

AMERADA PETROLEUM CORPORATION

DRAWER "D"
MONUMENT, NEW MEXICO

January 9, 1962

RC 59
1962 JAN 22 AM 8:16
PHONE ROOMS, N. M. - EX 3-214
MAIN OFFICE OGC

NEW MEXICO OIL CONSERVATION COMMISSION
P. O. Box 871
Santa Fe, New Mexico

RE: Application of Amerada Petroleum Corporation for Administrative Approval to Commingle the Production on its State NJ "A" Lease, Lea County, New Mexico.

Gentlemen:

Amerada Petroleum Corporation is the owner and operator of the 40 acre, State NJ "A" Lease, described as the NE/4 NE/4, Section 2-T25S-R37E, Lea County, New Mexico. Subject lease is located in the North Justis Field. By this application, Amerada requests permission to commingle production as outlined below.

1. Six productive zones are anticipated on subject lease, however, due to the nature of the crude, a sour oil battery and a sweet oil battery will be necessary.
2. State NJ "A" No. 1 has been completed as a Fusselman, McKee, Ellenburger Triple with all three zones producing sweet crude.
3. State NJ "A" No. 2 is currently being drilled and it is anticipated that it will be completed in the Paddock, Blinebry and Drinkard Zones - all three producing sour crude.
4. Based on January, 1962 allowables, daily production into the sweet crude battery will be 84 barrels of 37° oil from the Fusselman Zone, 108 barrels of 44° oil from the McKee Zone and 108 barrels of 47.3° oil from the Ellenburger Zone. Total value of the non-commingled oil would be \$891.48 per day. The commingled product would have a gravity of 42.6° and a value of \$903.00 per day. Actual value of the commingled product would be \$11.52 per day

Handwritten notes:
NJ-C...
NJ-F...
NJ-m...
TDJ-TD...
NJ-B...
... per day

Handwritten calculations:
37
84
2968
3108
108
44
4732
4752
673
108
37
473.84
51084

Handwritten calculations:
300
12968
1200
968
4500

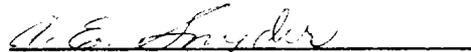
greater than the non-commingled crudes.

5. Based on January, 1962 allowables, daily production into the sour crude battery would be 36 barrels of 35° oil from the Paddock Zone, 48 barrels of 38° oil from the Blinebry Zone and 64 barrels of 37.5° oil from the Drinkard Zone. Total value of the non-commingled oil would be \$422.56 per day. The commingled product would have a gravity of 37° and a daily value of \$423.28, 72¢ per day greater than the non-commingled crudes. Gravities on the three sour crude zones were estimated from other producing wells in the area.
6. A substantial savings in equipment would result by the above described commingling.
7. Ownership on subject lease is common to all depths.
8. A schematic diagram of the proposed installation, a plat showing the location and producing zone of all wells on applicants lease and a letter of consent from the Commissioner of Public Lands are attached.

Amerada requests that administrative approval be given the above application.

Yours very truly,

AMERADA PETROLEUM CORPORATION


A. E. Snyder
District Engineer

AES:mlw

cc: Mr. R. S. Christie
Mr. J. R. Enloe
Mr. B. A. Moore
File

Encl.



AMERADA PETROLEUM CORPORATION

P. O. BOX 2040

TULSA 2, OKLA.

January 5, 1962

ILLEGIBLE

Re: Proposed Commingling of Oil
Lot 1 of Sec. 2-258-37E
Lea County, New Mexico
North Justis Area

State Lease No. B-1431

The Commissioner of Public Lands
State Land Office
Santa Fe, New Mexico

Dear Sir:

Amerada has recently completed at the above-stated location, its State N.J. "A" Well No. 1 as a triple-zone oil well from the Ellenberger, McKee and Fusselman sources of supply.

All of these zones produce sweet crude and will be run for the account of a single purchaser, and further, since there is no diversity of ownership as between the separate zones, we propose to file an application with the Secretary-Director of the State Conservation Commission for administrative approval to commingle the crude from these zones, as an exception to State-wide Rule No. 303 (a).

Inasmuch as State of New Mexico lands are involved, approval by your office is a prerequisite to our filing an application with the Conservation Commission. We hereby respectfully request that you approve the proposal to commingle as aforesaid, by signing the attached copy of this letter in the space provided. Please return the approved copy in the envelope enclosed.

Very truly yours,

Frank S. Stephens
Frank S. Stephens
Land Department

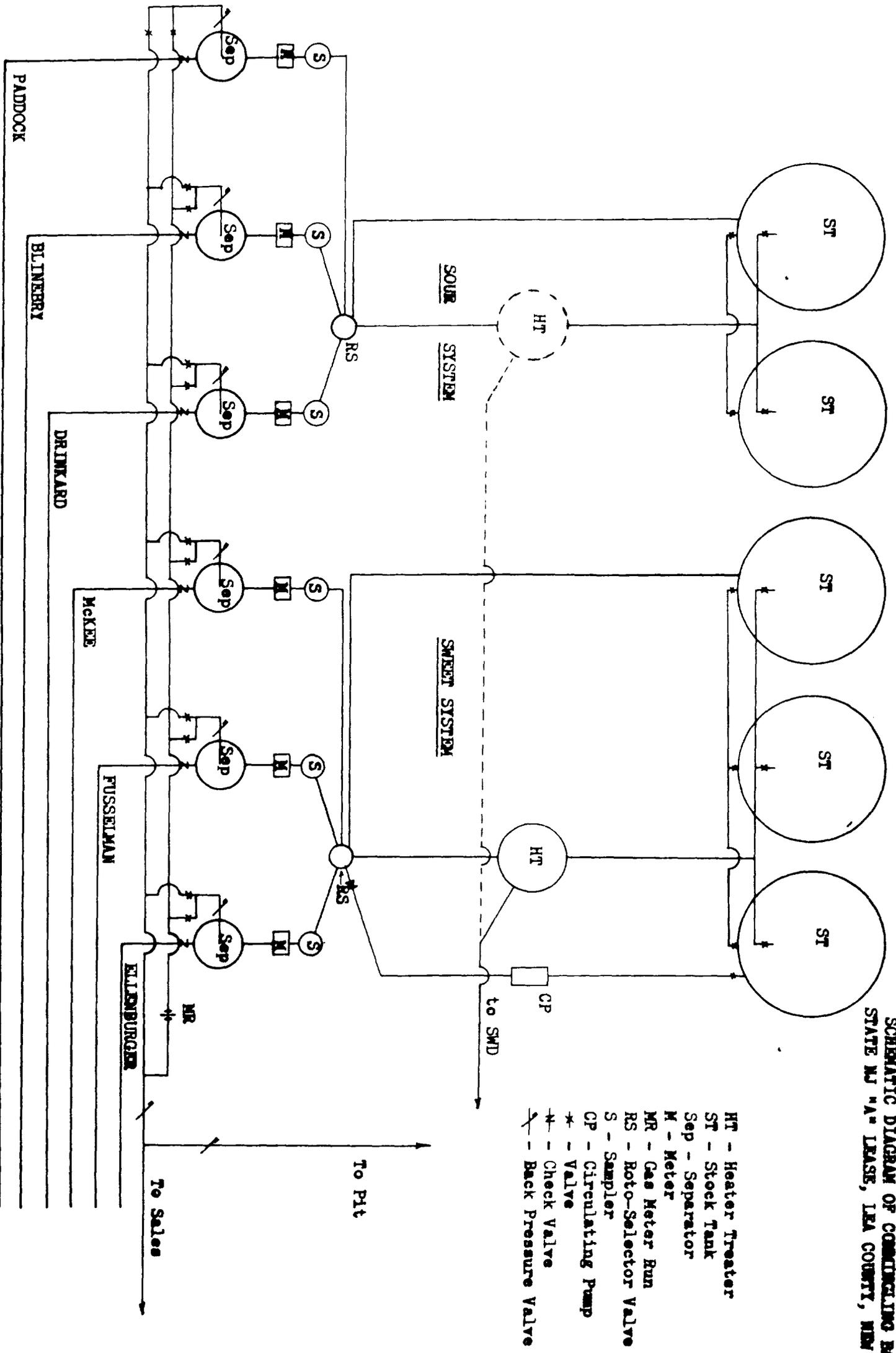
bcc: Messrs:
J. E. Lynch
R. S. Christie
J. O. Hathaway
Floyd Kepler
H. F. Sewell

The above request approved this 15 day
of January, 1962.

[Signature]
The Commissioner of Public Lands
State of New Mexico

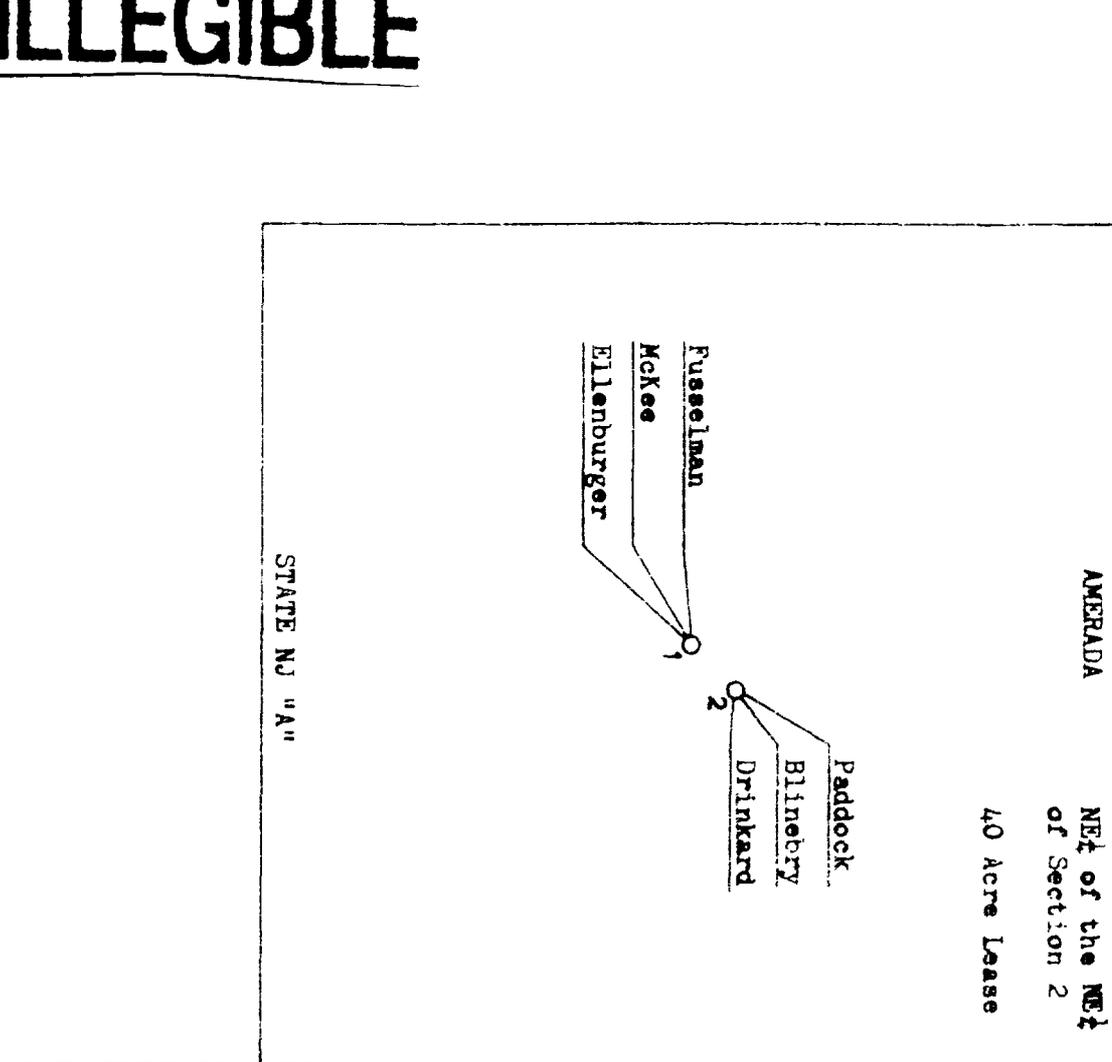
FSS/lc
encl.

**AMERADA PETROLEUM CORPORATION
 SCHEMATIC DIAGRAM OF CONDENSING BATTERY
 STATE NJ "A" LEASE, LEA COUNTY, NEW MEXICO**



AMERADA PETROLEUM CORPORATION'S
STATE NJ "A" LEASE
LEA COUNTY, NEW MEXICO

ILLEGIBLE



R - 37 - B

T - 25 - S

T - 24 - S

Scale: 1" = 1/4