

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

April 14, 1964

Cities Service Oil Company

P.O. Box 69

Albuquerque, New Mexico

Attention: Mr. E. F. Motter

Administrative Order PC-203

Gentlemen:

Reference is made to your application dated December 12, 1963, for administrative approval of an exception to Rule 303 (a) of the Commission Rules and Regulations to permit the commingling of Drinkard, Blinbry, and Hare oil and Tubb distillate on your State "S" Lease comprising the S/2 W/4 of Section 15, Township 21 South, Range 37 East, Lea County, New Mexico, after separately metering the Blinbry production and determining the total remainder of the production by means of the subtraction method, allocating the same to each well and to each pool on the basis of periodic well tests.

Processing of this application was delayed pending disposition of Case No. 2923 concerning the Blinbry production on this lease and pending discussion of this installation by representatives of Cities Service and the Commission.

It now appears that the proposed commingling will be acceptable, provided that the Blinbry production from Well No. 6 is separated and the gas measured prior to blending the recombined production from this well with that from Well No. 3; and provided further that the combined production from Wells Nos. 3 and 6 shall then be separated and the oil production continuously measured before being commingled with that from any other pool; and provided further, that monthly tests shall be taken to determine the producing capabilities of Wells Nos. 3 and 6, and the results of such tests included in the monthly report required for the State "S" Lease by Order No. R-2633.

Pursuant to the authority granted me under the provisions of Commission Rule 303 (b), Cities Service Oil Company is hereby authorized to commingle the aforesaid production on the subject lease in the above-described manner; provided, however, that this installation shall be operated in accordance with Commission Order No. R-2633 and with the Commission's "Manual for the Installation and Operation of Commingling Facilities," including the requirement for non-reset counters on the meters; and provided further that you shall notify the Commission at any time that any well in the Hare or Drinkard Pools becomes capable of top allowable production.

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Very truly yours,

A. L. Forter, Jr.
Secretary-Director

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cc: Oil Conservation Commission - Hobbs (with enclosure)
Oil & Gas Engineering Committee - Hobbs
State Land Office - Santa Fe
Oil & Gas Accounting Commission - Santa Fe
Case File 2923

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