

PC

N/R

FAX (915) 686-0302

972

**COLLINS & WARE, INC.**

508 WEST WALL AVENUE, SUITE 1200

MIDLAND, TEXAS 79701-5076

(915) 687-3435

MAR 23 1998

March 19, 1998

David Catanach  
State of New Mexico  
Oil Conservation Division  
2040 S. Pacheco Street  
Santa Fe, New Mexico 87505-5472

Re: Surface Commingling  
M & M No. 1 Lease ID No. 20432  
Lea County, New Mexico

Dear Mr. Catanach

Collins & Ware, Inc. respectfully requests an exception to Rule 303A "Segregation Of Production From Pools". Under Rule 303B, we request an administrative approval to Surface Commingle production from the Blinebry and Tubb formations in the dually completed M&M Well No. 1.

The M & M Well No. 1 has been dually completed in the East Warren Tubb and Blinebry Oil & Gas pools using two strings of tubing with a packer set between, isolating each zone. Currently the Tubb is flowing up the long string tubing from below the packer to the existing Tubb production facility. The Blinebry oil and water is flowing up the short string tubing set above the packer and delivered into temporary test tanks. The casinghead will be left shut-in to force all oil and gas production to be flowed up the tubing annulus as a conventional flowing well completed without a packer. The gas from each pool will be delivered to separate sales meters.

We propose to surface commingle the oil from these pools into a common storage facility and meter Blinebry oil production with a permanently installed one barrel dump vessel. Tubb production volume would then be calculated by subtracting the one barrel dump vessel volume from total Blinebry oil production. It is our opinion that surface commingling of these pools is the best option to produce this wellbore both economically and environmentally.

An oil analysis of each pool was taken, copy attached, which indicates the oil gravity of each pool. The oil from the East Warren Tubb pool was tested at 35.8° gravity, the Blinebry Oil & Gas pool was tested at 42.2° gravity. The price base would remain the same whether the oil was sold separately or commingled.

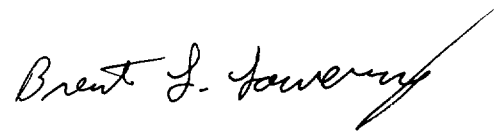
M & M #1  
Surface Commingling  
- Page 2 -

The ownership for both zones in this wellbore are common before payout and will be common after payout as well.

A schematic of the storage facility area shows the location of the well in relation to the storage facility is attached for your reference. Also a plat of the location of the well is included.

If you have any questions or need additional information, please call me at (915) 687-3435 or contact me at the letterhead address. Your assistance in this matter is greatly appreciated.

Sincerely,

A handwritten signature in black ink, reading "Brent L. Lowery". The signature is written in a cursive style with a long, sweeping underline that extends to the right.

Brent L. Lowery  
Operations Engineer

BLL/ds  
enclosures  
cc: Hobbs NMOCD



**Laboratory Services, Inc.**

1331 Tasker Drive  
Hobbs, New Mexico 88240  
Telephone: (505) 397-3713

**SULFUR IN CRUDE OIL**

Collins & Ware, Inc.  
Attention: Mr. Jack Bledsoe  
508 W. Wall, Suite 1200  
Midland, Texas 79701-5076

Oct 22, 1997

	Sulfur	API Gravity @ 60° F	Specific Gravity @ 60° F
State A #5 Bln.	0.8772 wt. %	34.7	0.8378
State A #5 Drk.	0.3197 wrt. %	42.3	0.8142
State ECC #1	0.2913 wt. %	43.5	0.8086
Payday #1 Tubbs	0.5016 wt. %	37.6	0.8368
Payday #1 Blinebry	0.3839 wt. %	39.6	0.8270
<del>St. M &amp; M #1</del>	<del>0.5599 wt. %</del>	<del>22.8</del>	<del>0.9170</del>
St. M & M #2, 3, & 4	0.3699 wt. %	42.2	0.8146

*Do Not Use  
SEE RETEST*

Thank you,  
Rolland Perry



**Laboratory Services, Inc.**

1331 Tasker Drive  
Hobbs, New Mexico 88240  
Telephone: (505) 397-3713

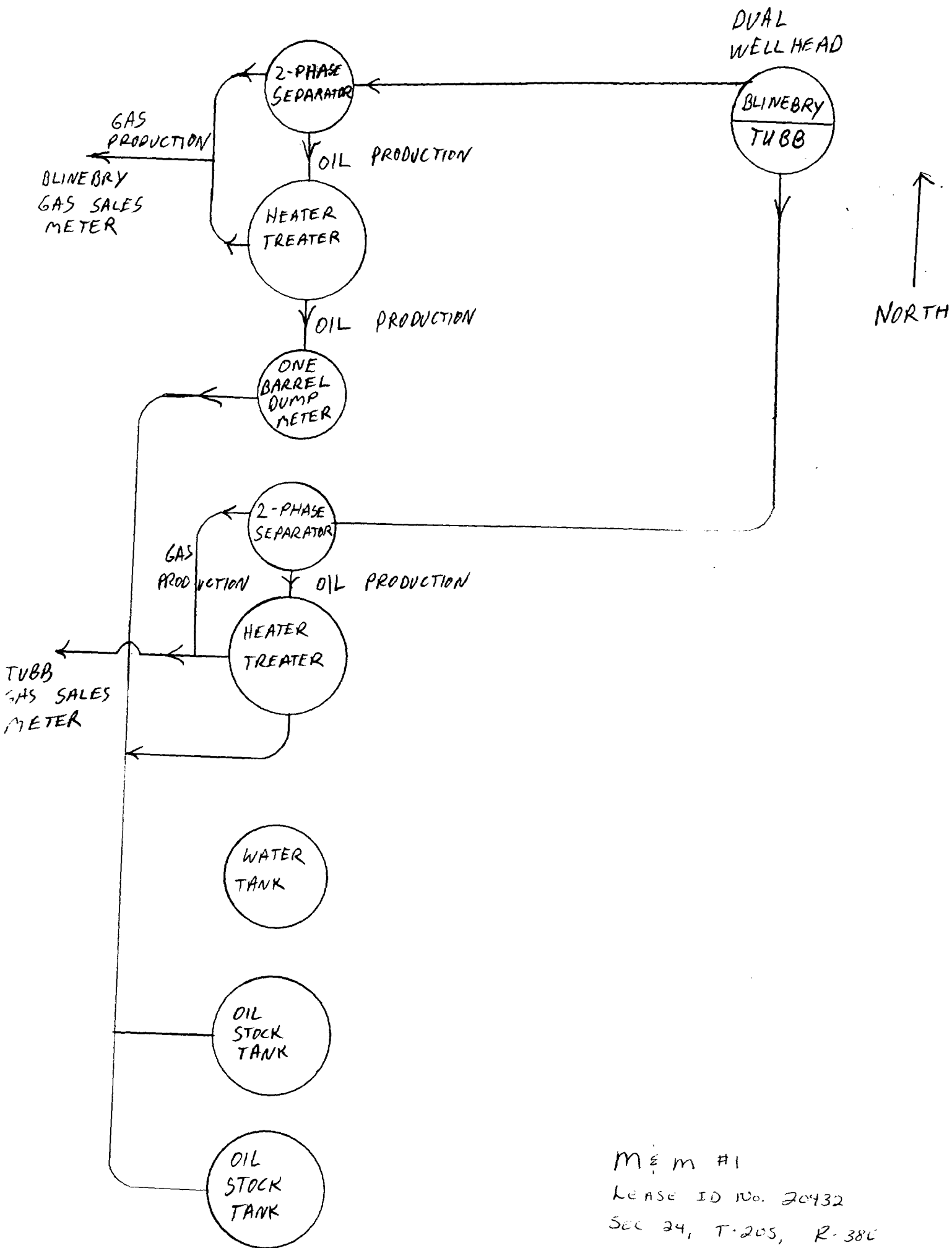
**SULFUR IN CRUDE OIL**

Collins & Ware, Inc.  
Attention: Mr. Jack Bledsoe  
508 W. Wall, Suite 1200  
Midland, Texas 79701-5076

Oct. 24, 1997

	Sulfur	API Gravity @ 60° F	Specific Gravity @ 60° F
State M & M #1	0.5979 Wt. %	35.8	0.8452

Thank You,  
Rolland Perry



M E M #1

LEASE ID NO. 20432

SEC 24, T-20S, R-38E

LEN CO., NEW MEXICO

District I  
PO Box 1980, Hobbs, NM 88241-1980

District II  
PO Drawer DD, Artesia, NM 88211-0719

District III  
1000 Rio Brasos Rd. , Aztec, NM 87410

District IV  
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-102  
Revised February 10, 1994  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

# OIL CONSERVATION DIVISION

PO Box 2088  
Santa Fe, NM 87504-2088

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

1	API Number	2	Pool Code	3	Pool Name
4	Property Code	5	Property Name	6	Well Number 1
7	OGRID No.	8	Operator Name Collins & Ware, Inc.	9	Elevation 3559

### <sup>10</sup>Surface Location

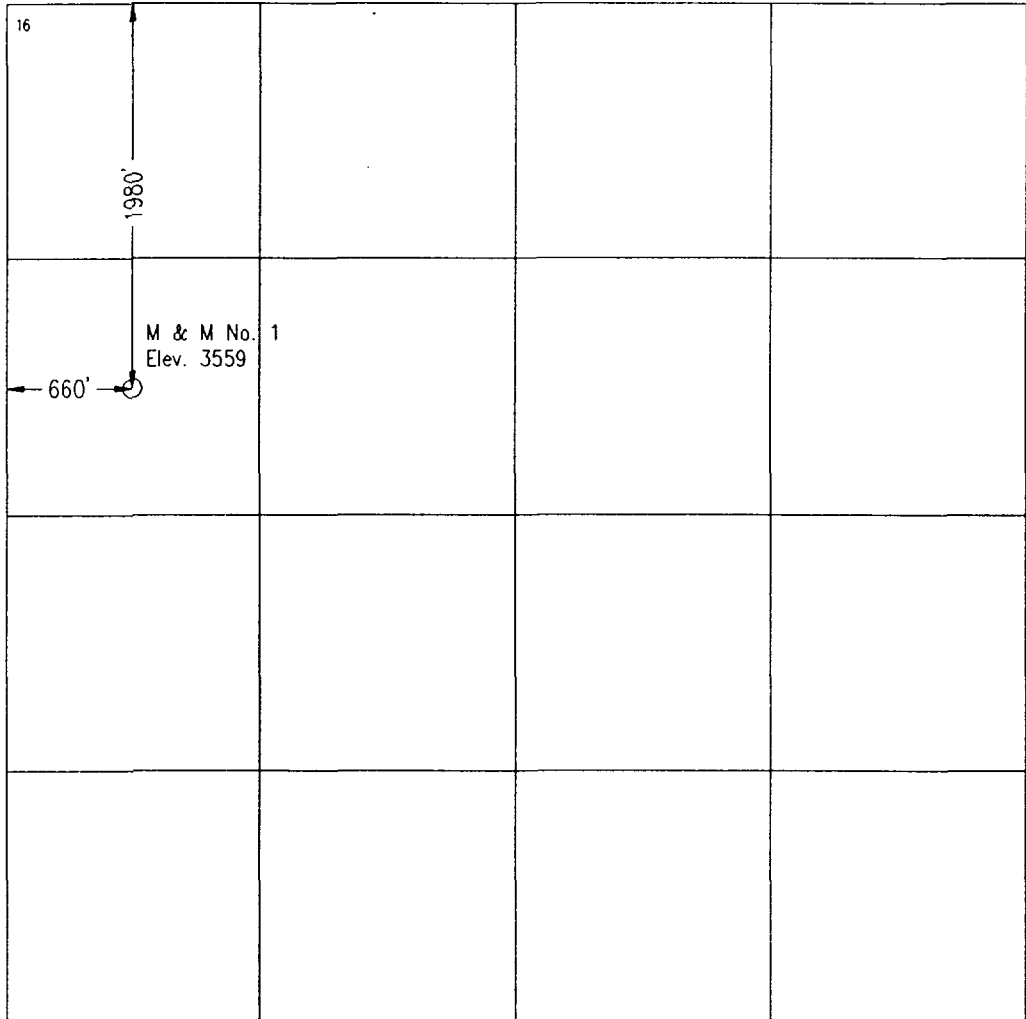

UL or lot no. E	Section 24	Township 20 S	Range 38 E	Lot Idn	Feet from the 1980	North/South line North	Feet from the 660	East/West line West	County Lea
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### <sup>11</sup>Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNIT. ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<sup>16</sup> 	<sup>17</sup> OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>  Signature _____ Printed Name _____ Title _____ Date _____			
	<sup>18</sup> SURVEYOR CERTIFICATION <i>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 belief.</i> Date of Survey January 15, 1997 Signature and Seal of Professional Surveyor  Certificate Number 10324			

10 Miles North of Eunice, New Mexico.

File No. A-0970

District I  
PO Box 1980, Hobbs, NM 88241-1980  
District II  
811 South First, Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Artec, NM 87410  
District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

Form C-102  
Revised October 18, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code		Pool Name	
Property Code 24032		Property Name M+m		Well Number 1, 2, 3, 4	
OGRID No. 004874		Operator Name COLLINS & WARE, INC		Elevation	

<sup>10</sup> Surface Location

UL or lot no. C, D, E, F	Section 24	Township 20S	Range 38E	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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<sup>12</sup> Dedicated Acres 160	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p><sup>16</sup></p>				<p><sup>17</sup> OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p>Signature _____</p> <p>Printed Name _____</p> <p>Title _____</p> <p>Date _____</p>	
				<p><sup>18</sup> SURVEYOR CERTIFICATION</p> <p>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 belief.</p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor: _____</p>	
				<p>Certificate Number _____</p>	







**SURFACE COMMINGLE APPLICATION**  
**NAMES AND ADDRESSES OF OFFSET OPERATORS**

M&M #1 - SEC 24, T-20S, R-38E, LEA COUNTY, NEW MEXICO

N/2 of SW/4 of sec 24, S/2 of SW/4 of sec 13

Collins & Ware, Inc.  
508 W. Wall, Suite 1200  
Midland, Texas 79701

NE/4 of sec 23, N/2 of SE/4 of sec 23, SW/4 of NE/4 of sec 24, SW/4 of sec 24

Stevens & Tull  
Post Office Box 11005  
Midland, Texas 79702

NW/4 of NE/4 of sec 24, SW/4 of SE/4 of sec 13

Xeric Oil & Gas Corporation  
200 N. Loraine, Suite 1000  
Midland, Texas 79701

S/2 of SE/4 of sec 14

Capataz Operating, Inc.  
Post Office Box 2083  
Midland, Texas 79702

API Number 30-025-33837

## Well Bore Schematic

Lease M&M Well: 1 Field: BLINEBRY DILE GAS / EAST WARREN TUBB  
Location: 1980 feet F.W.L. & 660 feet F.W.L. Section 24 Township 20S Range 38E  
Block \_\_\_\_\_ Survey \_\_\_\_\_ LEA County, N.M. State

Spud Date: 2-24-97  
Completion Date: \_\_\_\_\_

GL 3559  
OF 3569  
KB 3570

### Surface Casing

8 5/8 " OD. 32 #/ft. grade J-55  
Casing Set at 1625'  
Cmt with 920 sks. Circ 290 sks  
Hole Size: 12 1/4 "

T.O.C. 8 5/8 x 5 1/2 " ANNULUS 1100'

8 5/8 " @ 1625'

### CENTRALIZERS:

8 5/8 " → 1602', 1580', 1536', 1447', 1359',  
1270'

5 1/2 " → 6980', 6958', 6829', 6700', 6571',  
6442', 6313', 6184', 6055', 5926',  
5797', 5668', 5539', 5410',  
4736', (DV TOOL @ 4693'), 4650',  
4521', 4392', 4263', 4134', 4005',  
3876', 3747', 3618', 3489', 3360',  
3231', 3102', 2973', 2844'

2 1/16 " IJ PROD. TBG (TUBB)

DV TOOL @ 4693'  
1<sup>ST</sup> STAGE T.O.C. 4720' (EST.)

2 1/16 " IJ PROD. TBG. (BLINEBRY)  
OPEN-ENDED @ 5949'

BLINEBRY PERFS: 5961'-6079'

2 7/8 " FL 45

BAKER RETRIEVE-A-D PKR @ 6450'

TUBB PERFS: 6510'-6744'

5 1/2 " @ 7002'

T.D. 7002'  
PBTD 6978'

### Current Perforations

TUBB - 6510'-6744'

BLINEBRY - 5961'-6079'

### Production Casing

5 1/2 " OD. 15.54 #/ft. grade J-55 ind 8 #  
Casing Set @ 7002' w/ 1486 total sks  
in 2 stages with DV tool set @ 4693'  
Stage 1 circ? 0 sks TOC @ 4720' by EST.  
Stage 2 circ? 0 sks TOC @ 1100' by EST.  
Stage 3 circ? \_\_\_\_\_ sks TOC @ \_\_\_\_\_ by \_\_\_\_\_  
Hole Size: 7 7/8 "

Date \_\_\_\_\_  
Prepared by \_\_\_\_\_