

STANDARD OIL COMPANY OF TEXAS

A DIVISION OF CHEVRON OIL COMPANY PED. BOX 1249 HOUSTON TEXAS 77001

August 18, 1969

Commingling Application State 1 Lease Hobbs Field

Lea County, New Mexico

New Mexico Oil Conservation Commission P. O. Box 2088 Santa Fe, New Mexico 87501

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

Secretary & Director

Hold for land office approval wed 8-21

Gentlemen:

This letter constitutes the application of Standard Oil Company of Texas, A Division of Chevron Oil Company, for administrative approval to commingle the production from three common sources of supply on our State 1 Lease. It is our intent to measure the production from each pool separately before the oil is commingled.

Following are production rates and other pertinent data for each pool in the Hobbs Field which we wish to commingle in a common tank battery.

<u>Pool</u>	Barrels of Oil Production Daily	GOR MCF/Bbl.	APIO Oil Gravity	Value of Oil \$/Bbl.
Grayburg-San Andres	120	4000	35°	3.04
Blinebry	83	750	35•4°	3.04
Drinkard	28	6006	35•6°	3.04

The estimated gravity of the commingled liquid will be 35.20 API and will have an estimated value of \$3.04 per barrel, the same value as would be obtained if the liquid were not commingled.

In support of this application we enclose the following items:

- 1. Schematic diagram of the proposed installation.
- 2. A plat showing the location of all wells on the State 1 Lease with the pool from which each well is producing designated by symbols.

- 3. Letters from Atlantic-Richfield Company agreeing to purchase commingled production from Standard's State 1 Lease (referred to in Atlantic's letter as State 29 Lease because of location in Section 29).
- 4. A copy of our letter to the Commissioner of Public Lands for the State of New Mexico requesting his approval of this commingling application.

We would like to point out that we plan to drill a second Blinebry-Drinkard dual well on the State 1 Lease (shown on the plat as proposed Blinebry-Drinkard) and we estimate that after the well is completed, production rates for the Blinebry and Drinkard pools will be approximately double what we show above on the tabulation.

Respectfully submitted,

John J. Cameron Jas

Supervising Proration Engineer

JAS:mkf

Enclosures

cc: Commissioner of Public Lands State of New Mexico State Land Office Building Santa Fe, New Mexico 87501

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JEA. CO. NEW MEXICO Symbols. FOR STO LEASE ONLY								

August 21, 1969

Standard Oil Company of Texas P. O. Box 1249 Houston, Texas 77001

> Re: Request for approval to Commingle oil production State 1 Lease B-2277-1 Sec. 29, T-188, R-38E, Lea County, New Mexico

Attention: Mr. C. M. Segnar

Gentlemen:

Reference is made to your application dated August 18, 1969, requesting approval to commingle the production from three sources of supply on your State 1 Lease B-2277-1, located on Section 29, Township 18 South, Range 38 East, Lea County, New Mexico. You also state you intend to measure the production from each pool separately before the oil is commingled.

You are hereby given approval to the above described request. Any deviation from your proposed request will be reason to cancel approval.

This approval is subject to the subsequent approval of the Oil Conservation Commission.

You are to be commended on the splendid and fully detailed achievatic diagram, plat and letters you have submitted covering all information pertaining to your request.

Very truly yours,

THD BILBERRY, Director Oil and Gas Department

TB:ML:V cc: Oil Conservation Commission Santa Pe, New Mexico

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TELLOW OF THE CONTRACTOR

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ATLANTIC RICHFIELD COMPANY

P. O. Box 1170 Hidland, Texas 79701

Supply & Transportation

Mr. R. L. Mays Representative Orude Oil & Condensate Standard Oil Company of Texas P. O. Box 1249 Houston, Texas 77001

hear ay:

Fer our telephone conversation this A.M., Atlantic Richfield Company agrees to purchase the Blinebry crude oil produced by Standard Oil Company of Texas on the State 29 Lease, Section 29-18-38, Lea County. New Mexico.

It is our understanding that your company will commingle the blinebry with ban Andres-Grayburg production for delivery through the existing LACT facility on the lease.

Yours very truly,

August 65

John b. braswell Representative. Crude Purchases

JU1:100

co: T. T. D. Gramer, Mistrict Superintendent Standard Wil Company of Texas F. U. Don 1809 layder, fexas 79549

Mr. H. G. Mealer, Megical Superintendent Atlantic Pipe Line Company P. 6. Box 1190 Hidland, Texas 79701

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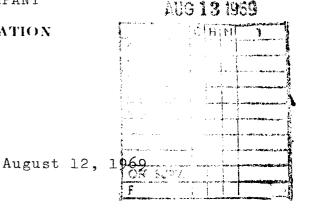
ATLANTIC RICHFIELD COMPANY



SINCLAIR OIL CORPORATION

P. O. Box 1470

MIDLAND, TEXAS 79791



SOUTHERN REGION (WEST TEXAS) DOMESTIC OIL & GAS DIVISION

> Mr. Bob Davidson, Engineer Standard Oil Company of Texas P. O. Box 1009

> > SUBJECT: Standard Oil Company of

> > > Texas

State 29 Lease

Lea County, New Mexico

Dear Mr. Davidson:

Snyder, Texas 79549

Confirming our telephone conversation on Friday, August 8, 1969, it is Atlantic Richfield Company's intention to purchase, on a commingled basis, all the new production recently established on the captioned. This includes Drinkard as well as Blinbry.

Yours very truly,

And the Representative

Crude Purchases

JBB/oc

cc: Messrs. R. L. Moyes Standard Oil Company of Texas P. O. Box 1249 Houston, Texas 77001

> H. G. Mealer Atlantic Pipeline Company P. O. Box 1190 Midland, Texas 79701



STANDARD OIL COMPANY OF TEXAS

A DIVISION OF CHEVRON OIL COMPANY
P. O. BOX 1249 HOUSTON TEXAS 77001

August 18, 1969

C. N. SEGNAR

New Mexico State Land Commission State Land Office Building Santa Te, New Mexico 87501

Attention: Mr. Alex Armijo

Land Commissioner

Gentlemen:

Attached is a copy of the application of Standard Oil Company of Texas, A Division of Chevron Oil Company, for administrative approval of the New Mexico Oil Conservation Commission to permit commingling of oil production from three common sources of supply on our State 1 Lease located in Eddy County, New Mexico. State rules require that we furnish evidence that the Commissioner of Public Lands for the State of New Mexico has consented to the proposed commingling.

We respectfully request your approval of the proposed application for commingling. Further, to expedite this matter, we request that you mail a copy of your approval directly to the New Mexico Oil Conservation Commission in Santa Fe so that they can handle our application without needless delay.

Yours very truly,

JAS mkf

Attachment

cc: New Mexico Oil Conservation Commission

P. O. Box 2088

Santa Fe, New Mexico 87501

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