

AMERICAN TRADING AND PRODUCTION CORPORATION

PETROLEUM LIFE BUILDING  
POST OFFICE DRAWER 992  
MIDLAND, TEXAS 79701

A. C. 915  
MUTUAL 4-4463

April 26, 1968

*RC-351*

New Mexico Oil Conservation Commission  
Box 2088  
Santa Fe, New Mexico 87501

60 APR 29 AM 10 28

Attention: Mr. A. L. Porter, Jr., Secretary-Director

*Hand of Gfc*  
*Hand of Gfc*  
*Hand of Gfc*

Re: Common Storage Permit  
Southeast Lea Unit #1 (Dual)  
Wolfcamp (Condensate) & Devonian Oil  
Lea County, New Mexico

Gentlemen:

We are submitting an application for administrative approval to commingle the production from the Wolfcamp-condensate and Devonian-oil zones in the referenced well. This well was completed April 1, 1968 as a dual Devonian and Wolfcamp producer and is located in Southeast Lea County, New Mexico. All of the required New Mexico Oil Conservation Commission forms for drilling permits, acreage dedication, request for allowable and authorization to transport oil, well completion reports, and application for multiple completion have been forwarded and approved by the New Mexico Oil Conservation Commission. Forms requesting new pool designation have also been forwarded for approval.

We believe that our field operation will be more economical with common storage facilities for a commonly owned production from two sources of supply which will be accurately measured prior to commingling and dispersion. A schematic diagram of our separating, metering and storage facilities is enclosed for your examination and records. Our other reason for commingling is based on a better market value for the crude due to the slight gravity drop which occurs from mixing 53° API gravity oil with 55° gravity condensate. Pertinent data which follows below is based on Sinclair's area crude price schedule of \$3.11 per barrel for 40-44° gravity with deductions of 2¢ for every degree above or below this posted price:

Devonian-Oil

Wolfcamp-Condensate

Gravity: 53° API  
Value per bbl: \$2.93  
Volume per day: 210 bbls.  
Value per day: \$615.30

Gravity: 55° API  
Value per bbl: \$2.89  
Volume per day: 1200 bbls.  
Value per day: \$3,468.00

The Sum Total: \$4,083.30

New Mexico Oil Conservation Commission  
April 26, 1968  
Page 2

Commingled Liquid

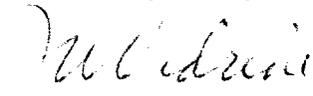
Gravity            51° API  
Value per bbl:    \$2.97  
Volume per day:  1410 bbls.  
Value per day:    \$4,187.70

It is apparent from the data above, that commingling of liquids along with the liquids weathering inside the storage facilities account for a more valuable crude.

We are enclosing required land ownership plats showing the location of the completed well and producing zones for your information and records.

Early consideration of this request will be appreciated. Please notify us if further information is required.

Yours very truly,

  
J. W. Vidrine  
District Engineer

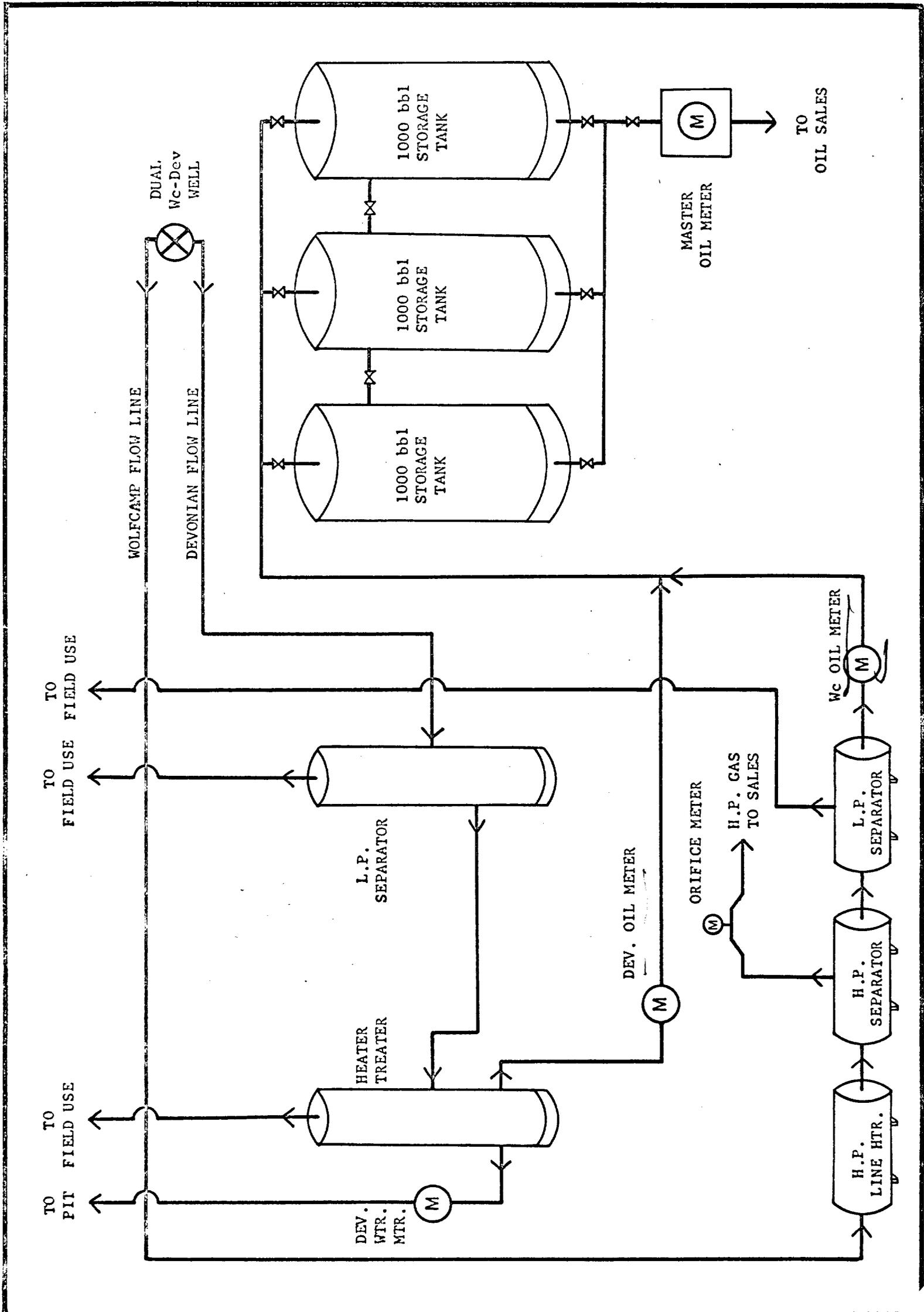
JwV:rd

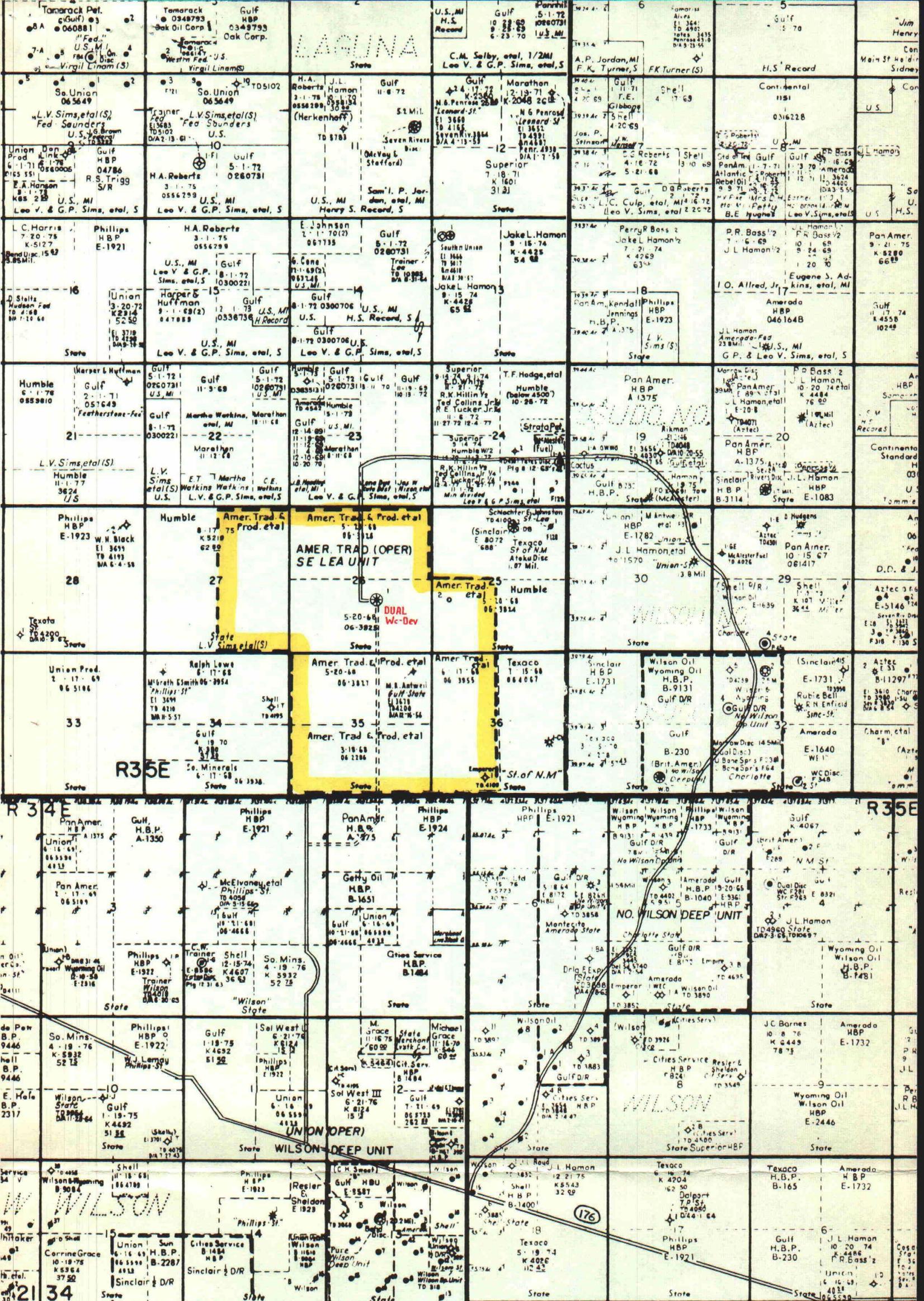
Enclosures

cc: O.C.C. Hobbs District

# AMERICAN TRADING AND PRODUCTION CORPORATION

## SCHEMATIC DIAGRAM OF COMMINGLING FACILITIES ON SOUTHEAST LEA UNIT LEASE





# SOUTHEAST LEA UNIT

## LEA COUNTY, NEW MEXICO

# State of New Mexico



## Commissioner of Public Lands

GUYTON B. HAYS  
COMMISSIONER



P. O. BOX 1148  
SANTA FE, NEW MEXICO

May 7, 1968

American Trading and Production Corp  
Post Office Drawer 992  
Midland, Texas  
79701

Re: Common Storage Permit  
Southeast Lea Unit #1 (Dual)  
Wolfcamp (Condensate) & Devonian  
Oil - S $\frac{1}{4}$ , Sec 26, T-20-S, R-35-E,  
Lea County, NM. State Lease  
No. OG-3825, LOCO No. 17

Attn: J.W. Vidrine, District Engineer

Gentlemen:

The Commissioner of Public Lands hereby approves your request of May 1, 1968 to commingle production from the Wolfcamp-condensate and Devonian-oil zones in the captioned well, with the reservation that he retain the right to withdraw said approval if, at any time in his discretion, he deems this operation to be adverse to the best interests of the State of New Mexico.

In accordance with the rules and regulations of the State Land Office, there is a \$10.00 filing fee for each commingling action, which you will please remit at your earliest convenience.

Very truly yours,

GUYTON B. HAYS  
Commissioner of Public Lands

By:  
TED BILBERRY, Director  
Oil and Gas Department

TB:jc

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

New Mexico Oil & Gas Accounting Comm  
P.O. Box 2308  
Santa Fe, New Mexico 87501



OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

April 29, 1968

*Hold for  
Land Office OK*

C  
O  
P  
Y  
  
American Trading and Production Corporation  
P. O. Drawer 992  
Midland, Texas 79701

Attention: Mr. J. W. Vidrine

Gentlemen:

Reference is made to your application dated April 26, 1968, for authority to commingle oil and condensate production from your Southeast Lea Unit Well No. 1.

Inasmuch as this well is located on state land, it will be necessary that you obtain the consent of the Commissioner of Public Lands for the State of New Mexico, P. O. Box 1148, Santa Fe, to the proposed commingling.

Upon receipt of his consent, we will be happy to process your application.

Very truly yours,

DANIEL S. NUTTER  
Chief Engineer

DSN/esr

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

*Handwritten notes:*  
1/10  
1/11  
1/12  
1/13  
1/14  
1/15  
1/16  
1/17  
1/18  
1/19  
1/20  
1/21  
1/22  
1/23  
1/24  
1/25  
1/26  
1/27  
1/28  
1/29  
1/30  
1/31  
2/1  
2/2  
2/3  
2/4  
2/5  
2/6  
2/7  
2/8  
2/9  
2/10  
2/11  
2/12  
2/13  
2/14  
2/15  
2/16  
2/17  
2/18  
2/19  
2/20  
2/21  
2/22  
2/23  
2/24  
2/25  
2/26  
2/27  
2/28  
2/29  
2/30  
3/1  
3/2  
3/3  
3/4  
3/5  
3/6  
3/7  
3/8  
3/9  
3/10  
3/11  
3/12  
3/13  
3/14  
3/15  
3/16  
3/17  
3/18  
3/19  
3/20  
3/21  
3/22  
3/23  
3/24  
3/25  
3/26  
3/27  
3/28  
3/29  
3/30  
3/31  
4/1  
4/2  
4/3  
4/4  
4/5  
4/6  
4/7  
4/8  
4/9  
4/10  
4/11  
4/12  
4/13  
4/14  
4/15  
4/16  
4/17  
4/18  
4/19  
4/20  
4/21  
4/22  
4/23  
4/24  
4/25  
4/26  
4/27  
4/28  
4/29  
4/30  
4/31  
5/1  
5/2  
5/3  
5/4  
5/5  
5/6  
5/7  
5/8  
5/9  
5/10  
5/11  
5/12  
5/13  
5/14  
5/15  
5/16  
5/17  
5/18  
5/19  
5/20  
5/21  
5/22  
5/23  
5/24  
5/25  
5/26  
5/27  
5/28  
5/29  
5/30  
5/31  
6/1  
6/2  
6/3  
6/4  
6/5  
6/6  
6/7  
6/8  
6/9  
6/10  
6/11  
6/12  
6/13  
6/14  
6/15  
6/16  
6/17  
6/18  
6/19  
6/20  
6/21  
6/22  
6/23  
6/24  
6/25  
6/26  
6/27  
6/28  
6/29  
6/30  
6/31  
7/1  
7/2  
7/3  
7/4  
7/5  
7/6  
7/7  
7/8  
7/9  
7/10  
7/11  
7/12  
7/13  
7/14  
7/15  
7/16  
7/17  
7/18  
7/19  
7/20  
7/21  
7/22  
7/23  
7/24  
7/25  
7/26  
7/27  
7/28  
7/29  
7/30  
7/31  
8/1  
8/2  
8/3  
8/4  
8/5  
8/6  
8/7  
8/8  
8/9  
8/10  
8/11  
8/12  
8/13  
8/14  
8/15  
8/16  
8/17  
8/18  
8/19  
8/20  
8/21  
8/22  
8/23  
8/24  
8/25  
8/26  
8/27  
8/28  
8/29  
8/30  
8/31  
9/1  
9/2  
9/3  
9/4  
9/5  
9/6  
9/7  
9/8  
9/9  
9/10  
9/11  
9/12  
9/13  
9/14  
9/15  
9/16  
9/17  
9/18  
9/19  
9/20  
9/21  
9/22  
9/23  
9/24  
9/25  
9/26  
9/27  
9/28  
9/29  
9/30  
9/31  
10/1  
10/2  
10/3  
10/4  
10/5  
10/6  
10/7  
10/8  
10/9  
10/10  
10/11  
10/12  
10/13  
10/14  
10/15  
10/16  
10/17  
10/18  
10/19  
10/20  
10/21  
10/22  
10/23  
10/24  
10/25  
10/26  
10/27  
10/28  
10/29  
10/30  
10/31  
11/1  
11/2  
11/3  
11/4  
11/5  
11/6  
11/7  
11/8  
11/9  
11/10  
11/11  
11/12  
11/13  
11/14  
11/15  
11/16  
11/17  
11/18  
11/19  
11/20  
11/21  
11/22  
11/23  
11/24  
11/25  
11/26  
11/27  
11/28  
11/29  
11/30  
11/31  
12/1  
12/2  
12/3  
12/4  
12/5  
12/6  
12/7  
12/8  
12/9  
12/10  
12/11  
12/12  
12/13  
12/14  
12/15  
12/16  
12/17  
12/18  
12/19  
12/20  
12/21  
12/22  
12/23  
12/24  
12/25  
12/26  
12/27  
12/28  
12/29  
12/30  
12/31

April 29, 1968

Dear Sirs: We have your letter of April 23, 1968, regarding the proposed drilling of a well on the land owned by you and located in the State of New Mexico.

The proposed well is located on the land owned by you and located in the State of New Mexico.

Very truly yours,

Reference is made to your application dated April 23, 1968, for authority to drill and produce oil and gas from your southeast land unit in the State of New Mexico.

Inasmuch as this well is located on state land and it will be necessary that you obtain the necessary approval of the Department of Public Lands for the lease of the land, you are advised to contact the Department of Public Lands, Santa Fe, New Mexico, P. O. Box 148, Santa Fe, New Mexico, for further information.

Very truly yours,  
Director

ANTHONY R. MURPHY  
Chief Engineer

1/1/68