

CITIES SERVICE OIL COMPANY

Box **39** Hobbs, New Mexico 88240 Telephone: 505 EX 3-2177

July 21, 1971

Mr. Joe Ramey New Mexico Oil Conservation Commission P.O. Box 1980 Hobbs, New Mexico 88240

Re: Commingling Oil Production from the Blinebry and Drinkard at the State "P" Lease, Battery #2 located in Section 32-22S-38E, Lea County, New Mexico

Dear Sir:

Cities Service Oil Company respectfully request administrative approval of an exception to Rule 303(A) of the Commission Rules and Regulations to permit the commingling of the Blinebry and Drinkard pools into a common storage on our State "P" lease, well #1, Battery #2. This dually completed well is located in the NW/4 of the SW/4 Sec. 32-22S-38E, Lea County, New Mexico.

Both the Blinebry and Drinkard are marginal wells and we propose to allocate production on the basis of periodic well tests.

Latest well tests are listed below:

						Bb 1		MCF	
Name	Well No.	Date	<u>Choke</u>	<u>Hrs</u>	<u>Water</u>	<u>0i l</u>	Gravity		<u>GOR</u>
State P	2 (Bly)	4-26-71	23/64	24	0	5	38	21	42000
State P	2 (Drk)	4-26-71	25/64	24	0	2	39.5	25	12500

The difference in the price we will get after commingling will not exceed 50¢ per month.

Attached please find the following: (1) Lease plat showing well location, (2) Schematic of present battery installation, (3) Schematic of proposed battery installation.

Yours truly,

CITIES SERVICE OIL COMPANY

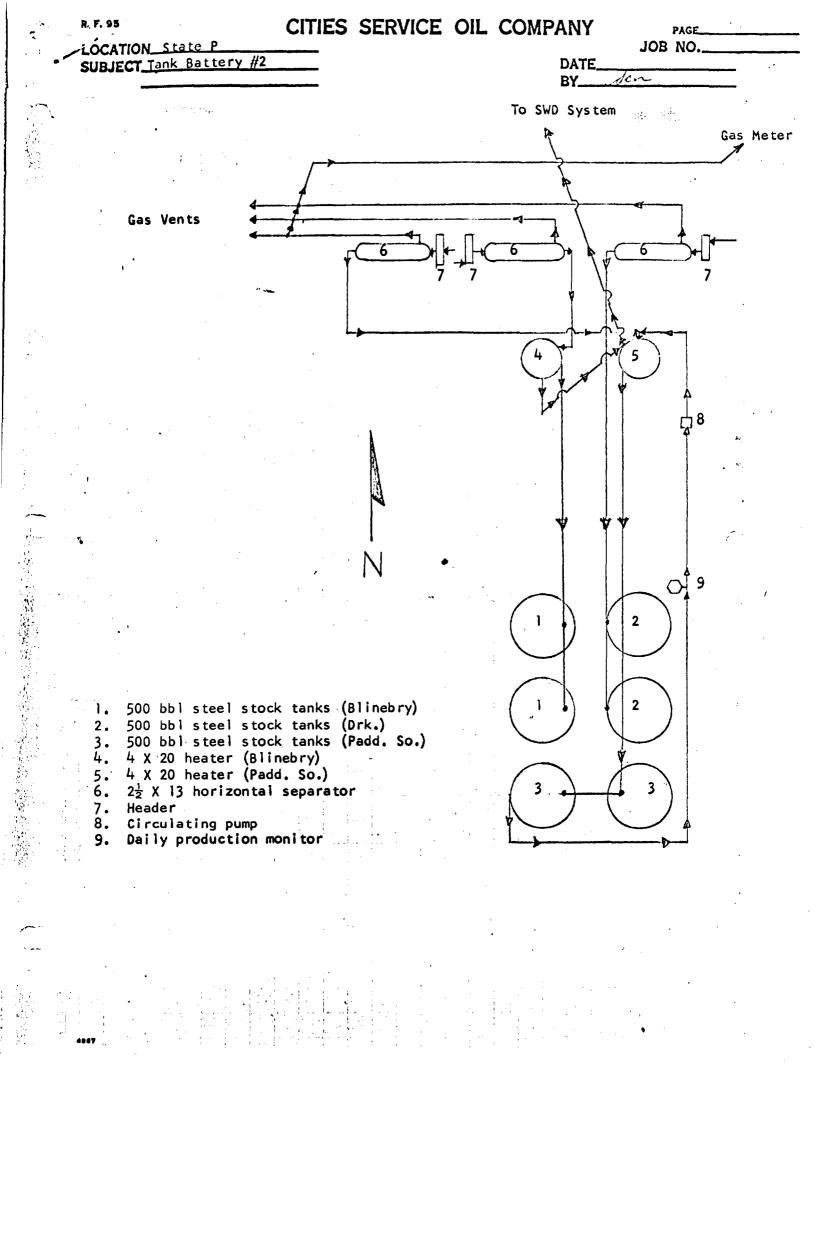
E. Ludden

E. Y. Wilder District Manager

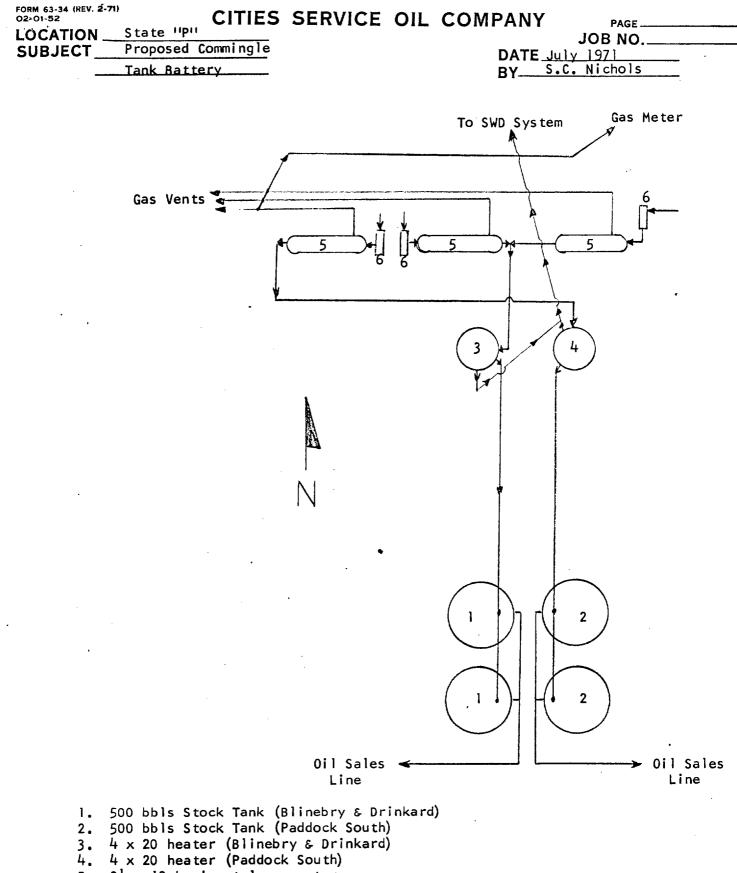
EYW/CDR/ed Attachments (3)

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	STATE 'P'	•	
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BATTERY #2			
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STATE "P" Comm.			

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FORM 63-34 (REV. 2-71) 02 01-52 LOCATION	State "P"	SERVICE	OIL	COMPANY	PAGE	
	Proposed Commingle				<u>uly_1971</u>	
	Tank Battery				.C. Nichols	



5. $2\frac{1}{2} \times 13$ horizontal separator

6. Header