



Chevron U.S.A. Inc.
P. O. Box 670, Hobbs, NM 88240

R. C. Anderson
Division Manager
Hobbs Division
Production Department

November 8, 1985

W. T. MCCOMACK LEASE
TANK BATTERY
SECTION 32-T21S-R37E
LEA COUNTY, NEW MEXICO
SURFACE COMMINGLING

Mr. Richard Stamets
Energy and Minerals Dept.
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Sir:

To eliminate the considerable expense of maintaining two tank batteries on the subject lease, we request an amendment to administrative order PC-277. This order originally granted permission to surface commingle production from the Blinebry, Penrose Skelly, and Tubb Pools. We request the order be amended to include the Silurian production from Well No. 11. All wells on the lease will be tested to insure proper allocation of production.

The attached tabulation shows the volumes, gravities, and monetary values of the hydrocarbons from individual pools, and commingled production. The tabulation also shows total average daily production for a 2 month period. The calculated revenue from the commingled production is approximately 38 cents per day more than the total revenue from the individual pools. Also attached is a schematic of the commingled facility, a lease plat, and Chevron's letter of agreement to purchase the commingled production.

The commingling proposal is in the interest of conservation in that it prevents unnecessary waste and production expense.

Yours very truly,


R. C. ANDERSON

MWC/skc
Att'd

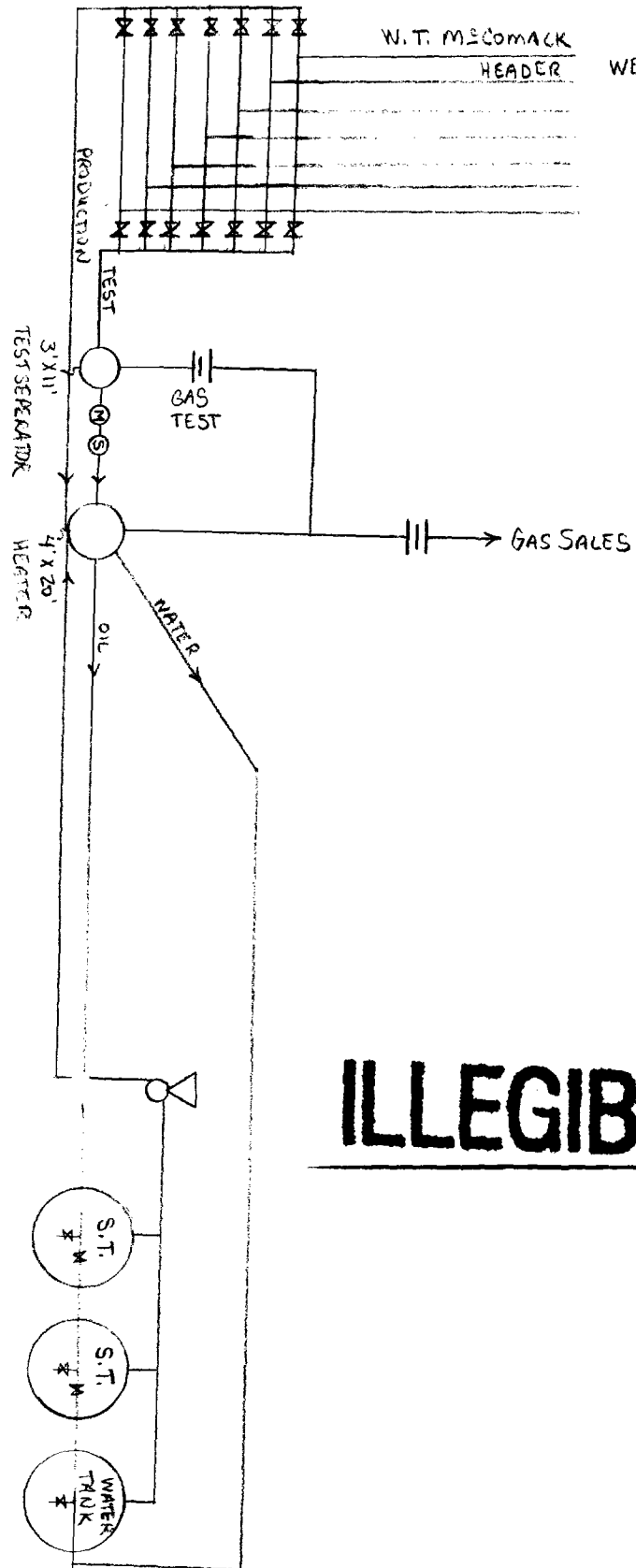
cc: OCD-Hobbs



W.T. McCOMACK LEASE, TANK BATTERY
SECTION 32-T21S-R37E
LEA COUNTY, NEW MEXICO

<u>Wells and Pools</u>	<u>Production</u>		<u>Total</u>	<u>Average BOPD</u>
	<u>Aug. 85</u>	<u>Sept. 85</u>		
W.T. McComack #1,2,3,4,6, & 8 Penrose Skelly	276	288		9.4
W.T. McComack #17 Tubb Oil and Gas	-0-	-0-		-0-
W. T. McComack #9 Blinebry Oil and Gas	-0-	-0-		-0-
W.T. McComack #11 Silurian	---	---		38.0

<u>Pool</u>	<u>BOPD</u>	<u>Gravity</u>	<u>\$/BBL</u>	<u>\$/Day</u>
Penrose Skelly	9.4	36.0	27.31	256.71
Tubb Oil and Gas	-0-	----	-----	-----
Blinebry Oil and Gas	-0-	----	-----	-----
Silurian	38.0	35.5°	27.30	1037.40
Total				1294.11
Commingled	47.4	35.8	27.31	1294.49
			Difference	+ 0.38



ILLEGIBLE

CHEVRON U.S.A. INC.
W. T. Mc Comack Lease
Tank Battery
Section 32-T21S-R37E
Lea County, New Mexico



