

San

**AMERADA DIVISION
AMERADA HESS CORPORATION**

DRAWER 817
SEMINOLE, TEXAS 79360
915 - 758 - 5805

October 4, 1971

RECEIVED

PC 430

915-758-5805

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

Re: Surface Commingling of
Production from the E. W.
Walden Lease

Dear Sir:

A study has been made to revise the battery and commingle the production on the E. W. Walden lease. This lease is located in Sec. 15, T22S, R37E, in Lea County, New Mexico.

There are presently seven producing wells on the lease (4 wells from the Drinkard, and one each for the Ellenburger, Blinebry and Tubb.) A map and schematic of the proposed system is attached.

Average gravities, volumes and values are as follows:

	<u>June Prod.</u>	<u>Avg. Gravity</u>	<u>Price Per Bbl.</u>	<u>Total Value</u>
Drinkard	136	37.4	3.33	\$ 453
Blinebry Gas	42	48.3	3.39	142
Tubb Oil	44	37.9	3.33	147
Ellenburger (sweet)	180	41.4	3.56	641
Drinkard Gas	<u>131</u>	57.7	3.39	<u>444</u>
	533			\$1827
	<u>Prod.</u>	<u>Calc Grav.</u>	<u>Price</u>	<u>Value</u>
Commingled	533	44.6	3.39	\$1807

There is a calculated loss of \$20/month due to commingling the sweet crude with the sour. Since the Ellenburger averages only 6 BOPD, to build and maintain a separate system will cause an immediate economic evaluation and possible abandonment. Commingling into a common facility will lower operating and maintenance costs. Without commingling, long storage time and twice the surface area in tanks will allow losses by evaporation. Commingling will shorten time between runs from several months to less than one month. Based on an increase in volume of 9 BOPM, increased income will offset the calculated loss.

To prevent early abandonment of marginal wells, Amerada Hess Corporation respectfully requests administrative approval to commingle production on the E. Walden lease, and allocate production on the basis of well tests. The gas well condensates will be metered separately.

Very truly yours,



G. Dewhurst
Regional Manager

GFD:FAB/jw

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

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

R 37 E

Rowan & Penrose 2002 1004	Magnolia 10 20011	Magnolia 160017 40012	Gulf 6003	Gulf 6030	Continental 10012 50 20 10
Penrose (Continental) 10002 10	1000 70012	60012 1500	2004	2004	201 200 200
Elliott	Brunson-Argo	Brunson-Argo	10	Eaves	L. Northam
Humble 20013 40 0007 1000	Skelly 30013 20012 120	100 70	Amerada (Parker) 100 40014	Oil Well Drig. 20014 10 40 20	W. Cary 20 10 3001 4000
Greenwood 150 30 40 60012 10001	140 50 40 20	110 40	40 20	T. Long 10	5 Long
Two States Oil 20 30 60004 10 40	Rowan & Penrose 10 20040 70 60	Rowan Drig. 30 -10 40 20	Gulf 10 20 07 10 40		
	Penrose & Clower (Farrell) 40 10 300	Continental (Rowan & Penrose) 10 20 10014 70015		Hugh 50 60	
16 Gulf A	AHC 200 10	5 Rowan-Pen. Cont'l. 10 02 30 20		14 Samedan Oil 60 1002 50 20	
Cole	Walden 200 700	Cont'l. A-15 40 2003 60 05 10		C. Parks 1002 50 20	
Cities Service 20	Tidewater 30	Ohio 10	A.G. Carter 10 20004	Amerada (W.H. Street) 8000 6007	Repro. 2.000 Oil 50 400150 30
Walden 10	20	10	Elliott	Wood 200 100	30014 10 20015
21 Magnolia 20 30 10	W. Cary 10	Penrose & Rowan 40 2007 05	W. Cary 80 10 200	22 Amerada (W.H. Street) 3020 100	(Clean Oil) Penrose 10 30
Parke 10	Gulf 10	Continental A-21 20 10	Cont. A-22 10	Humble 10	23 Samedan And. Prichard 10 10
Wanda	Elliott	Elliott	Elliott	W.B. Farrell 20014	Boyd 20

-  BRUNSON ELLENBURGER
-  DRINKARD
-  TUBB
-  BLINEBRY GAS

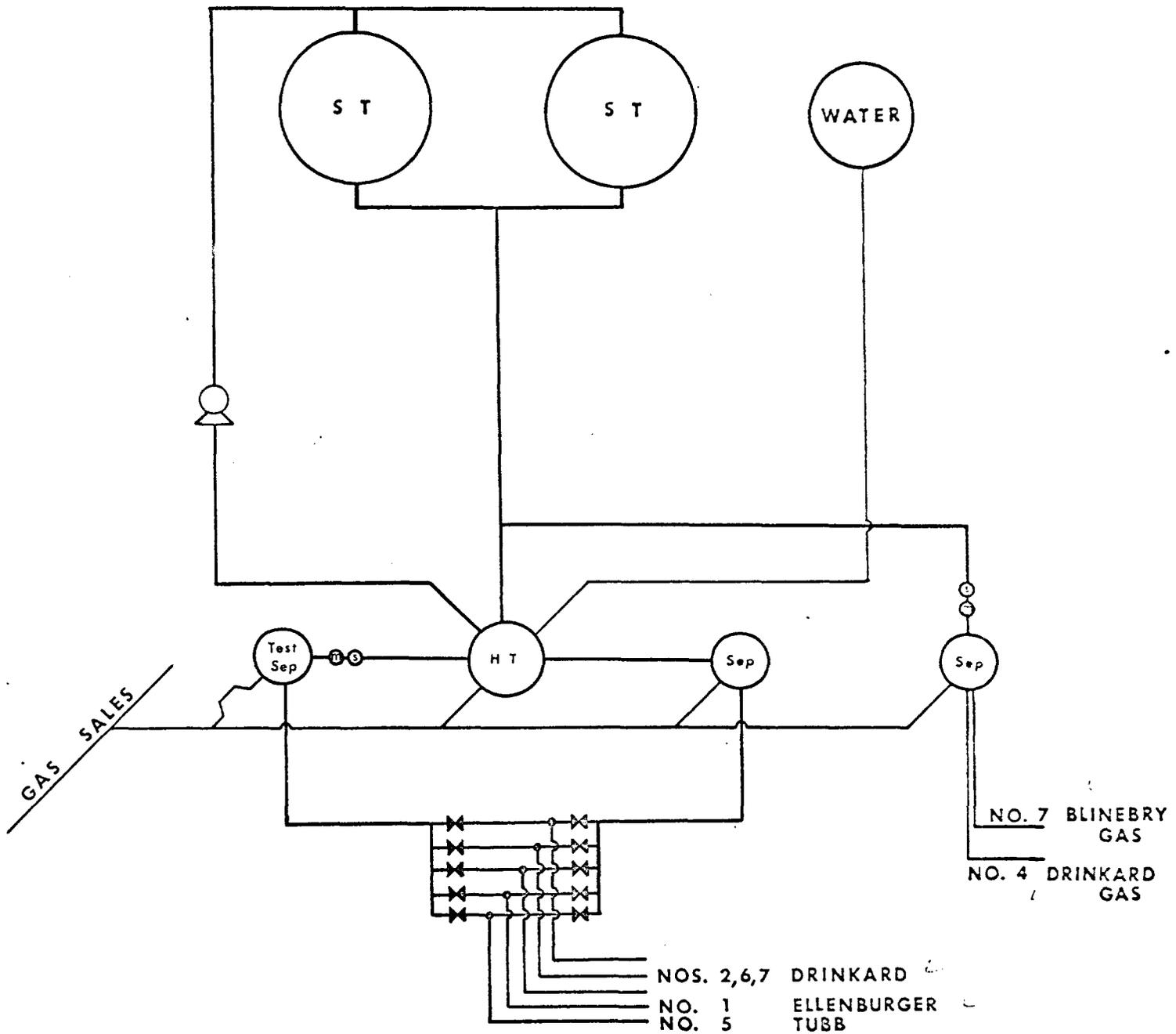
EUNICE FIELD
LEA COUNTY, N. MEX.

AMERADA HESS CORPORATION

EUNICE FIELD

E. WALDEN LEASE

PROPOSED BATTERY

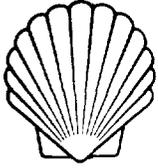


AMERADA HESS CORPORATION
 E. Walden Lease
 Oil Production for - 60 Days

	<u>Date</u>	<u>Ellenburger</u>	<u>Drinkard</u>	<u>Drinkard Gas</u>	<u>Blinebry Gas</u>	<u>Tubb</u>
July	1	16	3	0	10	3
	2	0	0	0	0	0
	3	26	8	9	3	3
	4	0	0	0	0	0
	5	11	5	10	0	2
	6	0	0	0	0	0
	7	0	5	10	7	1
	8	0	0	0	0	0
	9	33	5	7	0	0
	10	0	0	0	0	0
	11	33	8	0	0	3
	12	0	0	0	0	0
	13	16	3	0	4	5
	14	0	0	0	0	0
	15	0	8	14	0	5
	16	0	0	0	0	0
	17	21	6	10	1	14
	18	0	0	0	0	0
	19	22	8	10	0	5
	20	0	0	0	0	0
	21	0	8	10	0	4
	22	0	0	0	0	0
	23	19	8	9	2	11
	24	0	0	0	0	0
	25	30	6	11	1	14
	26	0	0	0	0	0
	27	30	8	12	0	8
	28	0	0	0	0	0
	29	0	3	9	0	11
	30	0	0	0	0	0
	31	20	3	11	2	3

AMERADA HESS CORPORATION
 E. Walden Lease
 Oil Production for - 60 Days
 June 1971

	<u>Date</u>	<u>Ellenburger</u>	<u>Drinkard</u>	<u>Drinkard Gas</u>	<u>Blinebry Gas</u>	<u>Tubb</u>
June	1	0	3	5	0	3
	2	0	0	0	0	0
	3	14	5	14	0	3
	4	0	0	0	0	0
	5	14	8	15	4	5
	6	0	0	0	0	0
	7	4	6	15	3	3
	8	0	0	0	0	0
	9	20	9	17	0	3
	10	0	0	0	0	0
	11	20	6	15	0	3
	12	0	0	0	0	0
	13	14	8	14	0	5
	14	0	0	0	0	0
	15	20	9	11	5	0
	16	0	0	0	0	0
	17	10	6	14	2	3
	18	0	0	0	0	0
	19	28	6	15	6	5
	20	0	0	0	0	0
	21	25	9	9	4	0
	22	0	0	0	0	0
	23	3	9	14	0	0
	24	0	0	0	0	0
	25	18	7	9	7	3
	26	0	0	0	0	0
	27	10	8	0	4	5
	28	0	0	0	0	0
	29	0	0	3	0	0
	30	0	3	3	0	3



SHELL OIL COMPANY

TWO SHELL PLAZA
P. O. BOX 2099
HOUSTON, TEXAS 77001

*copy to K.J. Troop
9-28-71*

September 15, 1971

Subject: Amerada Hess Corporation
E. W. Walden Lease
SW 14 Section 15
T-22-S, R-37-E
Drinkard Field
Lea County, New Mexico
83071-001

Amerada Hess Corporation
Drawer 817
Seminole, Texas 79360

Attention Mr. G. F. Dewhurst

Gentlemen:

With reference to your letter of September 2, 1971, concerning the subject lease, we are agreeable to accepting the commingled crude without statements of volumes and gravities from each production zone as previously requested.

Furthermore, it has come to our attention that we are making disbursements to interest owners on this lease. As we pay Amerada Hess 100% including taxes on most other leases, we feel we should begin paying you 100% on this lease also. Therefore, along with a carbon copy of this letter, we are sending your Tulsa office our 100% division order, including taxes, effective October 1, 1971. A transcript of ownership will follow shortly.

Yours very truly,

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

RAB:JLB

1971 SEP 20 PM 10:32
REGISTRATION/PROPERTY

AMERADA DIVISION
AMERADA HESS CORPORATION

October 4, 1971

DRAWER 817
SEMINOLE, TEXAS 79360
915 - 758 - 5805

To whom it may concern:

A letter dated August 28, 1971 to Mr. A. L. Porter, Jr., requested administrative approval to commingle the production from the E. W. Walden lease. The application sent to Santa Fe was requested to be returned to make a slight revision.

Shell Oil Company originally asked for volumes and gravities to be reported which calculated a loss of \$31 per month. Revised application to the purchaser resulted with their approval to commingle production with the payment to be based on actual commingled production. Loss now calculates to be only \$20 per month as stated in the attached letter.

Please replace the letter of August 28, 1971 with this revised application.

Yours very truly,



G. Dewhurst

GFD:FAB/jw