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OIL CONSERVATION DIVISION
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June 23, 1993

State of New Mexico
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504
Attn: Mr. David Catanach, Engineer

RE: APPLICATION TO SURFACE COMMINGLE
THE CORBIN, WEST (DELAWARE) FIELD
AND THE CORBIN, SOUTH (WOLFCAMP) FIELD
ON THE WEST CORBIN "13" FEDERAL COM LEASE (NM-53239)
IN SEC. 13, T18S, R32E
LEA COUNTY, NEW MEXICO

Gentlemen:

Maralo, Inc. requests approval to surface commingle the Corbin, West (Delaware) and the Corbin, South (Wolfcamp) Fields on the West Corbin "13" Federal Com Lease.

A Plat is attached showing the location and reservoir of each well.

Enclosed is a battery diagram which describes the proposed operation.

The Corbin "13" A Federal and the West Corbin "13" Federal Com leases produce about 127 BOPD from the Delaware and Wolfcamp reservoirs, respectively. The individual well production is listed below:

Corbin "13" A Federal					
<u>UL</u>	<u>BOPD</u>	<u>BWPD</u>	<u>MCFPO</u>	<u>GRAVITY</u>	<u>FORMATION</u>
I	110	36	53	35.6	Delaware
West Corbin "13" Federal Com					
<u>UL</u>	<u>BOPD</u>	<u>BWPD</u>	<u>MCFPO</u>	<u>GRAVITY</u>	<u>FORMATION</u>
P	13	0	30	36.6	Wolfcamp

For allocation purpose, the production from each lease will be metered separately prior to being commingled into one common battery.

Maralo, Inc. is 40% working interest owner for these leases. See attached commingling proposal notice sent to working interest owners. Royalty interests and overriding interest are different for these fields. See attached lists.

Federal royalties will not be reduced through the approval of this application as both the Corbin, West (Delaware) and the Corbin, South (Wolfcamp) have identical royalty interest for the BLM.

The approval of one common storage facility will result in an immediate economic saving of approximately \$13,000 in the cost of storage tanks. Other savings will be achieved with the reduction of transportation and operating costs.

If you require additional information, please call me at (915) 684-7441.

Sincerely,



Dorothea Owens
Regulatory Analyst

Attachments: (4) sets