

NEW MEXICO OIL CONSERVATION COMMISSION
POST OFFICE BOX 2088
SANTA FE, NEW MEXICO 87501

COMMINGLING ORDER PC-426

Company Amerada Hess Corporation
Address Drawer 817
City, State, Zip Seminole, Texas 79360

Attention: Mr. G. F. Dewhurst

Lease Name: Eugene Wood
Description: NE/4, Sec. 22, T-22-S, R-37-E, Lea County, N.M.

The above-named company is hereby authorized to commingle production from the following pools

Drinkard, Tubb Gas, and Blinebry Gas

in a common tank battery, and to determine the production from each pool by

 separately metering the production from each pool prior to commingling

combined

 x separately metering the/production from the Blinebry and Tubb pools

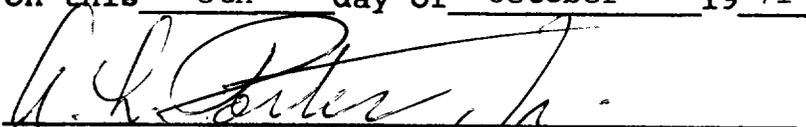
and determining the Drinkard production by the subtraction method

 well tests (if this method is to be authorized, all commingled production must be of marginal nature; further, the operator shall notify the Santa Fe Office of the Commission in the event any well producing into the commingled battery becomes capable of top allowable production, at which time the Commission will amend this order or take such other action as may be appropriate)

Note: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 of the Commission Rules and Regulations and the Commission "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

REMARKS: Non-reset counter on the meter

DONE at Santa Fe, New Mexico, on this 8th day of October 19 71 .


A. L. PORTER, Jr., Secretary-Director

AMERADA DIVISION **RECEIVED**
 AMERADA HESS CORPORATION SEP 23 1971

OIL CONSERVATION COMM.
 SANTA FE

September 17, 1971

DRAWER 817
 SEMINOLE, TEXAS 79360
 915 - 758 - 5805

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

Re: Surface Commingling of
 Production from the
 Eugene Wood Lease

Dear Sir:

A study has been made to revise the battery and commingle three of the four producing zones on Amerada Hess Corporation's Eugene Wood lease. The lease is located in Sec. 22, T22S, R37E, in Lea County, New Mexico.

There are presently six producing wells on the lease (3 wells from the Drinkard and one each from the Tubb Gas, Blinebry Gas and Ellenburger zones). It is proposed to commingle the Drinkard with the presently commingled Tubb and Blinebry crudes. The Ellenburger (sweet) crude will still be separated because of its higher value. Average gravities, volumes and values are as follows:

| | <u>June</u> <u>Production</u> | <u>Avg.</u> <u>Gravity</u> | <u>Price</u> <u>per bbl.</u> | <u>Total Value</u> |
|--------------|----------------------------------|-------------------------------|---------------------------------|--------------------|
| Drinkard | 453 | 35.9 | 3.29 | \$1,490 |
| Tubb Gas | 214 | 41.0 | 3.39 | 725 |
| Blinebry Gas | <u>35</u> | 41.0 | 3.39 | <u>119</u> |
| | 702 | | | \$2,334 |

| | <u>Production</u> | <u>Calc. Gravity</u> | <u>Price</u> | <u>Value</u> |
|-----------------|-------------------|----------------------|--------------|--------------|
| Commingled Sour | 702 | 37.7 | 3.33 | \$2,338 |

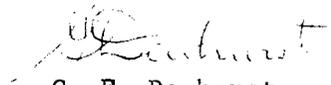
The sweet crude will remain unchanged:

| | <u>June</u> <u>Production</u> | <u>Avg.</u> <u>Gravity</u> | <u>Price</u> <u>per bbl.</u> | <u>Total Value</u> |
|---------------------|----------------------------------|-------------------------------|---------------------------------|--------------------|
| Ellenburger (sweet) | 959 | 39.7 | 3.56 | \$3,414 |

Increased income by commingling the sour crudes is calculated to be \$4.00 per month. Decreased weathering time will increase the volume and gravity of the crude sold. Also, it is critical to keep facilities at a minimum to decrease maintenance and operation costs. Without commingling, these costs would remain high and cause earlier abandonment of the wells.

Amerada Hess Corporation respectfully requests administrative approval to commingle the sour crudes on the Eugene Wood lease.

Very truly yours,



G. F. Dewhurst,
Region Manager

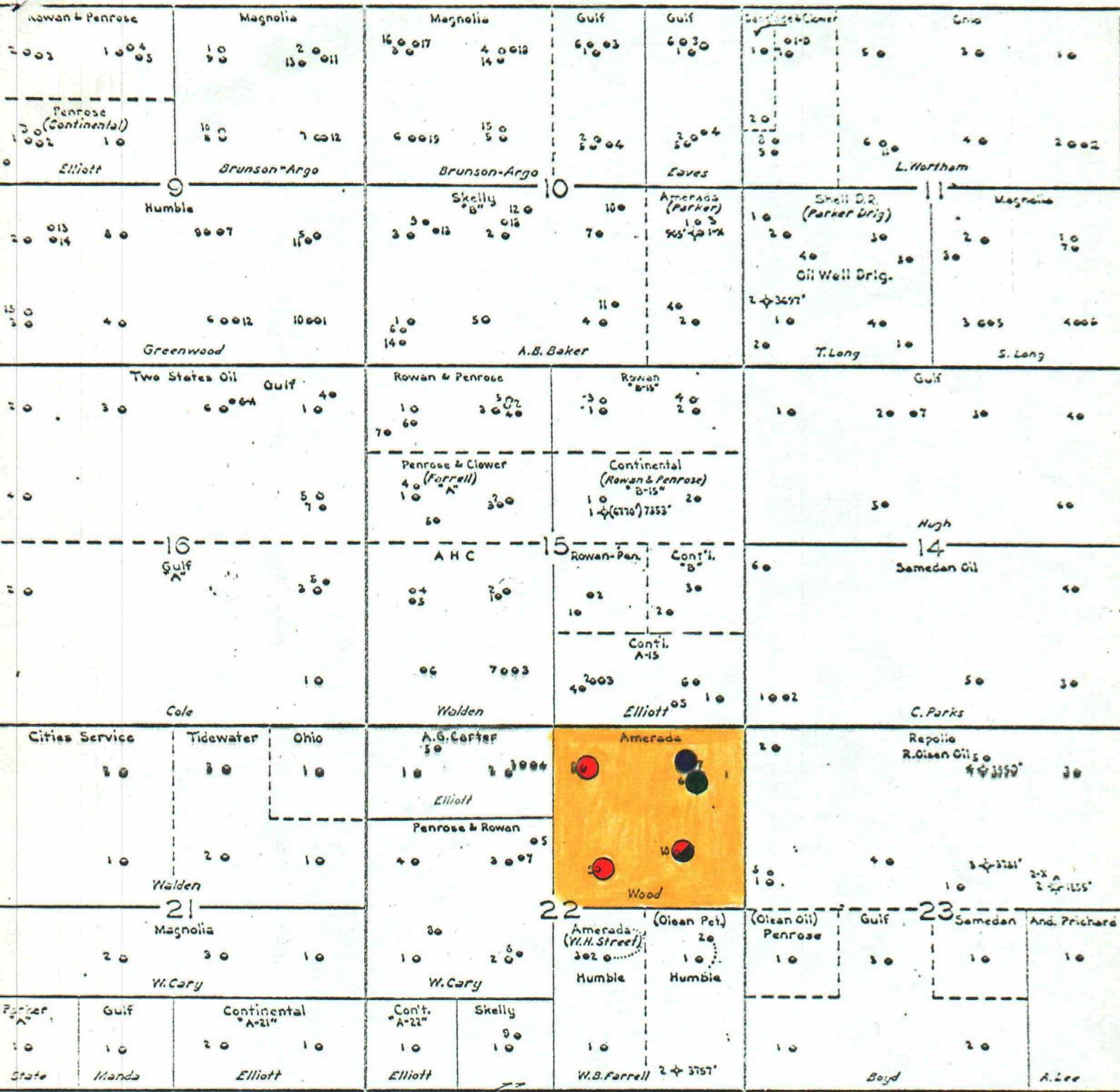
FAB/jw

Enclosures:

1. Plat showing lease and wells
2. Schematic diagram of the proposed battery
3. Letter of approval from Shell Oil

cc: Mr. J. D. Ramey
Mr. L. A. Stricklin

R37E



- BRUNSON ELLENBURGER
- DRINKARD
- TUBB GAS
- BLINEBRY GAS

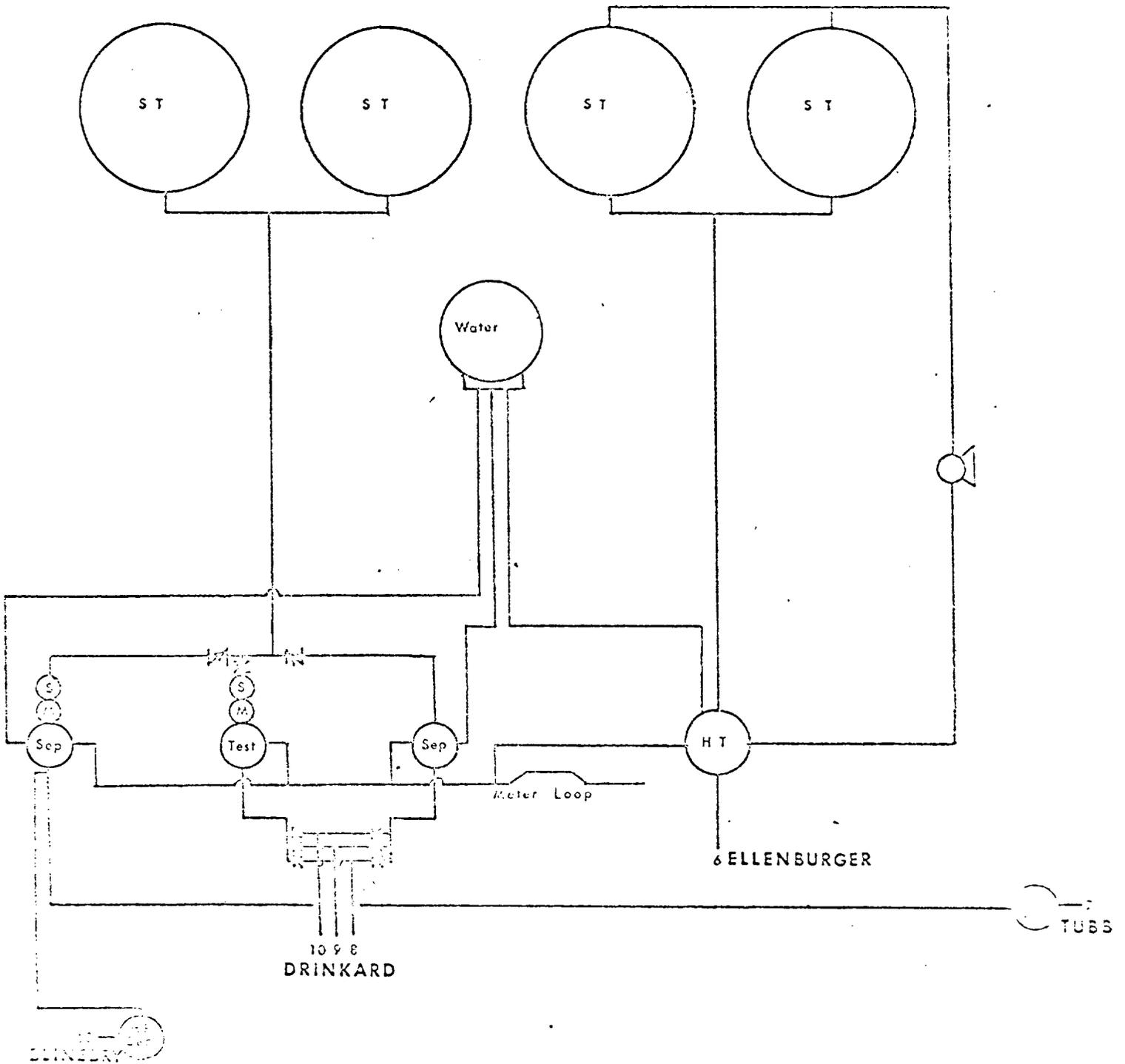
EUNICE FIELD
LEA COUNTY, N. MEX.

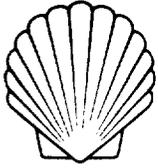
AMERADA HESS CORP.

EUNICE FIELD

EUGENE WOOD LEASE

PROPOSED BATTERY





REMINOLE/MEDDERS REGION

1971 SEP 10 11:18:31

SHELL OIL COMPANY

TWO SHELL PLAZA
P. O. BOX 2099
HOUSTON, TEXAS 77001

September 13, 1971

Subject: Amerada Hess Corporation
Eugene Wood Lease
Eunice Field
Lea County, New Mexico

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

Attention Mr. B. W. Andrus

Gentlemen:

In reply to your request to commingle the production from the subject lease, this is to advise that we are agreeable to purchasing the commingled production.

Please advise us when you have completed the consolidation of tank batteries so that we can advise our pipeline carrier.

Yours very truly,

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

RAB:JLB