



PC N/R
930

State of New Mexico
NMOCD - Aztec
Operating Unit Manager

March 7, 1996

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, New Mexico 87504

Attention: Mr. William J. LeMay

RE: **Application for exception to NMOCD Rule 303-A: Surface Commingle of oil and gas production from multiple pools on the L. L. McConnell lease: sections 29, 30 and 31, T25N-R3W, NMPM, Rio Arriba County, New Mexico**

Dear Mr. LeMay:

39189
Four Star Oil and Gas Company respectfully requests administrative approval to surface commingle oil and gas production from the Blanco Pictured Cliff South gas pool, the Blanco Mesaverde gas pool and the West Lindrith Gallup-Dakota oil pool within the L. L. McConnell lease. Approval of this application will require an exception to Rule 303-A. Commingling is within a single lease ~~which is within a single lease~~ ~~including working interest ownership, royalty ownership, and overriding royalty ownership (see attached statement, exhibit I).~~

Oil production is gathered at a central battery which is located on the lease. Gas production feeds El Paso Field Services CDP meter No. 97696, also located on the lease. Exhibit II is a diagram showing the location of the wells, the gathering lines, the tank battery and the CDP meter. Exhibit III is a spreadsheet containing information concerning the specific wells tied to the gathering system. Both gas and liquid production is metered at each well location prior to commingling for allocation purposes. None of the wells are capable of producing top allowable in a prorated pool.

Since this is a Federal lease (SF-079602), a sundry has been submitted to the BLM seeking approval for surface commingling (Exhibit IV). Surface commingling improves access for trucking out produced oil and accommodates central compression to enhance production. If you have any questions concerning this request please contact Mr. Mark R. Reinhold at (505) 325-4397, ext. 19. Your attention to this matter is greatly appreciated.

Sincerely,

Ted A. Tipton
Operating Unit Manager

MRR/s
Exhibits Attached
cc: NMOCD-Aztec
file

LIST OF EXHIBITS

| <u>Exhibit</u> | <u>Description</u> |
|-----------------------|------------------------------------------------|
| I | Ownership statement |
| II | Diagram of surface commingled gathering system |
| III | Well information sheet |
| IV | BLM Sundry |



Exhibit I

Texaco

DATE: February 27, 1996

TO: Mr. T. A. Tipton
Farmington, New Mexico

FROM: Chuck Snure
Denver, CO

SUBJECT: **SURFACE COMMINGLING OF WELLS**
L.L. McConnell Lease - SF-079602
Lydia Rentz Lease - SF-079601
Rio Arriba County, New Mexico

Pursuant to your request for ownership information on the captioned leases, please be advised of the following:

L.L. McConnell Lease (SF-079602)

Wells: #1, #1A, #6, #11, #14, #14A, #15

Working Interest ownership is common (Four Star Oil & Gas Company)

Royalty ownership is common (8.5% effective 12-1-93)

Overriding Royalty ownership is common (2.5%)

Lydia Rentz Lease (SF-079601)

Wells: #1, #7, #7A, #9, #9A, #11, #11A

Working Interest ownership is common (Four Star Oil & Gas Company)

Royalty ownership is common (3.7% effective 12-1-93)

Overriding Royalty ownership is common (2.5%)

Please advise should you need further information regarding these Federal leases.

Chuck Snure

CAS:

cc: Land Files - NM741121, NM751205

Exhibit II

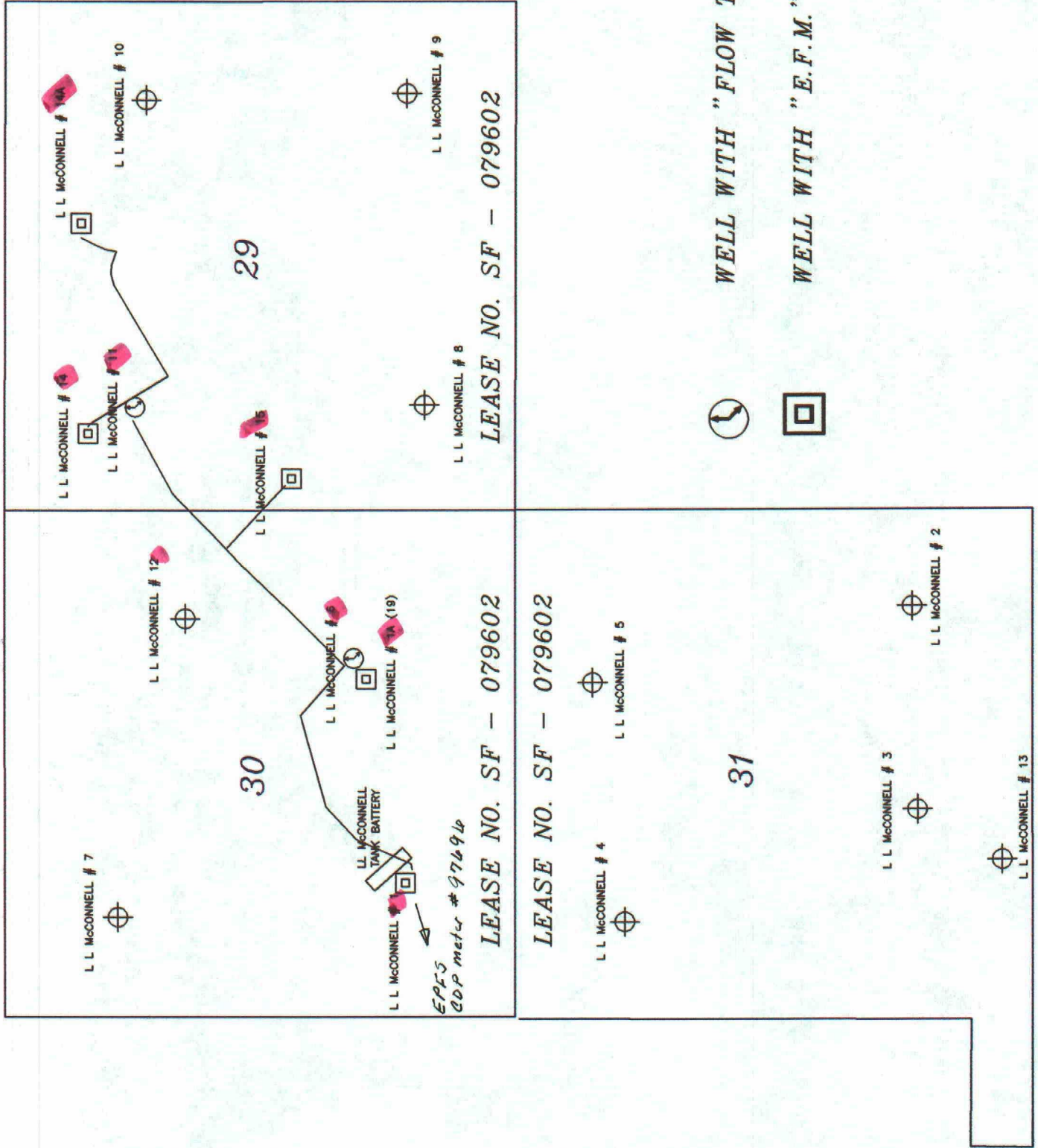


Exhibit III

| Four Star Oil and Gas Company Well Meters Upstream of EPNG CDP Meter # 97696 (meter is located on the lease) and Central Tank Battery | | | | | | | | | | | | |
|---------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------|----------|-------|---------|------|---------------------|----------------------------|------------------------|---------------------------|---------------------------|-----------------------------|
| Well | BLM LEASE DESIGNATION | FIELD/ POOL NAME | Township | Range | Section | Spot | Legal | FSOG Allocation Meter # | El Paso CDP Meter # | Oil Prod. (12/95) BOPD | Gas Prod. (12/95) MCFD | Water Prod. (12/95) BOPD |
| L. L. McConnell #1 | SF-079602 | W. Lindrith GP-DK, Blanco MV (DHC-955) | T25N | R03W | 30 | N | 1190' FSL/1450' FWL | 191-195 | 97696 | 4 | 36 | 4 |
| L. L. McConnell #1A | SF-079602 | W. Lindrith GP-DK | T25N | R03W | 30 | J | 1760' FSL/1850' FEL | 191-186 | 97696 | 27 | 60 | 4 |
| L. L. McConnell #6 | SF-079602 | Blanco P. C. South | T25N | R03W | 30 | N | 1190' FSL/1450' FWL | 191-196 | 97696 | 0 | 5 | 0 |
| L. L. McConnell #11 | SF-079602 | Blanco P. C. South | T25N | R03W | 29 | D | 1190' FNL/999' FWL | 191-251 | 97696 | 0 | 8 | 0 |
| L. L. McConnell #14 | SF-079602 | W. Lindrith GP-DK, Blanco MV (DHC-998) | T25N | R03W | 29 | D | 855' FNL/790' FWL | 191-183 | 97696 | 11 | 42 | 1 |
| L. L. McConnell #14A | SF-079602 | W. Lindrith GP-DK | T25N | R03W | 29 | B | 790' FNL/2310' FEL | 191-193 | 97696 | 8 | 59 | 2 |
| L. L. McConnell #15 | SF-079602 | W. Lindrith GP-DK | T25N | R03W | 29 | L | 2310' FSL/330' FWL | 191-194 | 97696 | 11 | 33 | 5 |
| Total | | | | | | | | | | 30 | 147 | 8 |

(JUNE 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Exhibit IV

FORM APPROVED

Budget Bureau No. 1004-0135

Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.

Use "APPLICATION FOR PERMIT--" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

FOUR STAR OIL AND GAS CO.

3. Address and Telephone No.

3300 N. Butler, Farmington, New Mexico 87401 (505)325-4397

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

5. Lease Designation and Serial No.

SF 079602

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

L.L. McCONNELL LEASE

9. API Well No.

10. Field and Pool, or Exploratory Area

11. County or Parish, State

RIO ARRIBA, NM

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☐ Other _____
- ☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

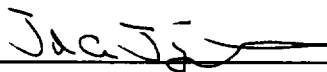
(Note: Report results of multiple completion on well
Completion or Recompletion Report and Log form)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting and proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Four Star Oil and Gas Company requests approval to surface commingle both oil and gas production from the following wells located on the LL McConnell lease: LL McConnell #1, #1A, #6, #11, #14, #14A and #15. Oil production is gathered at a central tank battery located on the lease. Gas production feeds El Paso Field Services CDP meter No. 97696, also located on the lease. Attached is a diagram showing the location of the wells, the gathering lines, the tank battery, and the CDP meter. Also attached is a spreadsheet containing specific information on the wells tied to the gathering system. Both gas and liquid is metered at each well commingling for allocation purposes.

14. I hereby certify that the foregoing is true and correct

Signed



Title **Operating Unit Manager**

Date

3/8/96

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any:

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT--" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

FOUR STAR OIL AND GAS CO.

3. Address and Telephone No.

3300 N. Butler, Farmington, New Mexico 87401 (505)325-4397

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

5. Lease Designation and Serial No.

SF-079602

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

L.L. McCONNELL LEASE

9. API Well No.

10. Field and Pool, or Exploratory Area

11. County or Parish, State

RIO ARriba COUNTY, NM

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☐ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other

CDP METER

☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on well Completion or Recompletion Report and Log form)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting and proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.) *

FOUR STAR OIL AND GAS COMPANY REQUESTS PERMISSION TO SURFACE COMMINGLE PRODUCTION FROM THE FOLLOWING WELLS LOCATED ON THE L.L. McCONNELL LEASE: McCONNELL #6, #11, #1, #1A, #14, #14A, AND #15. THE ATTACHED INFORMATION SHEET SHOWS THE FIELD, LEGAL LOCATIONS, METER NUMBERS AND PRODUCTION FOR THE WELL COMPLETIONS. THESE WELL COMPLETIONS ARE METERED INDIVIDUALLY FOR ALLOCATION PURPOSES. THE WELL COMPLETIONS FEED THE EL PASO CDP METER #97696.
FOUR STAR OIL AND GAS IS THE DESIGNATED TRANSPORTER FOR ALL GAS FED TO THE CDP METER, WHICH IS LOCATED ON THE LEASE.

ACCEPTED FOR RECORD

RECEIVED
SEP -10 1996
OIL CON. DIV.
DIST. 3

14. I hereby certify that the foregoing is true and correct

Signed Jac J...

Title Operating Unit Manager

Date 12/21/95

(This space for Federal or State office use)

Approved by [Signature]
Conditions of approval, if any:

for Chief, Lands and Mineral Resources
Title [Signature]

Date SEP - 9 1996

Wood PC order

| Four Star Oil and Gas Company Well Meters Upstream of EPNG CDP Meter # 97696 (meter is located on the lease) | | | | | | | | | | | |
|--------------------------------------------------------------------------------------------------------------|--------------------------|------------------------------|----------|-------|---------|--------------|---------------------|----------------------------|------------------------|--------------------------|--------------------------|
| Well | BLM LEASE DESIGNATION | FIELD/ POOL NAME | Township | Range | Section | Spot | Legal | FSOG Allocation Meter # | El Paso CDP Meter # | Gas Prod. (9/95) MCFD | Oil Prod. (9/95) BOPM |
| L. L. McConnell #6 | SF-079602 | Blanco P. C. South | T25N | R03W | 30 | N | 1190' FSL/1450' FWL | (EPNG #87927) | 97696 | 3 | 0 |
| L. L. McConnell #11 | SF-079602 | Blanco P. C. South | T25N | R03W | 29 | D | 1190' FNL/999' FWL | (EPNG #87938) | 97696 | 9 | 0 |
| L. L. McConnell #1 | SF-079602 | W. Lindrith GP-DK, Blanco MV | T25N | R03W | 30 | N | 1190' FSL/1450' FWL | 191-195 | 97696 | 36 | 5 |
| L. L. McConnell #1A | SF-079602 | W. Lindrith GP-DK | T25N | R03W | 30 | J | 1760' FSL/1850' FEL | 191-186 | 97696 | 59 | 27 |
| L. L. McConnell #14 | SF-079602 | W. Lindrith GP-DK, Blanco MV | T25N | R03W | 29 | D | 855' FNL/790' FWL | 191-183 | 97696 | 46 | 17 |
| L. L. McConnell #14A | SF-079602 | W. Lindrith GP-DK | T25N | R03W | 29 | B | 790' FNL/2310' FEL | 191-193 | 97696 | 42 | 13 |
| L. L. McConnell #15 | SF-079602 | W. Lindrith GP-DK | T25N | R03W | 29 | L | 2310' FSL/330' FWL | 191-194 | 97696 | 34 | 14 |
| Total | | | | | | | | | | 229 | 76 |