### NEW MEXICO OIL CONSERVATION COMMISSION POST OFFICE BOX 2088 SANTA FE, NEW MEXICO 87501

#### **COMMINGLING ORDER PC-426**

Company	Amerada Hess Corporation							
Address	Drawer 817							
City, State, Zip	Seminole, Texas 79360							
Attention:	Mr. G. F. Dewhurst							
Lease Name:	Eugene Wood							
Description:	NE/4, Sec. 22, T-22-S, R-37-E, Lea County, N.M.							

The above-named company is hereby authorized to commingle production from the following pools

Drinkard, Tubb Gas, and Blinebry Gas

in a common tank battery, and to determine the production from each pool by

\_\_\_\_\_separately metering the production from each pool prior to commingling

combined

x separately metering the/production from the Blinebry and Tubb pools

and determining the Drinkard production by the subtraction method

\_\_\_\_\_well tests (if this method is to be authorized, all commingled production must be of marginal nature; further, the operator shall notify the Santa Fe Office of the Commission in the event any well producing into the commingled battery becomes capable of top allowable production, at which time the Commission will amend this order or take such other action as may be appropriate)

Note: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 of the Commission Rules and Regulations and the Commission "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

REMARKS: Non-reset counter on the meter

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## AMERADA DIVISION RECEIVED AMERADA HESS CORPORATIONSEP 23 1971

OIL CONSERVATION COMM.

September 17, 1971

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DRAWER 817 SEMINOLE, TEXAS 79360 915 - 758 - 5805

Mr. A. Porter, Jr. Secretary Director New Mexico Oil Conservation Commission P. O. Box 2088 Santa Fe, New Mexico

> Re: Surface Commingling of Production from the Eugene Wood Lease

Dear Sir:

A study has been made to revise the battery and commingle three of the four producing zones on Amerada Hess Corporation's Engene Wood lease. The lease is located in Sec. 22, T22S, R37E, in Lea County, New Mexico.

There are presently six producing wells on the lease (3 wells from the Drinkard and one each from the Tubb Gas, Blinebry Gas and Ellenburger zones). It is proposed to commingle the Drinkard with the presently commingled Tubb and Blinebry crudes. The Ellenburger (sweet) crude will still be separated because of its higher value. Average gravities, volumes and values are as follows:

	June Production	Avg. Gravity	Price per bbl.	Total Value					
Drinkard Tubb Gas Blinebry Gas	453 214 <u>35</u> 702	35.9 41.0 41.0	3.29 3.39 3.39	\$1,490 725 <u>119</u> \$2,334					
Commingled Sour	Production 702	Calc. Gravity 37.7	Price 3.33	Value \$2,338					
The sweet crude will remain unchanged:									
	June Production	Avg. <u>Gravity</u>	Price <u>per bbl</u> .	Total Value					
Ellenburger (sweet)	959	39.7	3.56	\$3,414					

Mr. A. L. Porter, Jr.

Increased income by commingling the sour crudes is calculated to be \$4.00 per month. Decreased weathering time will increase the volume and gravity of the crude sold. Also, it is critical to keep facilities at a minimum to decrease maintenance and operation costs. Without commingling, these costs would remain high and cause earlier abandonment of the wells.

Amerada Hess Corporation respectfully requests administrative approval to commingle the sour crudes on the Eugene Wood lease.

Very truly yours,

Dechurt

G. F. Dewhurst, Region Manager

FAB/jw

Enclosures:

1. Plat showing lease and wells

- 2. Schematic diagram of the proposed battery
- 3. Letter of approval from Shell Oil

cc: Mr. J. D. Ramey Mr. L. A. Stricklin Page 2

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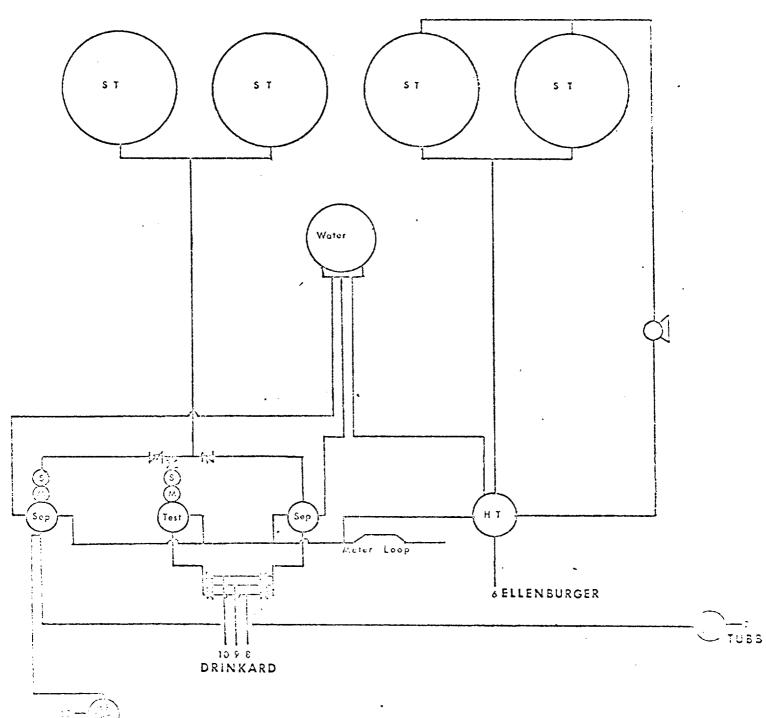
BRUNSON ELLENBURGER

- DRINKARD
- TUBB GAS
- BLINEBRY GAS

### LEA COUNTY, N. MEX.

EUNICE FIELD

AMERADA MESS CORP. EUNICE FIELD EUGEME MOOD LEASE , PROPOSED EATTERY



ILINILAY -----

# 1971 SEP 10 11 10: 3 Two shell PLAZA



P. O. BOX 2099 HOUSTON, TEXAS 77001

September 13, 1971

Subject: Amerada Hess Corporation Eugene Wood Lease Eunice Field Lea County, New Mexico

Amerada Hess Corporation P. O. Box 52 Galena Park, Texas 77547

Attention Mr. B. W. Andrus

Gentlemen:

In reply to your request to commingle the production from the subject lease, this is to advise that we are agreeable to purchasing the commingled production.

Please advise us when you have completed the consolidation of tank batteries so that we can advise our pipeline carrier.

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Yours very truly,

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T. B. Medders, Manager Raw Materials Supply Field Operations - Houston

RAB: JLB