

Oil Reports and Gas Services, Inc.

P.O. BOX 755
HOBBS, NEW MEXICO 88241

NEW MEXICO DIVISION

NOV 6 1990 8 56

PHONE NUMBERS
393-2727 • 393-2017

November 5, 1990

State of New Mexico
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Re: Dwight A. Tipton
Elliott Federal Lease
Elliott "A" Federal Lease
Sec. 8 & 9, T21S, R38E
Lea County, New Mexico

Gentlemen:

Reference is made to the recent purchase of the subject leases by Dwight A. Tipton from Adobe Oil Company. In preparing the C-104 to reflect this change of operator it was discovered that the prior C-104 did not show a commingling order number. A thorough search of the Hobbs office of the Oil Conservation Division failed to reveal such an order number.

Now therefore that the commingling of the two subject leases may legally be continued, we hereby make application on behalf of Dwight A. Tipton for administrative approval of said commingled facilities. In support thereof we furnish the following documentation:

1. A letter from Quanah Petroleum, Inc. to the Bureau of Land Management dated February 21, 1983, requesting permission to commingle. This letter states that two federal leases and two sources of supply are to be commingled. This letter was approved by the Bureau of Land Management on October 12, 1983.
2. A letter from Cheniere Petroleum Corporation to the Bureau of Land Management dated November 28, 1988, requesting transfer of the commingling permit from Quanah Petroleum, Inc. to Cheniere. This letter amends the letter of February 21, 1983, to reflect only one common source of supply, being the Wantz Abo Pool.
3. A schematic diagram of the current tank battery facilities.
4. A plat showing the location of all wells on the two leases.

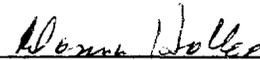
In further support of this application, I provide the following statements of clarification:

1. All production remains from one common source of supply, being the Wantz Abo Pool.
2. Both leases continue to have a common working interest and royalty interest as stated in the letters to the Bureau of Land Management.
3. The tank battery facility is equipped with a permanent test separator providing ease and accuracy of individual well testing.
4. The letter from Quanah Petroleum dated February 21, 1983, states that all interest owners had been notified by mail of Quanah's intention to commingle.
5. The purchaser, JM Petroleum Company is aware of said commingling and is being provided with a monthly allocation of production based on individual well tests.

As the only royalty interest involved is owned by the United States Government, and as this commingling of production into a common tank battery has been approved by the Bureau of Land management, it is hereby respectfully requested that you grant administrative approval to continue to commingle the Elliott Federal and Elliott "A" Federal leases.

Yours very truly,

OIL REPORTS & GAS SERVICES, INC.



Donna Holler

DH/jt
Enclosure

cc: Oil Conservation Division
Hobbs

Dwight A. Tipton
P. O. Box 1025
Lovington, New Mexico 88260

Quanah Petroleum, Inc.

File

RECEIVED
FEB 23 1983

OIL & GAS
MINERALS MGMT. SERVICE
ROSWELL, NEW MEXICO

February 21, 1983

Minerals Management Service
P.O. Drawer 1857
Roswell, New Mexico 88201

Attention: James A. Gillham

Dear Mr. Gillham:

Quanah Petroleum, Inc. requests permission to combine the production of three wells in the Wantz ABO field and one from the Littman San Andres Field. The well names and locations are as follows:

Wantz ABO

Elliott Federal
1-H-8-21S-38E
LC 065525

Elliott A Federal
1-E-9-21S-38E
2-F-9-21S-38E
NM 0554603

Littman San Andres

Elliott A Federal
3-C-9-21S-38E
NM 0554603

The Elliott A Federal #3 is currently being completed. Tests have indicated the well will only be producing ± 5 BOPD and ± 9 BWPD. This low production makes it uneconomical for Quanah to build a separate tank battery for this well. Continued operation of the Elliott A Federal #3 depends upon approval to commingle its production with the Wantz ABO wells. The three ABO wells currently produce a total of ± 26 BOPD.

Quanah proposes laying a flowline from Elliott A Federal #3 to the stock tanks located at Elliott Federal #1. Production allocation will be based on bi-monthly tests.

All interest owners are the same for all the wells. Each has been contacted by mail of Quanah's intentions. The Federal royalty on all these wells is 0.125. Therefore, the royalties would not be reduced by approving this request.

J.P. Roeschke

(continued)

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James A. Gillham

February 21, 1983

Attached is a plat of the area, a schematic diagram showing tanks and flowlines, and a recap of the production from the ABO wells since July, 1982.

If there are additional questions, please contact me.

Sincerely,

A handwritten signature in cursive script that reads "Linda Chapman". The signature is written in dark ink and is positioned above the typed name and title.

Linda Chapman
Engineering Technician

LC:lr

Enclosures

CHENIERE PETROLEUM CORPORATION

300 WEST TEXAS, SUITE 1100, MIDLAND, TEXAS 79701-9990

(915) 683-4701

November 28, 1988

U.S. Dept. of The Interior
Bureau of Land Management
P.O. Box 1157
Hobbs, New Mexico 88240

Re: Surface Commingling
Elliott Federal #1 LC 065525 &
Elliott "A" Federal #1 & #2 NM 0554603
Lea Co., N.M.

Gentlemen:

Cheniere Petroleum Corporation requests the transfer of the surface commingling permit for the referenced wells from Quanah Petroleum, Inc. to Cheniere Petroleum Corporation. The original request was made in February 1983 and approval granted October 12, 1983.

The original request stated that production from the Wantz (Abo) and the Littman (San Andres) be commingled thru surface facilities only; However, only the production from the Wantz (Abo) is commingled. Current production status is as follows:

<u>LEASE</u>	<u>LEASE NO.</u>	<u>LOCATION</u>	<u>FIELD</u>	<u>PRODUCTION</u>
Elliott Fed. #1	LC 065525	1-H-8-21S-38E	Wantz(Abo)	2.5 BOPD + 5 BWPD
Elliott "A" Fed. #1	NM 0554603	1-E-9-21S-38E	Wantz(Abo)	Temp. Shut-in
Elliott "A" Fed. #2	NM 0554603	2-F-9-21S-38E	Wantz(Abo)	2.5 BOPD + 3 BWPD

The wells have common working and royalty interest. All working interest owners are aware of the current commingling and well test operations. Attached for your review is a Plat of the area and a Diagram showing tanks and flowlines.

The wells are very near their economic limit and any unscheduled expense would be cause to plug and abandon the lease. Please contact me if you need additional information to clear up the problem.

Sincerely,


Lonnie Arnold
Engineer

LA/tmc

Dwight A. Tipton

"OPEN SYSTEM"

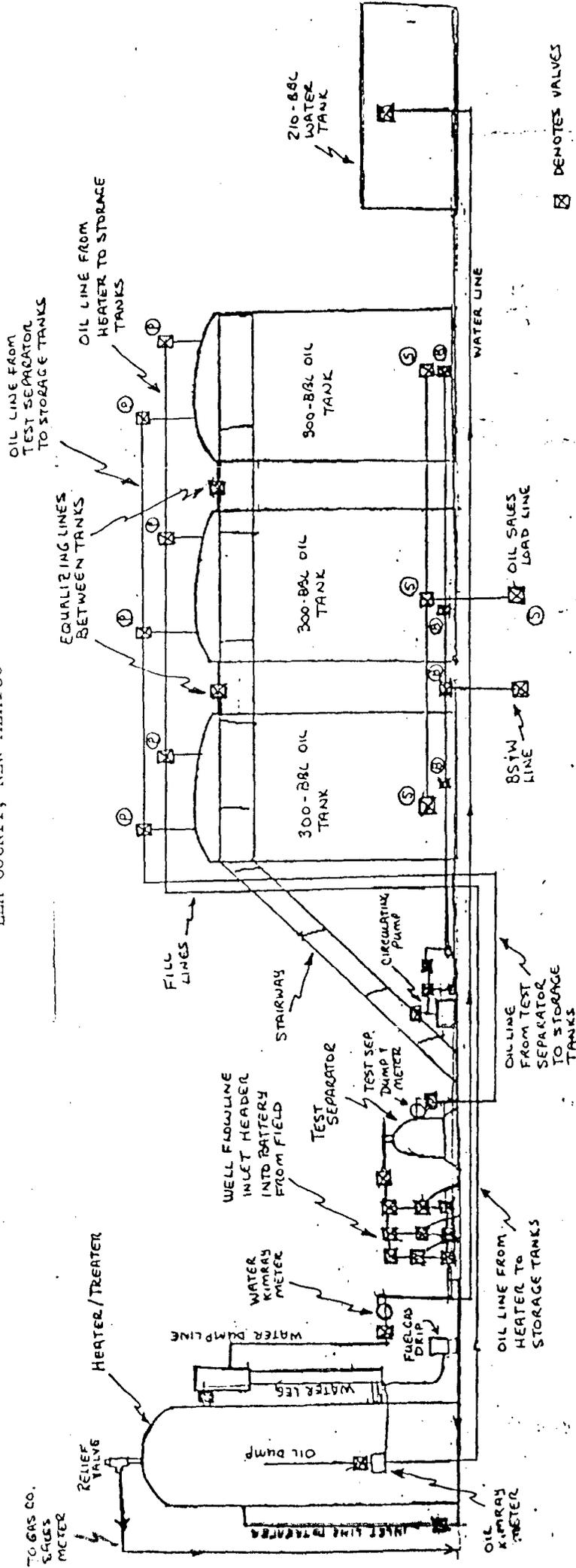
- ☒ DENOTES VALVES
- Ⓟ DENOTES VALVES WHICH ARE OPEN DURING THE PRODUCTION PHASE OF OPERATIONS, BUT ARE CLOSED DURING THE SALES PHASE.
- Ⓢ DENOTES VALVES WHICH ARE CLOSED, SEALED, AND TAGGED DURING THE PRODUCTION PHASE AND OPENED ONLY DURING THE SALES PHASE. SERIAL TAG NUMBERS WILL BE RECORDED AND KEPT FOR THESE VALVES.
- Ⓣ DENOTES VALVES WHICH ARE CLOSED, SEALED DURING BOTH THE PRODUCTION PHASE AND SALES PHASE. THESE VALVES ARE OPENED ONLY FOR CLEANING BS1W FROM TANKS.

ELLIOTT FEDERAL TANK BATTERY

WELLS:

- ELLIOTT FEDERAL NO. 1
LC 065525
SEC. 8 - T21S - R38E
- ELLIOTT FEDERAL "A" NO. 1
NM 0554603
SEC. 9 - T21S - R38E
- ELLIOTT FEDERAL "A" NO. 2
NM 0554603
SEC. 9 - T21S - R38E

LEA COUNTY, NEW MEXICO



☒ DENOTES VALVES

R 38 E

Dwight A. Tipton
LC-065525

Dwight A Tipton
NM-0554603

8

wantz Abo

wantz Abo

Elliott Federal

Elliott 'A' Federal

3
Littman-SA

2
wantz Abo

T
21
S

TEXAS

Dwight A. Tipton
Elliott Federal

E/2 NE/4 Sec. 9, T21S, R38E

Elliott 'A' Federal

Lots 1 + 2 + w/2 NW/4 Sec. 9

T21S, R38E

