

August 9, 1999

Engineering Department  
State of New Mexico  
Energy, Minerals and Natural Resources Department  
Oil Conservation Division  
2040 South Pacheco  
Santa Fe, New Mexico 87505

AUG 16 1999

Case 12264

**RE: Commingling Order CTB-480**

**Request for an Alternate Method of Gas Measurement on Oil Wells with Marginal/Low Volume Gas Production, Off Lease Gas Measurement and Surface Gas Commingling for the following Federal leases in the Corbin; Delaware, West Pool:**

Corbin 13 A Federal (NM-53239 & NM-94197) Wells #1, #2 & #3, Uncle Sam 13 Federal (NM-0392867) Well #1, and West Corbin 13 Federal (NM-53239), Well #1  
Lea County, New Mexico

Gentlemen:

The gas purchaser for the above Federal leases has informed us that they can no longer maintain the existing 5 individual meters, set at each of the above well sites, at the current gas price.

In an endeavor to maintain our current gas contract and price, Maralo, LLC proposes the withdrawal of the purchaser's 5 individual sales meters. There will be one sales meter at the battery and production will be allocated to each well based upon annual GOR well testing. The allocation method is equitable to all parties and will not result in a reduction or loss of royalty. The Federal royalty rate is the same for all leases involved.

The applicant contends that such approval is necessary for further reasonable operation of the Federal leases. Based upon an average gas production of +/- 50 MCF/D for a combined total of the above low volume/marginal wells, this is an effort to extend the life of the wells by maintaining our current gas price and conserving resources that otherwise would be lost.

Enclosed please find the following:

- (1) A schematic diagram describing the proposed operation in detail.
- (2) New Mexico Gas-Oil Ratio Test dated March 2, 1999, detailing the test results from the contributing wells on the last scheduled annual production test.

Page 2

This letter will serve as a statement that all interest owners as well as the Bureau of Land Management have been notified of the proposal.

The New Mexico Oil Conservation Division is requested to amend Commingling Order CTB-480 to reflect the dissimilar gas production handling addressed herein.

Sincerely,

A handwritten signature in black ink, appearing to read "Dorothea Logan". The signature is fluid and cursive, with a long horizontal stroke at the end.

Dorothea Logan  
Regulatory Analyst  
Maralo, LLC

Enclosures: 2

cc: Working Interests (see attached list)  
OCD/Hobbs, NM  
BLM/Roswell, NM

**WORKING INTERESTS**  
**Corbin 13 A Federal, West Corbin**  
**13 Federal and Uncle Sam 13 Fed.**

**Lowe Partners, LP**  
**5151 San Felipe, Suite 400**  
**Houston, Texas 7056-3607**

**Browning Oil Company**  
**Suite 780 LB 41**  
**8080 Central Expressway**  
**Dallas, TX75206**

**Fasken Oil & Ranch, LTD**  
**303 West Wall Avenue, Suite 1800**  
**Midland, TX 79701**

**JTI Inc.**  
**Suite 603**  
**5801 East 41<sup>st</sup> Street**  
**Tulsa, OK 74135**

**Larry A. Mizel**  
**Yosemite Creek Oil & Gas LLC**  
**3600 S. Yosemite St., Suite 810**  
**Denver, CO 80237**

**Enron**  
**P. O. Box 2267**  
**Midland, TX 79702**

Submit 2 copies to Appropriate  
District Office.

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-116  
Revised 1/1/89

## OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

### GAS - OIL RATIO TEST

Operator <b>MARALO, LLC</b>		Pool <b>CORBIN; DELAWARE, WEST</b>		County <b>LEA</b>											
Address <b>P.O. BOX 832, MIDLAND, TX 79702</b>		TYPE OF TEST - (X)		Scheduled <input checked="" type="checkbox"/> XXX											
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	CHOKE SIZE	TBG. PRESS.	DAILY ALLOW-ABLE	LENGTH OF TEST HOURS	Completion			Special		
		U	S	T						R	WATER BBL'S.	PROD. DURING TEST GRAV. OIL		OIL BBL'S.	GAS M.C.F.
CORBIN "13" A FEDERAL	1	I	13	18S	32E	02/02/99	P			24	8	34.7	10	22	2200
CORBIN "13" A FEDERAL	2	J	13	18S	32E	02/02/99	P			24	7	34.7	11	16	1455
CORBIN "13" A FEDERAL	3	O	13	18S	32E		P			24	6	34.7	12	2	167
UNCLE SAM "13" FEDERAL	1	H	13	18S	32E		P			24	6	34.7	10	2	200
WEST CORBIN "13" FEDERAL	1	P	13	18S	32E		P			24	20	34.7	18	10	556

#### Instructions:

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

Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.60.

Report casing pressure in lieu of tubing pressure for any well producing through casing.

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

I hereby certify that the above information is true and complete to the best of my knowledge and belief.

Signature

*Dorothea Logan*

**DOROTHEA LOGAN, REGULATORY ANALYST**

Printed name and title

**MARCH 2, 1999**

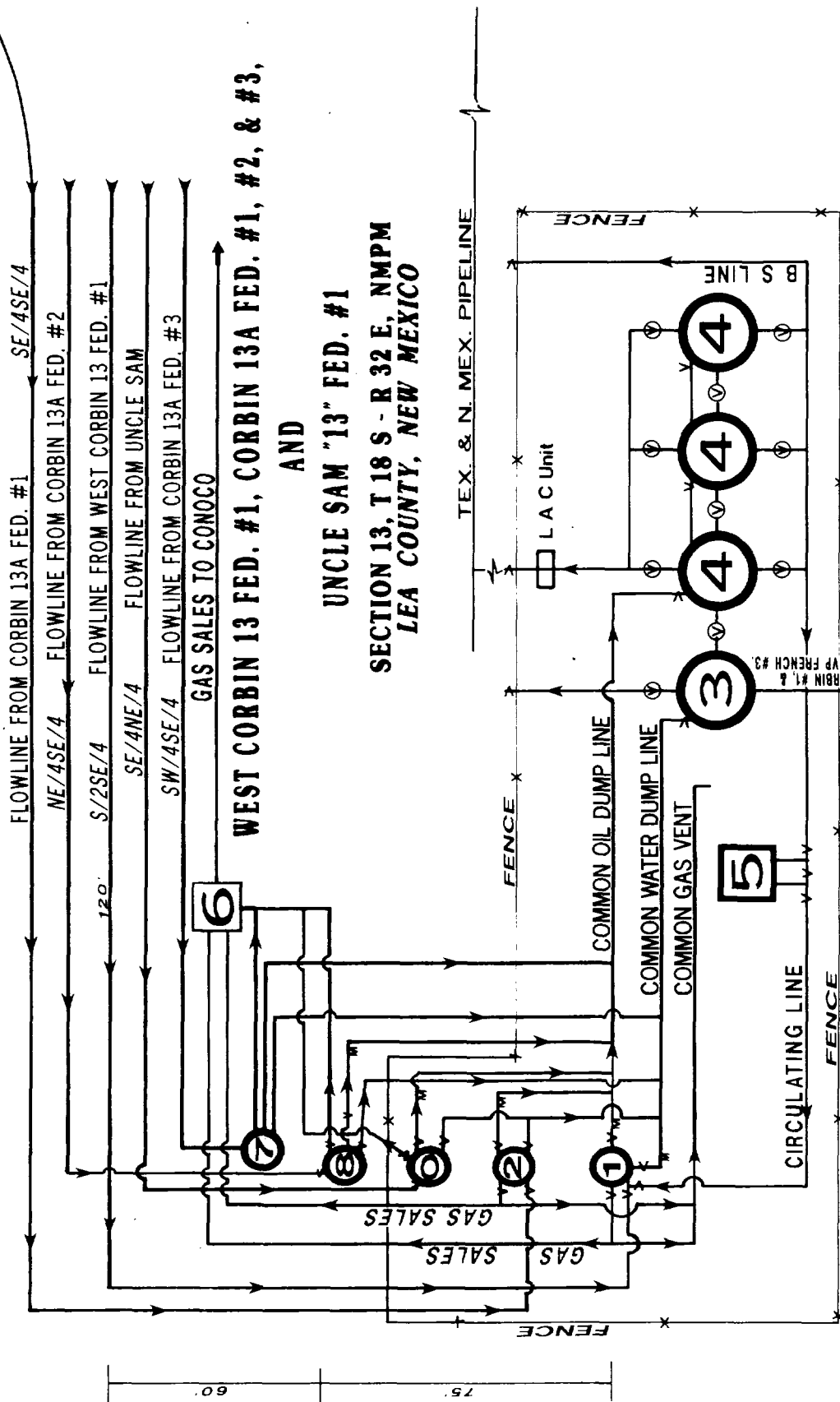
(915) 684-7441

Date

Telephone No.

# TANK BATTERY

WELLHEAD



- 0 4' X 20' 50# HEATER TREATER FOR UNCLE SAM WITH OIL & WATER METERS
- 1 4' X 20' 50# HEATER TREATER FOR WEST CORBIN 13 FED. #1
- 2 4' X 20' 50# HEATER TREATER FOR CORBIN 13A FED. #2 WITH OIL & WATER METERS
- 3 15'6" X 16' 500 BBL'S FIBERGLASS WATER TANK
- 4 15'6" X 16' 500 BBL'S STEEL STOCK TANK
- 5 CIRCULATING PUMP (GASOLINE POWERED)
- 6 GAS SALES METER
- 7 4' X 20' HEATER TREATER FOR CORBIN 13A FED. #3
- 8 4' X 20' 50# HEATER TREATER FOR CORBIN 13A FED. #2 WITH OIL & WATER METERS
- V VALVE
- ⊙ LOCKED VALVE
- M METER

FROM CORBIN #12, W. CORBIN #1, & U. SAM #1 70 BTA 9004 JPF FRENCH #3. SEC. 24, T. 18 S. - R. 32 E.