



State of New Mexico Department of Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
RECEIVED
MARCH 7 1996

PC N/R
931

MARCH 7 1996

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, New Mexico 87504

Attention: Mr. William J. LeMay

RE: Application for exception to NMOCD Rule 303-A: Surface Commingle of oil and gas production from multiple pools on the Lydia Rentz lease: sections 19 and 20, T25N-R3W, NMPM, Rio Arriba County, New Mexico

Dear Mr. LeMay:

Four Star Oil and Gas Company respectfully requests administrative approval to surface commingle oil and gas production from the Blanco Pictured Cliff South gas pool, the Blanco Mesaverde gas pool and the West Lindrith Gallup-Dakota oil pool within the Lydia Rentz lease. Approval of this application will require an exception to Rule 303-A. Commingling is within a single lease where ownership is identical throughout, including working interest ownership, royalty ownership and overriding royalty ownership (see attached statement, exhibit I).

Oil production is gathered at two separate tank batteries located on the lease. Gas production feeds El Paso Field Services CDP meter no. 87932, also located on the lease. Exhibit II is a diagram showing the location of the wells, the gathering lines, the two tank batteries and the CDP meter. Exhibit III is a spreadsheet containing information concerning the specific wells tied to the gathering system. Both gas and liquid production is metered at each well location prior to commingling for allocation purposes. None of the wells are capable of producing top allowable in a prorated pool.

Since this is a Federal lease (SF-079601), a sundry has been submitted to the BLM seeking approval for surface commingling (Exhibit IV). Surface commingling improves access for trucking out produced oil and accommodates central compression to enhance production. If you have any questions concerning this request please contact Mr. Mark R. Reinhold at (505) 325-4397, ext. 19. Your attention to this matter is greatly appreciated.

Sincerely,

DHC 1114
1133

Ted A. Tipton
Operating Unit Manager

MRR/s
Exhibits Attached
cc: NMOCD-Aztec
file

LIST OF EXHIBITS

<u>Exhibit</u>	<u>Description</u>
I	Ownership statement
II	Diagram of surface commingled gathering system
III	Well information sheet
IV	BLM Sundry



Exhibit I

Texaco

DATE: February 27, 1996

TO: Mr. T. A. Tipton
Farmington, New Mexico

FROM: Chuck Snure
Denver, CO

SUBJECT: **SURFACE COMMINGLING OF WELLS**
L.L. McConnell Lease - SF-079602
Lydia Rentz Lease - SF-079601
Rio Arriba County, New Mexico

Pursuant to your request for ownership information on the captioned leases, please be advised of the following:

L.L. McConnell Lease (SF-079602)

Wells: #1, #1A, #6, #11, #14, #14A, #15

Working Interest ownership is common (Four Star Oil & Gas Company)

Royalty ownership is common (8.5% effective 12-1-93)

Overriding Royalty ownership is common (2.5%)

Lydia Rentz Lease (SF-079601)

Wells: #1, #7, #7A, #9, #9A, #11, #11A

Working Interest ownership is common (Four Star Oil & Gas Company)

Royalty ownership is common (3.7% effective 12-1-93)

Overriding Royalty ownership is common (2.5%)

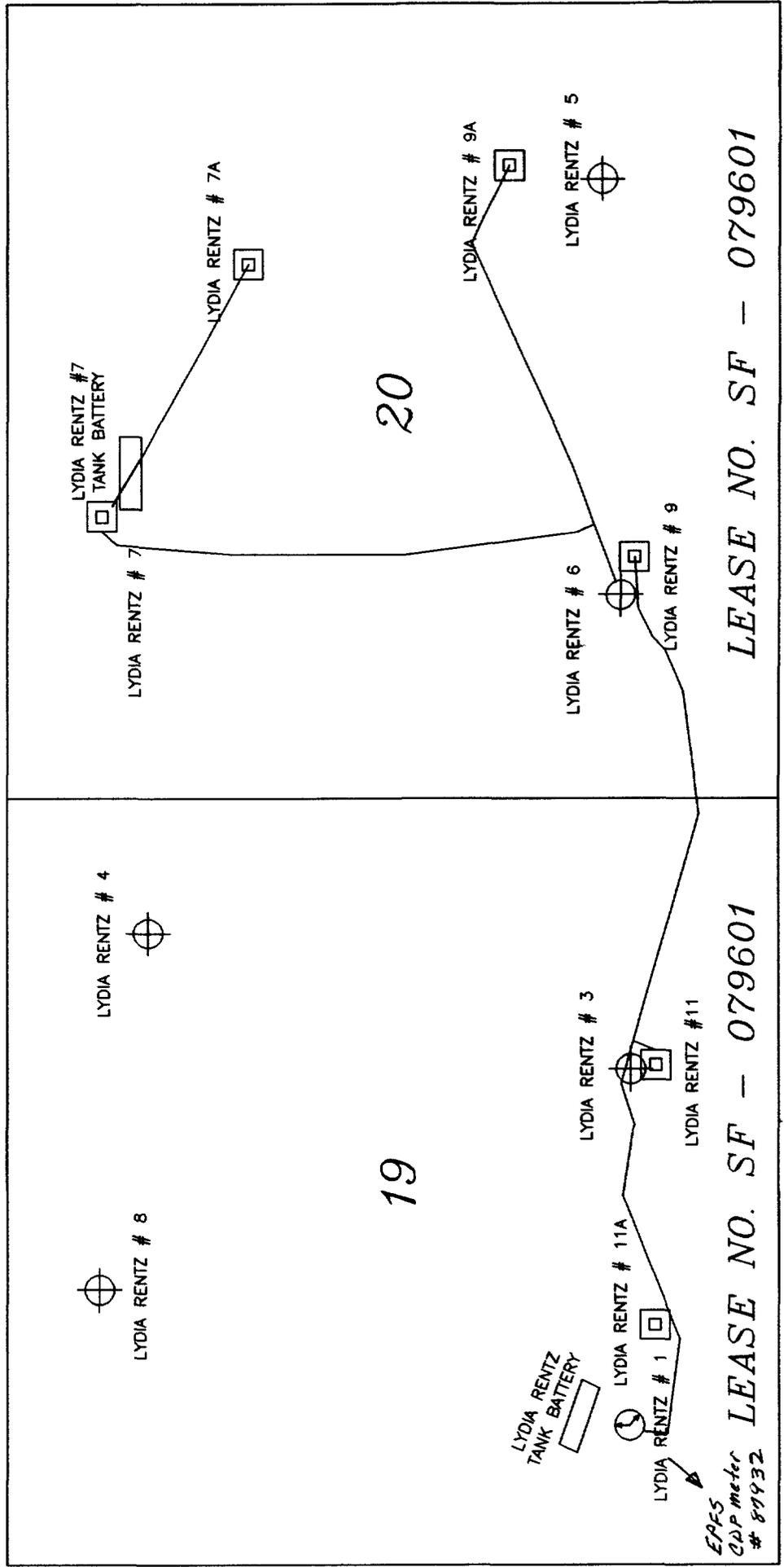
Please advise should you need further information regarding these Federal leases.

Chuck Snure

CAS:

cc: Land Files - NM741121, NM751205

Exhibit II



WELL WITH "FLOW TIMER"



WELL WITH "E.F.M."

Exhibit III

Four Star Oil and Gas Company Well Meters Upstream of EPNG CDP Meter # 87932 (meter is located on the lease) and Central Tank Batteries												
Well	BLM LEASE DESIGNATION	FIELD/ POOL NAME	Township	Range	Section	Spot	Legal	FSOG Allocation Meter #	El Paso CDP Meter #	Oil Prod. (12/95) BOPD	Gas Prod. (12/95) MCFD	Water Prod. (12/95) BOPD
Lydia Rentz #7	SF-079601	W. Lindrith GP-DK, Blanco MV (DHC-1133)	T25N	R03W	20	C	800' FNL/1820' FWL	191-197	87932	3	41	3
Lydia Rentz #7A	SF-079601	W. Lindrith GP-DK, Blanco MV (DHC-1114)	T25N	R03W	20	G	1650' FNL/1650' FEL	191-191	87932	1	74	15
Lydia Rentz #1	SF-079601	Blanco P. C. South	T25N	R03W	19	M	990' FSL/990' FWL	191-252	87932	0	11	0
Lydia Rentz #9	SF-079601	W. Lindrith GP-DK	T25N	R03W	20	N	990' FSL/1650' FWL	191-185	87932	6	47	3
Lydia Rentz #9A	SF-079601	W. Lindrith GP-DK	T25N	R03W	20	I	1850' FSL/990' FEL	191-192	87932	33	149	3
Lydia Rentz #11	SF-079601	W. Lindrith GP-DK, Blanco MV (DHC-1001)	T25N	R03W	19	O	840' FSL/1820' FEL	191-184	87932	10	64	1
Lydia Rentz #11A	SF-079601	W. Lindrith GP-DK	T25N	R03W	19	K	845' FSL/1645' FWL	191-190	87932	21	52	2
Total										74	438	27

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Exhibit IV

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

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

FOUR STAR OIL AND GAS CO.

3. Address and Telephone No.

3300 N. Butler, Farmington, New Mexico 87401 (505)325-4397

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

5. Lease Designation and Serial No.

SF 079601

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

LYDIA RENTZ LEASE

9. API Well No.

10. Field and Pool, or Exploratory Area

11. County or Parish, State

RIO ARRIBA, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input type="checkbox"/> Other
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on 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 and 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.)*

Four Star Oil and Gas Company requests approval to surface commingle both oil and gas production from the following wells located on the Lydia Rentz lease: Lydia Rentz #1, #7, #7A, #9, #9A, #11 and #11A. Oil production is gathered at two separate tank batteries located on the lease. Gas production feeds El Paso Field Services CDP meter No. 87932, also located on the lease. Attached is a diagram showing the location of the wells, the gathering lines, the two tank batteries, and the CDP meter. Also attached is a spreadsheet containing specific information on the wells tied to the gathering system. Both gas and liquid is metered at each well commingling for allocation purposes. Commingling is within a single lease (SF-079601) where ownership is identical throughout, including working interest, royalty interest and overriding royalty ownership.

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

Signed *J. [Signature]*

Title Operating Unit Manager

Date 3/8/96

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____

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 of agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

PC-931

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

SUNDRY NOTICES AND REPORTS ON WELLS

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Use "APPLICATION FOR PERMIT--" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
FOUR STAR OIL AND GAS CO.

3. Address and Telephone No.
3300 N. Butler, Farmington, New Mexico 87401 (505)325-4397

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

5. Lease Designation and Serial No.
SF 079601

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.
LYDIA RENTZ LEASE

9. API Well No.

10. Field and Pool, or Exploratory Area

11. County or Parish, State
See Attached
RIO ARRIBA, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input type="checkbox"/> Other
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on 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 and 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.)*

Four Star Oil and Gas Company requests approval to surface commingle both oil and gas production from the following wells located on the Lydia Rentz lease: Lydia Rentz #1, #7, #7A, #9, #9A, #11 and #11A. Oil production is gathered at two separate tank batteries located on the lease. Gas production feeds El Paso Field Services CDP meter No. 87932, also located on the lease. Attached is a diagram showing the location of the wells, the gathering lines, the two tank batteries, and the CDP meter. Also attached is a spreadsheet containing specific information on the wells tied to the gathering system. Both gas and liquid is metered at each well commingling for allocation purposes. Commingling is within a single lease (SF-079601) where ownership is identical throughout, including working interest, royalty interest and overriding royalty ownership.

RECEIVED
MAR 20 1996
OIL CON. DIV.
DIST. 3

pmk
3/18/96

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

Signed *J. Davis* Title Operating Unit Manager Date 3/8/96

(This space for Federal or State office use)

Approved by *Robert Kent* Title Chief, Lands and Mineral Resources Date MAR 19 1996

Conditions of approval, if any:

Need PC orders

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

(JUNE 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

PC-931

SUNDRY NOTICES AND REPORTS ON WELLS

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SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

FOUR STAR OIL AND GAS CO.

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3300 N. Butler, Farmington, New Mexico 87401 (505)325-4397

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

5. Lease Designation and Serial No.

SF-079601

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

LYDIA RENTZ LEASE

9. API Well No.

10. Field and Pool, or Exploratory Area

11. County or Parish, State

RIO ARRIBA COUNTY, NM

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

TYPE OF SUBMISSION

TYPE OF ACTION

Notice of Intent
 Subsequent Report
 Final Abandonment Notice

Abandonment
 Recompletion
 Plugging Back
 Casing Repair
 Altering Casing
 Other

Change of Plans
 New Construction
 Non-Routine Fracturing
 Water Shut-Off
 Conversion to Injection
 Dispose Water

CDP METER

(Note: Report results of multiple completion on 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 and 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.)*

FOUR STAR OIL AND GAS COMPANY REQUESTS PERMISSION TO SURFACE COMMINGLE PRODUCTION FROM THE FOLLOWING WELLS LOCATED ON THE LYDIA RENTZ LEASE: RENTZ #1, #9, #9A, #11, #11A, #7, AND #7A. THE ATTACHED INFORMATION SHEET SHOWS THE FIELD, LEGAL LOCATIONS, METER NUMBERS AND PRODUCTION FOR THE WELL COMPLETIONS. THESE WELL COMPLETIONS ARE METERED INDIVIDUALLY FOR ALLOCATION PURPOSES. THE WELL COMPLETIONS FEED THE EL PASO CDP METER #87932. FOUR STAR OIL AND GAS IS THE DESIGNATED TRANSPORTER FOR ALL GAS FED TO THE CDP METER, WHICH IS LOCATED ON THE LEASE.

ACCEPTED FOR RECORD

RECEIVED
SEP -10 1996

OIL CON. DIV.
DIST. 3

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

Signed

[Signature]

Title **Operating Unit Manager**

Date **12/21/95**

(This space for Federal or State office use)

Approved by

[Signature]

Chief, Lands and Mineral Resources

Title

Date

SEP 9 1996

Conditions of approval, if any:

Head PC Owen (S)

Four Star Oil and Gas Company Well Meters Upstream of EPNG CDP Meter # 87932 (meter is located on the lease)											
Well	BLMLEASE DESIGNATION	FIELD/ POOL NAME	Township	Range	Section	Spot	Legal	F SOG Allocation Meter #	El Paso CDP Meter #	Gas Prod. (9/95) MCFD	Oil Prod. (9/95) BOPD
Lydia Rentz #1	SF-079601	Blanco P. C. South	T25N	R03W	19	M	990' FSL/990' FWL	(EPNG #87932)	87932	15	0
Lydia Rentz #9	SF-079601	W. Lindrith GP-DK	T25N	R03W	20	N	990' FSL/1650' FWL	191-185	87932	115	17
Lydia Rentz #9A	SF-079601	W. Lindrith GP-DK	T25N	R03W	20	I	1850' FSL/990' FEL	191-192	87932	177	35
Lydia Rentz #11	SF-079601	W. Lindrith GP-DK, Blanco MV	T25N	R03W	19	O	840' FSL/1820' FEL	191-184	87932	83	50
Lydia Rentz #11A	SF-079601	W. Lindrith GP-DK	T25N	R03W	19	K	845' FSL/1645' FWL	191-190	87932	65	33
Lydia Rentz #7	SF-079601	W. Lindrith GP-DK, Blanco MV	T25N	R03W	20	C	800' FNL/1820' FWL	191-197	87932	82	12
Lydia Rentz #7A	SF-079601	W. Lindrith GP-DK, Blanco MV	T25N	R03W	20	G	1650' FNL/1650' FEL	191-191	87932	155	7
Total										677	154