

TIDEWATER OIL COMPANY
P. O. BOX 547
HOBBS, NEW MEXICO

June 14, 1963

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.

Re: Commingling production from Getty Oil Company's State "G" Lease

Gentlemen:

New Mexico Oil Conservation Commission Administrative Order PC-135 was issued on April 19, 1963, to permit the commingling of the production from the Langlie-Mattix, Blinebry and Tubb-Drinkard zones on Getty Oil Company's State "G" Lease comprising the NW/4 NW/4 of Section 2, Township 25 South, Range 37 East, Lea County, New Mexico after separately metering the Blinebry and Tubb-Drinkard production and determining the Langlie-Mattix production by means of the subtraction method. This 40-acre lease includes two wells. Well No. 1 produces from the Langlie-Mattix and Well No. 2 is a dual tubingless completion which produces from the Blinebry and Tubb-Drinkard zones.

After Order PC-135 was issued the Texas-New Mexico Pipeline Company notified Tidewater that if the Langlie-Mattix zone (which is classified as sour) were commingled with the Blinebry and Tubb-Drinkard zones (which are classified as intermediate), the total commingled production would be classified as sour and sour crude prices would prevail. These sour crude prices of approximately \$0.09 per barrel less than intermediate prices would apply even though the Blinebry and Tubb-Drinkard produce top allowable of 48 barrels of oil per day from each zone and the Langlie-Mattix produces a total of only 3 barrels of oil per day. API gravities of the Blinebry and Tubb-Drinkard zones are 37.7 and 37.5 degrees, respectively, and the Langlie-Mattix has a gravity of 39.5 degrees.

Because of this price situation we have continued to produce the Langlie-Mattix zone into separate facilities and have commingled only the Blinebry and Tubb-Drinkard zones. A revised diagrammatic sketch of the commingling facilities is attached for your review. The Blinebry oil is metered separately and the Tubb-Drinkard production is determined by means of the subtraction method. Verbal approval to produce as described was obtained from the New Mexico Oil Conservation Commission District Office here in Hobbs.

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Please advise if you desire any additional information pertaining to this installation.

Very truly yours,

TIDEWATER OIL COMPANY

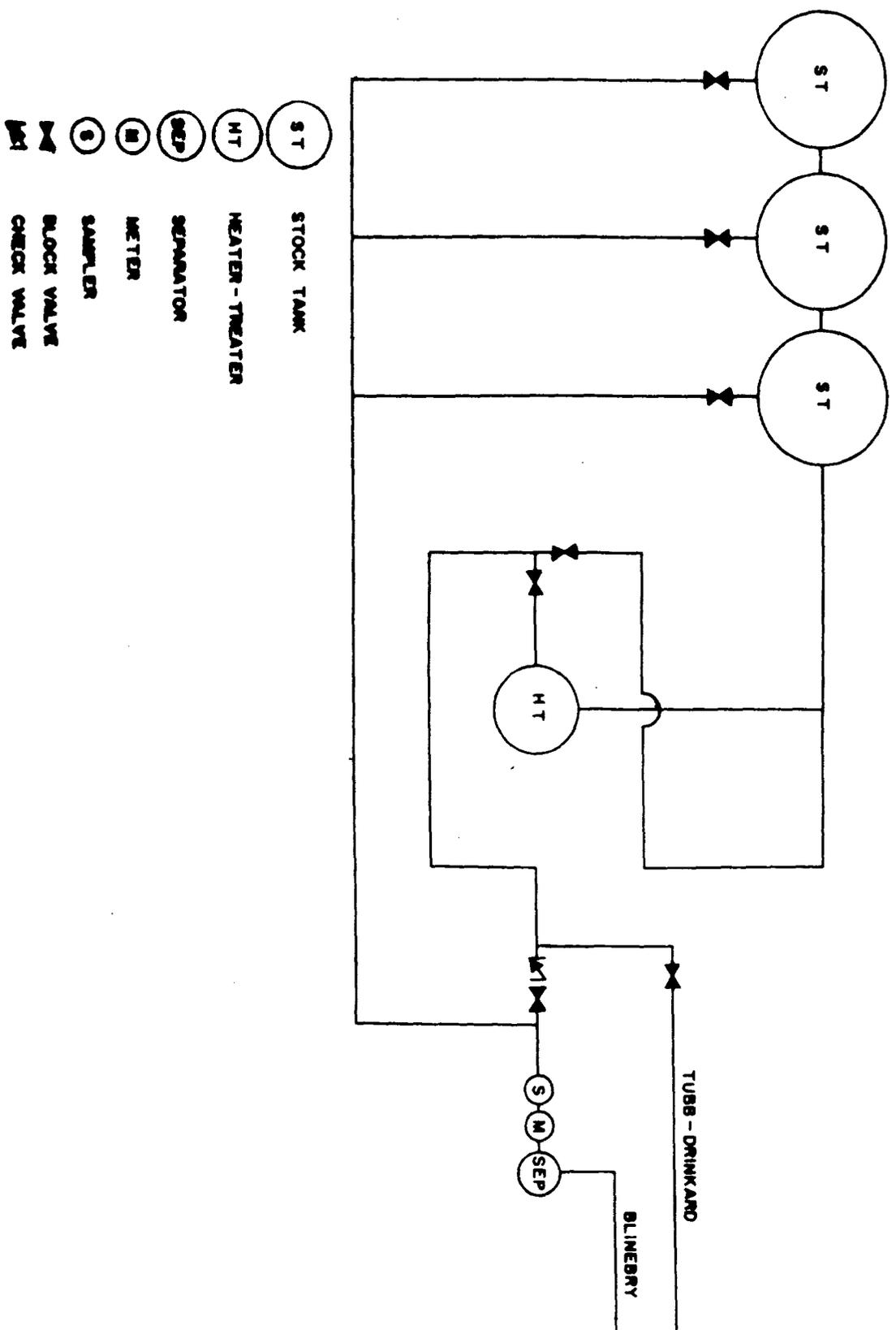
C. L. Wade
C. L. Wade,
Area Superintendent

BMB:bw

Attachments

cc: NMOCC - Santa Fe (Orig. & 2)
NMOCC - Hobbs (1)
Commissioner of Public Lands - Santa Fe (1)
R. H. Coe - Midland (1)
File

DIAGRAMMATIC SKETCH OF LEASE FACILITIES
GETTY OIL COMPANY
STATE "G" LEASE
NORTH JUSTIS POOL
LEA COUNTY, NEW MEXICO



ST

STOCK TANK

HT

HEATER - TREATER

SEP

SEPARATOR

M

METER

S

SAMPLER

BV

BLOCK VALVE

CV

CHECK VALVE

TUBB - DRINKARD

BLINBERRY