

March 21, 1975

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

Attn: Mr. D. S. Nutter, Chief Engineer

Re: Application for Administrative Approval  
to Commingle Production  
Atlantic Richfield Company  
H. E. West "A" Lease  
Sections 3 & 4, T-17S, R-31E  
LC 029426 (a) Tract A & B  
Grayburg-Jackson Field  
Eddy County, New Mexico

Gentlemen:

Atlantic Richfield requests permission to commingle at the surface, the production from our H. E. West "A" Lease, LC 029426 (a), in Eddy County, T-17S, R-31E. Commingling is necessary on the H. E. West "A" Lease because the total volume of oil production is affected by different royalties:

Tract "A" - 12-1/2% Royalty

Sec. 3: NE/4, S/2 NW/4

Sec. 4: SE/4, S/2 NE/4

Tract "B" - Schedule "C" Royalty (12-1/2-25%)

Sec. 3: N/2 NW/4

Sec. 4: ~~N/2 NW/4~~ N/2 NE/4

The H. E. West "A" Lease went under secondary recovery operations when the Keel West Waterflood was established in 1964 in the Grayburg-San Andres reservoirs. Production is now in the final stage before reaching abandonment. Attached is a plat of the West "A" Lease which shows well locations and current daily producing rates for

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January 1975. The Status of the wells in Tract A and Tract B are as follows:

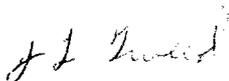
<u>Tract A</u>	<u>Tract B</u>
# 4 - Water Injection Well	# 2 - Producer - 5 BOPD/2 BWPD
# 5 - Producer - 13 BOPD/117 BWPD	# 7 - Water Injection Well
# 6 - Producer - 23 BOPD/12 BWPD	#10 - SI Prior to P&A
# 8 - Water injection well	#13 - Water injection well
# 9 - Water injection well	
#11 - SI Prior to P&A	
#12 - SI Prior to P&A	

As can be seen in the attached plat, we have three producing wells left on the lease. In addition to combining production from these wells, we request permission to produce the three wells through one heater-treater and allocate total production, both oil and gas, based on monthly gas-oil ratio tests. Under our present operation we utilize both heater-treaters and allocated production by metered volumes (see attached diagram). Due to the decline in production, we do not have enough gas to fire both heaters. By combining the production and allocating production from monthly well tests, we can continue economically producing the wells on both tracts. We have no possibilities of remedial work to increase production at this time.

A copy of the letter from the United States Department of the Interior Geological Survey that approves this method of allocation and acknowledges our approved application to commingle production on the West "A" Lease is attached. Also attached is a plat of the West "A" Lease and a schematic of the lease facilities.

If this proposal is approved, we will proceed with the work. If you desire additional information, please advise.

Very truly yours,



J. L. Tweed, District Engineer

RMM/agp

cc: New Mexico Oil Conservation Commission, Drawer DD, Artesia, New Mexico 88210  
United States Geological Survey, Drawer U, Artesia, New Mexico 88210  
Mr. G. V. Ricks - Hobbs  
Mr. L. C. Hudry - Hobbs



# United States Department of the Interior

## GEOLOGICAL SURVEY

P. O. Drawer U  
Artesia, New Mexico 88210

January 30, 1975

Atlantic Richfield Company  
Post Office Box 1710  
Hobbs, New Mexico 88240

Gentlemen:

By letter of August 28, 1963, the Geological Survey approved your application to commingle production from the following two tracts under your H. E. West "A" lease, oil and gas lease LC 029426(a) in T. 17 S., R. 31 E., Eddy County, New Mexico, and to allocate commingled production by metering and deducting Tract "B" production from gross production:

Tract "A" - 12½% Royalty

Sec. 3: NE¼, S½NW¼  
Sec. 4: SE¼, S½NE¼

Tract "B" - Schedule "C" Royalty (12½ - 25%)

Sec. 3: N½NW¼  
Sec. 4: N½NE¼

Your letter of January 22, 1975, requests approval to change the method of allocating the commingled production from the two tracts in the lease. You now propose to base allocation on monthly tests. The proposed change in the method of measuring, as outlined in your application, is hereby approved subject to New Mexico Oil Conservation Commission approval.

Sincerely yours,

Robert L. Beekman  
Assistant District Engineer

cc: Roswell  
NMOCC, Santa Fe

TRACT B - 12 1/2% TO 25% ROYALTY

4483

4  
ARCO  
"H E West"  
"B"

2<sup>5</sup> BWPD  
2 BWPD  
ARCO  
7

10  
S.I.

1  
3690  
13

ARCO  
"H E West"  
"A"

6

5

4

6

23 BOPD/12 BWPD

8

11  
S.I.

12  
S.I.

4

3

7

11

5

9

13 BOPD / 117 BWPD

23

ARCO  
"West"  
"B"

26

9

27

TRACT A - 12 1/2% ROYALTY

16

18

25

U.S.

U.S.

8

29

ARCO  
"H E West"  
"B"

28

19

ARCO  
"H E West"  
"B"

24

10

12

13

15

9

10

30

17

1

Atlantic Richfield Company  
North American Producing Division  
Permian District Midland, Texas

H.E. WEST "A" LEASE  
GRAYBURG JACKSON FIELD  
AVERAGE DAILY PRODUCTION  
JANUARY 1975 BOPD / BWPD

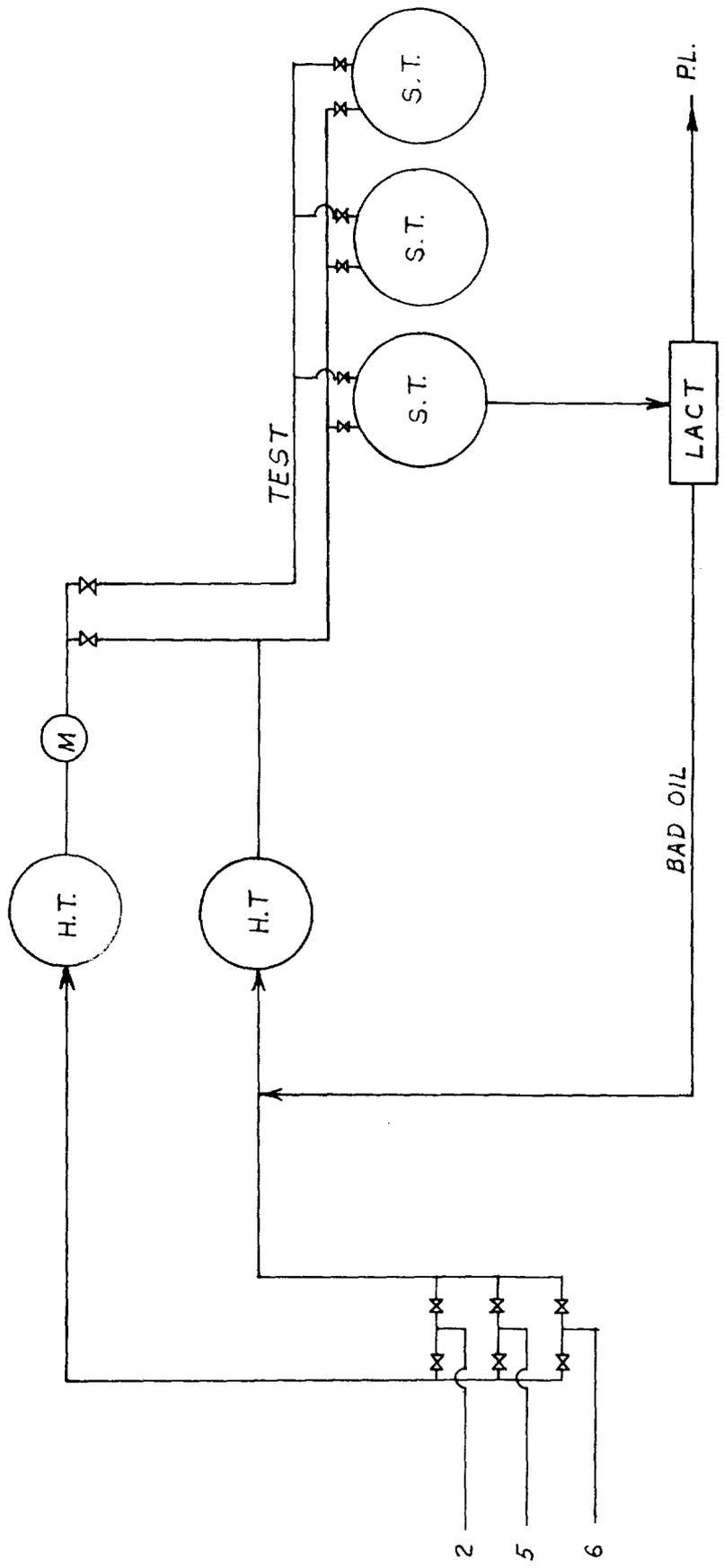
22-X  
22  
3751

21

U.S.

2

By	Drawn By	Date
Date	Revised By	Date
Dept	Dwg No	



ATLANTIC RICHFIELD COMPANY

H. E. WEST A LEASE

GRAYBURG JACKSON FIELD

SCHEMATIC OF LEASE FACILITIES