

MORAN OIL PRODUCING & DRILLING CORPORATION

Box 1718
HOBBS, NEW MEXICO 88301 12

AUGUST 30, 1962

GENERAL OFFICES
903 WEST MARLAND
HOBBS, NEW MEXICO

PHONE
EXPRESS 3-2571
EXPRESS 3-2417

SUBJECT: REQUEST FOR PERMISSION TO
COMMINGLE DRINKARD & BLINEBRY
OIL ON OWEN LEASE, 14-21-37.

MR. A. L. PORTER, JR.
NEW MEXICO OIL CONSERVATION COMMISSION
P. O. Box 871
SANTA FE, NEW MEXICO

DEAR SIR:

MORAN OIL PRODUCING & DRILLING CORPORATION HEREBY REQUESTS EXCEPTION TO OCC RULE 303(A), BY ADMINISTRATIVE APPROVAL, AS SET FORTH IN RULE 303(B) CASE No. 2356 ORDER No. R-2060, TO COMMINGLE PRODUCTION FROM TWO COMMON SOURCES OF SUPPLY.

WE REQUEST PERMISSION TO COMMINGLE DRINKARD OIL WITH BLINEBRY OIL ON THE OWEN LEASE (FEE) SEC. 14, T21S, R37E, LEA COUNTY, NEW MEXICO. THIS REQUEST IS MADE CONTINGENT UPON A HEARING OF SEPTEMBER 11, 1962, CASE No. 2631 REQUESTING PERMISSION TO TRIPLE COMPLETE THE OWEN No. 1 AND SUBSEQUENT ASSIGNMENT OF ALLOWABLE FOR THE BLINEBRY ZONE. IF OUR REQUEST TO COMMINGLE IS GRANTED WE WILL COMPLY WITH ALL REQUIREMENTS IN R-2060 AND "MANUAL FOR THE INSTALLATION AND OPERATION OF COMMINGLING FACILITIES" DATED SEPTEMBER 13, 1961.

THE ATTACHED FORM C-116 INDICATES THE PRODUCTION DATA OF THE DRINKARD-BLINEBRY ZONES OF THE OWEN LEASE. THE C-116 FORM WAS USED FOR CONVENIENCE OF PRESENTATION OF THESE DATA. THE TOTAL ALLOWABLE FOR THE TWO DRINKARD WELLS WILL AMOUNT TO APPROXIMATELY 72 BOPD AND THE BLINEBRY APPROXIMATELY 46 BOPD.

THE OBSERVED API GRAVITY FOR THE DRINKARD AND BLINEBRY POOLS ARE IDENTICAL - NAMELY 39 DEGREES API AT 60 DEGREES F. THE CURRENT POSTED PRICE FOR THIS CRUDE IS \$2.89 PER BARREL. THE EXPECTED GRAVITY OF THE COMMINGLED PRODUCTION WILL BE 39 DEGREES API WITH A VALUE OF \$2.89 PER BARREL.

THE OWNERSHIP IS COMMON UNDER THIS LEASE INCLUDING THE WORKING INTEREST, ROYALTY INTEREST AND OVERRIDING ROYALTY INTEREST.

OUR PROPOSED PLAN IS TO USE THE "SUBTRACTION METHOD" AS DESCRIBED IN

MR. A. L. PORTER, JR.

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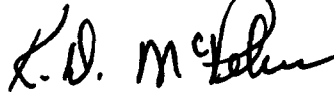
SECTION 2-B OF THE "COMMINGLING MANUAL". THE ATTACHED SCHEMATIC DIAGRAM OF THE PIPING SYSTEM INDICATES OUR PROPOSED SYSTEM. THE DRINKARD PRODUCTION WILL BE METERED AND THE BLINEBRY PRODUCTION OBTAINED BY THE SUBTRACTION METHOD. THE METER WILL BE PROVED BY FLOWING INTO A STRAPPED STOCK TANK. THE WELLS AND ZONES CAN BE TESTED INDIVIDUALLY BY OUR ROLLO PORTABLE WELL CHECKER AT THE WELL LOCATION.

ATTACHED TO THIS APPLICATION IS A PLAT INDICATING THE WELL LOCATIONS, PRODUCING ZONES AND TANK BATTERY LOCATION.

YOUR APPROVAL OF OUR COMMINGLING REQUEST WILL BE APPRECIATED.

YOURS VERY TRULY,

MORAN OIL PRODUCING & DRILLING CORP.



K. D. MCPETERS

KDMc/EH

ATTACHMENTS

CC; SHELL OIL COMPANY
P. O. Box 1858
ROSWELL, NEW MEXICO

ATLANTIC REFINING CO.
P. O. Box 1978
ROSWELL, NEW MEXICO

NEW MEXICO OIL CONSERVATION COMMISSION

GAS-OIL RATIO REPORT

OPERATOR MORAN OIL PROD. & DRLG. CORP. POOL DRINKARD - BLINEBRY
ADDRESS Box 1718, HOBBS, NEW MEXICO MONTH OF AUGUST, 1962
SCHEDULED TEST..... COMPLETION TEST..... SPECIAL TEST XX (Check One)
(See Instructions on Reverse Side)

Lease	Well No.	Date of Test	Producing Method	Choke Size	Test Hours	Daily Allowable Bbls.	Production During Test			GOR Cu. Ft. Per Bbl.
							Water Bbls.	Oil Bbls.	Gas MCF	
<u>BLINEBRY OIL</u>										
OWEN	1	8-23	FLOW	17/64	24	*46	0	256	374	1460
<u>DRINKARD OIL</u>										
OWEN	1	8-22	FLOW	12/64	24	61	0	108	201	1860
OWEN	2	8-21	FLOW	3/4	24	11	0	11	95	8636
*EXPECTED ALLOWABLE CONTINGENT UPON APPROVAL OF TRIPLE COMPLETION.										

No well will be assigned an allowable greater than the amount of oil produced on the official test.

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Commission.

Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60 degrees F. Specific gravity base will be 0.60.

Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Commission. In accordance with Rule 301 and Appropriate Pool Rules.

(I certify that the information given is true and complete to the best of my knowledge.)

Date AUGUST 30, 1962

MORAN OIL PRODUCING & DRILLING CORP.

By *K. D. McPeters* K. D. MCPETERS

VICE PRESIDENT

Title

MORAN OIL PRODUCING & DRILLING CORP.

SCHEMATIC PIPING DIAGRAM

OWEN LEASE

