

SAMEDAN OIL CORPORATION
12600 NORTHBOROUGH, SUITE 250
HOUSTON, TEXAS 77067-3299
(713) 876-6150

February 14, 1994

State of New Mexico
Oil Conservation Division
Office of William LeMay
PO Box 2088
State Land Office Building
Santa Fe, NM 87504

RE: Exception to Rule 303-A
Surface Commingling of the SHARP LEASE
Unit Letter F, Sec 12, T 23-S, R 37-E
Lea County, NM

Samedan is requesting permission to surface commingle the Tubb Pool and the Lower Paddock/Blinbry Pool in the Cline Field at the tank battery located on the Sharp #1 Lease location described above. We are successfully commingling our Sarah B Lease under Order PC-847 which involves the same two zones.

At the present time the Sharp #1 is the only well producing into this tank battery. We have opened up pay in both the Tubb Pool and the Lower Paddock/Blinbry Pool. Both pools are currently shut in waiting on Surface Commingling Permit.

We are furnishing the following information for your consideration:

1. Samedan owns and operates 100% of the Sharp Lease.
2. Tubb Pool: Daily Production = 20 Oil
 Gravity @ 60 = 44.9 Sulfur = .378
 Value = \$13.00 per bbl for Sweet Crude

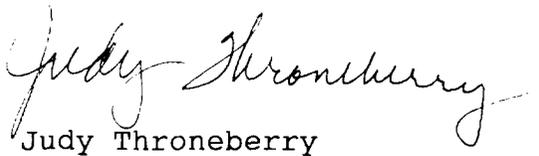
Lwr Paddock/Blinbry: Daily Production = 130 Oil
 Gravity @ 60 = 46.2 Sulfur = .350
 Value = \$12.81 per bbl for Sweet Crude

Commingled Oil: Expected gravity = 46.0
 Expected value = \$12.84
3. The actual commercial value of the commingled production will be equal to the sum of the values of the production from each common source of supply.

4. Separate metering of the production from each pool prior to commingling will be the method of allocation.
5. Schematic diagram of the battery installation.
6. Plat of the well location.

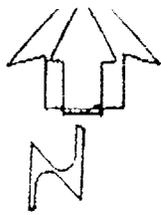
If I can be of further help please notify at (713) 876-6150

Thank you,

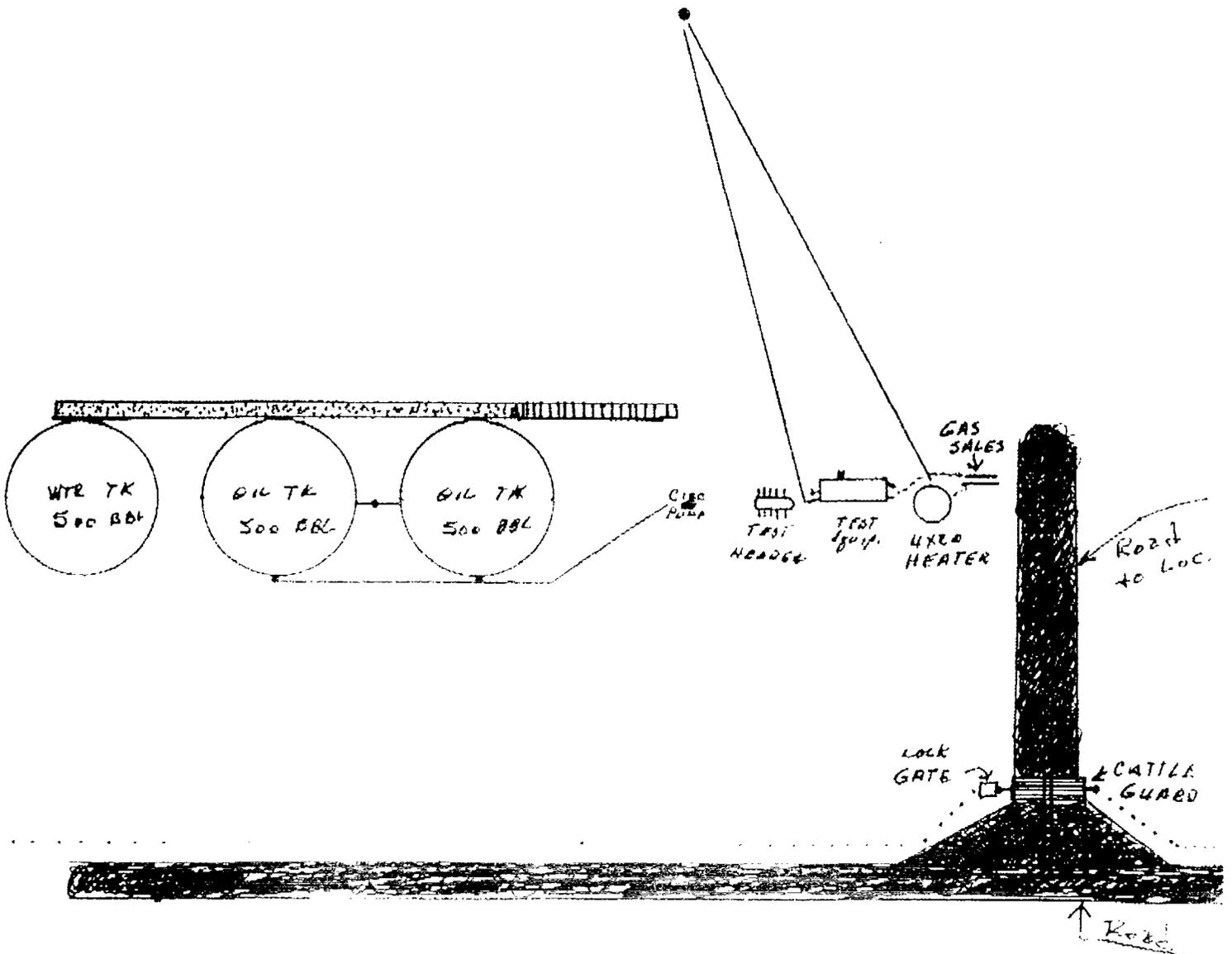

Judy Throneberry

attachments

xc District Office
Hobbs, NM



Sharp
No 1



DISTRICT I

P. O. Box 1980
 Hobbs, NM 88240

DISTRICT II

P. O. Drawer DD
 Artesia, NM 88210

OIL CONSERVATION DIVISION

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

DISTRICT III

1000 Rio Brazos Rd
 Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

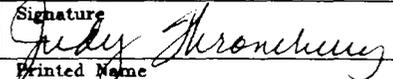
All distances must be from the outer boundaries of the section.

Operator SAMEDAN OIL CORPORATION			Lease SHARP		Well No. 1
Unit Letter F	Section 12	Township 23 SOUTH	Range 37 EAST, N.M.P.M.	County LEA	
Actual Footage Location of Well					
1980 feet from the		NORTH line and		1980 feet from the	
Ground Level Elev. 3297'		Producing Formation Lower Paddock/Blinebry		Pool Cline	
					40 Acres

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all the owners been consolidated by communitization, unitization, forced-pooling, etc.?
 - Yes No If answer is "yes", type of consolidation _____
 - If the answer is "no", list the owners and tract descriptions which have actually been consolidated. (Use the reverse side of this form if necessary.) _____
 - No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the division.

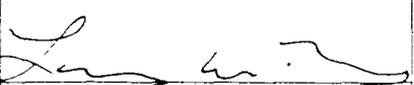
OPERATOR CERTIFICATION

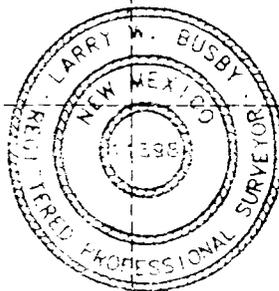
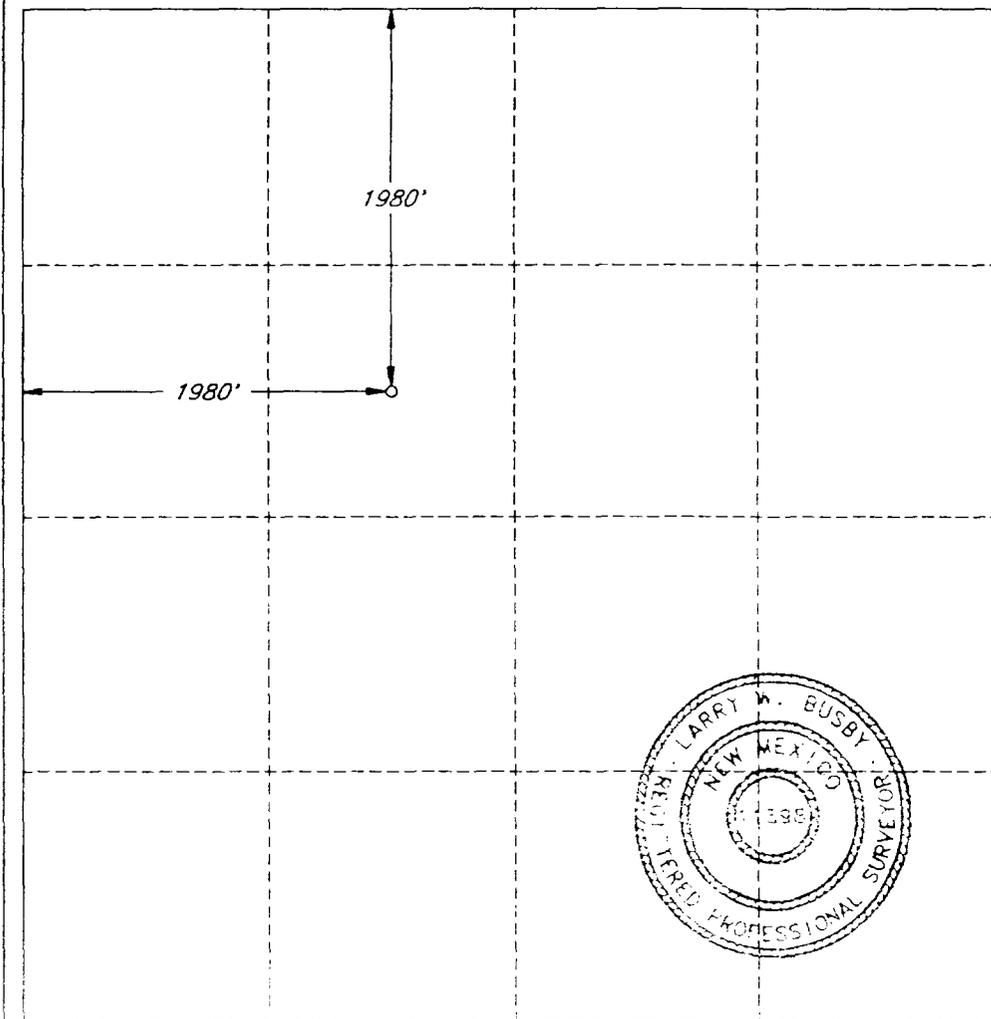
I hereby certify that the information herein is true and complete to the best of my knowledge and belief.

Signature

 Printed Name
Judy Throneberry
 Position
Div Prod Clerk
 Company
Samedan Oil Corp
 Date
01/20/94

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
SEPTEMBER 28, 1993
 Signature and Seal of Professional Surveyor

 Certificate No.
LARRY W. BUSBY R.P.S. #11398
LWB / 9303-1 / 455E



DISTRICT I
 P. O. Box 1980
 Hobbs, NM 88240

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

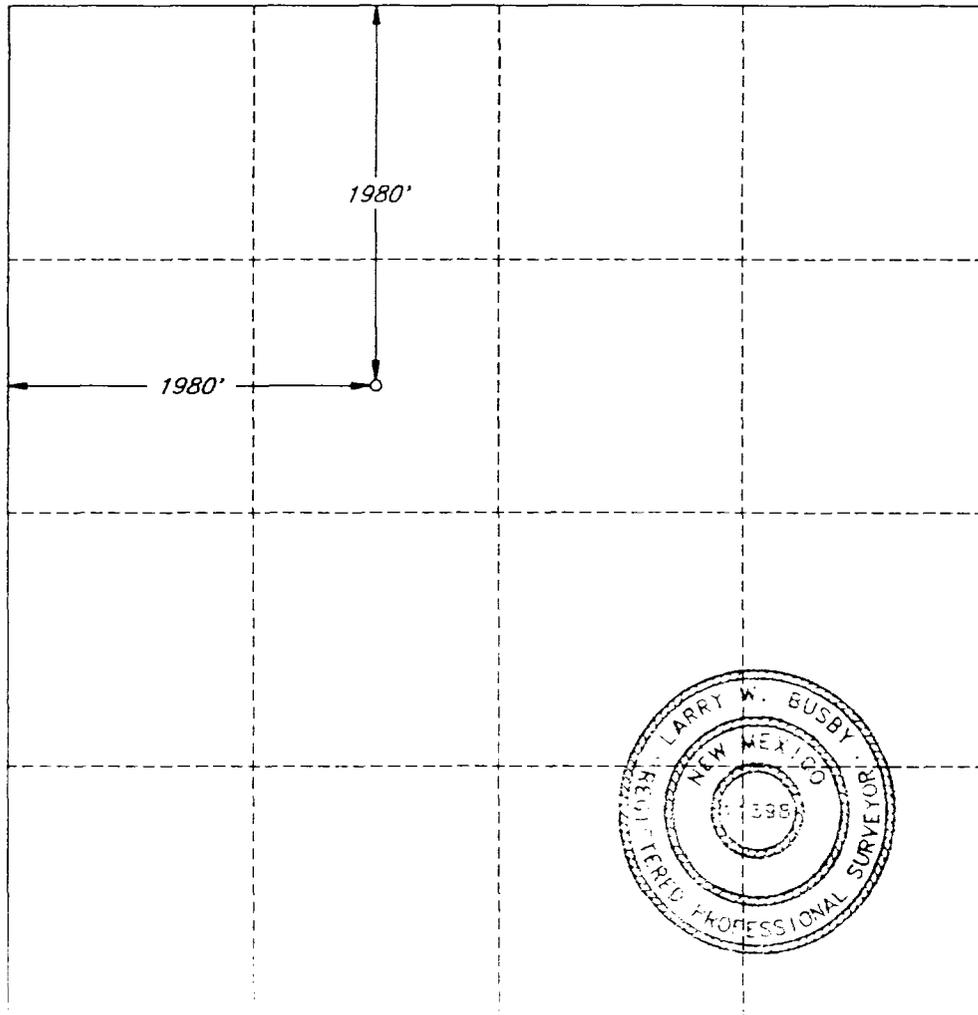
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 P. O. Drawer DD
 Artesia, NM 88210

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 Aztec, NM 87410

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OPERATOR CERTIFICATION

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Signature
Judy Throneberry
 Printed Name
 Judy Throneberry

Position
 Div Prod Clerk

Company
 Samedan Oil Corporation

Date
 01/20/94

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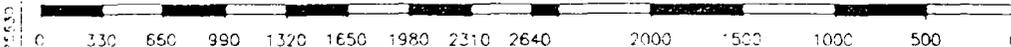
Signature and Seal of Professional Surveyor

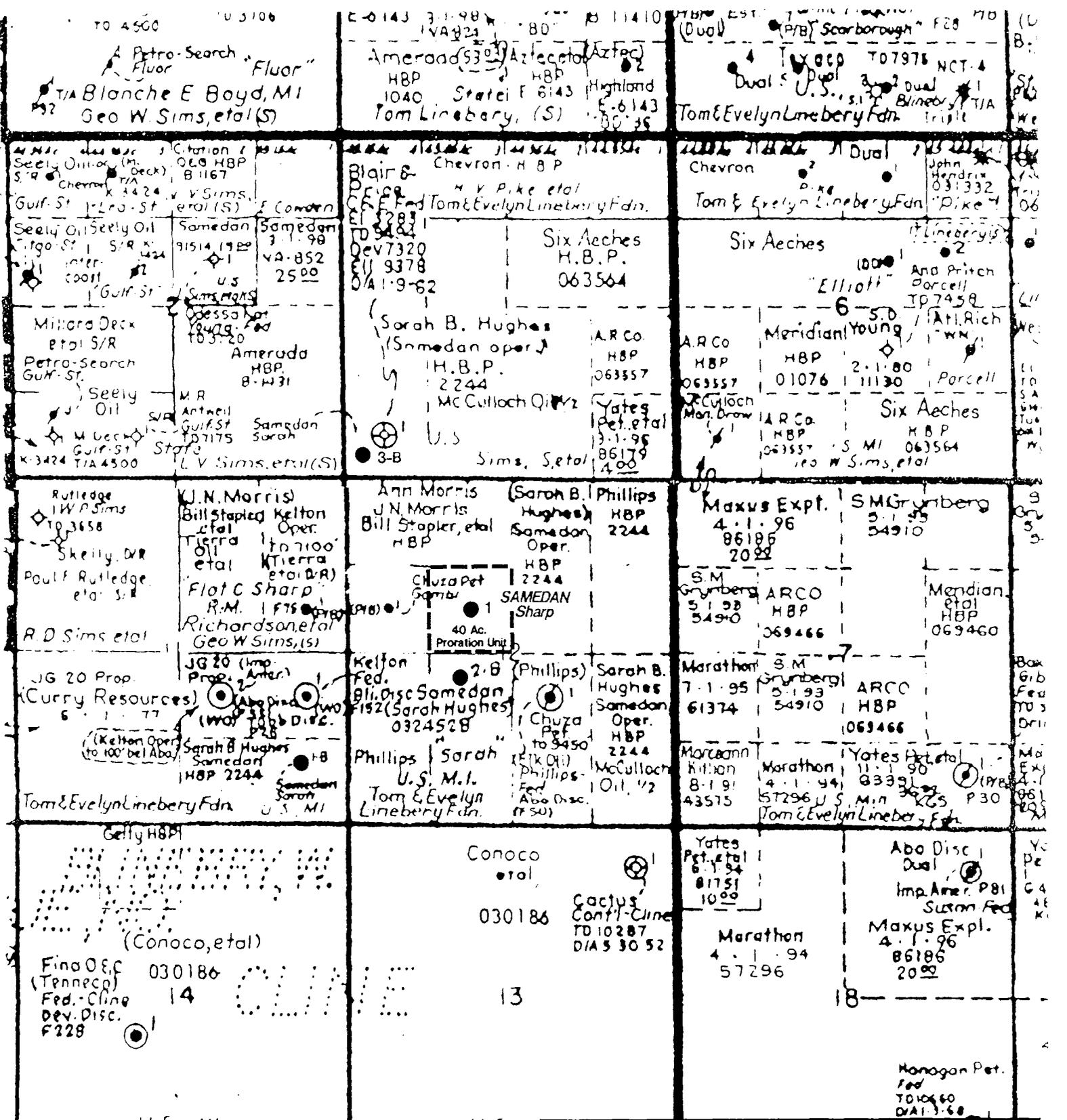


Larry W. Busby
 Certificate No.

LARRY W. BUSBY R.P.S. #11398

LWR / 9303-1 / 45SE

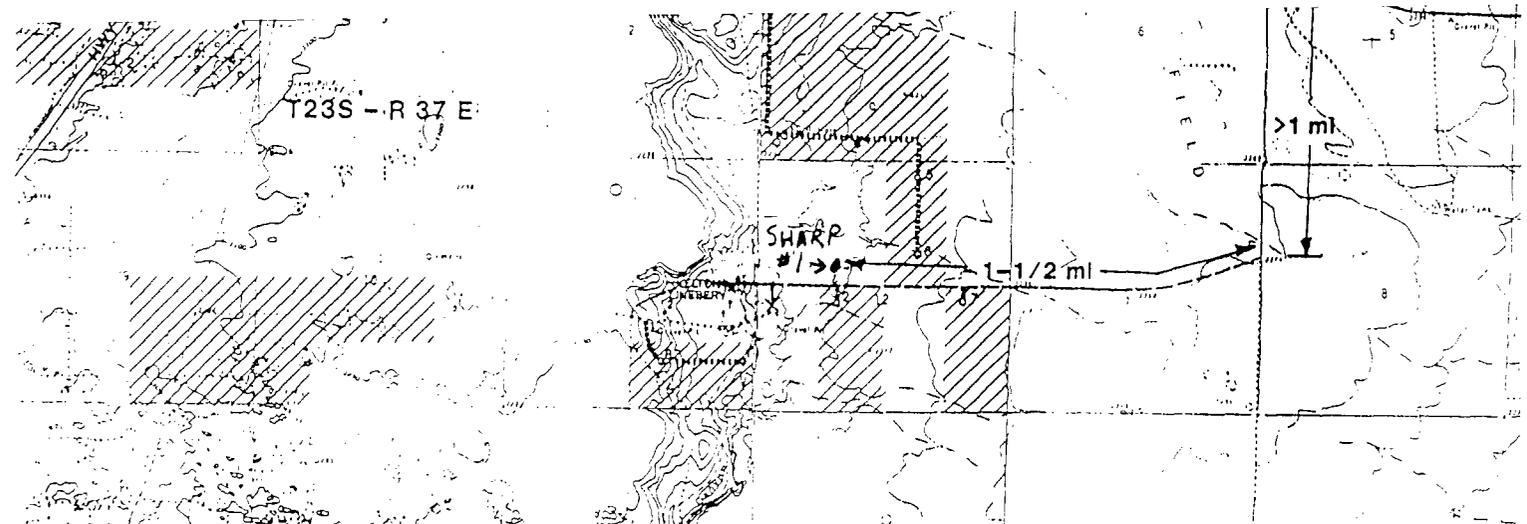


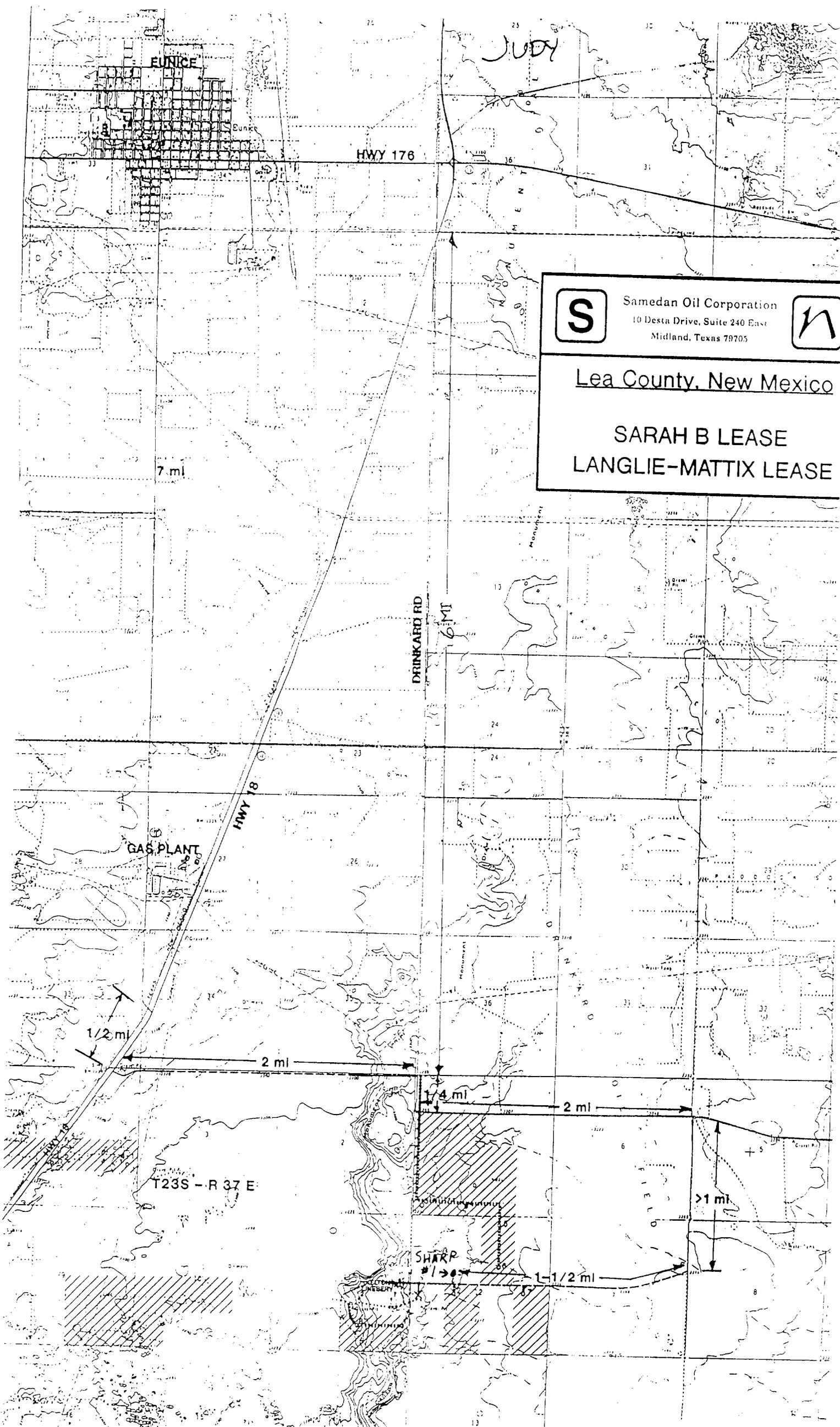


SAMEDAN OIL CORPORATION

**SAMEDAN OIL CORPORATION
NO. 1 SHARP
LEA COUNTY, NEW MEXICO**

SCALE: 1" = 2000' DATE: 1-94





JUDY

EUNICE

HWY 176



Samedan Oil Corporation
10 Desta Drive, Suite 240 East
Midland, Texas 79705



Lea County, New Mexico

SARAH B LEASE
LANGLIE-MATTIX LEASE

7 ml

DRINKARD RD

1/4 MI

GAS PLANT

HWY 78

1/2 ml

2 ml

1/4 ml

2 ml

T23S - R 37 E

>1 ml

SHARP

1-1/2 ml