



OIL CONSERVATION DIVISION
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Amoco Production Company

South Permian Basin
Business Unit
501 WestLake Park Boulevard
Post Office Box 3092
Houston, Texas 77253-3092

December 7, 1993

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

Bureau of Land Management
P.O. Box 1778
Carlsbad, NM 88220
Attn: Adam Salameh

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

RE: South Mattix Unit Federal Leases
NM-0321613, LC-032450 A, LC-032450 B, LC-060579
Flow Configuration & Metering
Lea County, New Mexico

Due to high water production from the Fowler-Fusselman wells on our South Mattix Unit Federal Leases, and a resulting overload on related treating equipment, Amoco respectfully requests OCD and BLM approval of our proposal to reconfigure the production flow and change our metering procedures at associated Satellite and Central Tank Batteries as per attachments 1 & 2.

Amoco currently has OCD (Commingling Order PC-796) and BLM approval to commingle sour oil production from the Fowler-Upper Yeso, Fowler-Fusselman, Fowler-Tubb and Fowler-Paddock pools. The approved basis of production allocation is shown under the Current heading on Attachment 3.

Please review the Current and Proposed Flow and Metering attachments (1 & 2) and advise if the proposed flow configuration and change in our metering procedures and basis of production allocation, as shown under the Proposed heading on Attachment 3, are permissible under applicable regulations, and grant approval for same.

Please forward your response to me at the letterhead address, MC 17.180. Should you have any technical questions, please contact Paula Fitzgerald at the letterhead address, MC 17.170 or by telephone at (713) 366-5924. Other questions may be directed to me at the aforementioned address, MC 17.180 or by telephone at (713) 366-3744.

Thank you for your immediate attention to this request.

Sincerely,

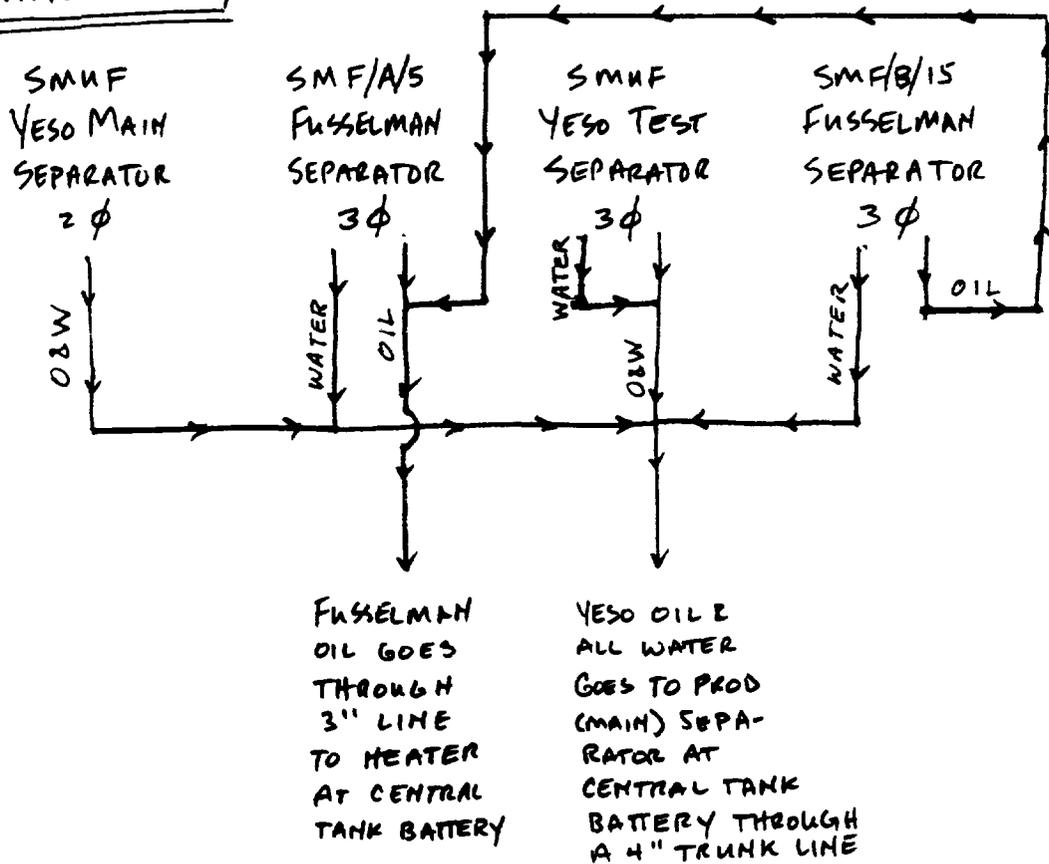
Matt Wines
Business Analyst
Hobbs Administrative Team



South Mattix Sour Storage System Current Flow & Metering

12/7/93
MCW

Satellite Battery



Metering Points

South Mattix Unit Federal Upper Yeso (SMUF above) oil is metered after all Upper Yeso oil, from wells flowing to both the Satellite and Central Tank Batteries, is commingled at the Central Tank Battery

South Mattix Federal /A/ #5 Fusselman (SMF/A/#5 above) oil is metered at the 3φ separator at the satellite tank battery (has its own separator & meter)

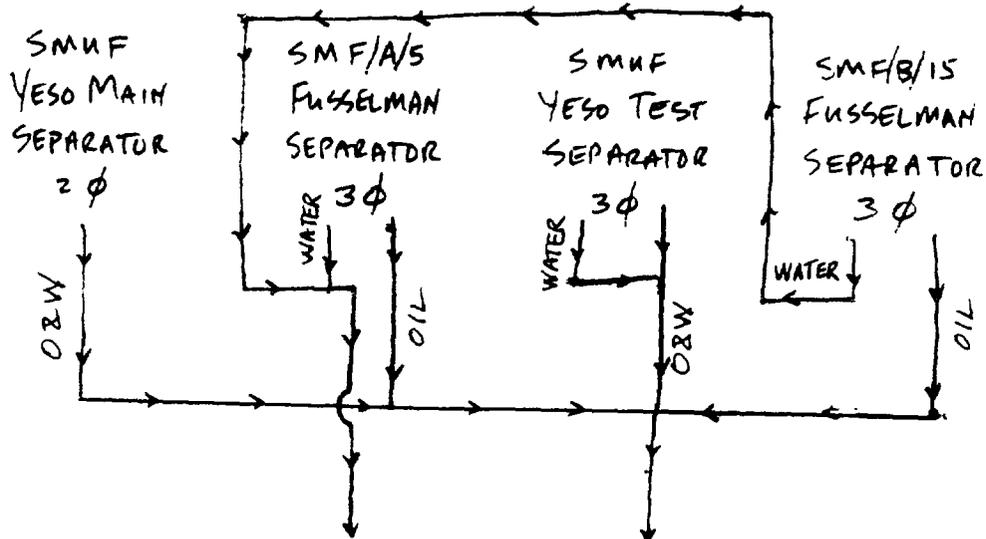
South Mattix Federal /B/ #15 Fusselman (SMF/B/#15 above) oil is metered at the 3φ separator at the satellite tank battery (has its own separator & meter)

* All streams are metered separately before commingling.
(Attachment 1)

South Mattix Sour Storage System Proposed Flow & Metering

12/7/93
MCW

Satellite Battery



Fusselman Water goes through 3" line to water tank at Central Tank Battery

Upper Yeso Oil & Water and Fusselman Oil go through 4" trunk line to prod (main) separator at Central Tank Battery

Metering Points

South Mattix Unit Federal Upper Yeso (SMUF above) oil and South Mattix Federal /A/#5 oil and South Mattix Federal /B/#15 oil is commingled at the Central Tank Battery and metered there. South Mattix Federal /A/#5 (SMF/A/#5 above) and South Mattix Federal /B/#15 (SMF/B/#15 above) will still be metered separately at the Satellite Tank Battery as per the current flow diagram (see previous page). South Mattix Unit Federal Upper Yeso oil production will be calculated by subtracting the sum of the South Mattix Federal /A/#5 and South Mattix Federal /B/#15 meter readings from the commingled meter reading.

South Mattix Saur Storage System
Basis of Production Allocation

12/7/93
MCW

Current

- Upper Yeso - metered separately
- Fusselman #5 - metered separately
- Fusselman #15 - metered separately
- Tubb - estimated (very small volumes)
- Paddock - estimated (very small volumes)

Proposed

- Upper Yeso - total of Upper Yeso, Fusselman #5 & Fusselman #15
less Sum of Fusselman #5 & Fusselman #15
- Fusselman #5 - metered separately
- Fusselman #15 - metered separately
- Tubb - estimated (very small volumes)
- Paddock - estimated (very small volumes)

Facsimile Cover Sheet

To: David Catanach
Company: NMOCD
Phone: (505) 827-5807
Fax: (505) 827-5741

From: Matt Wines
Company: Amoco Production Company
Phone: (713) 366-3744
Fax: (713) 366-2418

Date: 3/4/94
Pages including this cover page: 3

David,

As per our conversation earlier today, here is the BLM response (approval) to our proposal to change our liquid production metering as a result of reconfigurations necessary to alleviate operational problems.

Please forward to me the NMOCD's approval of our proposal as soon as possible. Any Correspondence can be sent to the following address:

Amoco Production Company
501 WestLake Blvd.
Houston, TX 77079

Attn: Matt Wines, MC 18.110

Thanks for your help in this matter.

Give me a call if you have any questions. Thanks for your help!

Matt Wines
Business Analyst
Hobbs/Midland Farms JOMT

OPERATOR'S COPY

Form 3160-S
(June 1990)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-017
Expires: March 31, 1991

5. Lease Location and serial No.
**NM-0321613, LC-032450 A,
LC-032450 B, LC-060579**
6. If Indian, Allottee or Tribe Name

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE

1. Type of Well:
 Oil Well Gas Well Other

2. Name of Operator:
Amoco Production Company

3. Address and Telephone No.
P. O. Box 3092 (Rm 18.110) Houston, TX 77253-3092 (713) 366-3744

4. Location of Well (Footage, Sec., T., R., M., or Survey Description):
**Satellite Tank Battery Unit H, Section 22, T-24-S, R-37-E
 Central Tank Battery Unit K, Section 15, T-24-S, R-37-E**

7. If Unit or CA Agreement Designation

8. Well Name and No.
South Mattix Unit Federal Well:

9. API Well No.

10. Field and Pool or Reservoir Area
Fowler Upper Yeso

11. County or Parish, State
Lea, NM

CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

- Notice of Intent
- Subsequent Report
- Final Abandonment Notice

- Abandonment
- Recommission
- Plugging Back
- Casing Repair
- Aliming Casing
- Other **Battery Reconfigurations and metering changes.**

- Change of Plans
- New Construction
- Non-Routine Fracturing
- Water Shut-Off
- Conversion to Injection
- Dispose Water

(Other Report Must be Multiple completion or Well Completion or Recommission 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 surface locations and measured and true vertical depths for all markets and zones pertinent to this work.)

Notice of intent: to make Satellite and Central Tank Battery reconfigurations and adjust production metering accordingly.

See attached Exhibit A for detailed description of changes to be made.

NOTE: No additional pipelines are necessary to perform the proposed configurations.

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 FEB 3 10 46 AM '94
 AREA SUPERVISORS
 ENERGY

I hereby certify that the foregoing is true and correct:

Signature: Matthew C. Wines

Title: **Matthew C. Wines
Business Analyst**

Date: **1/31/94**

(This space for Federal or State Office use)

Approved by: Orig. Signed by Adam Salameh
Consent of approval, if any

Title: **Production Engineer**

Date: **2/14/94**

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any Government or Agency of the United States any false, fictitious or fraudulent statement or representation as to any matter within its jurisdiction.

*See instruction on Reverse Side

Exhibit A

We currently allocate total commingled storage system production using the following (approved) basis of production allocation:

<u>Pool</u>	<u>Basis of Production Allocation</u>
Fowler-Upper Yeso	metered seperately
Fowler-Fusselman well #5	metered seperately
Fowler-Fusselman well #15	metered seperately
Fowler-Tubb	estimated
Fowler-Paddock	estimated

We request approval of the following change in how we determine the Fowler-Upper Yeso basis of production allocation. Instead of metering this pool separately, we will commingle Fowler-Upper Yeso production with that of the #5 and #15 wells after they have been metered separately. Total production from the Fowler-Upper Yeso wells along with production from the #5 & #15 wells will then be metered. To arrive at the Fowler-Upper Yeso basis of production allocation, we will subtract the sum of the #5 and #15 meter readings from the commingled meter reading. The basis of production allocation for the Fowler-Fusselman, Fowler-Tubb and Fowler-Paddock Pools will remain the same as it is now. This change is necessary in order to accommodate some piping reconfigurations we wish to make to alleviate operational problems we are encountering due to high water production and the movement of liquids from a Satellite Tank Battery, (where the #5 and #15 wells are currently metered, and through which flow several Fowler-Upper Yeso wells), to our Central Tank Battery (where total Fowler-Upper Yeso production is currently metered).