

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

OIL CONSERVATION DIVISION

SEP - 7 1984

RECEIVED



September 4, 1984

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

Attn: Gilbert P. Quintana
Petroleum Engineer

RE: Interest Owner Approval of Commingle by Test Proposal
to Determine Lease Allocation for the Duthie Andrews
and Langlie Federal Leases

Dear Gilbert:

As you suggested, since interest ownership (working, royalty, and overriding) was not identical between the Duthie Andrews Leases, waiver forms were sent to the interest owners requesting that ARCO be allowed to determine lease allocation by periodic well test rather than by the current method of metering. The same was also done for the Langlie Federal Leases.

All of the waiver forms for both of the leases have now been returned and we have received unanimous approval to carry out our request. Since you indicated that this condition would allow ARCO to put into effect the commingling by test orders, we have done so as of September 1st of this year.

The prior issued order for the Duthie Andrews Leases is CTB-288, dated 12-14-83. Permission to allocate production by well test for the Langlie Federal Leases is contained in your letter to me dated 12-21-83.

ARCO will comply with the BLM's stipulation to well test once each month for these leases.

The transporters and the BLM will be notified of our recent action.

Attached to this letter is my original request letter, the blank copy interest owner request letters, copies of the waiver letters, and copies of the previously mentioned orders.

Gilbert P. Quintana

Page 2

September 4, 1984

If you have any questions, please call me at Ext. 205. Thanks for your help.

Sincerely,

Tony Carapezza cmj

Tony Carapezza
Production/Facilities Engineer

TC:knc

Attachments

cc: C.M. Tellinghuisen - Hobbs
D.K. McSparran - MIO 646



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Roswell District Office

P. O. Box 1397

Roswell, New Mexico 88201

IN REPLY
REFER TO:

LC-060941

LC-060943

LC-060944

August 17, 1984

ARCO Oil and Gas Company
Attention: Mr. Anthony Carapezza
P.O. Box 1710
Hobbs, New Mexico 88240

Gentlemen:

Your application, dated February 7, 1984, for permission to surface commingle and of lease storage of production from the Langlie Federal "B" lease No. LC-060941 and production from the Langlie Federal "A" lease No. LC-060944 with production from the Langlie Federal lease No. LC-060943 and stored in facilities to be located in the N $\frac{1}{2}$ SE $\frac{1}{4}$ sec. 14, T. 25 S., R. 37 E., Lea County, New Mexico, lease No. LC-060943, is hereby approved.

As a condition of approval, you are required to test each well for a minimum of twenty-four (24) hours once per month. Any wells or leases proposed to be added to the approved commingling facilities must be approved by the Area Manager in Carlsbad prior to their being included in the facility. Any waterflood operations you contemplate in the future must be conducted pursuant to either an approved lease line agreement or a secondary recovery unit agreement, as appropriate.

This approval should not be construed as granting any right-of-way or construction rights not granted by the lease instrument. Such approval must be obtained from the surface managing agencies concerned.

Please notify the Area Manager in Carlsbad when this action is initiated.

Sincerely yours,

District Manager

Associate

HOBBS OFFICE

AUG 20 1984

DATE REC'D.



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONY ANAYA
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

December 21, 1983

Arco Oil & Gas Company
New Mexico - Arizona District
P.O. Box 1710
Hobbs, NM 88240

Attention: Anthony Carapezza,
Production Facilities Engineer

Re: Request for Allocation by
Well Tests
Lease Commingling Order R-1862 *LAUGLIE LEASE*
Sec. 14, T-25S, R-37E, Lea *Case # 2162*
County, New Mexico

Dear Mr. Carapezza:

I have reviewed your request for permission to use well tests in determining allocation for the leases stated in Order R-1862. The marginal nature of the leases and the low volume of liquids produced are sufficient justification to allow well tests as a means of determining production allocation.

Arco Oil & Gas Company is therefore allowed to use biannual well tests as a means of determining allocation for lease commingled production affected by Order R-1862. Should top allowable for any of the subject leases be reached, the permission granted by this letter will be rescinded and determination of allocation must again revert to the original means stated in Order 1862 or to one appropriate with the NMOCD "Manual for the Installation and Operation of Commingling Facilities".

Should you have any questions, call me at 827-5807.

Sincerely,

Gilbert P. Quintana

GILBERT P. QUINTANA
Petroleum Engineer

GPQ/dp

cc: Joe D. Ramey
Hobbs District Office
Case File No. 2162