Drawer "D" Monument, New Mexico December 10, 1958

Re: Application of Amerada Petroleum Corporation for an exception to Rule 303 in order to commingle production from the McKee, Connell, and Abo Formations on the Fred Turner, Jr. Lease, Warren-McKee Field, Lea County, New Mexico.

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

Gentlemen:

By this letter of application Amerada Petroleum Corporation wishes to state the following:

> 1. That Amerada Petroleum Corporation is the operator of the Fred Turner, Jr. Lease consisting of the W/2 of the SW/4 of Section 17, Township 20 South, Range 38 East, Lea County, New Mexico.

> 2. That the Amerada Petroleum Corporation Fred Turner, Jr. No. 1 located in the SW/SW of Section 17, Township 20 South, Range 38 East was completed as an oil well in the McKee Formation January 3, 1952. The applicant now proposes to dually complete the well in such a manner as to permit production of oil from the McKee Formation in the Warren-McKee Pool and oil from the Abo Formation in an undesignated Abo Pool through parallel strings of 2-1/16" OD Tubing. Application for Dual Completion Form 7-3-58 together with other necessary papers have been filed with the Commission.

3. That the Amerada Petroleum Corporation Fred Turner, Jr. No. 2 located in the NW/SW of Section 17, Township 20 South, Range 38 East, was completed as an oil well in the McKee Formation on July 18, 1953. The applicant now proposes to dually complete this well in such a manner Docked B.P. as to permit production of oil from the McKee Formation in the Warren-McKee Pool and oil from the Connell Formation in an undesignated Connell Pool through parallel strings of 2-1/16" OD tubing. Application for Dual Completion Form 7-3-58, together with other necessary papers have been filed with the Commission.

- 4. That a substantial savings in tanks and equipment could be effected if oil production from the McKee, Connell, and Abo Formations were commingled in common storage.
- 5. That the applicant proposes to meter production from each formation individually by means of dump type meters. The tank battery is to be designed so that it will be physically impossible to commingle the fluids prior to metering. Daily tank guages of production would serve as a check on the meters.
- 6. That such a method of metering is both mechanically feasible and practical.
- 7. That adoption of this proposal would protect correlative rights and be in the interests of conservation.

Therefore, Amerada Petroleum Corporation requests that the Oil Conservation Commission set this application for commingling for an examiner hearing, preferrably at the same time as the application for approval of the two proposed dual completions is heard

> Respectfully submitted, AMERADA PETROLEUM CORPORATION

R.C.C.p. DI

D. C. Capps V V District Superintendent

DCC/REB/fh

cc: Tulsa Midland File Cities Service Oil Company Monterey Oil Company