

May 24, 1971

Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87501

Re: Proposed Commingling
State "367" Lease

Dear Sir:

Administrative Order PC-261 allows commingling of Blinebry and Drinkard production from the State "367" lease comprising the N/2 S/2, SW/4 SW/4, and E/2 NE/4 of Section 36, T21S-R37E, Lea County, New Mexico. This order provides that the Drinkard production will be metered and Blinebry production determined by subtraction. Order R-464 allows commingling of condensate from the Tubb and Blinebry gas pools following high pressure separation.

We are currently commingling on the State "367" lease under these orders; however, since application for permission to commingle in 1965 production has declined to where there are now only marginal producers on the lease. Also, at present one set of tanks is in bad condition and will require considerable expense to repair.

We, therefore, respectfully request permission to commingle the liquids presently covered by the two orders. These are the Blinebry oil, Drinkard oil, Blinebry condensate and Tubb condensate. We also request permission to cease metering of the Drinkard production as all wells on the lease are marginal liquid producers.

In support of this request, attached are: (1) a tabulation of production for two recent months, (2) a table of gravities of production, (3) a plat of the lease showing the wells and their producing formation and, (4) a schematic drawing of the proposed installation. As shown on the latter, the meter is proposed to be used for test purposes.

The condensate stream has a gravity of about 40° API and a value of about \$3.56 per barrel. The oil stream has a gravity of about 36.9° API and a value of \$3.48 per barrel.

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The combined stream is calculated to have a gravity of 38° - 39° API and have a value of \$3.52 per barrel. On this basis and at the current rates, commingling would result in a very slight increase in total value in the order of \$2 to \$10 per month.

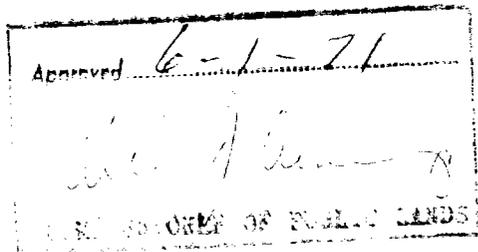
Your consideration of this request will be appreciated. If you approve this proposal, please advise the Oil Conservation Commission and we will submit the application for their approval.

Very truly yours,


E. M. Pringle

EMP:rhs
Attachs.

cc: Mr. W. P. Tomlinson - Midland
Mr. A. D. Kloxin - Roswell



North American Producing Division
Permian District - West Area
Post Office Box 1978
Roswell, New Mexico 88201
Telephone 505 622 4049



June 3, 1971

New Mexico Oil Conservation
Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

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

Re: Proposed Commingling
State "367" Lease

Gentlemen:

Administrative Order PC-261 allows commingling of Blinebry and Drinkard production from the State "367" lease comprising the N/2 S/2, SW/4 SW/4, and E/2 NE/4 of Section 36, T21S-R37E, Lea County, New Mexico. This order provides that the Drinkard production will be metered and Blinebry production determined by subtraction. Order R-464 allows commingling of condensate from the Tubb and Blinebry gas pools following high pressure separation.

We are currently commingling on the State "367" lease under these orders; however, since application for permission to commingle in 1965 production has declined to where there are now only marginal producers on the lease. Also, at present one set of tanks is in bad condition and will require considerable expense to repair.

We, therefore, respectfully request permission to commingle the liquids presently covered by the two orders. These are the Blinebry oil, Drinkard oil, Blinebry condensate and Tubb condensate. We also request permission to cease metering of the Drinkard production as all wells on the lease are marginal liquid producers.

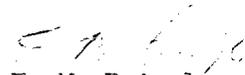
In support of this request, attached are: (1) a tabulation of production for two recent months, (2) a table of gravities of production, (3) a plat of the lease showing the wells and their producing formation and, (4) a schematic drawing of the proposed installation. As shown on the latter, the meter is proposed to be used for test purposes. A copy of the approval letter from the Commissioner of Public Lands is attached.

New Mexico Oil Conservation
Commission
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The condensate stream has a gravity of about 40° API and a value of about \$3.56 per barrel. The oil stream has a gravity of about 36.9° API and a value of \$3.48 per barrel. The combined stream is calculated to have a gravity of 38° - 39° API and have a value of \$3.52 per barrel. On this basis and at the current rates, commingling would result in a very slight increase in total value in the order of \$2 to \$10 per month.

Your consideration of this request will be appreciated. If additional information is needed, please let us know.

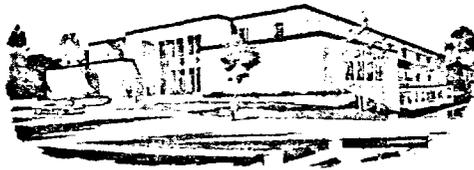
Very truly yours,


E. M. Pringle

EMP:rhs
Attachs.

cc: Mr. W. P. Tomlinson - Midland
Mr. A. D. Kloxin - Roswell

State of New Mexico



Commissioner of Public Lands

June 1, 1971

ALEX J. ARMIJO
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO

Atlantic Richfield Company
Post Office Box 1978
Roswell, New Mexico 88201

Re: Proposed Commingling
State "367" Lease
(New Mexico Oil & Gas Lease
B-11614)

ATTENTION: Mr. E. M. Pringle

Gentlemen:

This is to inform you that approval is hereby granted to commingle the liquids presently covered by Administrative Order PC-261 and Order R-464, which are the Blinebry oil, Drinkard oil, Blinebry condensate and Tubb condensate, from State "367" lease. Also, approval is granted to cease metering of the Drinkard production since all wells on the lease are marginal liquid producers.

This approval is granted subject to like approval by the New Mexico Oil Conservation Commission. Also, this is granted with the understanding that the Commissioner of Public Lands reserves the right to withdraw his approval, if at any time he feels this operation is not to the best interest to the State of New Mexico.

We are sending a copy of our letter of approval to the Oil Conservation Commission as per your request.

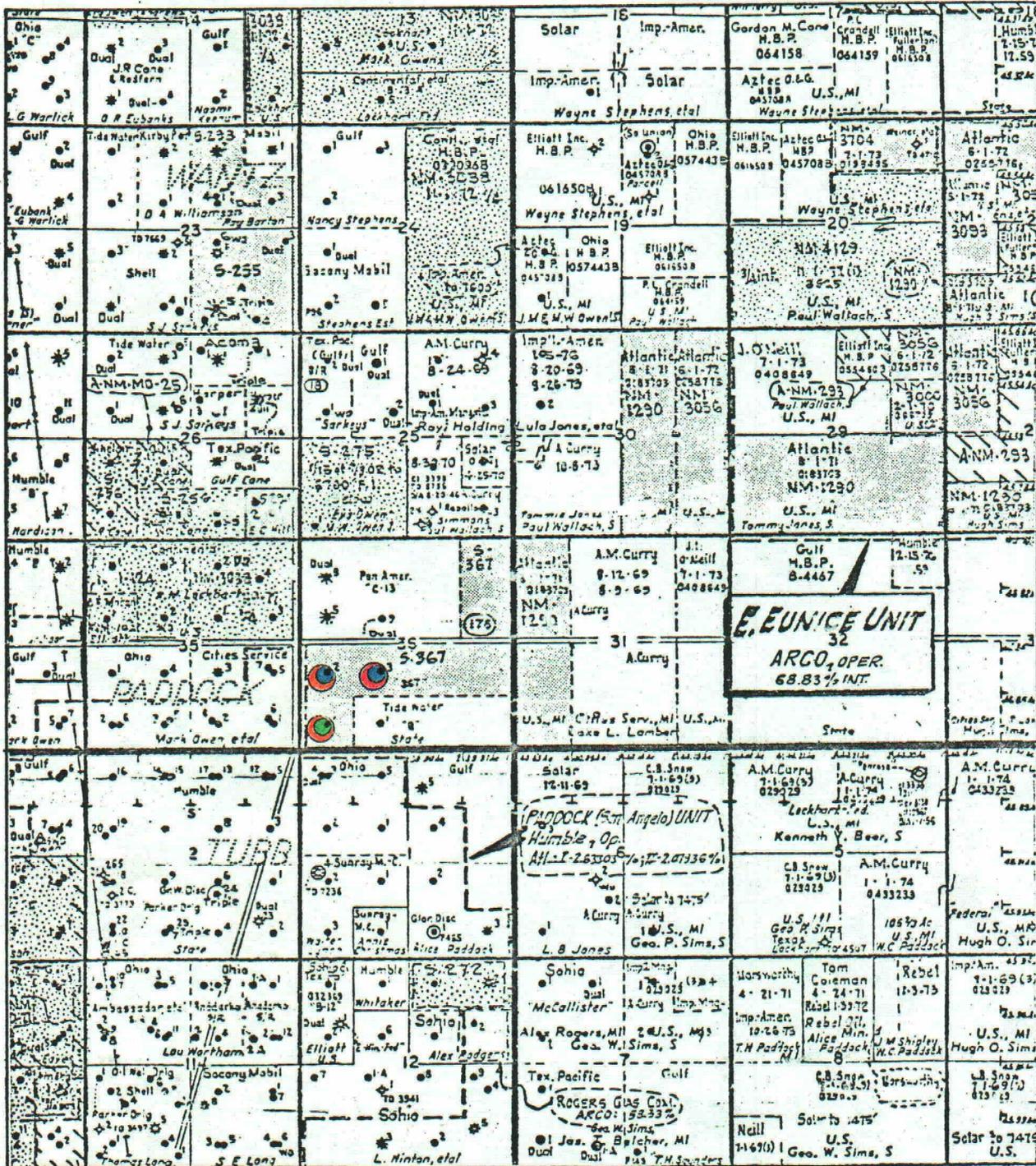
Please remit a ten (\$10.00) Dollar filing fee.

Sincerely yours,

Ray D. Graham
RAY D. GRAHAM, Director
Oil and Gas

AJA/rdg/s
encls.

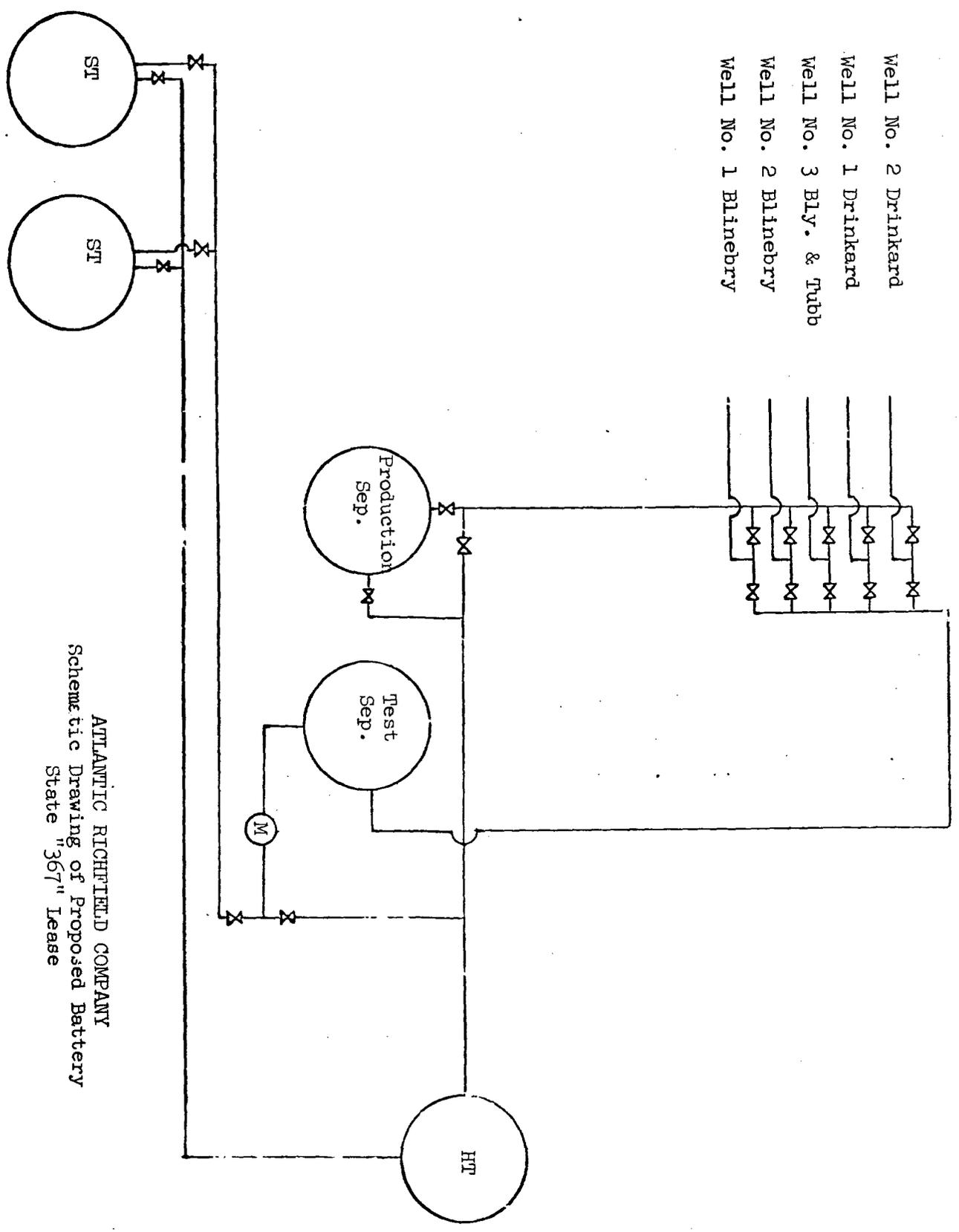
cc: OCC-Santa Fe, New Mexico
Oil & Gas Accounting Commission,
Santa Fe, New Mexico



ATLANTIC RICHFIELD COMPANY
Plat of State "367" Lease

- Blinebry Oil
- Blinebry Gas
- Drinkard Oil
- Tubb Gas

Well No. 2 Drinkard
 Well No. 1 Drinkard
 Well No. 3 Bly. & Tubb
 Well No. 2 Blinebry
 Well No. 1 Blinebry



ATLANTIC RICHFIELD COMPANY
 Schematic Drawing of Proposed Battery
 State "367" Lease

ATLANTIC RICHFIELD COMPANY
Production Tabulation
State "367" Lease

<u>WELL</u>	<u>LOCATION</u>	<u>POOL</u>	<u>MARCH 1971</u>			<u>APRIL 1971</u>			<u>API GRAVITY</u> <u>at 60° F</u>
			<u>OIL</u>	<u>GAS</u>	<u>WATER</u>	<u>OIL</u>	<u>GAS</u>	<u>WATER</u>	
1	M-36-21-37	Blinebry Oil	0	0	0	0	0	0	35.8
1	M-36-21-37	Drinkard Oil	229	9,633	0	360	13,915	0	37.3
2	L-36-21-37	Blinebry Gas	371	15,155	0	435	14,696	0	37.9
2	L-36-21-37	Drinkard Oil	478	10,506	0	369	10,397	0	36.6
3	K-36-21-37	Blinebry Gas	117	18,051	0	158	18,100	0	46.4
3	K-36-21-37	Tubb Gas	18	2,263	0	75	2,764	0	43.4