

Unocal Oil & Gas Division
Unocal Corporation
500 North Marientfeld, P.O. Box 671
Midland, Texas 79702
Telephone (915) 682-9731



June 5, 1989

Midland District

RECEIVED

JUN - 7 1989
OIL CONSERVATION DIV.
SANTA FE

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

Attn: William J. LeMay
Division Director

Gentlemen:

Union Oil Company of California respectfully requests permission to commingle from three reservoirs on the same lease, as an exception to Rule 1.055. Originally there were two wells (Wells #1 and #2) producing on our State "35" Lease (Lse. No. K-385) from the Abo formation in the Corbin Abo Pool, Lea County, New Mexico and one well (Well #4) producing from the Queen formation in the Corbin Queen Pool. Our Well #5 has recently been completed in the Grayburg-San Andres formation and has been filed in the Maljamar Grayburg-San Andres Pool. Production will be allocated by well 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 three pools--Corbin Abo, Corbin Queen and Maljamar Grayburg-San Andres. Also, enclosed is other data required by Rule 1.055 (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,

Union Oil Company of California
dba UNOCAL

Charlotte Beeson
Charlotte Beeson
Production Clerk

Enclosures

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

Rec'd 6-2-89 CB

State of New Mexico



W.R. HUMPHRIES
COMMISSIONER



Commissioner of Public Lands
May 26, 1989

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

UNOCAL Oil and Gas Division
UNOCAL Corporation
P.O. Box 671
Midland, Texas 79702

ATTN: Charlotte Beeson

RE: Request for Approval to Commingle
State Lease K-385
Wells 1 and 2, Corbin Abo Pool
Well 4, Corbin Queen Pool
Well 5, Maljamar (Grayburg-San Andres) Pool
Lea County, New Mexico

Gentlemen:

Reference is made to your letters of May 9 and 23, 1989 wherein you requested approval for commingling oil production from your State Lease K-385 wells 1, 2, 4, and 5 in Lea County, New Mexico.

Approval is hereby granted to commingle the oil produced from the four wells as described above. Please be advised that any deviation from your proposed request will be grounds to rescind our approval. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

Your filing fee in the amount of thirty dollars (\$30.00) has been received. If we can be of further help, please do not hesitate to contact us.

Very truly yours,

W.R. HUMPHRIES
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*
FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5749

cc: OCD - Santa Fe, New Mexico
Lease K-385 File

Unocal Oil & Gas Division
Unocal Corporation
500 North Marientfeld, P.O. Box 671
Midland, Texas 79702
Telephone (915) 682-9731



Midland District

May 23, 1989

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

Re: Amendment of Commingling
Order PC-540 for State "35"
Lease (Lse. #K-385)

Gentlemen:

Union Oil Company of California respectfully requests permission to commingle three reservoirs on the State "35" Lease (#K-385). In the Corbin Abo Pool, Lea County, New Mexico - Wells No. 1 and 2 will be commingled (also Well #3 would be commingled, if ever returned to production, it is presently temporary abandoned). In the Corbin Queen Pool - Well No. 4 is active - in our Maljamar (Grayburg-San Andres) Pool our recently completed Well No. 5 will also be commingled.

Thanks for your consideration.

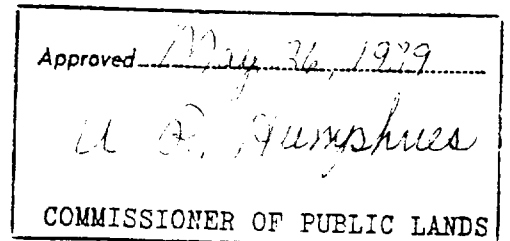
Yours very truly,

Union Oil Company of California
dba UNOCAL

Charlotte Beeson

Charlotte Beeson
Production Clerk

xc: New Mexico Oil Conservation Commission - Hobbs, New Mexico





May 9, 1989

Midland District

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

Gentlemen:

Union Oil Company of California respectfully requests permission to commingle oil and gas production from three different reservoirs on the same lease by amending Commingling Order PC-540. Currently there are two oil wells producing (Well #3 is temporary abandoned) on our State "35" Lease (Lse. No. K-385) from the Abo formation in the Corbin Abo Pool, Lea County, New Mexico and one oil well producing from the Queen formation in the Corbin Queen Pool. Our Well No. 5 was recently completed in the Grayburg-San Andres formation and has been filed in the Maljamar (Grayburg-S.A.) Pool.

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

Production will be allocated on the basis of well 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 1.055 are enclosed. Also, enclosed is a check in the amount of \$30.00 for the required filing fee.

Yours very truly,

Union Oil Company of California
dba UNOCAL

A handwritten signature in cursive script that reads "Charlotte Beeson".

Charlotte Beeson
Production Clerk

Enclosures

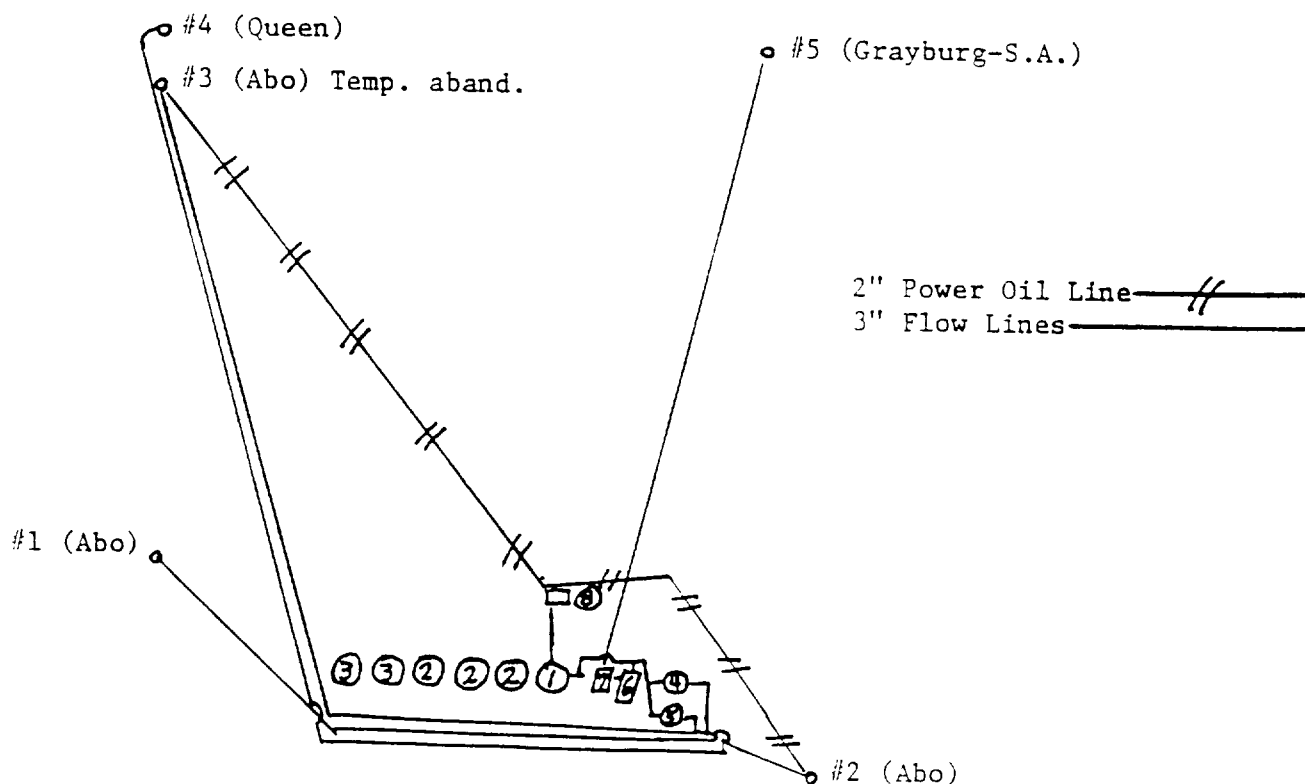
xc: New Mexico Oil Conservation Commission - Hobbs, New Mexico

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



1. Power Oil Tank (750 B)
2. Stock Tanks (3-500 B)
3. Water Tanks (2-500 B)
4. Production Heater Treater (Abo & Queen)
5. Test Heater Treater
6. Free Water Knock Out (Grayburg-S.A.)
7. Separator (Grayburg-S.A.)
8. Power Oil Triplex

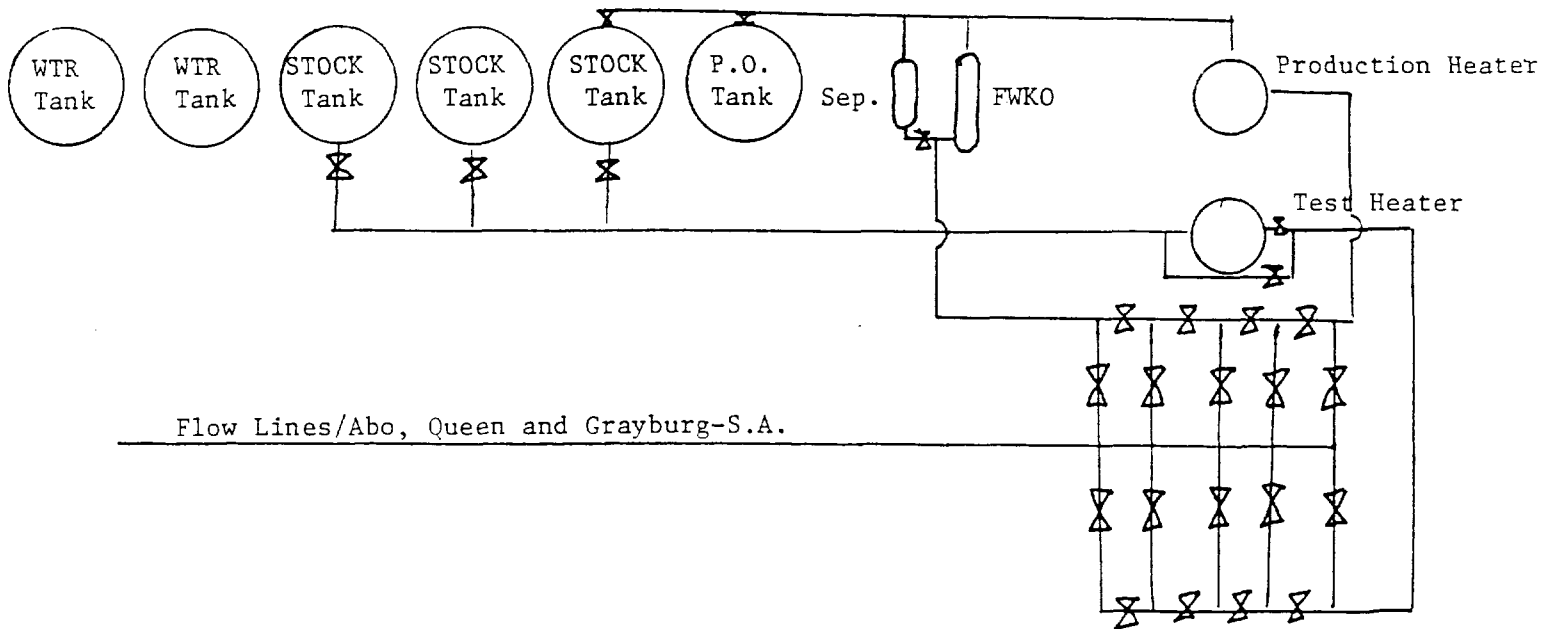
NOTE: All Power Oil Lines and Flow Lines are on the Surface.



PLAT OF LEASE, WELLS, FLOW LINES AND COMMON STORAGE

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

COMMINGLING SCHEMATIC



Union Oil Company of California
Application to Commingle Oil and Gas Production
Corbin Abo, Corbin Queen and Maljamar Grayburg-San Andres 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 & 3 produce from the Abo formation, Corbin Abo Pool. Well No. 4 produces from the Queen formation, Corbin Queen Pool. Well No. 5 produces from the Grayburg-San Andres formation, Maljamar Grayburg-San Andres Pool.
- Item 5 The gravity of the Grayburg-San Andres crude is 35.2 degrees API corrected, whereas, the gravity of the currently commingled crude (Abo and Queen) is 37.4 degrees API corrected. The resultant gravity of the commingling of the Abo, Queen and Grayburg-San Andres is 37 degrees API corrected. Well #5 contributes, 73% of the lease production and the requested commingling results in a two to four cent per barrel increase in price to the state of New Mexico for the Grayburg-San Andres production.
- Item 6 A schematic of the commingling installation that will be used is enclosed.
- Item 7 Not applicable.
- Item 8 The No. 1 Abo well is produced by rod pump, the No. 2 Abo well is produced by hydraulic pump and the No. 3 Abo well is temporary abandoned. The No. 4 Queen well is produced by rod pump and the No. 5 Grayburg-San Andres well is produced with a submersible pump. Each well can be routed through test equipment and gauged in the stock tanks.