

State of New Mexico



W.R. HUMPHRIES
COMMISSIONER



Commissioner of Public Lands

August 25, 1987

SLO REF NO. OG-365

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

Amerada Hess Corporation
ATTENTION: Mr. Eric Haas
P. O. Drawer "D"
Monument, New Mexico 88265

Re: Approval of Commingling
State F and State V leases
Sec. 36-19S-36E
Lea County, New Mexico

Gentlemen:

Reference is made to your letter dated August 18, 1987 wherein you have requested our approval to commingle the Grayburg Formation production from the State F and State V leases, SW/4 and NE/4 Sec. 36-19S-36E at the State V Battery. The State F is located on State Lease No. B-869-2 which covers the SW/4. The State V lease is located on State Lease No. B-1626-1 which covers the NE/4 of Section 36.

It is our understanding that the State V battery is equipped for individual testing of the State V wells and a test facility to permit testing of the State F Grayburg wells, will be constructed with existing State F battery equipment. This lease production accountability is acceptable.

You are hereby given approval to the above request. This approval is subject to being withdrawn at the discretion of the Commissioner of Public Lands, if in his opinion, the operation proves to be unsound or otherwise against the best interest of the State of New Mexico. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

Please remit a filing fee in the amount of Thirty (\$30.00) Dollars.

If we may be of further help please do not hesitate to call on us.

Very truly yours,
W. R. HUMPHRIES
COMMISSIONER OF PUBLIC LANDS

BY: 
FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5744

WRH/FOP/pm

cc: OCD-Santa Fe, New Mexico Attention: Mr. David Catanach
State Lease Nos. B-869-2 & B-1626-1
OGAD-Santa Fe

AMERADA HESS CORPORATION

P.O. Drawer "D"
Monument, New Mexico 88265

August 18, 1987

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 respectively requests your attention concerning an exception to Rule 309A to commingle Grayburg Formation production from the State F and State V leases, SW/4 and NE/4 of Sec. 36, T-19S, R-36E at the State V battery. The proposed lease commingling will result in an annual maintenance expense reduction of \$5,000, defer the purchase of two Grayburg stock tanks, and simplify lease operation. The proposed facility consolidation will provide well testing equipment to insure proper production allocation for both lease and well historical data.

Production test data for each well and a map depicting completion zone, have been included in the attachments. Since the beneficiary of the royalty, Common Schools, is similar for both leases, the Grayburg production from the State F Lease should not require metering prior to commingling. The State F #5, an Abo Formation completion, will not be effected by the commingling, since it currently has separate production equipment within the State F battery for well testing and storage. The State V battery is also equipped for individual testing of the State V wells. A test facility to permit testing of the State F Grayburg wells, will be constructed with existing State F battery equipment. The commingled State F Grayburg production will then be transported to the State V lease through a four inch line and produced into a separator with the State V production. The enclosed battery schematics detail the proposed facility design.

I have enclosed evidence of commingling notification sent by certified mail to the Commissioner of Public Lands, Warren Petroleum Company, the casinghead purchaser, and Amerada Trading Company, the oil purchaser. Thank you for your assistance in this matter.

Sincerely,

Eric Haas

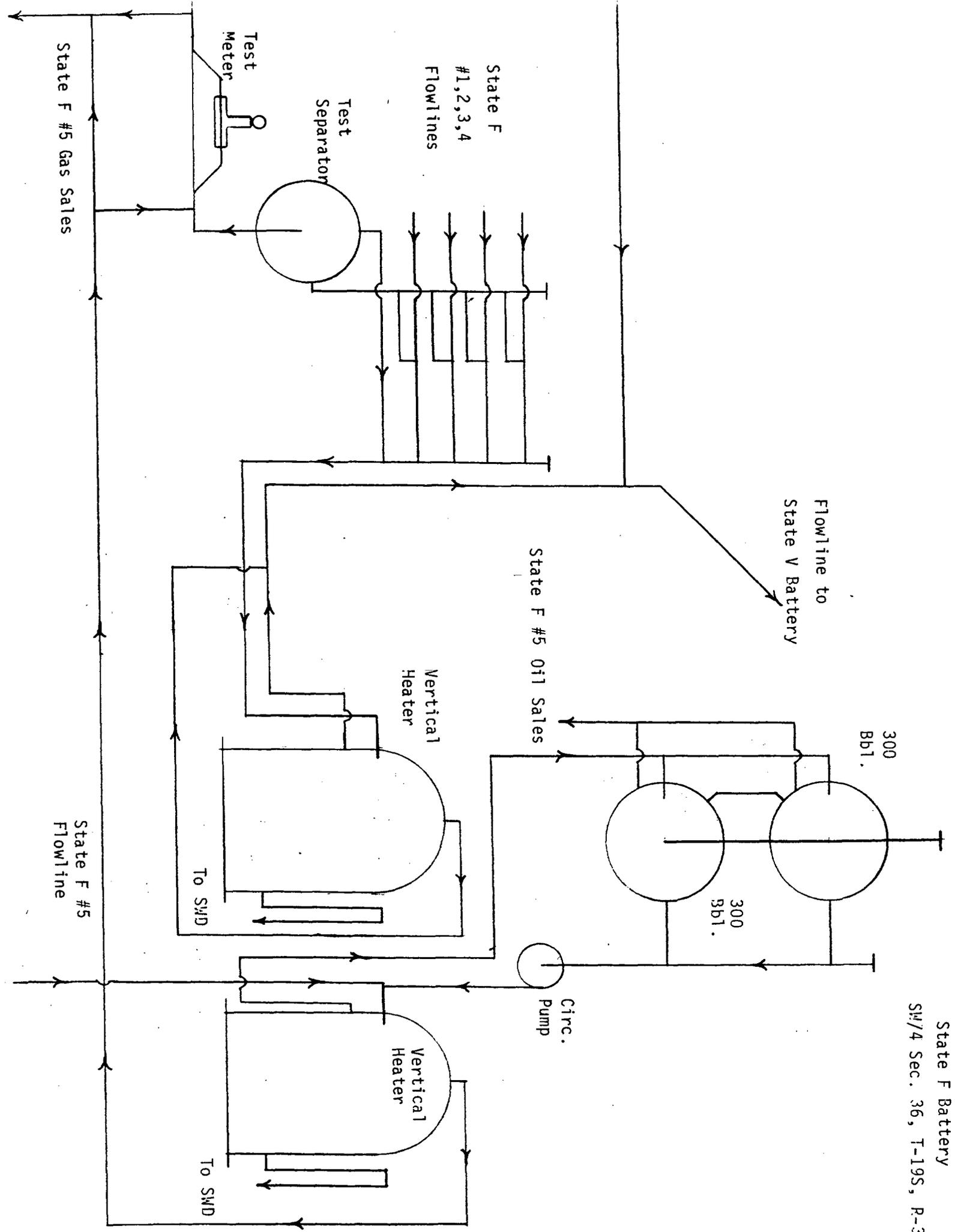
Eric Haas
Petroleum Engineer

Enclosures

State F and V Leases
Well Data

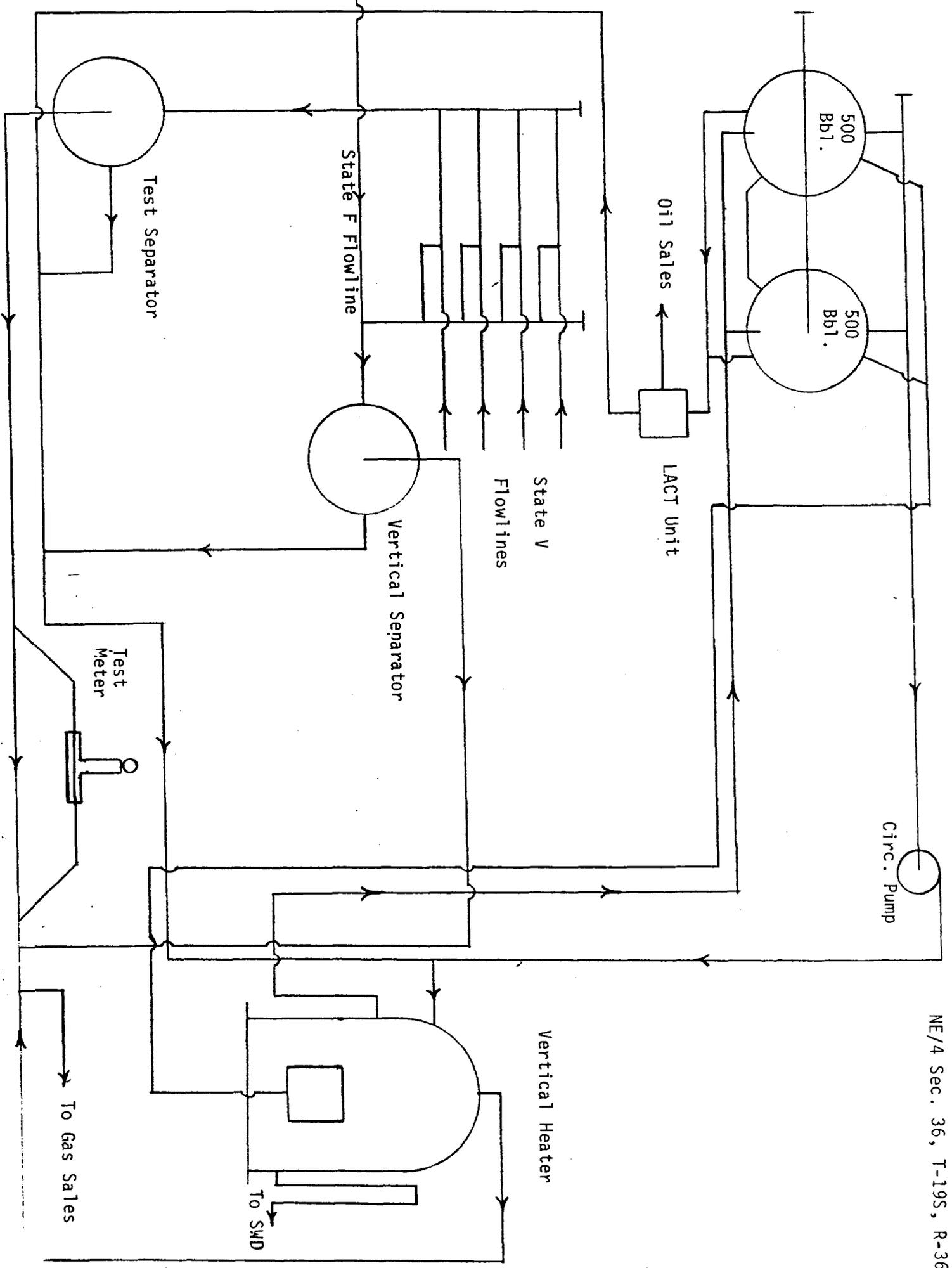
Lease	Well	Formation	BOPD	BWPD	MCFPD
State F	1-1	Eumont	0	0	1245
	1-2	Grayburg	11	9	9
	2	Grayburg	32	12	21
	3	Grayburg	36	24	14
	4	Grayburg	19	78	35
	5	Abo	7	6	19
*	6	Grayburg	0	0	0
State V	1	Grayburg	65	47	68
	2	Grayburg	18	54	17
	3-1	Eumont	0	0	2154
	* 3-2	Grayburg	0	0	0
	4	Grayburg	60	105	102
	5	Dry hole	0	0	0
	6	Grayburg	62	24	34
Total Grayburg Production:			303	353	300

* - Temporarily Abandoned.



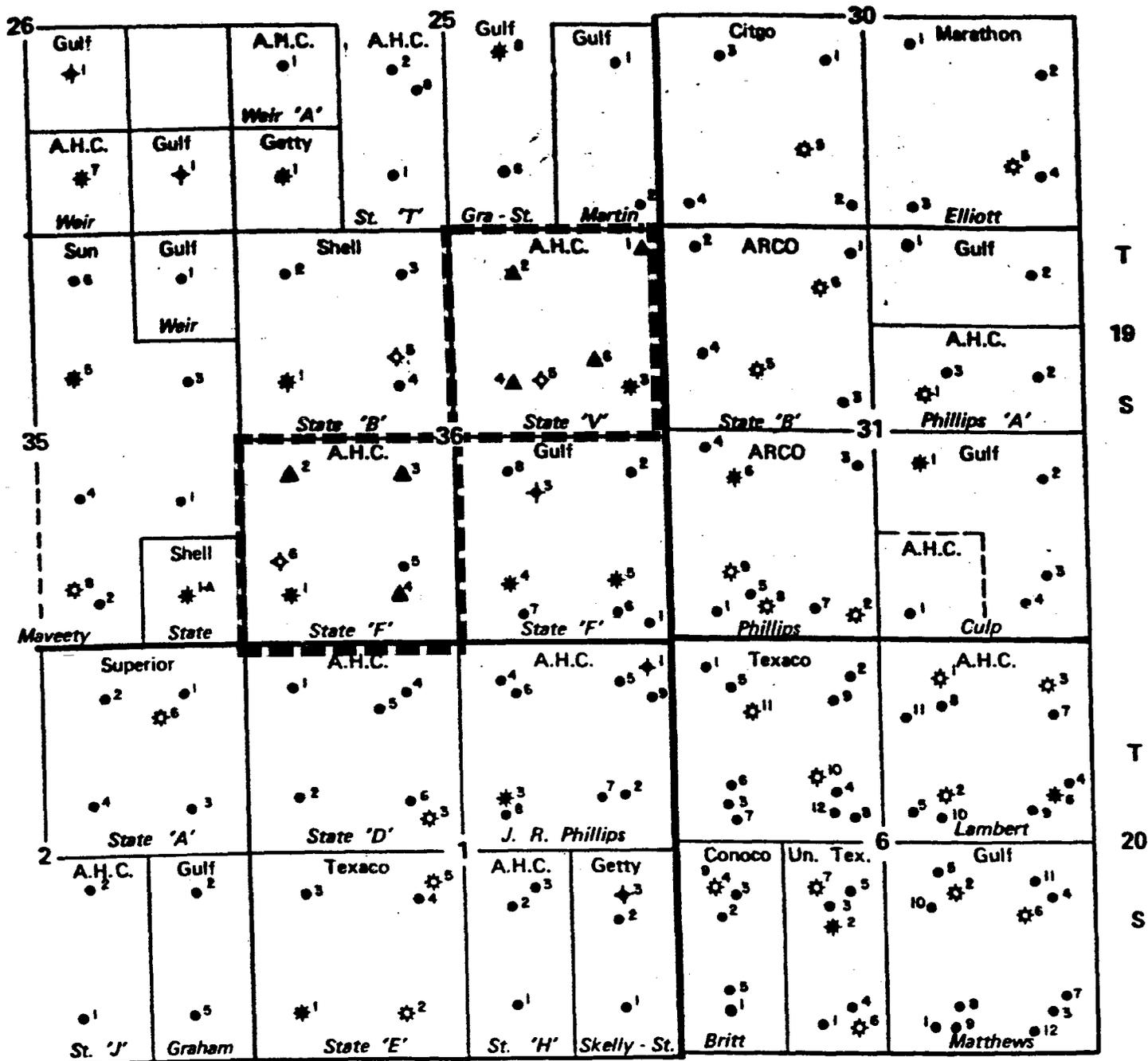
State V Battery

NE/4 Sec. 36, T-19S, R-36E



R 36 E

R 37 E



<p>Location Map</p>	<p>LEGEND</p> <ul style="list-style-type: none"> ● - Oil ⊗ - Gas ⊕ - Dry & Abn ▽ - Injection ▲ - Grayburg Completion ◇ - Temp. Abandoned ● - Abo Completion * - Eumont/Grayburg Dual Completion 		<p>SOUTHWEST PRODUCTION REGION MONUMENT FIELD Lea County, New Mexico</p>	
	<p>AMERADA HESS</p>		<p>STATE 'F'</p> <p>0 2000' 4000'</p>	
<p>Date: August 7, 1987</p>		<p>Page No.</p>		
<p>Originator:</p>		<p>Ref. No.</p>		

AMERADA HESS CORPORATION

P.O. Drawer "D"
Monument, New Mexico 88265

August 18, 1987

State of New Mexico
Land Office
Box 1148
State Land Office Building
Santa Fe, New Mexico 87501

Attn: Mr. William R. Humphries

Mr. Humphries:

Amerada Hess Corporation is requesting approval to commingle the State F and State V Grayburg production, SW/4 and NE/4 of Sec. 36, T-19S, R-36E, at the State V battery. As a result, I have enclosed a copy of the request which was submitted to Mr. William J. Lemay.

Thank you for your assistance in this matter.

P 335 760 490

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

Sincerely,

Eric Haas

Eric Haas
Petroleum Engineer

SENT TO		State of New Mexico Land Office
STREET AND NO.		Box 1148 State Land Office Bldg.
P.O., STATE AND ZIP CODE		Santa Fe, New Mexico 87501
POSTAGE		\$.39
CONSULT POSTMASTER FOR FEES	CERTIFIED FEE	.75 c
	SPECIAL DELIVERY	c
	RESTRICTED DELIVERY	c
	OPTIONAL SERVICES	
	RETURN RECEIPT SERVICE	
	SHOW TO WHOM AND DATE DELIVERED	c
	SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	c
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	c	
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	c	
TOTAL POSTAGE AND FEES		\$ 1.14
POSTMARK OR DATE		

AMERADA HESS CORPORATION

P.O. Drawer "D"
Monument, New Mexico 88265

August 18, 1987

Warren Petroleum Corporation
Post Office Box 1589
Tulsa, Oklahoma 74102

Attn: Ms. Joyce Lanprich

Ms. Lanprich:

Amerada Hess Corporation has made an application to the Oil Conservation Division in Santa Fe concerning the lease commingling of Grayburg production from the State F and State V Leases. The State F Grayburg production will be transported to the State V battery for commingling with the State V Grayburg production. The locations of the two leases are the SW/4 and NE/4 of Section 36, T-19S, R-36E, respectively. The State F #5, an Abo completion, will continue to produce through the existing equipment at the State F battery. The combined Grayburg casinghead gas production at the State V battery is not anticipated to exceed 350 MCFPD. Thank you for your assistance in this matter.

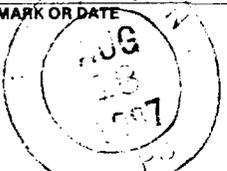
P 335 760 489

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

Sincerely,

Eric Haas
Eric Haas
Petroleum Engineer

SENT TO		Warren P.E. Corp.
STREET AND NO.		P.O. Box 1589
P.O., STATE AND ZIP CODE		Tulsa Oklahoma 74102
POSTAGE		\$.22
CONSULT POSTMASTER FOR FEES	CERTIFIED FEE	.75 ¢
	SPECIAL DELIVERY	¢
	RESTRICTED DELIVERY	¢
	OPTIONAL SERVICES*	
	RETURN RECEIPT SERVICE	
	SHOW TO WHOM AND DATE DELIVERED	¢
	SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	¢
	SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	¢
	SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	¢
TOTAL POSTAGE AND FEES		\$.97
POSTMARK OR DATE		
		

AMERADA HESS CORPORATION
INTEROFFICE CORRESPONDENCE

TO: John Maher

FROM: E. Haas (Monument) *EG* كسو*

DATE: August 18, 1987

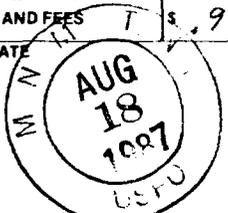
SUBJECT: Request for commingling

An application has been made to the New Mexico Oil Conservation Division in Santa Fe, New Mexico to secure approval for lease commingling of Grayburg formation production from the State F and State V leases, SW/4 and NE/4 of Section 36, Township 19 South, Range 36 East, Lea County, New Mexico. Since both leases produce 32° API gravity sour crude oil, the oil price should remain unchanged. The proposed lease commingling will reduce operational expense and simplify lease operation. The state requires notification of the purchaser prior to approval.

P 335 760 491

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
 NOT FOR INTERNATIONAL MAIL
 (See Reverse)

SENT TO	
<i>Amerada Hess Trading</i>	
STREET AND NO.	
<i>1135 Av. of the Americas</i>	
P.O., STATE AND ZIP CODE	
<i>40th Floor New York, New York 10036</i>	
POSTAGE	\$.22
CERTIFIED FEE	.75 c
SPECIAL DELIVERY	c
RESTRICTED DELIVERY	c
SHOW TO WHOM AND DATE DELIVERED	c
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY	c
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	c
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	c
TOTAL POSTAGE AND FEES	\$.97
POSTMARK OR DATE	
	

PS Form 3800, Apr. 1976

AMERADA HESS CORPORATION

P.O. Drawer "D"
Monument, New Mexico 88265

August 18, 1987

State of New Mexico
Land Office
Box 1148
State Land Office Building
Santa Fe, New Mexico 87501

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Eric Haas

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