PRENTICE WATTS VICE PRESIDENT PRODUCTION

AZTEC OIL & GAS COMPANY

2000 First National Bank Building Dallas, Texas 75202 October 12, 1970

New Mexico Oil Conservation Commission Post Office Box 2088 Santa Fe, New Mexico

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

Re: Aztec Oil & Gas Company Application to Commingle Terry Blinebry and Drinkard Production, "State" Lse. B-11613-1

Gentlemen:

Aztec Oil & Gas Company respectfully requests an exception to Rule 303 (a) and administrative approval to commingle Terry Blinebry and Drinkard production on the "State" Lease comprising Lots 3, 4, 5, and 6 of Section 2, Township 21 South, Range 37 East, Lea County, New Mexico. None of the wells on this lease is capable of producing top allowable; therefore, allocation of production will be based on periodic well tests.

The following facts are pertinent to this request:

- (1) Aztec Oil & Gas Company is owner and operator of the above described lease in which all working and royalty interests are common.
- (2) This lease, State of New Mexico Lease B-11613-1, involves State land, therefore, evidence that the Commissioner of Public Lands 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 is producing is attached.
- (5) The average daily production, the known gravities and the value of each common source of supply are tabulated below for the months of July and August, 1970:

New Mexico Oil Conservation Commission -2- October 12, 1970

Pool	Well	Daily Avg.	API <u>Grav.</u>	Value/ Bbl	Daily Value
Terry Blinebry	State #5 State #6 State #7 State #8	$ \begin{array}{r} 1.50 \\ 2.91 \\ 2.58 \\ \underline{4.60} \\ 11.59 \end{array} $	37.9	\$ 3.25	\$ 37.60
Drinkard Total	State #2	<u>4.28</u> 15.87	36.9	\$ 3.23	<u>13.82</u> \$ 51.42

(6) The anticipated gravity of the commingled liquid hydrocarbon production is 37.6° API. The daily value of 15.87 bbls at this gravity would be \$51.50, which is slightly above the sum of the values of production from each common source of supply.

Your approval of this application will be greatly appreciated.

Very truly yours,

AZTEC OIL & GAS COMPANY

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L. D. Eaton

LDE:bjr

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Attachments

cc: State Land Office Lester L. Duke

Proposed Commingling Facilities State Lease Aztec Oil & Gas Co. Lots 3,4,5,5 6 Sec. 2, TZ19, R37E Lea County, New Mexico エー

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	Well & Pool Legend: B - B Terry Blinebry D Drinkard							STAT	STATE LEASE - Sec. 2, T 275, R 37E LEA COUNTY, NEW MEXICO				
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AZTEC OIL & GAS COMPANY

2000 First National Bank Building Dallas, Texas 75202

October 12, 1970

PRENTICE WATTS VICE PRESIDENT PRODUCTION

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State Land Office Post Office Box 1148 Santa Fe, New Mexico

Attention: Mr. Alex Armijo Commissioner of Public Lands

> Re: Aztec Oil & Gas Company Application to Commingle Terry Blinebry and Drinkard Production, State Lse B-11613-1

Gentlemen:

Pursuant to Rule 303 (b), Aztec Oil & Gas Company respectfully requests your approval of the attached application to commingle Terry Blinebry and Drinkard production on the "State" Lease comprising Lots 3, 4, 5, and 6 of Section 2, Township 21 South, Range 37 East, Lea County, New Mexico.

Your approval was received for an identical application filed August 24, 1964, however, subsequent producing characteristics of the lease prevented the commingling of production at that time.

If you are in agreement with this application, please execute and return six copies to this office at your earliest convenience.

Very truly yours,

& Eaton

LDE:bjr

Approved: By

Date Dela 970

ды 8 AZTEC OIL & GAS COMPANY 2000 FIRST NATIONAL BANK BUILDING DALLAS, TEXAS 75202

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October 14, 1970 🚝

Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, New Mexico

Attention: Mr. Gordon G. Marcum II Director, Oil & Gas Department

> Re: Filing Fee Aztec Oil & Gas Company Application to Commingle State Lease B-11613-1

Gentlemen:

Enclosed herewith is our check #81191, in the amount of ten (\$10.00) dollars, to cover the filing fee as requested in your letter of approval concerning the above referenced application.

Very truly yours,

L. D. Eaton

LDE:bjr

Encl.

PRENTICE WATTS VICE PRESIDENT PRODUCTION