



P. O. Box 249
Hobbs, New Mexico 88240

March 7, 1967

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

Re: Administrative Approval to Commingle Production
from the Blinebry, Drinkard, and Wantz Abo Oil
Zones on Tidewater's S. J. Sarkeys Lease, Wells
No. 1, 2, 3, 4, & 5 in Units C, D, E, & F in
Section 26, T-21-S, R-37-E, Lea County, New
Mexico

Gentlemen:

Tidewater Oil Company respectfully requests approval to commingle oil produced from the Blinebry, Drinkard, and Wantz Abo formations on its S. J. Sarkeys Lease, Wells No. 1, 2, and 3 are Blinebry-Drinkard duals. Well No. 4 is a Blinebry-Tubb Gas dual.

Production from the Blinebry and Drinkard zones is currently being commingled under Administrative Order PC-210 dated May 19, 1964. Tidewater is now drilling Well No. 5 in Unit C, which will be a single completion in the Wantz Abo zone.

Attached is a diagrammatic sketch showing the proposed installation for the three zones. Production from the Blinebry and Wantz Abo will pass through individual 3-phase metering separators. These two crudes will be metered and sampled before being commingled in the common heater-treater. The Drinkard production will pass through a conventional 2-phase separator before being commingled in the heater-treater. Common test facilities will maintain segregation by the use of manual operated pneumatic interlock valves. The metering separators will be proved for accuracy each month into one of the 1000 barrel tanks.

The net production from each zone will be determined by the "Subtraction Method" as outlined in Section 2-E under "Commingling Between Pools or Zones" of the NMOCC Manual for the Installation and Operation of Commingling Facilities. Net production from the Blinebry and Wantz Abo zones will be calculated by applying their meter factors to their gross meter readings less BS&W content. Net Drinkard production will be the difference between the net pipeline runs and the sum of net Blinebry and Wantz Abo production.

The expected hydrocarbon volumes, gravities, and commercial values are as follows:

<u>Zone</u>	<u>BOPD</u>	<u>Grav.</u>	<u>Price</u>	<u>Composite Gravity</u>	<u>Price</u>	<u>Unit Change</u>	<u>Net Increase per day</u>
Blinbry	172	39.3	\$2.99	40.2	\$3.01	40.02	\$3.44
Drinkard	13	39.5	2.99	40.2	3.01	40.02	.26
Abo	117	41.5	3.01	40.2	3.01	-	-
Total Daily Revenue Increase							<u>3.70</u>

Tidewater Oil Company hereby respectfully requests approval to commingle oil production from the Blinbry, Drinkard and Wantz Abo zones on its S. J. Sarkeys Lease in accordance with Rule 303 (b) of the Commission Rules and Regulations.

Very truly yours,

TIDEWATER OIL COMPANY

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

WCS/acm

Attachments

cc: NMOCC, Santa Fe
Tidewater Oil Company, Midland
File

