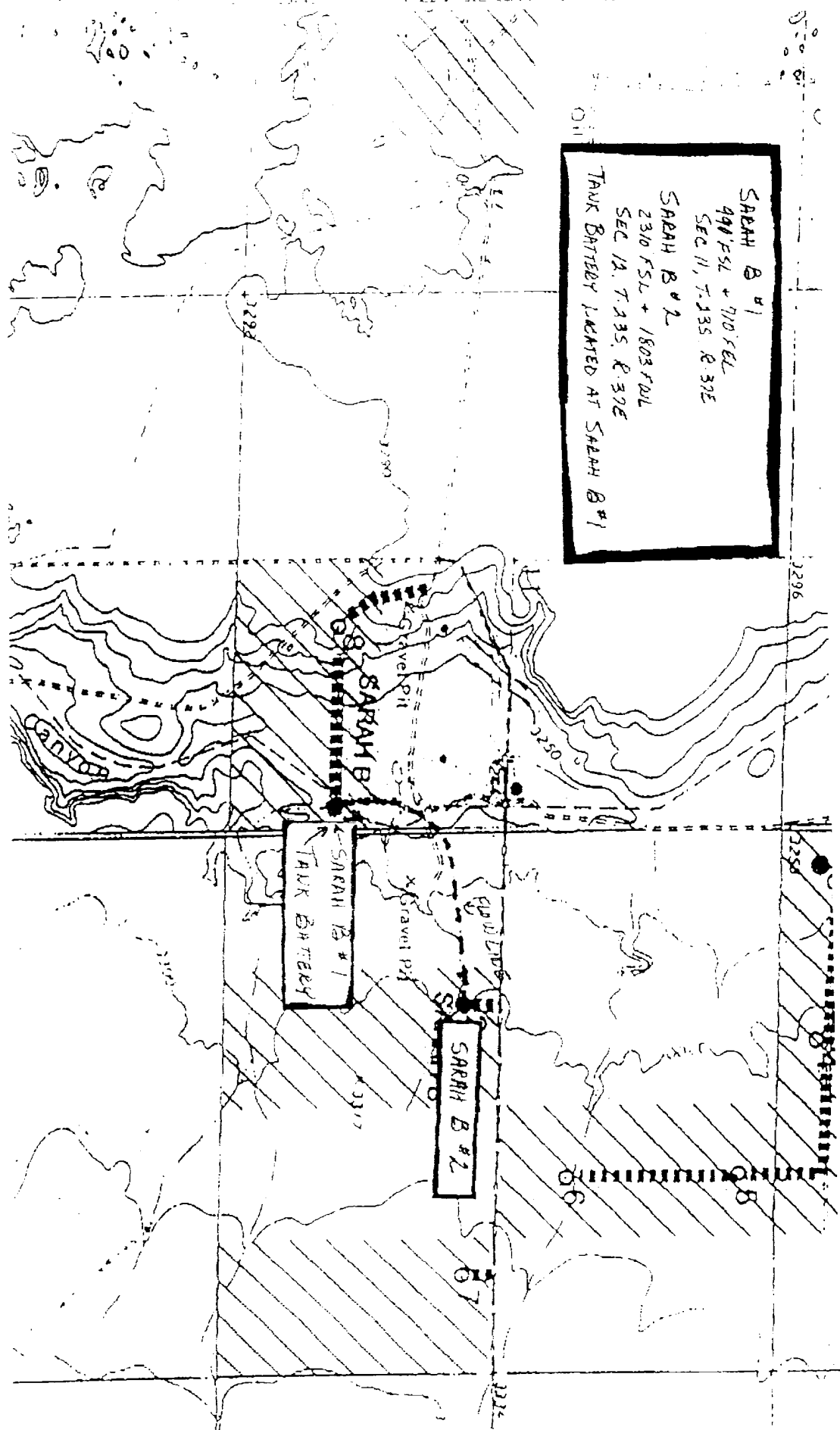
Commingled oil: Expected gravity = 37.0 Sweet Crude
Expected value = \$16.31 per bbl.
3. The actual commercial value of the commingled production will be equal to the sum of the values of the production from each common source of supply.
4. The determining allocation of production for the subject pools will be by well tests.

Please find attached a schematic diagram of the battery installation, plats showing well locations, and a well schematic of the producing strings.

SARAH B #2



SARAH B #2
 2310' FSL & 1653' FWL
 SEC 12, T23S, R37E
 LEA CO., NM



SARAH B #1
 990 FSL + 710 FSL
 SEC 11, T. 135. R. 39E
 SARAH B #2
 2310 FSL + 1803 FSL
 SEC 12, T. 135. R. 39E
 TANK BATTERY LOCATED AT SARAH B #1

SARAH B #1
 TANK BATTERY

SARAH B #2

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OFFICE