

Union Oil and Gas Division: Central Region
P. O. Box 671
Union Oil Company of California
500 North Marienfeld, Midland, Texas 79702
Telephone (915) 682-9731



Midland District

February 1, 1977

State of New Mexico
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. Joe D. Ramey
Secretary-Director

Gentlemen:

Union Oil Company of California respectfully requests permission, administratively, to commingle oil and gas production from two different reservoirs on the same lease, as an exception to Rule 303. Originally there were three oil wells producing on our State "35" Lease (Lease No. K-385) from the Abo formation in the Corbin Abo Pool, Lea County, New Mexico. Our Well No. 4 has been completed from the Queen formation and has been filed to be located in the Corbin Queen Pool. We propose that production be allocated on the basis of gas-oil ratio tests taken as prescribed by the Oil Conservation Commission.

We are enclosing a copy of a letter from the office of the Commissioner of Public Lands giving us their approval to commingle the oil and gas produced from the two pools, Corbin Abo and Corbin Queen. Also, enclosed is other data required by Rule 303 (B.). This installation meets the requirements outlined in the "Manual for the Installation and Operation of Commingling Facilities" of the Oil Conservation Commission.

Yours very truly,

A handwritten signature in dark ink, appearing to read "L. F. Thompson", written over a horizontal line.

L. F. Thompson
District Operations Manager

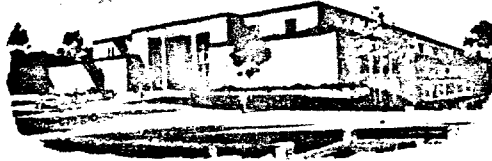
LFT:ymb
Encls.

Copies: Commissioner of Public Lands - Santa Fe, N.M.
New Mexico Oil Conservation Commission - Hobbs, N.M.



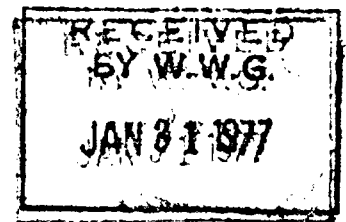
PHIL R. LUCERO
COMMISSIONER

State of New Mexico



Commissioner of Public Lands

January 26, 1977



L.F.T.

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

mt
mnb
HP
Union Oil Company of California
500 North Marienfeld,
Midland, Texas 79701

Re: Commingling Request
Lease (K-385)
Lea County, New Mexico

ATTENTION: Mr. L. F. Thompson

Gentlemen:

As per your request of January 19, 1977, the Commissioner of Public Lands has granted you permission to commingle oil and gas production from two different reservoirs on the same lease. Three wells producing from the Abo formation in the Corbin Abo Pool and the No. 4 well producing from the Queen formation, Corbin Queen Pool. Our State Lease No. K-385 is the only lease involved, this covers the SW/4 of Section 35, Township 17 South, Range 33 East, Lea County, New Mexico.

Our approval is subject to like approval by the New Mexico Oil Conservation Commission.

Enclosed is one approved copy for your files. The filing fee in the amount of Ten (\$10.00) Dollars has been received.

Very truly yours,

PHIL R. LUCERO
COMMISSIONER OF PUBLIC LANDS

BY: *Ray D. Graham*
RAY D. GRAHAM, Director
Oil and Gas Division

PRL/RDG/s
encl.

cc: New Mexico Oil Conservation Commission
Oil and Gas Accounting Commission
State Lease No. K-385

Union Oil and Gas Division: Central Region
P. O. Box 671
Union Oil Company of California
500 North Marienfeld, Midland, Texas 79701
Telephone (915) 682-9731

RECEIVED

JAN 21 8 54 AM '77

STATE LAND OFFICE
SANTA FE, N.M.

UNION

Midland District

January 19, 1977

Commissioner of Public Lands
State of New Mexico
P. O. Box 1148
Santa Fe, New Mexico 87501

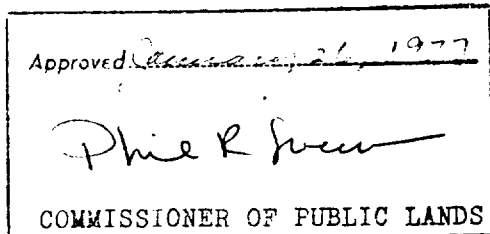
Gentlemen:

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Approval of this application to commingle would eliminate the need for additional oil storage tanks, heater-treater, and other equipment that could be used on another lease. Also, additional ground area would not be needed to construct a tank battery pad.

We will propose that production be allocated on the basis of gas-oil ratio tests taken as prescribed by the New Mexico Oil Conservation Commission.

The other eight items of the nine items listed under "Procedure of Application" in Rule 53 are shown on the attached sheet, or they are enclosed. Also, enclosed is a check in the amount of \$10.00 for the required filing fee.



Yours very truly,

L. F. Thompson

L. F. Thompson
District Operations Manager

LFT:mmb

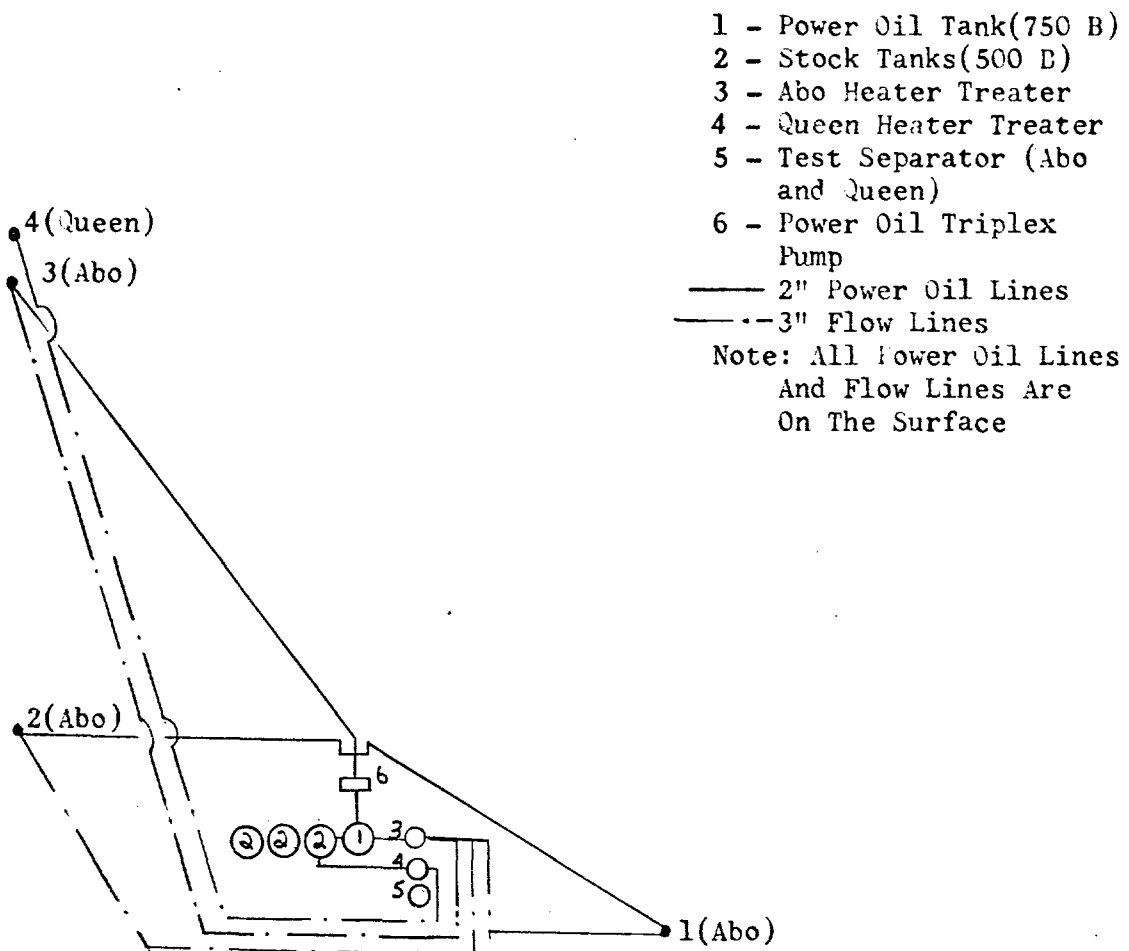
Encls.

Copy: New Mexico Oil Conservation Commission - Hobbs, N.M.

Union Oil Company of California
Application to Commingle Oil and Gas Production
Corbin Abo and Corbin Queen Pools
Lea County, New Mexico

- Item 2. Plat showing location of wells, flow lines, etc. is enclosed.
- Item 3. There is only one lease involved, No. K-385, which includes 160 acres, being the SW/4 of Section 35, Township 17 South, Range 33 East, Lea County. Common School is the state beneficiary.
- Item 4. Wells No. 1, 2, and 3 produce from the Abo formation, Corbin Abo Pool. Well No. 4 produces from the Queen formation, Corbin Queen Pool.
- Item 5. The economic impact would probably not affect the price structure of the crude. The new Queen oil production would receive upper tier pricing under current FEA regulations, and commingling of this oil with Abo oil would not alter this price structure. The Abo oil is classified as "old oil". The gravity of the Queen oil was tested at 36.5 degrees at 60 degrees API, and the Abo oil has been 37.1 to 37.4 degrees at 60 degrees API. Both the Abo and Queen oil will be classified as intermediate grade crude. The difference between 36.0 and 37.0 degree crude is \$.02 per barrel. However, the Abo accounts for over 60% of the combined lease production, and that might possibly increase the price of the Queen oil by the same \$.02 per barrel. Therefore, we conclude the price differential would be negligible.
- Item 6. A schematic of the commingling installation that will be used is enclosed. It meets the requirements outlined in the "Manual for the Installation and Operation of Commingling Facilities" of the New Mexico Oil Conservation Commission.
- Item 7. Not applicable.
- Item 8. The three Abo wells are produced by subsurface hydraulic pumps. The one Queen well is produced by conventional beam type pumping equipment. Oil from the Abo and Queen formations will not be commingled prior to being produced into the stock tanks. This will permit the subsurface hydraulic pumps to be operated on Abo oil only. Each well can be routed through the test separator and then to its respective heater-treater before going to the stock tanks (Queen) or Power Oil Tank (Abo) then to the stock tanks.

UNION OIL CO OF CALIFORNIA
 State "35" Lease
 S/W 1/4 Section 35, T-17-S, R-33-E
 Corbin Field
 Lea County, New Mexico



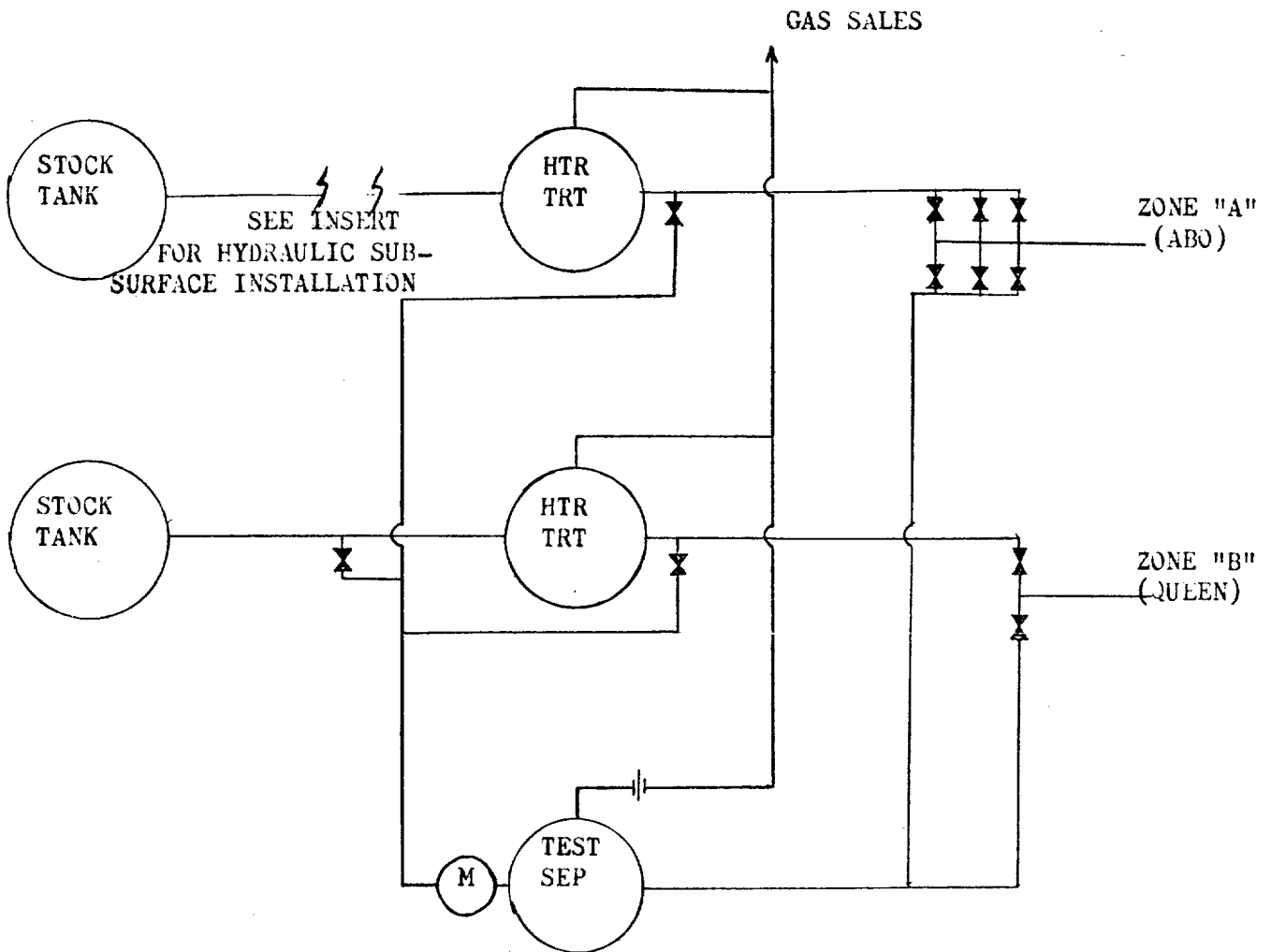
PLAT OF LEASE, WELLS, FLOW LINES, AND COMMON STORAGE

UNION OIL COMPANY OF CALIFORNIA

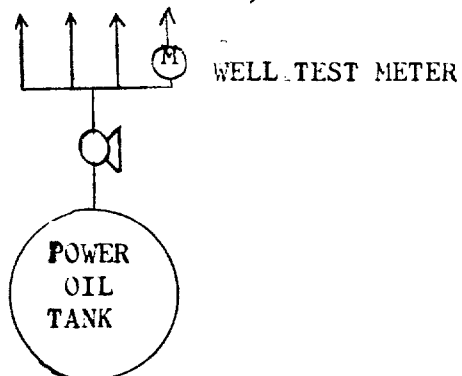
STATE "35" LEASE

CORBIN FIELD, TLEA COUNTY, NEW MRXICO

COMMINGLING SCHEMATIC



ZONE "A"
HYDRAULIC
SUBSURFACE PUMPING INSTALLATION
(TO INDIVIDUAL WELLS)



State of New Mexico



Commissioner of Public Lands

January 26, 1977

PHIL R. LUCERO
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

Union Oil Company of California
500 North Marienfeld,
Midland, Texas 79701

*File
PC-540*

Re: Commingling Request
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Lea County, New Mexico

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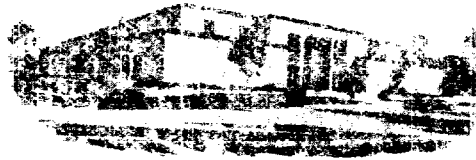
PHIL R. LUCERO
COMMISSIONER OF PUBLIC LANDS

BY:
RAY D. GRAHAM, Director
Oil and Gas Division

PRL/RDG/s
encl.
cc:

New Mexico Oil Conservation Commission
Oil and Gas Accounting Commission
State Lease No. K-385

State of New Mexico



Commissioner of Public Lands

Santa Fe, New Mexico

Commissioner of Public Lands

Santa Fe, New Mexico

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