



April 8, 1996

PC N/R
OIL CONSERVATION DIVISION
ALBANY, MO

1996 APR 12 AM 8 52

933

Mr. William J. LeMay, Director
State of New Mexico
Energy, Minerals and Natural
Resources Department
Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Re: Carr, S. J. Lease
Section 10, T24S, R37E
Lea County, New Mexico

Dear Mr. LeMay:

In order to avoid considerable expense in constructing and maintaining a new tank battery for the above lease, Arch Petroleum Inc. hereby seeks an exception to Rule 303A. This will allow Arch to commingle production from the Fowler Upper Yeso and Wildcat (Fowler) Abo Pools. All wells will be tested periodically for allocation of production.

The attached tabulation shows the volumes, gravities and monetary values of the liquid hydrocarbons from individual pools, as well as commingled production. The tabulation also shows total average daily production for a 2 month period and the results of recent production tests for the new completion. The calculated revenue from the commingled production is the same as the price on the individual pools.

Also attached is a schematic diagram of the storage facilities for the commingled production and a lease plat. Texas-New Mexico Pipeline Co. has agreed to purchase the commingled production as proposed herein.

The commingling proposal is in the interest of conservation in that it prevents unnecessary waste and production expense.

Sincerely,

Bobbie Brooks
Production Analyst

cc: NMOCD - Hobbs

Attachments

CARR, S. J. LEASE TANK BATTERY
Section 10, T-24-S, R-3-E
Lea County, New Mexico

WELLS AND POOL	PRODUCTION			AVG. BOPD
	<u>JAN. 1996</u>	<u>FEB. 1996</u>	<u>TOTAL</u>	
Fowler Upper Yeso				
Carr #5	147	153	300	5.00
Carr #6	122	274	396	6.60
Carr #7	111	60	171	2.85
Carr #8	147	122	269	4.48
Wildcat (Fowler) Abo				
Carr #5				8.00
	<u>BOPD</u>	<u>GRAVITY</u>	<u>\$/BBL</u>	<u>\$/DAY</u>
Fowler Upper Yeso	4.73	36.5	\$19.709	\$ 93.22
Wildcat(Fowler) Abo	8.00	36.8	\$19.709	\$157.67
Total				\$250.89
Commingled	12.73	36.7	\$19.709	\$250.89
			Difference	\$.00



PHONE (816) 873-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

PHONE (505) 326-4669 • 118 S. COMMERCIAL AVE. • FARMINGTON, NM 87401

SULFUR ANALYSIS OF OIL

Company : Arch Petroleum
Address : 10 Dosta Dr. Suite 420 E
City : Midland Texas 79705
Proj. Name: S. J. Carr #5
Location : Eunice, New Mexico

Date: 04/08/96
Lab #: H2479

Sample 1 : S. J. Carr #5
Sample 2 :
Sample 3 :

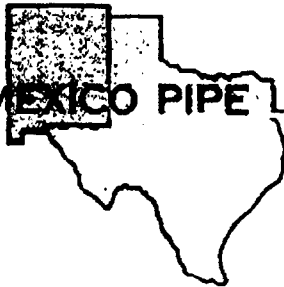
<u>PARAMETER</u>	<u>SAMPLE 1</u>	<u>SAMPLE 2</u>	<u>SAMPLE 3</u>
Sulfur wt%	0.3291		
Gravity, API @ 60 F	36.8		


Gayle A. Potter
Chemist

04/08/96
Date

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.

TEXAS-NEW MEXICO PIPE LINE COMPANY



April 9, 1996

Mr. Jerry Sexton
New Mexico Oil Conservation Division
PO Box 1980
Hobbs NM 88241

Re: Arch Petroleum
S. J. Carr Lease
Sec. 10, T-24-S, R-37-E
Lea County, NM
Transporter Approval

Dear Mr. Sexton:

Arch Petroleum has advised us they plan to surface commingle the production on the S. J. Carr Lease in Lea County, New Mexico. Texas-New Mexico Pipeline Company will continue to gather the production from this facility and supports the operator's application to commingle said lease. Please direct any correspondence regarding this lease to our San Angelo office.

Texas-New Mexico Pipe Line Company
PO Box 60028
San Angelo, TX 76906

Sincerely,

A handwritten signature in dark ink, appearing to read 'R. B. Brown'. The signature is written in a cursive, flowing style.

RGB:RB

xc: JTJ
JDH(sa)
JWC
xm.txt

S.I. Carr Btry. #10
S.I. Carr Btry. #10
S.I. Carr Btry. #10

North

S.I. Carr Btry.

2" Production Header
#8's Flowline

B.S.E.B. 4'x21' 50# W.P.
Heater Treater
(Filling line inside oil dump Boot on Treater)

West

Gas Flowline

5'x16' Test Sept.
125# W.P.
3" Test Line
3" Prod. Fill Line
Gas Sales Line

#7's Flowline
#6's Flowline
#5's Flowline

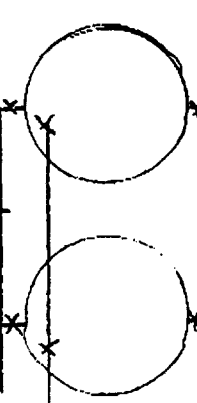
ultrasonic line to Rice Eng. disposal
Portable Tester Hook-up

5'x16' Prod. Sept.
Corr #10
125# W.P.

circulating Pump

3" Oil Dump line

T.M.M. Pipeline Run



3" Stand-off line

2-300 BBl. Welded TXs.

East

B 3/13/96

