

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:

October 12, 1970

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

- (6) The anticipated gravity of the commingled liquid hydro-carbon 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

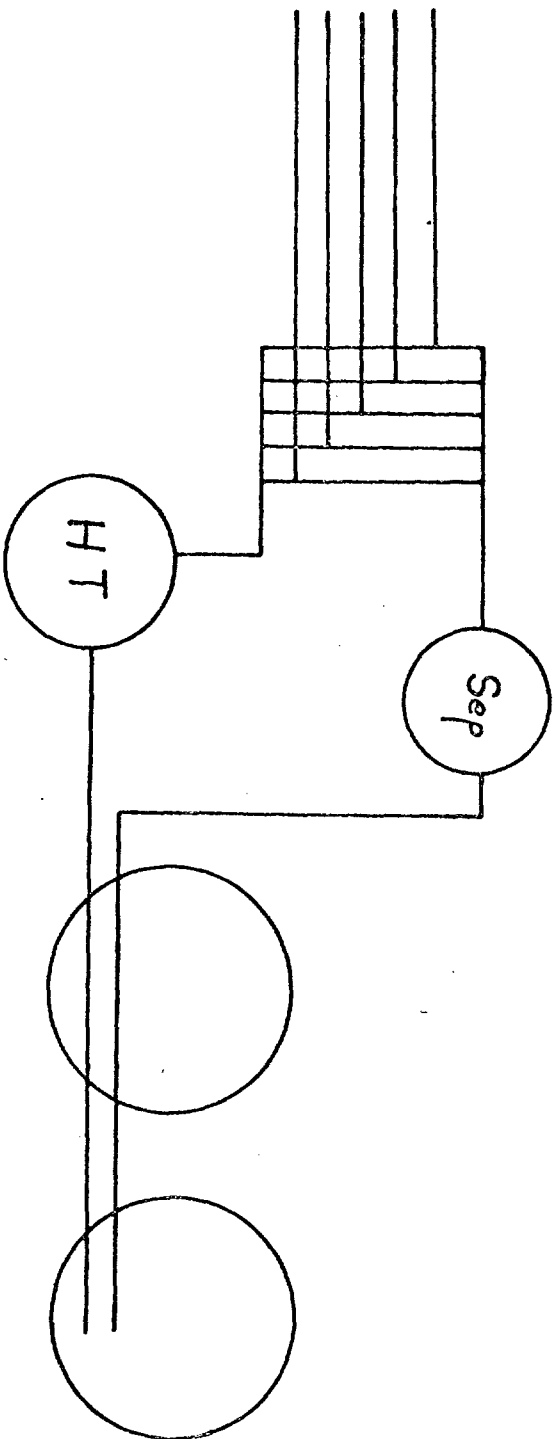
*L D Eaton*

L. D. Eaton

LDE:bjr

Attachments

cc: State Land Office  
Lester L. Duke



*Aztec Oil & Gas Co.*

*Proposed Commingling Facilities*

*State Lease*

*Lots 3, 4, 5, & 6 Sec. 2, T21S, R37E*

*Lea County, New Mexico*

R-38-E



R-37-E

AZTEC

Well & Pool Legend:

- - B Terry Blinebry
- - D Drinkard
- \* - P Paddock - Gas

AZTEC OIL & GAS COMPANY					
STATE LEASE - Sec. 2, T27S, R37E					
LEA COUNTY, NEW MEXICO					
DRINKARD & TERRY BLINEBRY POOLS					
CONTOURED	Date	Revised By	Date	Reference	Date
Ldc	9/10				

AZTEC OIL & GAS COMPANY

2000 FIRST NATIONAL BANK BUILDING

DALLAS, TEXAS 75202

PRENTICE WATTS  
VICE PRESIDENT  
PRODUCTION

October 12, 1970

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,

  
L. D. Eaton

LDE:bjr

Approved:



By \_\_\_\_\_

Date October 13, 1970

