

AMERADA DIVISION
AMERADA HESS CORPORATION

RECEIVED
SEP 1-1971
NM CONSERVATION COMM

DRAWER 817
SEMINOLE, TEXAS 79360
915 - 758 - 5805

August 27, 1971

Mr. A. L. Porter, Jr.
Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Surface Commingling on the
L. M. Lambert Lease

Dear Sir:

A study has been made to revise the battery and commingle the production on Amerada Hess Corporation's L. M. Lambert lease. The lease is located in Sec. 6, T20S, R37E in Lea County, New Mexico.

There are presently nine producing wells on the lease (three from the Blinebry, two from the Grayburg-San Andres, one from the McKee Ellenburger Gas and three from the Paddock). A map and schematic diagram of the proposed system is attached.

Average gravities, volumes and values are as follows:

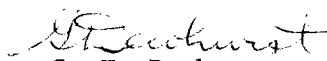
	<u>June</u> <u>Production</u>	<u>Average</u> <u>Gravities</u>	<u>Price</u> <u>per bbl.</u>	<u>Total</u> <u>Value</u>
Blinebry	1,464	38.7	3.35	\$ 4,904
Grayburg-San Andres	256	28.9	3.15	806
Paddock	3,077	37.8	3.33	10,246
McKee Ellenburger	85	70+	3.39	288
	<u>4,882</u>			<u>\$16,244</u>

	<u>Production</u>	<u>Calc. Grav.</u>	<u>Price</u>	<u>Total Value</u>
Commingled	4,882	38.2	3.35	\$16,355

Increase in income calculates to be \$111 per month. Also, commingling will reduce the amount of surface equipment which will lower the operating and maintenance costs. By lowering these costs the economic limit will be lower and therefore extend the producing life of the wells.

Amerada Hess Corporation respectfully requests administrative approval to Commingle the production on the L. M. Lambert lease, and to allocate production on the basis of quarterly well tests for the marginal wells. Condensate from the gas well will be metered separately.

Very truly yours,


G. F. Dewhurst
Region Manager

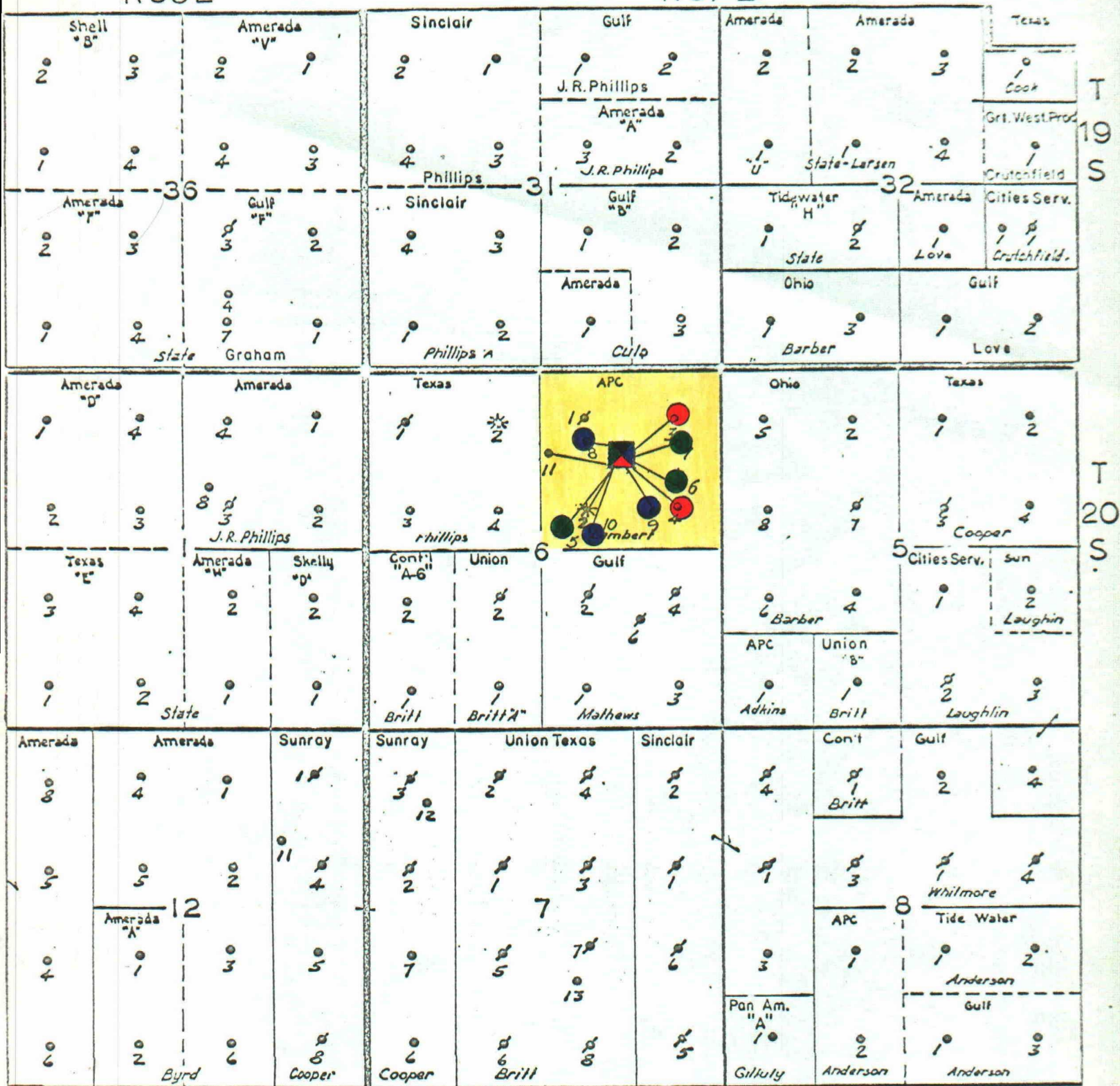
FAB/jr

Enclosures: 1. Plat showing lease and wells.
 2. Schematic diagram of the proposed battery.
 3. Tabulation of marginal production for a 60 day period.
 4. Letter of approval from Shell Oil.

Copy: Mr. J. D. Ramey
 Mr. L. A. Stricklin

R36E

R37E

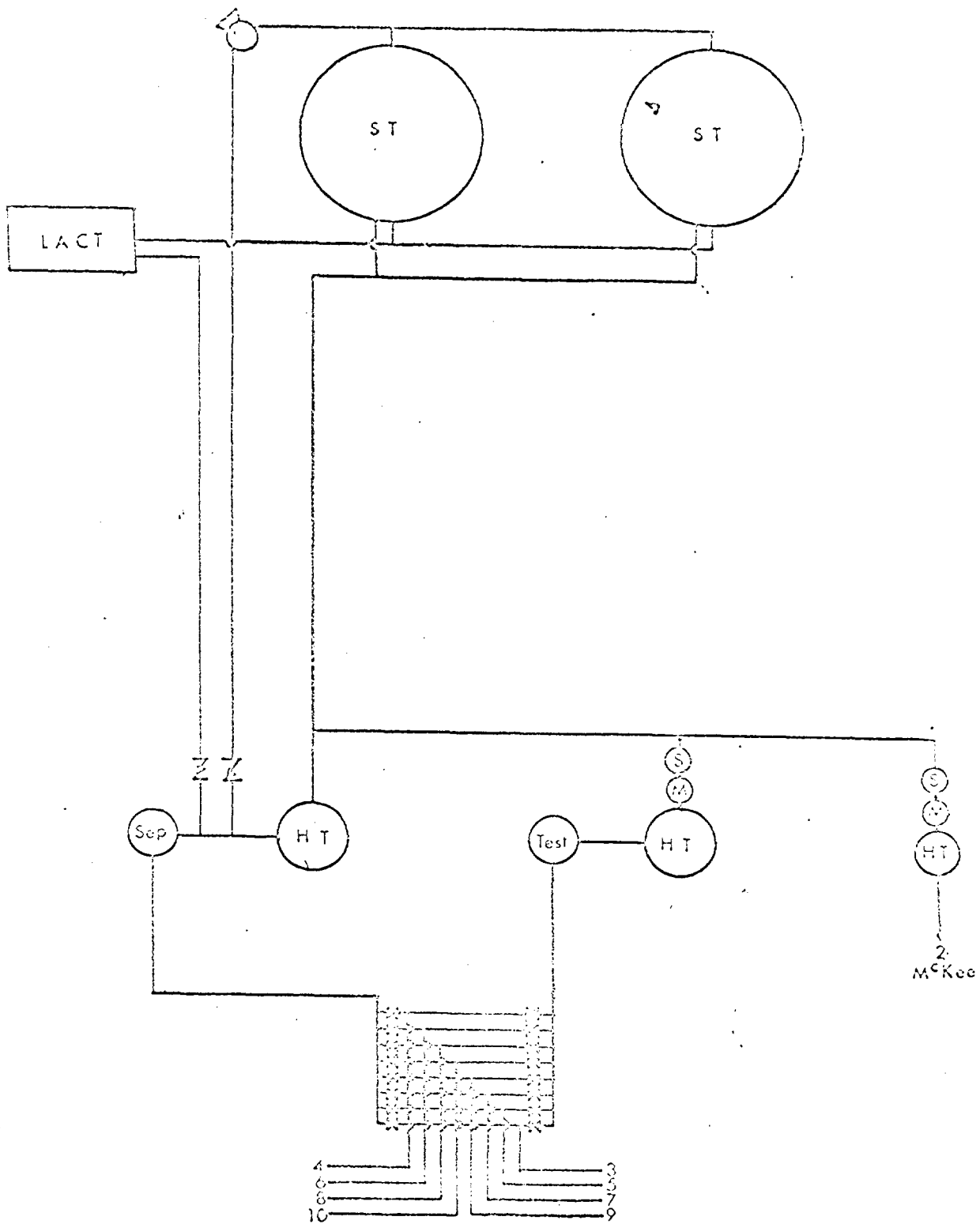


- B BLINEBRY
- G GRAYBURG-SAN ANDRES
- * M McKEE
- P PADDOCK

— FLOW LINES

MONUMENT FIELD
 Lea County
 New Mexico

AMERADA HESS CORP.
MONUMENT FIELD
L.M. LAMBERT LSE.
PROPOSED BATTERY



AMERADA HESS CORPORATION
L. M. Lambert Lease
Oil Production for 60 Days
June, 1971

Date	#3 & 4 <u>Grayburg-San Andres</u>	#5, 6 & 7 <u>Blinebry</u>	#8, 9 & 10 <u>Paddock*</u>	#2 <u>McKee</u>
June 1	0	52	119	77
2	0	36	83	0
3	17	94	47	0
4	27	105	127	0
5	22	119	116	0
6	25	84	113	0
7	8	72	113	0
8	0	86	122	0
9	0	88	108	0
10	0	66	111	0
11	0	39	124	0
12	0	28	108	0
13	12	36	105	0
14	6	22	100	0
15	11	30	102	0
16	11	53	111	0
17	14	36	116	0
18	22	32	102	0
19	11	30	124	0
20	11	44	108	0
21	14	41	119	0
22	0	27	111	0
23	0	33	108	0
24	17	41	105	0
25	0	28	77	0
26	0	47	92	0
27	11	36	109	0
28	14	39	86	0
29	8	25	94	10
30	0	50	108	0
July 1	17	52	108	3
2	17	44	124	0
3	17	75	119	0
4	14	50	94	0
5	17	58	115	0
6	14	28	33	0
7	17	47	116	0
8	19	47	113	0
9	19	14	119	0
10	19	66	130	0
11	19	50	116	0
12	17	58	111	0
13	17	58	113	0
14	14	61	119	0
15	14	53	108	0
16	14	55	127	0
17	14	44	124	0
18	0	56	113	0
19	0	61	108	0
20	14	52	119	0
21	14	44	116	0
22	14	47	116	0
23	14	55	112	0
24	14	50	97	0

Tabulation of Oil Production for 60 Days - Continued

Date	#3 & 4 <u>Grayburg-San Andres</u>	#5, 6 & 7 <u>Blinebry</u>	#8, 9 & 10 <u>Paddock *</u>	#2 <u>McKee</u>
July 25	14	47	119	0
26	11	44	113	0
27	11	47	113	0
28	14	52	109	0
29	3	50	119	0
30	6	58	124	0
31	14	47	47	0

* Since pool production for the paddock pool exceeds daily top allowable for one well (94BOPD), the latest test for each well is as follows:

L. M. Lambert	#8	24hrs.	26BO + 5BW
	#9	24hrs.	25BO + 11BW
	#10	24hrs.	82BO + 2BW



SHELL OIL COMPANY

MELROSE BUILDING
P. O. BOX 2099
HOUSTON, TEXAS 77001

August 4, 1971

Amerada Division
Amerada Hess Corporation
P. O. Box 52
Galena Park, Texas 77547

Attention Mr. B. W. Andrus

Gentlemen:

With reference to your letters of July 28, 1971, this is to advise that Shell Oil Company is agreeable to purchasing the commingled crude oil production from the J. R. Phillips "A" and State "U" leases and from the D. F. Larsen and May Love leases in Monument Field, Lea County, New Mexico.

Also, we are agreeable to purchasing the commingled production from the State "V" and State "T" (1-4) leases and from the L. H. Lambert lease, provided, however, that you submit to us each month a statement to attest the individual volumes and gravities from the State "V" and State "T" (1-4) leases and from each production zone on the Lambert lease. We will pay you on the basis of these individual volumes and gravities.

Please notify us when you have completed the consolidation of tank batteries so that we may advise our pipeline carrier.

Yours very truly,

T. B. Medders, Manager
Raw Materials Supply
Field Operations - Houston

RAB:JLB