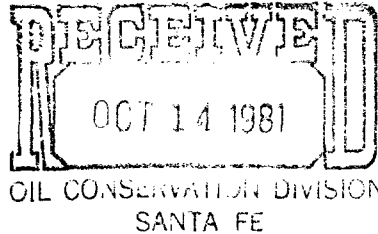


ARCO Oil and Gas Company
P.O. Box 1610
Midland, Texas 79702
Telephone 361 684 0100



October 9, 1981

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

Attention: Mr. Joe D. Ramey, Director

Dear Sir:

RE: Exception Request to Rule 303-A
J.L. Keel "B" Battery No. 3 (LC 029435-B)
Sec. 5, 6 & 8, T-17-S, R-31-E
Eddy County, New Mexico

ARCO Oil & Gas Company respectfully requests an exception to Commission Rule 303-A to permit the surface commingling into common storage of the oil produced from the Fren Seven Rivers (Seven Rivers) and Grayburg-Jackson (Grayburg-San Andres) on the J. L. Keel "B" Lease. This lease occupies all of Sections 5, 6 and 8 in T-17-S, R-31-E, Eddy County.

ARCO Oil & Gas recently recompleted the J. L. Keel "B" No. 30 to the Seven Rivers formation in Section 6, T-17-S, R-33-E, Eddy County. This is the only Seven Rivers well in subject lease. Since the J. L. Keel "B" No. 30 is not a top allowable well, ARCO can not economically justify constructing a separate metering and storage facility for the subject production.

We propose that the existing facilities at the J. L. Keel "B" Battery No. 3 be used to obtain a monthly well test and store oil production from the J. L. Keel "B" No. 30 (Seven Rivers). In the near future, if additional Seven-Rivers wells are added to the lease, a separate facility will be constructed. We plan to comply with all the other rules and regulations specified in the Commission's recent publication, "Manual for the Installation and Operation of Commingling Facilities," regarding use of common tankage.

Enclosed please find a plat showing the location of all wells and tank battery on subject lease. Also enclosed please find a schematic diagram of the proposed connection to existing facility. A listing of other pertinent data is also attached.

Oil Conservation Division
Mr. Joe D. Ramey, Director
October 9, 1981
Page 2

Your approval of this proposal will be sincerely appreciated. Please advise if we can furnish any additional information concerning this request.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "J. A. Fraga".

J. A. Fraga 
Engineer

JAF:cn

Attachments

SURFACE COMMINGLING (S.C.) REQUEST

(1) OPERATOR: ARCO Oil & Gas Co. (Division of Atlantic Richfield Co.)

(2) LEASE NAME & WELL NO.: J. L. Keel "B" No. 30*

(3) LEASE DATA:

Pools	Fren Seven Rivers *	Grayburg-Jackson
Reservoirs.	Seven Rivers	Grayburg & San Andres
No. Producing Wells	1	13
Oil Gravity-API (Corr.)	34°	35°
Latest Tests & Date	9-1-81	7-1-81
BOPD	2	87
BWPD	10	643
MCF/D	69	34
Market Value (Before - S.C.) . . .	Newly Discovered	Stripper
Market Value (After - S.C.) . . .	Same	Same

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

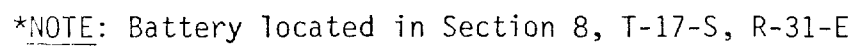
SUBMIT IN DUPLICATE*

(See other In-
structions on
reverse side)Form approved:
Budget Bureau No. 42-10355-1

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1. TYPE OF WELL: OIL WELL ☒ GAS WELL ☐ DRT ☐		2. NAME OF OPERATOR ARCO Oil and Gas Co. Division of Atlantic Richfield Co.		3. ADDRESS OF OPERATOR P. O. Box 1710, Hobbs, New Mexico 88241-1710		4. LOCATION OF WELL (Report location clearly and in accordance with any State regulations) At surface 430' FSL & 2250' FEL (Unit Ltr "0") At top prod. interval reported below as above At total depth as above		5. LEASE DESIGNATION AND SERIAL NO. LC-029435(b)		6. IF INDIAN, ALIOTTEE OR TRIBE NAME		7. UNIT ACCELEMENT NAME		8. FARM OR LEASE NAME J. L. Keel "B"		9. WELL NO. 30		10. FIELD AND POOL, OR WILDCAT Fren Seven Rivers		11. SEC. T., R., M., OR BLOCK AND SURVEY OF AREA 6-17S-31E		12. COUNTY OR PARISH Eddy		13. STATE NM							
14. PERMIT NO.		15. ELEVATIONS (DE, PER, ET, GE, ETC.)* 3760.4' GR		16. DATE TD REACHED 2/12/75		17. DATE COMPL. (Ready to prod.) 8/17/81		18. ELEV. CASINGHEAD No		19. ELEV. CASINGHEAD		20. TOTAL DEPTH, MD & TVD 3250'		21. PLUG BACK T.D., MD & TVD 2750'		22. IF MULTIPLE COMPL., HOW MANY*		23. INTERVALS DRILLED BY 10-3250'		24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)* 1959-2013' Seven Rivers		25. WAS DIRECTIONAL SURVEY MADE No		26. TYPE ELECTRIC AND OTHER LOGS RUN GR-CCL-CBL & CAT		27. WAS WELL CORED ACCEPTED FOR RECORD PETER W. CHESTER SEP 25 1981 U.S. GEOLOGICAL SURVEY ROSWELL, NEW MEXICO					
28. CASING RECORD (Report all strings set in well)		29. LINER RECORD		30. TUBING RECORD		31. PERFORATION RECORD (Interval, size and number)		32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.		33. PRODUCTION		34. DISPOSITION OF GAS (Selling, used for fuel, vented, etc.)		35. LIST OF ATTACHMENTS		36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records		37. SIGNED J. E. Schwindt TITLE Dist. Drlg. Supt. DATE 9/03/81		38. TEST WITNESSED BY LeRoy Troop		39. (See Instructions and Spaces for Additional Data on Reverse Side)		40. (See Instructions and Spaces for Additional Data on Reverse Side)							
Casing Size		Weight, lb./ft.		Depth Set (MD)		Roll Size		Cementing Record		Date First Production		Production Method (Flowing, gas lift, pumping—size and type of pump)		Well Status (Producing or shut-in)		Date of Test		Holes Tested		Casing Size		Prodn. for Test Period		Oil—FEL		Gas—MCF		Water—FBL		Gas-Oil Ratio	
8-5/8" OD		24# K-55		506'		12 1/2"		375 SX		8/10/81		Flowing		Shut-in		9/01/81		24		22/64"		—→		2		69		10		34,500:1	
5 1/2" OD		14# H-40		3249'		7-7/8"		760 SX										25#		pkp		—→		2		69		10		34°	
33. PRODUCTION		34. DISPOSITION OF GAS (Selling, used for fuel, vented, etc.)		35. LIST OF ATTACHMENTS		36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records		37. SIGNED		38. TEST WITNESSED BY		39. (See Instructions and Spaces for Additional Data on Reverse Side)		40. (See Instructions and Spaces for Additional Data on Reverse Side)		41. (See Instructions and Spaces for Additional Data on Reverse Side)		42. (See Instructions and Spaces for Additional Data on Reverse Side)		43. (See Instructions and Spaces for Additional Data on Reverse Side)		44. (See Instructions and Spaces for Additional Data on Reverse Side)		45. (See Instructions and Spaces for Additional Data on Reverse Side)		46. (See Instructions and Spaces for Additional Data on Reverse Side)		47. (See Instructions and Spaces for Additional Data on Reverse Side)		48. (See Instructions and Spaces for Additional Data on Reverse Side)	

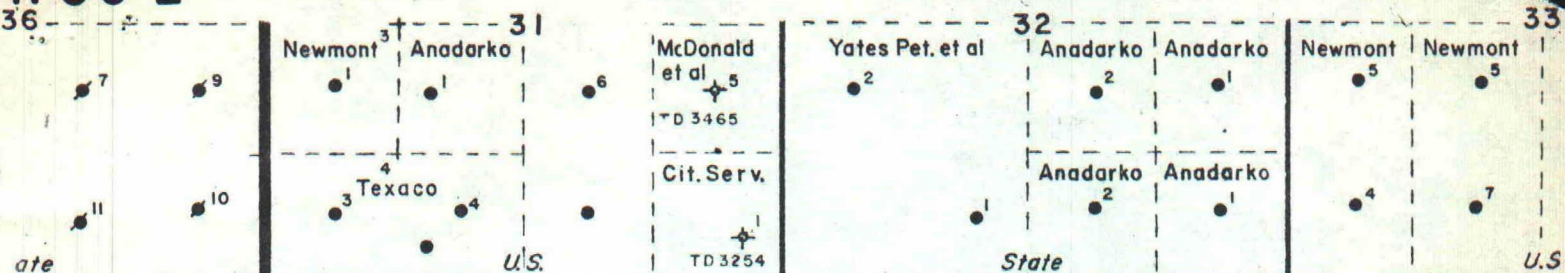
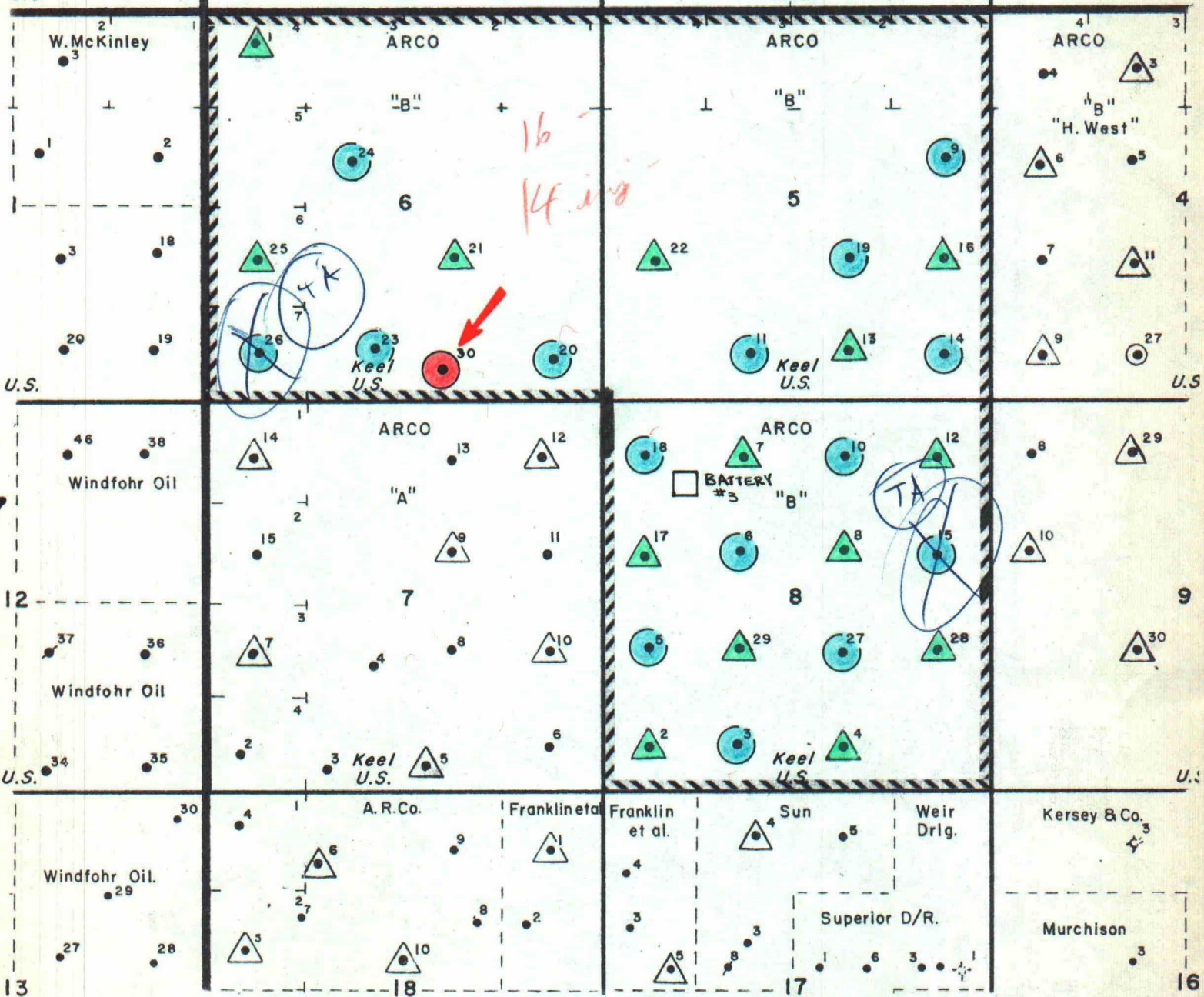
J. L. Keel "B" Battery No. 3*
(LC 029435-B)



*NOTE: Battery located in Section 8, T-17-S, R-31-E

R 30 E

R 31 E

T
16
ST
17
S

L E G E N D



FREN SEVEN RIVERS



GRAYBURG - SAN ANDRES



GRAYBURG - SAN ANDRES INJECTOR

ARCO Oil and Gas Company

Division of Atlantic Richfield Company

Permian District Midland, Texas

FREN SEVEN
RIVERS POOL

EDDY COUNTY, NEW MEXICO

J. L. KEEL "B" LEASE

SCALE: 1" = 2000'

By J. A. FRAGA

Date: 10 - 81

Dept: WEST AREA ENGR.

Drawn By

Revised By

Dwg No.

Date: 10 - 81

Date