



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONEY ANAYA
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

December 21, 1983

Arco Oil & Gas Company
New Mexico - Arizona District
P.O. Box 1710
Hobbs, NM 88240

Attention: Anthony Carapezza,
Production Facilities Engineer

Re: Request for Allocation by
Well Tests
Lease Commingling Order R-1862 LAUGLIE LEASE
Sec. 14, T-25S, R-37E, Lea
County, New Mexico

Dear Mr. Carapezza:

I have reviewed your request for permission to use well tests in determining allocation for the leases stated in Order R-1862. The marginal nature of the leases and the low volume of liquids produced are sufficient justification to allow well tests as a means of determining production allocation.

Arco Oil & Gas Company is therefore allowed to use biannual well tests as a means of determining allocation for lease commingled production affected by Order R-1862. Should top allowable for any of the subject leases be reached, the permission granted by this letter will be rescinded and determination of allocation must again revert to the original means stated in Order 1862 or to one appropriate with the NMOCD "Manual for the Installation and Operation of Commingling Facilities".

Should you have any questions, call me at 827-5807.

Sincerely,

Gilbert P. Quintana

GILBERT P. QUINTANA
Petroleum Engineer

GPQ/dp

cc: Joe D. Ramey
Hobbs District Office
Case File No. 2162



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

December 14, 1983

TONY ANAYA
GOVERNOR

COMMINGLING ORDER CTB-288

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

ARCO Oil & Gas Company
P. O. Box 1710
Hobbs, New Mexico 88240

Attention: Anthony Carapezza, Production/Facilities Eng.

The above-named company is hereby authorized to commingle Langlie Mattix-Seven Rivers Queen pool production from the following leases:

Lease Name: Duthie Andrews Fed. - NMOCC Lease LC032726
Description: N/2 SE/4, Sec. 18, T-23-S, R-37-E, Lea County

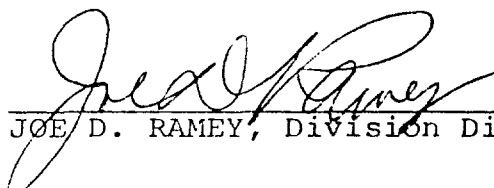
Lease Name: Duthie Andrews WN-NMOCC Lease LC 054453
Description: N/2 SE/4 and SE/4 SE/4 of Sec. 18 and NE/4
Sec. 19, T-23-S, R-37-E, Lea County

Production shall be allocated to each lease by well tests (if this method or the subtraction method above is to be authorized, all commingled production must be of identical ownership: working interest, royalty interest, and overriding royalty interest).

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

REMARKS: This amendment will allow for the determination of production allocation by means of periodic tests. Justification: Low production capability of the leases - economic.

DONE at Santa Fe, New Mexico, on this 14th day of December, 1983.

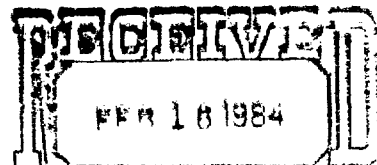

JOE D. RAMEY, Division Director

ARCO Oil and Gas Company
New Mexico/Arizona District
P. O. Box 1719
Santa Fe, New Mexico 87501



October 5, 1983

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501



OIL CONSERVATION
SANTA FE

Attention: Mr. Gilbert Quintana

Dear Mr. Quintana:

ARCO Oil and Gas Company requests that commingling be permitted for the following surface commingled pools without separately measuring production from each pool. Rather that production from each well and from each pool be determined from well tests. These leases and pools are:

State "Y" Lease (Commingling Order R-1337 dated 2-18-59)
(Section 25, T25S, R37E, Lea County, New Mexico)

Justis Blinebry Pool
Justis Fusselman Pool
Justis Montoya Pool
Justis Tubb/Drinkard Pool

Wimberly WN Lease (Commingling Order PC-263 dated 5-24-65)
(Section 23 & 24, T25S, R37E, Lea County, New Mexico)

Justis Blinebry Pool
Justis Fusselman Pool
Justis Tubb/Drinkard Pool

Also, we request that on the following surface commingled leases the commingling of production between leases be permitted without separately measuring production from each lease. Rather that production from each well on each lease be determined from well tests. These pools and leases are:

Justis Blinebry Pool (Commingling Order R-1862 dated 2-3-61)

Langlie Federal Lease (N/2, SE/4, of Section 14, Lea County, N.M.)
Langlie Federal "A" Lease (S/2, NE/4, of Section 14, Lea County, N.M.)
Langlie Federal "B" Lease (N/2, NE/4, of Section 14, Lea County, N.M.)

Lawrence Oil Company, Inc.
Page 2
October 5, 1983

Langlie Mattix-Seven Rivers Queen Pool (Commingling Order CTE-288
dated 10-22-81)

Duthie Andrews Federal Lease (SW/4, SE/4, Sec. 18, T23S, R37E, Lea Co.)
Duthie Andrews Com WN Lease (N/2, SE/4 and SE/4, SE/4, Sec. 18 and
NE/4, Sec. 19, T23S, R37E, Lea Co.)

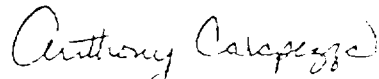
(Duthie Andrews Com WN #4 is currently commingling the Langlie-Mattix
and Jalmat Gas Zones (Administrative Order No. DHC-402 dated June 16,
1983) and its gas allowable is below the top allowable for the Langlie-
Mattix Pool).

The leases on which we are commingling between pools are marginal
and are physically incapable of producing top unit allowable for
their respective pools. The leases which we are presently com-
mingling have Rule 309A exceptions and, therefore, have adequate
facilities for well testing. Commingling by test rather than by
metering would enable us to more economically produce these mar-
ginal leases by lowering our operating costs.

Attached is a tabulation for all of the aforementioned leases and
pools which includes the top allowable for each pool and individual
well production figures for the period from July 1983-August 1983.
Also attached are copies of the original commingling orders.

If further information is required, please advise.

Very truly yours,



Anthony Carapezza
Production/Facilities Engineer

AC:jc

Attachments

Xc: Mr. Jerry Sexton - NMOCD, Hobbs
Mr. C. Woessner - MIO 215A

PRODUCTION DATA *

Single Leases; Two or more Pools

| | | | | | <u>July 1983</u> | | <u>August 1983</u> | |
|---|---------------|---------------|----------------------|-----------------------|-------------------|----------------------|-----------------------|----------------|
| <u>Lease, County</u> | <u>Pool</u> | <u>Well #</u> | <u>Monthly, Bbls</u> | <u>Daily Av., BPD</u> | <u>Prod. Days</u> | <u>Monthly, Bbls</u> | <u>Daily Av., BPD</u> | <u>Prod. D</u> |
| Lease "Y" B-11478, Lea | | | | | | | | |
| Justis Bly (Commingled with Justis Fusselman, Justis Montoya & Justis Tubb Drinkard) | | | | | | | | |
| Top Allow 107 | | | | | | | | |
| | 3UT | | 150 | 4.6 | 31 | 132 | 4.2 | 31 |
| | 6UT | | 30 | 1.0 | 31 | 30 | 1.0 | 31 |
| | 7UT | | 160 | 5.2 | 31 | 120 | 3.9 | 31 |
| | Pool Total | | 340 | 10.8 | | 282 | 9.1 | |
| Justis Fuss. (Commingled with Justis Blinebry, Justis Montoya & Justis Tubb Drinkard) | | | | | | | | |
| Top Allow 187 | | | | | | | | |
| | 5LT | | 341 | 11.0 | 31 | 270 | 8.7 | 27 |
| | 8LT | | 168 | 5.4 | 31 | 156 | 5.0 | 31 |
| | Pool Total | | 509 | 16.4 | | 426 | 13.7 | |
| Justis Mont. (Commingled with Justis Blinebry, Justis Fusselman & Justis Tubb Drinkard) | | | | | | | | |
| Top Allow 187 | | | | | | | | |
| | 3LT | | 171 | 5.5 | 31 | 164 | 5.3 | 31 |
| | 6LT | | 248 | 8.0 | 31 | 247 | 8.0 | 31 |
| | 7LT | | | | 31 | | | 31 |
| | 9LT | | 589 | 19.0 | | 412 | 13.2 | |
| | Pool Total | | 1008 | 32.5 | | 823 | 26.5 | |
| Justis Tubb Drinkard (Commingled with Justis Blinebry, Justis Fusselman & Justis Montoya) | | | | | | | | |
| Top Allow 107 | | | | | | | | |
| | 10 | | 133 | 4.3 | 31 | 102 | 3.3 | 31 |
| | Battery Total | | 1990 | 64.0 | | 1633 | 52.6 | |

These numbers taken from Form C-115, "Operators Monthly Report"

Single Leases; Two or more Pools

July 1983

August 1983

| <u>Lease, County</u> | <u>Pool</u> | <u>Well #</u> | <u>Monthly, Bbls</u> | <u>Daily Av., BPD</u> | <u>Prod. Days</u> | <u>Monthly, Bbls</u> | <u>Daily Av., BPD</u> | <u>Prod</u> |
|--|---------------|---------------|--------------------------|---------------------------|-------------------|--------------------------|---------------------------|-------------|
| emberly WN, Lea | | | | | | | | |
| Justis Bly (Commingle with Justis Fusselman & Justis Tubb Drinkard) | | | | | | | | |
| | | 3 | 234 | 7.5 | 31 | 216 | 7.4 | 29 |
| | | 5 | 60 | 1.9 | 31 | 56 | 2.1 | 27 |
| | | 7 | 210 | 7.0 | 30 | 198 | 7.3 | 27 |
| | | 8 | 221 | 7.1 | 31 | 208 | 8.0 | 26 |
| | | 9 | 51 | 1.6 | 31 | 90 | 2.9 | 31 |
| | | 10 | 45 | 1.5 | 30 | 48 | 1.5 | 31 |
| | Pool Total | | 821 | 26.6 | | 816 | 30.2 | |
| Justis Fuss (Commingle with Justis Blinebry & Justis Tubb Drinkard) | | | | | | | | |
| Top Allow 187 | | | | | | | | |
| | | 4 | 226 | 7.3 | 31 | 289 | 10.7 | 27 |
| | | 6 | 969 | 33.4 | 29 | 898 | 32.1 | 28 |
| | | 11 | 248 | 8.0 | 31 | 234 | 9.4 | 25 |
| | Pool Total | | 1443 | 48.7 | | 1421 | 52.2 | |
| Justis Tubb Drinkard (Commingle with Justis Blinebry & Justis Fusselman) | | | | | | | | |
| Top Allow 107 | | | | | | | | |
| | | 2 | 218 | 7.0 | 31 | 231 | 8.6 | 27 |
| | Battery Total | | 2482 | 82.3 | | 2468 | 91.0 | |

Two or more Leases; One Pool

July 1983

August 1983

| <u>Pool</u> | <u>Lease, County</u> | <u>Well #</u> | <u>Monthly, Bbls</u> | <u>Daily Av., BPD</u> | <u>Prod. Days</u> | <u>Monthly, MCF</u> | <u>Daily Av., MCFPD</u> | <u>Monthly, Bbls</u> | <u>Daily Av., BPD</u> | <u>Prod. Da</u> |
|---|--|---------------|--------------------------|---------------------------|-------------------|-------------------------|-----------------------------|--------------------------|---------------------------|-----------------|
| Justis Blinebry (Top Allow 107) | | | | | | | | | | |
| | Langlie Fed, Lea (Commingled with Langlie A Fed & Fed #1: Bly) | | | | | | | | | |
| | | 1 | 260 | 8.4 | 31 | | | 242 | 7.8 | 31 |
| | | 2UT | <u>298</u> | <u>9.6</u> | 31 | | | <u>296</u> | <u>9.5</u> | 31 |
| | Pool & Lease Total | | 558 | <u>18.0</u> | | | | <u>538</u> | <u>17.3</u> | |
| Langlie Fed "A", Lea (Commingled with Langlie Fed & Langlie B Fed #1: Bly) | | | | | | | | | | |
| | | 1UT | 281 | 9.1 | 31 | | | 266 | 8.6 | 31 |
| | | 2UT | <u>303</u> | <u>9.8</u> | 31 | | | <u>292</u> | <u>9.4</u> | 31 |
| | Pool & Lease Total | | 584 | <u>18.9</u> | | | | 558 | <u>18.0</u> | |
| Langlie Fed "B", Lea (Commingled with Langlie Federal & Langlie A Fed: Bly) | | | | | | | | | | |
| | | 1 | 104 | 3.4 | 31 | | | 103 | 3.3 | 31 |
| | | 2 | <u>0</u> | <u>0</u> | 0 | | | <u>0</u> | <u>0</u> | 0 |
| | Pool & Lease Total | | 104 | <u>3.4</u> | | | | 103 | <u>3.3</u> | |
| | Battery Total | | 1246 | 40.3 | | | | 1199 | 38.6 | |
| Langlie Mattix 7RQ (Top Allow 80) | | | | | | | | | | |
| | Duthie Andrews Com WN LC-054453, Lea (Commingled with Duthie Andrews Federal #1) | | | | | | | | | |
| | | 4 | 60 | 1.9 | 31 | 1652 | 53.3 | 79 | 2.9 | 27 |
| | | 5 | 465 | 15.0 | 31 | | | 266 | 9.5 | 28 |
| | | 6 | <u>575</u> | <u>16.9</u> | 31 | | | <u>1041</u> | <u>37.2</u> | 28 |
| | Pool & Lease Total | | 1050 | <u>33.8</u> | | | | <u>1386</u> | <u>49.6</u> | |
| Duthie Andrews Fed LC-032726, Lea (Commingled with Duthie Andrews Federal #1) | | | | | | | | | | |
| | | 1 | 233 | 8.6 | 27 | | | 151 | 5.4 | 28 |
| | Battery Total | | 1283 | 42.4 | | | | 1537 | 55.0 | |

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 1588
Order No. R-1337

APPLICATION OF THE ATLANTIC REFINING
COMPANY FOR PERMISSION TO COMMINGLE
THE PRODUCTION FROM SEVERAL SEPARATE
OIL POOLS IN LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on February 4, 1959, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 18th day of February, 1959, the Commission, a quorum being present, having considered the application, the evidence adduced and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, The Atlantic Refining Company, is the owner and operator of the State "Y" lease comprising the N/2 NE/4 and the SE/4 NE/4 of Section 25, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the applicant proposes to commingle the Ellenburger, McKee, Fusselman, and Montoya production, as well as the Blinberry and Drinkard production if they prove to be intermediate grade crudes, from all wells presently completed or hereafter drilled on said State "Y" lease.

(4) That if the production from any of the above-mentioned formations proves to be sour crude, it will not be commingled with the intermediate grade crudes.

(5) That the applicant proposes to separately meter the production from each formation prior to commingling.

(6) That approval of the subject application will not cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

That the applicant, The Atlantic Refining Company, be and the same is hereby authorized to commingle the Ellenburger, McKee, Fusselman, and Montoya production, as well as the Blinbry and Drinkard production if they prove to be intermediate crudes, from all wells presently completed or hereafter drilled on the State "Y" lease comprising the N/2 NE/4 and the SE/4 NE/4 of Section 25, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico.

PROVIDED HOWEVER, That the production from each of said pools shall be separately metered prior to commingling and such meters shall be checked for accuracy once each month until further order of the Secretary-Director and the results of such tests shall be furnished to the Commission.

PROVIDED FURTHER, That the applicant shall install adequate testing facilities to permit the testing of all wells located on said State "Y" lease at least once each month to determine the individual production from each zone of each of said wells.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JOHN BURROUGHS, Chairman

MURRAY E. MORGAN, Member

A. L. PORTER, Jr., Member & Secretary

S E A L

NEW MEXICO DEPARTMENT OF ENERGY AND MINES
DIVISION OF OIL AND GAS
SANTA FE, NEW MEXICO 87501

AMENDMENT
COMMINGLING ORDER PC-263

ARCO Oil & Gas Company
P. O. Box 1710
Hobbs, New Mexico, 88240

Attention: D. L. Shackelford, Engineering Tech. Spec.

Lease Name: Wimberly WN

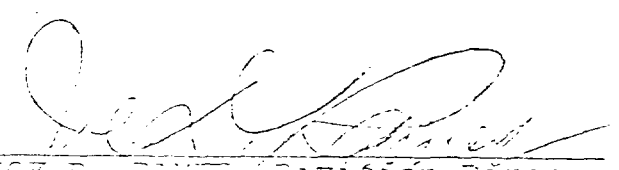
Description: E/2 NW/4 and NW/4 NE/4 Sec. 23; W/2 NW/4
and NE/4 NW/4 Sec. 24, T-25-S, R-37-E,
Lea County

The above-named company is hereby authorized to commingle Langlie Mattix Seven Rivers Queen, Justis Blinebry, Justis Tubb Drinkard and Justis Fusselman pool production in a common tank battery and to determine the production from each pool by separately metering the production from the Langlie Mattix Seven Rivers Queen, Justis Tubb Drinkard and Justis Fusselman pools and determining the Justis Blinebry pool production by the subtraction method.

NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

REMARKS: Order PC-263 authorized separate metering for the Blinebry and Fusselman production and determining the Montoya and Tubb Drinkard production by the subtraction method, allocating the production to each of the two latter pools on the basis of periodic well tests. This previous Order is hereby placed in abeyance.

DONE at Santa Fe, New Mexico, on this 29th day of September, 1982.


JOE D. POMEROY, Division Director

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 2162
Order No. R-1862

APPLICATION OF THE ATLANTIC REFINING
COMPANY FOR APPROVAL OF AN AUTOMATIC
CUSTODY TRANSFER SYSTEM IN THE JUSTIS
TUBB-DRINKARD AND JUSTIS-BLINEBRY POOLS,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on January 25, 1961, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 3rd day of February, 1961, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, The Atlantic Refining Company, is the owner and operator of the following-described Federal leases in Township 25 South, Range 37 East, NMPM, Lea County, New Mexico:

- (a) Langlie Federal Lease - N/2 SE/4 of Section 14
- (b) Langlie Federal "A" Lease - S/2 NE/4 of Section 14
- (c) Langlie Federal "B" Lease - N/2 NE/4 of Section 14

(3) That the applicant proposes to commingle the production from the Justis-Blinebry Pool with the production from the Justis Tubb-Drinkard Pool from all wells presently completed or hereafter drilled on each of the above-described leases after separately metering the production from each pool from each lease.

(4) That the applicant proposes to install an automatic custody transfer system to handle said commingled production from all wells presently completed or hereafter drilled on the above-described leases.

(5) That the previous use of automatic custody transfer equipment, similar to that proposed by the applicant, has shown that such equipment is a reliable and economic means of transferring the custody of oil, and that the use of such equipment should be permitted, provided adequate safety features are incorporated therein.

IT IS THEREFORE ORDERED:

(1) That the applicant be and the same is hereby authorized to commingle in a common tank battery the production from the Justis-Blinbry Pool with the production from the Justis Tubb-Drinkard Pool from all wells presently completed or hereafter drilled on each of the following-described Federal leases in Township 25 South, Range 37 East, NMPM, Lea County, New Mexico:

- (a) Langlie Federal Lease - N/2 SE/4 of Section 14
- (b) Langlie Federal "A" Lease - S/2 NE/4 of Section 14
- (c) Langlie Federal "B" Lease - N/2 NE/4 of Section 14

PROVIDED HOWEVER, That the production from each pool from each lease shall be separately metered prior to commingling.

(2) That the applicant be and the same is hereby authorized to install an automatic custody transfer system to handle said commingled production from all wells presently completed or hereafter drilled on the above-described leases.

PROVIDED HOWEVER, That the applicant shall install adequate facilities to permit the testing of all wells located on the above-described leases at least once each month to determine the individual production from each well.

PROVIDED FURTHER, That in order to prevent the overflow and waste of oil in the event the automatic custody transfer system fails to transfer oil to the pipeline, the applicant shall add additional storage facilities from time to time, as it becomes necessary, to store the production which will accrue during the hours that said lease is unattended, or in the alternative, shall so equip the existing facilities as to automatically shut-in the lease production at the wellhead in the event the storage facilities become full.

IT IS FURTHER ORDERED:

That all meters used in the above-described automatic custody transfer system shall be operated and maintained in such a manner as to ensure an accurate measurement of the liquid hydrocarbon production at all times.

That meters shall be checked for accuracy at least once each month until further direction by the Secretary-Director.

That meters shall be calibrated against a master meter or against a test tank of measured volume and the results of such calibration filed with the Commission on the Commission form entitled "Meter Test Report."

(3) That Order No. R-1557 be and the same is hereby superseded.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

A. L. PORTER, Jr., Member & Secretary

S E A L