

ARCO Permian

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Elizabeth A. Casbeer Regulatory/Compliance Analyst

April 20, 2000

New Mexico Oil Conservation Division ATTN: Mark Ashley 2040 S. Pacheco Street Santa Fe, New Mexico 87505

RE: Application to Surface Commingle E. L. Steeler & Eva Blinebry Leases Jalmat and Langlie-Mattix Pools Sections 19 & 30, T-23-S, R-37-E Lea Co., NM

Mr. Ashley:

Per our phone conversation yesterday regarding changing the location of the gas compressor from Section 19 to Section 30, on our surface commingle application for the leases listed above. Attached is another schematic of the plan with the changes and all wells except the Blinebry #2 will have an individual meter. The volume for Blinebry #2 will be determined by deducting the volume of the other wells from the master sales meter. All meters will be electronic flow measurement devices that are very reliable and accurate.

ARCO will surface commingle by gathering gas from one lease, transport to another lease, compress the gas in one compressor, and sell through one central sales point. The gas will be metered separately prior to movement off lease and the individual lease volumes will be allocated back to each lease based on the ratio of the lease volumes to the total sales volumes. The two leases are the:

E.L. Steeler Well Nos. 3, 4, & 5 - S/2 of Sec. 19, T-23-S, R-37-E, Lea Co. NM Eva Blinebry Well Nos. 2 & 7 - N/2 of Sec. 30, T-23-S, R-37-E, Lea Co. NM

Your cooperation in this matter will be appreciated. If you have any questions, please contact me at 915/688-5570. Please send your approval to proceed to my attention at the address listed above.

Yours very truly,

Elizabeth A. Casbeer

Regulatory Compliance Analyst

Attachment

Ray Powell - State of New Mexico, Commissioner of Public Lands XC: 310 Old Santa Fe Trail, P. O. Box 1148, Santa Fe, NM 87504-1148 Dennis Braaten - 023/MIO Larry Henson - EUN Bob Younger - 023/MIO Central Files - 41/MIO **R/C Files**

Schematic of Proposed E.L Steeler / Eva Blinebry **Commingling Facilities** - Jalmat Well = Langlie-Mattix Well || = Meter – 🚊 New Flowlines T-23-S R-37-E Sec. 19 **E.L Steeler** 2" Poly Sales Meter by Meter Deduct ►To Gas Purchaser 2" Poly **Eva Blinebry**

Sec. 30