



April 21, 1965

P.O. Box 128
Hobbs, New Mexico

New Mexico Oil Conservation Commission
P.O. Box 2088
Santa Fe, New Mexico

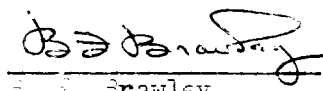
Gentlemen:

Submitted in triplicate herewith is Sunray Oil Company's application for administrative approval to commingle the Blinebry oil and Brinkard oil production in their Elliott "B" l.c. 1, located in Section 20, Township 21 South, Range 37 East, Lea County, New Mexico. This is a Federal lease with common working interests and common royalty interests for each zone. Presently the lease consists of this one dually completed Blinebry-Brinkard well. We are attempting a triple completion of this well in the Penrose Skelly but this should have no bearing upon this application since this zone will not be commingled with either existing completion in the event the triple attempt is successful. Separate storage will be provided for the Penrose because of its sour nature.

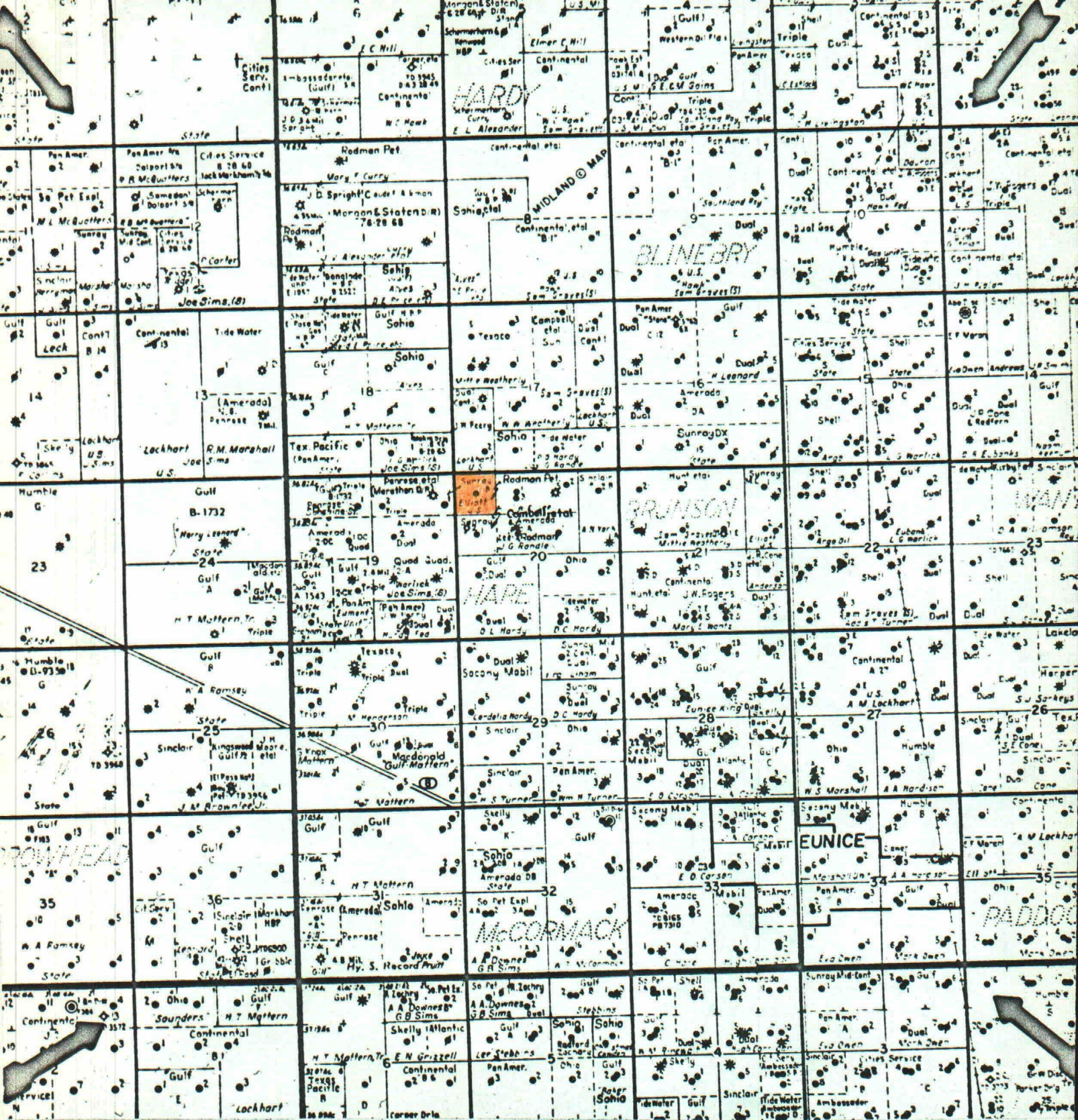
Attached are the following: (1) A plat showing the lease and well location and surrounding leases. (2) Calculations indicating the change in fluid characteristics by commingling and relative value change from such. (3) A diagrammatic sketch of the proposed method of commingling. (4) A statement of approval from the Regional Oil and Gas Supervisor of the United States Department of Interior, Geological Survey.

Yours very truly,

SUNRAY OIL COMPANY


F. F. Brawley
District Engineer

BFB:lk1



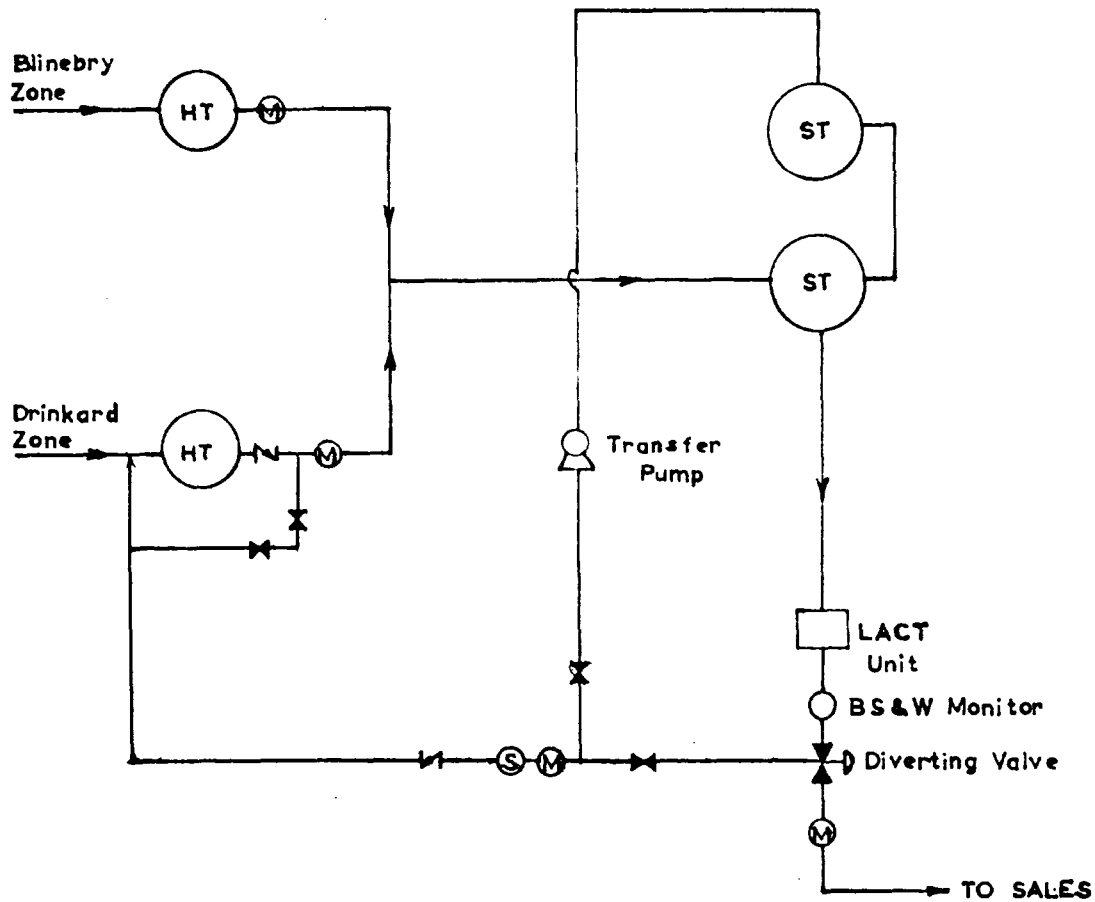
SUNRAY DX OIL CO.
Elliott "B" Lease
Sec. 20-T21S-R37E
Lea County, New Mexico

Sunray DX Oil Company
Gravity and Value Calculations
For Commingling Blinebry and Drinkard Zones
Elliott "B" Lease
Lea County, New Mexico

(1)	Average API gravity of Blinebry @ 60 deg.	38.6
(2)	Average API gravity of Drinkard @ 60 deg.	37.2
(3)	Expected producing rate of Blinebry - BOPD	52.0
(4)	Expected producing rate of Drinkard - BOPD	15.0
(5)	Expected Total commingled daily production: (3)+(4)-BOPD	67.0
(6)	Weighed average gravity of commingled fluid	
	= $\frac{(\text{Bln. Prod.} \times \text{Gr.}) + (\text{Drk. Prod.} \times \text{Gr.})}{(\text{Total Prod.})}$	
	= $\frac{(52 \times 38.6) + (15 \times 37.2)}{67}$	38.3
(7)	Value of Crude per bbl. for 37.0-37.9 gravity range	2.95
(8)	Value of Crude per bbl. for 38.0-38.9 gravity range	2.97
(9)	Change in value affecting Blinebry production - \$/bbl.	0
(10)	Change in value affecting Drinkard production - \$/bbl.	+0.02

SUNRAY DX OIL COMPANY
Diagrammatic Sketch of Proposed Comingling Facilities

Elliott "B" Lease
 Sec. 20-T21S-R37E
 Lea County, New Mexico



LEGEND:

- X Valve
- Z Check
- M Meter
- S Sampler
- HT Heater Treater
- ST Stock Tank



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201

IN REPLY REFER TO:

April 12, 1965

Sunray DX Oil Company
Box 128
Hobbs, New Mexico

Attention: Mr. B. F. Brawley

Gentlemen:

Your letter of April 7 requests approval to commingle oil production from the Blinbry and Drinkard Pools in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ sec. 20, T. 21 S., R. 37 E., Lea County, New Mexico, lease Las Cruces 032591(b).

The method of commingling described by the diagram attached to your letter is hereby approved. You are required to notify our Hobbs office when the installation is completed so that a field inspection of the system can be made.

Sincerely yours,

JOHN A. ANDERSON
Regional Oil and Gas Supervisor