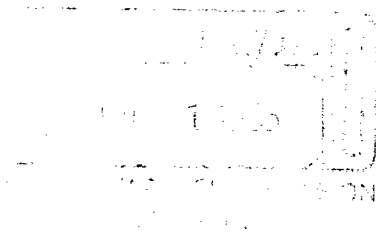


Union Oil and Gas Division: Central Region *B9 DEC*

Union Oil Company of California
500 North Marienfeld, Midland, Texas 79701
Telephone (915) 682-9731
Mailing Address: P. O. Box 671
Midland, Texas 79702



Midland District

June 26, 1985

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

Gentlemen:

SUBJECT:
Application to Surface Commingle

This letter is submitted as an application for administrative approval to surface commingle the production from two State leases, which produce from the same pool (same common source of supply). The following data is included as pertinent to this application.

Leases to be commingled:

1. State "33-A" Well No. 1, Lease No. E-8974
Location: 330' FSL, 330' FWL, Section 33, T-15-S, R-32-E,
Lea County, New Mexico
Field: North Anderson Ranch
Source of Supply: Cisco Canyon
Gravity of Oil: 43° at 60°F
Volume of Oil to be Produced: 320 BOPD
2. State "33-B" Well No. 1, Lease No. E-6078-1
Location: 660' FSL, 1650' FWL, Section 33, T-15-S, R-32-E,
Lea County, New Mexico
Field: North Anderson Ranch
Source of Supply: Cisco Canyon
Gravity of Oil: 43° at 60°F
Volume of Oil to be Produced: 320 BOPD
3. Attached copy of approval to commingle from Commissioner of Public Lands.

The value of the oil and gas per unit volume from both leases is the same since it is produced from the same pool, is the same gravity, and sold to the same purchaser. The value of the commingled production will be the same as the value of the sum of the production from the individual leases.

New Mexico Oil Conservation Commission
Page 2
June 26, 1985
Application to Surface Commingle

A schematic diagram of the proposed commingled tank battery and a plat of the leases are attached.

If additional information is required, please let us know.

Very truly yours,



J. C. Merritt
District Production Superintendent

ECS:pd
Enclosures

State of New Mexico

RECEIVED

JUN 24 1985

LCM



JIM BACA
COMMISSIONER

Commissioner of Public Lands

June 20, 1985

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148
Express Mail Delivery Uses
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

Union Oil Company of California
P. O. Box 671
Midland, Texas 79702

Re: Application to Commingle Production
Lease No. E-6078-1 and E-8974
S/2SW/4 Sec. 33-15S-32E
Lea County, New Mexico

ATTENTION: Mr. J.C. Merritt

Gentlemen:

This office is in receipt of your application for permission to commingle production from the State "B-33" Well No. 1 located on State Lease No. E-6078-1 and the State "A" 33 Well No. 1 located on State Lease No. E-8974. It is our understanding that both of these wells are producing from the same common source of supply being the Cisco-Canyon zones.

You are hereby given approval to the above request. This approval is subject to like approval by the New Mexico Oil Conservation Division.

Your filing fee in the amount of Thirty (\$30.00) Dollars has been received.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: *Ray D. Graham*
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505/827-5744

JB/RDG/pm
encls.
cc:

OCD-Santa Fe, New Mexico

Union Oil and Gas Division: Central Region

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

Telephone (915) 682-9731

Mailing Address: P. O. Box 671
Midland, Texas 79702



98 087

Midland District

June 6, 1985

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

Attn: Mr. Ray D. Graham, Director
Oil and Gas Division

Dear Sir:

SUBJECT:
Application to Commingle Production

Pursuant to Rule 1.055 of the Regulations of the State Land Office, Union Oil Company of California herein makes application for permission to commingle production from two State leases which produce from the same pool (same common source of supply).

The following information is included as a part of this application:

Rule 1.055:

- A. Application fee (\$30) attached.
- B. Plat of leases, lines, and tankage attached.
- C. State "B-33" Well No. 1
E-6078-1
SE/4 SW/4, 660' FSL, 1650' FWL, Section 33, T-15-S, R-32-E, Lea County,
New Mexico
Institution: C.S.

State "A" No. 1-33
E-8974
SW/4 SW/4, 330' FSL, 330' FWL, Section 33, T-15-S, R-32-E, Lea County,
New Mexico
Institution: C.S.
- D. Pool designation - both wells produce from the Cisco-Canyon zones.
- E. The value of oil and gas per unit volume from both leases is the same since it is from the same zone, the same gravity (43° API at 60°F) and sold to the same purchaser. The value of the commingled production will be the same as the value of the sum of the production from the individual leases.

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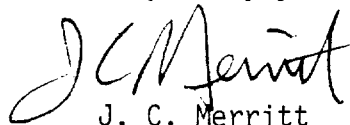
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Commissioner of Public Lands
Page 2
June 6, 1985
Application to Commingle Production

- F. Schematic diagram attached.
- G. No non-commercially fabricated components.
- H. The production from each lease will be moved by flowline to production manifold at a common battery facility, then processed through a two-phase separator to separate gas from liquid (oil and water). The gas will be sold through a meter run from this separator. The liquid will pass on to a heater treater where the oil and water will be separated. The water will then discharge to a salt water disposal system. The oil will move on to the oil storage tanks and be sold through a lease automatic custody transfer unit (LACT) to the oil purchasers pipeline.

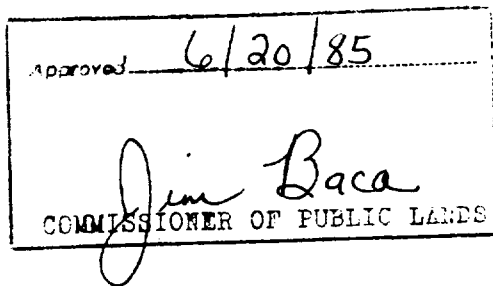
If additional information is required, please let us know.

Very truly yours,



J. C. Merritt
District Production Superintendent

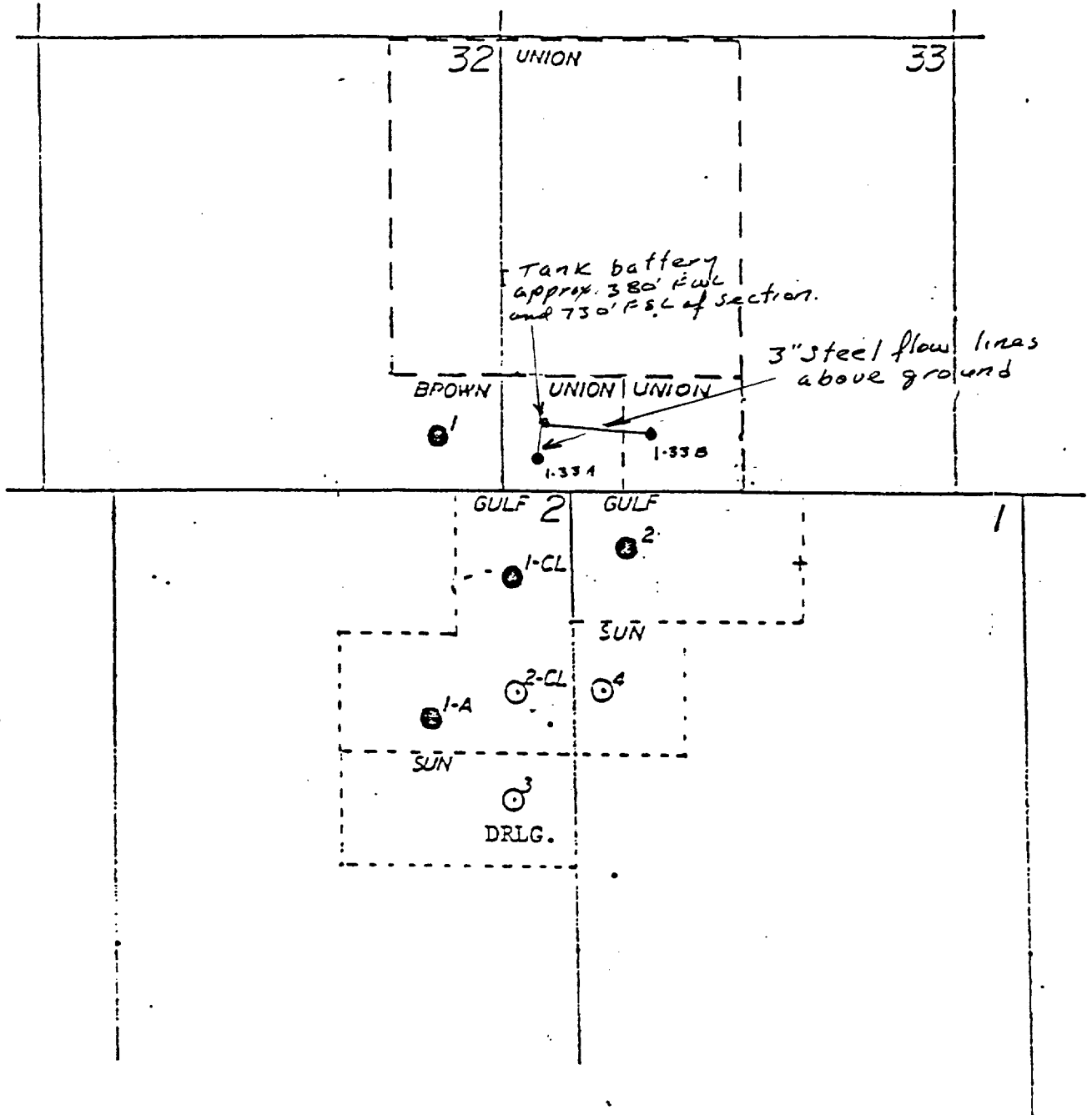
ECS:pd
Enclosures



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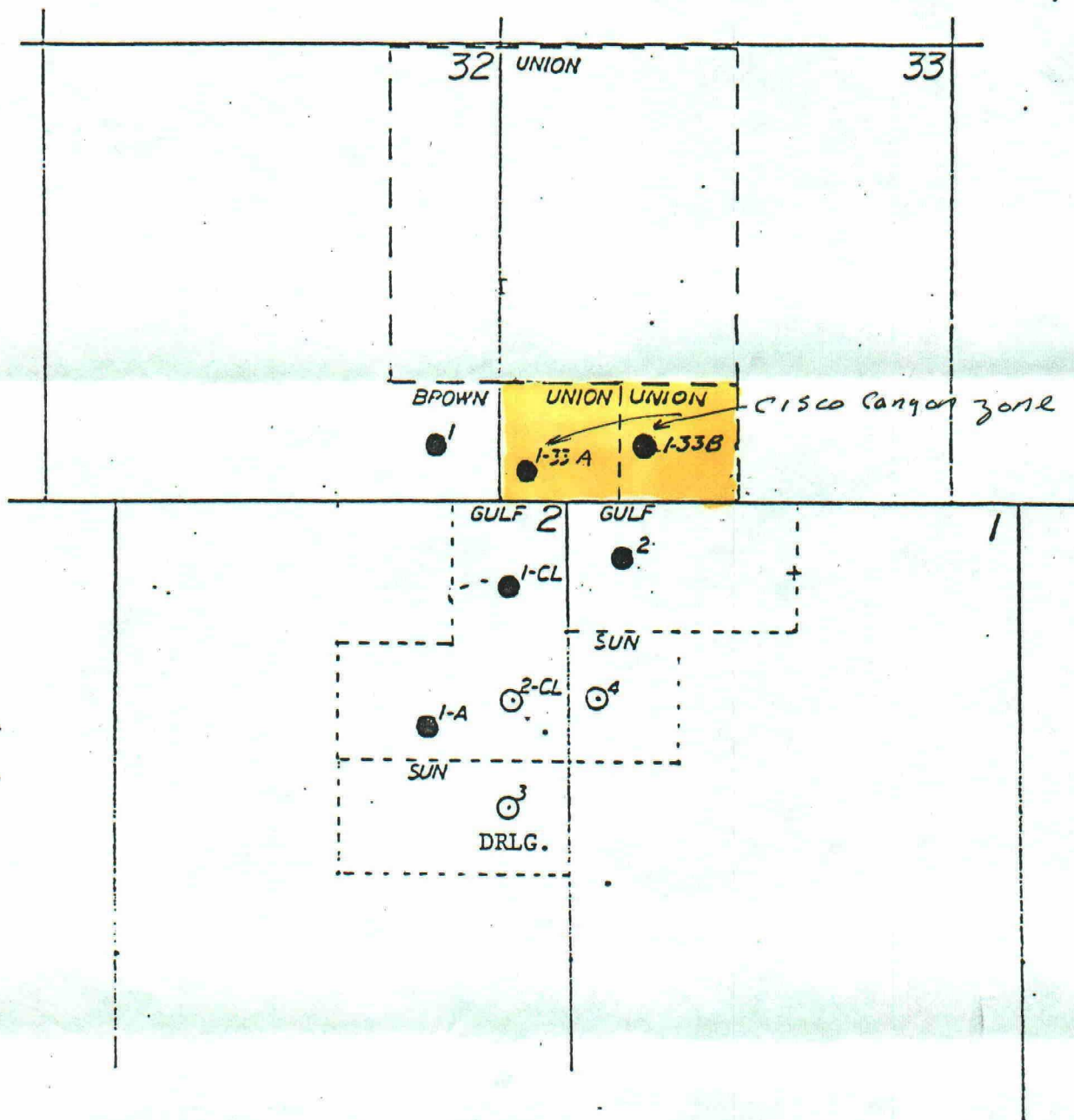
ANDERSON RANCH FIELD
LEA CO., NEW MEXICO

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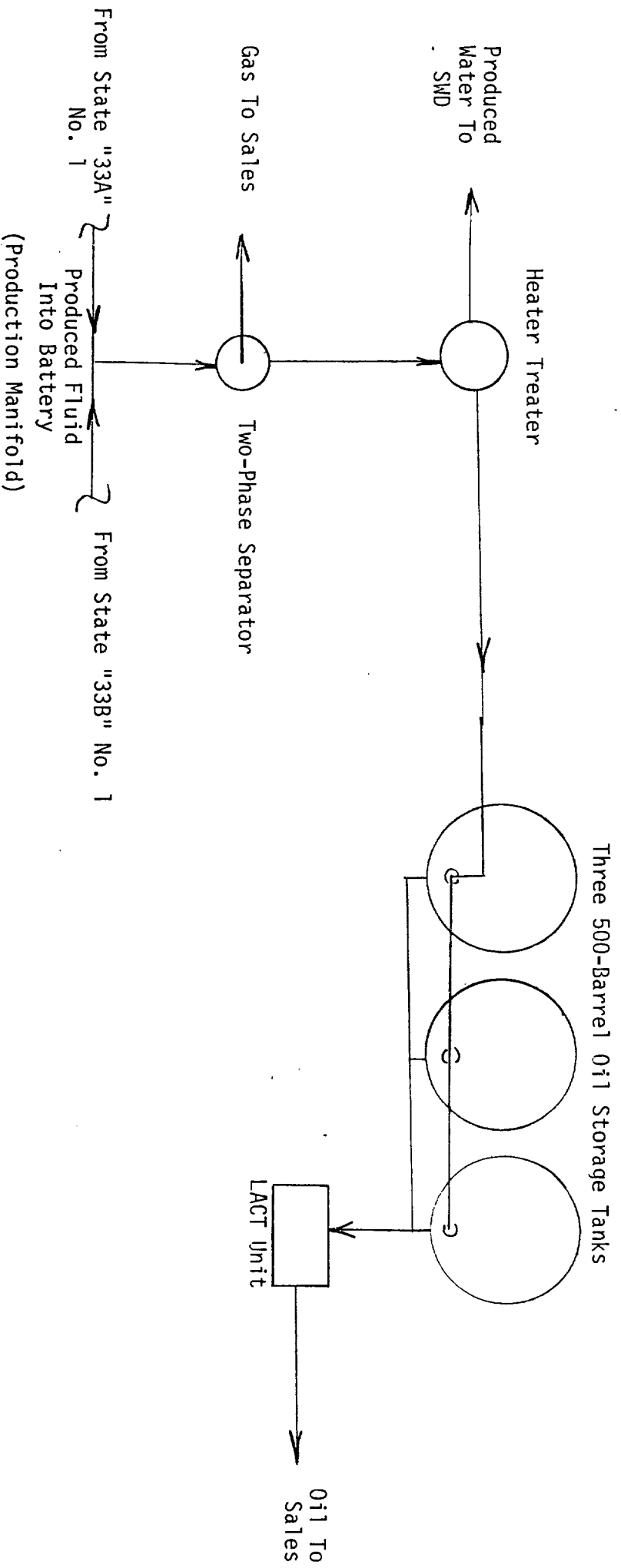
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S

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ANDERSON RANCH FIELD
LEA CO., NEW MEXICO

North Anderson Ranch (Cisco-Canyon)
Tank Battery



Union Oil and Gas Division: Central Region

Union Oil Company of California

500 North Marienfeld, Midland, Texas 79701

Telephone (915) 682-9731

Mailing Address: P. O. Box 671
Midland, Texas 79702



Midland District

July 15, 1985

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

Gentlemen:

SUBJECT:

Approval to Surface Commingle

This letter is submitted as additional support for administrative approval to surface commingle production from two State leases, namely Union Oil Company of California's State 33-A Well No. 1, Lease No. E-8974 and State 33-B Well No. 1, Lease No. E-6078-1. The original application for approval to surface commingle the production from these two State leases was submitted to your office June 26, 1985.

Please be advised the royalty interest on these two leases are the same with the royalty interest owner being the State of New Mexico. There are no overriding royalty interest.

If you need additional information, please advise.

Very truly yours,

A handwritten signature in black ink, appearing to read "JCM Merritt".

J. C. Merritt

District Production Superintendent

JCM:pd