

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 12254  
ORDER NO. R-11288

APPLICATION OF MARALO, L.L.C. FOR AN EXCEPTION TO DIVISION RULES 305  
AND 309 TO PERMIT LEASE COMMINGLING AND APPROVAL OF A CENTRAL  
DELIVERY POINT, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on October 7, 1999 at Santa Fe, New Mexico,  
before Examiner Michael E. Stogner.

NOW, on this 6th day of December, 1999, the Division Director, having considered  
the testimony, the record and the recommendations of the Examiner,

FINDS THAT:

(1) Due public notice has been given and the Division has jurisdiction of this case and  
its subject matter.

(2) The applicant, Maralo, L.L.C., seeks an exception to Division Rules No. 305 and 309  
to permit lease commingling of gas production from the West Corbin-Delaware Pool from the following  
five (5) wells located on federal leases in Section 13, Township 18 South, Range 32 East, NMPM, Lea  
County, New Mexico:

| Well Name and Number                | API No.      | Footage Location     | Unit |
|-------------------------------------|--------------|----------------------|------|
| Corbin "13-A" Federal Well No. 1    | 30-025-31698 | 1830' FSL & 660' FEL | I    |
| Corbin "13-A" Federal Well No. 2    | 30-025-32238 | 1650' FS & EL        | J    |
| Corbin "13-A" Federal Well No. 3    | 30-025-33474 | 660' FSL & 1980' FEL | O    |
| Uncle Sam "13" Federal Well No. 1   | 30-025-32055 | 1650' FNL & 990' FEL | H    |
| West Corbin "13" Federal Well No. 1 | 30-025-31635 | 660' FS & EL         | P    |

October 6, 1999, the Bureau of Land Management approved the applicant's proposed commingling.

(10) No other interest owner appeared at the hearing in opposition to the application.

(11) Approval of the application will allow the applicant to economically produce the oil and gas reserves from the subject wells, thereby preventing waste, and will not violate correlative rights.

(12) The applicant should notify the gas transporter of the commingling authority granted by this order.

(13) By Division Administrative Order CTB-480, dated December 7, 1998, Maralo, L.L.C. was authorized to commingle West Corbin-Delaware Pool production from its: (i) Uncle Sam "13" Federal lease comprising the SE/4 NE/4 of Section 13; (ii) Corbin "13" Federal lease comprising the NE/4 SE/4 of Section 13; and (iii) West Corbin "13" Federal lease comprising the S/2 SE/4 of Section 13. This order required production from each lease to be metered separately.

(14) The order issued in this case should supersede Division Administrative Order CTB-480.

**IT IS THEREFORE ORDERED THAT:**

(1) The applicant, Maralo, L.L.C., is hereby granted an exception to Division Rules No. 305 and 309 to permit lease commingling of gas production from the West Corbin-Delaware Pool from the following five (5) wells located on federal leases in Section 13, Township 18 South, Range 32 East, NMPM, Lea County, New Mexico:

| Well Name and Number                | API No.      | Footage Location     | Unit |
|-------------------------------------|--------------|----------------------|------|
| Corbin "13-A" Federal Well No. 1    | 30-025-31698 | 1830' FSL & 660' FEL | I    |
| Corbin "13-A" Federal Well No. 2    | 30-025-32238 | 1650' FS & EL        | J    |
| Corbin "13-A" Federal Well No. 3    | 30-025-33474 | 660' FSL & 1980' FEL | O    |
| Uncle Sam "13" Federal Well No. 1   | 30-025-32055 | 1650' FNL & 990' FEL | H    |
| West Corbin "13" Federal Well No. 1 | 30-025-31635 | 660' FS & EL         | P    |