

AMERADA DIVISION
AMERADA HESS CORPORATION

DRAWER 817
SEMINOLE, TEXAS 79360
915 - 758 - 5805

July 26, 1971

Mr. A. L. Porter Jr.
Secretary - Director
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Sir:

A study has been made to revise the battery and commingle the production on Amerada Hess Corporation's J. G. Hare Lease. This lease is located in the SW/4 of Sec. 33, T21S, R37E, Lea County, New Mexico.

Average gravities, volumes and values are as follows:

	<u>Average Production*</u>	<u>March-April Average Gravity</u>	<u>Price</u>	<u>Total Value</u>
Blinebry Oil	159 BO	37.8	\$3.33	\$ 529
Wantz Abo	44 BO	39.9	\$3.37	\$ 148
Blinebry-Tubb Gas (Com.)	<u>163 BO</u>	43.8	\$3.39	<u>\$ 553</u>
	366 BO			\$1230

	<u>Production</u>	<u>Calc. Gravity</u>	<u>Price</u>	<u>Total Value</u>
Commingled	366 BO	40.7	\$3.39	\$1241

* Monthly production is averaged over a six month period (Nov., 1970 through April, 1971).

Increased income by commingling is calculated to be \$11 per month. With oil production very low on this lease, it is critical to keep facilities at a minimum. To build separate test systems for wells producing only one to five barrels oil will likely cause earlier abandonment. The Wantz Abo, which produces approximately 1.5 BOPD, would require an evaluation to economically justify a separate system. The Tubb Gas and Blinebry gas production are presently being commingled. The proposal is to allocate production on the basis of well tests. A 60 day tabulation of production is attached to show the marginal producing status.

It is requested that approval be granted to commingle this lease.

Mr. A. L. Porter Jr.
Closing

-2-

July 26, 1971

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Yours truly,



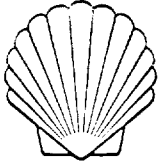
J. R. Enloe
Regional Manager
Seminole Region

Enclosures:

1. Letter of approval from Shell Oil Company
2. Letter of approval from Shell Pipeline Corporation.
3. Plat showing lease and wells.
4. Schematic diagram of the proposed battery.
5. Tabulation of marginal production for a 60 day period.

FAB/cr

cc: Mr. J. D. Ramey



SHELL OIL COMPANY

MELROSE BUILDING
P. O. BOX 2099
HOUSTON, TEXAS 77001

July 9, 1971

Subject: Amerada Hess Corporation
J. G. Hare Lease
Eunice Field
Lea County, New Mexico

Amerada Division
Amerada Hess Corporation
P. O. Box 52
Galena Park, Texas 77547

Attention Mr. B. W. Andrus

Gentlemen:

With reference to your letter of June 28, 1971, this is to advise that Shell Oil Company is agreeable to purchasing the commingled production from the subject lease. The attached copy of a letter from Shell Pipe Line states their consent to the proposed consolidation of tank batteries on the lease.

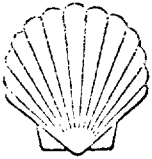
We trust that you will make the necessary arrangements with Shell Pipe Line so that they can run the allowable production.

Yours very truly,

T. B. Medders, Manager
Raw Materials Supply
Field Operations - Houston

RAB:JLB

Attachment



SHELL PIPE LINE CORPORATION

WILCO BUILDING
P. O. BOX 1910
MIDLAND, TEXAS 79701

July 7, 1971

Subject: Amerada Hess Corporation
J. G. Hare Lease
SW/4 of Section 33,
T-21-S, R-37-E
Lea County, New Mexico

Shell Oil Company
P. O. Box 2099
Houston, Texas 77001

Attention Mr. T. B. Medders

Gentlemen:

With reference to your letter dated June 29, 1971, this is to advise that we are agreeable to the proposed consolidation of batteries and commingling of crudes on the captioned lease.

Please advise us of Amerada's decision on the proposed consolidation so that we can make the necessary arrangements to run the allowable production.

Yours very truly,

W. J. Grillos
Division Manager

[illegible]

- | | |
|---|--------------|
|  | TUBB GAS |
|  | BLINEBRY GAS |
|  | ABO OIL |
|  | BLINEBRY OIL |

EUNICE FIELD

LEA COUNTY, NEW MEXICO

AMERADA HESS CORPORATION
J. G. Hare Lease
Oil Production for - 60 Days
April 1971

<u>Date</u>	<u>#4</u> <u>Blinebry</u>	<u>#7</u> <u>W. Abo</u>	<u>#5 & #7</u> <u>Blinebry & T. Gas</u>
April 1	0	0	0
2	8	3	16
3	0	0	0
4	8	0	17
5	0	0	0
6	11	3	18
7	0	0	0
8	8	5	14
9	0	0	0
10	14	0	16
11	0	0	0
12	9	2	0
13	0	0	0
14	9	3	19
15	0	0	0
16	12	3	14
17	0	0	0
18	11	0	14
19	0	0	0
20	11	11	0
21	0	0	0
22	14	3	0
23	0	0	0
24	0	0	0
25	3	3	0
26	14	0	0
27	0	0	0
28	5	0	25
29	0	0	0
30	16	11	14

AMERADA HESS CORPORATION
J. G. Hare Lease
Oil Production for - 60 Days
May 1971

<u>Date</u>	<u>#4 Blinebry</u>	<u>#7 W. Abo</u>	<u>#5 & #7 Blinebry & T. Gas</u>
May 1	5	0	8
2	0	0	0
3	11	0	16
4	0	0	0
5	8	0	14
6	0	0	0
7	11	3	17
8	0	0	0
9	8	3	14
10	0	0	0
11	8	3	6
12	0	0	0
13	4	16	3
14	0	0	0
15	8	5	11
16	5	0	3
17	0	0	0
18	8	3	13
19	0	0	0
20	11	8	0
21	0	0	0
22	8	0	10
23	0	0	0
24	8	0	0
25	0	0	0
26	8	5	0
27	0	0	0
28	11	5	0
29	0	0	0
30	11	3	12
31	5	0	35