

RECEIVED JUN 14 1963

TIDEWATER OIL COMPANY
P. O. BOX 547
HOBBS, NEW MEXICO

June 14, 1963

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.

Re: Commingling production from Getty Oil Company's State "G" Lease

Gentlemen:

New Mexico Oil Conservation Commission Administrative Order PC-135 was issued on April 19, 1963, to permit the commingling of the production from the Langlie-Mattix, Blinebry and Tubb-Drinkard zones on Getty Oil Company's State "G" Lease comprising the NW/4 NW/4 of Section 2, Township 25 South, Range 37 East, Lea County, New Mexico after separately metering the Blinebry and Tubb-Drinkard production and determining the Langlie-Mattix production by means of the subtraction method. This 40-acre lease includes two wells. Well No. 1 produces from the Langlie-Mattix and Well No. 2 is a dual tubingless completion which produces from the Blinebry and Tubb-Drinkard zones.

After Order PC-135 was issued the Texas-New Mexico Pipeline Company notified Tidewater that if the Langlie-Mattix zone (which is classified as sour) were commingled with the Blinebry and Tubb-Drinkard zones (which are classified as intermediate), the total commingled production would be classified as sour and sour crude prices would prevail. These sour crude prices of approximately \$0.09 per barrel less than intermediate prices would apply even though the Blinebry and Tubb-Drinkard produce top allowable of 48 barrels of oil per day from each zone and the Langlie-Mattix produces a total of only 3 barrels of oil per day. API gravities of the Blinebry and Tubb-Drinkard zones are 37.7 and 37.5 degrees, respectively, and the Langlie-Mattix has a gravity of 39.5 degrees.

Because of this price situation we have continued to produce the Langlie-Mattix zone into separate facilities and have commingled only the Blinebry and Tubb-Drinkard zones. A revised diagrammatic sketch of the commingling facilities is attached for your review. The Blinebry oil is metered separately and the Tubb-Drinkard production is determined by means of the subtraction method. Verbal approval to produce as described was obtained from the New Mexico Oil Conservation Commission District Office here in Hobbs.

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Please advise if you desire any additional information pertaining to this installation.

Very truly yours,

TIDEWATER OIL COMPANY

C. L. Wade
C. L. Wade,
Area Superintendent

BMB:bw

Attachments

cc: NMOCC - Santa Fe (Orig. & 2)
NMOCC - Hobbs (1)
Commissioner of Public Lands - Santa Fe (1)
R. H. Coe - Midland (1)
File

GETTYS OIL COMPANY
STATE "G" LEASE
NORTH JUSTIS POOL
LEA COUNTY, NEW MEXICO

