

AMERADA DIVISION  
AMERADA HESS CORPORATION

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SEP 23 1971

OIL CONSERVATION COMM.  
SANTA FE

September 18, 1971

DRAWER 817  
SEMINOLE, TEXAS 79360  
915 - 758 - 5805

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

Re: Surface Commingling of  
Production from the State "D"  
and State "H" Leases

Dear Sir:

A study has been made to revise the battery and commingle the production on Amerada Hess Corporation's State "D" and State "H" leases. These leases are located in the Monument Field, NW/4 and W/2 of SE/4, Sec. 1, T20S, R36E in Lea County, New Mexico.

Presently, the Blinebry oil from the State "D" and State "H" leases are being commingled in one system and the Grayburg - San Andres are being commingled in another. The proposed system is to commingle the Blinebry with the Grayburg - San Andres and allocate production on the basis of well tests. No well produces top allowable. A 60 day tabulation of production is attached. Approval has been received from the purchaser and transporter, as well as the New Mexico Commissioner of Public Lands.

Average gravities, volumes and values are as follows:

|                       | <u>July</u><br><u>Production</u> | <u>Avg.</u><br><u>Grav.</u> | <u>Price</u><br><u>per bbl.</u> | <u>Total</u><br><u>Value</u> |
|-----------------------|----------------------------------|-----------------------------|---------------------------------|------------------------------|
| Grayburg - San Andres | 2834                             | 30.4                        | 3.19                            | \$9,040                      |
| Blinebry              | <u>1267</u>                      | 39.7                        | 3.37                            | <u>4,270</u>                 |
|                       | 4101                             |                             |                                 | \$13,310                     |

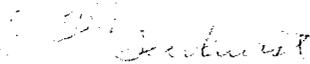
  

|            | <u>Production</u> | <u>Calc. Grav.</u> | <u>Price</u> | <u>Value</u> |
|------------|-------------------|--------------------|--------------|--------------|
| Commingled | 4101              | 33.3               | 3.25         | \$13,328     |

Using production and average gravities during July, 1971, calculations show an increase in income of \$18 per month. Without commingling, long storage time between runs and greater surface area in tanks allow excess evaporation. Commingling the crudes will shorten storage runs of one tank every five days for Grayburg-San Andres and one tank every ten days for Blinbry to one tank every three days for commingled crude. On the basis of 1/2 % volume increase, the increase in income is \$67 per month. In addition there will be a slight gravity increase.

Amerada Hess Corporation respectfully requests administrative approval to commingle production from the State "D" and State "H" leases and allocate production on the basis of quarterly well tests.

Very truly yours,



G. F. Dewhurst  
Region Manager

FAB/jw

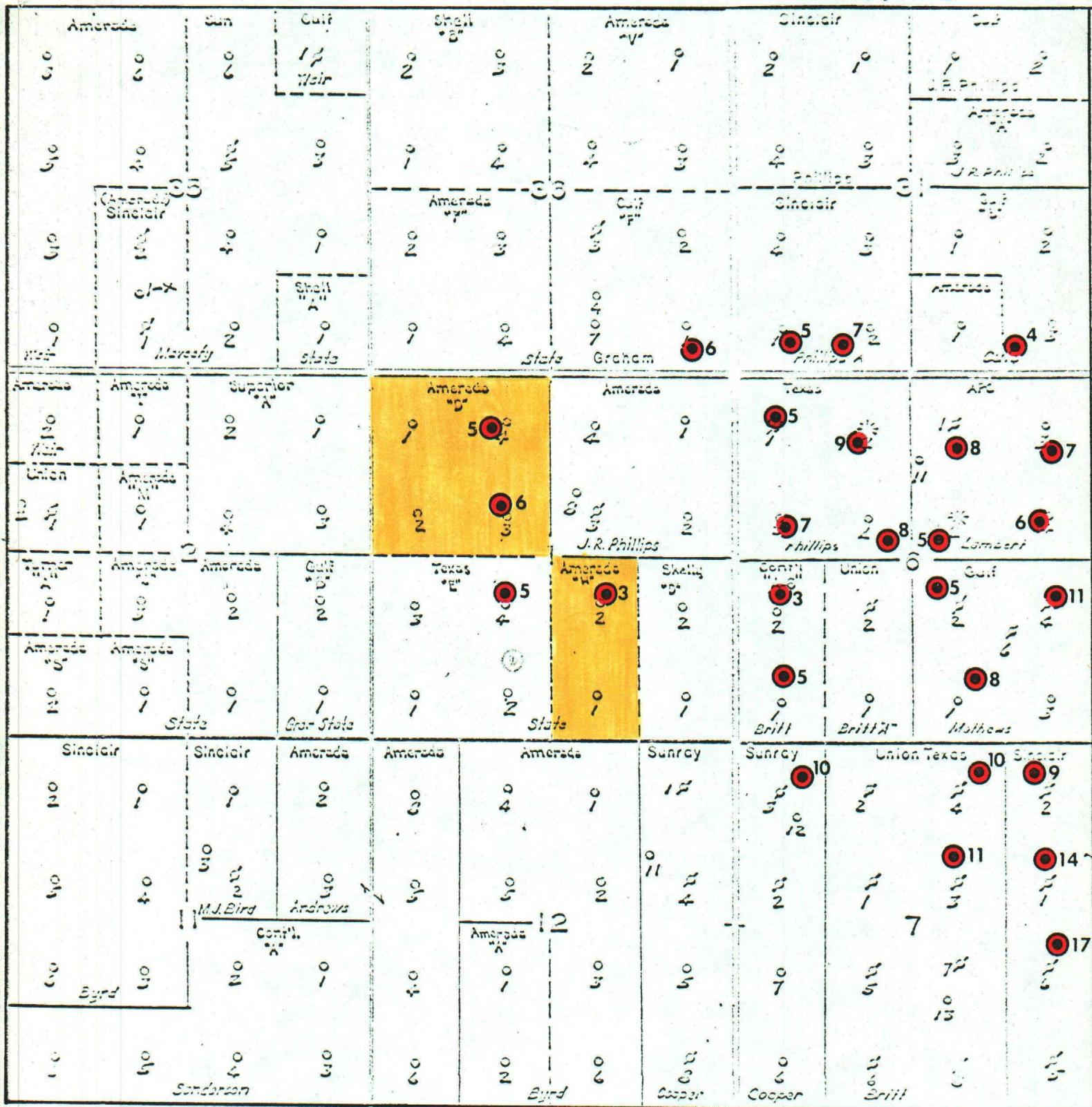
Enclosures:

- 1.) Plat of leases and wells
- 2.) Schematic Diagram of the proposed battery
- 3.) Tabulation of marginal production for a 60 day period.
- 4.) Letter of approval from Gulf Oil (purchaser)
- 5.) Letter of approval from Texas - New Mexico Pipeline (transporter)
- 6.) Letter of approval from New Mexico Commissioner of Public Lands

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

R 36 E

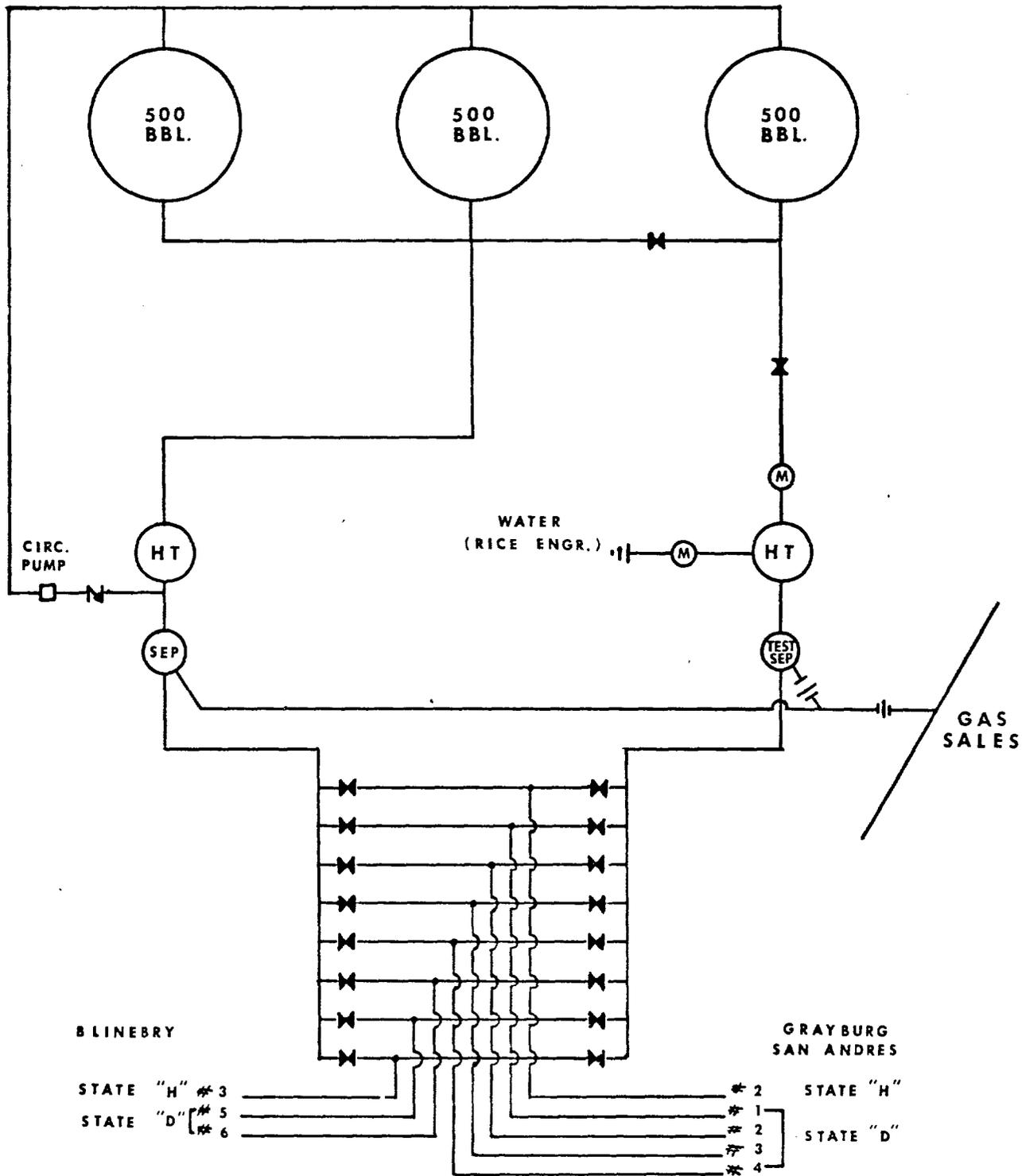
R 37 E



# MONUMENT FIELD

LEA COUNTY, NEW MEXICO  
 O GRAYBURG SAN ANDRES  
 ● BLINEBRY

AMERADA HESS CORP.  
 MONUMENT FIELD  
 STATE D-H LEASES  
 PROPOSED BATTERY



AMERADA HESS CORPORATION  
 State D - State H Leases  
 Oil Production for - 60 Days  
 July - 1971

| <u>Date</u>  | <u>Grayburg - San Andres*</u> | <u>Blinebry</u> |
|--------------|-------------------------------|-----------------|
| July 1, 1971 | 83                            | 44              |
| 2            | 108                           | 42              |
| 3            | 100                           | 0               |
| 4            | 103                           | 94              |
| 5            | 97                            | 44              |
| 6            | 94                            | 44              |
| 7            | 97                            | 39              |
| 8            | 83                            | 44              |
| 9            | 108                           | 44              |
| 10           | 94                            | 40              |
| 11           | 94                            | 42              |
| 12           | 94                            | 36              |
| 13           | 94                            | 47              |
| 14           | 92                            | 44              |
| 15           | 92                            | 42              |
| 16           | 94                            | 44              |
| 17           | 91                            | 30              |
| 18           | 96                            | 42              |
| 19           | 92                            | 42              |
| 20           | 92                            | 39              |
| 21           | 94                            | 44              |
| 22           | 92                            | 42              |
| 23           | 94                            | 42              |
| 24           | 93                            | 38              |
| 25           | 94                            | 44              |
| 26           | 92                            | 42              |
| 27           | 92                            | 44              |
| 28           | 92                            | 42              |
| 29           | 78                            | 33              |
| 30           | 100                           | 44              |
| 31           | 64                            | 31              |

\* Since pool production for the Grayburg - San Andres pool exceeds daily top allowable for one well (70 BOPD), the latest well tests are as follows:

|            |              |                |
|------------|--------------|----------------|
| State D #1 | G-SA 24 hrs. | 38 BO + 220 BW |
| #2         | G-SA 24 hrs. | 28 BO + 77 BW  |
| #3         | G-SA 24 hrs. | 1 BO + 150 BW  |
| #4         | G-SA 24 hrs. | 8 BO + 62 BW   |
| State H #2 | G-SA 24 hrs. | 21 BO + 21 BW  |

AMERADA HESS CORPORATION  
 State D - State H Leases  
 Oil Production for - 60 Days  
 August 1971

| <u>Date</u>    | <u>Grayburg - San Andres*</u> | <u>Blinebry</u> |
|----------------|-------------------------------|-----------------|
| August 1, 1971 | 72                            | 47              |
| 2              | 75                            | 27              |
| 3              | 136                           | 15              |
| 4              | 92                            | 61              |
| 5              | 100                           | 42              |
| 6              | 94                            | 19              |
| 7              | 91                            | 22              |
| 8              | 100                           | 78              |
| 9              | 89                            | 44              |
| 10             | 91                            | 41              |
| 11             | 91                            | 44              |
| 12             | 97                            | 44              |
| 13             | 94                            | 39              |
| 14             | 90                            | 41              |
| 15             | 72                            | 39              |
| 16             | 92                            | 33              |
| 17             | 94                            | 47              |
| 18             | 101                           | 36              |
| 19             | 94                            | 50              |
| 20             | 94                            | 44              |
| 21             | 86                            | 39              |
| 22             | 92                            | 39              |
| 23             | 92                            | 39              |
| 24             | 105                           | 39              |
| 25             | 78                            | 42              |
| 26             | 92                            | 44              |
| 27             | 94                            | 44              |
| 28             | 85                            | 41              |
| 29             | 89                            | 36              |
| 30             | 89                            | 44              |
| 31             | 89                            | 36              |

\* Since pool production for the Grayburg - San Andres pool exceeds daily top allowable for one well (70 BOPD), the latest well tests are as follows:

|                         |                |
|-------------------------|----------------|
| State D #1 G-SA 24 hrs. | 38 BO + 220 BW |
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| #4 G-SA 24 hrs.         | 8 BO + 62 BW   |
| State H #2 G-SA 24 hrs. | 21 BO + 21 BW  |

A. J. 5-25

# Gulf Oil Company - U.S.

CRUDE OIL DEPARTMENT

J. W. Streit  
MANAGER - OPERATIONS

June 29, 1971

P. O. Box 2100  
Houston, Texas 77001

Hess Oil & Chemical Division  
Amerada Hess Corporation  
Post Office Box 52  
Galena Park, Texas 77547

Attention: Mr. J. K. Moore, Jr.

Gentlemen:

Reference is made to your letter dated June 23, 1971, wherein you requested permission to commingle 30° gravity Monument (Grayburg-San Andres) pool production with 40° gravity Monument (Blinberry) pool production on the State D & H Leases which we are currently purchasing under Gulf's contract number 1278-40.

We are agreeable to purchasing this production commingled. Please furnish us with a copy of the New Mexico Commission's authority to commingle and advise the date actual commingling begins.

Very truly yours,



D. L. Williams

DLW/rb



TEXAS-NEW MEXICO PIPE LINE COMPANY

P. A. LYONS  
DIVISION MANAGER

P. O. BOX 1510  
MIDLAND, TEXAS 79701

June 29, 1971

COMMINGLED PRODUCTION  
GRAYBURG-SAN ANDRES AND BLINEBRY CRUDES  
STATE D & H LEASES  
MONUMENT FIELD  
LEA COUNTY, NEW MEXICO

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

Attention: Mr. B. W. Andrus

Gentlemen:

Texas-New Mexico Pipe Line Company has no objections to running commingled oil from the Grayburg-San Andres and Blinebry zones as sour crude in our sour crude common stream.

We understand there will be no significant changes in location of the proposed battery causing investment expenditure by Texas-New Mexico Pipe Line Company.

When the New Mexico Oil Conservation Commission authorization of commingling has been approved by Administrative Order, we will make a corrected connection order for the lease.

Yours very truly,

*P. A. Lyons*

FBK-AER

State of New Mexico



Commissioner of Public Lands  
September 10, 1971



ALEX J. ARMIJO  
COMMISSIONER

P. O. BOX 1148  
SANTA FE, NEW MEXICO

Amerada Hess Corporation  
Drawer 817  
Seminole, Texas 79360

Re: Surface Commingling on the  
State "D" and State "H"  
Leases

ATTENTION: Mr. G. F. Dewhurst

Gentlemen:

Reference is made to your application dated July 26, 1971, requesting approval to commingle the production from your State "D" and "H" leases.

Since the new evidence was presented, by your letter of August 28, 1971, 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*  
RAY D. GRAHAM, Director  
Oil and Gas

AJA/RDG/s  
encls.

cc: New Mexico Oil Conservation Commission  
New Mexico Oil & Gas Accounting Commission

PS: Please submit a ten (\$10.00) Dollar filing fee.