MERADA HESS CORPORATION

JAN 1 3 1988

OIL CONSERVATION DIVIS 8N
SANTA FEE

P. O. DRAWER "D"

MONUMENT, NEW MEXICO 88265

State of New Mexico Oil Conservation Division Box 2088 State Land Office Building Santa Fe, New Mexico 87501

ATTN: Mr. William J. Lemay

Mr. Lemay:

Amerada Hess Corporation respectfully requests your attention concerning an exception to Rule 303-A, to surface commingle production from the Homestake Royalty #1-10 with the Andrus #9-1 and State #9-1 at the Andrus-State 9 Storage Facility. Production from all wells is from the N.E. Lovington Penn Pool. The locations of the wells are shown on the attached map.

Currently the wells are producing as follows:

$\overline{ ext{WELL}}$	BO	$\underline{\mathtt{BW}}$	MCFPD	API GRAVITY
Homestake Royalty #1-10 Andrus #9-1	30 20	200 130	190 70	40° 44°
	125	0	250	44°

All production will be metered separately as royalty ownership differs for each lease. Attached is a schematic of the proposed battery facility. A copy of this request has been forwarded to Mr. William Humphries, State Land Commissioner, as State lands are involved.

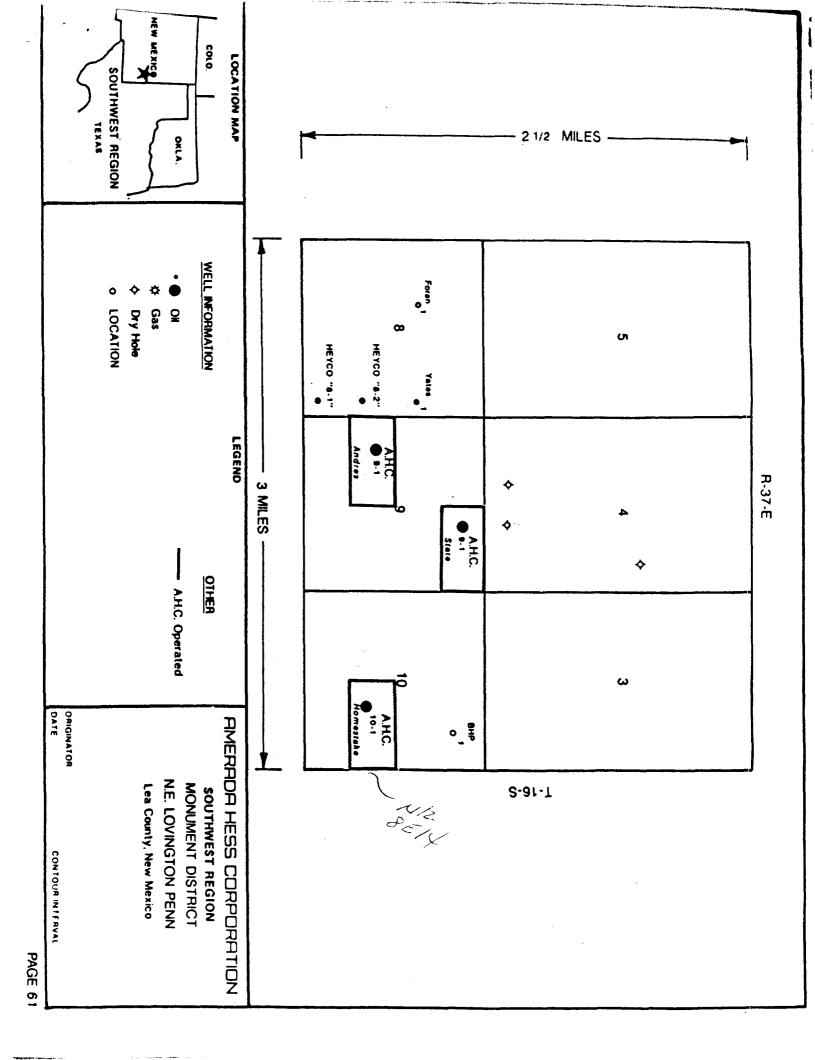
Thank you for your assistance in this matter.

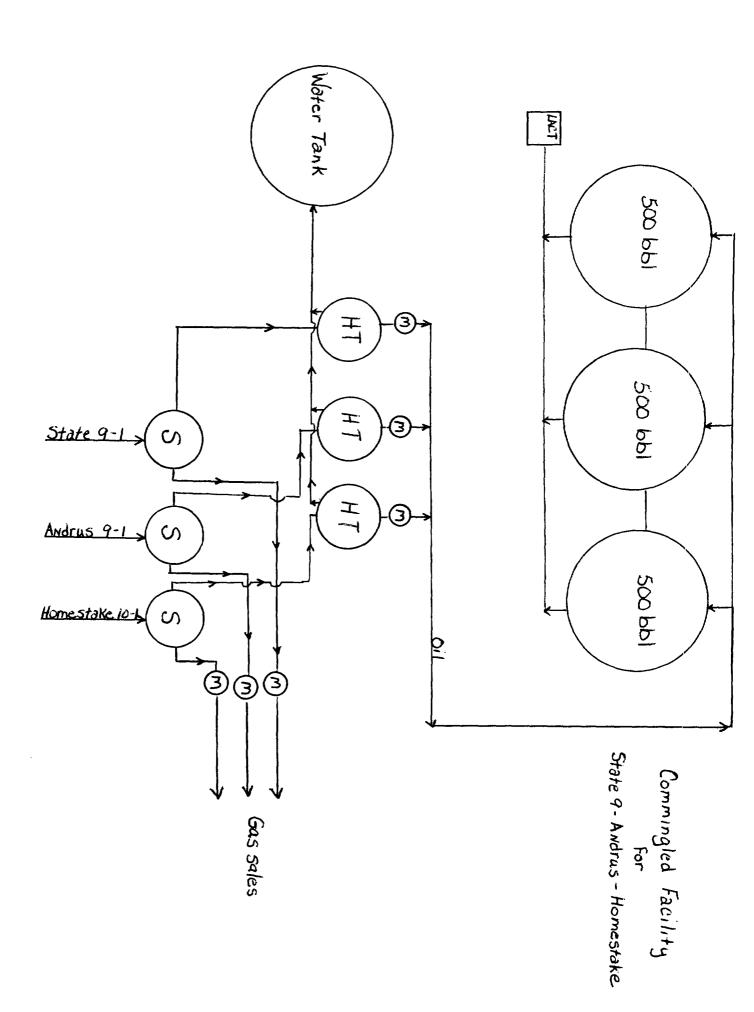
Denise Ward

Sincerelv

Senior Petroleum Engineer

Enclosures





State of New Mexico



COMMISSIONER



SLO REF NO. OG-636

Commissioner of Public Lands

Re:

P.O. BOX 1148 SANTA FE, NEW MEXICO 87504-1148

January 6, 1988

Amerada Hess Corporation ATTENTION: Ms. Denise Ward P. O. Drawer "D" Monument, New Mexico 88265

> Surface Commingling Homestake Royalty #1-10 with Andrus #9-1 and State #9-1 at the Andrus-State 9 Storage Facility. Lea County, New Mexico

Gentlemen:

Reference is made to your application dated January 8, 1988, wherein you have requested approval to Surface Commingle production from the Homestake Royalty #1-10 with the Andrus #9-1 and State #9-1 at the Andrus-State 9 Storage Facility. The State 9 Well No. 1-B Sec. 9-16S-37E is located on State of New Mexico Lease No. V-339. It is our understanding that all production will be metered separately because of the difference in ownership and there will be no loss of revenue to the State of New Mexico.

The Commissioner of Public Lands has this date granted you approval to the above request. Any deviation from your proposed request will be reason to rescind our approval. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

Your filing fee in the amount of Thirty (\$30.00) Dollars has been received.

Very truly yours,

WILLIAM R. HUMPHRIES COMMISSIONER OF PUBLIC LANDS

FLOYD O. PRANDO. Director Oil and Gas Division

(505) 827-5744

WRH/FOP/pm encls

cc: OCD-Santa Fe, New Mexico

TRD-Santa Fe, New Mexico

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