

PENROC

C7B 7.17.95

June 23, 1995

Mr. Bill LeMay
NEW MEXICO OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Re: **REQUEST FOR ADMINISTRATIVE APPROVAL
EXCEPTION TO RULE 309-A**
Harrington State and Mohar State Leases
Sections 10 and 15, T-10-S, R-32-E
Lea County, New Mexico

PENROC OIL CORPORATION requests administrative approval for surface commingling of the above two (2) one-well State leases:

- 1) All production is from one common source of Mescalero San Andres Pool;
- 2) Both are stripper (1 BOPD) wells and production for each can be adequately tested as shown on the attached facility diagram;
- 3) State of New Mexico is the only party owning an interest in the above (12.5% royalty);
- 4) By certified copy of this application the State Land Office is being notified of our intent for commingled production;
- 5) **PENROC OIL CORPORATION** is 100% working interest owner of both leases.

Your approval to the above after a period of 20 days following receipt of the same, will be very much appreciated. Without having a commingled facility, neither of the two (2) leases would make any economic sense. Thank you.

Sincerely,

M. Y. Merchant
M. Y. (Merch) Merchant
President

MYM/ddm

cc: State Land Office - Santa Fe

attchs: (1) Facility Diagram
(2) Lease Map

FN: COMMINGL

MAILING ADDRESS:
PO Box 5970
Hobbs, NM
88241-5970

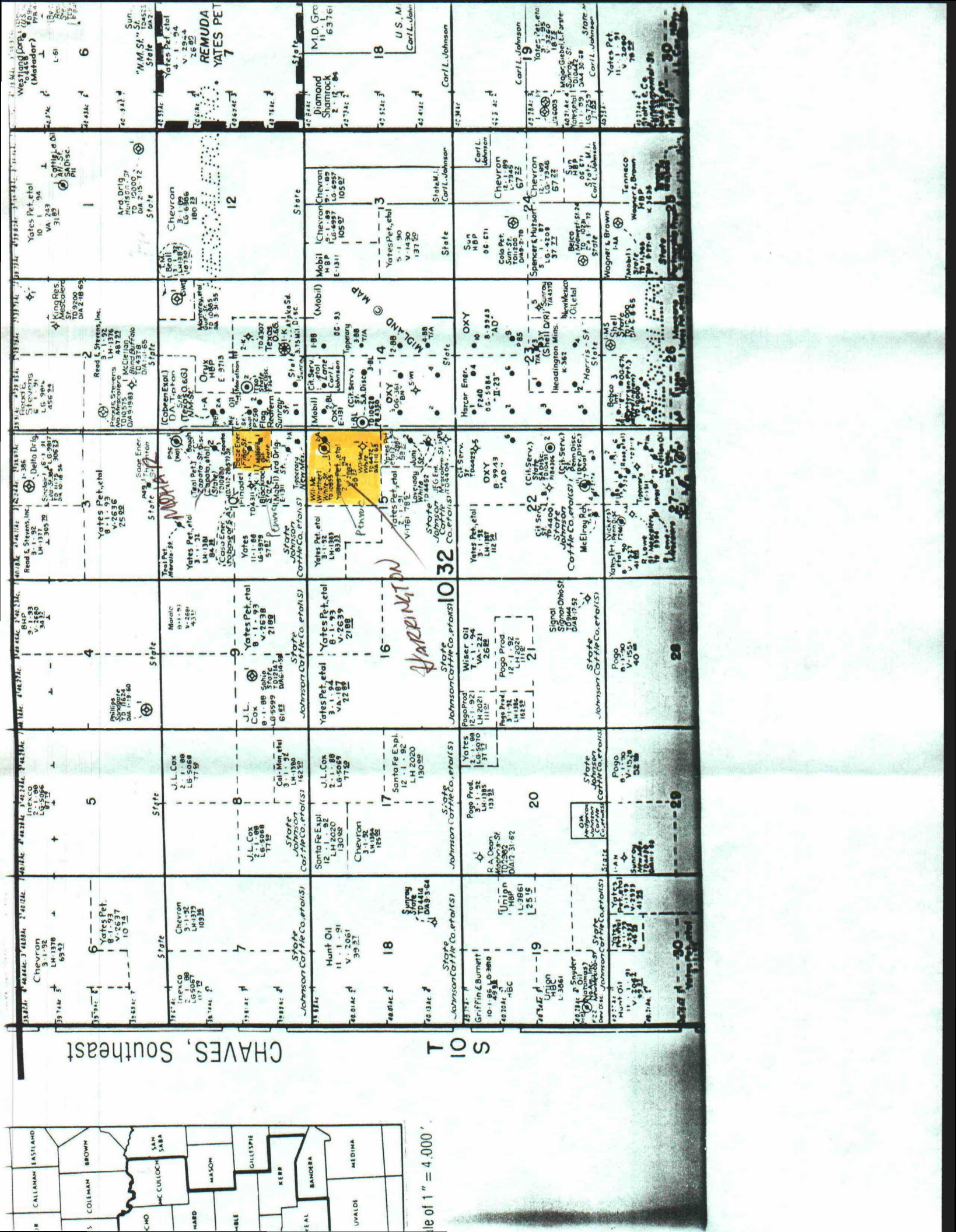
DELIVERY ADDRESS:
5014 Carlsbad Hwy.
Hobbs, NM
88240-1118

(505) 397-3596 Phone
(505) 393-7051 FAX

CHAVES, Southeast

Scale of 1" = 4,000'

SOI T





COMMENCED TANK BATTERY

HARRINGTON STATE & MOHAR STATE

NE/4 NE/4 Sec. 15 & NE/4 SE/4 Sec. 10.

T-10-S, R-32-E, Lea County, New Mexico

NOTE :

BECAUSE OF MARGINAL PRODUCTION, WELL TEST

TO BE DONE BY PRODUCING ONE WELL &

LEAVING OTHER SHUT-IN FOR 48 HRS. EACH MONTH.