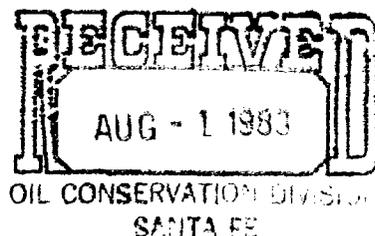


Mobil Producing Texas & New Mexico Inc.

July 27, 1982

NINE GREENWAY PLAZA—SUITE 2700
HOUSTON TEXAS 77046

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



Attention Joe D. Ramey

7.01
MOBIL PRODUCING TX. & N.M. INC.
SURFACE COMMINGLING PERMIT,
NMOCD RULE 303(B)
C.L. O'BRIEN LEASE, WELL #1 & #2
LIGHTCAP FIELD
CHAVES COUNTY, NEW MEXICO

Gentlemen:

MPTM requests authorization to surface commingle commonly owned production from the Devonian and Montoya formations on the C.L. O'Brien lease produced from Well #1 and #2.

We fulfill the requirements outlined by NMOCD Rule 303(B) and provide the necessary supporting documentation for this request. The result of this surface commingling will not reduce the commercial value of the commingled product when compared to the sum of the individual products.

Your earliest consideration of this request would be appreciated. Should you have any further questions, please contact J.A. Morris at 713-871-5350 or S. D. Marino at 713-871-5351.

Yours truly,

A handwritten signature in cursive script that reads "J. A. Morris".

J. A. Morris
Regulatory Engineering Supervisor

SDMarino/ec
Enclosures

cc: Director, Hobbs District



PHONE 505 393-3561 • P. O. BOX 1161 • 611 W. SNYDER • HOBBS, NEW MEXICO 88240

LABORATORY REPORT

Test No. 1020
Date of Run 7 21 83
Date Received 7 20 83

A Sample of _____
Secured from Mobil Oil Corporation
Box 1800
Hobbs, New Mexico 88240
Secured by _____ Date _____
Time _____
Sampling Condition: _____

SPECIAL ANALYSIS AND TESTS

C.L. O'Brien #2
Lightcap Field Chaves Co. N.M.
Montoya Formation
Separator Sample
API 50.4 @ 60°

C.L. O'Brien #1
Lightcap Field Chaves Co. N.M.
Devonian Formation
Well Bleeder
API 45.7 @ 60°

Run by Deane Simpson
Approved by

Mobil Producing TX. & N.M. Inc.
 C.L. O'Brien Lease, Well #1 and #2
 Lightcap Field (Devonian & Montoya)
 Chaves County, NM

These computations show the value of the commingled production will be the same as the sum of the values of the Devonian and Montoya formations.

<u>Formation</u>	<u>API Gravity @ 60°</u>	<u>Volume of Production BBL/Day</u>
Devonian	45.7	14
Montoya	50.4	<u>32</u>
		46

The value of New Mexico crude greater than 40 gravity, per MPTM price bulletin dated June 1983, is \$30.01/BBL.

Expected Gravity of Commingled Product

Devonian	45.7 Gravity	✕ 30% of Product	=	13.7
Montoya	50.4 Gravity	✕ 70% of Product	=	<u>35.3</u>
				49.0 Gravity

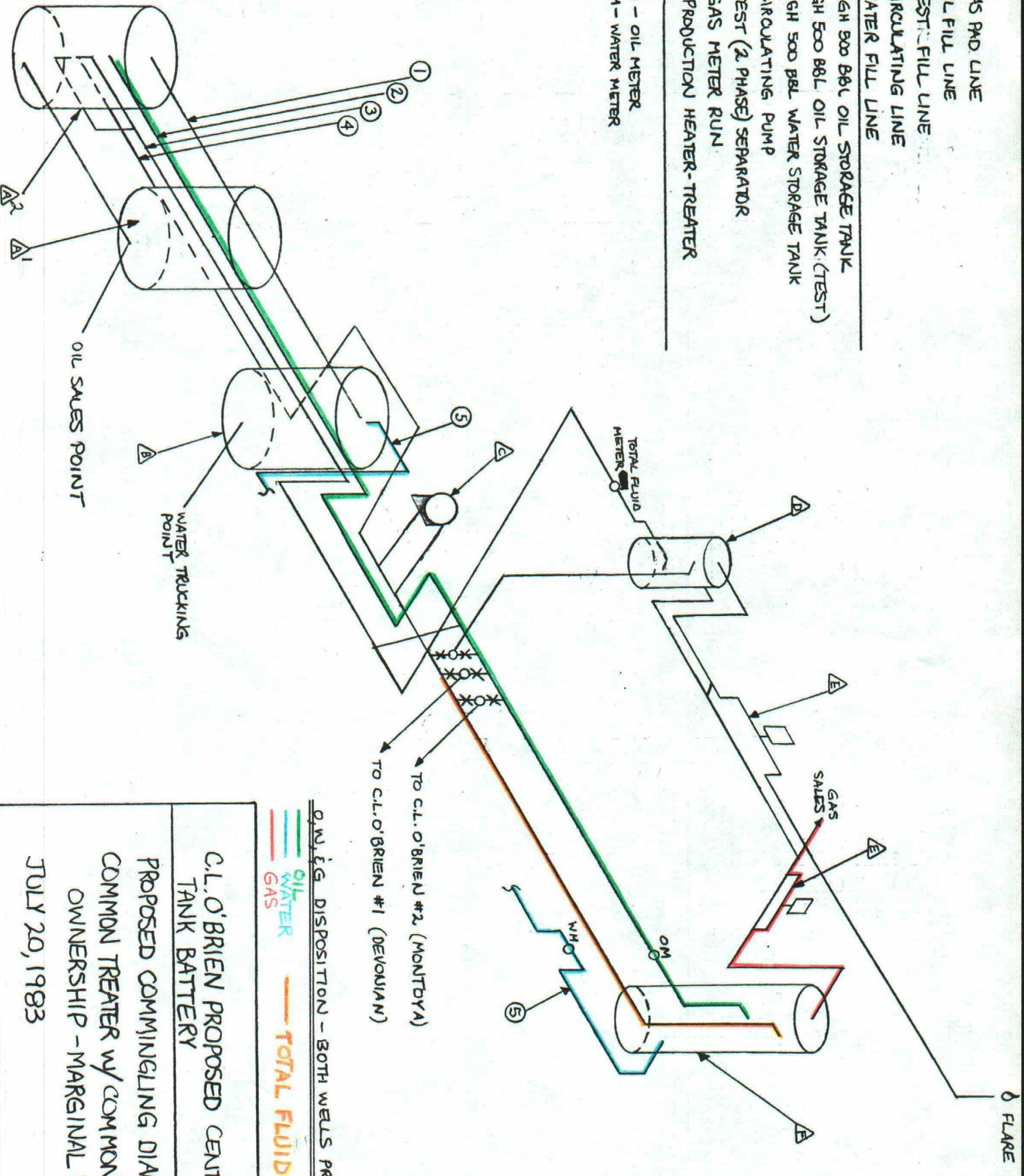
Expected Commercial Value of Commingled Product

46 bbl/day ✕ \$30.01/BBL of NM Crude 40 Gravity = \$1380/Day

Commercial Value of Separate Products

Devonian	14 BBL/Day	✕ \$30.01/BBL	=	\$420/Day
Montoya	32 BBL/Day	✕ \$30.01/BBL	=	<u>\$960/Day</u>
				\$1380/Day

- ① GAS PAD LINE
 - ② OIL FILL LINE
 - ③ TEST FILL LINE
 - ④ CIRCULATING LINE
 - ⑤ WATER FILL LINE
-
- △ HIGH 800 BBL OIL STORAGE TANK
 - △ HIGH 500 BBL OIL STORAGE TANK (TEST)
 - △ HIGH 500 BBL WATER STORAGE TANK
 - △ CIRCULATING PUMP
 - △ TEST (2 PHASE) SEPARATOR
 - △ GAS METER RUN
 - △ PRODUCTION HEATER-TREATER
-
- OM - OIL METER
 - WM - WATER METER



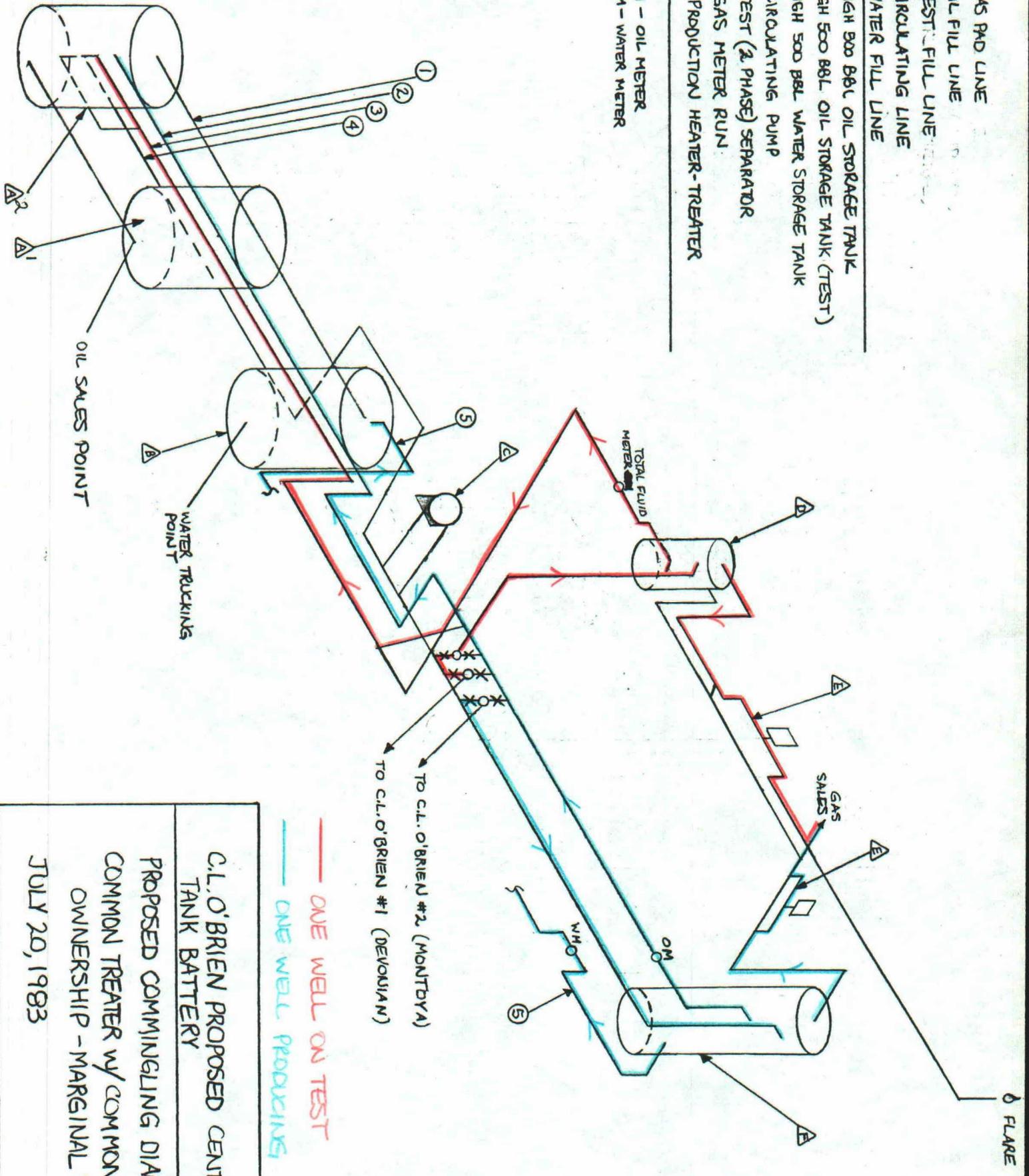
TO C.L. O'BRIEN #2 (MONTBYRA)
 TO C.L. O'BRIEN #1 (DEVONIAN)

OWLEG DISPOSITION - BOTH WELLS PRODUCING
 OIL WATER GAS — TOTAL FLUID

C.L. O'BRIEN PROPOSED CENTRAL TANK BATTERY
 PROPOSED COMMINGLING DIAGRAM
 COMMON TREATER w/ COMMON OWNERSHIP - MARGINAL WELLS
 JULY 20, 1983

- ① GAS PAD LINE
 - ② OIL FILL LINE
 - ③ TEST FILL LINE
 - ④ CIRCULATING LINE
 - ⑤ WATER FILL LINE
-
- ▲ HIGH 800 BBL OIL STORAGE TANK
 - ▲ HIGH 500 BBL OIL STORAGE TANK (TEST)
 - ▲ HIGH 500 BBL WATER STORAGE TANK
 - ▲ CIRCULATING PUMP
 - ▲ TEST (2 PHASE) SEPARATOR
 - ▲ GAS METER RUN
 - ▲ PRODUCTION HEATER-TREATER

OM - OIL METER
 OWM - WATER METER



TO C.L. O'BRIEN #2 (MONTBYA)
 TO C.L. O'BRIEN #1 (DEVONIAN)

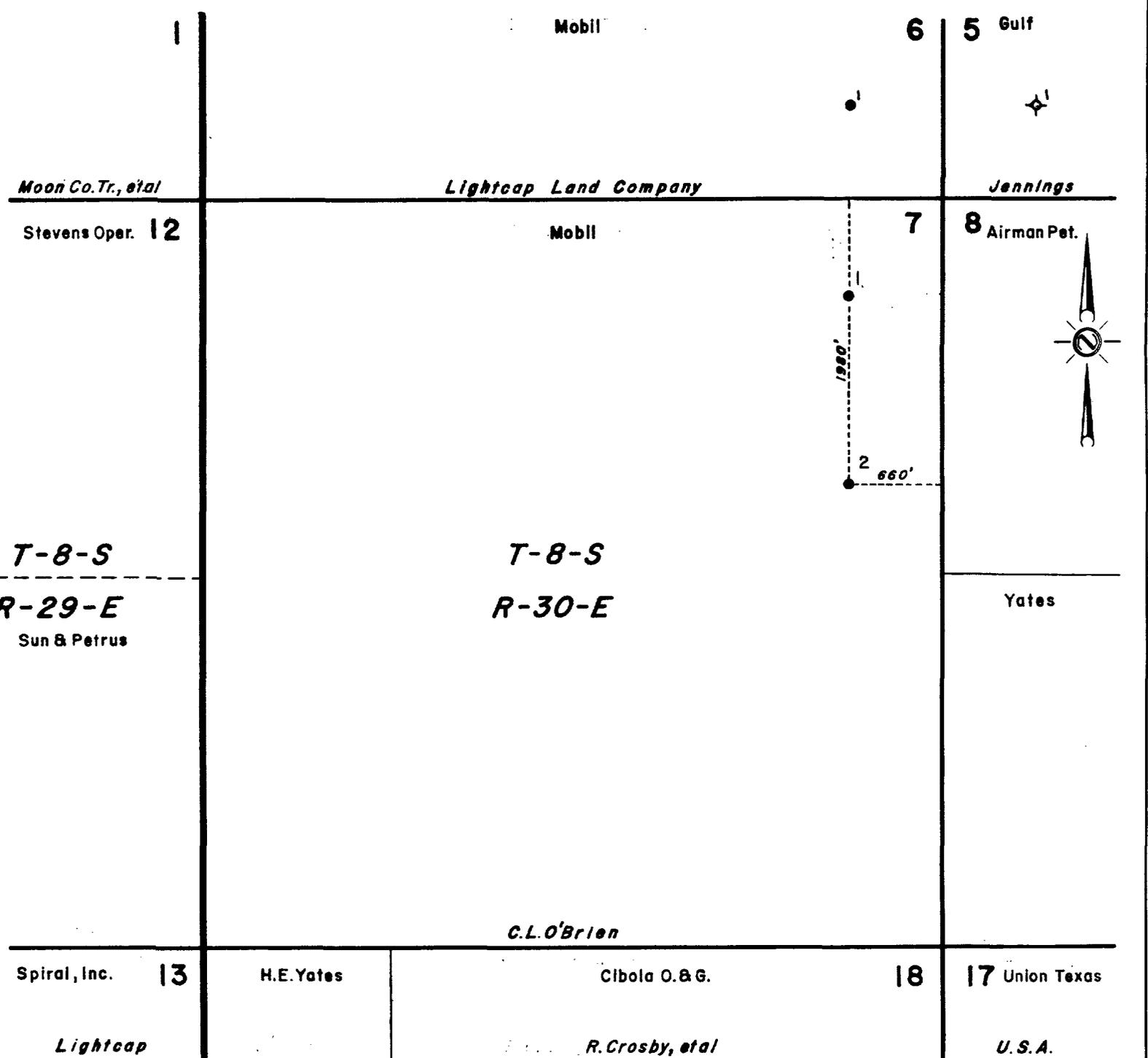
— ONE WELL ON TEST
 — ONE WELL PRODUCING

C.L. O'BRIEN PROPOSED CENTRAL TANK BATTERY	
PROPOSED COMMINGLING DIAGRAM	
COMMON TREATER w/ COMMON OWNERSHIP - MARGINAL WELLS	
JULY 20, 1983	

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CO7214 (10-66)



Reserve 200' Around Buildings Permit depth _____

Special Instructions Application for surface commingling of product ^{FROM} Devonian formation in well #1 and Montoya formation in Well #2.

Date work is commenced _____ 19____ Supt. _____

Location approved by _____ Plat by _____ Surveyed by _____

THE STATE OF TEXAS
 COUNTY OF HARRIS

I hereby certify that this plat truly represents conditions as they actually exist on this lease; that said plat which is drawn to the scale indicated hereon, is to the best of my knowledge true and correct, that it accurately shows said lease with all wells on same; that number and locations of said wells are as indicated hereon; and that this plat correctly reflects all pertinent and required data.

Mobil Producing Texas & New Mexico Inc.
Houston, Texas

LEASE C.L. O'BRIEN

WELL NO. 1 & 2 DATE July 27, 1983

DIVISION _____ LEASE NO. N.M.-1617 B

TOTAL ACRES IN LEASE 6.40 ACRES COVERED BY PLAT 6.40

DESCRIPTION Sec. 7, T-8-S, R-30-E

_____ Chaves County, New Mexico

DRAWN G.A. Brewer DATE Jan. 9, 1969 FIELD Lightcap

SCALE 1" = 1000' FILE NO. 9