

DATE IN 10/29/99	SUSPENSE 11/12/99 11-22-99	ENGINEER MA	LOGGED KW	TYPE PLC
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

161

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
- [DD-Directional Drilling] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Directional Drilling
 NSL NSP DD SD

OCT 29 1999

Check One Only for [B] and [C]

- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Marc Wise _____ President _____ 10/27/99
 Print or Type Name Signature Title Date

Lynx Petroleum Consultants, Inc.

P.O. Box 1708
3325 Enterprise Drive
Hobbs, New Mexico 88241

505 392-6950

Fax: 505 392-7886

October 27, 1999

New Mexico Oil Conservation Division
2040 S. Pacheco St.
Santa Fe, NM 87505
Attention: Mr. Ben Stone

Re: Surface Commingling Application
Elliott "31" Federal Leases
W/2 NW/4 Section 31, T-24S, R-38E
Lea County, NM

Dear Mr. Stone:

Lynx Petroleum respectfully requests administrative approval under rule 303-B and 309-B to surface commingle production from two wells completed in different pools and with different federal lease numbers. The following items support our request:

1. Working, Royalty, and Over-riding Interest in the two wells are equal.
2. The commingled product value is equal to the value of the individual products.
3. The hydrocarbon production will be accurately measured prior to commingling and at periodic intervals after commingling.

Attachments include well data, lease plat, and a schematic diagram of the installation.

A copy of this application has been forwarded to the United States Bureau of Land Management for their consent.

If you have any further questions, please call.

Sincerely,
LYNX PETROLEUM CONSULTANTS, INC.



Marc Wise

enc

Attachment #1
Elliott "31" Federal
Surface Commingle Application

WELL DATA

- Well A : Elliott "31 Federal #6
Location: U.L.-D, Section 31, T-24S, R-38E, Lea County, NM
Pool : Dollarhide Tubb-Drinkard (2014 - 18810)
Producing Rate : 5 BOPD, 0 MCFPD, 55 BWPD
Oil Gravity : 35.6° A.P.I. @ 60° F.
Oil Quality : Sour Crude
Federal Lease No. : LC 069052
- Well B : Elliott "31" Federal #8
Location: U.L.-E, Section 31, T-24S, R-38E, Lea County, NM
Pool : Dollarhide Queen (2014 - 18810)
Producing Rate : 36 BOPD, 5 MCFGPD, 204 BWPD (Swab Test)
Oil Gravity : 34.0° A.P.I. @ 60° F.
Oil Quality : Sour Crude
Federal Lease No. : NM 0349953

PRODUCT PRICES

Both wells produce sour crude that is 34.0° A.P.I. gravity or higher. The price for the individual crude oils will, therefore, be identical to the price for the commingled oil as there is no deduction for gravities above 33.9° A.P.I.

WELL TESTING

Accurate testing of the two wells can be achieved by using a portable well test unit or by shutting in one of the wells for a 24 hour period and measuring by tank gauge.

WELL TEST?
WELL TESTING?

**LANGLIE
MATTIX
UNIT NO.1**

U.S., M.I.
Rebecca
Doom 1/2(S)
J.W. E., D.-J.
Doom 1/2(S)

Security Tr. Co., Tr.
Elna Grobe
Liberty
N.V. Pike et al
TD 3654

W. DOLLARHIDE
DRILLING UNIT
TEXACO
Byers
Dual
Rich)
Dual
J. McClure
U.S. MI
Hycob
Fowler Hair
Cer

Attachment #2
Lynx Petroleum
Elliott "31" Federal

"Ramsay" State

Tahoe O&C
2-27-81 to 4000'
Black Bear O.E.G
3-28-81
to 4000'
G. James
Simmond
TD 3610
DIA 12-8-55

Hugh Corrigan, III et al
5-22-81
Carrie E. Hair, et al

Morala
Devon Ener
J.P. Gibbins
Fowler Hair
T/B 165
Devon Ener
L.E. Vance
D-Mil Prod
D-Mil Prod
HNG Oil
U.S. 33

Brump McClure
Skelly
16-K Texaco
"K"
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Tahoe Ener.
to 4000'
Hugh Corrigan, III, et al
HBP
Getty Hair
"Tonto"
G.W. Green
Elna Grobe (S)

Devon Ener
L.E. Vance
D-Mil Prod
D-Mil Prod
HNG Oil
U.S. 33

Skelly
16-K Texaco
"K"
B-9519
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W. DOLLARHIDE
QN. UNIT
OXY USA (OPER)

Lynx
Lynx
Elliott-Fed.
Texaco et al
J.B. McGhee
Joyce Willis(S)

MW Pet.
Pan.Am.
Texaco
J.B. McGhee
Joyce Willis(S)

Westafes-Fed. Samson Res.
Oil Dev. Co.
Carlson
Westafes-Fed.
OXY
Hodges
Joyce Willis(S)

H.B.P.
B-9521
Fin O&C
HBP
90801
Blocker Bros, et al(S)

Texaco
H.B.P.
B-9521
Fin O&C
HBP
90801
Blocker Bros, et al(S)

OXY
Hodges
Joyce Willis(S)

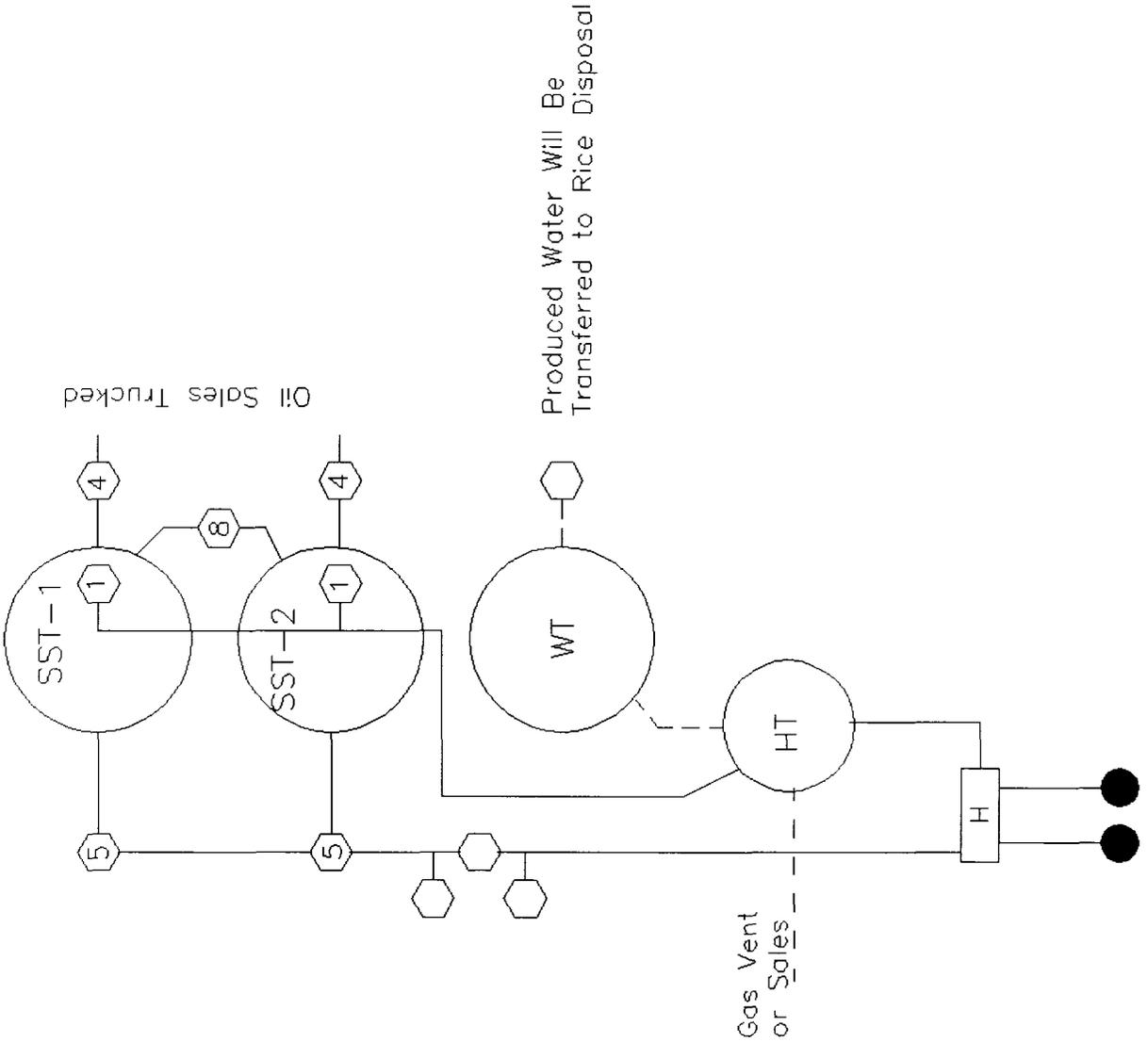
Fin O&C
HBP
90801
Blocker Bros, et al(S)

Culbertson & Irwin
"Texas Penny"
U.S. MI
J.T. Crawford(S)

A.R.Co. WN G/R
Acct. 2
Eaton, NE
Eaton, NE

El Paso Nat.
Find O&C
HBP
90801
Ginsberg
U.S. MI

Skelly
Ginsberg
Find O&C
HBP
90801
Culbertson & Irwin
HBP 0349956
W. DOLLARHIDE
DEV. U
ARCH PE



WELLS #6 & #8

PROPOSED COMMINGLED BATTERY
LYNX PETROLEUM
ELLIOTT "31" FEDERAL BATTERY
UN. D, SECTION 31, T-24S, R-38E LEA COUNTY, NEW MEXICO
LSE. NO. LC-069052
DATE: 10/28/99

Lynx Petroleum Consultants, Inc.

P.O. Box 1708
3325 Enterprise Drive
Hobbs, New Mexico 88241

505 392-6950 Fax: 505 392-7886

November 1, 1999

NOV - 3 1999

Attention Mark Ashley
New Mexico Oil Conservation Division
2040 S. Pacheco St.
Santa Fe, NM 87505

Re: Surface Commingling Application
Elliott "31" Federal Lease
W/2 NW/4 Section 31, T-24S, R-38E
Lea County, New Mexico

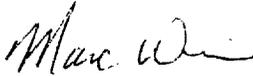
Dear Mr. Ashley:

A copy of the attached notification was sent to the interest owners in the subject property. Also, a list of the interest owners is attached.

Thank you for your help on this application.

Sincerely,

LYNX PETROLEUM CONSULTANTS, INC.



Marc L. Wise

MLW/ad

attachments

Lynx Petroleum Consultants, Inc.

P.O. Box 1708
3325 Enterprise Drive
Hobbs, New Mexico 88241

505 392-6950 Fax: 505 392-7886

November 1, 1999

Re: Surface Commingling Application
Elliott "31" Federal Lease
W/2 NW/4 Section 31, T-24S, R-38E
Lea County, New Mexico

Dear Working Interest Owner:

The Elliott "31" Federal No. 6 well currently produces from the Dollarhide Tubb-Drinkard pool into a tank battery at that location. A recent recompletion was done on the Elliott "31" Federal No. 8 to the Dollarhide-Queen pool. No tank battery currently exists for this well or pool.

Lynx Petroleum has made application to the New Mexico Oil Conservation Division(NMOCD)and the United States Bureau of Land Management(BLM)to commingle the production from the No. 8 well with the production from the No. 6 well at the existing battery. If approved, it will save the expense of building a new tank battery for the No. 8 well of approximately \$25,000. Allocation of the production from the two wells will be done on a percentage based on periodic well tests. The ownership in the two wells is identical and the mixing of the two crude oils will not reduce the price of the product.

This notification is sent to you as a requirement of the NMOCD. If you do not approve of commingling the production from the two wells, you have 20 days to file an objection with the NMOCD., 2040 S. Pacheco St., Santa Fe, NM 87505 to the attention of Mark Ashley. If you approve of the commingling, no response is necessary.

If you have any questions, please call.

Sincerely,

LYNX PETROLEUM CONSULTANTS, INC.

Marc L. Wise

MLW/ad

ELLIOTT "31" Federal Lease Working Interest Owners

ELLIOTT INDUSTRIES
P.O. Box 1355
Roswell, NM 88202

ELLIOTT-HALL COMPANY
P.O. Box 1231
Ogden, Utah 84402

SPEEREX LTD PARTNERSHIP
P.O. Box 266
Roswell, NM 88202-0266

MCVAY DRILLING COMPANY
P.O. Box 1348
Hobbs, NM 88241

LYNX PETROLEUM CONSULTANTS, INC.
P.O. Box 1708
Hobbs, NM 88241

MINERALS MANAGEMENT SERVICE
P.O. Box 5760
Denver, CO 80217