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STANDARD OIL COMPANY OF TEXAS

PH 4 27
AUG 20 1969

A DIVISION OF CHEVRON OIL COMPANY
P. O. BOX 1249 HOUSTON TEXAS 77001

August 18, 1969

PC-386

Commingling Application
State 1 Lease
Hobbs Field
Lea County, New Mexico

*Hold for Land
office approval
wed 8-21*

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

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

Gentlemen:

This letter constitutes the application of Standard Oil Company of Texas, A Division of Chevron Oil Company, for administrative approval to commingle the production from three common sources of supply on our State 1 Lease. It is our intent to measure the production from each pool separately before the oil is commingled.

Following are production rates and other pertinent data for each pool in the Hobbs Field which we wish to commingle in a common tank battery.

<u>Pool</u>	<u>Barrels of Oil Production Daily</u>	<u>GOR MCF/Bbl.</u>	<u>API^o Oil Gravity</u>	<u>Value of Oil \$/Bbl.</u>
Grayburg-San Andres	120	4000	35 ^o	3.04
Blinebry	83	750	35.4 ^o	3.04
Drinkard	28	6006	35.6 ^o	3.04

The estimated gravity of the commingled liquid will be 35.2^o API and will have an estimated value of \$3.04 per barrel, the same value as would be obtained if the liquid were not commingled.

In support of this application we enclose the following items:

1. Schematic diagram of the proposed installation.
2. A plat showing the location of all wells on the State 1 Lease with the pool from which each well is producing designated by symbols.

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3. Letters from Atlantic-Richfield Company agreeing to purchase commingled production from Standard's State 1 Lease (referred to in Atlantic's letter as State 29 Lease because of location in Section 29).
4. A copy of our letter to the Commissioner of Public Lands for the State of New Mexico requesting his approval of this commingling application.

We would like to point out that we plan to drill a second Blinebry-Drinkard dual well on the State 1 Lease (shown on the plat as proposed Blinebry-Drinkard) and we estimate that after the well is completed, production rates for the Blinebry and Drinkard pools will be approximately double what we show above on the tabulation.

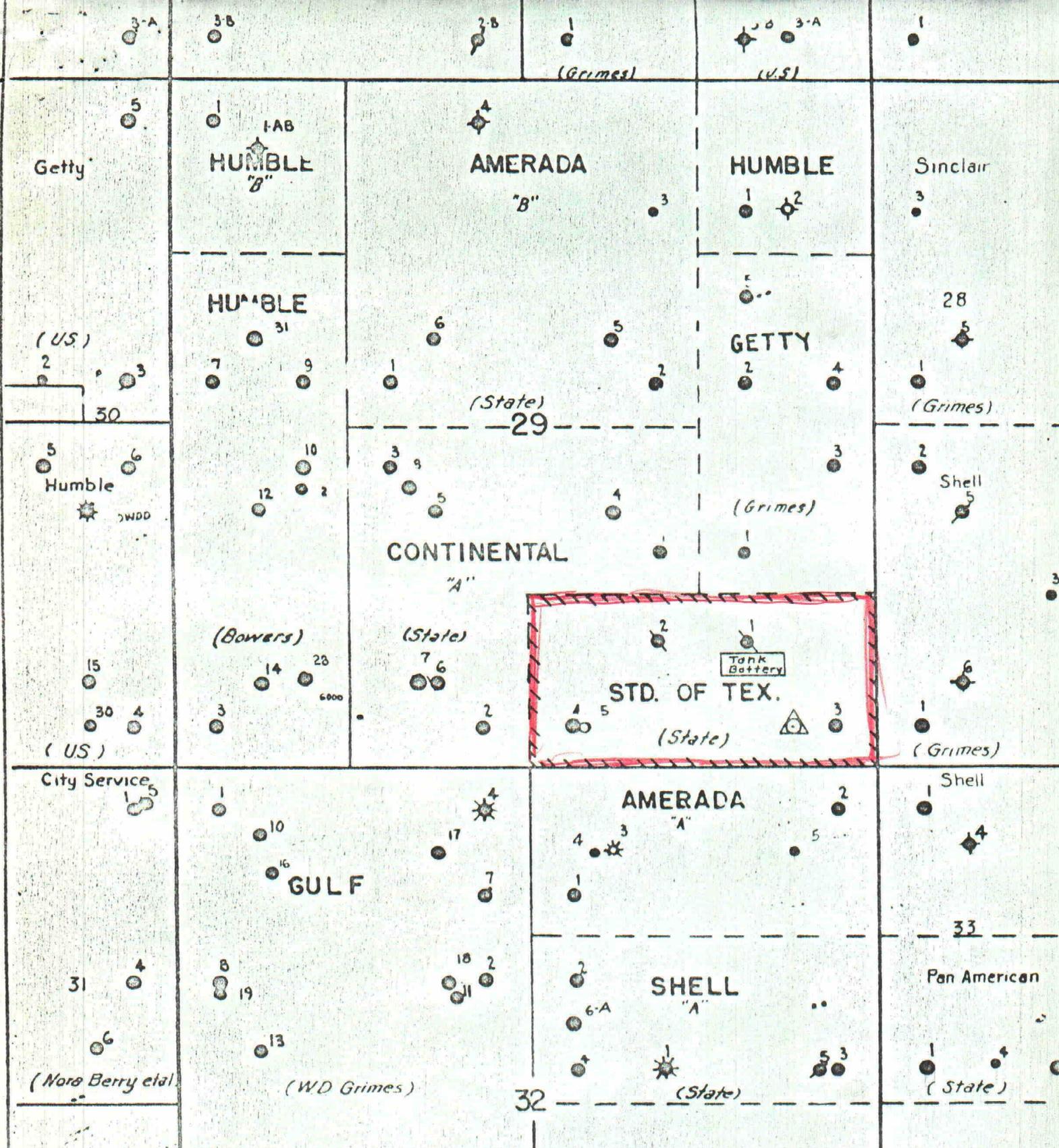
Respectfully submitted,


John T. Cameron
Supervising Proration Engineer

JAS:mkf

Enclosures

cc: Commissioner of Public Lands
State of New Mexico
State Land Office Building
Santa Fe, New Mexico 87501



STANDARD OIL COMPANY OF TEXAS
 STATE 1 LEASE B-2277-1
 SECTION 29, T-18-S, R-38-E
 LEA CO, NEW MEXICO

- Sec. Lines
 - - - - - Lse. Lines
 Unit Lines
- Grayburg-San Andres
 - Blinberry-Drinkard Dual
 - △ Proposed Blinberry-Drinkard
 - ⊙ Temporarily Abandoned
- Symbols For STD Lease Only

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August 21, 1969

Standard Oil Company of Texas
P. O. Box 1249
Houston, Texas 77001

Re: Request for approval to
Commingle oil production
State 1 Lease B-2277-1
Sec. 29, T-18S, R-38E,
Lea County, New Mexico

Attention: Mr. C. H. Segnar

Gentlemen:

Reference is made to your application dated August 18, 1969, requesting approval to commingle the production from three sources of supply on your State 1 Lease B-2277-1, located on Section 29, Township 18 South, Range 38 East, Lea County, New Mexico. You also state you intend to measure the production from each pool separately before the oil is commingled.

You are hereby given approval to the above described request. Any deviation from your proposed request will be reason to cancel approval.

This approval is subject to the subsequent approval of the Oil Conservation Commission.

You are to be commended on the splendid and fully detailed schematic diagram, plat and letters you have submitted covering all information pertaining to your request.

Very truly yours,

TED BILBERRY, Director
Oil and Gas Department

TB:ML:v
cc: Oil Conservation Commission
Santa Fe, New Mexico

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STANDARD OIL COMPANY OF TEXAS

A DIVISION OF CHEVRON OIL COMPANY
P. O. BOX 1249 HOUSTON TEXAS 77001

August 18, 1969

C. N. SEGNAR
CHIEF ENGINEER

New Mexico State Land Commission
State Land Office Building
Santa Fe, New Mexico 87501

Attention: Mr. Alex Arrijo
Land Commissioner

Gentlemen:

Attached is a copy of the application of Standard Oil Company of Texas, A Division of Chevron Oil Company, for administrative approval of the New Mexico Oil Conservation Commission to permit commingling of oil production from three common sources of supply on our State 1 Lease located in Eddy County, New Mexico. State rules require that we furnish evidence that the Commissioner of Public Lands for the State of New Mexico has consented to the proposed commingling.

We respectfully request your approval of the proposed application for commingling. Further, to expedite this matter, we request that you mail a copy of your approval directly to the New Mexico Oil Conservation Commission in Santa Fe so that they can handle our application without needless delay.

Yours very truly,

C. N. Segnar

JAS:mkf

Attachment

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

THE HISTORY OF THE UNITED STATES

BY

W. H. CHAPMAN

THE HISTORY OF THE UNITED STATES

BY

THE HISTORY OF THE UNITED STATES

THE HISTORY OF THE UNITED STATES