PENROC *Oil Corporation*

P. O. DRAWER 831 · MIDLAND, TEXAS · 79701

Telephone (915) 683-1861

September 13, 1971

RECEIVED
SEP 15 1971
OIL CONSERVATION COMM.
SANTA FE

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

Re: Penroc Oil Corporation
Conoco-State No. 1
1980' NL & 2130' EL,
Sec. 33-18S-38E
Lea County, New Mexico

Gentlemen;

In compliance with Rule 303 (b) of the Rules and Regulations of the New Mexico Oil Conservation Commission we herewith apply for an exception to Rule 303 (b) to request administrative approval from the Commission to commingle production from the Penroc Oil Corporation's Conoco-State No. 1 well from the Hobbs-Blinebry and Hobbs-Drinkard fields in a common surface storage facility.

In support of this request we submit the following information:

(a) Interest ownership in production is common in the Blinebry and Drinkard zones.

(b) Production of oil from each source of supply will be accurately measured. (See diagram attached)

(c) Gravity, value and volumes of oil produced from the two sources of supply is as follows:

	Blinebry	Drinkard
Gravity:	39.9° @ 60°	40.3° @ 60°
Value :	$3.54/bbl.	$3.56/bbl.
Volume :	50 BOPD	75 BOPD

Daily revenue from the sale of oil from the two zones to Admiral Crude Oil Corporation, purchaser of oil from the Conoco-State lease, at their posted prices shown above is:

Blinebry:	50 bbl/day @ $3.54	$177.00
Drinkard:	75 bbl/day @ 3.56	267.00
Total	125 bbl/day	$444.00

Revenue from commingled production:

125 bbl/day @ $3.55/bbl: $443.75

(d) Schematic diagram of the surface storage installation is attached.

(e) Plat showing Penroc's Conoco-State lease, the No. 1 well thereon, offset operators and offset producing wells is attached.

The consent of the Commissioner of Public Lands to the proposed commingling has been requested today and their decision will be forwarded to you as soon as it is available. We respectfully request your early consideration of an exception to Rule 303 (B) for the Conoco-State No. 1.

Very truly yours,

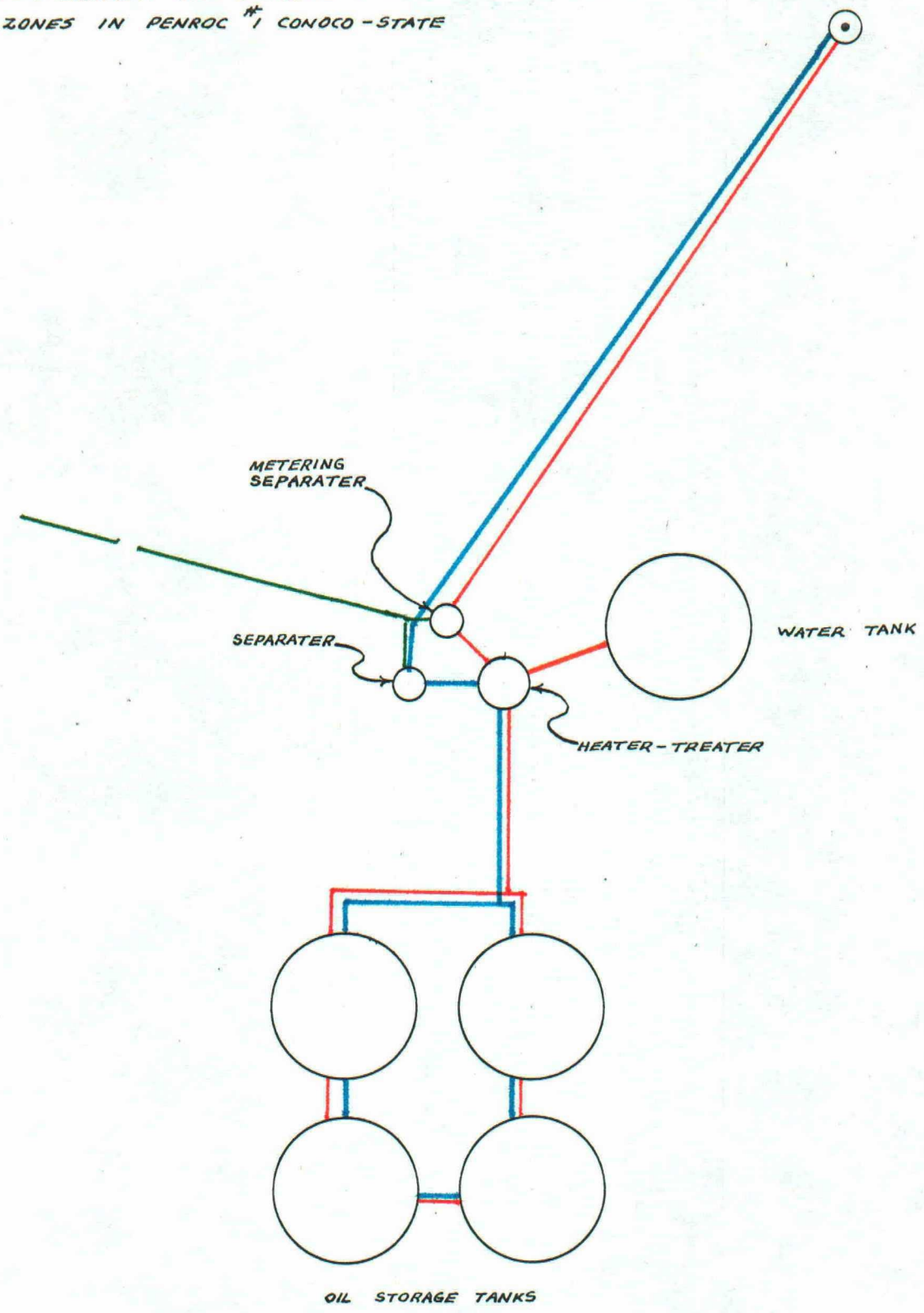
PENROC OIL CORPORATION

H. B. Wigzell

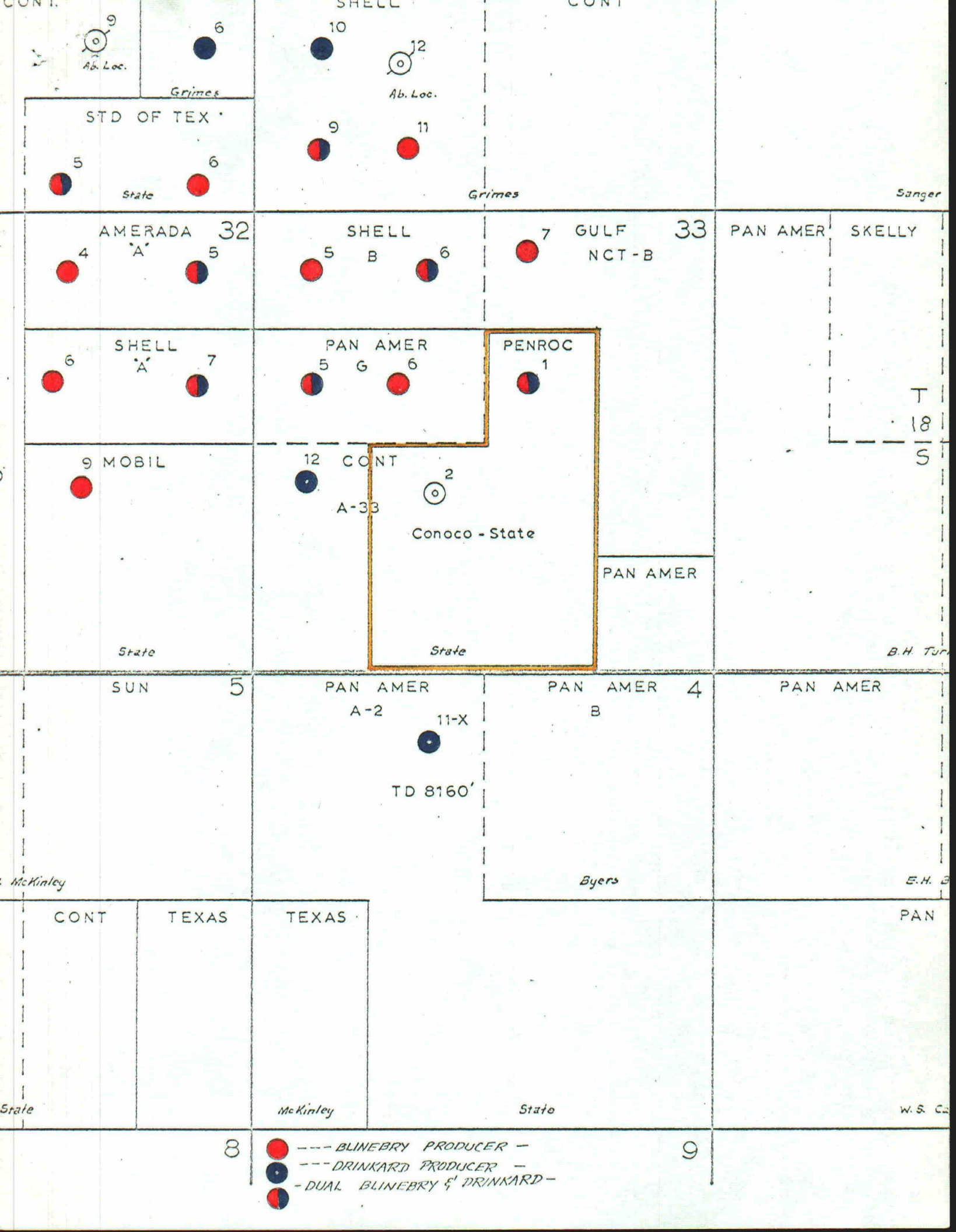
H. B. Wigzell

HBW: hs

SCHEMATIC DIAGRAM OF COMMINGLING FACILITIES FOR BLINEBRY AND DRINKARD PRODUCING ZONES IN PENROC #1 CONOCO-STATE



BLINEBRY FLOW
DRINKARD FLOW
GAS SALES FLOW
WATER DISPOSAL


CONT.
9
Ab. Loc.
6
Grimes
SHELL
10
12
Ab. Loc.
CONT
STD OF TEX
9
11
5
6
State
Grimes
Sanger
AMERADA 32
"A"
4
5
SHELL
B
5
6
7
GULF 33
NCT-B
PAN AMER
SKELLY
SHELL
"A"
6
7
PAN AMER
G
5
6
PENROC
1
T
18
S
9 MOBIL
12
CONT
A-33
2
Conoco - State
PAN AMER
State
State
B.H. Tur
SUN 5
PAN AMER
A-2
11-X
TD 8160'
PAN AMER 4
B
PAN AMER
McKinley
Byers
E.H.
CONT
TEXAS
TEXAS
PAN
State
McKinley
State
W.S. C
8
9
---BLINEBRY PRODUCER —
---DRINKARD PRODUCER —
-DUAL BLINEBRY & DRINKARD-

PENROC Oil Corporation

P. O. DRAWER 831 · MIDLAND, TEXAS · 79701

Telephone (915) 683-1861

September 13, 1971

Commissioner of Public Lands
State Land Office
P. O. Box 1148
Santa Fe, New Mexico 87501

Re: Penroc Oil Corporation
Conoco-State No. 1
Lea County, New Mexico
State Lease B-2652

Gentlemen;

We respectfully request the permission of the Commissioner of Public Lands of the State of New Mexico to commingle production from Penroc Oil Corporation's Conoco-State No. 1 well from the Hobbs-Blinebry and Hobbs-Drinkard fields in a common surface storage facility.

Location of the Conoco-State No. 1 is 1980' NL and 2130' EL of Section 33, T-18-S, R-38-E, Lea County, New Mexico. The working interest, overriding royalty interest and royalty interest is common to both producing zones. Oil produced from each source of supply shall be accurately measured as shown by the attached diagram of the surface storage facility.

Further information regarding this commingling request is shown by the attached request to the New Mexico Oil Conservation Commission to grant an exception to their Rule 303 (b) requiring separate storage facilities for production from different pools.

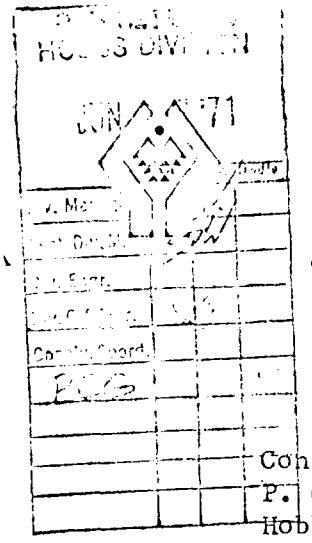
The Conoco-State No. 1 was spudded April 23, 1971 and drilled to a total depth of 7075 feet on May 14, 1971. The well was completed as a producer from the Drinkard from an interval of 6611 to 6975 feet on June 1, 1971. Completion as a producer from the Blinebry at an interval of 5871 to 6029 feet was made August 26, 1971. Oil produced from this well is presently being sold to Admiral Crude Oil Corporation, casing-head gas is sold to Phillips Petroleum Company.

Your early consideration will be appreciated.

Very truly yours,

PENROC OIL CORPORATION

H. B. Wigzell



United States Department of the Interior

GEOLOGICAL SURVEY
Drawer 1857
Roswell, New Mexico 88201

June 16, 1971

Continental Oil Company
P. O. Box 460
Hobbs, New Mexico 88240

ILLEGIBLE

Attention: Mr. G. C. Jamieson

Gentlemen:

Your application of May 13 requests approval to commingle Devonian production from well No. 58 Burger "B", lease Las Cruces 031670(b), and well No. 10 SEMU-Warren, lease Las Cruces 031695(a), sec. 29, T. 20 S., R. 38 E., Lea County, New Mexico.

The system for commingling described in your application is hereby approved subject to like approval by the New Mexico Oil Conservation Commission. Your Lessee's Monthly report of Sales and Royalty, form 9-361, should show all computations used to allocate production to each well.

Please notify the District Engineer, P. O. Box 1157, Hobbs, New Mexico 88240, when the installation is completed so that a field inspection of the system can be made. That office should also be notified in sufficient time to witness quarterly meter proving and should be furnished a certified copy of each meter proving service.

Sincerely yours,

N. O. FREDERICK
Regional Oil and Gas Supervisor

CONOCO

G. C. Jamieson
Assistant Division Manager
Production Department
Hobbs Division

Western Hemisphere Petroleum Division
Continental Oil Company
P. O. Box 460
1001 North Turner
Hobbs, New Mexico 88240
(505) 393-4141

September 13, 1971

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

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

Gentlemen:

Attached please find three copies of U. S. G. S. approval of Continental's proposed commingling of its SEMU Burger B and SEMU Warren leases. This approval should have accompanied our Application for Administrative Approval to Commingle Warren-Devonian oil production from our SEMU Burger B and SEMU Warren leases.

Yours very truly,

G. C. Jamieson

sw
Enc 3

September 14, 1971

Penroc Oil Corporation
P. O. Drawer 831
Midland, Texas 79701

Re: Penroc Oil Corporation
Conoco-State No. 1
Lea County, New Mexico
State Lease B-2656

ATTENTION: Mr. H. B. Wigzell

Gentlemen:

Reference is made to your application dated September 13, 1971, requesting approval to commingle production from Penroc Oil Corporation's Conoco-State No. 1 well from the Hobbs-Blinebry and Hobbs-Drinkard fields in a common surface storage facility.

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

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

Very truly yours,

RAY D. GRAHAM, Director
Oil and Gas

AJA/RDG/s
encls.
cc: New Mexico Oil Conservation Commission
New Mexico Oil & Gas Accounting Commission
Lease No. B-2656