

August 6, 1962

**Amerada Petroleum Corporation
Drawer "D"
Monument, New Mexico**

Attention: Mr. D. C. Capps

**Administrative Order PC-79-A
Administrative Order CTB-88**

Gentlemen:

Reference is made to your letter of July 6, 1962, wherein you request that Commission Administrative Order PC-79 be amended and also that the Commission enter an order authorizing lease commingling on your L. G. Warlick Lease and L. G. Warlick "A" Lease comprising the S/2 NE/4 of Section 19 and the N/2 SE/4 of Section 19, respectively, Township 21 South, Range 37 East, Lea County, New Mexico. It is our understanding that you desire to commingle Paddock production from each of the leases and Pearese-Skelly production from each of the leases in a sour oil tank battery after separately metering the production from each zone and from each lease. Further, that you propose to commingle Blinbry production from each lease and Drinkard production from each lease in a sweet oil tank battery after separately metering the production from each zone and from each lease.

Pursuant to the authority vested in me pursuant to Rule 303 (b) and Rule 309-B of the Commission Rules and Regulations, Amerada Petroleum Corporation is hereby authorized to commingle the production in accordance with the above. Operation of the commingling facilities shall at all times be in conformance with the Commission rules on commingling, and in accordance with the Commission "Manual for the Installation and Operation of Commingling Facilities."

Very truly yours,

**A. L. PORTER, Jr.,
Secretary-Director**

ALP/DSH/esr

**cc: Oil Conservation Commission (with enclosure) - Hobbs
Oil & Gas Engineering Committee - Hobbs**

AMERADA PETROLEUM CORPORATION

DRAWER "D"
MONUMENT, NEW MEXICO

PHONE HOBBS, N. M. — EX 3-2145

July 6, 1962

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New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Re: Application of Amerada Petroleum Corporation
for administrative approval of zone and
lease commingling of production on its L. G.
Warlick and L. G. Warlick "A" Leases, Sec. 19
T218-R37E, Lea County, New Mexico.

Gentlemen:

Amerada Petroleum Corporation is the operator and part owner of the 80 acre L. G. Warlick Lease described as the S/2 of NE/4 Sec. 19 and the 80 acre L. G. Warlick "A" Lease described as the N/2 of SE/4 Sec. 19 - T218-R37E, Lea County, New Mexico. Although the Warlick "A" Lease is shown as a basic 80 acre lease, royalty interest under the west 40 acres is slightly different than under the east 40 acres and production must be accounted for separately. Commission Order PC-79 dated May 3, 1962 granted permission for operator to commingle Blinebry and Drinkard Production from the Warlick "A" No. 1. Applicant now proposes zone and lease commingling of production from the several producing zones on the above described leases as outlined below:

1. Four oil productive zones, the penrose Skelly (Grayburg), Paddock, Blinebry and Drinkard are present, however, due to the nature of the crudes, a sweet oil battery and a sour oil battery will be required.
2. Assuming top allowable from all proposed completions on the three leases, daily production into the sweet oil battery will be 184 barrels of 38.9° oil from the Blinebry Zone and 244 barrels of 40.7° oil from the Drinkard Zone with a total non-commingled value of \$1,280.92. The commingled product will have a gravity of 40.0° and a value of \$1,288.28. Actual value of the commingled product will be \$7.36 per day greater than the non-commingled crudes.
3. Daily production into the sour oil battery will be 102 barrels of 37.0° oil from the Penrose Skelly Zone and 92 barrels of 36.0° oil from the Paddock Zone with a total non-commingled value of \$552.08. The commingled product will have a gravity of 36.5° and a value of \$549.02, \$3.06 per day less than the non-commingled crudes.
4. A substantial saving in equipment would result from the commingling as outlined.

5. Ownership on each lease is common to all depths.
6. All interest owners on the leases in question are as shown below and each has been furnished a copy of this application.

Broseco Corporation	506 Mutual Savings Building	Fort Worth 2, Texas
Campbell & Hedrick	424 Mid America Building	Midland, Texas
Peerless Oil & Gas Co.	441 Milam Building	San Antonio, Texas
Neville G. Penrose, Inc.	1813 Fair Building	Fort Worth 2, Texas
John G. Rich	618 Mercantile Trust Building	Baltimore 2, Maryland

7. A schematic diagram of the proposed installation and a plat showing the location and producing zone of current and proposed wells are attached.

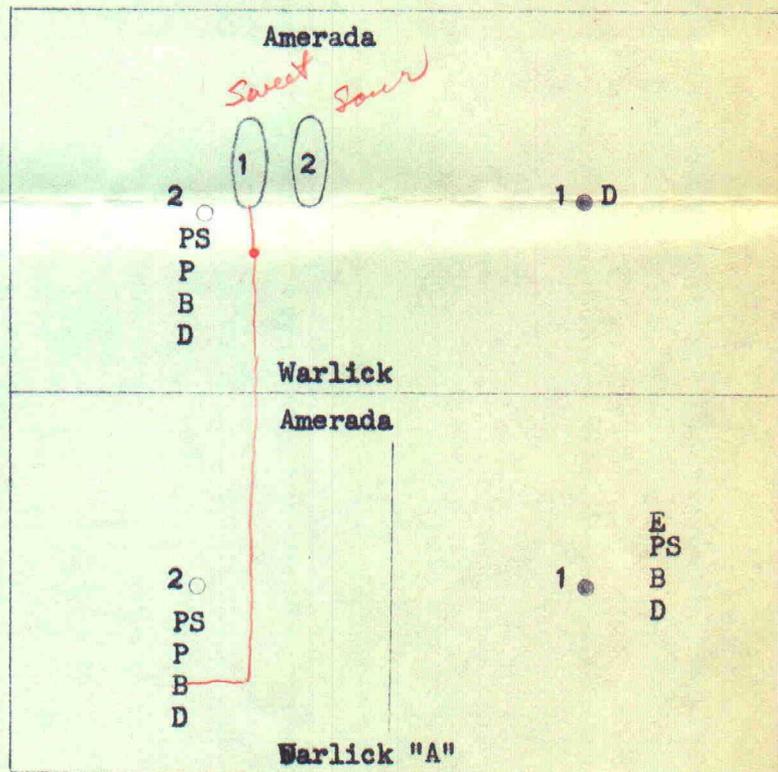
Yours very truly,

AES:br



D. C. Capps
District Superintendent

cc: Mr. J. G. Hathaway
H. A. Nelson
P. S. Christie
H. D. Bushnell
J. E. Newkirk
J. R. Enloe
B. A. Moore
File



Legend

- 1. Sweet Oil Battery
- 2. Sour Oil Battery
- E. Eumont
- PS. Penrose-Skelly
- P. Paddock
- B. Blinebry
- D. Drinkard

Amerada Petroleum Corporation
 West Eunice Area
 Lea County, New Mexico

Figure I
 General Lease & Battery Data