



OIL CONSERVATION DIVISION
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American Exploration Company

Aug. 21, 1990

Re: Request to Surface
Commingle
Howard Fleet Lease
King Penn and Devonian
Lea County, New Mexico

State of New Mexico
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Attn: David Catanach

Gentlemen:

American Exploration Company respectfully requests approval for exception to Rule 303-A to surface commingle the King Penn and the King Devonian Pools from the Howard Fleet Lease, located in Section 35, T15S, R37E, Lea County, New Mexico.

The recent completion of the Howard Fleet Well No. 5 located 2250' FSL and 600' FEL in the King Penn Pool requires this approval to commingle in common facilities the commonly owned production to include this production with that of the King Devonian Pool in the Howard Fleet Well No. 2 located 330' FEL and 990' FSL of the lease. The liquid hydrocarbon production from the King Penn will be accurately metered with the remaining production subtracted and allocated to the King Penn Devonian.

Additional data relative to this commingling request are listed as follows and attached as Exhibit A, B and C to this letter request.

1. A lease plat is attached showing the location of each well and attached as Exhibit A and B.
2. Ownership of interest in both formations is the same.
3. A schematic diagram of the Howard Fleet Tank Battery is attached as Exhibit C.
4. The quality of crude is identical and commingling will not reduce the commercial value.
5. Production from the King Penn Pool based on a 24 hr. pump test is 129 BOPD at 42.8 degree gravity, 100 BWPD and 150 MCFGPD.
6. Production from the King Devonian based on a 24 hr. pump test is 43 BOPD at 42.8 degree gravity, 1425 BWPD and 80 MCFGPD.

State of New Mexico
Oil Conservation Division
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American Exploration was granted temporary permission to surface commingle this production on August 13, 1990 for thirty (30) days and your prompt consideration to our request would be appreciated.

If there are any further questions, please contact either Donnie Hill, Regional Production Superintendent at 505-394-2508 or the undersigned.

Very truly yours,

AMERICAN EXPLORATION COMPANY


Marty B. McClanahan
Sr. Production Analyst

MBM:mm
Encl.

cc: Donnie Hill
Jeraldine Enard

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator AMERICAN EXPLORATION CO.			Lease Howard Fleet		Well No. 5
Unit Letter I	Section 35	Township 13 South	Range 37 East	County Lea	
Actual Footage Location of Well: 2250 feet from the South line and 600 feet from the East line					
Ground level Elev. 3843.5	Producing Formation Penn		Pool King Penn	Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.

2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

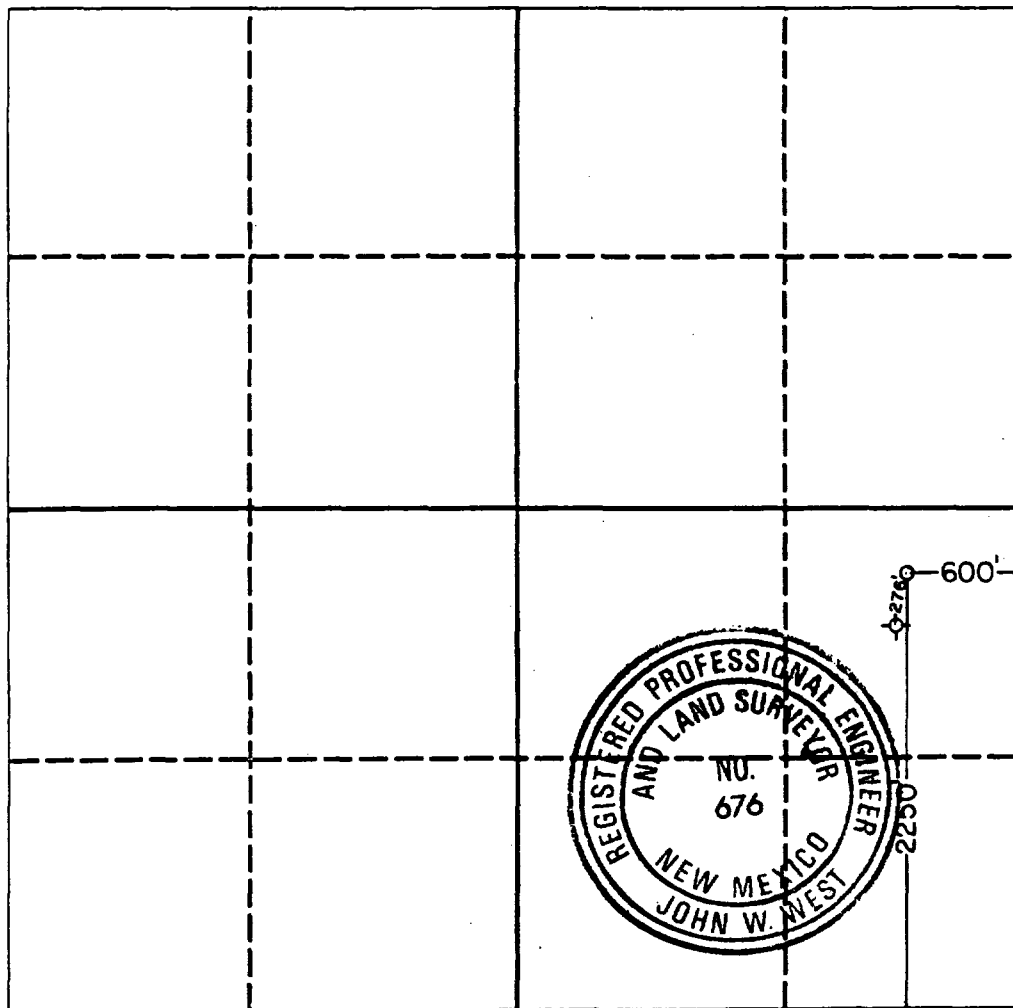
3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

☐ Yes☐ No

If answer is "yes" type of consolidation _____

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature

Marty B. McClanahan

Printed Name

Sr. Production Analyst

Position

American Exploration Co.

Company

March 28, 1990

Date

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

March 19, 1990

Signature & Seal of
Professional Surveyor

Certificate No. JOHN W. WEST, 676

RONALD J. EIDSON, 3239

EXHIBIT B
NEW MEXICO
OIL CONSERVATION COMMISSION

Form C-128

Well Location and/or Gas Proration Plat

Date December 13, 1956

Operator CABOT CARBON COMPANY Lease H. W. Fleet

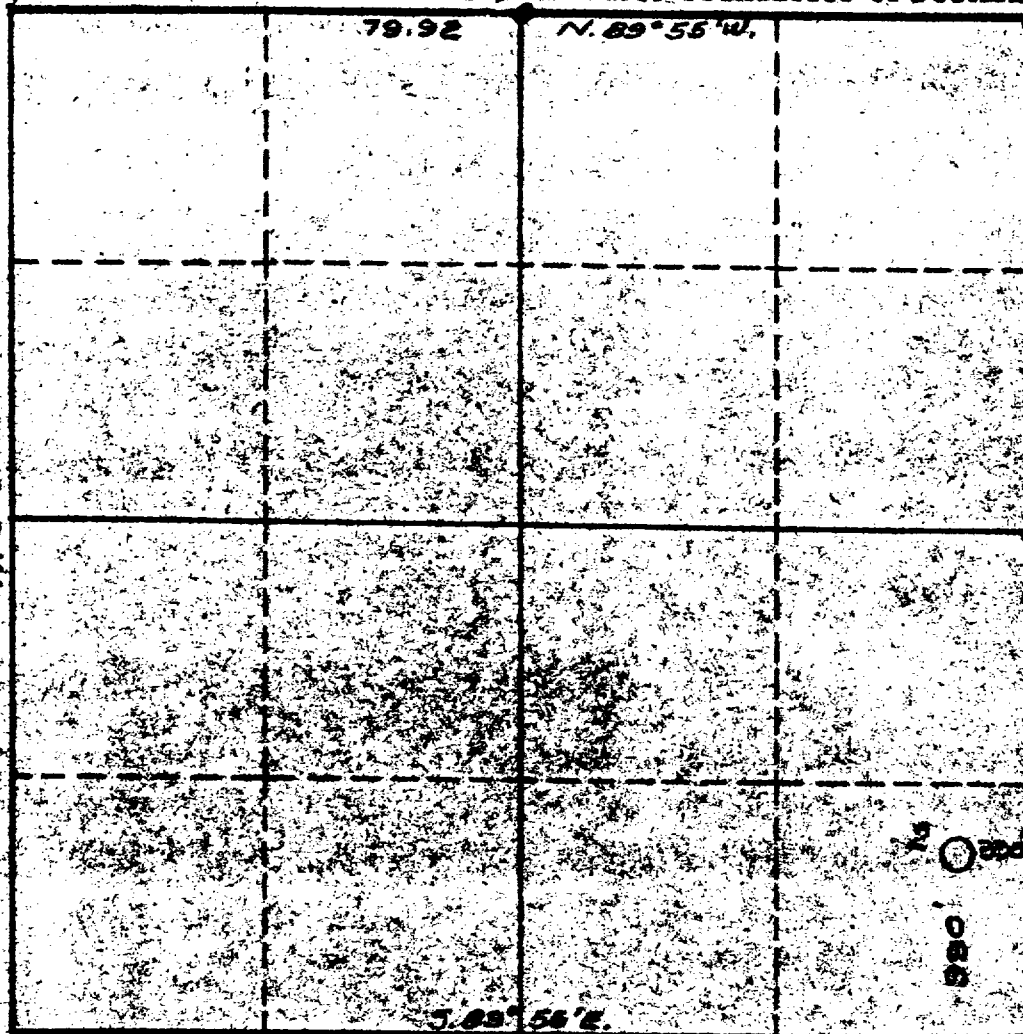
Well No. 2 Section 35 Township 13 South Range 37 East NMPM

Located 990 Feet From South Line, 330 Feet From East Line,

Lea County, New Mexico. G. L. Elevation 3852.0

Name of Producing Formation _____ Pool _____ Dedicated Acreage _____

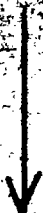
(Note: All distances must be from outer boundaries of Section)



LEGEND:
● Re-located Corner
○ Staked Well Location

NOTE

This section of form is to be used for gas wells only.



SCALE: 1"=1000'

1. Is this Well a Dual Comp.? Yes No
2. If the answer to Question 1 is yes, are there any other dually completed wells within the dedicated acreage? Yes No

This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

Name _____
Position _____
Representing _____
Address _____

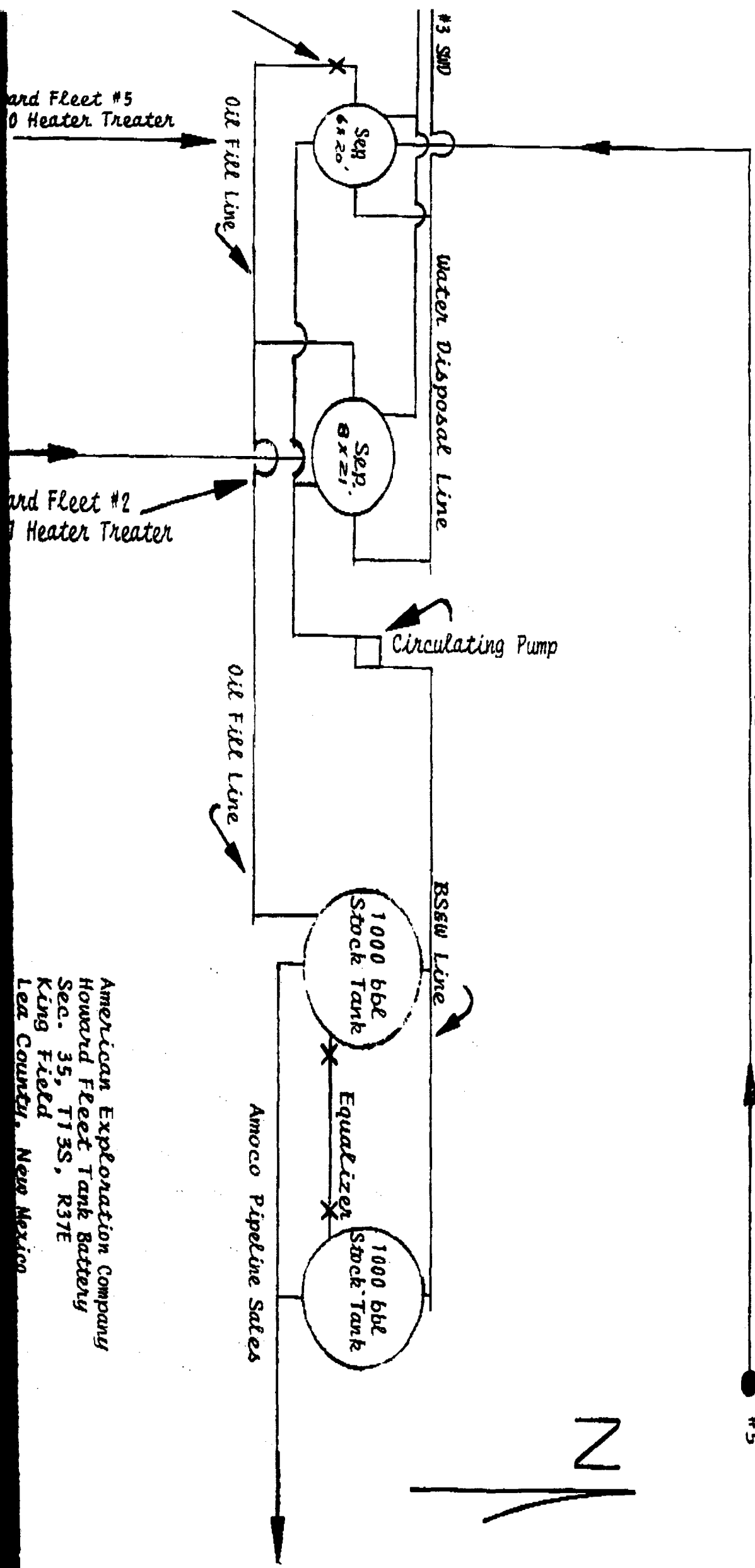
Date Surveyed December 13, 1956
[Signature]
Registered Professional Engineer and/or
Land Surveyor License No. 1559

Flowline

EXHIBIT "C"

Howard Fleet #5

N



Flowline

Howard Fleet #2



STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

HOBBS DISTRICT OFFICE

30 AUG 28 AM 9 46

GARREY CARRUTHERS
GOVERNOR

August 13, 1990

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

American Exploration Company
2100 NCNB Center
Houston, TX 77002

Attn: Marty McClanahan

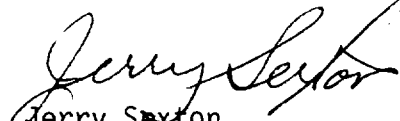
Re: Temporary Permission to Surface Commingle
King Penn & King Devonian Production
Howard Fleet #5-I and Howard Fleet #2
Sec. 35, T13S, R37E

Gentlemen:

As requested in your August 10th letter permission is hereby granted to surface commingle for 30 days King Penn production from your Howard Fleet #5 with King Devonian production from your Howard Fleet #2 on your Howard Fleet lease pending approval of your application to commingle production from these two pools.

Very truly yours,

OIL CONSERVATION DIVISION


Jerry Sexton
Supervisor, District I

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cc: Donnie Hill - Eunice, NM
David Catanach - OCD Santa Fe