N. M. DIE CONS. COM

P. O. BOX 1960

Form 3160-5 (June 1990)

see attached

HOBBS, NEW MEXICO 88240 **UNITED STATES** FORM APPROVED Budget Bureau No. 1004-0135 DEPARTMENT OF THE INTERIOR Expires: March 31, 1993 BUREAU OF LAND MANAGEMENT 5. Lease Designation and Sprial No. B.V. Lynch B Federal NMLC 029519B SUNDRY NOTICES AND REPORTS ON WELLS 6. If Indian, Allottee or Tribe Name 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 7. If Unit or CA, Agreement Designation SUBMIT IN TRIPLICATE 1. Type of Well Oil Well Other 8. Well Name and No. 2. Name of Operator Olsen Energy, Inc. 9. API Well No. 3. Address and Telephone No. 210-496-2466 16414 San Pedro, #470, San Antonio, Texas 78232 10. Field and Pool, or Exploratory Area 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Lynch-Yates/SR 11. County or Parish, State Sec 27, T-20-S, R-34-ELea County, New Mexico CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Notice of Intent Abandonment Change of Plans Recompletion **New Construction** Subsequent Report Plugging Back Non-Routine Fracturing Casing Repair Water Shut-Off Final Abandonment Notice Altering Casing Conversion to Injection 💹 Other Request for off lease Dispose Water storing, measuring & selling production of 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 any 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.)* Olsen Energy, Inc. requests approval to combine and store production from the B.V. Lynch "B" Federal NMLC 029519B in Section 27, T-20-S, R-34-E with production from the B.V. Lynch "A" Federal NMLC 029519A in Section 34 and 35, T-20-S, R-34-E, Lea County, New Mexico. The storage facility is in Unit J of Section 34, T-20-S, R-34-E. Enclosed are approved letters for commingling these leases dated December 10, 1973 U.S. Dept. of Interior, Geological Survey and 2-8-74 New Mexico Conservation Commission. 11.1 14. I hereby certify that the foregoing is true and correct Drilling/Production Manager (This space for Federal or State office use) (ORIG. SGD.) JCE G. LARA Approved by Conditions of approval, if any

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements

COMMINGLING ORDER CTB-248 Company Texaco Inc. Address POSES DISTRICT Drawer 728 PET. ENGR. DEPT. City, State, Zip Hobbs, New Mexico Attention: Mr. J. V. Gannon The above-named company is hereby authorized to commingle Lynch Yates-Seven Rivers pool production from the following leases: Lease Name: B. V. Lynch "A" Federal E/2 NW/4, W/2 NE/4, NE/4 NE/4, E/2 SW/4 and SE/4 of Sec. 34Description: and W/2 SW/4 of Sec. 35, T-20-S, R-34-ELease Name: B. V. Lynch "B" Federal Description: SE/4 SW/4 of Sec. 27, T-20-S, R-34-ELea County RETURA Lease Name: FILE Description: JVG 9. Production shall be allocated to each lease by JGB / VGJseparately metering the production from each lease priority 2/13 JAS commingling BWG: REL separately metering the production from the EHS GR2-11 and determining the 3 AN PIproduction by the subtraction method BH x well tests (if this method or the subtraction method above is to be authorized, all commingled production must be of identical ownership: working interest, royalty interest, and overriding royalty interest)

Note: This installation shall be installed and operated in accordance with the applicable provisions of Rule 309-B of the Commission Rules and Regulations and the Commission "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

REMARKS:

DONE at Santa Fe, New Mexico, on this 8th day of February 1974.

A. L. PORTER, Jr., Secretary-Director



United States Department of the Interior

GEOLOGICAL SURVEY

P. O. Box 1157 Hobbs, New Mexico 88240

December 10, 1973

Texaco Inc. Drawer 728 Hobbs, New Mexico 88240

Gentlemen:

Your letter of November 13 requests approval to commingle Lynch Yates-Seven Rivers pool production from your Lynch "B" Federal well No. 1, in sec. 27, with like production from wells on your Lynch "A" Federal lease in sec. 34 and 35, T. 20 S., R. 34 E., Lea County, New Mexico, leases Las Cruces 029519(b) and 029519(a).

The system for commingling described in the diagram attached to your letter is hereby approved, subject to like approval by the New Mexico Oil Conservation Commission. Your Lessee's Monthly Report of Sales and Royalty, Form 9-361, should show all computations used in allocating production to each lease.

Please notify our Hobbs office when the installation is completed so that a field inspection of the system can be made.

Sincerely yours,

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cc: Mr. A. L. Porter, J N.M.O.C.C.

Santa Fe, New Mexic

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BUREAU OF LAND MANAGEMENT CARLSBAD RESOURCE AREA

Off Lease Storage/Measurement

Conditions of Approval

Approval of off lease storage/measurement and sales is subject to the following conditions of approval:

- 1. This agency be notified of any change in your sales method or location of the sales meter.
- 2. This agency shall be notified of any spill or discharge as required by NTL-3A.
- 3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
- 4. This approval does not constitute right-of-way approval for any off lease activities. You need to submit within 30 days an application for right-of-way approval to the Realty Section in this office if you have not already done so.