

AZTEC OIL & GAS COMPANY

P. O. BOX 837
HOBBS, NEW MEXICO

October 26, 1965

MAILED
OCT 27 AM 10 1965

Handwritten notes and initials

PC - 291

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

Attention: Mr. A. L. Porter, Jr.

Gentlemen:

Re: Application to commingle Blinebry Oil and Drinkard
production from Aztec Oil & Gas Company's State "B"
Well No. 1

In view of the fact that the production from the Blinebry Oil and Drinkard Pools from the above well has continued to be below top allowable, as shown from the Statewide Form C-115 and tabulated below, we are respectfully requesting your review of the commingling application dated July 7, 1965.

<u>Pool</u>	<u>July Prod.</u>	<u>Aug. Prod.</u>	<u>Sept. Prod.</u>	<u>Daily Average</u>
Blinebry Oil	1345	1212	1116	39.92
Drinkard	167	304	259	7.93

Very truly yours,

AZTEC OIL & GAS COMPANY

Lester L. Duke
District Superintendent

LLD/JE/bws

cc: State Land Office, Santa Fe
Oil Conservation Commission, Hobbs
Attention: Joe D. Ramey

'65 JUL 16 PM 1 20

July 7, 1965

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

Attention: Mr. A. L. Porter, Jr.

Gentlemen:

Re: Application to commingle Elinebry Oil and Drinkard
production from Artec Oil & Gas Company's State "B"
Well No. 1

Artec Oil & Gas Company respectfully requests an exception to Rule 303(a) and administrative approval to commingle Elinebry Oil and Drinkard production from the dual completed State "B" Well No. 1 which is located in Unit I, Section 36, Township 22 South, Range 37 East, Lea County, New Mexico, by allocating the production on the basis of periodic well tests, as neither zone is capable of producing top allowable.

The following facts are pertinent to this request:

1. Artec Oil & Gas Company is the designated operator of the above described well.
2. This lease, State of New Mexico Lease B-11410, involves State lands; therefore, evidence that the Commissioner of Public Lands for the State of New Mexico has consented to the proposed commingling is attached to this application.
3. A schematic diagram of the proposed installation is attached.
4. A plat showing the location of all wells on the subject lease and the pool from which each well is produced is attached.
5. The production from the subject well is stored at the State "MD-36" Lease in Unit J, Section 36, Township 22 South, Range 37 East, Lea County, New Mexico, as approved by Administrative Order OLS-36.
6. The average daily production during May and June, 1965, has been below top allowable as reported by Statewide Form C-115 and is herein tabulated:

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11:41 AM

11:41 AM

Oil Conservation Commission
1100 North 17th Street
Santa Fe, New Mexico

Attention: Mr. A. L. Forney, Jr.

The application to conserve the Kinship Oil and Gas Lease
production from Arco Oil & Gas Company's State "B"
Well No. 1

The Oil & Gas Company respectfully requests an exception to Rule 303(a)
and the order as approved to conserve the Kinship Oil and Gas Lease pro-
duction from the dual completed State "B" Well No. 1 which is located in
Section 36, Township 22 South, Range 37 East, Lea County, New Mexico,
allowing the production on the basis of periodic well tests, as neither
well is capable of producing top flow.

The following facts are pertinent to this request:

1. Arco Oil & Gas Company is the licensed operator of the
above described well.

2. This lease, State of New Mexico Lease 5-11111, involves
State lands, therefore, evidence that the Commission
is the proper authority is attached to this application.

3. A schedule diagram of the proposed installation is attached.

4. A plan showing the location of the well in the lease
and the pool from which it will be produced is
attached.

5. The production from the subject well is conserved
under "B-2" lease in Unit 3, Township 22 South,
Range 37 East, Lea County, New Mexico, as approved by
the Executive Order 118-22.

6. The average daily production during May and June, 1951, has
been shown to be sufficient as reported by Deere's Form C-11
and the lease is attached.

July 7, 1965

<u>Pool</u>	<u>Top May Allowable</u>	<u>May Production</u>	<u>Top June Allowable</u>	<u>June Production</u>	<u>Daily Average</u>
Blinebry Oil	1581	1572	1500	1463	49.8
Brinkard	2108	265	1980	294	9.2

7. The known gravities and the value of each common source of supply are tabulated below:

<u>Pool</u>	<u>API Gravity</u>	<u>Daily Average</u>	<u>Value/Bbl.</u>	<u>Daily Value</u>
Blinebry Oil	37.2	49.8	\$ 2.86	\$142.43
Brinkard	39.4	9.2	\$ 2.92	26.86
		59.0		\$169.29

8. The expected gravity of the commingled liquid hydrocarbon production is 37.5° API. The daily value of 59.0 barrels with a gravity of 37.5° API at \$2.86 per barrel is \$168.74, which is \$0.45 less than the sum of the values of the production from each common source of supply.
9. Although the daily revenue will be \$0.45 less if these two common sources of supply are commingled, we believe that this application is in the interest of economics because of the reduced operating costs and the salvageable materials involved.

Your approval of this application will be appreciated.

Very truly yours,

AZTEC OIL & GAS COMPANY

original signed by:
LESTER L. DUKE

Lester L. Duke
District Superintendent

LLD/JE/tws
Attachments

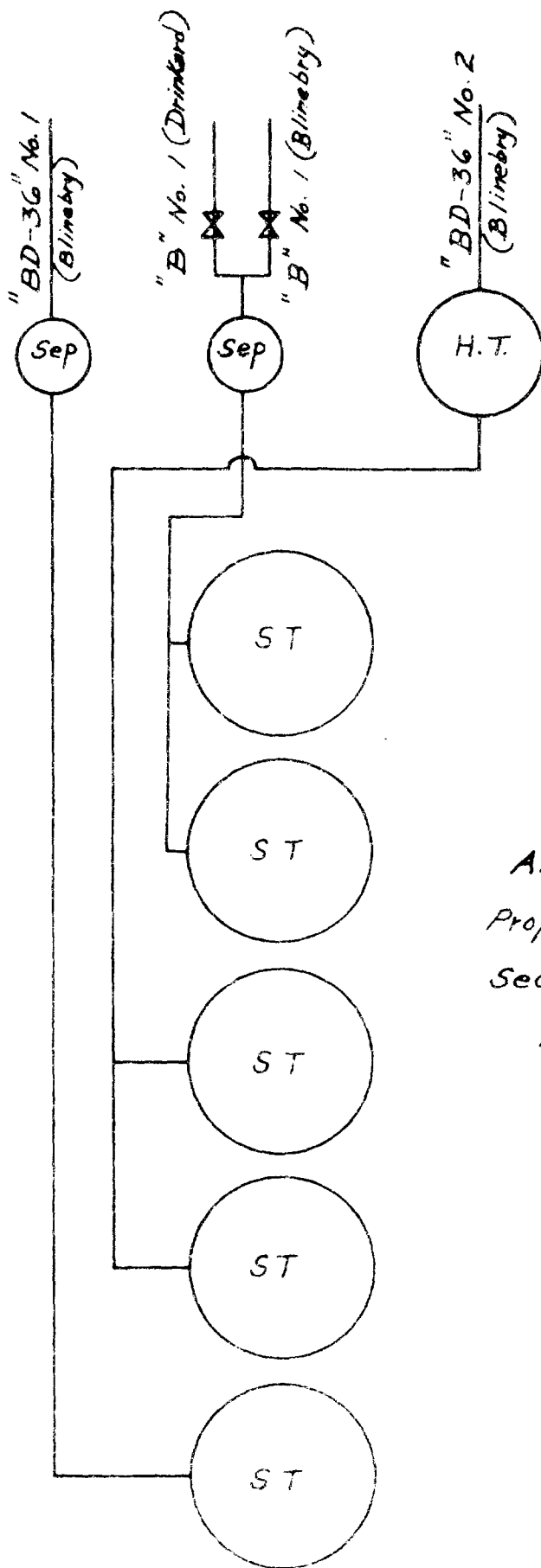
The following information was obtained from the records of the
 Department of Health, State of New York, regarding the
 case of [Name], born [Date of Birth], [Address],
 [City], [State], [Zip Code].

On [Date], [Name] was admitted to the [Hospital Name] in
 the [Department] for [Reason]. The patient's condition
 was [Description] at the time of admission.

The patient's condition improved over the course of
 the hospitalization, and the patient was discharged
 on [Date] in good health. The patient was followed
 up in the [Department] on [Date] and [Date]. The
 patient's condition remained stable, and the patient
 was discharged on [Date] in good health.

LESTER I. DUKER
 M.D.
 [Address]
 [City], [State], [Zip Code]

[Signature]
 [Date]



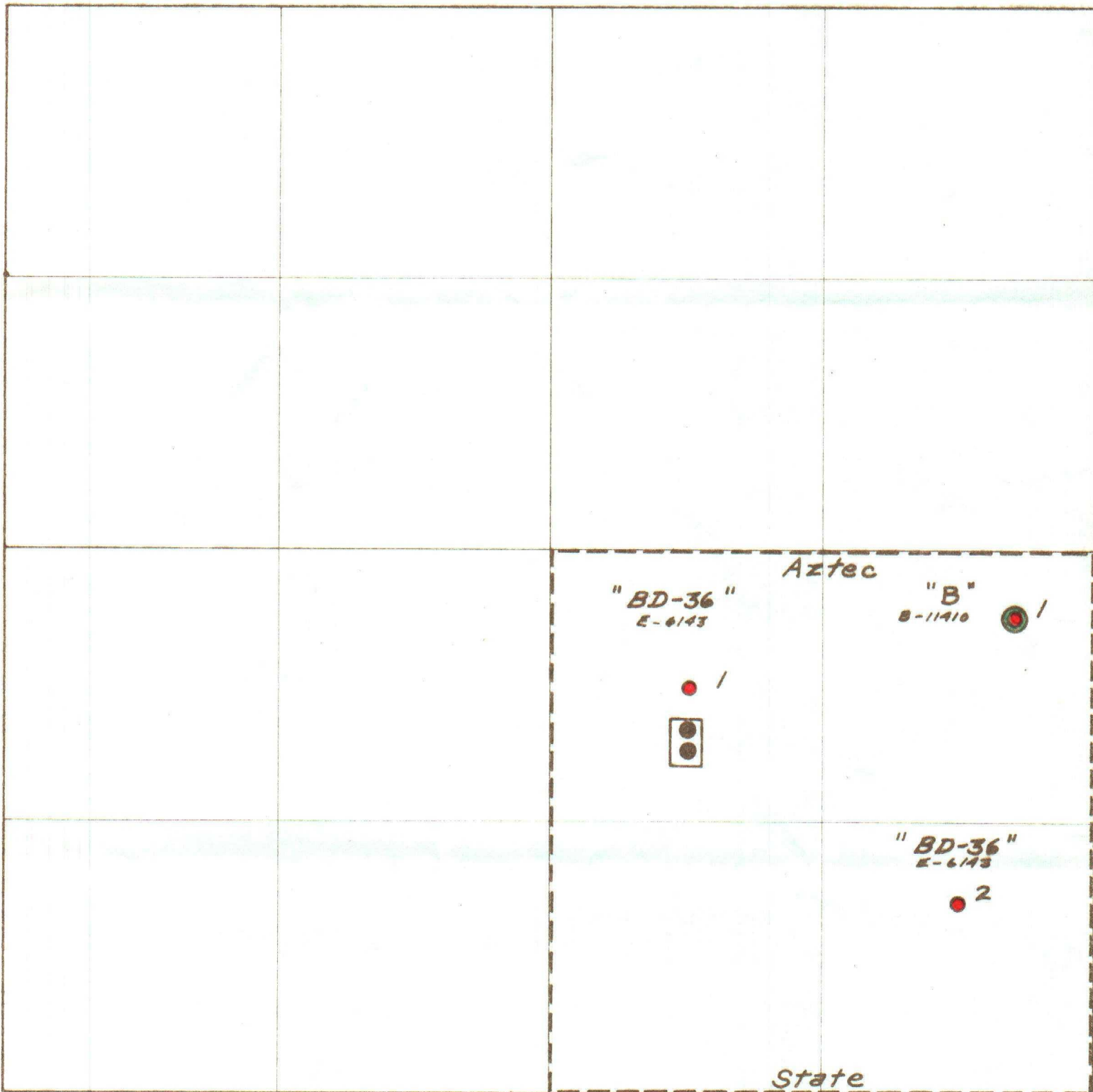
*AZTEC OIL & GAS CO.
 Proposed Commingling Facilities
 Sec. 36 T-22-S R-37-E
 Lea County, New Mexico*

SECTION PLAT

Scale: 1 inch = 660 feet

Printed in U.S.A.

SECTION 36 TOWNSHIP 22-S RANGE 37-E COUNTY Lea STATE N.M.



- Drilling Unit
- Blimebry Oil
- Drinkard Oil
- ☐ Tank Battery

Aztec Oil & Gas Co.