

pc. 541 for amendent for Wants ato

April 5, 1990

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Mr. Jerry Sexton New Mexico Oil Conservation Division P. O. Box 1980 Hobbs, New Mexico 88240

> RE: Exception to Rule 303A Section 22, T235, R37E, Lea County, New Mexico 7225

Dear Sir:

Arch Petroleum Inc. is requesting temporary approval of an exception to Rule 303A to permit the commingling of production from different pools into a common tank battery facility. Permanent exception to Rule 303A is being requested from Mr. William Lemay, in Santa Fe, at this time.

The E. M. Elliott Federal Wells No. 3 and No. 4, producing from the Tubb and Drinkard pools, respectively, are currently commingled under Amended Order No. PC-541, dated January 17, 1990. It is Arch's desire to also commingle Well No. 5, producing from the Wantz Abo pool, into the same facility. Well No. 3 produces 3.0 BO and 0 BW per day from perforations at 5964-6142'. Well No. 4 produces 5.0 BO and 0 BW per day from perforations at 6410-6460'. Well No. 5 produces 2.76 BO and 2.76 BW per day from perforations at 6628-6892'. There currently exists two separate tank batteries for three wells on the Elliott lease. The two batteries are located on the same pad. At this time both facilities are having mechanical problems due to age. Each battery has tanks which are not useable in their present condition. The Bureau of Land Management is demanding that the tanks be repaired or disconnected. It is our intent to combine the two batteries into one battery, disconnecting those tanks that are out of service and/or will require major expenditures to restore to a useable condition.

The common tank battery for the requested commingling approval is located at Unit D, Section 22, T22S, R37E. The wells are located as follows and are indicated on the attached plat.

> Well No. 3, Unit C, Section 22, T22S, R37E Well No. 4, Unit C, Section 22, T22S, R37E Well No. 5, Unit D, Section 22, T22S, R37E

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