



CITIES SERVICE OIL AND GAS CORPORATION BOX 1919

MIDLAND, TEXAS 79702

(915) 685-5600 June 11, 1984

Mr. Joe D. Ramey, Director New Mexico Oil Conservation Division P.O. Box 2088 Santa Fe, New Mexico 87501

> RE: Exception to Rule 303-A to Permit Surface Commingling for Cities Service Oil and Gas Corporation's Byers B Lease, Nadine Blinebry, West and Nadine Drinkard, West Pools, Lea County, New Mexico

Dear Mr. Ramey:

Cities Service Oil and Gas Corporation respectfully requests administrative approval of an exception to Rule 303-A of the Commission rules and regulations to permit the commingling of crude oil production from the Nadine Blinebry, West and Nadine Drinkard, West oil pools into a common surface storage on our Byers B lease, Section 7-T20S-R38E, Lea County, New Mexico.

The following data is submitted in support of this application:

Oil Gravity and Value Calculation of Commingled Crudes

Blinebry Oil: 34 BOPD @ 38.9° Drinkard Oil: 83 BOPD @ 35.7° Combined Oil Gravity = $34(38.9) + 83(35.7) = 36.6^{\circ}$ Value Blinebry Oil = 34 BOPD x \$29.96/bbl = \$1018.64/day Value Drinkard Oil = 83 BOPD x \$29.90/bbl = \$2481.70/day Total Value of Separate Streams = \$3500.34/day Estimated Value of Commingled Oil = 117 BOPD x \$29.92 = \$3500.64/day The proposed commingling facilities will meet all requirements presented in the Division "Manual for Installation and Operation of Commingling

Facilities".

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In additional support of this application, the following is attached:

- 1. Plat of the Byers lease
- 2. Schematic diagram of the lease commingling facilities

Your early approval of this application will be appreciated.

Very truly yours,

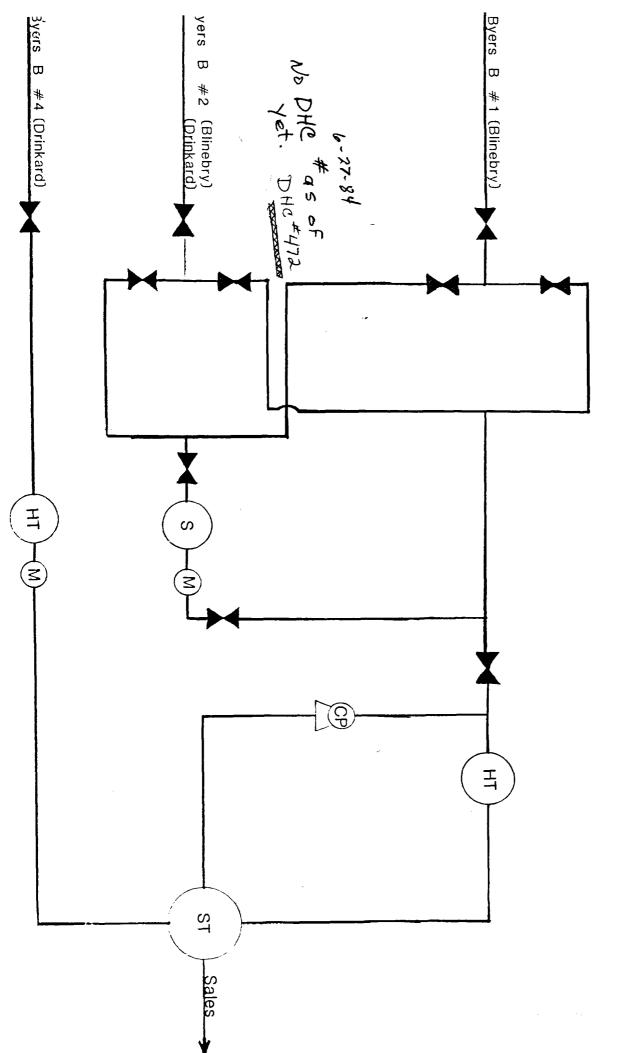
CITIES SERVICE OIL AND GAS CORPORATION

Elmer Startz

Elmer Startz Region Operations Manager - Production Southwest Region E & P Division

ES:JME:jme attachments

cc: New Mexico Oil Conservation Division
District I Office
P.O. Box 1980
Hobbs, New Mexico 88240



Proposed Commingling Facilities

