

AMERADA DIVISION
AMERADA HESS CORPORATION

RECEIVED
SEP 23 1971
OIL CONSERVATION COMM.
SANTA FE

September 16, 1971

DRAWER 817
SEMINOLE, TEXAS 79360
915 - 758 - 5805

Mr. A. L. Porter, Jr.
Secretary Director
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Surface Commingling of
Production from the State "D"
and State "H" Leases

Dear Sir:

A study has been made to revise the battery and commingle the production on Amerada Hess Corporation's State "D" and State "H" leases. These leases are located in the Monument Field, NW/4 and W/2 of SE/4, Sec. 1, T20S, R36E in Lea County, New Mexico.

Presently, the Blinebry oil from the State "D" and State "H" leases are being commingled in one system and the Grayburg - San Andres are being commingled in another. The proposed system is to commingle the Blinebry with the Grayburg - San Andres and allocate production on the basis of well tests. No well produces top allowable. A 60 day tabulation of production is attached. Approval has been received from the purchaser and transporter, as well as the New Mexico Commissioner of Public Lands.

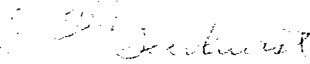
Average gravities, volumes and values are as follows:

	<u>July</u>	<u>Avg.</u>	<u>Price</u>	<u>Total</u>
	<u>Production</u>	<u>Grav.</u>	<u>per bbl.</u>	<u>Value</u>
Grayburg - San Andres	2834	30.4	3.19	\$9,040
Blinebry	<u>1267</u>	39.7	3.37	<u>4,270</u>
	4101			\$13,310
	<u>Production</u>	<u>Calc. Grav.</u>	<u>Price</u>	<u>Value</u>
Commingled	4101	33.3	3.25	\$13,328

Using production and average gravities during July, 1971, calculations show an increase in income of \$18 per month. Without commingling, long storage time between runs and greater surface area in tanks allow excess evaporation. Commingling the crudes will shorten storage runs of one tank every five days for Grayburg-San Andres and one tank every ten days for Blinbry to one tank every three days for commingled crude. On the basis of 1/2 % volume increase, the increase in income is \$67 per month. In addition there will be a slight gravity increase.

Amerada Hess Corporation respectfully requests administrative approval to commingle production from the State "D" and State "H" leases and allocate production on the basis of quarterly well tests.

Very truly yours,



G. F. Dewhurst
Region Manager

FAB/jw

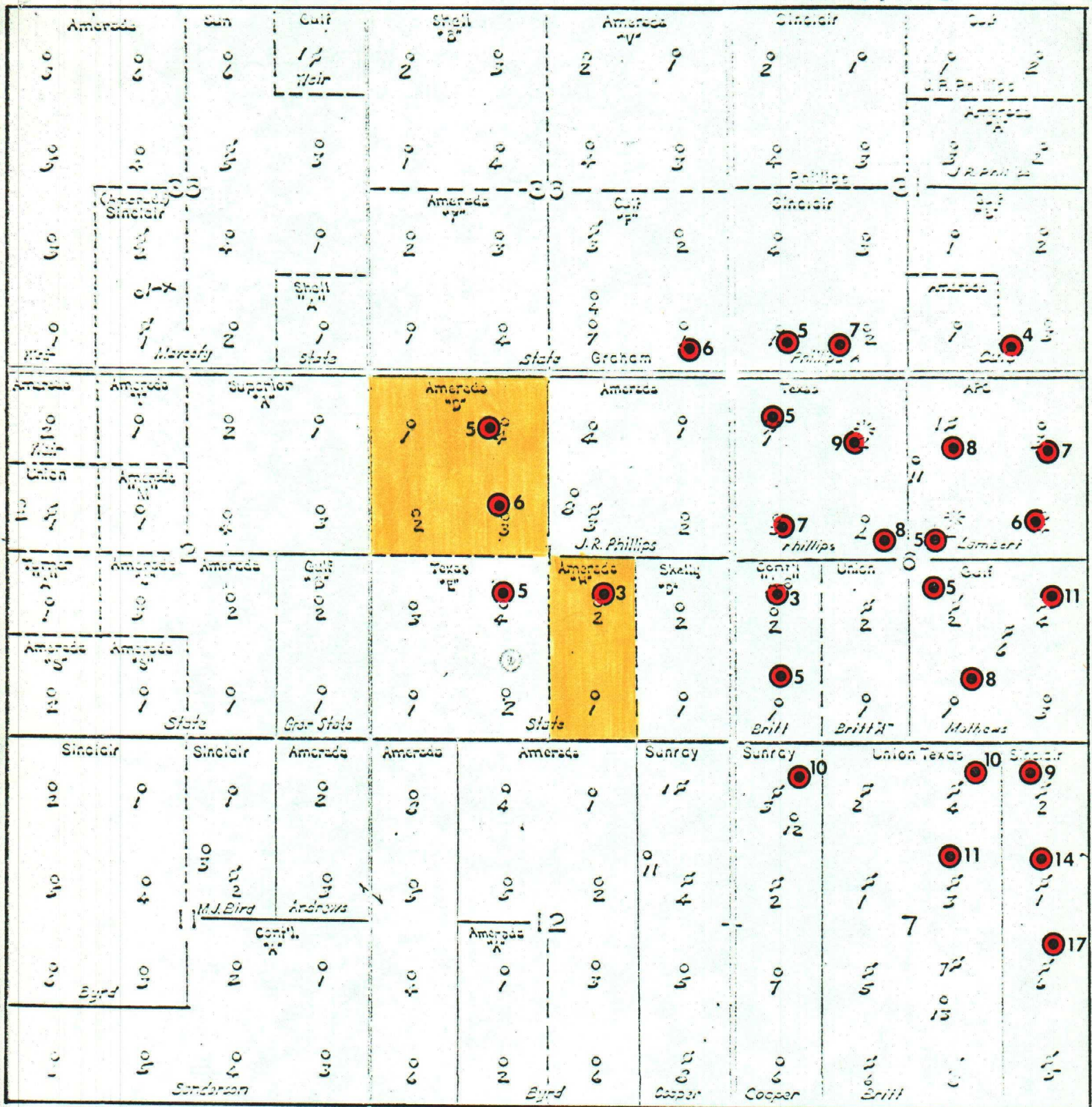
Enclosures:

- 1.) Plat of leases and wells
- 2.) Schematic Diagram of the proposed battery
- 3.) Tabulation of marginal production for a 60 day period.
- 4.) Letter of approval from Gulf Oil (purchaser)
- 5.) Letter of approval from Texas - New Mexico Pipeline (transporter)
- 6.) Letter of approval from New Mexico Commissioner of Public Lands

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

R 36 E

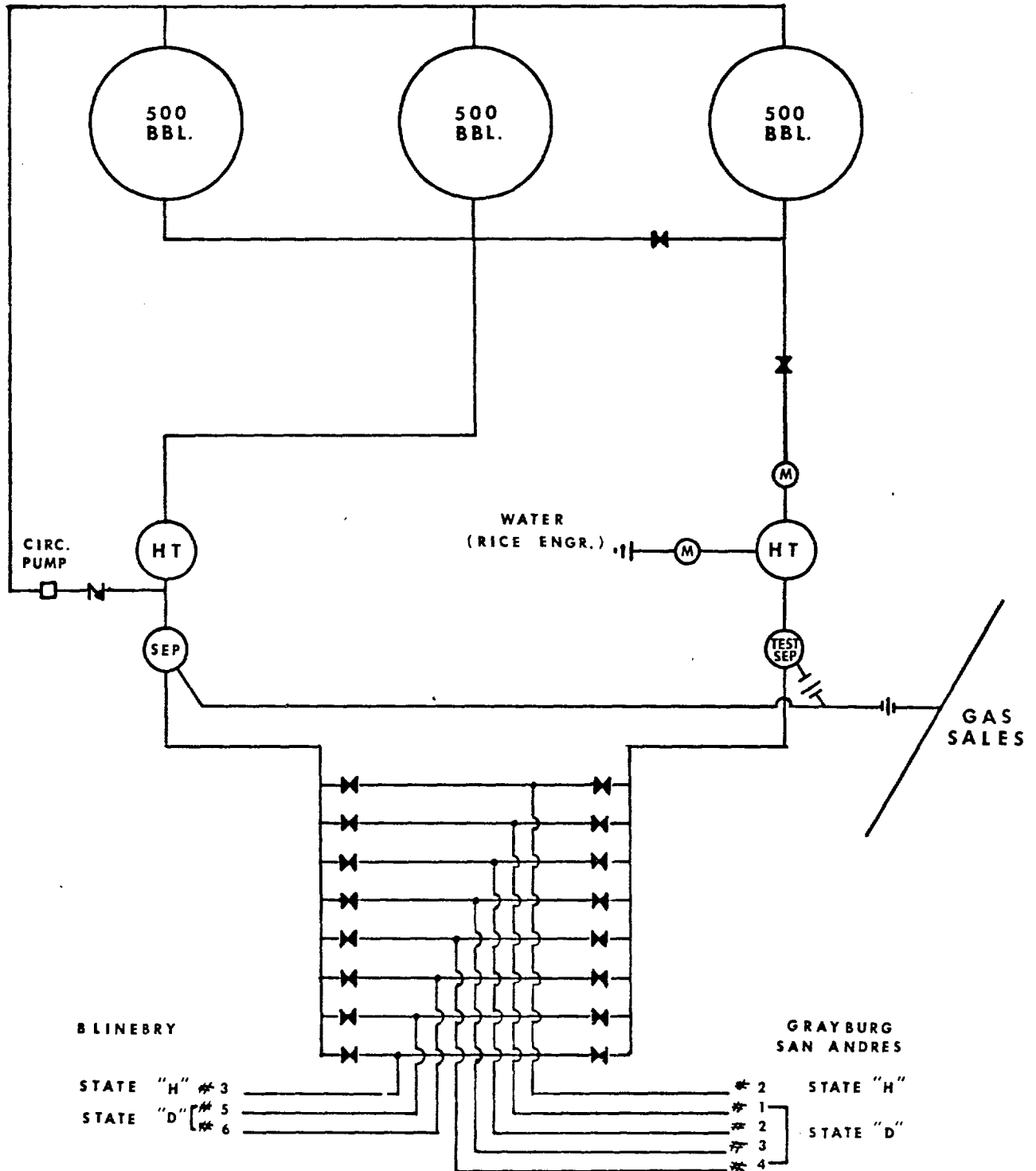
R 37 E



MONUMENT FIELD

LEA COUNTY, NEW MEXICO
 ○ GRAYBURG SAN ANDRES
 ● BLINEBRY

AMERADA HESS CORP.
 MONUMENT FIELD
 STATE D-H LEASES
 PROPOSED BATTERY



AMERADA HESS CORPORATION
State D - State H Leases
Oil Production for - 60 Days
July - 1971

<u>Date</u>	<u>Grayburg - San Andres*</u>	<u>Blinebry</u>
July 1, 1971	83	44
2	108	42
3	100	0
4	103	94
5	97	44
6	94	44
7	97	39
8	86	44
9	108	44
10	94	40
11	94	42
12	94	36
13	94	47
14	92	44
15	92	42
16	94	44
17	91	30
18	96	42
19	92	42
20	92	39
21	94	44
22	92	42
23	94	42
24	93	38
25	94	44
26	92	42
27	92	44
28	92	42
29	78	33
30	100	44
31	64	31

* Since pool production for the Grayburg - San Andres pool exceeds daily top allowable for one well (70 BOPD), the latest well tests are as follows:

State D #1	G-SA 24 hrs.	38 BO + 220 BW
#2	G-SA 24 hrs.	28 BO + 77 BW
#3	G-SA 24 hrs.	1 BO + 150 BW
#4	G-SA 24 hrs.	8 BO + 62 BW
State H #2	G-SA 24 hrs.	21 BO + 21 BW

AMERADA HESS CORPORATION
State D - State H Leases
Oil Production for - 60 Days
August 1971

<u>Date</u>	<u>Grayburg - San Andres*</u>	<u>Blinebry</u>
August 1, 1971	72	47
2	75	27
3	136	15
4	92	61
5	100	42
6	94	19
7	91	22
8	100	78
9	89	44
10	91	41
11	91	44
12	97	44
13	94	39
14	90	41
15	72	39
16	92	33
17	94	47
18	101	36
19	94	50
20	94	44
21	86	39
22	92	39
23	92	39
24	105	39
25	78	42
26	92	44
27	94	44
28	85	41
29	89	36
30	89	44
31	89	36

* Since pool production for the Grayburg - San Andres pool exceeds daily top allowable for one well (70 BOPD), the latest well tests are as follows:

State D #1 G-SA 24 hrs.	38 BO + 220 BW
#2 G-SA 24 hrs.	28 BO + 77 BW
#3 G-SA 24 hrs.	1 BO + 150 BW
#4 G-SA 24 hrs.	8 BO + 62 BW
State H #2 G-SA 24 hrs.	21 BO + 21 BW

A. J. 5-25

Gulf Oil Company - U.S.

CRUDE OIL DEPARTMENT

J. W. Streit
MANAGER - OPERATIONS

June 29, 1971

P. O. Box 2100
Houston, Texas 77001

Hess Oil & Chemical Division
Amerada Hess Corporation
Post Office Box 52
Galena Park, Texas 77547

Attention: Mr. J. K. Moore, Jr.

Gentlemen:

Reference is made to your letter dated June 23, 1971, wherein you requested permission to commingle 30° gravity Monument (Grayburg-San Andres) pool production with 40° gravity Monument (Blinberry) pool production on the State D & H Leases which we are currently purchasing under Gulf's contract number 1278-40.

We are agreeable to purchasing this production commingled. Please furnish us with a copy of the New Mexico Commission's authority to commingle and advise the date actual commingling begins.

Very truly yours,



D. L. Williams

DLW/rb



TEXAS-NEW MEXICO PIPE LINE COMPANY

P. A. LYONS
DIVISION MANAGER

P. O. BOX 1510
MIDLAND, TEXAS 79701

June 29, 1971

COMMINGLED PRODUCTION
GRAYBURG-SAN ANDRES AND BLINEBRY CRUDES
STATE D & H LEASES
MONUMENT FIELD
LEA COUNTY, NEW MEXICO

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

Attention: Mr. B. W. Andrus

Gentlemen:

Texas-New Mexico Pipe Line Company has no objections to running commingled oil from the Grayburg-San Andres and Blinebry zones as sour crude in our sour crude common stream.

We understand there will be no significant changes in location of the proposed battery causing investment expenditure by Texas-New Mexico Pipe Line Company.

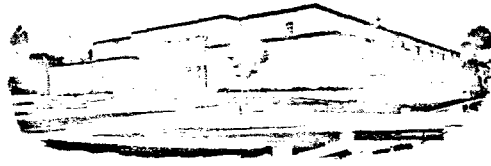
When the New Mexico Oil Conservation Commission authorization of commingling has been approved by Administrative Order, we will make a corrected connection order for the lease.

Yours very truly,

P. A. Lyons

FBK-AER

State of New Mexico



Commissioner of Public Lands
September 10, 1971

ALEX J. ARMIJO
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO

Amerada Hess Corporation
Drawer 817
Seminole, Texas 79360

Re: Surface Commingling on the
State "D" and State "H"
Leases

ATTENTION: Mr. G. F. Dewhurst

Gentlemen:

Reference is made to your application dated July 26, 1971, requesting approval to commingle the production from your State "D" and "H" leases.

Since the new evidence was presented, by your letter of August 28, 1971, you are hereby given approval to the above request. Any deviation from your proposed request will be reason to cancel approval.

This approval is subject to the subsequent approval of the New Mexico Oil Conservation Commission.

Very truly yours,

Ray D. Graham
RAY D. GRAHAM, Director
Oil and Gas

AJA/RDG/s
encls.

cc: New Mexico Oil Conservation Commission
New Mexico Oil & Gas Accounting Commission

PS: Please submit a ten (\$10.00) Dollar filing fee.