



Amoco Production Company

Post Office Box 68
Hobbs, New Mexico 88240

land office - OK

L. R. Smith
District Manager

May 22, 1984

File: LRS-1084-WF

Re: Administrative Order PC-393
State "G" Lease
Sec. 33, T-18-S, R-38-E
Lea County, New Mexico

Amended

State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87501

Attention: Mr. Joe D. Ramey

An exception to Administrative Order PC-393 (copy attached) is hereby requested to allocate the production from each pool on the basis of monthly well tests as opposed to separately metering each pool's production.

We propose to install a three phase treater to obtain accurate well tests on a monthly basis. This will eliminate one-two phase separator and the need to "truck treat" the produced fluids prior to sales, thus providing a more efficient operation.

Administrative Order PC-393, dated November 19, 1969, granted Amoco approval to surface commingle production from the Hobbs Drinkard, Hobbs Blinbry, and Hobbs Grayburg San Andres on the State "G" Lease. Currently, only the Drinkard and Blinbry pools are producing. The Grayburg San Andres is no longer active. Ownership of the pools is common.

May 22, 1984
File: LRS-1084-WF
Page 2

Attached is a schematic diagram of the proposed installation and an ownership plat of each well on the State "G" Lease showing the location and pool from which each is producing.

T. R. Smith

GCC/kih
APRD02-G

Attachments

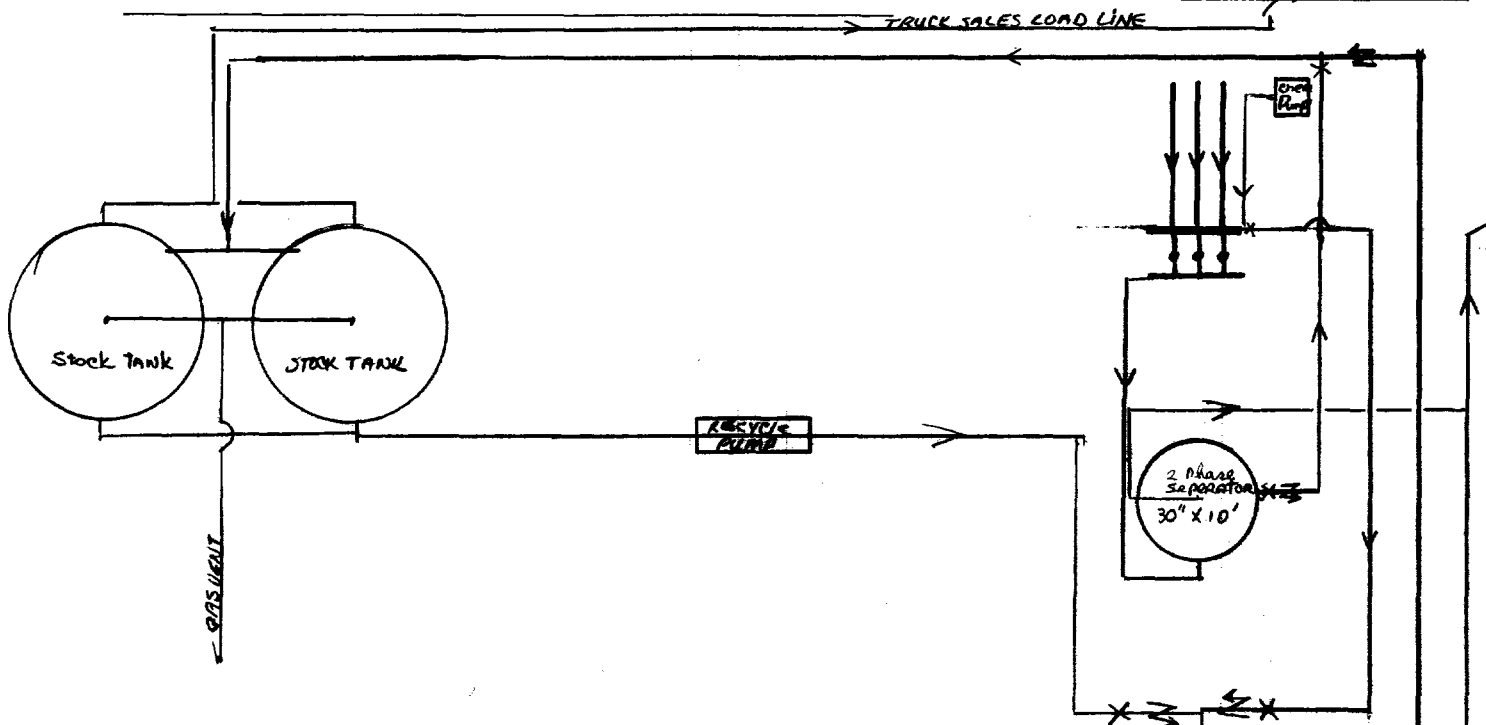
cc: Commissioner of Public Lands
P. O. Box 1148
Santa Fe, NM 87504-1148
Attention: Ray Graham

State of New Mexico
Energy and Minerals Department
District 1 - Hobbs
P. O. Box 1980
Hobbs, NM 88240
Attention: Jerry Sexton

Amoco Production Company

ENGINEERING CHART

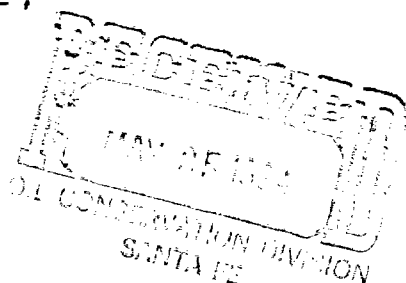
SUBJECT STATE G. LEASE - BLINEBRY - DRINKARD COMMINGLE



REQUEST - APPROVAL TO COMMINGLE BLINEBRY & DRINKARD WELLS ON THE STATE G. LEASE PRIOR TO METERING PRODUCTION.

PURPOSE - TO ELIMINATE THE NEED FOR TRUCK TREATING PRODUCTION PRIOR TO SALES, ELIMINATE TRUCK DISPOSAL OF PRODUCED WATER, AND TO ADD MORE ACCURATE TESTING EQUIP. AND MAKE A MORE EFFICIENT OPERATION.

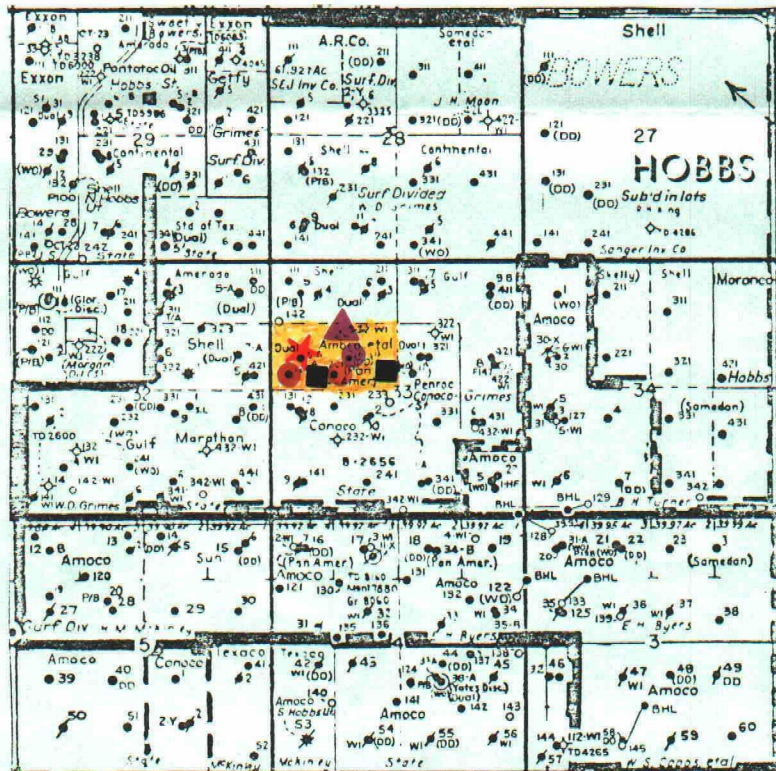
METHOD - ELIMINATE ONE 2 PHASE SEPARATOR
 INSTALL UPSTREAM LEASE TEST HEADER
 INSTALL 3 PHASE TEST METERING TREATER FOR ACCURATE METERING OF OIL, WATER & GAS ON REGULAR SCHEDULE. AND ELIMINATE NEED TO USE TRUCKS TO SEPERATE OIL & WATER.



STATE "G" LEASE

Sec. 33,T-18-S,R-38-E

LEA CO.,NEW MEXICO



State of New Mexico



JIM BACA
COMMISSIONER



Commissioner of Public Lands

Amoco Production Company
P. O. Box 68
Hobbs, New Mexico 88240

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148
Express Mail Delivery Used
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

Re: Administrative Order PC-393
State "G" Lease
Sec. 33-18S-38E
Lea County, New Mexico

ATTENTION: Mr. L. R. Smith

Gentlemen:

Reference is made to your application requesting permission to allocate the production from each pool on the basis of monthly well tests as opposed to separately metering each pool's production for the above captioned wells.

You are hereby given approval to the above request. Any deviation from your proposed request will be reason to cancel approval. Our approval is subject to subsequent favorable by the New Mexico Oil Conservation Division.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY:
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505/827-5744

JB/RDG/pm
encls.

cc: OCD-Santa Fe, New Mexico ATTN: Mr. Gilbert Quintana