

MIDWEST OIL CORPORATION

1500 WILCO BUILDING

MIDLAND, TEXAS

GENERAL OFFICES
1700 BROADWAY
DENVER 2, COLORADO

June 21, 1965

DIVISION OFFICE
1200 CONTINENTAL NATIONAL
BANK BUILDING
FORT WORTH 2, TEXAS

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.
Secretary Director

In re: Application to Commingle
Production on Midwest Oil
Corporation's State "C" Lse.,
Nonombre Pool, Lea County, New Mex.

Gentlemen:

Midwest Oil Corporation respectfully requests administrative approval for an exception to Rule 303 (a) to permit the commingling of production from the Nonombre Upper Pennsylvanian Pool and the Nonombre Lower Pennsylvanian Pool on its State "C" Lease, which consists of the south half of Section 32, Township 13 South, Range 34 East, Lea County, New Mexico.

In support of this request, the following information is presented for your consideration:

1. Ownership from both zones is identical.
2. The commercial value of the commingled production will be greater than the sum of the values of the production from each of the separate zones.
3. The commingling facilities will utilize the subtraction method and will be in accordance with the applicable provisions of the Commission "Manual for the Installation and Operation of Commingling Facilities."
4. The proposed commingling installation has been approved by the Commissioner of Public Lands for the State of New Mexico.
5. At the present there is one producing well on this lease, the State "C" No. 1, which is an Upper Pennsylvanian and Lower Pennsylvanian dual completion. Any additional Upper Pennsylvanian or Lower Pennsylvanian completions will be produced into the proposed installation.

New Mexico Oil Conservation Commission

Page No. 2

June 21, 1965

Attached to this request is a letter of approval from the Commissioner of Public Land, a plat of the subject lease, a schematic diagram of the proposed commingling installation and information concerning the production, gravity and value of the oil of the separate and commingled zones.

In view of these facts, Midwest Oil Corporation requests the approval of this application in order to provide for the most efficient and economical operation of this lease.

Respectfully yours,

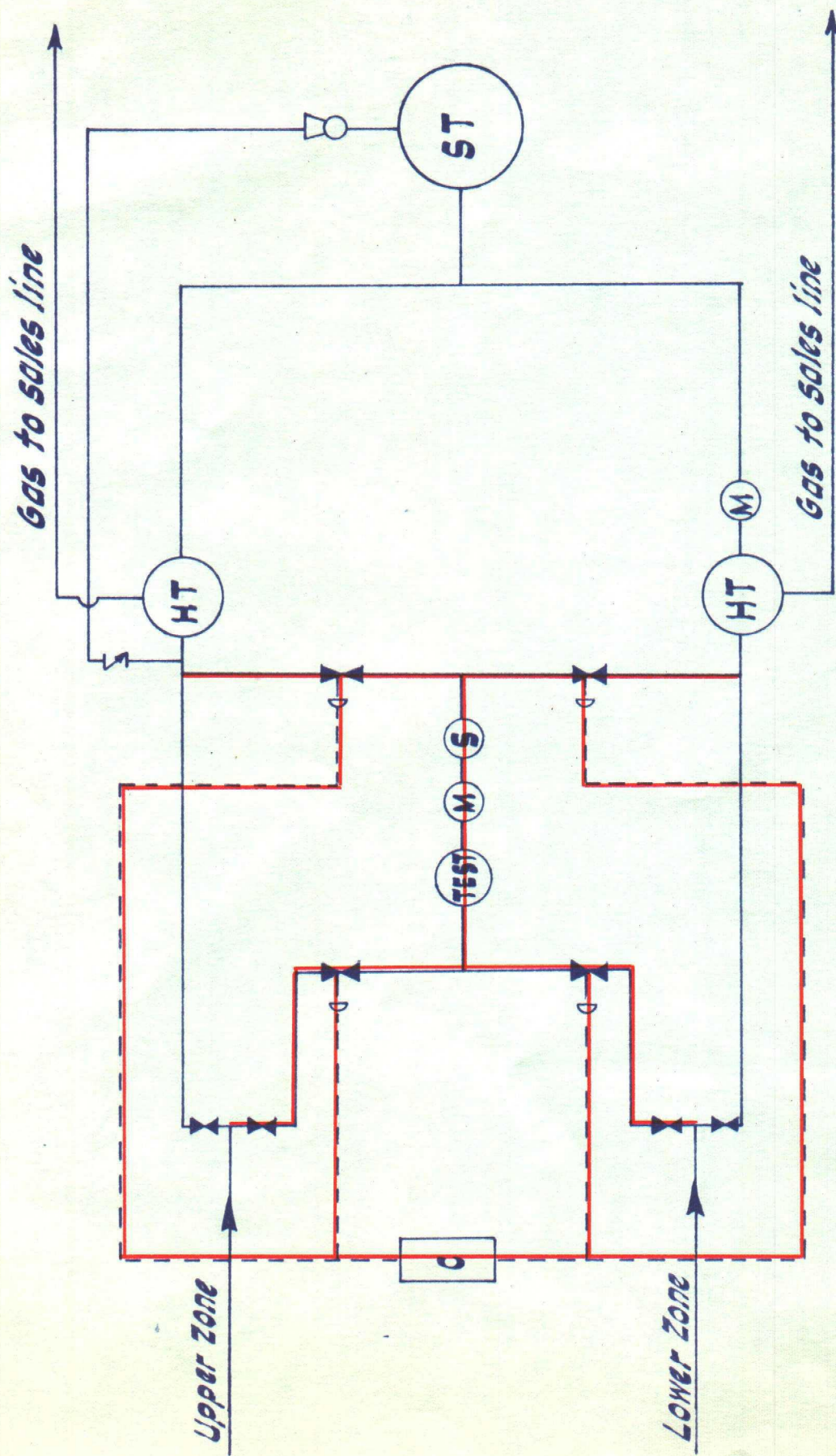
MIDWEST OIL CORPORATION

A handwritten signature in dark ink, appearing to read "B. D. Baker", written in a cursive style.

B. D. Baker
Engineer

BDB/raj

Encl - 4



Test facilities, shown in red, are not proposed at the present time, but will be installed if an additional well is drilled on this lease.

MIDWEST OIL CORPORATION
PROPOSED COMMINGLING INSTALLATION
STATE "C" LEASE
LEA COUNTY, NEW MEXICO

State of New Mexico



Commissioner of Public Lands



GUYTON B. HAYS
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO

June 18, 1965

Midwest Oil Corporation
1500 Wilco Building
Midland, Texas

Att: B. D. Baker

In RE: Request to commingle
production on State lease
K-1038, Section 32-T13S-
R34E, Lea County.

Gentlemen:

The above request is hereby granted by us since ownership is common throughout, and according to your data sheet, this installation will result in an increase of royalty to the State.

This request is granted with the understanding that the Commissioner of Public Lands reserves the right to amend or withdraw his approval at any time should a loss of revenue occur.

Very truly yours,

GUYTON B. HAYS,
Commissioner of Public Lands

By

A handwritten signature in cursive script that reads "Ted Bilberry".

TED BILBERRY, Director,
Oil and Gas Department

GBH/TB/RGM/kcl

W/cc to: Oil Conservation Commission
Oil and Gas Accounting Commission

PRODUCTION DATA

MIDWEST OIL CORPORATION
STATE "C" LEASE
LEA COUNTY, NEW MEXICO

MWO UPPER PENN POOL

Number of wells	1
Gravity of oil	43 deg. API
Price of oil	\$2.86/bbl
Daily production	291 bbl
Daily revenue	\$832.26

MWO LOWER PENN POOL

Number of wells	1
Gravity of oil	39 deg. API.
Price of oil	\$2.84/bbl
Daily production	291 bbl.
Daily revenue	\$826.44

COMMINGLED PRODUCTION

Number of wells	2
Gravity of oil	41 deg. API
Price of oil	2.86/bbl.
Daily production	582 bbl.
Daily revenue	\$1664.52

The actual value of the commingled production will be greater than the sum of the value of the production from the individual pools.

The daily production shown above is based on 160 acre proration units which have been proposed for this pool. However, field rules have not yet been adopted for this pool.