

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

January 12, 1968

Amerada Petroleum Corporation

P. O. Box 668

Hobbs, New Mexico 88240

Attention: Mr. G. O. Webb

Administrative Order PC-340

Gentlemen:

Reference is made to your application dated December 19, 1967, for administrative approval of an exception to Rule 303 (a) of the Commission Rules and Regulations to permit the commingling of Wolfcamp, Pennsylvanian, and Devonian production from your State M "A" Lease comprising the W/2 SW/4 of Section 24, Township 11 South, Range 32 East, Moore Field, Lea County, New Mexico, after separately metering the Wolfcamp and Pennsylvanian production and determining the Devonian production by means of the subtraction method.

By the authority vested in me under the provisions of Rule 303 (b) of the Commission Rules and Regulations, you are hereby authorized to commingle the production from the aforesaid pools on said lease in the above-described manner. Provided however, that the installation shall be operated in accordance with the provisions of the Commission "Manual for the Installation and Operation of Commingling Facilities," including the requirement for non-reset counters on the meters. Please notify the Hobbs District Office of the Commission at such time as this installation is complete in order that an inspection may be made prior to putting it in use.

Very truly yours,

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

ALP/DSM/esr

**cc: Oil Conservation Commission (with enclosure) - Hobbs
Oil & Gas Engineering Committee - Hobbs
State Land Office - Santa Fe**

OIL CONSERVATION COMMISSION

P.O. BOX 2088

SANTA FE, NEW MEXICO 87501

Dear Sir:

Reference is made to your letter of

April 10, 1968.

Enclosed for you are two copies of

the report of the Commission on

the subject of the proposed

amendment.

As you are aware, the Commission has been authorized to conduct a study of the proposed amendment to the Oil Conservation Act. The Commission has held several public hearings and has received many suggestions from interested parties. The Commission has also conducted extensive research into the proposed amendment and has prepared this report for your information. The Commission believes that the proposed amendment is in the best interests of the State and the Nation and recommends that it be adopted.

The Commission has also conducted a study of the proposed amendment to the Oil Conservation Act. The Commission has held several public hearings and has received many suggestions from interested parties. The Commission has also conducted extensive research into the proposed amendment and has prepared this report for your information. The Commission believes that the proposed amendment is in the best interests of the State and the Nation and recommends that it be adopted.

Very truly yours,

W. W. WILSON
Secretary

cc: Mr. Tolson

cc: Mr. DeLoach
cc: Mr. Mohr
cc: Mr. Bishop
cc: Mr. Casper
cc: Mr. Callahan
cc: Mr. Conrad
cc: Mr. Felt
cc: Mr. Gale
cc: Mr. Rosen
cc: Mr. Sullivan
cc: Mr. Tavel
cc: Mr. Trotter
cc: Mr. Tele. Room
cc: Mr. Holmes
cc: Miss Gandy

6
GENERAL OFFICE
Box 2040
TULSA, OKLA. 74102

AMERADA PETROLEUM CORPORATION

Box 668
HOBBS, NEW MEXICO 88240

December 19, 1967

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

540
MAIN OFFICE O. C.

'67 DEC 20 PM 1 33

Re: Application of Amerada Petroleum Corporation for Administrative Approval of Zone Commingling on the State M'A" Lease, Section 24, Township 11 South, Range 32 East, Lea County, New Mexico.

Dear Sir:

Amerada Petroleum Corporation is owner and operator of the 80 acre State M'A" Lease described as the W/2, SW/4 of Section 24, T-11-S, R-32-E. The lease now has two wells (Nos. 1 and 2) producing from the Devonian, and a dual well (No. 3) producing from the Pennsylvanian and Wolfcamp.

Listed below are the gravities, per barrel value, monthly produced volumes and total value of the production.

<u>Zone</u>	<u>API Gravity</u>	<u>Per Bbl. Value</u>	<u>November, 1967 Production</u>	<u>Total Value</u>
Devonian	45.9°	\$3.10	8,356	\$25,904
Pennsylvanian	44.9°	\$3.11	3,832	\$11,918
Wolfcamp	64.0°	\$2.91	80	\$ 233
			<u>12,268</u>	<u>\$38,055</u>

The expected gravity of the commingled production will be 45.7° API with a total value of \$38,031. By commingling the production from the three zones there will be a decrease in total value of \$24.

December 19, 1967

Amerada requests administrative approval of this application to commingle the Devonian, Pennsylvanian and Wolfcamp production. It is proposed that the production be allocated to the individual zones by the use of metering samplers on the Pennsylvanian and Wolfcamp zones and subtracting the metered values from the total lease production to obtain the Devonian production. A substantial savings in surface equipment will be realized by this procedure.

Yours very truly,



G. O. Webb
District Superintendent

GOW:JHS/cw

Attachments: Schematic of proposed installation
Plat showing location of all wells connected
to the proposed installation.
Approval from the Commissioner of Public
Lands to commingle.

cc: N.M.O.C.C. (2)
Santa Fe, New Mexico

N.M.O.C.C.
Hobbs, New Mexico

Mr. W. C. Henderson
File

1500 BBL.

500 BBL.

500 BBL.

224 BBL.

224 BBL.

TREAT.

SALT WATER DISPOSAL

METERING SAMPLER

SEP.

SEP.

HTR.

GAS TO SALES

GAS TO SALES

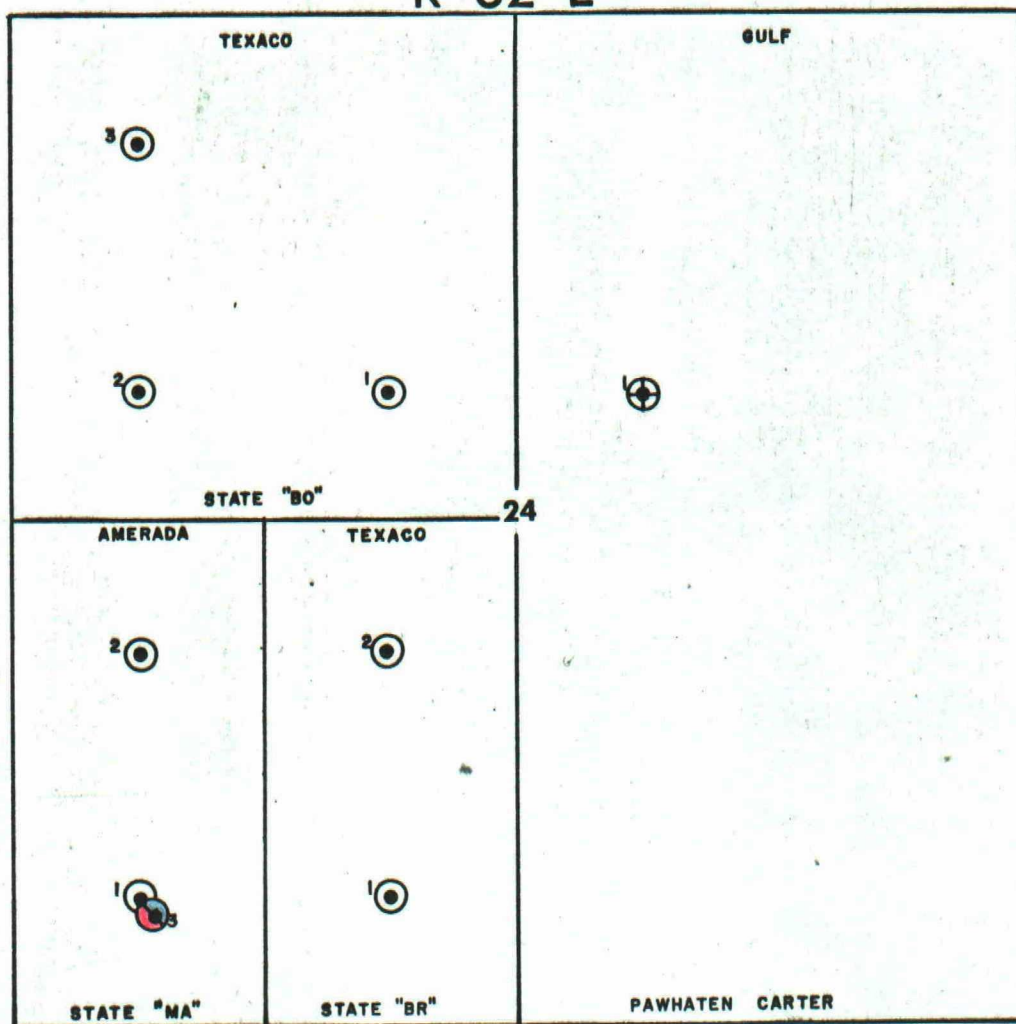
STATE M'A' 1 & 2 DEVONIAN

STATE M'A' 3 PENNSYLVANIAN

STATE M'A' 3 WOLF CAMP GAS

**STATE M'A' LEASE
COMMINGLING SCHEMATIC**




R 32 E



T
11
S

MOORE FIELD

LEA COUNTY NEW MEXICO

-  DEVONIAN
-  WOLFCAMP
-  PENNSYLVANIAN

AMERADA PETROLEUM CORPORATION

P. O. BOX 2040

TULSA, OKLAHOMA 74102

November 22, 1967

43349

Re: Proposed Commingling of Oil
State M "A" Lease
State # B-9596
Moore Field
Lea County, New Mexico
Our Lease No. NM-928

Guyton B. Hayes, Commissioner of Public Lands
Oil and Gas Department
P. O. Box 1148
Santa Fe, New Mexico

Attention: Mr. Ted Bilberry

Gentlemen:

Enclosed is Amerada check No. FD 47603 dated November 21, 1967, in the amount of \$10.00 and made payable to Mr. Hayes. This \$10.00 filing fee is furnished as requested in your letter dated November 17, 1967.

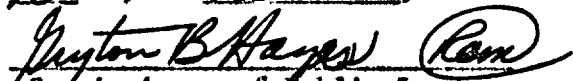
To review the situation, Amerada proposes to commingle Pennsylvanian oil and Wolfcamp condensate from our State M "A" #3 well with Devonian oil produced from our State M "A" Wells #1 and #2. All of the liquids are sweet and we request your approval to commingle the production from these wells and zones into common sweet crude lease storage. If our wishes meet with your approval, please so indicate by signing the attached copy of this letter in the space provided and return the approved copy to this office.

Yours very truly,

GFW/lc
att.

G. F. Whitlow
Land Department

The above request approved this
28th day of November, 1967.


Commissioner of Public Lands
State of New Mexico