

AMERADA PETROLEUM CORPORATION

DRAWER "D"

MONUMENT, NEW MEXICO

PHONE HOBBS, N. M. — EX 3-2145

July 6, 1962

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New Mexico Oil Conservation Commission
New Mexico
Santa Fe, New Mexico

Re: Application of Amerada Petroleum Corporation
for administrative approval of zone and
lease commingling of production on its L. G.
Warlick and L. G. Warlick "A" Leases, Sec. 19
T21S-R37E, Lea County, New Mexico.

Gentlemen:

Amerada Petroleum Corporation is the operator and part owner of the 80 acre L. G. Warlick Lease described as the S/2 of NE/4 Sec. 19 and the 80 acre L. G. Warlick "A" Lease described as the N/2 of SE/4 Sec. 19 - T21S-R37E, Lea County, New Mexico. Although the Warlick "A" Lease is shown as a basic 80 acre lease, royalty interest under the west 40 acres is slightly different than under the east 40 acres and production must be accounted for separately. Commission Order PC-77 dated May 3, 1962 granted permission for operator to commingle Blinbry and Drinkard Production from the Warlick "A" No. 1. Applicant now proposes zone and lease commingling of production from the several producing zones on the above described leases as outlined below:

1. Four oil productive zones, the penrose Skelly (Grayburg), Paddock, Blinbry and Drinkard are present, however, due to the nature of the crudes, a sweet oil battery and a sour oil battery will be required.
2. Assuming top allowable from all proposed completions on the three leases, daily production into the sweet oil battery will be 184 barrels of 38.9° oil from the Blinbry Zone and 244 barrels of 40.7° oil from the Drinkard Zone with a total non-commingled value of \$1,280.92. The commingled product will have a gravity of 40.0° and a value of \$1,288.28. Actual value of the commingled product will be \$7.36 per day greater than the non-commingled crudes.
3. Daily production into the sour oil battery will be 102 barrels of 37.0° oil from the Penrose Skelly Zone and 92 barrels of 36.0° oil from the Paddock Zone with a total non-commingled value of \$552.08. The commingled product will have a gravity of 36.5° and a value of \$549.02, \$3.06 per day less than the non-commingled crudes.
4. A substantial saving in equipment would result from the commingling as outlined.

5. Ownership on each lease is common to all depths.
6. All interest owners on the leases in question are as shown below and each has been furnished a copy of this application.

Broseco Corporation	506 Mutual Savings Building	Fort Worth 2, Texas
Campbell & Hedrick	424 Mid America Building	Midland, Texas
Peerless Oil & Gas Co.	441 Milam Building	San Antonio, Texas
Neville G. Pemrose, Inc.	1813 Fair Building	Fort Worth 2, Texas
John G. Rich	618 Mercantile Trust Building	Baltimore 2, Maryland

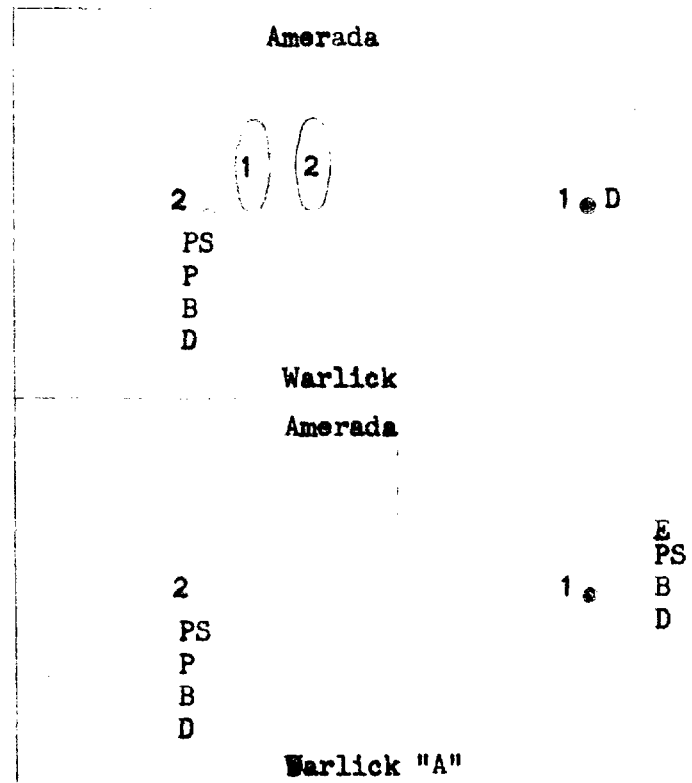
7. A schematic diagram of the proposed installation and a plat showing the location and producing zone of current and proposed wells are attached.

Yours very truly,

AES:br


D. C. Capps
District Superintendent

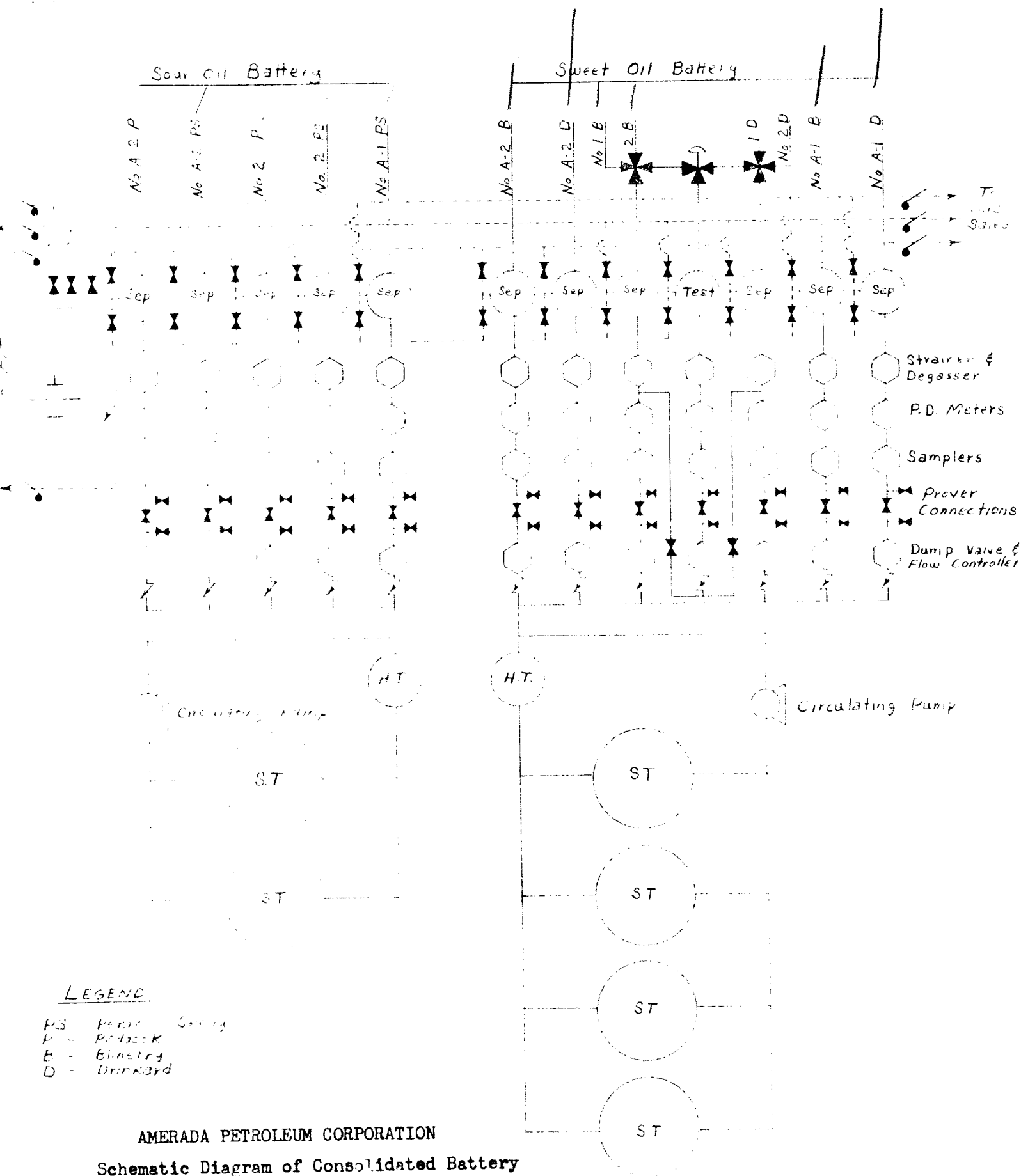
cc: Mr. J. O. Hathaway
H. A. Nelson
P. S. Christie
H. D. Bushnell
J. E. Newkirk
J. R. Enloe
B. A. Moore
File

Legend

- 1. Sweet Oil Battery
- 2. Sour Oil Battery
- E. Eumont
- PS. Penrose-Skelly
- P. Paddock
- B. Blinebry
- D. Drinkard

Amerada Petroleum Corporation
 West Eunice Area
 Lea County, New Mexico

Figure I
 General Lease & Battery Data



LEGEND

P.S. - Perforated Screen
P - Perforated
B - Blending
D - Drilling

AMERADA PETROLEUM CORPORATION
Schematic Diagram of Consolidated Battery
Warlick & Warlick "A" Leases
Sec. 19-T21S-R37E, Lea County, New Mexico

NEW MEXICO OIL CONSERVATION COMMISSION
POST OFFICE BOX 2088
SANTA FE, NEW MEXICO 87501

COMMINGLING ORDER PLC-40

Company Amerada Hess Corporation
Address Drawer 817
City, State, Zip Seminole, Texas 79360

Attention: Mr. G. F. Dewhurst

The above-named company is hereby authorized to commingle
Paddock, Penrose-Skelly, Blinebry Gas, Blinebry Oil,
and Drinkard
pool production from the following leases:

Lease Name: L. G. Warlick,
Description: S/2 NE/4, Sec. 19, T-21-S, R-37-E, Lea County, New Mexico

Lease Name: L. G. Warlick "A"
Description: N/2 SE/4, Sec. 19, T-21-S, R-37-E, Lea County, New Mexico

Lease Name:
Description:

Production shall be determined by:

Separately metering and sampling the production
from each pool underlying each lease prior to
commingling.

Note: This installation shall be installed and operated in accordance
with the applicable provisions of Rule 309-B of the Commission
Rules and Regulations and the Commission "Manual for the Installation and
Operation of Commingling Facilities." It is the responsibility of the
producer to notify the transporter of this commingling authority.

Administrative Orders Nos. PC-79-A and CTB-88 are hereby

REMARKS: superseded. Please notify the Hobbs District Office of the Com-
mission when installation is complete and ready for inspection.

DONE at Santa Fe, New Mexico, on this 6th day of March 1972.

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