

marbob
energy corporation

RECEIVED
OIL CONSERVATION DIVISION
'90 MAR 19 AM 9 46

March 16, 1990

Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico

Attention: Engineering Department

Re: Surface Commingling
Federal B, NW/4 NW/4,
Section 28
Federal T, E/2 NE/4,
NE/4 SE/4, Section 29
Federal G, W/2 NE/4,
Section 29
T-18S, R-27E, N.M.P.M.
Eddy County, New Mexico

Gentlemen:

Marbob Energy Corporation respectfully requests an exception to Rule 303-A to permit us to commingle in common facilities the crude oil production from the above referenced federal leases into a single tank battery. It is proposed that the common tank battery be located on the Federal T lease and the existing tank batteries on the Federal B and Federal G be removed and the locations cleaned up. The Federal T lease, which is actually comprised of Federal Lease NM-14618 and NM-025605, has already been commingled.

Federal B: Commingling will be achieved in the following manner:
A two inch plastic flowline will be laid from the Federal B No. 1 well. At this point the two inch flowline will connect into an existing Federal T flowline which runs from the Federal T No. 1 well to the Federal T tank battery.

Federal G: Currently a flowline runs between the Federal G No. 1 and No. 2 wells. It is proposed that a two inch plastic flowline be connected to this flowline and laid along an existing road to the Federal T tank battery.

The following is a list detailing the amount of production, the designated pool, and the crude oil gravity by lease:

<u>Name</u>	<u>Designated Pool</u>	<u>Bbls.per Month</u>	<u>Gravity</u>	<u>MCF per Month</u>
Fed. B	Dayton Grayburg E	13	30.7 API	-0-
Fed. G	Dayton Grayburg E	84	34.3 API	-0-
Fed. T	Dayton Grayburg E	40	30.2 API	-0-

Expected commingled oil gravity should be 32.8.

Marbob Energy Corporation owns a working interest of 100% with an 87.5% net revenue interest on all three leases. The Federal Government owns the other 12.5% on each lease. Thus, the ownership is identical in each lease.

Production by lease will be determined by stopping production on two leases for a period of 24 hours while producing the other lease. The tank will be measured to determine the amount of production for the specified period. The procedure will then be repeated for the other two leases. This will be done once a month for three months and then once every three months after this to determine that the allocation percentage is correct. Due to the fact that the total production for all three leases averages less than five barrels of crude oil per day, we believe that this method of determining each leases's individual production will be the most prudent.

This application is being made in the interest of conservation and surface commingling of the crude oil will not significantly reduce the quality or the commercial value of the overall end product. Also, if commingling is permitted, with these leases producing into a single tank battery, crude oil may be sold more often, thereby reducing the risk of oil theft.

Please find the following attachments in support of our request:

1. Plat of lease and wells
2. Facility diagram
3. BLM-Carlsbad written approval for commingling

Thank you for considering this request. If you should need any further information, please do not hesitate to call me. I look forward to your decision.

Sincerely,

A handwritten signature in cursive script, appearing to read "David Martin".

David Martin
Land Department

DM/dr

Enclosures

LC-060122

FEDERAL T

{ NM - 14618 E $\frac{1}{2}$ NE $\frac{1}{4}$
{ NM - 025605 NE $\frac{1}{4}$ SE $\frac{1}{4}$

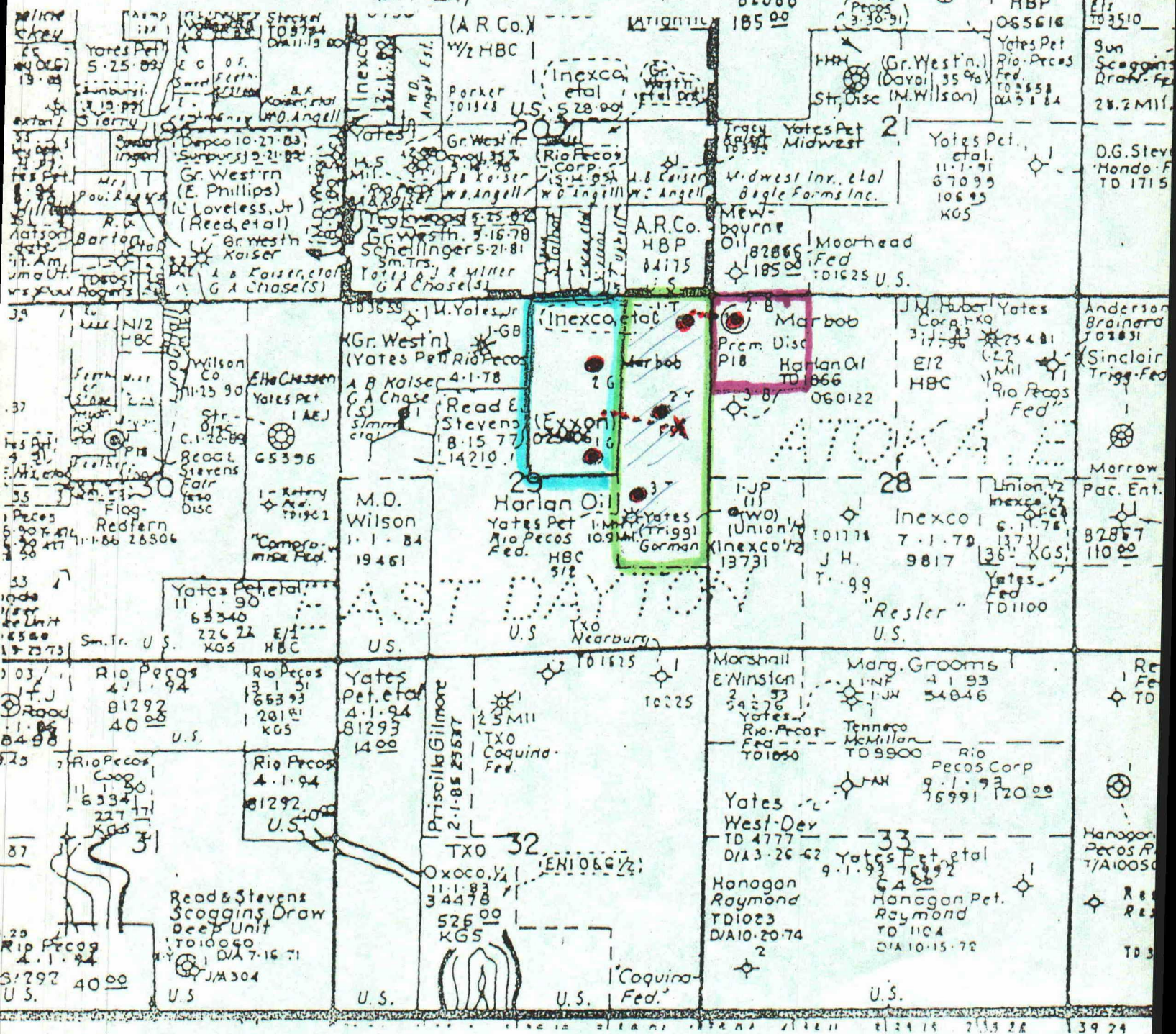
FEDERAL G

Nm- 025606

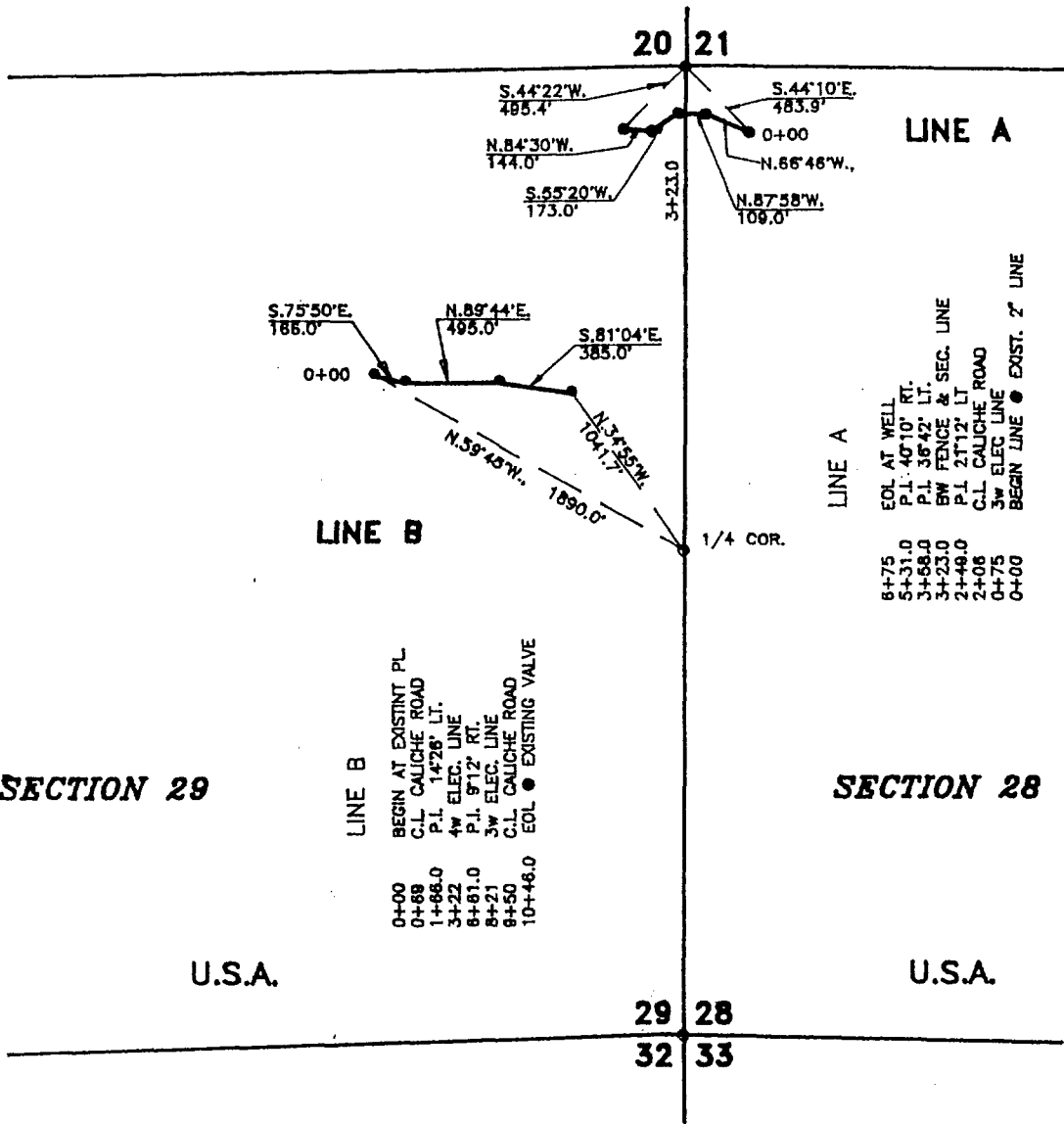
Proposed COMMINGLING Flowline

WELLS CONTRIBUTING PRODUCTION

COMMINGLING TANK BATTERY



SECTIONS 28 & 29, TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM,
EDDY COUNTY, NEW MEXICO.



SECTION 29

SECTION 28

U.S.A.

U.S.A.

TWO STRIPS OF LAND 50 FEET WIDE, A TOTAL OF 1721 FEET OR
0.33 MILES IN LENGTH, BEING 25.0 FEET LEFT AND RIGHT OF THE
CENTERLINES SHOWN ABOVE.



I HEREBY CERTIFY THAT THIS PLAT WAS MADE
FROM NOTES TAKEN IN THE FIELD IN A BONA FIDE
SURVEY MADE UNDER MY SUPERVISION, AND THAT
THE SAME IS TRUE AND CORRECT TO THE BEST
OF MY KNOWLEDGE AND BELIEF.

John W. West
JOHN W. WEST, N.M. P.E. & L.S. No. 676
TEXAS R.P.S. No. 1138

REF: FEDERAL "T" WELL & BATTERY

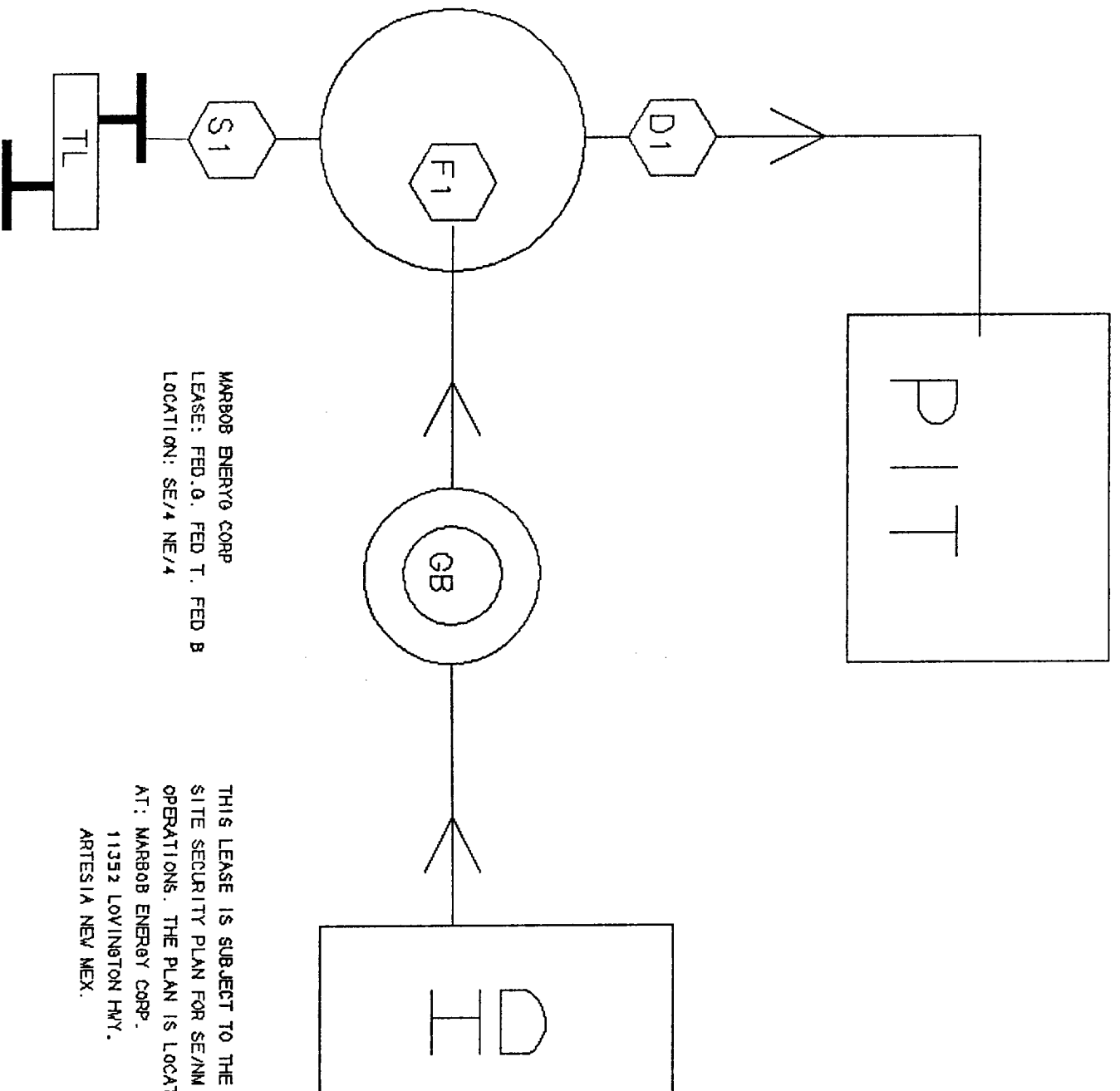
MARBOB ENERGY CORP.

**TWO PROPOSED PIPELINES LOCATED IN SECTIONS 28
AND 29, TOWNSHIP 18 SOUTH, RANGE 27 EAST,
NMPM, EDDY COUNTY, NEW MEXICO.**

JOHN W. WEST ENGINEERING COMPANY

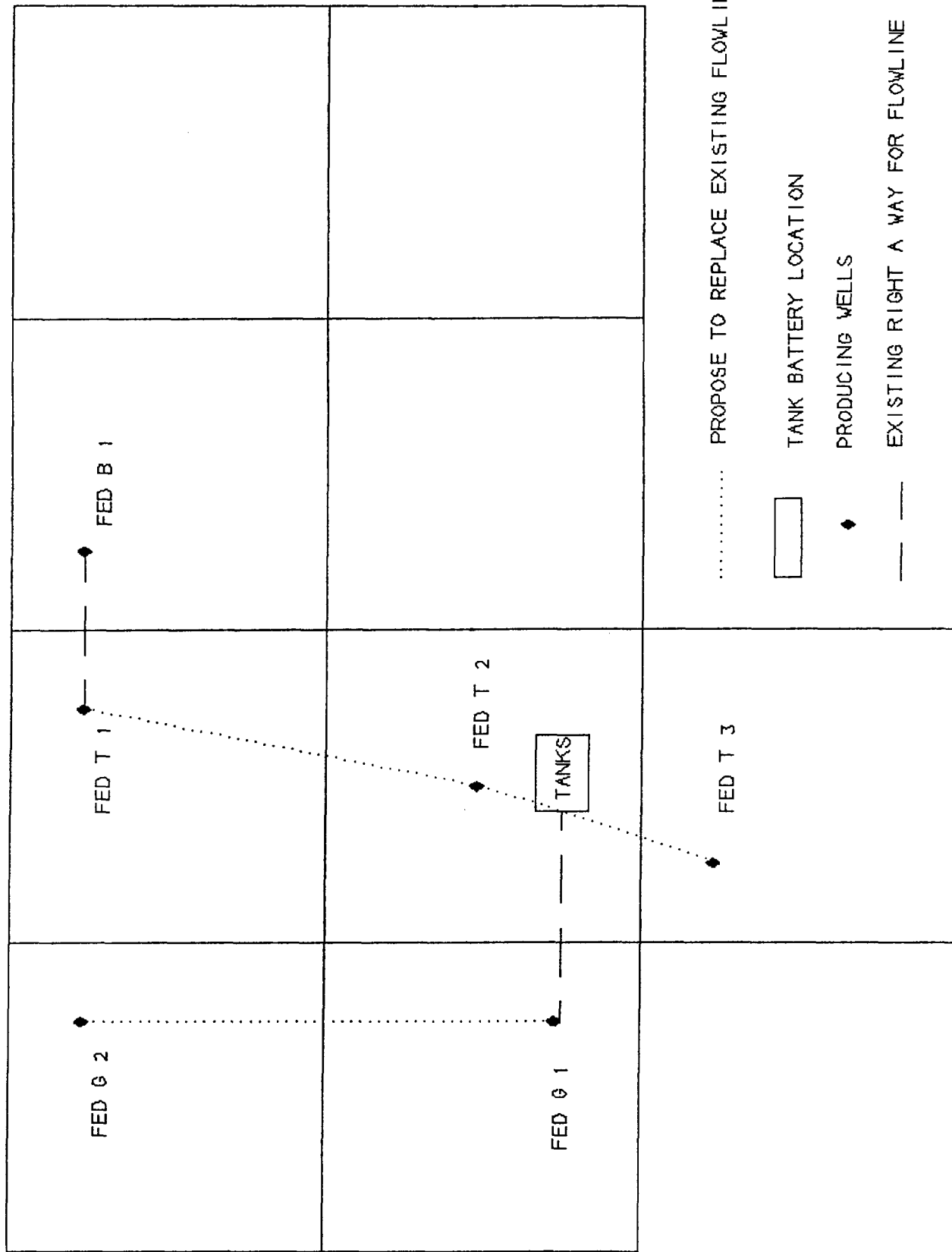
CONSULTING ENGINEERS HOBBS, NEW MEXICO

Scale 1" = 1000'	Drawn By: G JONES
Date: 12-28-89 CK. glj	Sheet 1 of 1 Sheets
Project Number 89-12-024	File Name MARBOB1



MARBOR ENERGY CORP
LEASE: FED.O, FED T, FED B
LOCATION: SE/4 NE/4

THIS LEASE IS SUBJECT TO THE
SITE SECURITY PLAN FOR SE/4NM
OPERATIONS. THE PLAN IS LOCATED
AT: MARBOR ENERGY CORP.
11352 LOVINGTON HWY.
ARTESIA NEW MEX.



..... PROPOSE TO REPLACE EXISTING FLOWLINE

□ TANK BATTERY LOCATION

◆ PRODUCING WELLS

— — — EXISTING RIGHT A WAY FOR FLOWLINE



United States Department of the Interior



BUREAU OF LAND MANAGEMENT
CARLSBAD RESOURCE AREA HEADQUARTERS
P.O. BOX 1778
CARLSBAD, NEW MEXICO 88220

3162 (067)

MAR 14 1990

Marbob Energy Corporation
Attn: David Martin
P. O. Drawer 217
Artesia, NM 88211-0217

RE: LC-060122, NM-14618, NM-025605, NM-025606
Application for Surface Commingling & Off
Lease Measurement of Oil Production.

Gentlemen:

Your request for off lease measurement and surface commingling of Grayburg oil production from the above referenced leases into a single tank battery facility located on your Federal 'T' Lease, which is actually comprised of Federal Lease Nos. NM-14618 and NM-025605, is hereby approved.

It is our understanding that your Federal 'T' lease has already been granted appropriate approval for surface commingling by this agency.

As stated in your application, the commingling will occur when production from your Federal 'B' #2 well is transported via plastic flowline to the Federal 'T' #1 well where the flowline will connect into an existing Federal 'T' flowline which runs from the Federal 'T' #1 well to the Federal 'T' tank battery.

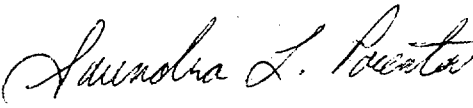
Similarly, production from your Federal 'G' well Nos. 1 & 2 will be transported via plastic flowline directly to the Federal 'T' tank battery.

We recognize that Marbob Energy Corporation owns a 100% working interest in all of the leases involved. Further, your request is made in the interest of conservation and will not result in reduced royalty or improper measurement of production since regularly scheduled production tests will be utilized to ensure proper allocation to all contributing sources.

This approval is contingent upon the operator obtaining appropriate right-of-way approval for the off lease portion of your pipelines from the Realty Staff of the Carlsbad Resource Area at (505) 887-6544.

Please contact Shannon J. Shaw at (505) 887-6544 or at the letterhead address if further information is required.

Sincerely,


for Richard L. Manus
Area Manager