

COLLINS & WARE, INC.

508 WEST WALL AVENUE, SUITE 1200
MIDLAND, TEXAS 79701-5076

(915) 687-3435

February 13, 1998

Ben Stone
State of New Mexico
Oil Conservation Division
2040 S. Pacheco Street
Santa Fe, New Mexico 87505-5472

SEC 10
TWN 22
R. 6 37

Re: Surface Commingling
A. B. Baker Lease ID No. 19149
Lea County, New Mexico

Dear Mr. Stone:

Collins & Ware, Inc. respectfully requests an exception to Rule 303A "Segregation Of Production From Pools". Under Rule 303B, we request an administrative approval to Surface Commingle the A. B. Baker Lease, Wells Nos. 3, 4, 5, and 6.

This request pertains to an existing lease which was purchased by Collins & Ware, Inc. from Amerada Hess Corp. in July, 1996. At the time of purchase, the storage facility was accepting commingled production from the Drinkard, Tubb, and Blinebry pools and a surface commingling approval should have been in place. Unfortunately, I am unable to find where approval was granted. Therefore, I am submitting this request in order to comply with rule 303B.

After assuming operations, Collins & Ware, Inc. began remedial work that included plugging back the A. B. Baker No. 4 to the Blinebry O&G Pro Gas pool (it was downhole commingled with the Drinkard), and drilling the A. B. Baker No. 5 to the Wantz Abo and Wantz Granite Wash (Downhole commingled) and the A. B. Baker No. 6 to the Wantz Abo. The end result, as seen on the enclosed table, reflects current production from the Blinebry, Wantz Abo, Wantz Granite Wash, Tubb and Drinkard. I would like to have a surface commingling approval for each of these pools; Blinebry, Wantz Abo, Wantz Granite Wash, Tubb, and Drinkard.

The production from each well is currently being measured monthly by a port-a-check. This test is being performed at the wellhead by the pumper, and the results of the latest test are listed within the attached table. None of the productive pools produce enough oil and gas to make it economical to segregate production from any pool and sell separately.

An oil analysis was taken, copy attached, which indicates the oil gravity of each well along with the sulfur content. The oil from each pool is slightly sour with an average gravity of 41°. The price basis would remain the same whether the oil was sold separately or commingled.

The ownership throughout this lease is common with Collins & Ware, Inc. owning 100% working interest.

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A. B. Baker Lease

Surface Commingle Application

A schematic of the storage facility area and a plat showing the location of the well in relation to the storage facility is attached for your reference.

Again, please review this information regarding our request for an exception to Rule 303A, and if you have any questions or need any additional information, please do not hesitate to give me a call.

Sincerely,

Dianne Sumrall
Production Administrator

ds

enclosures

cc: Hobbs NMOCD

WELL NAME AND NUMBER	CURRENT POOL	STATUS		PRODUCTIVE OF OIL	OIL SAMPLE GRAVITY AT WELLHEAD		COMMINGLED GRAVITY AT TANK BATTERY		CURRENT OIL TEST BOPD
Baker, A. B. #3	Tubb Oil & Gas	Producing	Down Hole	No					
Baker, A. B. #3	Drinkard	Producing	Commingled	No	41.4		40.9		0.2
Baker, A. B. #4	Blinebry Oil & Gas Pro Gas	Producing	Single Completion	Yes	34.5		40.9		3.0
Baker, A. B. #5	Wantz Abo	Producing	Down Hole	Yes					
Baker, A. B. #5	Wantz Granite Wash	Producing	Commingled	Yes	40.7		40.9		2.0
Baker, A. B. #6	Wantz Abo	Producing	Single Completion	Yes	44.6		40.9		2.0

CAPROCK LABORATORIES, INC.
3312 BANKHEAD HIGHWAY
MIDLAND, TEXAS 79701
(915) 689-7252

COMPANY: Collins & Ware
SAMPLE ID: As Noted

JOB NUMBER: 9708086
DATE RECEIVED: Aug. 21, 1997
DATE REPORTED: Aug. 22, 1997
REPORTED TO: David Chiles

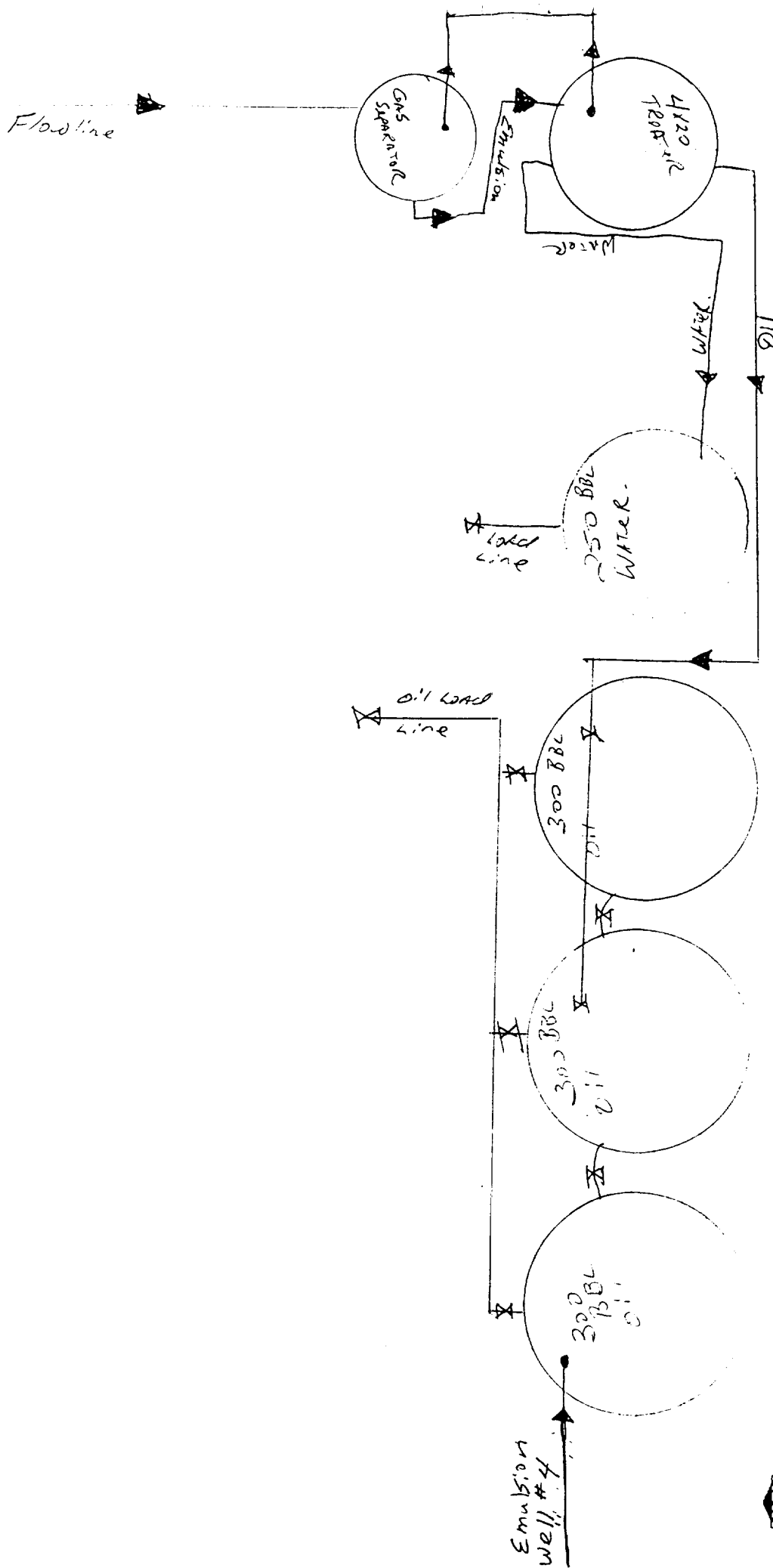
SUMMARY OF CRUDE OIL ANALYSIS

SAMPLE IDENTIFICATION	LAB NUMBER	GRAVITY, API @ 60 F	WEIGHT % SULFUR
Gill Deep #1	08086-1	Insufficient Sample	
Gill Deep #3 (wellhead)	08086-2	34.7	0.4749
Gill Deep #4 (wellhead)	08086-3	34.5	0.9562
A B Baker #3 (separator)	08086-4	41.4	0.1883
A B Baker #4 (separator)	08086-5	34.5	0.4072
A B Baker #5 (separator)	08086-6	40.7	0.2070
A B Baker #6 (separator)	08086-7	44.6	0.1650
J G Hare #1 (wellhead)	08086-8	35.2	0.7975
J G Hare #4 (wellhead)	08086-9	35.4	1.0795
J G Hare #5 (wellhead)	08086-10	35.7	1.0438
J G Hare #6 (wellhead)	08086-11	36.5	0.6913
J G Hare #7 (wellhead)	08086-12	36.7	0.9735

Method: ASTM D4294, ASTM D287
Sample: Un-filtered Crude Oil

Analyst: 
James L. Pritchard, Lab Manager

WELL
WELL



OIL CONSERVATION DIVISION

PO Box 2088
Santa Fe, NM 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number	2 Pool Code	3 Pool Name
4 Property Code	5 Property Name A.B. Baker	
6 Well Number	7 Operator Name Collins & Ware, Inc.	
8 OGRID No	9 Elevation	

10 Surface Location

11 or lot no.	Section 10	Township 22 S	Range 37 E	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County Lea
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12 Bottom Hole Location If Different From Surface

11 or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNIT ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16				17 OPERATOR CERTIFICATION	
				I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
<p>A B BAKER #3 TUBS 276 DRAINAGE PROD I - 20475 / 639 E</p>				<p>A B BAKER #4 BURNING 276 DRAINAGE PROD P - 8825 / 882 E</p>	
<p>A B BAKER #5 LUNGE 276 WANTZ GRAVITY 276 PROD P - 8305 / 400 E</p>				<p>A B BAKER #6 WANTZ 276 WANTZ GRAVITY 276 PROD I - 21355 / 829 E</p>	
				<p>Signature _____</p> <p>Printed Name _____</p> <p>Title _____</p> <p>Date _____</p>	
				<p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>July 8, 1996</p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor _____</p>	
				<p>400</p> <p>REGISTERED PROFESSIONAL LAND SURVEYOR</p> <p>MICHAEL E. STANFORD</p> <p>NEW MEXICO</p> <p>10324</p> <p>Certificate Number 10324</p>	

2.5 Miles SE of Eunice, New Mexico.

File No. A-0733