

July 7, 1982

State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

RE: Surface commingle pools

Attention: Joe D. Ramey, Director

Gentlemen:

*Mike -
this looks OK to me.
notice the copyrighted
application form.*

Maralo, Inc. requests permission to surface commingle oil and gas production at the M.D. Self Lease Battery (see attached commingling request form and Plats for required information).

Presently the two pools are producing into separate facilities as shown on the attached drawing No. M-601. Plans are to commingle the production which will eliminate one heater treater and two 500 barrel stock tanks. Reducing the production facilities will decrease the operating cost, which will extend the economic life of the lease.

A letter from the United States Department of the Interior approving this proposal is attached.

Any questions that you may have concerning this request should be directed to Mr. R. N. (Bob) Walden at our Midland office (915) 684-7441.

Yours truly,

R. A. Lowery
Production Manager

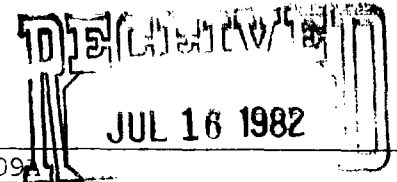
RNW/SB

Attachments

cc: Morris Cannan
State of New Mexico, Energy and Mineral Department
Mr. J. T. Sexton
Hobbs, New Mexico

COMMINGLING BY
POOL OR LEASE

COMMINGLING REQUEST FORM FOR THE
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



APPLICATION FOR EXCEPTION TO COMMISSION RULE 303A AND/OR 309A

1. Operator Maralo, Inc. 5. Commission Dist. No. 1 SANTA FE
2. Address P.O. Box 832 6. County Lea County, New Mexico
3. City Midland 4. State Texas 7. Date of Application 7-6-82

8. Identification of leases and pools as shown on statewide oil proration:

Field Name	Lease Name	Pool(Zone)Name	API Gravity Range	Lease Location S-T-R
Langlie Mattix	M.D. Self	7 Rivers Queen	39.0	Sec.6, T-26-S, R-38-E
Justis	M.D. Self	Blinebry	33.9	Sec.6, T-26-S, R-38-E

9. ☒ Request for exception to Rule 303A (segregation of production from pools)
10. ☐ Request for exception to Rule 309A (lease commingling)
11. ☒ POOL COMMINGLING (Exception to Rule 303A) (1) Lease plat (required)
(2) Schematic of commingling (required) (ATTACHED)
12. Commingled royalty interest are the same. Yes ☒ No ☐
13. Are producing zones marginal or top allowable? ☒ Marginal (see A below)
☐ Top allowable

(A) If producing zones are not capable of producing top unit allowable for their respective pools, commingling will be permitted without separately measuring the production from each pool. A 60-day period tabulation of production showing that the average daily production has been below top allowable for the subject pools. (See attached)

14. Allocation of production from well zones will be by:
☒ Periodic well test
☐ All zones metered
☐ All zones metered & sampled
☐ All zones except one separately metered (subtraction method)

15. Will the commingling of zones or pools decrease revenue due to API gravity change?
☐ Yes ☒ No (As per "TESORO Crude Oil Company" The Gatherer)

16. If answer to (15) is "yes," state how much less.

17. Are Federal lands or State lands involved? ☒ Yes ☐ No

(see ATTACHED letter)

18. If answer to (17) is "Yes," furnish an approval letter from the Commissioner of Public Lands for the State of New Mexico or the Regional Supervisor of the United States Department of the Interior Geological Survey stating approval of the proposed commingling. (See attached)

19. LEASE COMMINGLING (exception to Rule 309A):

- (1) Lease plat required
- (2) Schematic diagram of the commingling facility

20. All production is from the same common source of supply or an exception to Rule 303A has been obtained.

☐ Yes ☐ No

21. If answer to (20) is "Yes," show acceptance letter date and commission order number. Requesting exception by this application

22. Allocation of production: ☐ Monthly well test (or periodic)
☐ All leases metered
☐ All leases metered & sampled
☐ All leases except one separately metered (subtraction method)

23. All parties owning an interest in the Leases and the purchaser of the commingled production have consented in writing to the commingling of production from the separate leases.

☐ Yes ☐ No

24. If answer to (23) is "No," explain: N/A

25. Name and address of gatherer: TESORO Crude Oil Company - 8700 Tesoro Drive,
San Antonio, TX 78286

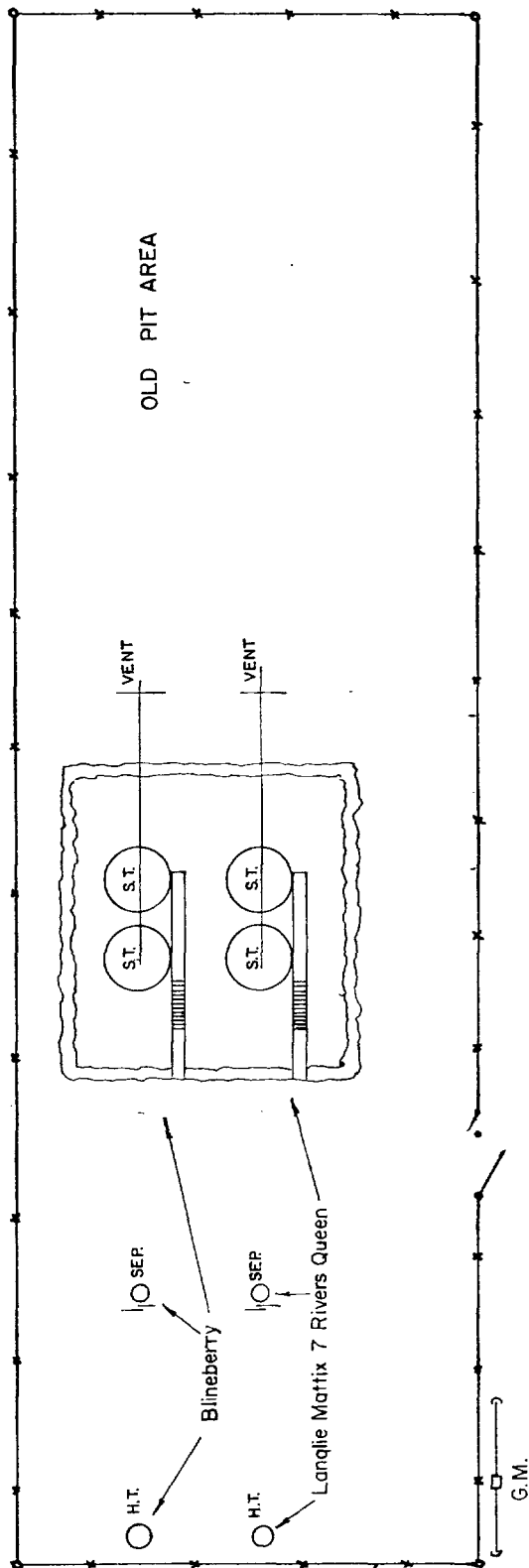
26. Signature R. A. Lowery Title Production Manager

Commingling Permit Number _____ Approval Date _____

Approved By _____

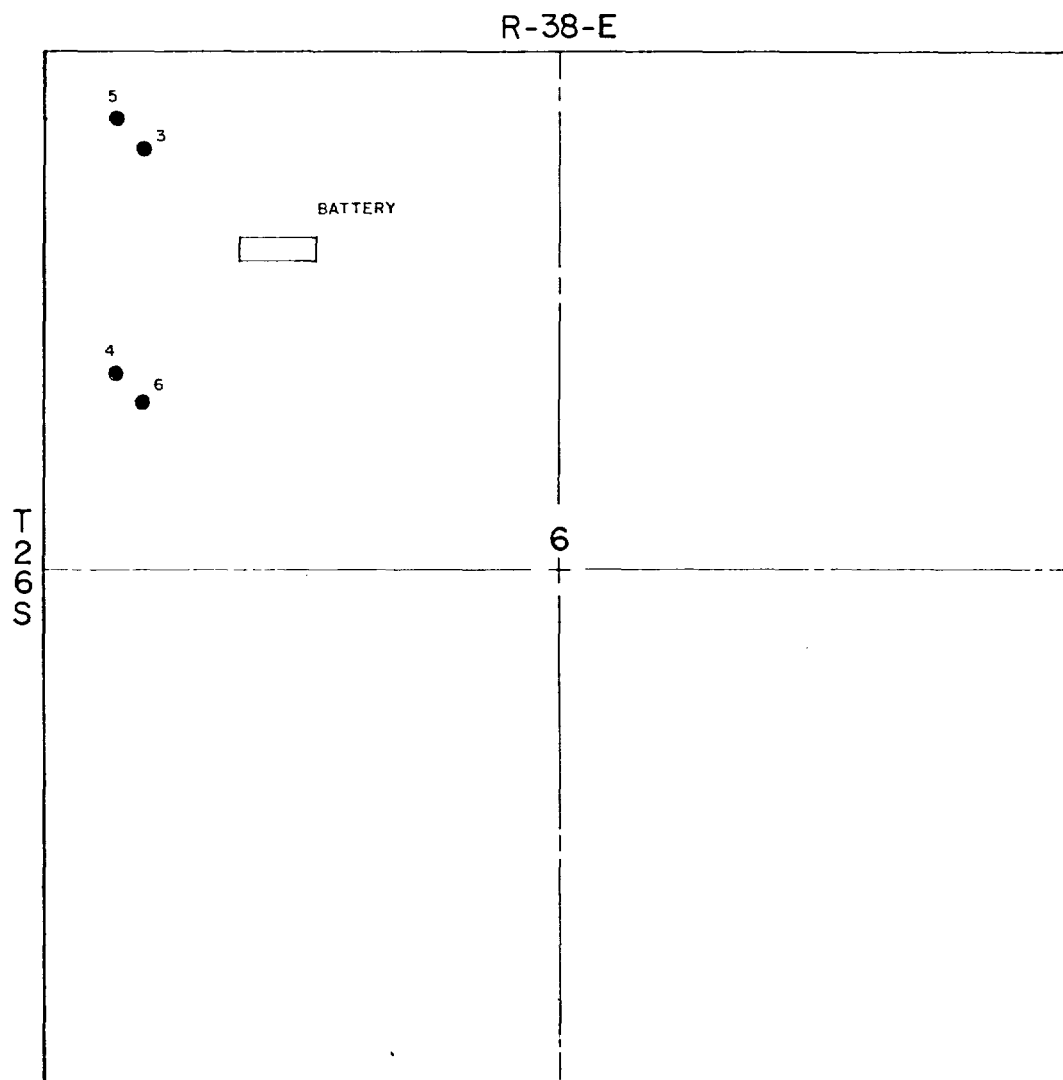
LEGEND

S.T. Stock Tank
 SEP. Separator
 H.T. Heater Treater
 G.M. Gas Meter



MARALO, INC.
 M.D. SELF LEASE BATTERY
 Sec. 6, T-26-S, R-26-E
 LEA COUNTY, NEW MEXICO

Date. 5-4-82 Scale. 1" = 50'
 Drawn by. R. N. Walden Drawing No. M-601

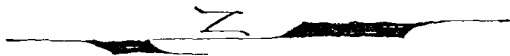


LEGEND

- Well No.s 3 & 4 Langlie Mattix 7 Rivers Queen Pool
- Well No.s 5 & 6 Justis Blinbry Pool

Drwn. By. R. N. Wolden Date 5-13-82
Scale. None Drwg. No. M-522

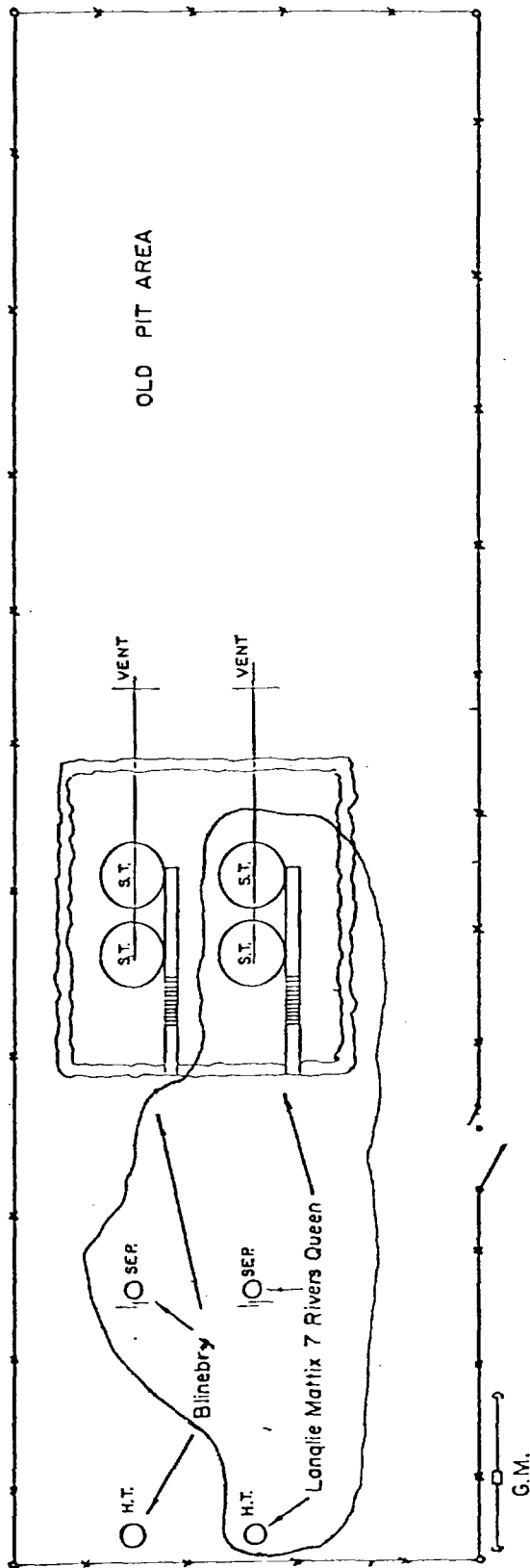
MARALO, INC.
M. D. SELF LEASE
SEC. 6, T-26-S, R-38-E
LEA COUNTY, NEW MEXICO



LEGEND

- S.T. Stock Tank
- SEP. Separator
- H.T. Heater Treater
- G.M. Gas Meter

PRODUCTION FACILITIES
AFTER COMMINGING



MARALO, INC.
M.D. SELF LEASE BATTERY
Sec. 6, T-26-S, R-38-E
LEA COUNTY, NEW MEXICO
Date: 5-4-82 Scale: 1" = 50'
Drawn by: R. N. Walden Drawing No. M-601

PRODUCTION HISTORY

M. D. SELF

1982

APRIL

Justis Blineberry

Well No.	<u>Allowable</u>	<u>Actual Bbls. Produced</u>	<u>Bbls. Water</u>	<u>Gas MCF</u>	<u>Days Produced</u>
5.	180	97	420	752	30
6.	150	79	4800	615	30
	<u>330</u>	<u>176</u>	<u>5220</u>	<u>1367</u>	

Langlie Mattix 7 Rivers Queen

3.	240	215	480	665	30
4.	90	80	1020	246	30
	<u>330</u>	<u>295</u>	<u>1500</u>	<u>911</u>	

MAY

Justis Blineberry

5.	186	105	434	764	31
6.	155	86	4650	625	31
	<u>341</u>	<u>191</u>	<u>5084</u>	<u>1389</u>	

Langlie Mattix 7 Rivers Queen

3.	248	213	496	676	31
4.	93	79	1054	250	31
	<u>341</u>	<u>292</u>	<u>1550</u>	<u>926</u>	



United States Department of the Interior

MINERALS MANAGEMENT SERVICE

ROSWELL DISTRICT OFFICE
POST OFFICE DRAWER 1857
ROSWELL, NEW MEXICO 88201

June 24, 1982

Maralo, Inc.
P.O. Box 832
Midland, Texas 79701

Attention R. A. Lowery

Gentlemen:

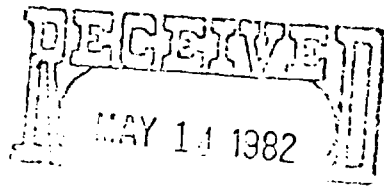
Reference is made to your application of May 13, 1978, whereby you request approval to commingle Blinbry with Seven Rivers Queen oil produced from Lease NM-0889.

Your application is hereby approved and one approved copy is returned herewith.

Sincerely yours,

James A. Gillham
for James A. Gillham
District Supervisor

Enclosure



INC.

SUBJECT
NEW MEXICO
MAY 13, 1982

May 13, 1982

Minerals Management Service
P. O. Drawer 1857
Roswell, NM 88201

Re: Federal Lease No.
29000889

Attention Mr. Armando Lopez

Gentlemen:

Maralo, Inc. requests your permission to surface commingle the Justis Blinbry and the Langlie Mattix Seven Rivers Queen oil and gas production at the M. D. Self Lease Battery, which is located in Section 6, Township 26 South, Range 38 East (see attached plat).

Presently, the two pools are produced into separate facilities as shown on the attached drawing No. M-601. Plans are to commingle the production and utilize one production and one test separator, a heater treater and two 500 barrel stock tanks. Reducing the production facilities will decrease the operating cost, which will extend the economic life of the lease.

Basin, Inc. which buys the approximately 6 BOPD of Blinbry and 6 BOPD of Seven Rivers Queen oil, assured Maralo, Inc. the price per barrel would not be affected if commingling is accomplished.

If you agree with our proposal, please furnish a letter of approval to the New Mexico Oil and Gas Commission.

Any questions that you may have concerning this request should be directed to Mr. R. N. Walden at our Midland office (915) 684-7441.

Yours truly,

R. A. Lowery

R. A. Lowery
Production Manager

RNW:JB

Attachments

cc: Morris Cannan

