

BARBARA FASKEN
FASKEN OIL AND RANCH INTERESTS
303 WEST WALL AVENUE, SUITE 1900
MIDLAND, TEXAS 79701-5116
(915) 687-1777

OIL CONSERVATION DIVISION
RECEIVED

'92 NOV 9 AM 9 21

November 5, 1992

Bureau of Land Management
Mr. Adam Salameh, P. E.
P. O. Box 1778
Carlsbad, New Mexico 88221-1778

Re: Request to Commingle Production
Barbara Fasken
Skelly Federal No. 1
Eddy Undesignated (Strawn) Fld
Eddy County, New Mexico

Dear Mr. Salameh:

The subject well was recompleted from the Morrow zone to the Strawn zone on September 30, 1992. This well's production had been commingled with two other Morrow producing wells by a previous authority granted by the US Department of the Interior, Geological Survey on January 29, 1968 (copy attached). Mr. Jimmy Davis of our firm had requested amendment of the previous commingling authority to include the Strawn zone in his letter dated October 12, 1992. This is to fulfill the application requirements as received from you October 28, 1992.

Barbara Fasken hereby formally requests approval to commingle gas and condensate production from the following wells:

<u>Well</u>	<u>CA NO.</u>	<u>Frmtn</u>	<u>Lease No.</u>	<u>Sec TS RGE</u>
Ross Federal #1	SW-247	Morrow	NM-0207950	4-21S-24E
Shell Federal #1	SW-381	Morrow	NM-0486483	5-21S-24E
Skelly Federal #1	SW-421	Strawn	NM-2047971	9-21S-24E

The data in the table above is included on the attached map. The map also indicates the production line routing from the wells at points A, B and C to the commingle facility at point D.

A sketch is attached of the facility showing the routing of all fluids and the particular equipment utilized. Dry gas is metered for each well downstream of individual separators. Condensate is gathered to a stock tank.

The estimated amounts and types of production to be commingled and sold are:

<u>Well</u>	<u>MCF/MO</u>	<u>BBL COND/MO</u>
Ross Federal #1	25,000	41
Shell Federal #1	16,000	36
Skelly Federal #1	8,000	13
	49,000	80

It is proposed that allocation of condensate to each well be based on the proportion that each well's measured dry gas volume bears to the total measured dry gas volume. The only difference in this application and the allocation method employed since 1968 is the inclusion of Strawn gas and condensate from Skelly Federal #1.

All working interest, override-royalty interest and royalty interest owners have been notified of this application by mail as of November 6, 1992.

Federal royalties will not be reduced through approval of this application because the Federal royalty amount is 12.5% of revenue in all three wells to be commingled. There are no Indian royalties involved.

Thank you for your help in this matter.

Sincerely,

FASKEN OIL AND RANCH INTERESTS

Carl Brown

Carl Brown

CWB/cb

cc: NMOCD - Santa Fe ✓
Well File
Read File



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P. O. Drawer 1857
Roswell, New Mexico 88201

IN REPLY REFER TO:

Henry

January 29, 1968

Mr. David Fasken
608 First National Bank Building
Midland, Texas 79701

Dear Sir:

Your letter of January 12, 1968, requests approval to commingle dry gas and associated liquids produced from the following communitization agreements:

<u>CA NO.</u>	<u>Formation</u>	<u>Description</u>	<u>Acres</u>
SW-247	Morrow	All Sec. 4-21S-24E	924.80
SW-381	Morrow	All Sec. 5-21S-24E	926.46
SW-421	Morrow	All Sec. 9-21S-24E	640.00

For royalty purposes, commingled dry gas and commingled liquid hydrocarbons will be sold from common facilities to be located in sec. 5, T. 21 S., R. 24 E. Wet gas volume will be measured from each communitized area. Allocation of dry gas and condensate to each communitized area will be based on the proportion that each measured wet gas volume bears to the total measured wet gas volume. The Lessee's Monthly Report of Operations (form 9-329) and the Lessee's Monthly Report of Sales and Royalty (form 9-361) must show all computations used in the calculation of lease sales.

The method of commingling is hereby approved subject to further approval by the New Mexico Oil Conservation Commission.

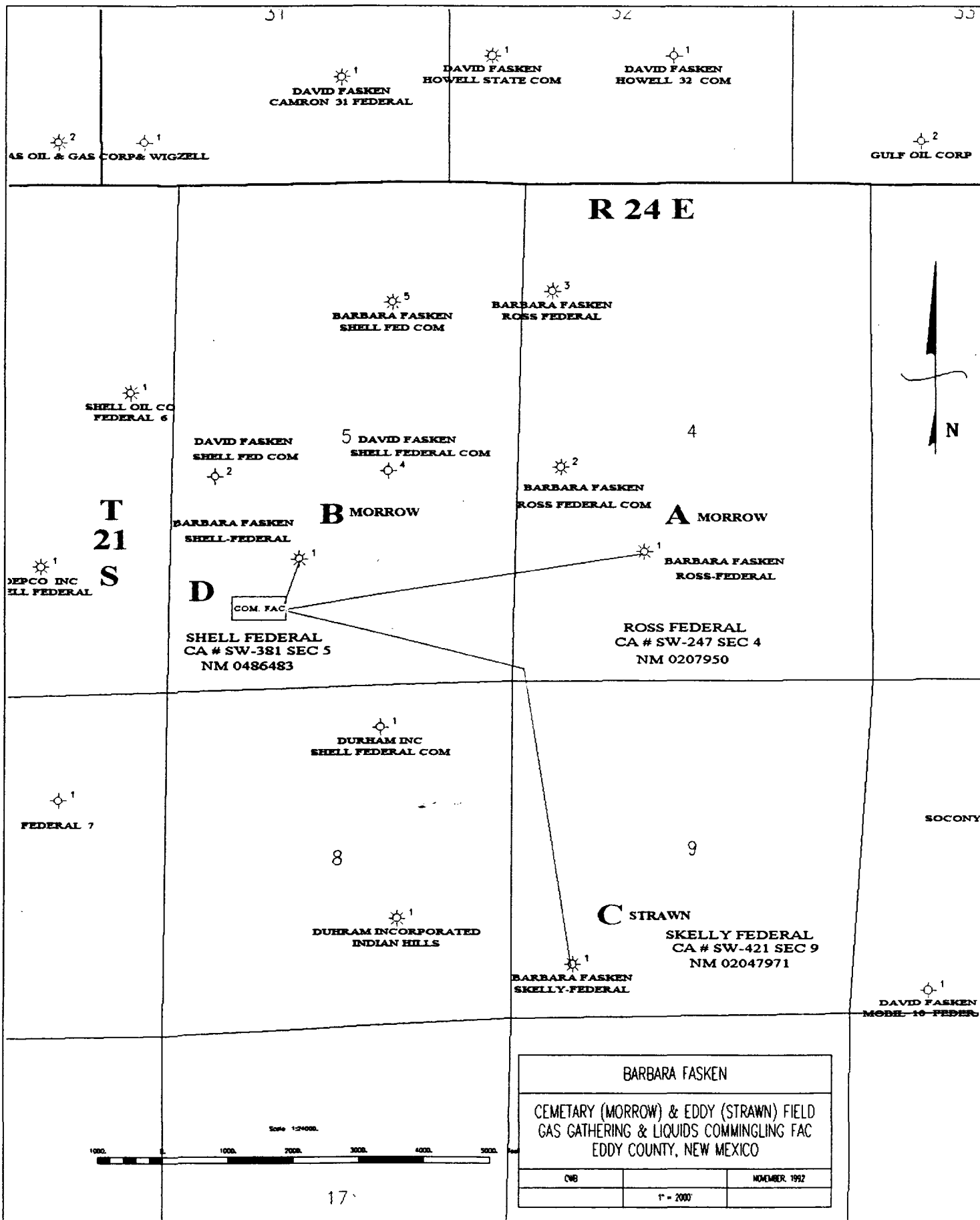
You are requested to notify the District Engineer, U. S. Geological Survey, Post Office Drawer U, Artesia, New Mexico 88210, when the installation is completed and operative so that an inspection can be made.

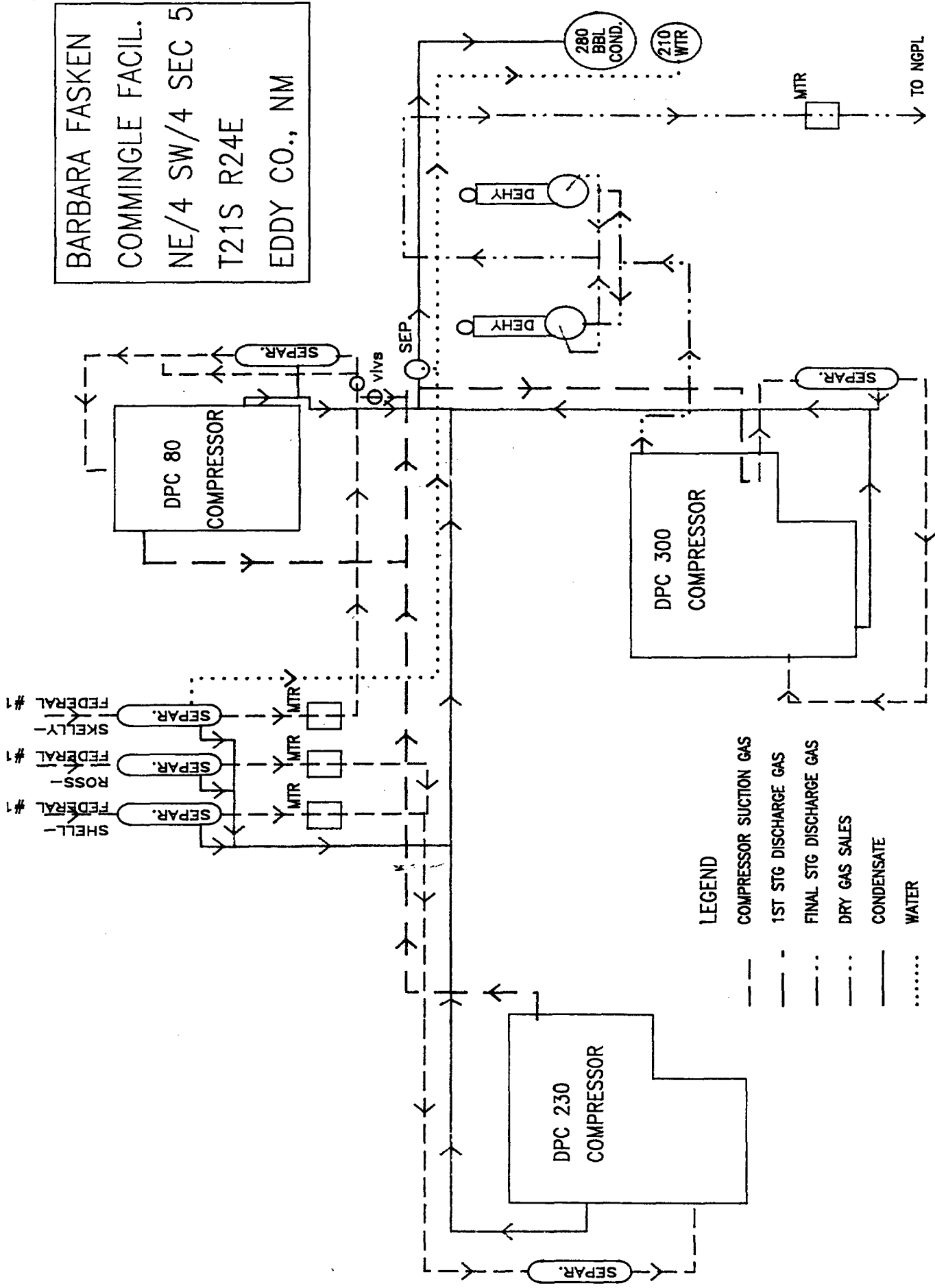
Sincerely yours,

John A. Anderson

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

JBH	_____
RHA	_____
IDM	_____
TWA	_____
FILE	_____





BARBARA FASKEN
 COMMINGLE FACIL.
 NE/4 SW/4 SEC 5
 T21S R24E
 EDDY CO., NM

- LEGEND
- COMPRESSOR SUCTION GAS
 - - - 1ST STG DISCHARGE GAS
 - ... FINAL STG DISCHARGE GAS
 - ... DRY GAS SALES
 - CONDENSATE
 - WATER

FASKEN OIL & RANCH INTERESTS

By: CWB

Date: 11-4-92



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Carlsbad Resource Area Headquarters

P.O. Box 1778

Carlsbad, New Mexico 88221-1778

OIL CONSERVATION

RECEIVED

TAKE
PRIDE IN
AMERICA

'92 DEC 4 AM 9 04

3162 (067)
NM-O247971 &
CA# SW-421

DEC 01 1992

CERTIFIED MAIL - RETURN RECEIPT REQUESTED
P 864 873 072

Fasken Oil and Ranch Interests
Attention: Carl Brown
303 West Wall Avenue, Suite 1900
Midland, TX 79701-5116

RE: NM-O247971 & CA # SW-421
Skelly Federal Com Well No. 1
SWSW1/4, Sec. 9, T21S, R24E
Eddy County, New Mexico

Dear Mr. Brown:

Your request to surface commingle hydrocarbons from the Strawn formation from the Skelly Federal Well No. 1 on lease No. NM-O247971, and in CA# SW-421 with Morrow production from the following wells:

<u>Well</u>	<u>CA No.</u>	<u>Lease No.</u>	<u>Sec TS RGE</u>
Ross Federal #1	SW-247	NM-O207950	4-21S-24E
Shell Federal #1	SW-381	NM-O486483	5-21S-24E

is hereby approved subject to the concurrence of the New Mexico Oil Conservation Division.

Also, your off-lease storage and measurement from the Skelly Federal Well No. 1 to the facility located in the SWSW1/4, Sec. 5, T. 21 S., R. 24 E., Eddy County, New Mexico, is hereby approved. Please notify this office if there is any future change in the meter location.

This does not constitute approval for the existing pipeline. You need to submit within 30 days of receipt of this commingling approval a right-of-way application for the existing pipeline to the Realty Section in this office.

It is our understanding that proper oil production allocation back to these three wells will be proportional to the gas production which will be continuously metered for each well.

We understand that the working interest owners have been notified and the Federal royalty interests are identical. Further, your request is made in the interest of conservation and will not result in reduced royalty or improper measurement of production.

Please contact Adam Salameh, at (505) 887-6544 or at the letterhead address if further information is required.

Sincerely,

For - [Signature]
Richard L. Manus
Area Manager

cc: NM (065, B. Lopez)
NM (067, A. Salameh)
NM (067, E. Inman)

✓ NMOCD - Santa Fe, D. R. Catanach
P.O. Box 2088
Santa Fe, NM 87504-2088