

OIL CONSERVATION DIVISION
RECEIVED

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SOUTHWEST ROYALTIES, INC.

P.O. Drawer 11390, Midland, Texas 79702
(915) 686-9927

FAX - 915-682-1458

January 2, 1992

NM Oil Conservation
Drawer 2088
Santa Fe, NM 87501-2088

Attn: David Catanach

RE: Exception to prove
meters monthly
Lea County
Vacuum Abo, North pool
State K-5796 lease
State K-6119 lease
State Sec. 6 lease

Dear Sir:

We respectfully request an exception to prove meters monthly on the above referenced leases. We have marginal production on these wells and it is costly in both money and time to prove the meters on a monthly basis.

Therefore we are asking permission to prove the meters quarterly.

Thank you for your time and consideration in this matter.

Yours truly,

Jean Ellison, agent

Southwest Royalties, Inc.

915

Midland, Texas 79702 684-6381

DISTRICT I
P.O. Box 1960, Hobbs, NM 88240
DISTRICT II
P.O. Drawer DO, Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

OPERATOR'S MONTHLY REPORT
Form C-115 - Revised 1/1/89
See Distribution and Code
Information Bottom of Page

Company or Operator SOUTHWEST ROYALTIES, INC.

Address BOX 953, MIDLAND, TX

For Month, 11-91 Page 19 of 21

POOL NAME (Underline)

Lease Name

WELL NO. UNIT SEC. TWP RANG

LEASE NUMBER - include State Land Lease Number or Federal Lease Number

UACUUM ABO, NORTH

State K-5796

1B 7 175 35E

2H 7 175 35E

3G 7 175 35E

TOTAL

State K-6119 Com

1L 6 175 35E

State Section 6

1N 6 175 35E

Bot

DISTRIBUTION

Original OCD Same Fe
One Copy OCD Dist. Office
One Copy in which lease is located
One Copy to Transporter (1)
DATE DUE
To be submitted by 24th day of next
preceding month.

INJECTION		PRODUCTION			DISPOSITION OF GAS			DISPOSITION OF OIL							
VOLUME	PRESS.	BARRELS OIL PRODUCED	BARRELS OF WATER PRODUCED	GAS PRODUCED (MCF)	DAYS PROD.	SOLD	THRU- PORE LOSS	OTHER	C O D E	OIL ON HAND AT END OF MONTH	BARRELS TO THRU- PORE LOSS	THRU- PORE LOSS	OTHER	C O D E	OIL ON HAND AT END OF MONTH
P		235	25	0	29										
P		113	33	0	29										
P		480	8	0	29										
P		828	66	0		0	P66			309	814	MOB			323
P		112	0	0	27	0	P66			111	0	EOT			223
P		112	38	0	29	0	P66			43	111	MOB			44
		940								463	925				47
STATUS CODE		OTHER GAS DISPOSITION CODE			OTHER OIL DISPOSITION CODE			I HEREBY CERTIFY THAT THE INFORMATION GIVEN IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE							
F..... FLOWING	M..... USED OFF LEASE	D..... DISPOSITION ON CHL 111			C..... CIRCULATING OIL			JEAN ELLISON (915) 684-6381							
P..... PLUMPED	D..... USED FOR DRILLING	L..... LOSS			B..... SEGREGATION IN S.S. W			TYPED NAME AGENT POSITION							
G..... GAS LIFT	L..... LOST	E..... EXPLANATION ATTACHED			T..... THEFT			PHONE NUMBER							
S..... SHUT IN	P..... PRE-TAKEN ON														
T..... TAP ABANDONED	V..... VENTED														
I..... INJECTION	U..... USED ON LEASE														
D..... DISCONTINUED															

STATUS CODE
F FLOWING
P PLUMPING
D DRAINING
S SHUT IN
T TAP ABANDONED
I INJECTION
D DISCONTINUED

OTHER GAS DISPOSITION CODE
1 USED OFF LEASE
2 USED FROM DRILLING
3 GAS LIFT
4 LOSS AND ESTIMATED
5 EXPLANATION ATTACHED
6 PREVIOUS STATEMENT
7 WENT TO
8 USED ON LEASE

OTHER OIL DISPOSITION CODE
A CIRCULATING OIL
B LOSS
C RECOMPLETION IN A WELL
D EXPLANATION ATTACHED
E THEFT

I HEREBY CERTIFY THAT THE INFORMATION GIVEN IS TRUE AND
COMPLETE TO THE BEST OF MY KNOWLEDGE

JEAN ELLISON (915) 684-6381
TYPED NAME PHONE NUMBER

AGENT

POSITION

~~CONFIDENTIAL~~
SOUTHWEST ROYALTIES, INC.
407 N. Big Spring, Midland, TX 79701-4326
P.O. Box 11390, Midland, TX 79702-8390
(915)686-9927, 1-800-433-7945
FAX (915)686-0364

TELECOMMUNICATION TRANSMITTAL
F A X

Date: 2-5-92
Fax To: Mike Stogman
Company: NM Oil Co.
Fax Number: 505-827-5741
From: Jean

Total Number of Pages Including This Sheet: 8

Message/Instructions:

Mike: He does not have any meter
proving records in our file from
Marathon. I am sending a Well History
Summary sheet of more info in needed please
call

We are transmitting from an AT&T 3500D (Automatic) telecopy machine, our telecopy number is (915) 686-0364.

If you do not receive all pages, please call (915) 686-9927 and ask for _____
as soon as possible.

CONFIDENTIALITY NOTE: The information contained in this facsimile message is legally privileged and confidential information intended only for the use of the individual or entity named above. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution or copy of this telecopy is strictly prohibited. If you have received this telecopy in error, please immediately notify us by telephone and return the original message to us at the address set forth above via the United States Postal Service. Thank you.

SOUTHWEST ROYALTIES, INC.
Well History Summary Sheet

Operator SWR Well Name & # State K 6119 #1 Lease # 6119
Location Sect 6 Twp 17-S Rge 35 E County Lea State NM
Spud Date 05-18-76 Compl. Date 06-29-76 TD 8925' PBDT
Type Well: Oil X Gas Other Field Vacuum Abo, North

WELL HISTORY

05-19-76 Ran 8 jts of 12 3/4" csq and set at 270' from KB. Cemented w/65 sxs Lite weight followed by 200 sxs Class C containing 1/4" Floseal /sack and 2% CC. Cement circulated.

05-25-76 Ran 87 jts 8-5/8" 32# and 24# K-55, ST&C casing. Howco cmentd 8-5/8" casing with 850 sxs Class C with 2% CaCI. cement top 75' from surface.

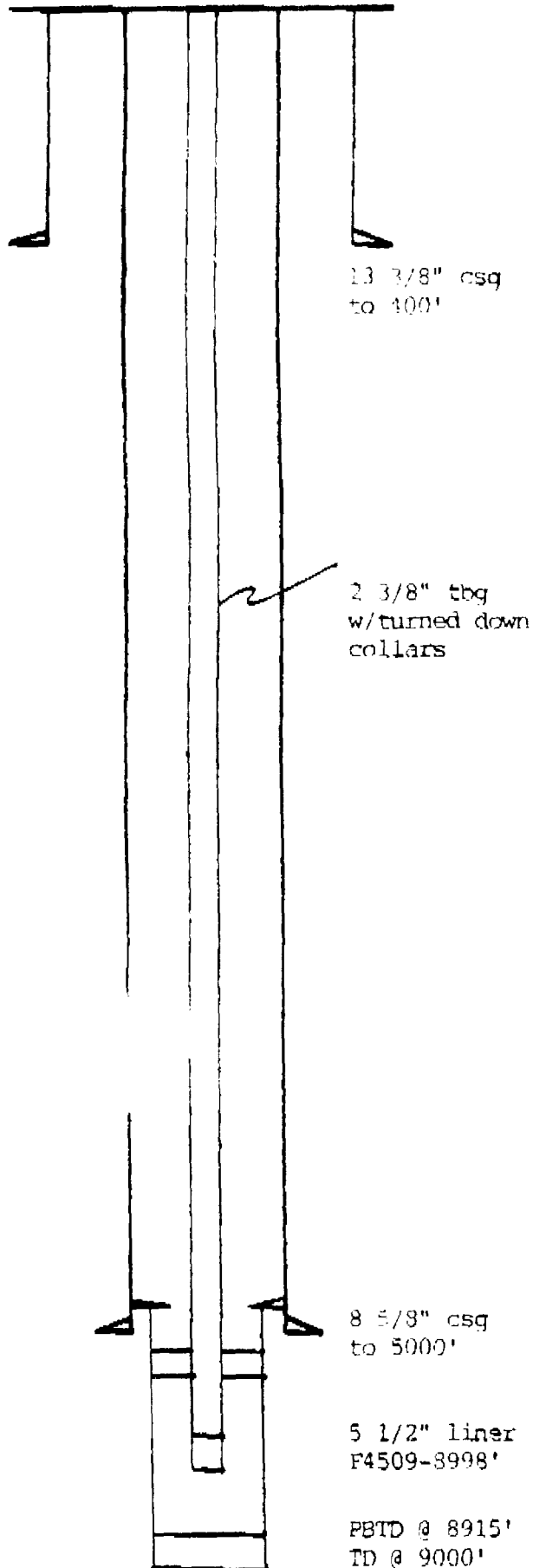
06-18-76 Ran 8925 4 1/2", 10.5# & 11.6# csq cemented w/833 sxs light weight followed by 300 sacks Class C Pozmix w/8# salt , 3/4% CFR-2/sacks.

06-26-76 Perf. abo. at 8754' with 2 jet shots; 8848-52 with 7 jet shots total 14 holes.

06-28-76 Cardinal treated ABO perf: from 8754'-52' with 20,000 gallons 20% double inhib. acid brakdown pressure 2500#. Max treating ppressure 5100# Average rate 12 BPM. Used 20 ball sealers - had good ball action did not ball out displaced acid with 2% KCL water. 2 hour SIP 3500# laid down 2 7/8 work string, ran 2 3/8" tubing with anchor catcher ran rods and pump started well pumping. Now recd ing load water with well on test.

TBT 12-19-91

WELL DATA SHEET

FIELD North Vacuum (Abo)LEASE AND WELL NO. State K5796 Well No. 3LOCATION 1890' FNL & 2100' FEL of Sec. 7, T17S, R35ECOUNTY AND STATE Lea County, New MexicoSTATUS PumpingTD 9000' PBTD 8915' KB 4021.7' GL 4003.2'SURFACE CASING 13 3/8", K-55 & H-40, 8rd set @ 400'.Cmt'd w/180 sx. Circ'd cmt.PRODUCTION CASING 8 5/8", 32 & 24", 8rd, LT&C set@ 5000'. Cmt'd w/2350 sx. Est TOC @ 450'.LINER 5 1/2", 17# & 15.5#, K-55, 8rd, LT&C from4509' to 8998'. Cmt'd w/630 sx.TUBING 2 3/8" N-80 tbq consisting of slotted mudjt, SN, 6 jts 2 3/8" N-80 turned down collars, 5 1/2"TAC, 122 jts 2 3/8" tbq w/turned down collars, 155jts regular collars. Bottom of tbq @ 8901'. SN @8885'. TAC @ 8693'.RODS 141-1" fiberglass & 139-7/8" D rods,2" x 1 1/4" x 20' x 24' x 26' RHBC pump w/6' mudanchor.PUMPING UNIT M320D-256-120PRESENT COMPLETION: (Formation and Interval)Abo: 8745'-48', 56'-58', 60'-64', 82'-86', 92'-96',3505'-13', 34'-43', 46'-51', 54'-56', & 62'-64'w/2 JSPF.HISTORY Spud date - 10/13/89. Abo perf'd & acidized w/8000 gals 20% HCl using 75 balls.Potential Test - 12/07/89 pumping 78 BOPD, 0 BWPD, & 76 MCFPD.

SOUTHWEST ROYALTIES, INC.
Well History Summary Sheet

Operator SWR Well Name & # State K 5796 #3 Lease # K-5796
 Location Sect 7 Twp 17-S Rge 35 E County Lea State NM
 Spud Date 10-12-89 Compl. Date 11-16-89 TD 9000' PBDT 8915'
 Type Well: Oil X Gas Other Field Vacuum Abo, North

WELL HISTORY

11-15-89 MIRU PU MI 2 3/8" tbq. on pipe racks installed 6" 900 series BOP's w/ 3/8" N-80 tbq. Tagged cmt @ 4512' test csg. and pipe rams to 1000 psi for 5 min. drilled out soft cmt to 4609' RIH to 7232' SWI SDFN.

11-16-89 Tested csg to 1000 psi Circ hole clean w/ 380 bbls 2% KCL containing 0.1% Cla-Sta II POOH & lay down drill collars loaded hole w/15 bbl 2% KCL tested blind rams to 1000 psi. change out 2 3/8" pipe rams (leaked slightly) RIA w/2 stands of tubing. Tested pipe rams to 1000 psi POOH secured well SDFN.

11-17-89 Spotly cmt from 7650' to 6720'. RU fall lubricator @ test to 1000 psi Perf abo w/3 1/8" csg. gun @8745-48' 56-58' 60-64', 82'-86', 92'-96', 8805'-13', 34'-43', 46'-51', 54'-56', & 62'-64' W/2 SPF (total 96 holes) RD wedge RIH w/5 1/2 RTTS pkr SN

11-18-89 Set pkr @ 8631' establish inj rate w/2% KCL @ 3 BPM & 3300 psi. Open bypass on pkr & spot acid to within 2 bbls of pkr. Trapped 1000 psi on backside closed bypass Pmpd 8000 gals 20% HCL using 75 ball sealers for divert. Flushed w/60 bbls 2% KCL Breakdown @ 2400 psi 10 min SI 2700 psi 15 min SI-2400 psi RD western RU swab starting FL @ surface made 13 run in 4 1/2 hours Rec'd 10 BO & 56 BW Final FW 5600' FS. SWI. SDFN.

11-21-89 POOH w/tbq & pkr RIH w/slotted mud jt, SN 6 jts 3/8" N-80 tbq w/regular collars, 55 jts 2 3/8 x 2 7/8" N-80 cross-over. btm of tbq @8901', SN @ 8885' & TAC @ 8693" ND BOP'S set tac in 14 pts tension. installed weellhead RU swab made 3 runs in 1 hour rec'd 0 BO & 15 BW. Initial FL 3700' FS. Fianl FL-3800' FS. SWI. SDFN.

11-28-89 RIH w/1" x 6' gas anchor 2" x 1 1/4 x 20' x 24' x 26' RHBC insert pump (1) 7/8" "D"rod, (1) 7/8" 28K sher pin (139) 7/8" "D" rods (141) 1" x 37.5 fiberflex rods (1) 1" x 18' fiberglass pony rods (1) 1" x 9' fiberklas (1) 1" x 3' fiberklasss pony rod 1 1/4" x 22' polish rod, 1 1/4 x 14'

SOUTHWEST ROYALTIES, INC.
Well History Summary Sheet

Operator SWR Well Name & # State K 5796 #2 Lease # K-5796
 Location _____ County Lea State NM
 Spud Date 11-15-77 Compl. Date 1-13-78 TD 8981' PBDT 8945'
 Type Well: Oil X Gas _____ Other _____ Field Vacuum Abo, North

WELL HISTORY

11-16-77 ran 7 jts 13 3/8" 48#, H-40 8R cmt w/ 275 sxs class C w/ 2% CaCl₂ @ 1/4# flo cele per sx. displaced w/ 35 bbl of brine circ. 50 sxs cmt to surface.
 11-17-77 cut off 13 3/8' csg. cmt fell back 13' filled annulus w/ ready mix cmt nipped up BOP WIH tagged cmt 210' tested blind rams 500# tested pipe rams & csg 1000#.
 11-21-77 ran 8 5/8 csg. Pmpd COBW followed by 800 sxs. Class H 65-35 Pozmix w/ 6% gel 16# salt per sx .2% CaCl₂ followed w/ 200 sxs class C w/ 12% CaCl. displaced cmt w/ 192 of water circ. 265 sxs cmt to pit.
 12-14-77 ran 4 1/2" csg landed csg @ 8980' FC at 8941' btm 3 jts thread locked pipe cent from 8352' 8980' cmt w/ 1730' sxs D-W Litw/ 1/4# celophane flake per sx followed by 200 sxs class c w/ 2% CaCl final pressure 2000#.
 12-28-77 Tagged cmt @ 8939' drilled rubber plug and FC solid cmt below FC to 8945' circ. hole clean w/ 2% kcl water.
 12-30-77 Spot 200 gallon 15% acid NEFE U western W.L. and perf 4 1/2 csg. at 8824 8828', 8829', 8834', 8835', 8836', 8864', 8865', 8867', 8868', 8869', 8886', 8887', 8888', 8889', 8890', 8891', 8892', 8917', 8918', 8920', 8921', 8922', 8924', w/ JSPF 26 holes.
 1-4-83 WIH w/ 2 3/8 tbq. string mud anchor tbq anchor tbq anchor catcher. hung tbq w/ 10,000# tension. SN @ 8918' started in hole w/ gas 1 1/4 pump wn 7/8" 3/4" rod string.
 11-2-83 strapped 2 3/8" tbq out of hole btm perf 8724'.
 11-3-82 set RTT @ 8795.52 loaded csg. w/ 2% KCL acidize abo perfs w/ 500 gallons Purge 1 20 and 2500 gallons 20% HCL dropped 15 perf balls and pmp remaining 3000 gallons Purge 1 20 and 3000 gel 20% HCL.
 11-4-83 in hole w/ mud anchor seating nipple tubing catcher on 2 3/8 production tbq. 11-5-83 loaded tbq w/ 29 barrels of water. Tested 500 PSI.

FEB-05-97 MED 12:15 915 682 1458 P.03

SOUTHWEST ROYALTIES, INC.
Well History Summary Sheet

Operator SWR Well Name & # 1916 2194 #2 Lease #
 Location W. 1/4 Sec. 19, T. 17N, R. 10E, S. 10S County Lincoln State OK
 Spud Date 11-13-77 Compl. Date 1-13-78 TD 897' PBTD 765'
 Type Well: Oil Gas Other Field

WELL HISTORY

4-10-77 1800, 7.15, 1332" 42# H-40
 8" CGL w/ 272 lbs. (Gels) C w/
 25" CGL and 14# plastic pipe JO
 25" CGL w/ 35 lbs. (Gels) C w/
 25" CGL w/ 35 lbs. (Gels) C w/
 4-17-77 1800, 7.15, 1332" 42# H-40
 8" CGL w/ 272 lbs. (Gels) C w/
 25" CGL and 14# plastic pipe JO
 25" CGL w/ 35 lbs. (Gels) C w/
 25" CGL w/ 35 lbs. (Gels) C w/
 11-21-77 1800, 7.15, 1332" 42# H-40
 8" CGL w/ 272 lbs. (Gels) C w/
 25" CGL and 14# plastic pipe JO
 25" CGL w/ 35 lbs. (Gels) C w/
 25" CGL w/ 35 lbs. (Gels) C w/
 1-14-78 1800, 7.15, 1332" 42# H-40
 8" CGL w/ 272 lbs. (Gels) C w/
 25" CGL and 14# plastic pipe JO
 25" CGL w/ 35 lbs. (Gels) C w/
 25" CGL w/ 35 lbs. (Gels) C w/
 2-2-78 1800, 7.15, 1332" 42# H-40
 8" CGL w/ 272 lbs. (Gels) C w/
 25" CGL and 14# plastic pipe JO
 25" CGL w/ 35 lbs. (Gels) C w/
 25" CGL w/ 35 lbs. (Gels) C w/
 12-20-77 1800, 7.15, 1332" 42# H-40
 8" CGL w/ 272 lbs. (Gels) C w/
 25" CGL and 14# plastic pipe JO
 25" CGL w/ 35 lbs. (Gels) C w/
 25" CGL w/ 35 lbs. (Gels) C w/
 1-4-78 1800, 7.15, 1332" 42# H-40
 8" CGL w/ 272 lbs. (Gels) C w/
 25" CGL and 14# plastic pipe JO
 25" CGL w/ 35 lbs. (Gels) C w/
 25" CGL w/ 35 lbs. (Gels) C w/

Comments:

1-1-78 1800, 7.15, 1332" 42# H-40
 8" CGL w/ 272 lbs. (Gels) C w/
 25" CGL and 14# plastic pipe JO
 25" CGL w/ 35 lbs. (Gels) C w/
 25" CGL w/ 35 lbs. (Gels) C w/
 1-1-78 1800, 7.15, 1332" 42# H-40
 8" CGL w/ 272 lbs. (Gels) C w/
 25" CGL and 14# plastic pipe JO
 25" CGL w/ 35 lbs. (Gels) C w/
 25" CGL w/ 35 lbs. (Gels) C w/
 1-1-78 1800, 7.15, 1332" 42# H-40
 8" CGL w/ 272 lbs. (Gels) C w/
 25" CGL and 14# plastic pipe JO
 25" CGL w/ 35 lbs. (Gels) C w/
 25" CGL w/ 35 lbs. (Gels) C w/

SOUTHWEST ROYALTIES, INC. **Well History Summary Sheet**

Operator SURF Well Name & # State k 57-14-1 Lease # k-5796
 Location Sec 7-T 17S-R 35E County Lea State NM
 Spud Date 9-15-76 Compl. Date 10-20-76 TD 8921' PBDT 8906'
 Type Well: Oil ☒ Gas ☐ Other ☐ Field Kachum

WELL HISTORY

+ 227 to 2 3/8" 4 1/2 # J52 8 id thg
 @ 882.7'
 2- belinned w/ name MIA
 Schematic on following page

9-19-76 set 13-3/8" H-40 48# csq @ 240'
 w/ 300 sks class C w/ 2% CaCl
 9-23-76 set 8 5/8" 32# csq @ 3200' w/ 200
 sks class C 2% indense followed by 200
 sks class H displaced w/ 195 BW
 9-24-76 Indicate top of cmt 410' pulled 8 5/8"
 slips ran 1" in 8 5/8" X 13 3/8" annulus
 bit hard cmt @ 270' mod 40 sks cmt
 circulated annulus w/ cmt pulled 65000#
 on 8 5/8" csq. Reset slips cut off 8 5/8" csq
 9-29-76 2 solid perfs 6350 w/ 420 w/ 75 sks
 class H cmt w/ 2# cut per sk 0.3%
 Haled 22-A followed by 50 sks class H
 neat

10-14-76 set 4 1/2" csq @ 8921' 10 cementers
 from total depth to 8500

10-15-76 set csq w/ 1332 sks class C
 2% indense followed w/ 300 sks class H
 neat displaced plug w/ 144 BW. Pump plug
 w/ 1500# good circ

10-21-76 Perfs at 8716.9, 74, 76, 78, 8812
 14, 33, 35, 37, 58, 60, 62, 117, 64, 11, 73,
 81, 8823 18 holes

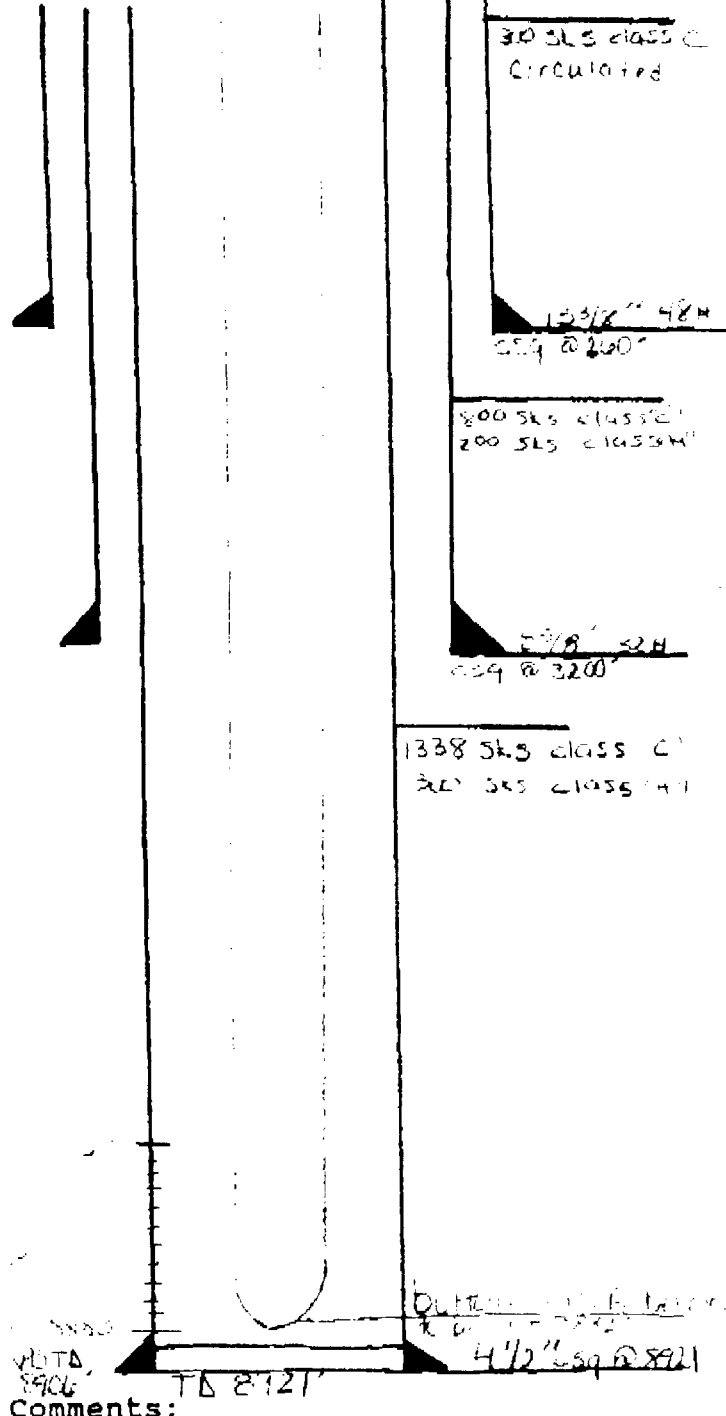
10-22-76 Pressured 4 1/2" csq in 1000#
 brk formation w/ 130 gallons 15% acid
 followed by 2% kcal water at 4900#
 3.8 BPM Pmp 2000 gallons 15% acid

and 27 ball sealers and balling out at
 2400# released RTIS also moved to
 2400# on touch balling. RTIS picked
 up and moved RTIS at 2400#

Stage of acid 1500 gallons 15% brk
 9 ball sealers Pmp 2000 gallons
 1500 gallons at 15% brk 15% acid
 treating pressure 1500# 15 min

5805# 15 min 15% brk 15% acid
 1500# 15 min 15% brk 15% acid
 1500# 15 min 15% brk 15% acid
 Pressure off casing

TT 12/12/91



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

February 24, 1992



POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Southwest Royalties, Inc.
P.O. Drawer 11390
Midland, Texas 79702

Attention: Jean Ellison, Agent

RE: Exception to Monthly Meter Accuracy Test

Dear Mr. Ellison:

Per your letter dated January 2, 1992 requesting an exception to the monthly accuracy test for the meters connected to Southwest Royalties' Lease Commingling Facility authorized by Division Administrative Order CTB-269, which order approved commingling of North Vacuum Abo Pool production from the State Section 6 Lease comprising the E/2 SW/4 and SE/4 of Section 6 and from the State K-5796 Lease comprising the NE/4 and NE/4 NW/4 of Section 7, all in Township 17 South, Range 35 East, NMPM, Lea County, New Mexico.

It is our understanding that the 2 meters currently connected to the subject commingled tank-battery will be tested for accuracy on a quarterly basis.

Further, the Division hereby retains jurisdiction of this matter and should it become apparent waste is occurring or correlative rights are being violated such exceptions may be revoked.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. Lemay". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

WILLIAM J. LEMAY
Director

WJL\MES\jc

cc OCD - Hobbs
 NMSLO - Santa Fe
 File: CTB-269 ✓
 Mobil Oil Corporation, P.O. Box 900, Dallas, Texas 75221



BRUCE KING
GOVERNOR

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

February 14, 1992

Southwest Royalties, Inc.
P.O. Box 11390
Midland, Texas 79702

Attention: Jean Ellison, Agent

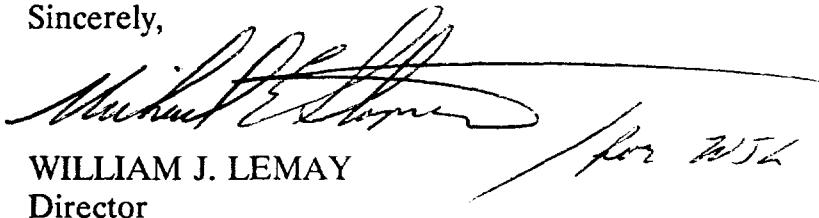
RE: *Exception to Monthly Meter Accuracy Test*

Dear Mr. Ellison:

I am in receipt of your "fax" correspondence of Monday February 10, 1992. I'm still a little confused however about the State K-6119 Com Well No. 1., located in Unit L of Section 6, Township 17 South, Range 35 East, NMPM, North Vacuum Abo Pool, Lea County, New Mexico, your diagram of the surface production facility did not include, as far as I can tell, this well.

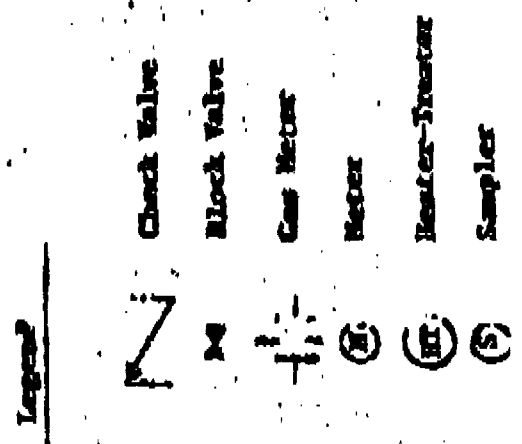
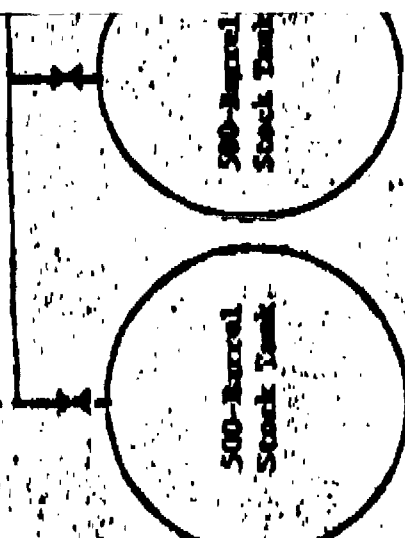
Your assistance is greatly appreciated in this matter. Should you have any questions please contact me. Thank you.

Sincerely,


WILLIAM J. LEMAY
Director

WJL/MES/jc

cc: OCD - Hobbs





JIM BACA
COMMISSIONER

State of New Mexico
OFFICE OF THE
Commissioner of Public Lands
Santa Fe

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

CTB-269

March 31, 1992

~~Southwest~~ Royalties, Inc.
P. O. Drawer 11390
Midland, Texas 79702

Attn: Mr. Jean Ellison

Re: Exception to Monthly Meter Accuracy Test
Original Surface Commingling Approved by Commissioner 10/22/76
OCD Order No. ~~CTB-269~~ - Commingling of Vacuum Abo Pool Prod.
~~State Section 6~~ and "State K-5796" Wells
Lea County, New Mexico

Dear Mr. Ellison:

Reference is made to your application received March 30, 1992, wherein you have applied for permission to quarterly test the two meters currently connected to the above referenced commingled tank-battery.

It is our understanding that Southwest Royalties, Inc. will continue to surface commingle the crude oil production from the below mentioned wells, and the gas produced will be metered separately prior to commingling. Our records reflect that the commingling, of the following wells, was previously approved by the Commissioner on October 22, 1976. The "State K-5796" Well Nos. 1-B, 2-H and 3-G are located in Section 7 and the "State Sec. 6" Well No. 1-N is located in Section 6, Township 17 South, Range 35 East.

The Commissioner of Public Lands has this date granted approval to your proposed request. Please be advised that any deviation from your proposed request will be grounds to rescind our approval. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*
FLOYD O. PRANDO, Director
Oil/Gas and Minerals Division
(505) 827-5744
JB/FOP/pm
encls.
cc: Reader File
OCD