

ARCO Oil and Gas Company
New Mexico-Arizona District
P.O. Box 1710
Hobbs, New Mexico 88240
Telephone 505 392 3551



JUL 3 1984

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July 3, 1984

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

Re: Request Amendment to
Administrative Order R-1385
Commingling Production
J. R. Phillips "A" Lease

Dear Mr. Quintana:

Recently, we began investigating the requirements to commingle our J. R. Phillips "A" Lease without separate measurement of each zone. Our J. R. Phillips "A" Lease consists of eight wells numbered 1,2,3,4,5,6,7, and 9. Wells No. 6 and 9 are gas wells and are not included in the battery, but are metered separately by the gas purchaser, and are not included in this commingling application. Wells No. 1,3,4, and 7 are single oil wells and well No. 2 is a gas well. In accordance with Administrative Order R-1385, dated 4/22/59, (attached), we are permitted to commingle the production from the Monument-McKee Gas Pool, the Eunice Monument Pool, and the Monument Blinebry Pool. We are presently commingling oil and distillate production from the Grayburg San Andres (Eunice-Monument) Oil Pool and the Blinebry Oil Pool by a separate metering system. Currently there is no distillate production from the Monument-McKee Gas Pool (Wells No. 6 and 9). We believe royalty ownership and working interest of all zones is identical. ?

At present, all wells now produce less than top allowable liquid production. Attached is a tabulation of production showing the daily average production over a 60 day period. However, wells No. 2 and 7 appear to be capable of producing casinghead gas in excess of their allowable. These two wells will be metered separately to prevent overproduction.

With this information in mind, we respectfully request that the commingling order for this lease be amended to allow for surface commingling of the zones without separate measurement of each zone. Instead the production from each well and zone is to be

Mr. Gilbert Quintana
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determined from well tests conducted periodically as determined
by the NMOCD.

Please contact us if any additional information is needed.

Respectfully,

Handwritten signature of Jennifer Y. Julian in cursive script, followed by the initials "cmj".

Jennifer Y. Julian
Summer Engineer

JYJ:jc

Xc: Mr. Jerry Sexton - NMOCD, Hobbs

J.R. PHILLIPS "A" LEASE

JUL 9 1984

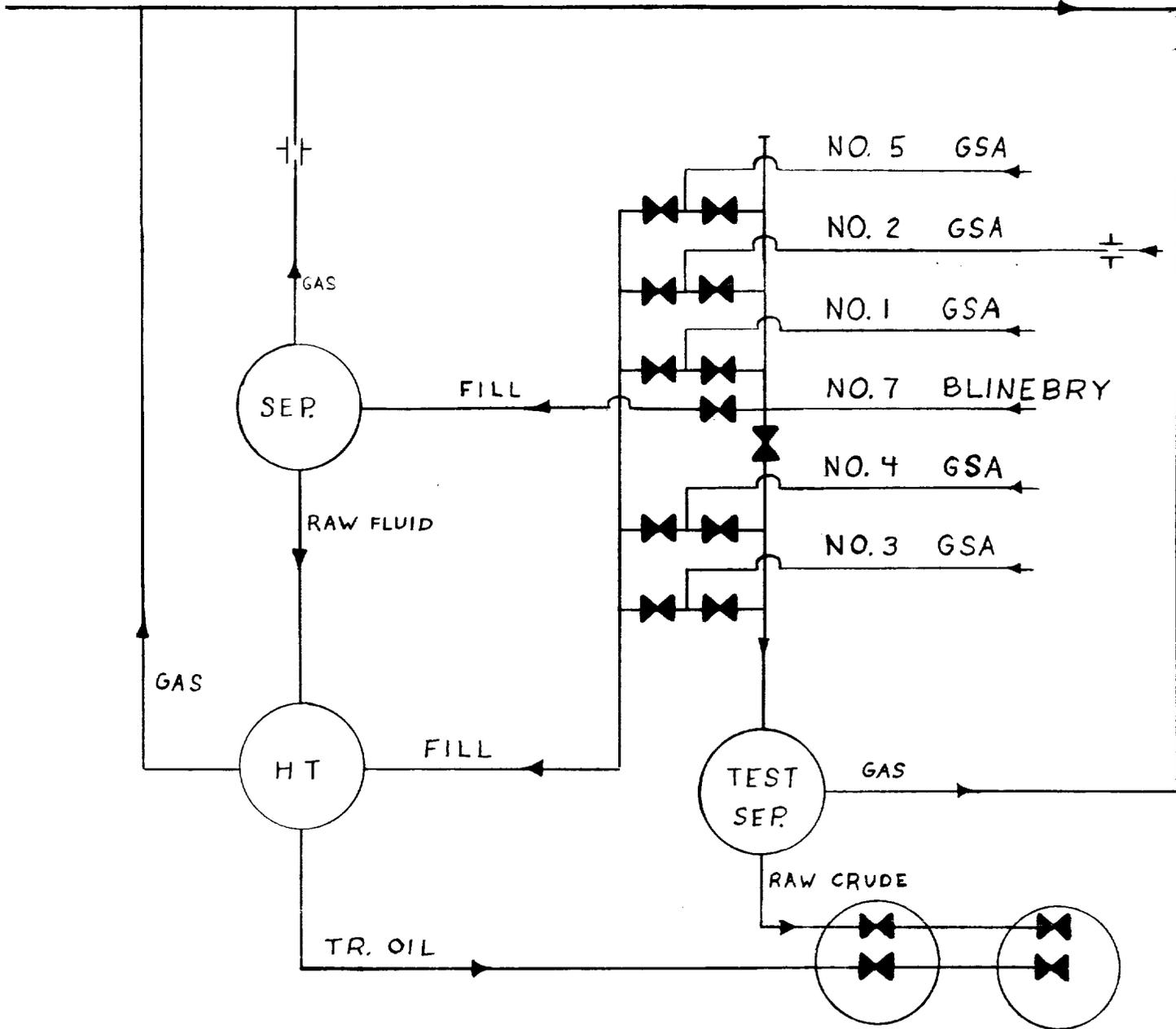
Month	Well No.	Zone	Days Prod.	BO (Total)	BO (Daily Avg.)	MCFG (Total)	MCFG (Daily Avg.)
2/84	1	Grayburg- San Andres	29	58	2	4,449	153
	✓ 2*+	Grayburg- San Andres	29	--	-	13,949	481
	3	Grayburg- San Andres	28	360	13	1,452	52
	4	Grayburg- San Andres	29	102	4	1,235	43
	5	Grayburg- San Andres	29	112	4	1,356	47
	↓ 6+	Yates Seven Rivers Queen	14	--	-	5,994	428
	✓ 7*	Blinebry	4	56	14	1,130	283
	✓ 9+	McKee	14	--	-	318	23
		Ellenburger					
3/84	1	Grayburg- San Andres	31	60	2	373	12
	✓ 2*+	Grayburg- San Andres	31	--	-	15,779	509
	3	Grayburg- San Andres	30	349	11	142	5
	4	Grayburg- San Andres	31	90	3	319	10
	5	Grayburg- San Andres	31	151	5	334	11
	✓ 6+	Yates Seven Rivers Queen	14	--	-	7,350	525
	✓ 7*	Blinebry	4	62	16	8,709	2,177
	✓ 9+	McKee	29	--	-	1,332	46
		Ellenburger					

* Gas will be metered separately
 + Gas well

Top unit allowable Grayburg-San Andres Pool = 80 BOPD and 360 MCFGD
 Top unit allowable Blinebry Pool = 107 BOPD and 214 MCFGD

(Source - NMOCD Oil Proration Schedule District I, January thru April, 1984)

GAS SALES



LEGEND

- SEP. SEPARATOR
- HT HEATER TREATER
- ST STOCK TANK
- ✕ VALVE
- ⊕/⊖ GAS METER
- GSA GRAYBURG SAN ANDRES

ARCO Oil and Gas Company

Division of AtlanticRichfield Company

Permian District Midland, Texas

WEST AREA

Lea County, New Mexico

PROPOSED BATTERY SCHEMATIC

JR PHILLIPS A LEASE

JUL 15 1959

**BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO**

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:**

CASE NO. 1645
Order No. B-1385

**APPLICATION OF SINCLAIR OIL & GAS
COMPANY FOR PERMISSION TO COMINGLE
THE PRODUCTION FROM THREE SEPARATE
POOLS IN LEA COUNTY, NEW MEXICO.**

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on April 22, 1959, at Santa Fe, New Mexico, before Daniel S. Mutter, Examiner, duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 17th day of May, 1959, the Commission, a quorum being present, having considered the application, the evidence adduced and the recommendations of the Examiner, Daniel S. Mutter, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Sinclair Oil & Gas Company, is the owner and operator of the J. R. Phillips "A" lease consisting of the SW/4 of Section 31, Township 19 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the applicant proposes to commingle the production from the Monument-McKee Gas Pool, the Eunice-Monument Pool, and the Monument-Blinbry Pool on said J. R. Phillips "A" lease.

(4) That the applicant proposes to separately meter the production from each pool prior to commingling.

(5) That approval of the subject application will not cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

That the applicant, Sinclair Oil & Gas Company, be and the same is hereby authorized to commingle the production from the

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Case No. 1645
Order No. R-1385

Monument-McKee Gas Pool, the Eunice-Monument Pool, and the Monument-Blinbry Pool on its J. E. Phillips "A" lease consisting of the SW/4 of Section 31, Township 19 South, Range 37 East, NMPM, Lea County, New Mexico.

PROVIDED HOWEVER, That the production from each of said pools shall be separately metered by means of positive displacement meters or dump type meters prior to commingling, and such meters shall be checked for accuracy once each month until further direction by the Secretary-Director.

PROVIDED FURTHER, That the applicant shall install adequate testing facilities to permit the testing of all wells located on the said J. E. Phillips "A" lease at least once each month to determine the individual production from each of said wells.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JOHN BURROUGHS, Chairman

MURRAY E. MORGAN, Member

A. L. PORTER, Jr., Member & Secretary

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