

PLC 1.9.96

**EXXON** COMPANY, U.S.A.

POST OFFICE BOX 1600 • MIDLAND, TEXAS 79702-1600

DEC 21 1995

MIDLAND PRODUCTION ORGANIZATION  
OPERATIONS INTEGRITY

November 21, 1995

New Mexico Oil Conservation Commission  
District IV  
Box 2088  
Santa Fe, New Mexico 87501

Attention: William J. LeMay  
Division Director

Re: Amended Commingling Order R-1834

Exxon is submitting for your approval an amended surface commingling (exception to Rule 303.A) for the following leases:

New Mexico -V- State Lease; Property Code 004200, NMOCD District I, Lea County

New Mexico -FO- State Com Lease; Property Code (not assigned); NMOCD District I, Lea County

Per instructions in Rule 303.B(2), please see attachments for information required for administrator approval. If there are any questions, please contact me at (915) 688-7874.

Sincerely,



Don J. Bates  
Regulatory Specialist

DJB:mym  
Attachments  
3\pc1834.frm

**EXXON** COMPANY, U.S.A.

POST OFFICE BOX 1600 • MIDLAND, TEXAS 79702-1600

MIDLAND PRODUCTION ORGANIZATION

OPERATIONS INTEGRITY

November 23, 1995

New Mexico State Land Office  
Box 1148  
Santa Fe, New Mexico 87504-1148

Attention: Pete Martinez

Re: Amended Commingling Order R-1834

Exxon is submitting for your approval an **amended** surface commingling (exception to Rule 1.055) for the following leases:

New Mexico -V- State Lease; State Lease B-935, NMOCD District I, Lea County

New Mexico -FO- State Com; State Lease B-935, NMOCD District I, Lea County

Attached is a \$30 check (Check Number 027513) to process the amended application.

Per instructions in Rule 1.055, please see attachments for information required for administrator approval. If there are any questions, please contact me at (915) 688-7874.

Sincerely,



Don J. Bates  
Regulatory Specialist

DJB:dm  
Attachments  
pc1834.doc

# EXXON COMPANY, U.S.A.

A DIVISION OF EXXON CORPORATION

## SOUTHWESTERN PRODUCTION DIVISION

POST OFFICE BOX 1600  
MIDLAND, TEXAS 79702-1600

### SETTLEMENT OF ACCOUNT

THE ATTACHED CHECK IS IN FULL  
PAYMENT FOR THE ITEMS SHOWN  
BELOW AND CONSTITUTES RECEIPT

#### DESCRIPTION

Exception to State Land Rule 1.055 (Surface Commingling Application)

# EXXON COMPANY, U.S.A.

A DIVISION OF EXXON CORPORATION

MIDLAND, TEXAS November 20, 1995

32-2  
1110

CHECK NUMBER

027513

PAID

EXXON \$30.00

\$30.00

TO State of New Mexico Commissioner of Public Lands  
Santa Fe, NM

SOUTHWESTERN PRODUCTION DIVISION

*Cindy L. Gentry*

NationsBank of Texas, N.A.  
Midland, Texas

⑈027513⑈ ⑆111000025⑆ ⑈3580000264⑈

## COMMINGLE PRE-APPLICATION

STATE LAND OFFICE RULES 1.053-1.055 APPLY TO COMMINGLING OIL AND GAS PRODUCTION FROM NEW MEXICO STATE LANDS. PLEASE PROVIDE THE FOLLOWING INFORMATION SO THAT WE CAN DETERMINE WHETHER OR NOT A COMMINGLE APPLICATION PACKAGE SHOULD BE SUBMITTED.

1. BRIEFLY DESCRIBE WHAT YOU PROPOSE TO DO.

We propose to surface commingle (only) liquid hydrocarbon production from the N.M. -F0- State Com. #1; Hare-San Andres (gas) pool with liquid hydrocarbon production from the NM -V- State #10; Hare-San Andres (gas) pool.

2. FILL IN THE FOLLOWING INFORMATION FOR EACH WELL.

WELL NUMBER	LEGAL DESCRIPTION	LESSEE OF RECORD	N.M. LEASE NUMBER	FORMATION
5	M-10-21-37	Exxon Corp.	B-935	Penrose Skelly; Grayburg
7	N-10-21-37	Exxon Corp.	B-935	Penrose Skelly; Grayburg
9	K-10-21-37	Exxon Corp.	B-935	Penrose Skelly; Grayburg
10	M-10-21-37	Exxon Corp.	B-935	Hare - San Andres (Gas)
1	0-10-21-37	Exxon Corp.	B-935	Hare - San Andres (Gas)

NAME: Don J. Bates

COMPANY: Exxon Corp.

PHONE NUMBER: 915/688-7874

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT THE OIL, GAS AND MINERALS DIVISION AT (505) 827-5744.

## STATE LAND OFFICE RULE 1.055

COMMINGLING AND OFF LEASE STORAGE OF OIL AND GAS  
ON STATE TRUST LANDS

1.055 Application for Permission to Commingle or Off Lease Store Production. Applications for permission to commingle or off lease store production shall be directed to the Commissioner and shall include:

- Attached A. Formal application stating the type of permission desired and the reason therefor, accompanied by an application fee of thirty dollars (\$30.00).
- Attached B. Plat showing the location of leases, wells, flow lines and common tankage. All plats and diagrams should differentiate between surface and underground pipe.
- Attached C. A list of the involved leases arranged by their State Land Office Lease Number, their legal description, and including state beneficiaries.
- Attached D. A designation of the pool from which each well produces.
- Attached E. An economic analysis of proposed operation showing profit or loss to the State of New Mexico.
- Attached F. Schematic diagram of entire system from production manifold to pipeline connection showing position of all components of flow stream.
- N/A G. Detail drawing(s) of any component which is specifically fabricated; i.e., not commercially available.
- Attached H. Description of the operating sequence explaining the complete operation.
- I. Any other pertinent data that will assist the Commissioner in deciding upon the application.

\* We have NOT received this information as of \_\_\_\_\_  
(New Mexico State Land Office - Oil and Gas Division.)

### **Comments for 1.055.E**

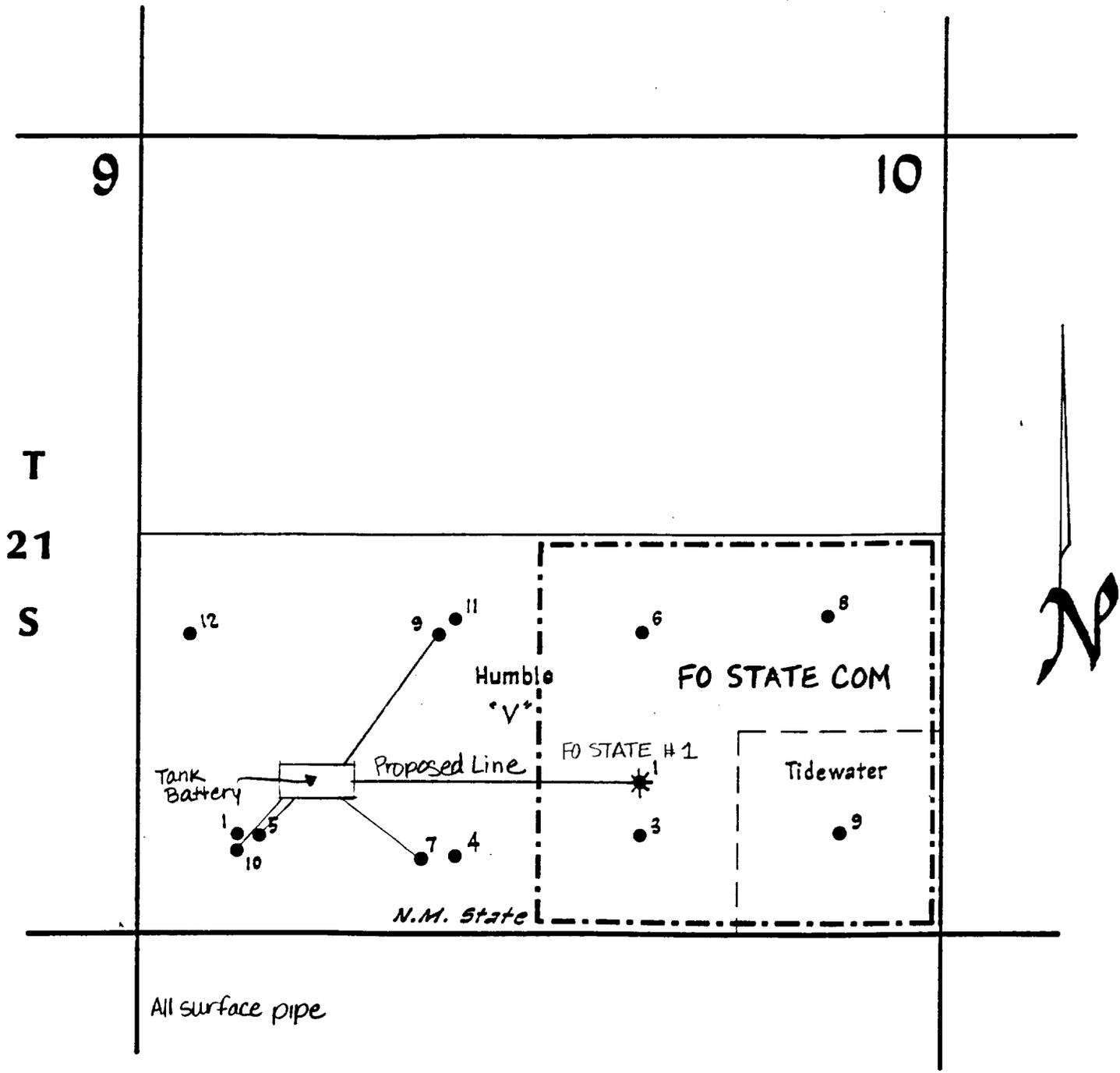
Investment cost associated with laying a flowline from the FO State Com #1 to the New Mexico V State tank battery is considerably lower than building a tank battery for the FO State Com #1. Laying the flowline would allow Exxon to produce the FO State Com #1, but building a tank battery for the FO State Com #1 would make the well uneconomical to produce.

### **Comments for 1.055.H**

FO State Com #1 production will go into a two-phase double barrel separator in order to effectively separate the gas and fluids. Gas coming out of the separator will be metered separately (see attached LFD) and sold down the gas line. Liquids will be metered (FLOCO with sampler) and produced into a tank with a water leg at the New Mexico V State tank battery. This tank allows settling time for the oil and water to separate. The V State #10 is currently producing into this tank. Both the V State #10 and FL State Com #1 production will go into this tank. Oil will spill over to either one of the oil tanks opened, and water will go to the water tank.

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11-23-95

R 37 E

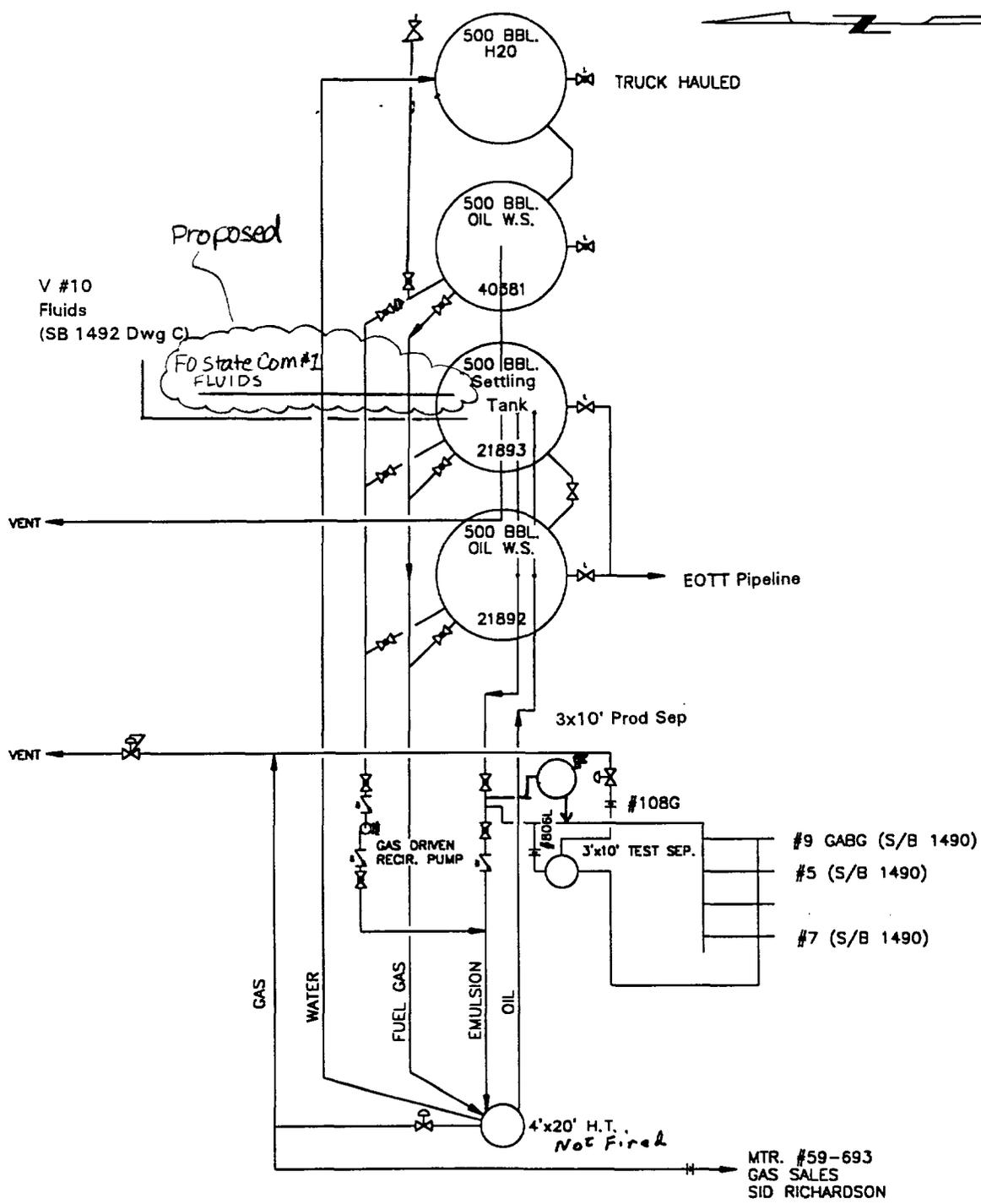


A-9630

N.M. 'V' ST; FO STATE COM

HUMBLE OIL & REFINING COMPANY  
PRODUCTION DEPARTMENT

DRAWN _____	ENGR. SECTION _____	REVISED _____	SCALE 1" = 1000'	JOB NO. _____	FILE NO. _____
CHECKED _____	APPROVED _____	DATE _____			AA-230



NOTES:  
CAPS BATT #6597 S/B 1490/1492 FORS (035)

6	LOH	Comp. Review EOTT Pipeline	11/95	RSH
5	EG	Pa Sep + SB 1492 Chg 2/95	2/95	ASB
4	SRP	CHG. MTR. NO. & WELL/SB #'s	12/94	
3	SRP	ADD WELL #10	10/93	KSM
2	EPG	MISC. REVISIONS	2/93	
1	RSM	MISC. REVISIONS	7/90	SPM
NO.	BY	REVISION	DATE	APP.

PREPARED BY: KSM 2/93		<b>EXXON</b> EXXON COMPANY USA MIDLAND PRODUCTION ORGANIZATION	NEW MEXICO "V" STATE T/B SEC.10-T21S-R37E BLINEBRY/DRINKARD/TUBB FLD. -LEA CO., N.M.				
ENGR. PMM			SCALE	REV.	SIZE	DIV.	
ENGR. 337			NONE		A	AC	
AFE CONTROL					FIELD	LEASE	DWG
					3306	61992	B

FLUIDS TO  
N.M. "V" ST.  
TANK BATTERY  
(SEE DWG. "B")



*2 phase  
SEPARATOR*

3'x10' SEP.



GAS SALES  
SID RICHARDSON  
#59-657



"V" #10

NOTES:

CAPS BATT # 6597 S/B #1492 FORS-035

PREPARED BY:  
SRP 10-27-93

ENGR. PMM  
ENGR. 337

**EXXON**  
EXXON COMPANY USA  
PRODUCTION DEPARTMENT  
SOUTHWESTERN DIVISION

NEW MEXICO "V" STATE #10  
SEC.10-T21S-R37E  
B-D-T- FIELD LEA CO., N.M.

AFE CONTROL

SCALE  
NONE

REV.  
0

SIZE  
A

DIV.  
AC

FIELD  
3306

LEASE  
61992

DWG  
C

NO.	BY	REVISION	DATE	APP.



PROPERTY CODES: 004200

PROPERTY NAMES  
(LEASE NAMES):

EFFECTIVE: 11/01/95

\*Please Assign

New Mexico - V- State and  
\*New Mexico -FO- State Comm

COMMINGLE ORDER R-1834  
LAST AMENDED: 12/08/60

POOL CODE	POOL NAME	WELL NO.	DHC	OIL/COND GRAVITY	WELL CLASS	PROD. METHOD	CRUDE SWEET/SOUR	VALUE PER BBL.	LATEST REGULATORY WELL TEST DATE	OIL/COND	GAS (KCF)	WATER
50350	PENROSE SKELLY; GRAYBURG	5	NO	40.1	OW	PUMP	SWEET	17.69	9-6-95	29.4	162.9	39.0
50350	PENROSE SKELLY; GRAYBURG	7	NO	35.1	OW	PUMP	SWEET	17.69	8-24-95	10.2	63.5	10.0
50350	PENROSE SKELLY; GRAYBURG	9	NO	34.8	OW	PUMP	SWEET	17.69	8-26-95	4.5	32.6	37.0
78080	*HARE-SAN ANDRES (GAS)	10	NO	31.6	GW	GW (WET)	SWEET	17.69	8-28-95	9.5	352.5	149.0
78080	*HARE-SAN ANDRES (GAS)	*1	NO	±31.6	GW	GW (WET)	SWEET	17.69	Not Yet Performed	±6.6	±196.7	±105.0

**STATEMENTS:**

1. Royalty Interest Ownerships of both properties are slightly different:

- NM -V- State
  - State of New Mexico 12.5%
  - Exxon Corp. 87.5%
- NM -FO- State Com.
  - State of New Mexico 12.5%
  - Texaco E&P, Inc. 21.875%
  - Exxon Corp. 65.625%

2. A - WIO of NM -V- State is 100% Exxon.  
B - WIO of New Mexico -FO- State Com. is 25% Texaco and 75% Exxon.

3. Commingling of liquid hydrocarbons is compatible and will not adversely affect pricing.  
4. CHG & GWG metered and sold separately. Transported by Sid Richardson Gasoline Co.  
5. Oil/Condensate transported by EOTT Energy Operating.

6. ONLY liquid hydrocarbons (oil/condensate) will be surface commingled in the storage tanks.

7. Daily production from NM -FO- State Com. #1 will be metered (FLOCO) constantly before commingling occurs.

**REASONS FOR FILING:**

1. To update current pools/properties that are being surface commingled.
2. \*Tubb Gas Comm #1 was plugged back to Hare-San Andres Pool and renamed New Mexico -FO- State Com. #1.  
- royalty interest did not change.

Average Daily Production by Pool  
From 10-1-94 to 9-1-95

Penrose Skelly; Grayburg (Wells: #5, #7, #9)	BOPD	15.3	GAS/ MCFPD	66.9	Water/ BPO	17.7
HARE - San Andres (Gas) (Well: #10)	BOPD	2.6	GAS/ MCFPD	488.8	Water/ BPO	60.5
HARE - San Andres (Gas) (Well: -FO- #1) - Projected Test	BOPD	± 6.6	GAS/ MCFPD	± 196.7	Water/ BPO	± 105.0

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