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CAMPBELL & HEDRICK

P. O. BOX 401

424 MID AMERICA BLDG.

MIDLAND, TEXAS

MAIN OFFICE

SEP 27 AM 9 11 '65

September 22, 1965

PC 251

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

RE: Application for approval to commingle oil produced from Drinkard and Tubbs pools underlying J. W. Peery's Lockhart Lease LC-032096-(a), W/2 SW/4 of Section 17, T-21-S, R-37-E, Lea County, New Mexico.

Gentlemen:

J. W. Peery herewith makes application for exception to applicable rules and regulations of the New Mexico Oil Conservation Commission to commingle crude produced from Drinkard and Tubbs oil pools underlying such lease. Mr. Peery requests that this be done administratably.

Mr. Peery requests exception to:

- (1) NMOCC'S Rule 303 which prohibits the commingling of oil between pools.

In support of this application Mr. Peery states the following:

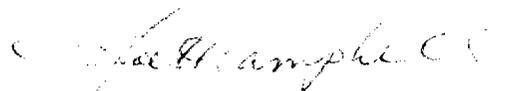
- (1) Applicant is the owner and operator of the Lockhart lease which consists of the W/2, SW/4 of Section 17, T-21-S, R-37-E, Lea County, New Mexico.
- (2) There is no diversity of ownership underlying the above described lease.
- (3) Applicant proposes to commingle the Drinkard and Tubbs crudes without prior measurement and allocate production on the basis of periodical individual well tests as the Commission may prescribe.

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J. W. Peery Lockhart Lease

- (4) The granting of this application is in the interest of conservation and will protect correlative rights.
- (5) The actual commercial value of the resulting commingled crude will be more than the sum of the values of the production from each separate source of supply.
- (6) The Regional Supervisor of the United States Geological Survey has consented to the proposed commingling.

Very truly yours,


Joe H. Campbell
Pet. Engr.

For: J. W. Peery

JHC:WET

Enclosures

- 3 Copies USGS Approval
- 3 Copies Sixty Day Production History
- 3 Copies Lockhart Lease Well Plat

SIXTY DAY PRODUCTION HISTORY

J. W. PEERY LOCKHART LEASE LC-032096-(a)
Sec. 17, T-21-S, R-37-E

<u>LOCKHART #1 TUBES</u>	<u>TOP ALLOWABLE</u>	<u>PRODUCED</u>	<u>GRAVITY</u>	<u>VALUE</u>
MAY 1965		193	37.3°	\$ 569.35
JUNE 1965		<u>265</u>	37.3°	<u>781.75</u>
		458		\$1,351.10
 <u>LOCKHART #2 DRINKARD</u>				
MAY 1965		240	36.8°	\$ 703.20
JUNE 1965		<u>250</u>	36.8°	<u>732.50</u>
		490		\$1,435.70
 EXPECTED		948 +	37.0° +	\$2,796.60 +

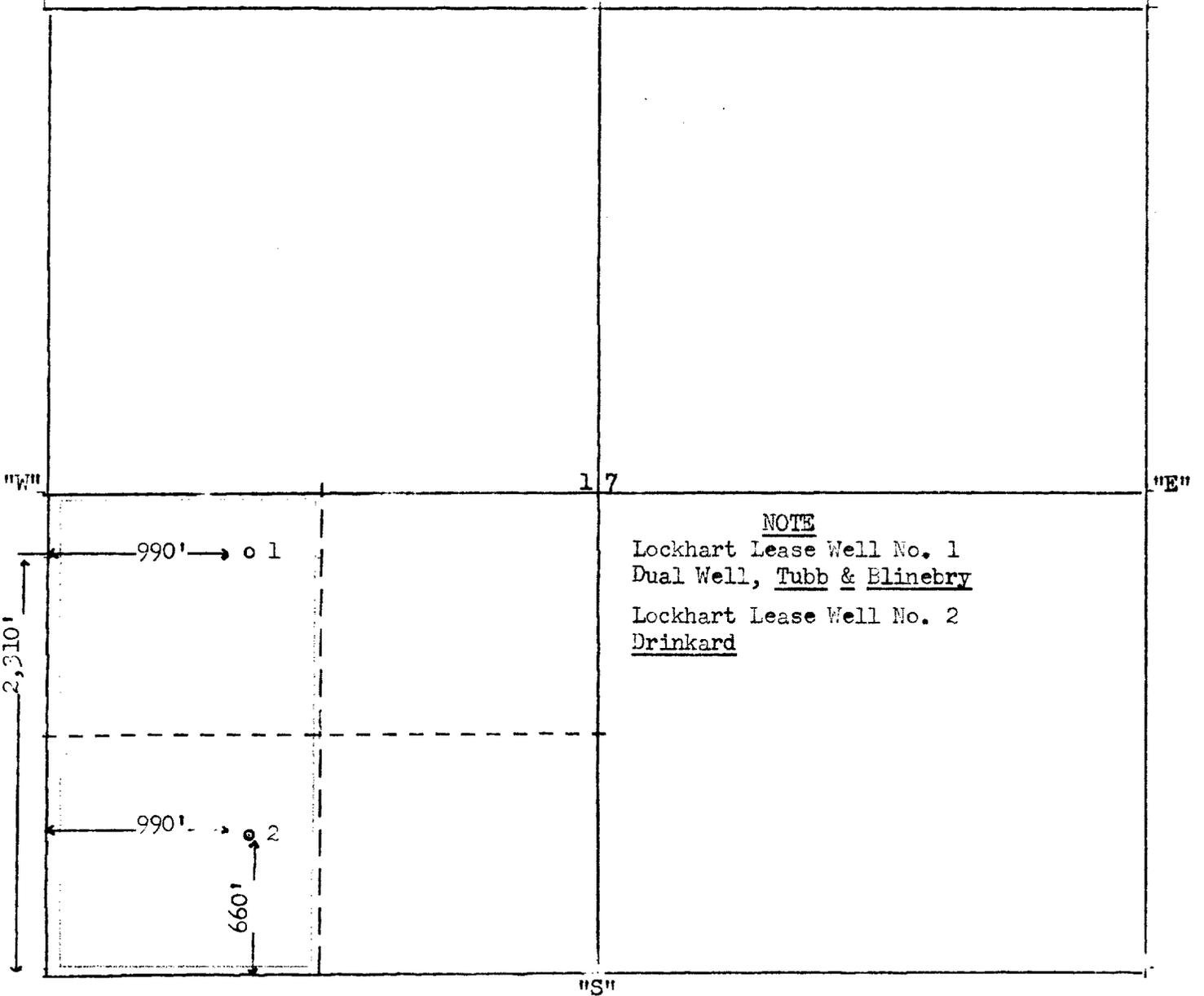
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"S"

J. W. PEERY LOCKHART
SEC. 17, T-21S, R-37-E
LEA COUNTY, NEW MEXICO



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY
Drawer 1857
Roswell, New Mexico 88201

September 15, 1965

Mr. J. W. Peery
P. O. Box 401
Midland, Texas

Attention: Mr. Joe H. Campbell

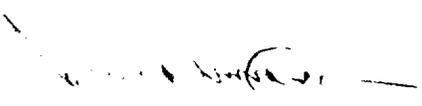
Gentlemen:

By letter of September 3 approval is requested to commingle Tubb and Drinkard production from the J. W. Peery wells Nos. 1 and 2 Lockhart Federal in the W $\frac{1}{2}$ SW $\frac{1}{4}$ sec. 17, T. 21 S., R. 37 E., Lea County, New Mexico, lease Las Cruces 032096(a).

Commingle of Tubb and Drinkard production from the above two wells is hereby approved, provided that production from each zone in each well is accurately determined and reported in accordance with applicable provisions of Federal and State regulations.

You are requested 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 & Gas Supervisor

ILLEGIBLE

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