

AZTEC OIL & GAS COMPANY

P. O. BOX 847
HOBBS, NEW MEXICO

July 22, 1964

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

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

Re: Commingling of Oil Production from
Dauron No. 1 (Wantz-Abo Pool),
Dauron No. 2 (Blinebry Oil Pool) and
Dauron No. 3 (Hare-Simpson Pool)

Gentlemen,

Aztec Oil and Gas Company respectfully requests an exception to Rule 303 (A) and administrative approval to commingle Wantz-Abo, Blinebry and Hare-Simpson production on our Dauron Lease comprising the NW/4 NW/4 of section 10, township 21 south, range 37 east, Lea County, New Mexico, by allocating the production to each of these three pools on the basis of periodic well tests, as none of these zones are capable of producing top allowable.

The following facts are pertinent to this request:

1. Aztec Oil and Gas Company is the owner and operator of Dauron Well No. 1, producing from the Wantz-Abo Pool, located in Unit A, 660 feet from the North line and 660 feet from the East line of Section 10, Township 21 South, Range 37 East, Lea County, New Mexico.
2. Aztec Oil and Gas Company is the owner and operator of Dauron Well No. 2, producing from the Blinebry Oil Pool, located in Unit A, 660 feet from the North line, 525 feet from the East line of Section 10, Township 21 South, Range 37 East, Lea County, New Mexico.
3. Aztec Oil and Gas Company is the owner and operator of Dauron Well No. 3, producing from the Hare-Simpson Pool, located in Unit A, 330 feet from the North line and 990 feet from the East line of Section 10, Township 21 South, Range 37 East, Lea County, New Mexico.
4. The known gravities, volumes and value of each common source of supply are herein tabulated:

<u>Zone</u>	<u>API Gravity</u>	<u>Value/Bbl</u>	<u>Daily Volume</u>	<u>Daily Value</u>
Wantz-Abo	39.8	\$2.92	8	\$ 23.76
Blinebry Oil	37.4	\$2.86	27	\$ 73.22
Hare-Simpson	41.2	\$2.95	7	\$ 20.65
			<u>42</u>	<u>\$117.63</u>

5. The expected gravity of the commingled liquid hydrocarbon production is 33.5° API. The daily value of 42 barrels with a gravity of 33.5 would be \$121.38 at \$2.89 per barrel, which is greater than the sum of the values of the production from each common source of supply.
6. A schematic diagram of the proposed installation is attached.
7. A plat showing the location of all wells on the Dauron Lease and the pool from which each well is producing is attached.

Your approval of this application will be appreciated.

Very truly yours,



Lester L. Duke
District Superintendent

LLD/JE/np

Attachments

cc: NMOCC-Hobbs

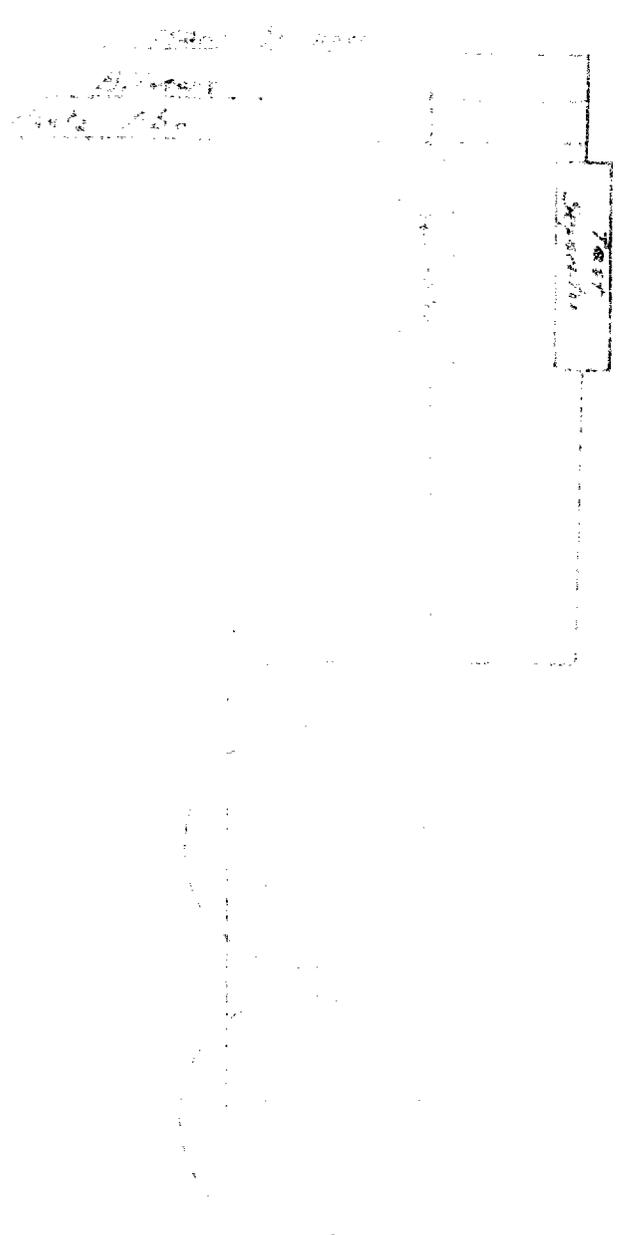
Mr. Van Thompson

Mr. Prentice Watts

SECTION 10 TOWNSHIP 21-S RANGE 37-E COUNTY LEA STATE N. MEX.

			AZTEC ● 3 ● 1 ● 2 Duron
		10	

- Wantz - Abo Pool
- Blinebry Oil Pool
- Hare - Simpson Pool



APPLICABLE GAS COMPANY
 Lease

 Proposed Facilities