

AMERADA PETROLEUM CORPORATION

DRAWER "D"

MONUMENT, NEW MEXICO

MAIN OFFICE CCC

PHONE HOUS, N. M. — EX 3-2145

1962 APR 23 AM 8:35

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Re: Application of Amerada Petroleum Corporation for administrative approval of off-lease storage and zone commingling of production by the subtraction method on it's L. G. Warlick "A" lease, Sec. 19-T21S-R37E, Lea County, New Mexico

Gentlemen:

Amerada Petroleum Corporation is the operator and part owner of the 40 acre L. G. Warlick "A" lease described as the NE/4 of SE/4 Sec. 19-T21S-R37E, Lea County, New Mexico. Applicant proposes off-lease storage and commingling of production from the several producing zones on subject lease as outlined below:

1. Three oil productive zones, the Penrose Skelly (Grayburg), Blinebry and Drinkard are present, however, due to the nature of the crudes, a sweet oil battery and a sour oil battery will be required.
2. Assuming top allowable from each completion, daily production into the sweet oil battery would be 47 barrels of 38.9° oil from the Blinebry zone and 62 barrels of 40.7° oil from the Drinkard zone. Total value of the non-commingled oil would be \$326.21 per day. The commingled product would have a gravity of 39.9° and a value of \$325.91 per day. Actual value of the commingled product would be \$0.30 per day less than the non-commingled crudes.
3. Commingling of the Drinkard and Blinebry zones would be by the subtraction method, with meter and sampler on the Drinkard zone.
4. Commingling would not occur in the sour oil battery since the Penrose Skelly would be the only zone producing.
5. A substantial savings in equipment would result from the commingling as outlined.
6. Ownership on the L. G. Warlick "A" lease is common to all depths.

OK as applied for
April 17, 1962
Commingle B1 + Dn on the Warlick A Lease
and authorize off-lease storage for this commingled prod on the Warlick lease as well as Penrose Skelly production off lease stg on Warlick

7. There will be no intercommunication of production between the Warlick "A" lease and the Warlick lease.
8. A schematic diagram of the proposed installation and a plat showing the location and producing zone of all wells are attached.
9. All interest owners in the Warlick "A" lease are as shown below and each has been furnished a copy of this application by registered mail.

Broseco Corporation, 618 Mercantile Trust Building, Baltimore 2, Maryland

Campbell & Hedrick, 424 Mid America Building, Midland, Texas

Peerless Oil & Gas Co., 441 Milam Building, San Antonio, Texas

Neville G. Penrose, Inc., 1813 Fair Building, Fort Worth 2, Texas

John G. Rich, 618 Mercantile Trust Building, Baltimore 2, Maryland

Yours very truly,

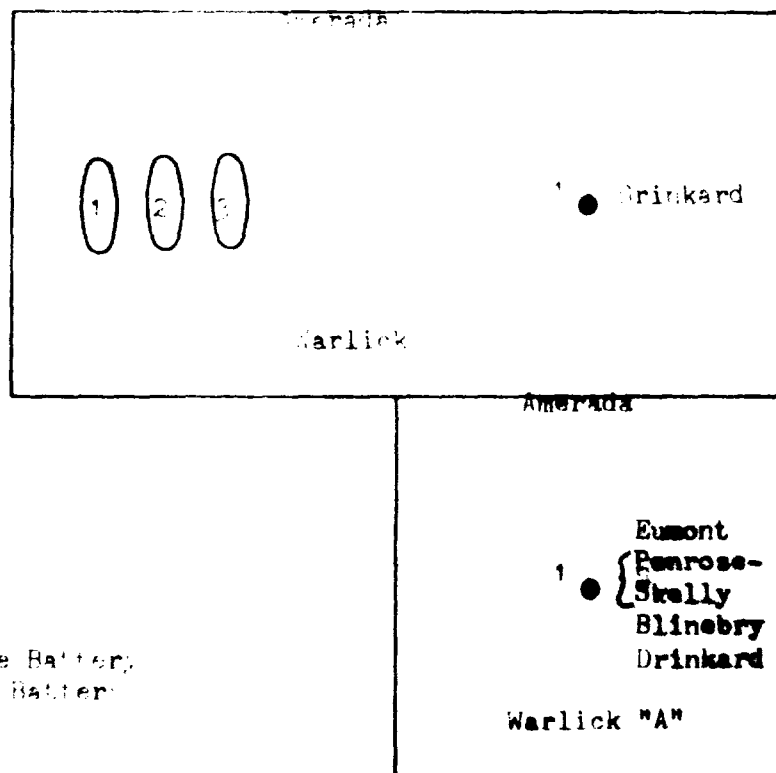
D. C. Capps

D. C. Capps
District Superintendent

AES:

cc: Mr. J. O. Hathaway
H. A. Nedom
R. S. Christie
H. D. Bushnell
J. E. Newkirk
J. R. Enloe
B. A. Moore
File (2)

ILLEGIBLE



LEGEND

1. Warlick Battery
2. Warlick "A" Sweet Crude Battery
3. Warlick "A" Sour Crude Battery

Amerada Petroleum Corporation

West Mexico Area

Lea County, New Mexico

Figure 1
General Lease & Battery Data

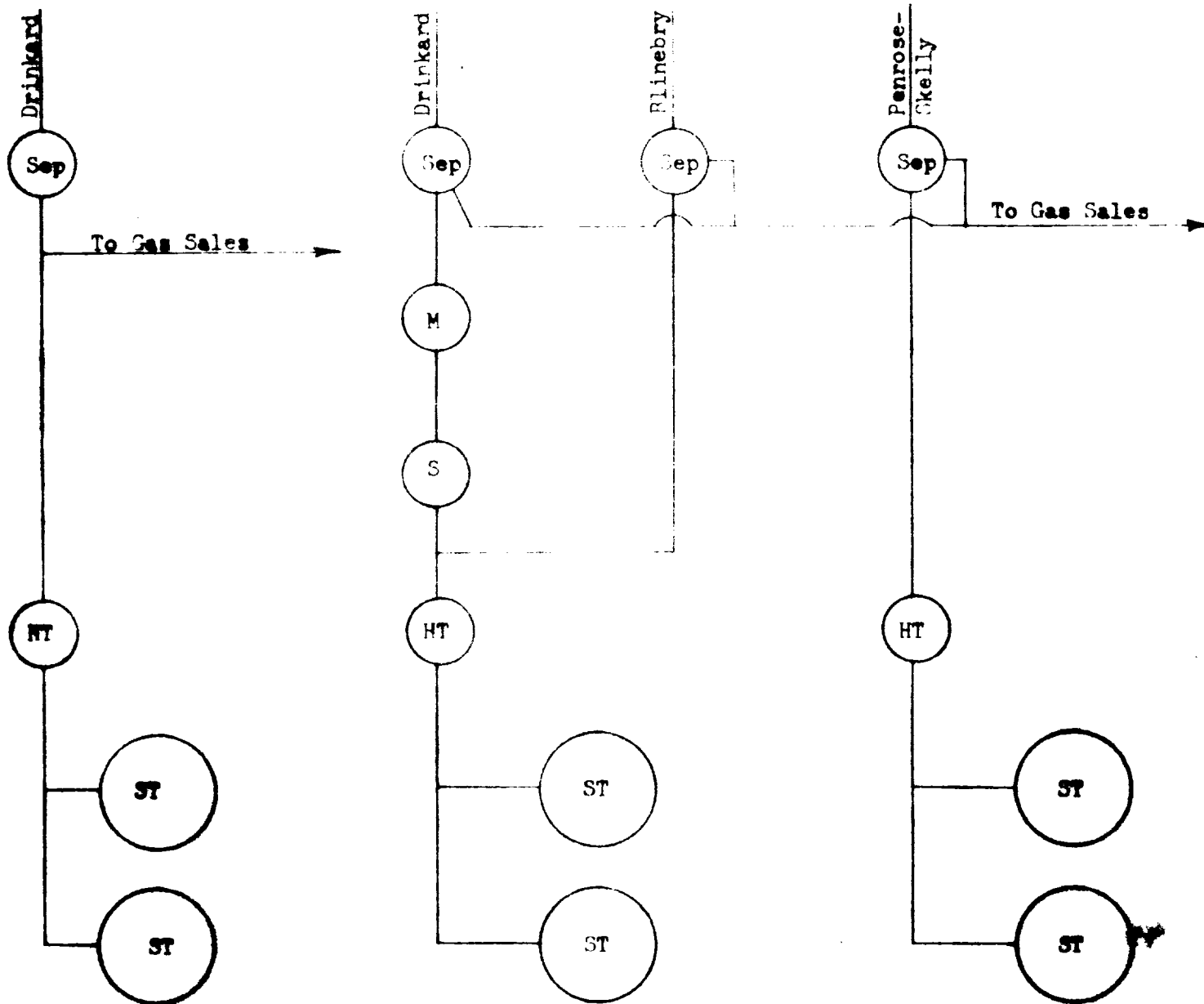
April, 1962

LLEGIBLE

Warlick Battery

Warlick "A" Sweet Oil Battery

Warlick "A" Sour Oil Battery



Amerada Petroleum Corporation
West Eunice Area
Lea County, New Mexico

Figure II
Battery Detail
Warlick And Warlick "A" Leases