



Allocation ?

CITIES SERVICE OIL AND GAS CORPORATION
P. O. BOX 1919 MIDLAND, TEXAS 79702

(915) 685-5600

November 6, 1984

Mr. Richard L. Stamets
New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

RE: Exception to Rule 303-A to Permit
Surface Commingling for Cities
Service Oil and Gas Corporation's
State DW Lease, Mescalero Escarpe
Bone Springs and E-K Yates Seven
Rivers Queen Pools, Lea County,
New Mexico

Dear Mr. Stamets:

Cities Service Oil and Gas Corporation respectfully requests admin-
istrative approval of an exception to Rule 303-A of the Commission
rules and regulations to permit the commingling of crude oil prod-
uction from the Mescalero Escarpe Bone Springs and E-K Yates Seven
Rivers Queen pools into a common surface storage on our State DW
lease, Section 12-T18S-R33E, Lea County, New Mexico.

The following data is subitted in support of this application:

Oil Gravity and Value Calculation of Commingled Crudes

Bone Springs Oil:	782 BOPD @ 39.60	<i>5 wells = 176.4 BOPD/well</i>
Yates Oil:	55 BOPD @ 33.90	
Combined Oil Gravity =	$\frac{782(39.6) + 55(33.9)}{837} = 39.20$	<i>Top Allowable 230 BOPD</i>

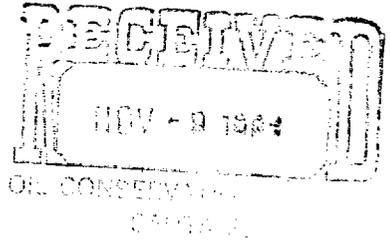
Value Bone Springs Oil = 782 BOPD x \$30.00/bbl = \$23460.00/day
Value Yates Oil = 55 BOPD x \$28.08/bbl = \$ 1544.40/day

Total Value of Separate Streams = \$25004.40/day

Estimated Value of Commingled Oil = 837 BOPD x \$30.00/bbl = \$25110.00/day

The proposed commingling facilities will meet all requirements presented
in the Division "Manual of Installation and Operation of Commingling
Facilities".

*Jimmy
Eyer*



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In additional support of this application, the following is attached:

1. Plat of the State DW lease
2. Schematic diagram of the lease commingling facilities

Your early approval of this application will be appreciated.

Very truly yours,

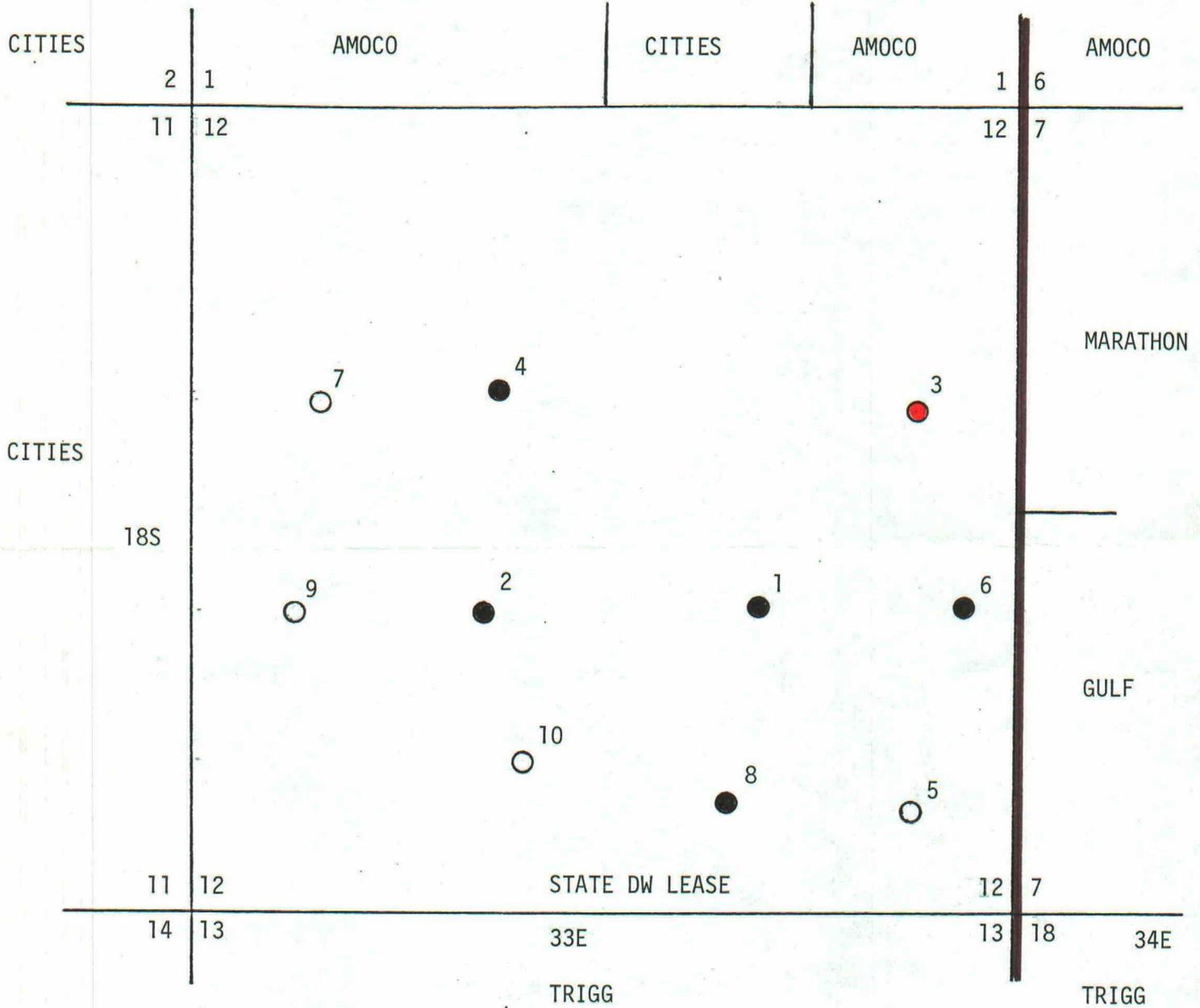
CITIES SERVICE OIL AND GAS CORPORATION



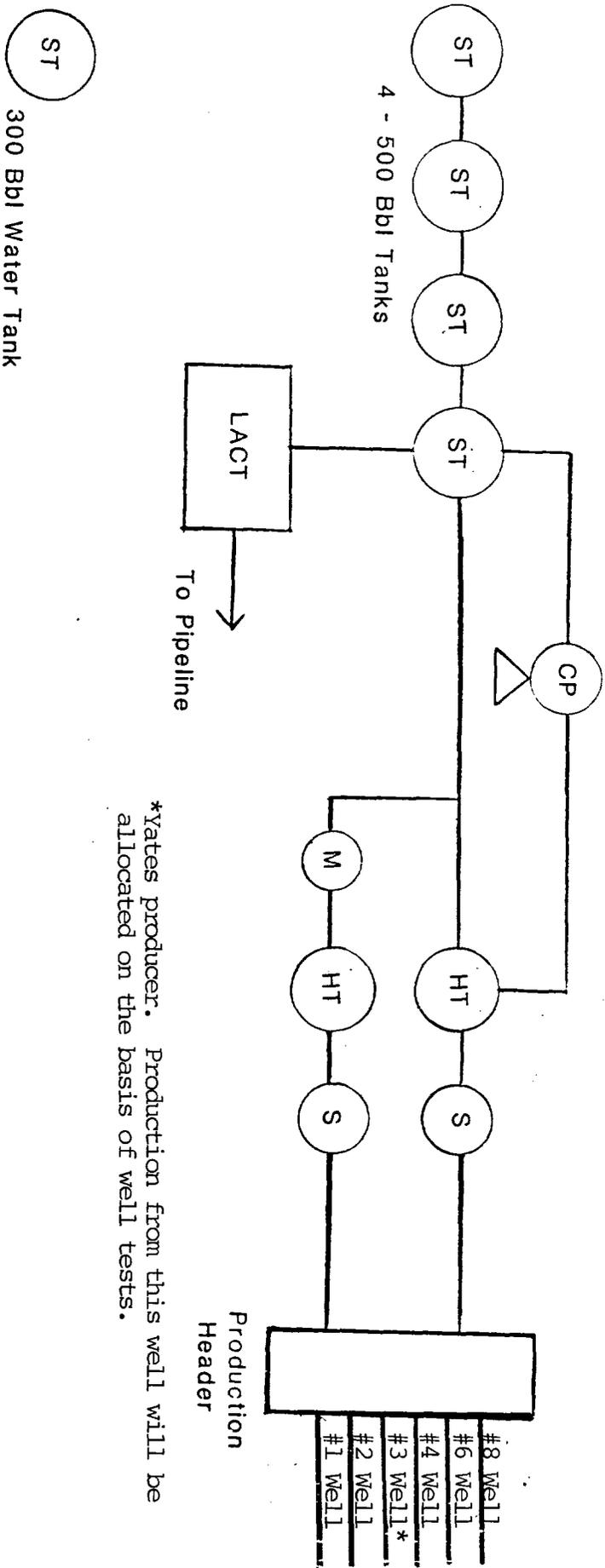
Elmer Startz
Region Operations Manager - Production
Southwest Region
E & P Division

ES:JME:jme
attachments

cc: New Mexico Oil Conservation Division
District I Office
P.O. Box 1980
Hobbs, New Mexico 88240



- Yates Oil Well
- Bone Springs Oil Wells
- Locations, Drilling Wells and Wells in Completion Stages



*Yates producer. Production from this well will be allocated on the basis of well tests.

State DW Lease
Sec 12-T18S-R33E
Lea County, New Mexico