



Arch Petroleum Inc.

October 11, 1990

New Mexico Oil Conservation Division
Mr. Jerry Sexton
Post Office Box 1980
Hobbs, New Mexico 88241

RE: Approval for Surface
Commingling.
E. M. Elliott Lease
LC-032573A,
Section 22, T23S, R37E,
Lea County, New Mexico

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, and Mr. Shannon Shaw, with the Bureau of Land Management in Carlsbad, at this time.

The E. M. Elliott Federal Wells No. 3, No. 4, and No. 5, producing from the Tubb, Drinkard, and Wantz Abo Pools, respectively, are currently commingled under Amended Order No. PC-541, dated April 27, 1990. Arch has recompleted Well No. 5 to produce from the Blinebry Oil Pool, and desires to commingle produced fluids 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 45 BO, 50 BW, and 290 MCF per day from perforations at 5484-5675'.

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

Oil production allocation for the three wells, after commingling, will be based on well tests (as is the current situation). Gas for Well No. 5 produces through it's own