

## PENROSE PRODUCTION COMPANY

411 GULF BUILDING  
MIDLAND, TEXAS 79704

JUN 1 1964

MAY 1 1964

May 2, 1964

New Mexico Oil Conservation Commission  
State Land Office Building  
Santa Fe, New Mexico

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

RE: Application of Penrose Production Company for  
exception to Rule 303(a) in order to commingle  
crude oil production from the Drinkard and  
Blinebry oil pools on its L. G. Warlick lease  
located in Section 19, T21S, R37E, Lea County,  
New Mexico

Gentlemen:

Penrose Production Company respectfully requests exception to Rule 303(a)  
to permit commingling as described above, and submits the following:

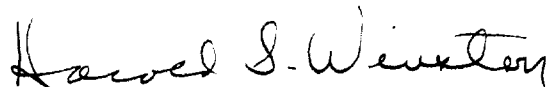
1. Figure No. 1, which is a lease plat showing applicant's lease and offset leases.
2. Currently the L. G. Warlick lease is developed with three wells. The No. 1 gas well is a Eumont completion, producing dry gas, and is not relevant to this application. Oil well No. 1, located 990' FNL and 330' FEL of Section 19, Twp. 21 South, Range 37 East, is a single completion from the Blinebry oil pool. Well No. 2, located 990' FNL and 2310' FEL of Section 19, is a triple completion from the Penrose-Skelly, Blinebry and Drinkard oil pools. This well has just been completed and production tests taken during the completion are submitted herewith on Exhibit No. 2. Also shown is a representative test for the Warlick No. 1 Blinebry oil completion.
3. Applicant proposes to meter separately the production from the Warlick No. 2 Drinkard zone, as shown on the Schematic Diagram, Exhibit No. 3. The Blinebry oil production will be determined by the subtraction method.

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4. Ownership of all zones is common on this fee acreage.
5. The API gravity of the two crudes is almost identical, and no change in value as a result of commingling is anticipated.
6. Commingling of production will result in the prevention of waste, and will not impair correlative rights.
7. The proposed installation will be operated in accordance with the provisions in the New Mexico Oil Conservation Commission "Manual For The Installation And Operation Of Commingling Facilities", including the requirement for non-reset counters on the meter. In regard to the meter, please note on Exhibit No. 3 that a provision is made for a separate test line for calibration of the meter.
8. Hobbs District Office of the New Mexico Oil Conservation Commission will be notified when the proposed installation is completed in order that an inspection can be made of the facility before it is placed in operation.

Very truly yours,

PENROSE PRODUCTION COMPANY



Harold S. Winston  
Petroleum Engineer

HSW:lb  
encls.

EXHIBIT NO. 2

Penrose Production Company - L. G. Warlick Lease

Well Tests  
24 Hour Rate

<u>Well</u>	<u>Zone</u>	<u>Date</u>	<u>Choke Size</u>	<u>Tbg. Press. psig.</u>	<u>Oil Bbls.</u>	<u>Water Bbls.</u>	<u>Gas Volume MCF</u>	<u>GOR</u>	<u>Oil Gravity, API<sup>o</sup></u>
1	Blinebry	5/1/64	24/64"	300	7	0	126	18,000	38
2	Drinkard	3/30/64	1/4"	400	10	0	301	1,433	37
2	Blinebry	4/11/64	24/64"	170	95	62*	387	4,074	38
2	Penrose- Skelly	4/27/64	10/64"	380	141	35	1063	7,539	38

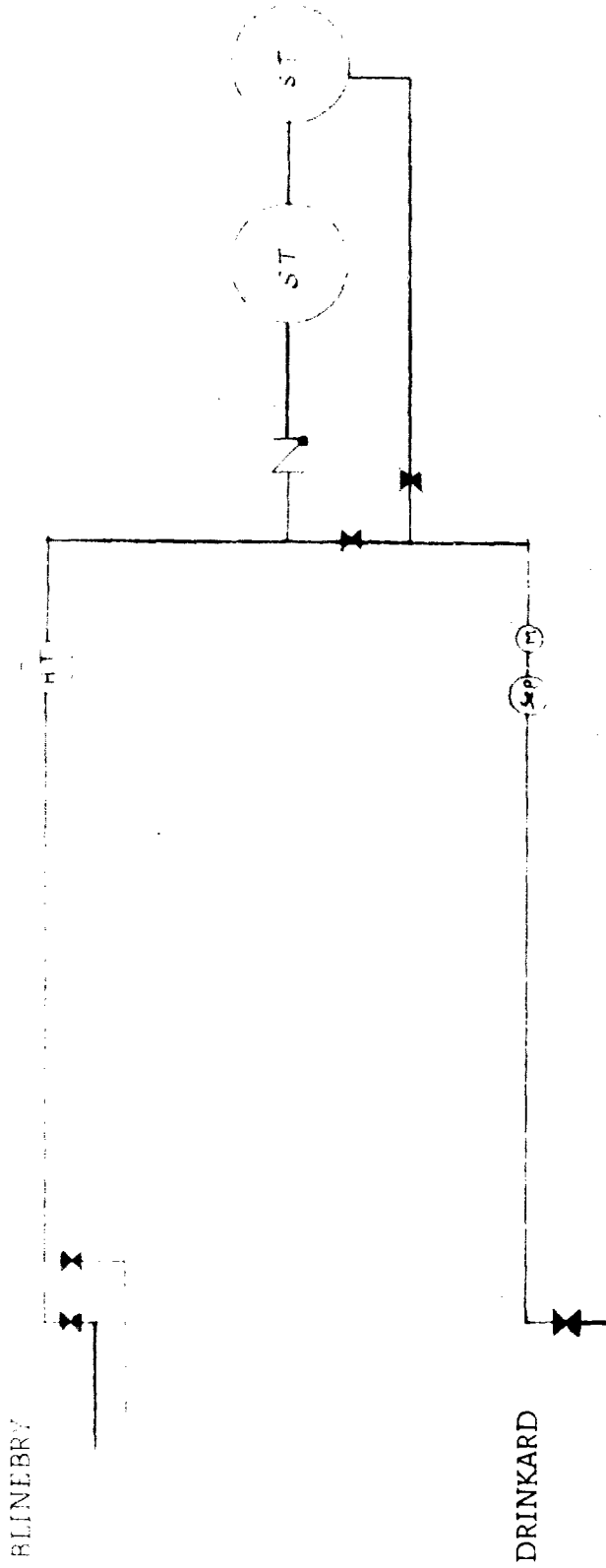
\*Lacked the recovery of 1200 bbls. of frac water.

# SCHEMATIC DIAGRAM

## PROPOSED COMMINGLING INSTALLATION

Penrose Production Company - L. G. Warlick Lease

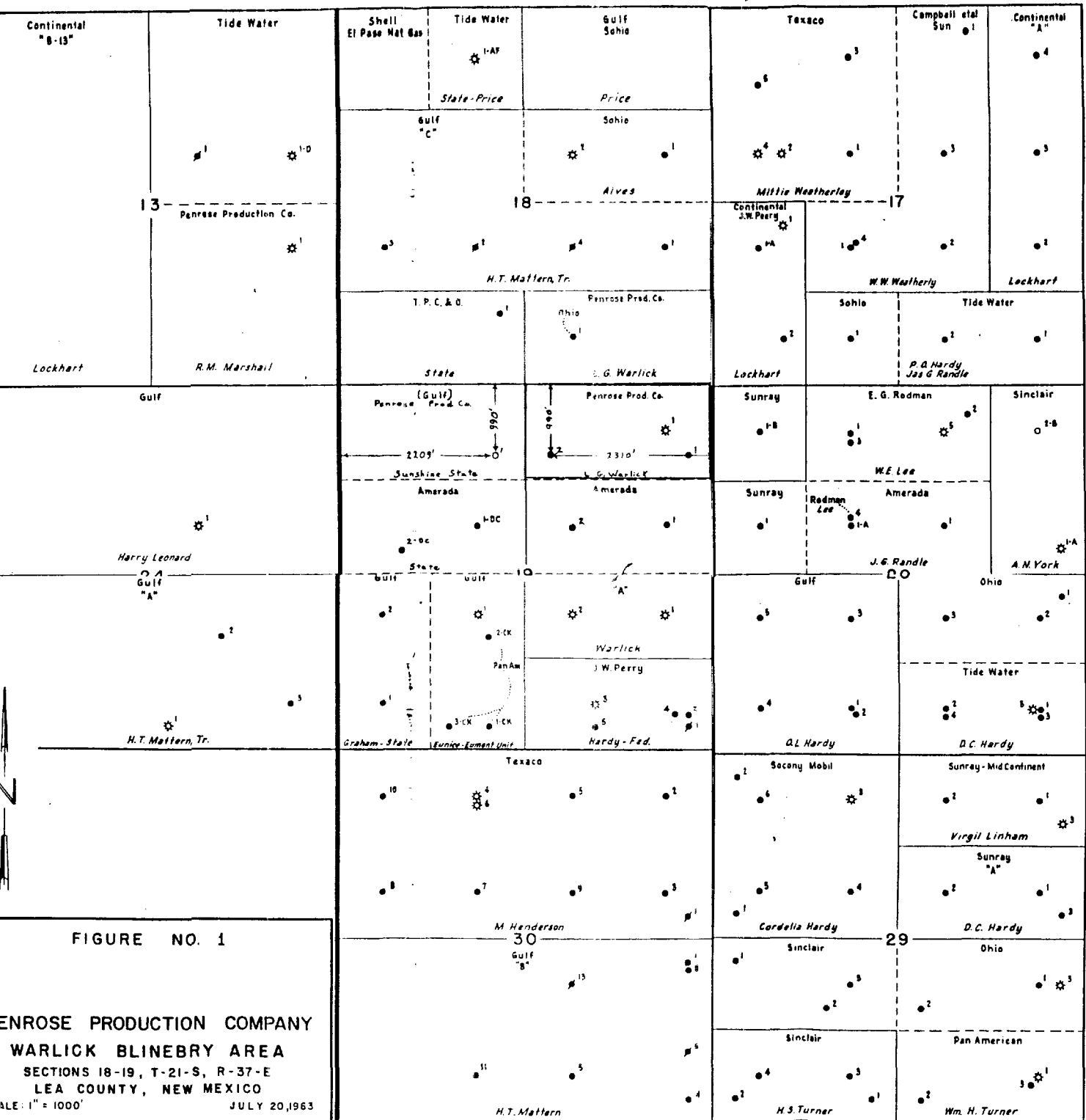
EXHIBIT NO. 3



- SYMBOLS**
- Z - Check Valve
  - HV - Block Valve
  - HT - Heater Treater
  - ST - Stock Tank
  - M - Meter
  - Sep - Separator

R 36 E

R 37 E



LARGE FORMAT  
EXHIBIT HAS  
BEEN REMOVED  
AND IS LOCATED  
IN THE NEXT FILE