



CITIES SERVICE OIL AND GAS CORPORATION
BOX 1919
MIDLAND, TEXAS 79702

PC

(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°

$$\text{Combined Oil Gravity} = \frac{34(38.9) + 83(35.7)}{117} = 36.6^\circ$$

$$\text{Value Blinebry Oil} = 34 \text{ BOPD} \times \$29.96/\text{bbl} = \$1018.64/\text{day}$$

$$\text{Value Drinkard Oil} = 83 \text{ BOPD} \times \$29.90/\text{bbl} = \$2481.70/\text{day}$$

$$\text{Total Value of Separate Streams} = \$3500.34/\text{day}$$

$$\text{Estimated Value of Commingled Oil} = 117 \text{ BOPD} \times \$29.92 = \$3500.64/\text{day}$$

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
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

CHIES SERVICE OIL & GAS CORPORATION
BYERS B LEASE
Sec. 7 - T 20 S - R 38 E
Lea County , New Mexico

Proposed Commingling Facilities



