



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

(915) 685-5600

November 23, 1987

Mr. William J. Lemay, Director  
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 & Gas  
Corp.'s State H Lease, Eunice Seven Rivers  
Queen, South, Jalmat Tansill Yates Seven  
Rivers and Langley Strawn Pools, Lea County,  
New Mexico

Dear Mr. Lemay:

Cities Service Oil & Gas Corp. respectfully requests administrative approval of an Exception to Rule 303-A of the Commission Rules and Regulations to permit commingling of crude oil production from the Eunice Seven Rivers Queen, South, Jalmat Tansill Yates Seven Rivers and Langley Strawn Pools into a common surface storage on the State H Lease, Located in Section 17-T22S-R36E, Lea County, New Mexico.

The following data is submitted in support of this application:

Oil Gravity and Value Calculation of Commingled Crudes

Tansill Yates Seven Rivers Queen Oil: 1 BOPD @ 31.0°  
Strawn Oil: 12 BOPD @ 43.6°

$$\text{Combined Oil Gravity} = \frac{1(31.0^\circ) + 12(43.6^\circ)}{13} = 42.6^\circ$$

Value Tansill Yates Seven Rivers Queen Oil = 1 BOPD x \$17.80/bbl = \$ 17.80/day  
Value Strawn Oil = 12 BOPD x \$19.00/bbl = \$228.80/day

Total Value of Separate Streams = \$246.60/day

Estimated Value of Commingled Oil = 13 BOPD x \$18.20/bbl = \$236.60/day

The proposed commingling facilities will meet all requirements presented in the Division "Manual for Installation and Operations of Commingled Facilities".

*South Eunice Seven Rivers Queen*

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In additional support of this application the following is attached:

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

Your early approval of this application will be appreciated.

Very truly yours,

CITIES SERVICE OIL & GAS CORP.



Gary C. Timmermann  
Lead Petroleum Engineer  
Southwestern District  
E & P Division

GCT:JME:jme  
attachments

cc: New Mexico Oil Conservation Division  
District 1 Office  
P.O. Box 1980  
Hobbs, New Mexico 88240

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102  
Supersedes C-128  
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

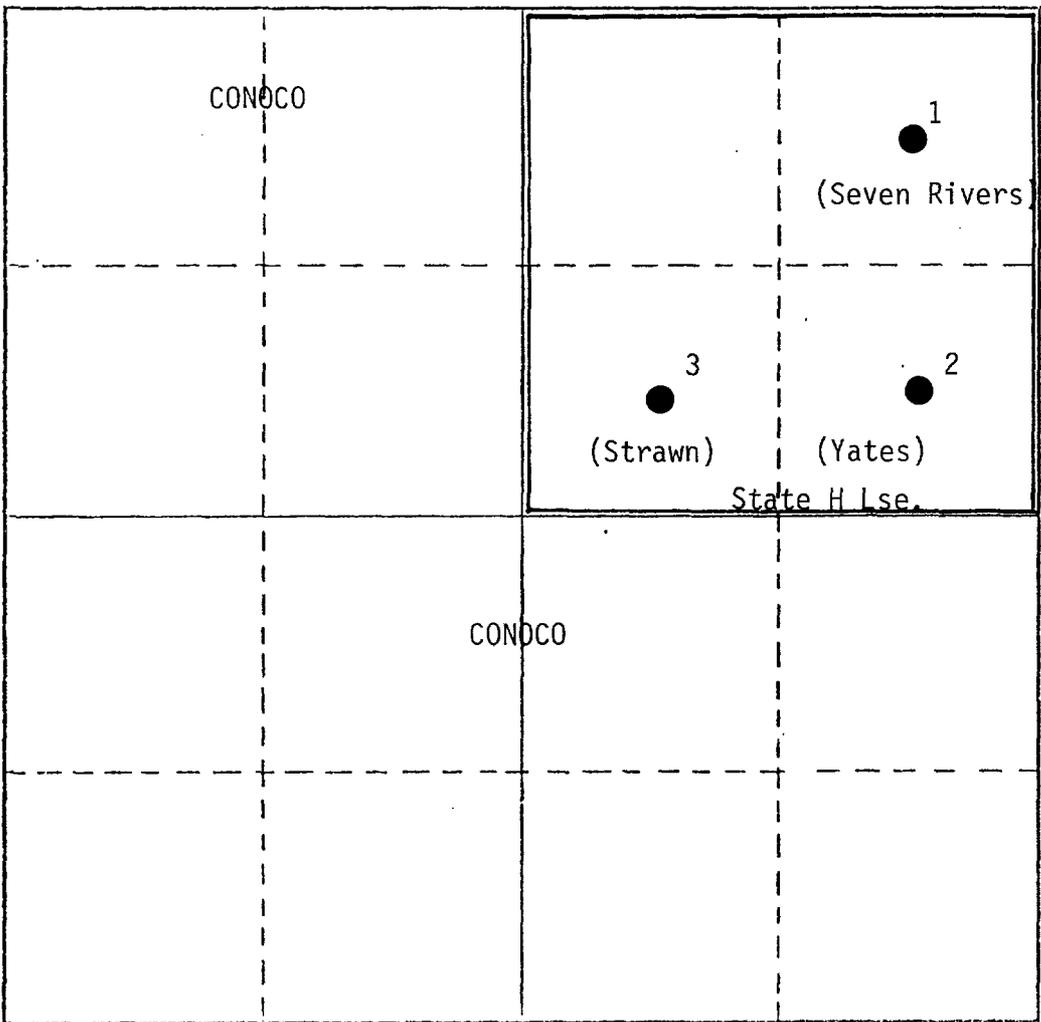
Operator <b>Cities Service Oil &amp; Gas Corp.</b>		Lease <b>State H Lease</b>			Well No.
Unit Letter <b>NE/4</b>	Section <b>17</b>	Township <b>22S</b>	Range <b>36E</b>	County <b>Lea</b>	
Actual Footage Location of Well:					
Ground Level Elev. -----	Producing Formation <b>7 Rivers Yates &amp; Strawn</b>	Line and <b>Foot Eunice Seven Rivers Queen, South, Jalmat Tansill Yates Seven Rivers, and Langley Strawn</b>	feet from the <b>160</b>	Dedicated Acreage <b>160</b>	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes  No If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



**CERTIFICATION**

*I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.*

Name: *Paul C. Dinning*

Position: **Lead Petroleum Engineer**

Company: **Cities Service O&G Corp.**

Date: **November 23, 1987**

*I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.*

Date Surveyed: \_\_\_\_\_

Registered Professional Engineer and/or Land Surveyor

Certificate No. \_\_\_\_\_

CITIES SERVICE OIL & GAS CORP.  
STATE H LEASE  
SEC. 17 - T22S-R36E  
LEA COUNTY, NEW MEXICO

PROPOSED COMMINGLING FACILITIES

