



OIL CONSERVATION DIVISION
SANTA FE, NM 87505

PC N/R

OXY USA Inc.
P.O. Box 50250, Midland, TX 79710-0250

1388 - PA 8 52

March 31, 1995

State of New Mexico
Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

**Re: Commingling Order PC-654 - Byers B Lease #008584
S/2 N/2 & N/2 S/2 of Sec 7 T20S R37E - Lea Cty, NM**

Gentlemen:

OXY USA Inc. respectfully requests that Administrative Order PC-654 be amended to allow us to surface commingle the Monument Tubb Pool (47090), Nadine Drinkard, West (47505), & the Nadine Paddock-Blinebry, West (47400) from any well on our Byers B lease, which consists of the S/2 N/2 & N/2 S/2 of Sec 7-T20S-R37E. A copy of the order is attached. Because the wells are unable to make the top allowable, we further request that the Gas-Oil Ratio Tests be used as the basis for allocating production between the various pools. Granting this request will enable Oxy to pursue additional recompletions on the Byers B Lease and eliminate the need for separate facilities and additional requests for amendments of PC-654.

The #5 well was recompleted 1/30/95 and the #2 is currently being recompleted in the Monument Tubb Pool. We have shut-in the remaining wells and only the Tubb wells are producing to the tank battery.

A table is attached which shows the current production volumes and oil gravities from the wells on the Byers B lease. The price paid for the oil is based on WT/NM Intermediate. A \$0.02 per degree penalty is imposed on oil having a gravity less than 40. As shown in the attached table, no reduction in value is anticipated as a result of commingling the oil from these different pools.

If you any additional information is required, please contact me @ 915-685-5717.

Sincerely,

David Stewart
Regulatory Analyst
Western Region - Midland

Attachments

cc: NMOCD - District 1 - Hobbs

BYERS B LEASE
PRODUCTION VOLUMES
API GRAVITIES

WELL NO.	CURRENT ZONE	LAST TEST RATE BOPD	API	LAST TEST RATE BWPD	*PENALTY (\$/BBL.)
1	PADDOCK-BLINEBRY	8	36.8	16	0.06
2 - TA	PADDOCK-BLINEBRY	0	36.8	0	0.06
3	PADDOCK-BLINEBRY	6	36.8	14	0.06
4	DRINKARD	7	36.8	14	0.06
5	TUBB	150	38.3	15	0.04
TOTAL		171			

*OIL PRICE BASED ON 40 API WT/NM INT.
\$0.02/DEGREE API PENALTY

IF WELLS PRODUCE INTO SEPARATE TANKS:

WELL NO.	\$ DAILY PENALTY
1	0.48
2 - TA	0
3	0.36
4	0.42
5	6.00

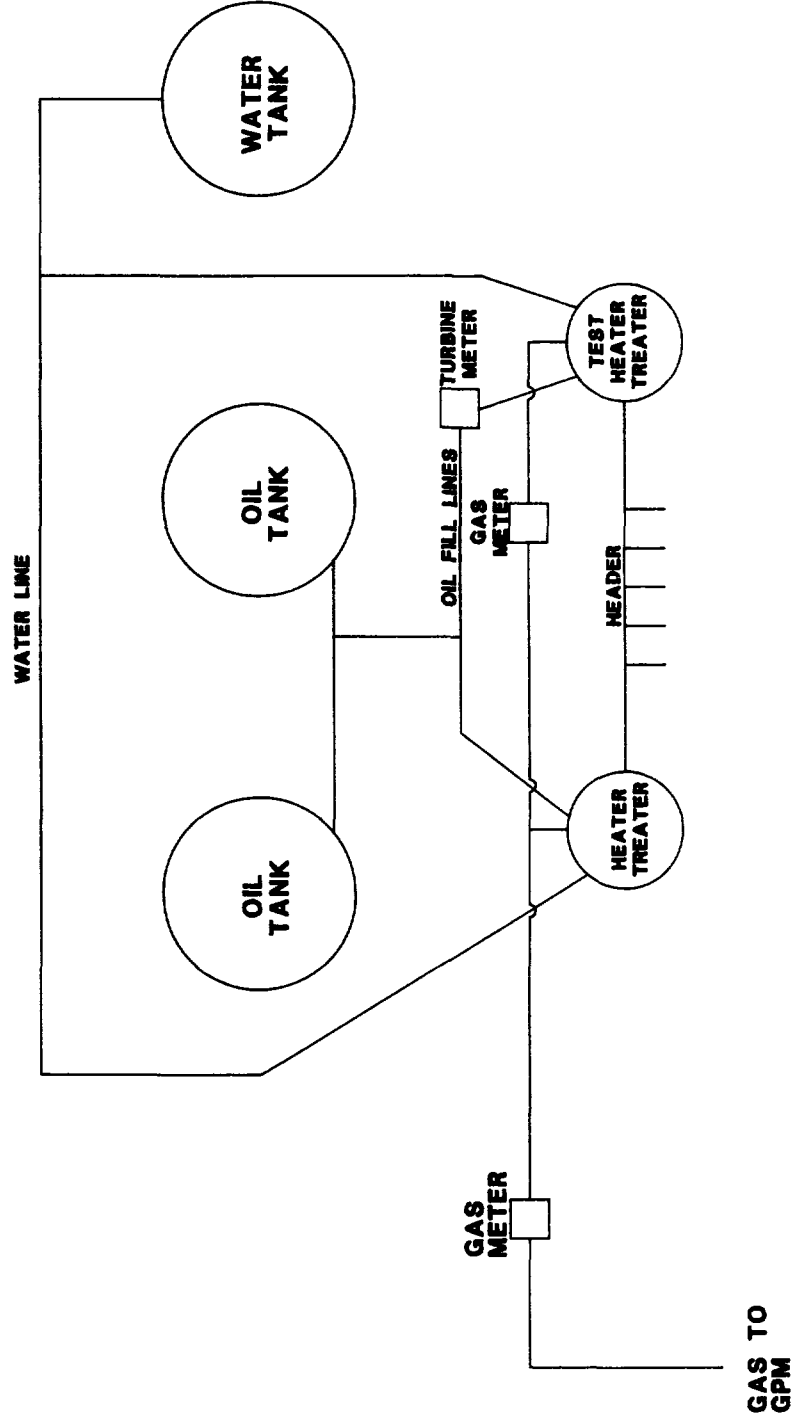
TOTAL: 7.26

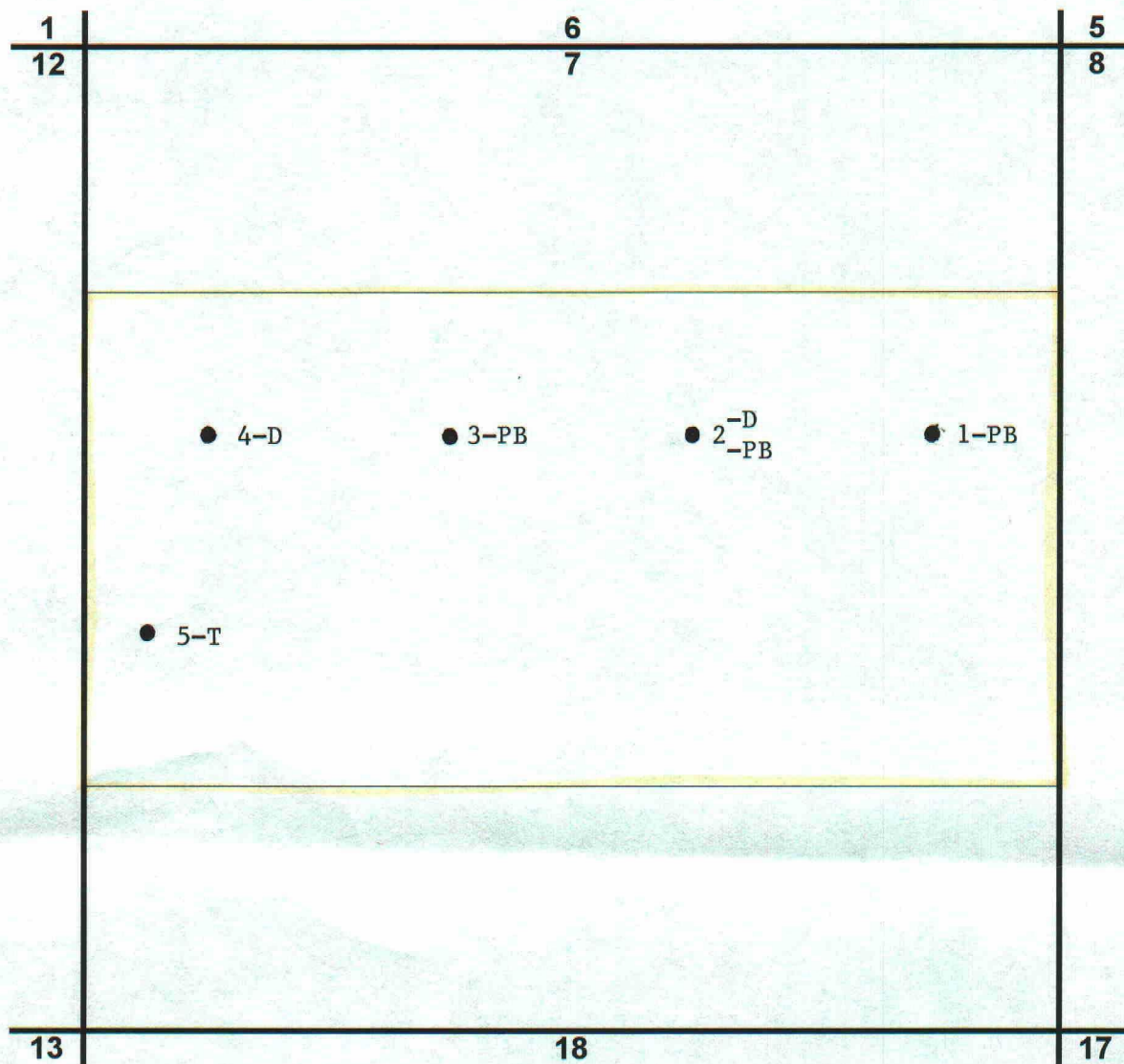
IF ALL WELLS ARE COMMINGLED:

COMMINGLED OIL WEIGHTED AVERAGE API GRAVITY: 38.12

COMMINGLED DAILY PENALTY: 6.45

PROPOSED FACILITY
FOR
SURFACE COMMINGLING
SEC. 7, T-20-S, R-38-E
LEA COUNTY, NM
BYERS B LEASE





PB - Paddock-Blinebry

D - Drinkard

T - Tubb

Lease

Operator of Lease:
Name of Lease:
Total Acres in Lease:
Description of Property:
County:
Field:

OXY USA Inc.
Byers B
320
Sec 7 T20S R38E
Lea
Monument Tubb Pool
Nadine Drinkard, West
Nadine Paddock-Blinebry, West
1" - 1000'

Scale: