

AZTEC OIL & GAS COMPANY

P. O. BOX 847

HOBBS, NEW MEXICO

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

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

Re: Application to commingle Terry Blinebry  
and Drinkard production on the Aztec Oil  
and Gas Company "State" Lease B-11613-1.

Gentlemen,

Aztec Oil and Gas Company respectfully requests an exception to Rule 303 (a) and administrative approval to commingle Terry Blinebry and Drinkard production on the "State" Lease comprising Lots 3, 4, 5 and 6 of Section 2, Township 21 South, Range 37 East, Lea County, New Mexico, by allocating the production on the basis of periodic well tests, as none of the wells on this lease is 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 the above described lease.
2. This lease, State of New Mexico Lease B-11613-1, involves State lands; therefore, evidence that the Commissioner of Public Lands for the State of New Mexico has consented to the proposed commingling is attached to this application.
3. A schematic diagram of the proposed installation is attached.
4. A plat showing the location of all wells on the subject lease and the pool from which each well is producing is attached.
5. The average daily production during June and July, 1964, the known gravities, and the value of each common source of supply are herein tabulated:

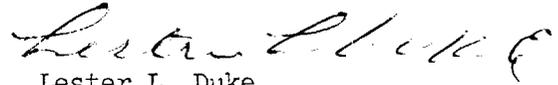
Pool	Well	Daily Avg. June & July	API Grav.	Value/ Bbl.	Daily Value
Terry Blinebry	State #5	2.97			
" "	" #6	6.39			
" "	" #7	6.39			
" "	" #8	13.23			
		<u>28.98</u>	37.5	2.86	<u>\$82.88</u>
Drinkard	State #2	6.56	37.6	2.86	<u>\$18.76</u>
Total		<u>35.54</u>			<u>\$101.64</u>

6. The expected gravity of the commingled liquid hydrocarbon production is 37.5 API. The daily value of 35.54 barrels with a gravity of 37.5 at \$2.86 per barrel would be \$101.64, which is equal to the sum of the values of the production from each common source of supply.

Your approval of this application will be appreciated.

Very truly yours,

Aztec Oil & Gas Company

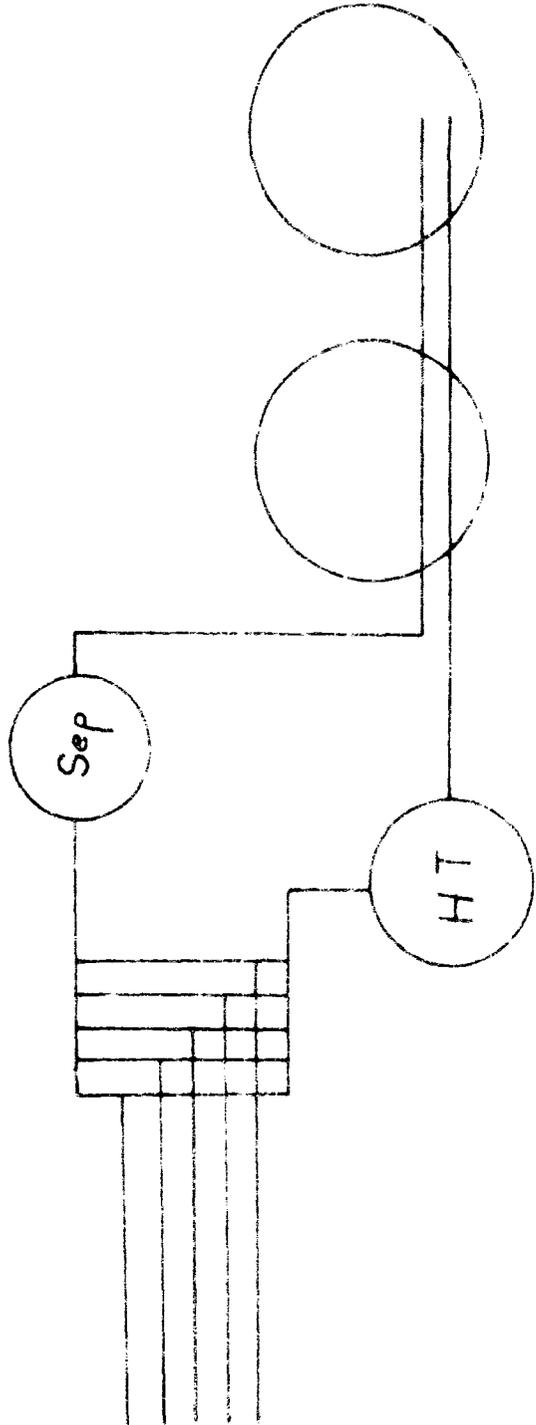


Lester L. Duke  
District Superintendent

LLD/JE/np

Attachments

cc: State Land Office  
Mr. Van Thompson  
Mr. Prentice Watts



*Aztec Oil & Gas Co.*

*Proposed Commingling Facilities*

*State Lease*

*Lots 3, 4, 5, & 6 Sec. 2, T219, R37E*

*Lea County, New Mexico*

August 24, 1964

State Land Office  
Santa Fe, New Mexico

Attention: Mr. E. S. Walker  
Commissioner of Public Lands

Re: Application to commingle Terry Blinbry  
and Drinkard production on the Artec Oil  
and Gas Company "State" Lease B-11613-1.

Gentlemen:

Pursuant to Rule 303 (b), Artec Oil and Gas Company respectfully requests your approval of the attached application to commingle Terry Blinbry and Drinkard production on the "State" Lease comprising Lots 3, 4, 5 and 6 of Section 2, Township 21 South, Range 37 East, Lea County, New Mexico.

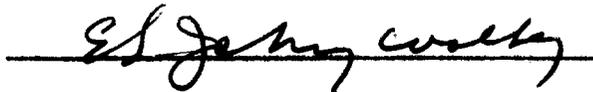
If you are in agreement with this application please execute and return to us six copies.

Very truly yours,

Artec Oil and Gas Company

Lester L. Duke  
District Superintendent

Approved:



By \_\_\_\_\_

Date \_\_\_\_\_

LLB/JE/np  
Enclosures

Page 2 of 2

State Land Office  
Santa Fe, New Mexico

Department of Public Lands  
Attention: Mr. S. Walker

Re: Application to condemn Henry Hinkley  
and Patricia property on the West 1/4  
and Gas Company "State" lease 5-1100-1.

Dear Sir:

Reference is made to your letter of August 10, 1950, and the  
agreement of August 10, 1950, between the State and the  
Gas Company, relative to the "State" lease 5-1100-1, and to  
the application to condemn Henry Hinkley and Patricia  
property on the West 1/4 and Gas Company "State" lease 5-1100-1.

You are in agreement with this application for condemnation and return  
of six acres.

Very truly yours,

State Land Office and Gas Company

Richard L. King  
Director of Land Management

Approved:



\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Date

RLK/ELP  
Enclosures

August 27, 1964

Aztec Oil & Gas Company  
P. O. Box 847  
Hobbs, New Mexico

Attention: Mr. Lester L. Duke

Re: Application to Commingle Terry  
Blinebry and Drinkard Production  
on the Aztec Oil & Gas Company  
State Lease B-11613

Gentlemen:

The State Land Office hereby approves the above request to commingle production from Terry Blinebry and Drinkard pools on "State" Lease comprising Lots 3, 4, 5 and 6 of Section 2, Township 21 South, Range 37 East, Lea County, New Mexico.

The Commissioner of Public Lands reserves the right to amend or withdraw this approval should there be a loss of royalty to the state, and should you differ from your plan of measuring. This is also subject to the approval by the Oil Conservation Commission.

Very truly yours,

E. S. JOHNNY WALKER  
COMMISSIONER OF PUBLIC LANDS

By

Rosulo Martinez  
Oil and Gas Division

ESJW/RM/dh

cc Oil Conservation Commission  
Oil and Gas Accounting Commission

