



CONTINENTAL OIL COMPANY

P. O. Box 460

HOBBS, NEW MEXICO 88240

January 19, 1968

PRODUCTION DEPARTMENT
HOBBS DIVISION
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New Mexico Oil Conservation Commission (3)
P. O. Box 2088
Santa Fe, New Mexico

Attention of Mr. A. L. Porter, Jr., - Secretary-Director

Re: Amendment to Administrative
Order PC 173

Gentlemen:

Order No. PC-173 authorized the commingling of the Blinebry Oil and Drinkard Oil production on our Lockhart B-35 Lease in Section 35, 21S, 37E, Lea County, New Mexico. Amendment to this order, dated April 15, 1964, authorized the commingling of Tubb and Blinebry distillate with the Drinkard and Blinebry oil. This order also recognized the necessity of separate metering of the liquids produced from Well No. 1 which has a sliding scale royalty burden differing from the royalty rate of the other wells on this lease.

Recently, Well No. 2 was re-entered and deepened to the Abo formation. The well has now been recompleted as a dual producer in the Wantz Abo and Blinebry gas pools. The Drinkard formation has been abandoned. Since the crude is similar in nature, Continental now desires to commingle the Abo production with the other liquids now being commingled on the lease.

Attached herewith is a revised schematic diagram showing the method proposed for the commingling. Also attached is a tabulation of the most recent test data available on the wells. As shown, the only top allowable production on the

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lease is the Wantz Abo completion in Well No. 2. Consequently, we propose to meter this well's production, the Blinebry distillate production and the production from Well No. 1. The Blinebry oil and Drinkard oil will be measured by the subtraction method and production allocated to the wells on the basis of periodic well tests.

The revised commingling procedure has been approved by the Regional Supervisor of the USGS as shown by his letter dated January 15, 1968, copy attached. It is respectfully requested that Order No. PC-173 be further amended to permit the commingling of the Wantz Abo crude with the presently commingled liquids on the lease as described above.

Yours very truly,



LPT-JS

LOCKHART B-35 LEASE

Drinkard Oil Pool

<u>Well No.</u>	<u>Daily Avg. Prod.</u> Aug. 1 to Oct. 1, 1967	<u>Date</u>	<u>Latest Well Test</u>			
			<u>BOPD</u>	<u>BWPD</u>	<u>MCF/D</u>	<u>GOR</u>
1	3.11 BOPD	9-10-67	3	0	50	16,667
3	12.23 BOPD	8-7-67	13	0	161	12,400
4	8.14 BOPD	8-8-67	10	2	139	13,900

Blinebry Oil Pool

1	12.86 BOPD	9-11-67	17	0	4	235
3	9.58 BOPD	8-6-67	10	0	150	15,000
4	11.95 BOPD	8-9-67	15	0	82	5,460

Blinebry Condensate

<u>Well No.</u>	<u>Daily Avg. Prod</u> June 1967	<u>Date</u>	<u>BCPD</u>	<u>BWPD</u>	<u>MCF/D</u>
2	21.7 BOPD	5-17-67	26	0	1,047

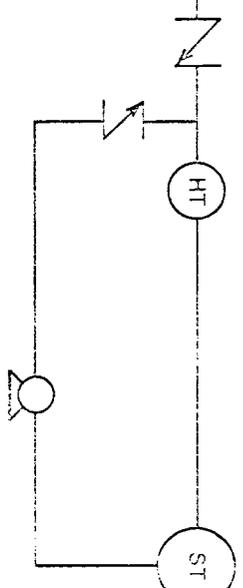
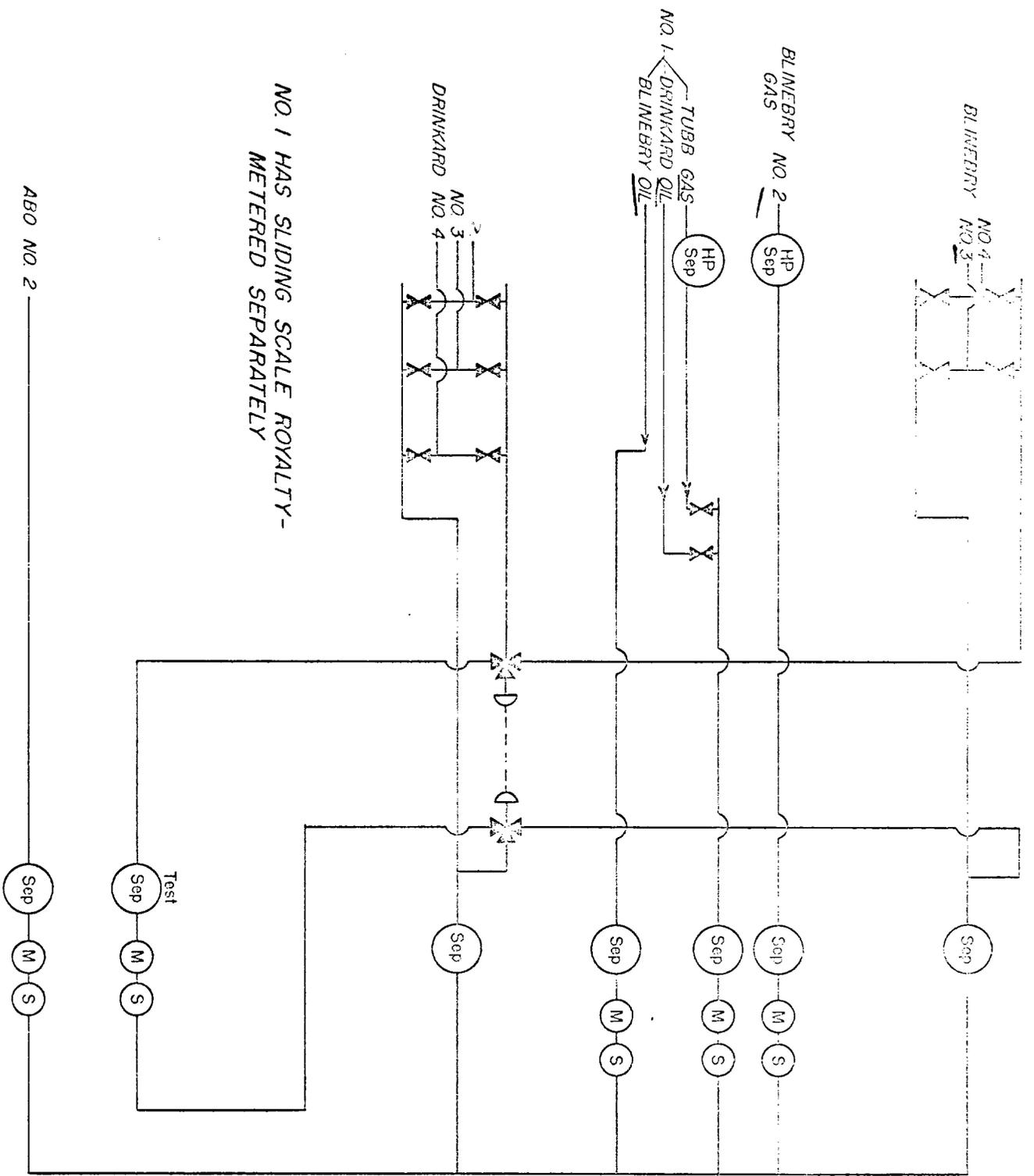
Tubb Condensate

<u>Well No.</u>	<u>Daily Avg. Prod</u> Aug. 1 to Oct. 1, 1967	<u>Date</u>	<u>BCPD</u>	<u>BWPD</u>	<u>MCF/D</u>
1	12.77 BCPD	9-13-67	3	0	1,548

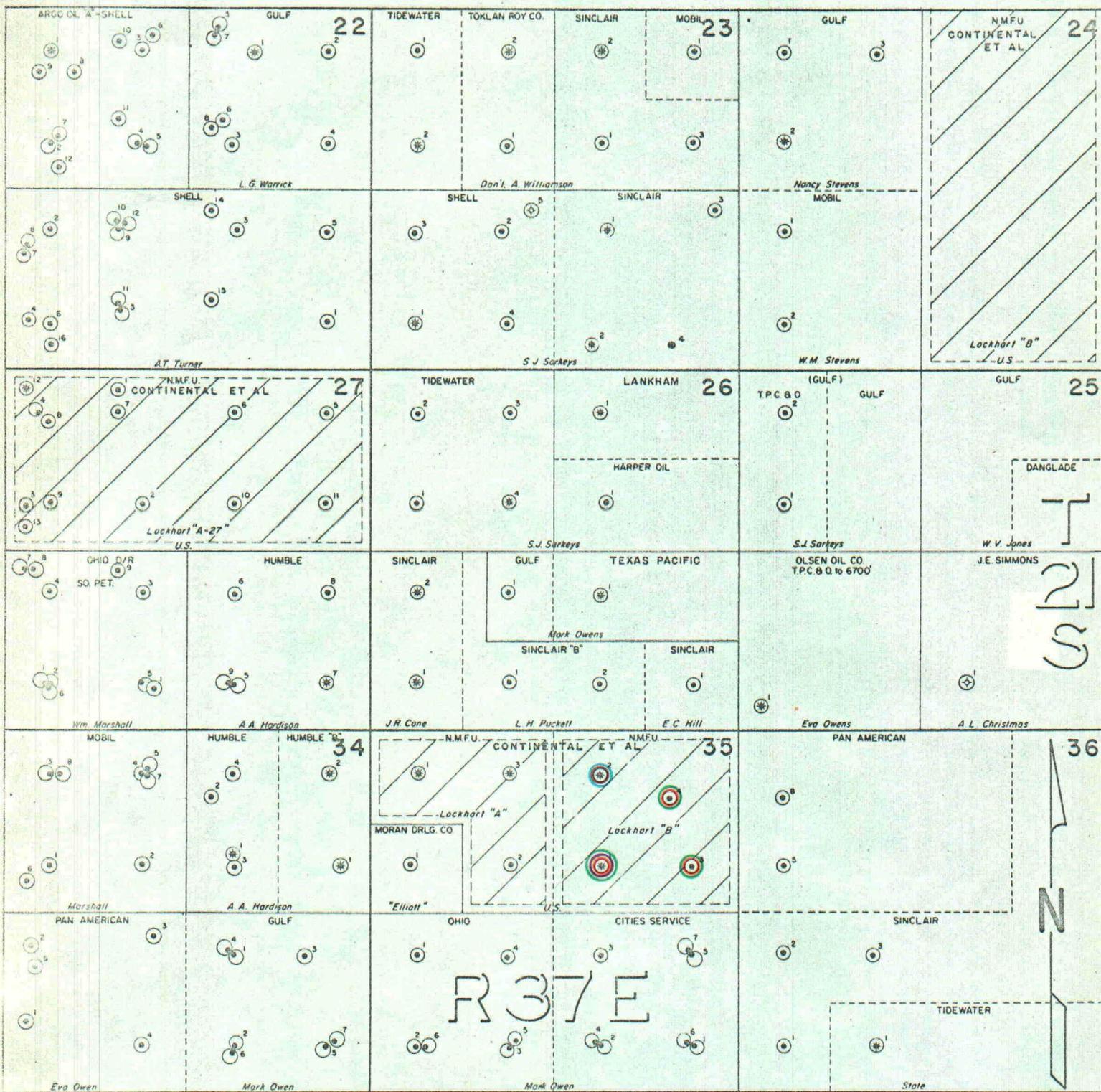
Wantz Abo Oil Pool

<u>Well No.</u>	<u>Daily Avg. Prod</u> New Well	<u>Date</u>	<u>BOPD</u>	<u>BWPD</u>	<u>MCF/D</u>	<u>GOR</u>
2	160 BOPD	10-3-67	159	2	274	1,724

<u>Crude</u>	<u>Gravity</u>	<u>B/D</u>	<u>\$/Bbl.</u>	<u>Value</u>
Blinebry Drinkard Oil	38° API	58	2.96	\$171.68
Abo Oil	43.3°	160	3.00	480.00
Blinebry Condensate	47°	22	2.94	64.48
Tubb Condensate	70°	13	2.50	<u>32.50</u>
Total Value				\$748.36/day
Commingled	41.4° API	253	3.00	\$759.00/day



LOCKHART B
COMMINGLING



- Drinkard Oil Well
- Blinebry Gas Well
- Tubb Gas Well
- Blinebry Oil Well
- Abo Oil Well

CONTINENTAL OIL COMPANY
 PRODUCTION DEPARTMENT
 HOBBS DIVISION
 LOCKHART B-35 LEASE
 LEA COUNTY, NEW MEXICO
 Scale: 1" = 2000'