

# OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO  
P. O. BOX 2088 - SANTA FE  
87501

I. R. TRUJILLO  
CHAIRMAN

LAND COMMISSIONER  
ALEX J. ARMIJO  
MEMBER

STATE GEOLOGIST  
A. L. PORTER, JR.  
SECRETARY - DIRECTOR

December 9, 1974

RECEIVED

DEC 16 1974

Atlantic Richfield Company  
P. O. Box 1610  
Midland, Texas 79701

O. C. C.  
ARTESIA, OFFICE

Attention: Mr. C. R. Leggott, Jr.

Re: Commingle of Production  
State BR No. 1

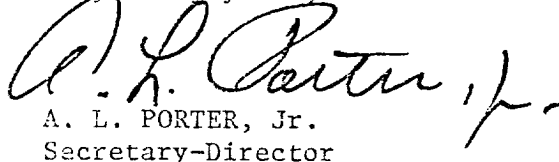
Gentlemen:

Reference is made to your letter dated December 3, wherein you request authority to commingle the production from the Avalon-Morrow Gas Pool and from an undesignated Atoka Gas Pool from your State BR Well No. 1, a dual completion located in Unit K of Section 16, Township 21 South, Range 26 East, Eddy County, New Mexico.

It is our understanding that you would meter the wet stream from each zone separately, then combine the streams to go through a single separator, dehydrator, and sales meter. Further, that gas-liquid ratio tests will be conducted on each zone every three months with the results thereof used to allocate liquid production to each zone. It is our further understanding that the ownership of the two zones is identical throughout, so that no equities will be disturbed by possible error in allocation or measurement.

Atlantic Richfield is hereby authorized the aforesaid production as proposed, provided however, that this authority may be rescinded in the event that the production from either or both of the zones becomes prorated.

Very truly yours,

  
A. L. PORTER, Jr.  
Secretary-Director

ALP/DSN/dr

cc: Oil Conservation Commission - Artesia  
Oil & Gas Engineering Committee - Hobbs