



March 21, 1975

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

Attn: Mr. D. S. Nutter, Chief Engineer

Re: Application for Administrative Approval
to Commingle Production
Atlantic Richfield Company
H. E. West "A" Lease
Sections 3 & 4, T-17S, R-31E
LC 029426 (a) Tract A & B
Grayburg-Jackson Field
Eddy County, New Mexico

Gentlemen:

Atlantic Richfield requests permission to commingle at the surface, the production from our H. E. West "A" Lease, LC 029426 (a), in Eddy County, T-17S, R-31E. Commingling is necessary on the H. E. West "A" Lease because the total volume of oil production is affected by different royalties:

Tract "A" - 12-1/2% Royalty

Sec. 3: NE/4, S/2 NW/4

Sec. 4: SE/4, S/2 NE/4

Tract "B" - Schedule "C" Royalty (12-1/2-25%)

Sec. 3: N/2 NW/4

Sec. 4: ~~N/2 NW/4~~ N/2 NE/4

The H. E. West "A" Lease went under secondary recovery operations when the Keel West Waterflood was established in 1964 in the Grayburg-San Andres reservoirs. Production is now in the final stage before reaching abandonment. Attached is a plat of the West "A" Lease which shows well locations and current daily producing rates for

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January 1975. The Status of the wells in Tract A and Tract B are as follows:

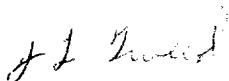
<u>Tract A</u>	<u>Tract B</u>
# 4 - Water Injection Well	# 2 - Producer - 5 BOPD/2 BWPD
# 5 - Producer - 13 BOPD/117 BWPD	# 7 - Water Injection Well
# 6 - Producer - 23 BOPD/12 BWPD	#10 - SI Prior to P&A
# 8 - Water injection well	#13 - Water injection well
# 9 - Water injection well	
#11 - SI Prior to P&A	
#12 - SI Prior to P&A	

As can be seen in the attached plat, we have three producing wells left on the lease. In addition to combining production from these wells, we request permission to produce the three wells through one heater-treater and allocate total production, both oil and gas, based on monthly gas-oil ratio tests. Under our present operation we utilize both heater-treaters and allocated production by metered volumes (see attached diagram). Due to the decline in production, we do not have enough gas to fire both heaters. By combining the production and allocating production from monthly well tests, we can continue economically producing the wells on both tracts. We have no possibilities of remedial work to increase production at this time.

A copy of the letter from the United States Department of the Interior Geological Survey that approves this method of allocation and acknowledges our approved application to commingle production on the West "A" Lease is attached. Also attached is a plat of the West "A" Lease and a schematic of the lease facilities.

If this proposal is approved, we will proceed with the work. If you desire additional information, please advise.

Very truly yours,



J. L. Tweed, District Engineer

RMM/agp

cc: New Mexico Oil Conservation Commission, Drawer DD, Artesia, New Mexico 88210
United States Geological Survey, Drawer U, Artesia, New Mexico 88210
Mr. G. V. Ricks - Hobbs
Mr. L. C. Hudry - Hobbs



United States Department of the Interior

GEOLOGICAL SURVEY

P. O. Drawer U
Artesia, New Mexico 88210

January 30, 1975

Atlantic Richfield Company
Post Office Box 1710
Hobbs, New Mexico 88240

Gentlemen:

By letter of August 28, 1963, the Geological Survey approved your application to commingle production from the following two tracts under your H. E. West "A" lease, oil and gas lease LC 029426(a) in T. 17 S., R. 31 E., Eddy County, New Mexico, and to allocate commingled production by metering and deducting Tract "B" production from gross production:

Tract "A" - $12\frac{1}{2}\%$ Royalty

Sec. 3: $NE\frac{1}{4}$, $S\frac{1}{2}NW\frac{1}{4}$

Sec. 4: $SE\frac{1}{4}$, $S\frac{1}{2}NE\frac{1}{4}$

Tract "B" - Schedule "C" Royalty ($12\frac{1}{2} - 25\%$)

Sec. 3: $N\frac{1}{2}NW\frac{1}{4}$

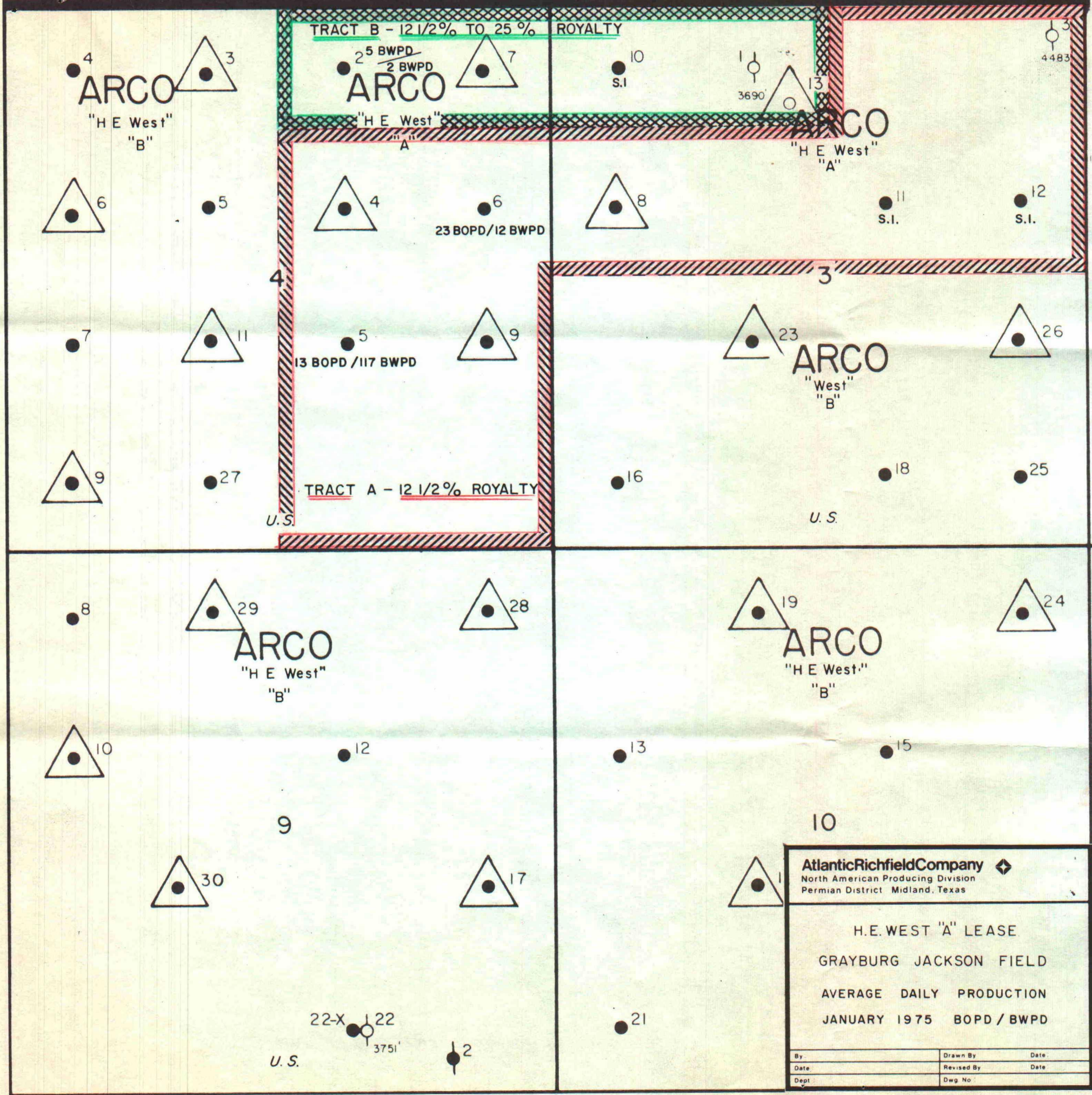
Sec. 4: $N\frac{1}{2}NE\frac{1}{4}$

Your letter of January 22, 1975, requests approval to change the method of allocating the commingled production from the two tracts in the lease. You now propose to base allocation on monthly tests. The proposed change in the method of measuring, as outlined in your application, is hereby approved subject to New Mexico Oil Conservation Commission approval.

Sincerely yours,

Robert L. Beekman
Assistant District Engineer

cc: Roswell
NMOCC, Santa Fe



TRACT B - 12 1/2% TO 25 % ROYALTY

2 5 BWPD
2 BWPD
ARCO

"H E West"
"A"

ARCO
"H E West"
"A"

TRACT A - 12 1/2% ROYALTY

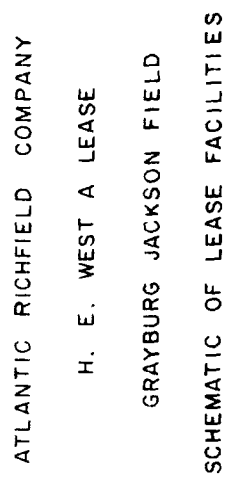
ARCO
"H E West"
"B"

ARCO
"H E West"
"B"

Atlantic Richfield Company
North American Producing Division
Permian District Midland, Texas

H.E. WEST "A" LEASE
GRAYBURG JACKSON FIELD
AVERAGE DAILY PRODUCTION
JANUARY 1975 BOPD / BWPD

By	Drawn By	Date
Date	Revised By	Date
Dept	Dwg No	



SCHEMATIC OF LEASE FACILITIES