RELEASE 5.19.93

DEL GUNSER (COM BIVIOUS DET COMP

Mobil Exploration & Producing U.S. Inc., 1973 34 100 9 11

as agent for Mobil Producing Texas & N.M. Inc.

HOUSTON DIVISION 12450 GREENSPOINT DRIVE HOUSTON, TEXAS 77060-1991

April 23,1993

State of New Mexico Energy and Mineral Department Oil Conservation Division

William J. Lemay Director

3

MOBIL PRODUCING TEXAS & N.M.INC. REQUEST FOR EXCEPTION TO RULE 303-A DOWN HOLE COMMINGLING UPPER PENNSYLVANIAN AND WOLFCAMP ZONES LOVINGTON DEEP AMACO STATE #3, KRITI STATE 31 #1, LOVINGTON DEEP YATES STATE #1 LEA COUNTY, N.M.

Gentlemen:

Mobil Producing Texas and New Mexico, Inc. (MPTM) respectfully request your approval to down hole commingle the production from the Upper Pennsylvanian and Wolfcamp zones in the captioned wells. Each zone is classified as an oil zone. In support of this request, required information is attached.

If you need additional information, please contact the undersigned at (713)775-2125.

Sincerely,

Sheena Matheus
Sheena Mathews

Environmental & Regulatory Engineer

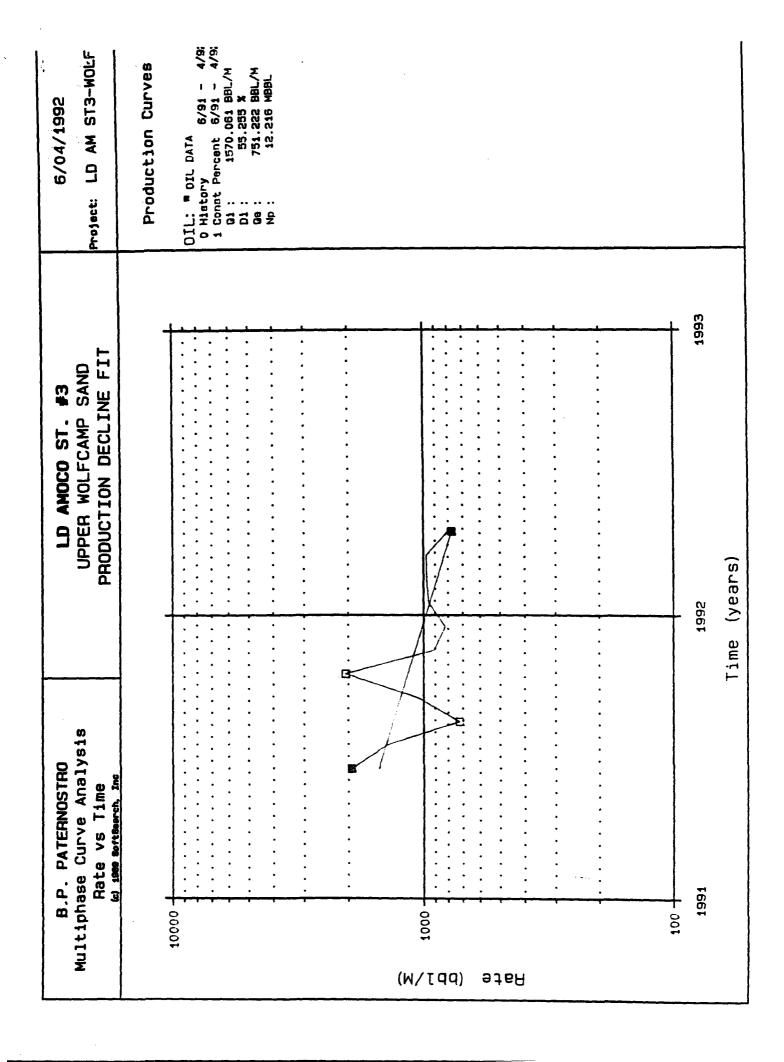
MOBIL EXPLORATION & PRODUCING U.S.

LOVINGTON DEEP AMOCO STATE #3

DOWNHOLE COMMINGLING REQUIRED DATA

- 1. (a) Well involves a oil zone.
 - 1. Combined daily production from oil zones before commingling as determined in accordance with section D, paragraphs 4 and 5 of rule 303-C does not exceed 80 bbls/day limitation with the perforations of lowermost pool at greater than 10,000 ft.
 - Artificial lift will be used to bring fluid from both zones.
 - 3. Neither zone produced more water than the combined oil limitation as determined in 1(a)1.
 - 4. Combining fluid from both zones does not result in the formation of precipitates at the formation.
 - 5. Value of the crude will not be reduced by commingling.
 - 6. Ownership is common.
 - 7. Commingling will not jeopardize efficiency of future secondary recovery operations.
- 2. (a) Mobil Exploration & Producing U.S. 12450 Greenspoint Dr. Houston, Tx 77060-1991
 - (b) Lovington Deep Amoco State #3 Sec 6, T-17S, R-36E Lea County, New Mexico Upper Pennsylvanian and Wolfcamp zones.
 - (c) Ownership plat (attached).
 - (d) A most current 24-hr test of the Wolfcamp is 20 BOPD and 3 BWPD. Production on the Upper Pennsylvanian imediately prior to recompletion to the Wolfcamp is 9 BOPD and 0 BWPD.
 - (e) Production curves for both zones (attached).

- (f) Bottom hole pressures for each zone (attached).
- (g) Each zone is oil and there is no evidence of incompatibility.
- (h) Test the Wolfcamp prior to commingling, then test the commingled production. Allocate initial test production to the Wolfcamp. Allocated the differential of the commingled production and the Wolfcamp to the Upper Pennsylvanian.
- (i) Researched offset acreage and Mobil is the only operator in this field.



Lovington Deep Amoco State #3

Lovington Deep Amoco State #3 produced from the Upper Pennsylvanian for a short period of time. There insufficient data to provide a decline curve for this zone in this well.

THIS DRAWING AND ALL INFORMATION THEREON IS THE PROPERTY OF MOBIL PRODUCING TEXAS & NEW MEXICO INC. AND SHALL NOT BE COPIED OR USED EXCEPT FOR THE PURPOSE FOR WHICH IT IS EXPRESSLY FURNISHED. THE DRAWING AND ANY COPIES THEREON (PARTIAL OR COMPLETE) SHALL BE RETURNED TO THE OWNER ON DEMAND.

Yates	Kriti Expl.		Exxon		ŀ	I.E. Yates
36				31	32	
Mobil	Amoco (Mobil)	1	Mobil	6	5	Turner
	80 Ac.	i				
					1	
		1				
	80 Ac.]				
		<u> </u>	Towara	—	<u> </u>	
			Техасо			Texaco
	80 Ac.					
	1745'					
	1745′ 1	i				
	Lovington Deep Amoco	State	State			
Mobil 12	Texaco		Texaco	7	8	Техасо
		\ (
		1				
	•	•			•	
RESERVE		PER	MIT DEPTH			
SPECIAL INSTRUCTIONS						
	·					
		<u> </u>				
THE STATE OF TEXAS COUNTY OF Midland		Mobil Exp	loration & Prod	ucii	ng	U.S. Inc.
as they actually exist	on this lease; that said plat which	LEASE Lovington Dee	Midland p Amoco State			
my knowledge true and	indicated hereon, is to the best of correct; that it accurately shows on same; that number and location	WELL NO3	DATE			
of said wells are as	indicated hereon; and that this sall pertinent and required data.	TOTAL ACRES IN LEASE DESCRIPTION West 24	309.85 ACRES COVERED FOR Section 6, T-17-S, R-36-E			9.85
			6 Miles SW form Lovington, N Lea County, New Mexico	iM.		

DRAWN SDB2140
SCALE 1"=1000"

PRC13,WIP

DATE 8-2-91

FILE NO 29

FIELD South Shoe Bar-

Wolfcamp

MDBIL/BUCKEYE ID:6903

MAY 04'93 9:28 No.001 P.04

	LOVIN	aby Deep a	STATE # 4	· C	PENN)
DEEP_2 MEPUS LARRY 05-04-1993		Production 16.0 BOPD 2.0 BWPD 28 MCF/D	Casing dP/dT 4.5 mins	si	Casing(Psig)= 230.
WELL DATA 40.0 API Oil 1.05 Water SG Gas SG:0.83 Velocity= 1147 Ft/Sec Temperature: 70 F Surface 130 F Bottom 2.375 Tubing 5.500 Casing	PBHP/ Effic Max I 13: Resen 50: Test EST. 0 da	L IPR ANALYSIS (SBHP=0.93 ciency=11% Producing Rate 9.6 BOPD 7.4 BWPD rvoir Pressure 1 psia Method- ay Shut-In date:5-3-93	Gas/Liq PSIG= 319 Liquid @ 10488 ft		Annular Gas Flow (MCF/D) = 0.0 100% Liquid SBHP(PSIA)
Total Liquid Gas-Free Liquid	above above	Pump= 401 Ft Pump= 401 Ft	Datun @10889	PBHP(= 467	(Psia)

	The pump	Csg pressure
5-3-93	0'	30*
4 Hours	95'	70 [#]
24 Hours	401	230**

EXHIBIT 11 - PAGE 2

Mobil Exploration & Producing U.S. Inc. as Agent for MOBIL PRODUCING TX & NM INC.

May 10, 1993

HOUSTON DIVISION 12450 GREENSPOINT DRIVE HOUSTON, TEXAS 77080-1991

State of New Mexico Energy and Minerals Department Oil Conservation Division

Att: Ben Stone

DOWNHOLE COMMINGLING SOUTH SHOEBAR FIELD LEA COUNTY, NM.

Dear Mr. Stone,

As per our conversation on May 20, 1993, I am enclosing information you requested to complete the application for the downhole commingling of Upper Pennsylvanian and Wolfcamp Zones in the South Shoebar Field. I am sending a copy of the C-116 for the Lovington Deep Amoco State #3 (Sec. 6, T-175, R-36E), Lovington Deep Yates State #1 (Sec. 36, T-36S, R-35E), and Kriti State 31 #1 (Sec. 31, T-16S, R-36E). Currently, the Wolfcamp and Upper Pennsylvanian are surface commingled. Total value of the crude will not be reduced by downhole commingling (Pennsylvanian 45 API gravity and Wolfcamp 41 API gravity @ 60). Static bottom hole pressure for both zones is approximately 500 psia (see attached fluid level tests). Allocation of production for the Kriti State #1 should be approximately 75% Wolfcamp and 25% Upper Pennsylvanian, Lovington Deep Amoco State #3 should be approximately 60% Wolfcamp and 40% Upper Pennsylvanian, and Lovington Deep Yates State #1 should be approximately 75% Wolfcamp and 25% Upper pennsylvanian.

Thank you for your assistance in this matter. If you require additional information, please contact me at (713) 775-2125.

Sincerely,

Sheena Matheus

Sheena Mathews Env/Reg Engineer

/SM Attachments TRANSMITTAL SHEET

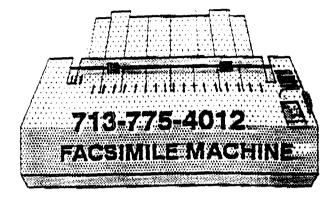
Mobil Exploration & Producing U. S. Inc.

12450 Greenspoint Drive

Houston, TX 77060-1991

ENV/REG/LP

Date: 5/21/93



10:	Ken Stone
Location:	NMOCD
Phone No	***
Fax No.:	
From:	Sheena Mathews
Location:	
Phone No).:
No. of Pag	ges: 🖇 (Including this sheet)
Note:	
Than	to for your help!
	Sheema

If trouble receiving, please call sender above or BM 8-334-2187" or 713-775-2187.

P.O. Box 1980, Hobbs, NM 88240 DISTRICTAL
P.O. Drawer DD, Artesia, NM 88210 DISTRICT District Office. Submit 2 copies to Appropriate 1000 Rio Brazos Rd., Aztec, NM 87410 DESTRICT III

> Energy, Minerals and Natural Resources Department State of New Mexico

OIL CONSERVATION DIVISION

Santa Fe, New Mexico 87504-2088 P.O. Box 2088

242 OH RATIO TEST

Operator Mobil Producing Texas & New Mexico Inc.	Address % Mobil Exploration & Producing U. S. Inc. 12450 Greenspoint Drive		LEASE NAME	Lovington Deep Amoco State	Lovington Deep State	Lovington Deep State	
w Mexi	Produ rive	MELL	No.) *	⊢ •	2	
co I	cing	,	2	নে	A	7	
nc.		LOCATION	S	6	-	j	
	i. In	NO	-	17	17	17	
Sho	j .		23	36	35	ω S	
Pool Penn, Sou	TEST - (X)	DATEOF	TEST	9/5/92	9/14/92	9/8/92	
er S	TYPE OF	TUS	STA	70	ات	70	
		CHOKE	SIZE				
South	Scheduled X	18G	PRESS	30	30	35	
		DAILY	ALLOW				
	o	HIDAGIH	HOURS	24	24	24	
0	Completion	3	BBLS	w	w	22	
County			ONL.	39.5	41.1	41.1	
23	ĺ	NG TEST	98.S	15	Ċo	19	
	Special		MCF	59	70	47	
		GAS-OIL	CU-FT/88L	3933	8750	2474	

Instructions:

۶0.9

order that well can be assigned increased allowables when authorized by the Division. which well is located by move than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in

Signature

Printed name and title

10/23/92

(713) 775-2092

Telephone No.

Carla Chapa Ghazizadeh, Env. & Reg. Tech.

complete to the best of my knowledge/and belief.

I hereby certify that the above information is true and

Date

Specific gravity base will be 0.60. Report casing pressure in lieu of tubing pressure for any well producing through casing Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F.

(See Rule 301, Rule 1116 & appropriate pool rules.)

Form C-116 Revised 1/1/89

Submit 2 copies to Appropriate P.O. Box 1980, Hobbs, NM 88240 MSTRICT District Office. P.O. Drawer DD, Artesia, NM 88210 DISTRICT 1000 Rio Brazos Rd., Aziec, NM 87410 DISTRICT

State of New Mexico

OIL CONSERVATION DIVISION Energy, Minerals and Natural Resources Department

Santa Fe, New Mexico 87504-2088 P.O. Box 2088

GAS - OIL RATIO TEST

Type Of Test		Pool		_	County		
Shobil Exploration % Producing U. S. Inc. Type Of 12450 Greenspoint Drive Well LOCAIDN U.CAIDN U.CAI		•	ıth		Lea		
12450 Greenspoint Drive	Mobil Exploration & Producing U. S. Inc.	ļ					ئد
Weil UCCATION DATE OF 2 CHOKE TBG DATE OF 2 CHOKE TBG	12450 Greenspoint Drive		heduled X	Completion		Spe	
NO U S T R TEST \$\frac{7}{67}\$ \$\fra	WELL LOCATION DATE OF	TUS	DAILY		NIRING GO	IS31 D	 GAS - OIL
State 3 N 6 17 36 9/20/92 P 35 24 14 45.2 24 45 3 N 6 17 34 9/17/92 P 30 24 11 41.1 22 45 N 7 1 N 7 1 N 1 N 1 N 1 N 1 N 1 N 1 N 1	NO U S T R TEST	STA SIZE	ABLE		SE SE	-	 CUFTABBL
State 3 N 6 17 36 9/18/92 P 30 24 1 41.1 22 45 3 C 1 17 34 9/17/92 P 40 24 131 41.1 95 228 State 1 P 36 16 35 9/09/92 P 30 24 4 41.1 4 6	1 M 31 16 36 9/20/92	P		-	•	···	 1875
State 1 P 36 16 35 9/09/92 P 30 24 131 41.1 95 228	State 3 N 6 17 36 9/18/92	rd			41.1		2045
State 1 P 36 16 35 9/09/92 P 30 24 4 41.1 4 6	3 G 1 17 34 9/17/92	יסי	_		41.1		2400
	State 1 P 36 16 35 9/09/92	P			41.1	4	 1500
							!

Instructions:

order that well can be assigned increased allowables when authorized by the Division. which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in

Specific gravity base will be 0.60. Report casing pressure in lieu of tubing pressure for any well producing through casing Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F.

(See Rule 301, Rule 1116 & appropriate pool rules.)

MEPUS E8,R/LP-IS-HOUSTON → 5058275741

ST:60

26/17/92

Revised 1/1/89 Form C-116

10/23/92 Date

(713) 775-2092 Telephone No.

Printed name and title

Carla Chapa Ghazizadeh, Env. &

Signature

Reg. Tech.

I hereby certify that the above information is true and

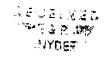
complete to the best of my knowledge and belief.



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

DIL CONSERVATION DIVISION



24/17/2 1991

BRUCE KING

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE. NEW MEXICO 87504 (505) 827-5800

AMENDED COMMINGLING ORDER PLC-75

Mobil Exploration & Production U.S., Inc. P.O. Box 633
Midland, TX 79702

Attention: G. N. Miller

The above-named company is hereby authorized to commingle South Shoe Barr Devonian, South Shoe Bar Upper Penn and Undesignated Wolfcamp Pool production from the following leases:

LEASE NAME:

Lovington Deep State Lease

DESCRIPTION:

N/2 NE/4, SW/4 NE/4, N/2 SE/4 Section 1, Township 17 South,

Range 35 East, NMPM;

LEASE NAME:

Lovington Deep Amoco State Lease

DESCRIPTION:

S/2 NW/4, N/2 SE/4 Section 6, Township 17 South, Range 36 East,

NMPM; and

LEASE NAME:

Lovington Deep Yates State Lease

DESCRIPTION:

E/2 SE/4 Section 36, Township 16 South, Range 35 East, NMPM.

All in Lea County, New Mexico.

Production from each lease by well tests. (All commingled production must be of marginal nature; further, the operator shall notify the Santa Fe office of the Division in the event any well in the commingled battery becomes capable of top allowable production, at which time the Division will amend this order or take such other action as may be appropriate.

NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 309-B of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." If is the responsibility of the producer to notify the transporter of this commingling authority.

REMARKS: Should the Lovington Deep State Well No. 3 be capable of production in excess of top unit allowable, said production shall be separately metered prior to commingling.

EXHIBIT 10 - PAGE 2

Amended Administrative Order PLC-75 Mobil Exploration and Production US, Inc. January 9, 1991 Page 2

DONE at Santa Fe, New Mexico, on this 9th day of January, 1991.

WILLIAM J. LEMAY, Division Director

cc: Oil Conservation Division - Hobbs NM State Land Office - Santa Fe