AtlanticRichfieldCompany

North American Producing Division Permian District Post Office Box 1610 Midland, Texas 79701 Telephone 915 682 8631

December 3, 1974

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 of Surface Hookup for Dual Completion State BR No. 1 Unit Letter K, Section 16, T-21S, R-26E Eddy County, New Mexico

OIL CO

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Gentlemen:

Atlantic Richfield Company respectfully requests Administrative Approval to commingle at the surface, production from the Atoka and Morrow Pools in this well. Commission approval was obtained on October 29, 1974, to dually complete the undesignated Atoka Gas Pool and the Avalon Morrow Gas Pool with separation of the zones to be accomplished by means of packers and a crossover assembly, in Case 5340, Order No. R-4893.

We propose to measure the flow from each zone separately through orifice meters before the two zones are commingled into one flow stream at the liquid separator. Gas flow will then continue through one dehydration unit and on to the sales meter. Commingled liquid production will be measured off of the separator unit into storage tanks. Each zone will be tested separately every three months, or as frequently as is determined necessary by the N. M. O. C. C. to accurately determine the quantity of liquid it produces. The total liquids produced will then be allocated proportionately to each zone. Anticipated producing rate from the Atoka is about 1.5 MMCFPD with a measureable quantity of condensate. The Morrow will produce about the same rate with little or no condensate.