

Facsimile Cover Sheet

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|----------------------------------|--------------------------------------|
| To: | Jerry Sexton |
| Company: | NM OCD |
| Phone: | 505 393-6161 |
| Fax: | 505 393-0720 |
| From: | Selena Nunez |
| Company: | Exxon Company, USA ERAG - Permits |
| Phone: | 915 688-7899 |
| Fax: | 915 688-6199 |
| Date: | 8/13/96 |
| Pages including this cover page: | 7 |

Comments:

Jerry, if there is any further information needed, please give me a call.

Thank you,

Selena
Nunez



State of New Mexico
Commissioner of Public Lands

RAY POWELL, M.S., D.V.M.
COMMISSIONER

310 OLD SANTA FE TRAIL P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

(505) 827-5760
FAX (505) 827-5766

May 23, 1996

RECEIVED

Exxon Company, USA
Post Office Box 1600
Midland, Texas 79702-1600

Attn: Mr. Alex M. Correa

Re: Amended Surface Commingling Request PC-137
New Mexico "S" State Lease, Well No. 34
Section 2-22S-37E
Lea County, New Mexico

Dear Mr. Correa:

We received your application letter of May 17, 1996, wherein you requested our approval to amend New Mexico Oil Conservation Division Order No. PC-137, State Lease B-934, Section 2-22S-37E in Lea County, New Mexico.

We understand that Well No. 34L is currently completed and shut-in as a Wantz Abo gas well. Previous Abo production was approximately 170 MCFGPD (no oil, no water). A permit has been approved to perforate and complete said well in the Blinebry (34U) as an oil well. The anticipated Blinebry production will be 30 BOPD, 275 MCFGPD, 0 BWPD.

Since ownership is common throughout, and there will be no loss of revenue to the State of New Mexico's beneficiaries from your proposed operation, the Commissioner of Public Lands approves your request. Our approval is given with the understanding that the Commissioner of Public Lands reserves the right to amend or withdraw his approval should this operation prove to be unprofitable to the State at any time in the future. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

Our records reflect that the New Mexico "S" State Wells approved under PC-137 are listed under Property Code No. 004198. Your application makes reference to Property Code No. 004199. Please re-check your records for this property number.


Your filing fee in the amount of thirty dollars has been received.

Exxon Company USA
May 23, 1996
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If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY: 
LARRY KEHOE, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/LK/cpm

Enclosure

cc: Reader File
OCD—David Catanach
B-934



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87506
(505) 827-7131

AMENDED COMMINGLING ORDER PC-137

Exxon Company, USA
P.O. Box 1600
Midland, Texas 79702-1600

NGPA Permits

JUN 24 1996

Attention: Mr. Alex M. Correa

LEASE NAME: New Mexico "S" State Lease (Property No.004198, State
Lease No.B-934)
DESCRIPTION: All of Section 2, Township 22 South, Range 37 East, NMPM,
Lea County, New Mexico

The above-named company is hereby authorized to commingle Blinbry Oil & Gas (6660), Wantz Abo (62700) and Wantz Granite Wash (62730) Pool production in a common tank battery and to determine production from each pool by well tests. (If this method is to be authorized, all commingled production must be of marginal nature; further the operator shall notify the Santa Fe office of the Division in the event any well on the commingled battery becomes capable of the allowable production, at which time the Division will amend this order or take such other action as may be appropriate.)

The operator shall notify the Hobbs District Office of the Division upon implementation of the commingling process.

NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 of the Division Rules and Regulations and the Division "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: Well Nos.13 and 37 are downhole commingled as authorized by Division Orders DHC-1060 and DHC-769 respectively. Where there is production from the Drinkard and the Tubb Oil & Gas Pools on this lease, there is no liquid production from these pools being commingled.

DONE at Santa Fe, New Mexico, on this 19th day of June, 1996.

WJL/BES


WILLIAM J. LEMAY, Director

cc: Oil Conservation Division- Hobbs