

Mobil Exploration & Producing U.S. Inc.

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July 1, 1992

State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501-02088

P.O. BOX 633
MIDLAND, TEXAS 79702-0633

MIDLAND SOUTH ASSET TEAM
ENVIRONMENTAL, REGULATORY &
LOSS PREVENTION

PHONE (915) 688-1753
FACSIMILE (915) 688-2445

Ref: Surface Commingling Application
Bridges State Leases
Lease No. B-1520-1
Lea County, New Mexico

Dear David Catanach:

Mobil Exploration & Producing US, Inc. as agent for Mobil Producing TX & NM Inc. hereby applies for surface commingling on Bridges State Leases in Lea County.

Information on subject leases/fields are as follows:

Vacuum (Blinebry) Bridges State #13
Vacuum (Upper Penn/Wolfcamp) Bridges State #104 DHC #725, dated May 19, 1989
Vacuum (Upper Penn/Wolfcamp) Bridges State #108 DHC #690, dated March 31, 1988

Attached please find the following pertinent information for this application according to rules and procedures:

- o Computations showing value of the commingled production
- o Plat showing Vacuum Field with subject wells spotted
- o Commissioner of Public Lands Approval of Commingling

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, as illustrated in attachments.

Sincerely,

Kaye Pollock

Kaye Pollock
Regulatory Technician

Mobil Exploration & Producing US Inc.
as agent for
Mobil Producing TX & NM Inc.

KP:s
Attachments

cc: Director, Hobbs District
General Land Office - Santa Fe



Environmental
Awareness

MOBIL PRODUCING TX & NM INC.

BRIDGES STATE (VACUUM BLINEBRY/UPPER PENN/WOLFCAMP)
LEA COUNTY, NEW MEXICO

These computations show what the value of the commingled production will be when Blinebry, Upper Penn, and Upper Wolfcamp formations:

Bridges State #13 (Vacuum Blinebry):

API Gravity = 36.7° Last Well Test 3 BBL OIL/DAY

Bridges State #104 (Vacuum Upper Penn):

API Gravity = 40° Last Well Test 51 BBL OIL/DAY

Bridges State #108 (Vacuum Upper Penn/Wolfcamp):

API Gravity = 38.4° Last Well Test 28 BBL OIL/DAY

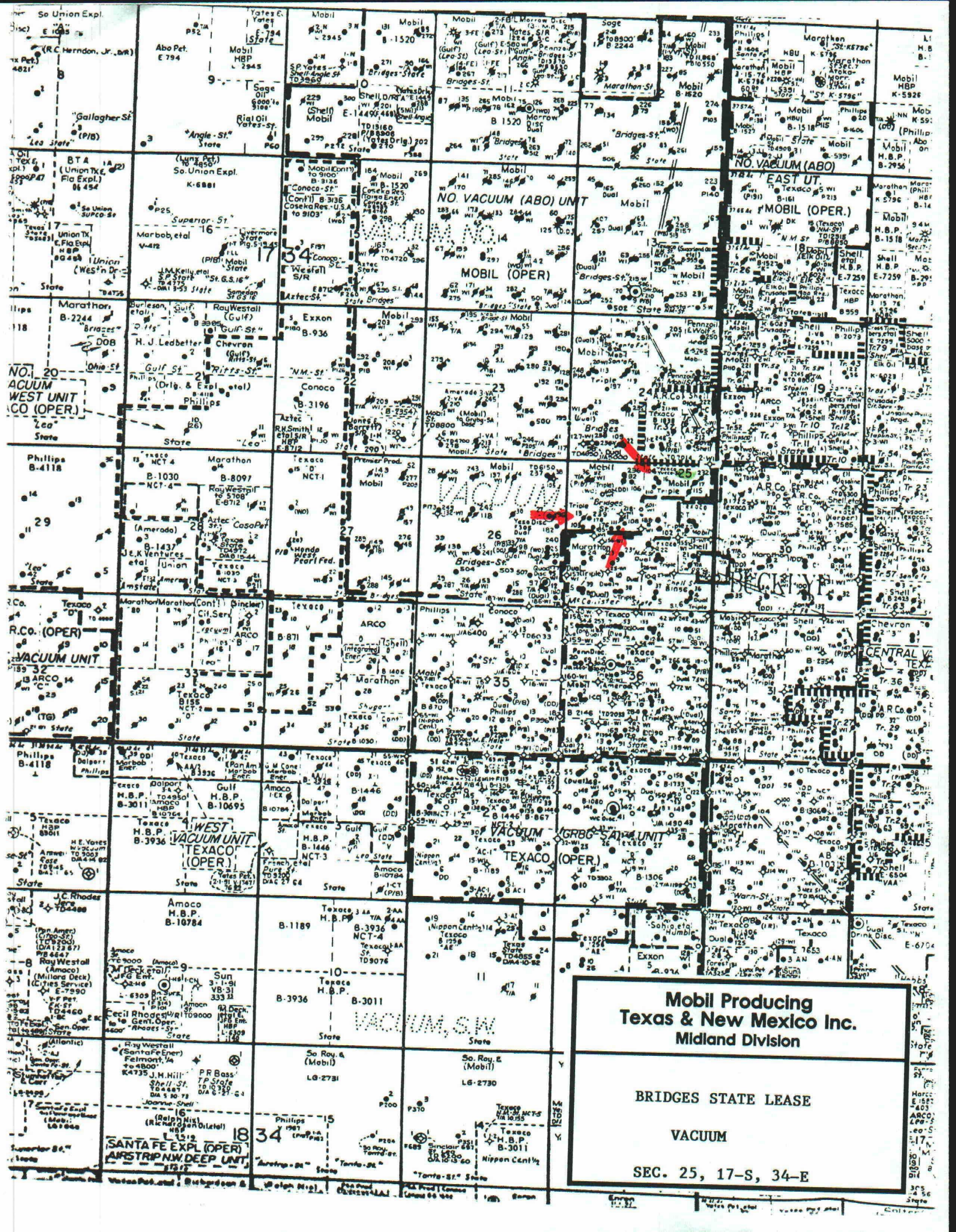
Bridges State 95 Tank Battery:

API Gravity = 36.7° Average Production 48 BBL OIL/DAY
(this is current figures, prior to commingling)

The current oil gravity at Bridges State 95 is 36.7° API. After combining production from the three wells listed above, the new oil gravity will be as follows:

$$\frac{(36.7) 3 + (40) 51 + (38.4) 28 + (36.7) 45}{127} = 38.4^{\circ} \text{ API}$$

The oil gravity at Bridges State 95 will increase. According to the latest available pricing bulletin (see attached), there is no deduction in the oil sales price where there is an increase in API gravity above 34° for West Texas/New Mexico Sour Crude.



Mobil Producing
Texas & New Mexico Inc.
Midland Division

BRIDGES STATE LEASE

VACUUM

SEC. 25, 17-S, 34-E



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

June 15, 1992

Mobil Exploration & Producing U. S. Inc.,
P. O. Box 633
Midland, Texas 79702-0633

Attn: Ms. Kay Pollock

Re: Request for Surface Commingling Bridges State Leases
State Lease No. B-1520-1
Lea County, New Mexico

Dear Ms. Pollock:

Reference is made to your letter of May 26, 1992, wherein you have requested our approval to surface commingle production from the Bridges State Well Nos. 13-E, 104LT-B and the 108LT-F, Section 25, Township 17 South, Range 34 East.

Since it appears that there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request for surface commingling of the above mentioned wells is hereby approved. Any deviation from the substance of your request will be sufficient grounds for rescinding our approval. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

If you have any questions, or if we can 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