

50th YEAR



THE PURE OIL COMPANY

SOUTHERN PRODUCING DIVISION • MIDLAND DISTRICT OPERATIONS
P. O. BOX 671 • MIDLAND, TEXAS 79701 • AREA CODE 915-MU 2-3725

September 15, 1964

Mr. A. L. Porter, Jr.
Secretary-Director
State of New Mexico
Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Mr. Porter:

Please refer to our letter of August 26, 1964, regarding our request for permission to commingle Devonian production and Bone Springs production from the South Vacuum Unit Lease, located in Township 18-S, Range 35-E, Lea County, New Mexico.

Enclosed herewith are letters of approval from the other three working interest owners and copy of the letter from the Commissioner of Public Lands. Also enclosed is letter of approval from Texas-New Mexico Pipe Line Company, who gathers this crude.

We would appreciate your consideration of our request to commingle at your earliest convenience.

Yours very truly,

THE PURE OIL COMPANY

J. F. Wilkinson
District Office Manager

JFW/MNB:pb
Enclosures

August 25, 1964

MAIN OFFICE 700

'64 SEP 17 PM 1:00

Mr. A. L. Porter, Jr.
Secretary-Director
State of New Mexico
Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Mr. Porter:

We, as a working interest owner in the South Vacuum Unit Lease, approve of The Pure Oil Company's application to commingle Devonian production from Wells No. 1-26, 1-35, 2-35, and 3-35 and Bone Springs production from Well No. 1-27 into a common tank battery.

Yours very truly,

SINCLAIR OIL AND GAS COMPANY

By: R. E. Powers
R. E. Powers
Division Engineer

August 25, 1964

MAIN OFFICE DESK

64 SEP 17 PM 1

Mr. A. L. Porter, Jr.
Secretary-Director
State of New Mexico
Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Mr. Porter:

We, as a working interest owner in the South Vacuum Unit Lease, approve of The Pure Oil Company's application to commingle Devonian production from Wells No. 1-26, 1-35, 2-35, and 3-35 and Bone Springs production from Well No. 1-27 into a common tank battery.

Yours very truly,

SHELL OIL COMPANY

By: 

HUGH O. POST

AUG 27 1964

August 25, 1964

64 SEP 17 PM 4

Mr. A. L. Porter, Jr.
Secretary-Director
State of New Mexico
Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

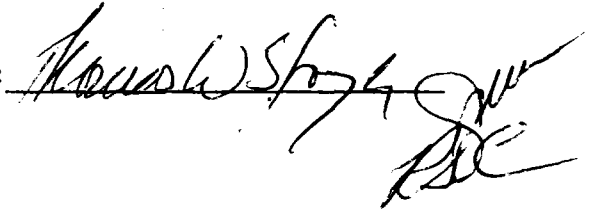
Dear Mr. Porter:

We, as a working interest owner in the South Vacuum Unit Lease, approve of The Pure Oil Company's application to commingle Devonian production from Wells No. 1-26, 1-35, 2-35, and 3-35 and Bone Springs production from Well No. 1-27 into a common tank battery.

Yours very truly,

UNION OIL COMPANY OF CALIFORNIA

By:

A handwritten signature in dark ink, appearing to read "Kenneth W. Spitz", is written over a horizontal line. Below the signature, there are additional handwritten initials or a second signature.

50th YEAR



THE PURE OIL COMPANY

SOUTHERN PRODUCING DIVISION

MIDLAND DISTRICT OPERATIONS

P. O. BOX 671 • MIDLAND, TEXAS 79701 • AREA CODE 915—MU 2-3725

September 4, 1964

Mr. E. S. Johnny Walker
State of New Mexico
Commissioner of Public Lands
P. O. Box 1145
Santa Fe, New Mexico

Dear Mr. Walker:

We have received your letter of September 2, 1964, requesting additional information in regards to our proposal to commingle Devonian and Bone Springs production on The Pure Oil Company operated South Vacuum Unit, T-18-S, R-35-E, Lea County, New Mexico.

We are enclosing the following, as per your request:

1. Schematic drawing of proposed battery.
2. Data on gravities and price of crude.
3. Plat showing location of wells and producing zones.

At this time we have received written approval from two of the other three working interest owners, and verbal approval from Texas-New Mexico Pipe Line Company, who is the gatherer of crude from this lease.

Yours very truly,

THE PURE OIL COMPANY

J. F. Wilkinson
District Office Manager

By:

W. E. Townsend
District Chief Clerk

JFW:rd

enclosures

cc: Mr. A. L. Porter, Secretary-Director ✓
Oil Conservation Commission

THE MORE YOU THINK



TEXAS-NEW MEXICO PIPE LINE COMPANY

P. A. LYONS
DIVISION MANAGER

MAIN OFFICE
PH 1
254 SEP 11

P. O. BOX 1510
MIDLAND, TEXAS 79701

September 8, 1964

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

Gentlemen:

The Pure Oil Company advises us that they intend to make application to the New Mexico Oil Conservation Commission for permission to commingle Devonian production from Wells No. 1-26, 1-35, 2-35, and 3-35 and Bone Springs production from Well No. 1-29 into a common tank battery.

Texas-New Mexico Pipe Line Company will gather the production from this lease and concurs with the operator's application to commingle these two crudes.

Yours very truly,

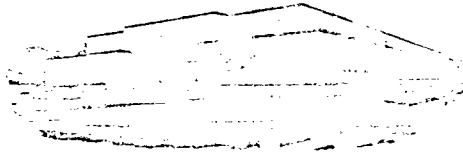
TEXAS-NEW MEXICO PIPE LINE COMPANY

By P. A. Lyons
P. A. Lyons
Division Manager

PAL-JPS

cc: The Pure Oil Company
P. O. Box 671
Midland, Texas

State of New Mexico



Commissioner of Public Lands



E. S. JOHNNY WALKER
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO

September 9, 1964

The Pure Oil Company
Post Office Box 671
Midland, Texas/79701

Att: W. E. Townsend

Dear Sir:

Please refer to your letter of September 4, 1964, wherein you gave us information concerning your proposal to commingle production from Devonian and Bone Springs in the South Vacuum Unit.

Since the acreage that you have designated as producing, Devonian and Bone Springs is participating in the South Vacuum Unit, then the Unit itself takes care of commingling, so you do not need any further approval from us on this particular installation.

Thank you very much for your cooperation in giving us the information we had asked for, and we regret that we did not catch this oversight sooner.

Very truly yours,

E. S. JOHNNY WALKER,
Commissioner of Public Lands

By

A handwritten signature in cursive script, reading "Romulo Martinez".

ROMULO MARTINEZ,
Oil and Gas Department

ESJW/RM/kcl

w/cc to Oil Conservation Commission
Oil and Gas Accounting Commission

MAIN OFFICE

SEP 17 PM 1

50th YEAR



THE PURE OIL COMPANY

SOUTHERN PRODUCING DIVISION • MIDLAND DISTRICT OPERATIONS
P. O. BOX 671 • MIDLAND, TEXAS 79701 • AREA CODE 915-MU 2-3725

August 26, 1964

Mr. A. L. Porter, Jr.
Secretary-Director
State of New Mexico
Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Mr. Porter:

The Pure Oil Company, as operator of the South Vacuum Unit in Lea County, New Mexico, hereby makes application to the Oil Conservation Commission for permission to commingle Devonian production and Bone Springs production from the South Vacuum Unit Lease into a common tank battery, as an exception to Rule 303 (a).

The attached schematic diagram illustrates the proposed tank battery hookup, and shows that adequate facilities will be provided for conducting well tests at appropriate intervals.

Letters have been sent to the other working interest owners requesting their consent to the commingling of the two zones. We will forward their approvals upon receipt.

All of these wells, from which the production is to be commingled, are located on State Land. A copy of the letter to the Commissioner of Public Lands is enclosed, requesting State approval to commingle.

If permission to commingle is granted, we propose to use the Subtraction Method, as per Article 2-B in Section II, "Commingling Between Pools or Zones", of the Commingling Manual. We respectfully request your consideration of this proposed method even though our Devonian gravity is 2 to 3 degrees above the 45 Deg. API maximum. The Devonian crude produces with a GOR of only 50 SCF per barrel and is very stable. With the favorable characteristics of the Devonian crude and the fact that the new zone (Bone Springs) could be a marginal producer in the near

Mr. A. L. Porter, Jr.
August 26, 1964
Page No. 2

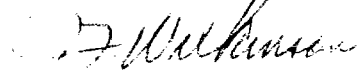
future, we request this commingling method. This would provide an economical means of further testing the Bone Springs prior to any further development work and extensive tank battery expenditures.

Attached are the following:

1. Data on gravities and price of crude.
2. Plat showing location of wells and producing zone.

Yours very truly,

THE PURE OIL COMPANY

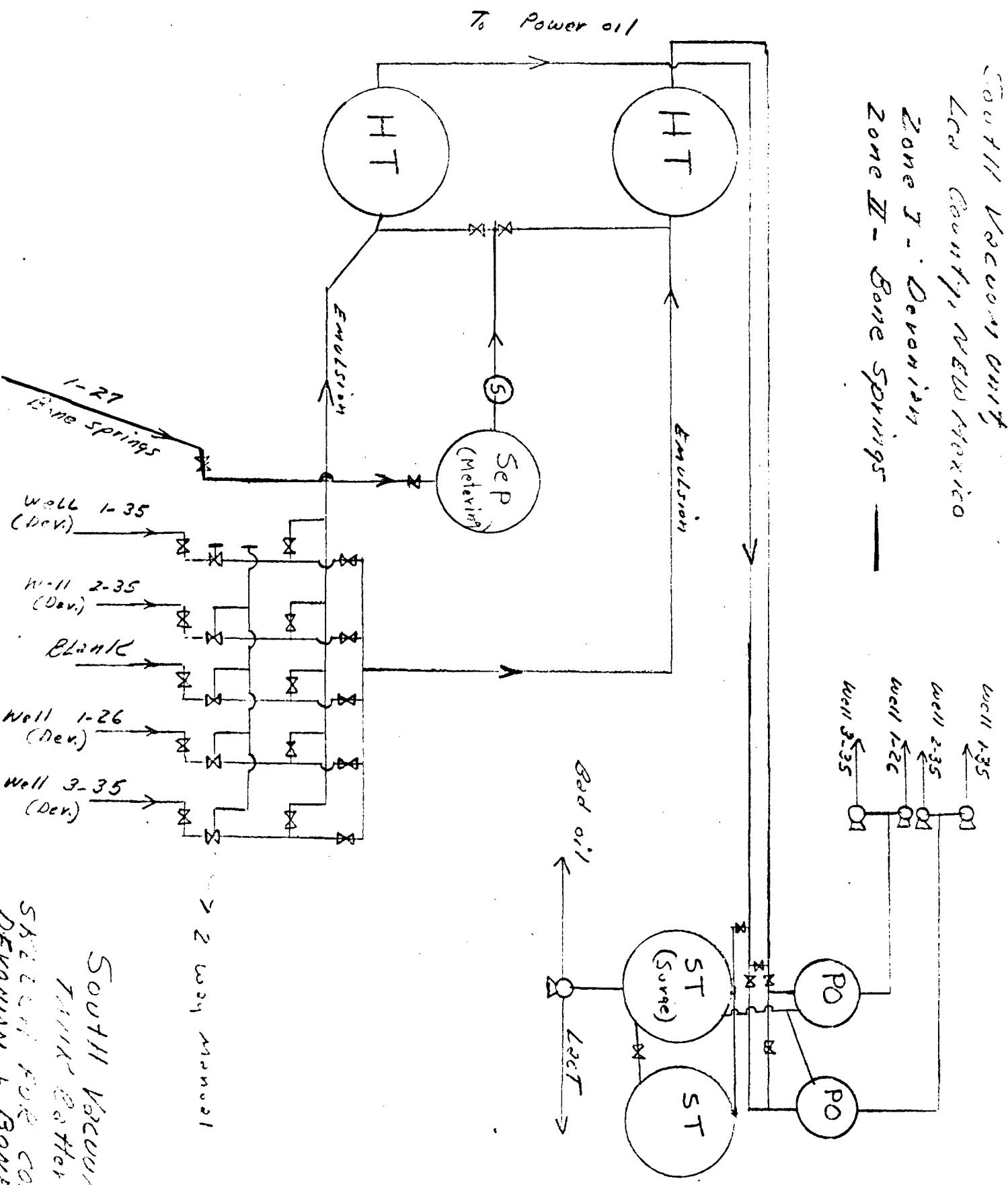


J. F. Wilkinson
District Office Manager

JFW/MNB:pb

Attachments

Y1118 PURE OIL CO.
 SOUTH Vacuum unit
 Lea County, NEW MEXICO
 Zone I - Devonian
 Zone II - Bone Springs



SOUTH Vacuum unit
 TANK Battery
 SHELL FOR COMINGLING
 DEVONIAN + BONE SPRINGS

SOUTH VACUUM UNIT LEASE
SECTIONS 26, 27, AND 35
TOWNSHIP 18 SOUTH, RANGE 35 EAST
LEA COUNTY, NEW MEXICO

Current Gravity: Devonian - 47 & 48 Deg. @ 60 Deg. API
Bone Springs - 36.8 Deg. @ 60 Deg. API

Current Price: Devonian - \$ 2.94 per barrel
Bone Springs - \$ 2.93 per barrel

Current Production Rate:
Devonian - 807 barrels per day
Bone Springs - 111 barrels per day (based on August
Schedule for top allowable).
Total: 918

Expected Gravity After Commingling:
45.8 Deg. @ 60 Deg. API

Expected Price After Commingling:
\$ 2.99 per barrel

Revenue Before Commingling:
Devonian - \$ 2,372.58 (807 BOPD)
Bone Springs - 325.23 (111 BOPD)
Total: \$ 2,697.81

Revenue After Commingling:
Total: \$ 2,744.82 (918 BOPD)

