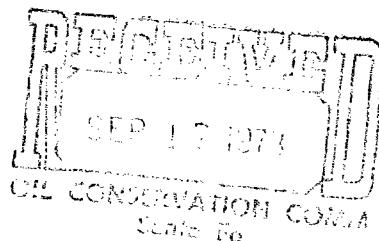




Production Department
Hobbs Division

Western Hemisphere Petroleum Division
Continental Oil Company
P.O. Box 460
1001 North Turner
Hobbs, New Mexico 88240
(505) 393-4141

September 13, 1973



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

Attention A. L. Porter, Jr.

Gentlemen:

Proposed Commingling - Lockhart B-1 Lease, Section 1, T-22S,
R-36E, Lea County, New Mexico

Continental Oil Company proposes to commingle Blinebry and Drinkard oil production from its Lockhart B-1 Well No. 7 with Arrowhead Grayburg production from the other five wells on the Lockhart B-1 Lease. Well No. 7 was downhole commingled effective April 1, 1973, by N.M.O.C.C. Order No. R-4492. The total production from both zones averages 92 BOPD, 132 BWPD, and 128.5 MCFPD, GOR 1395. The remaining five oil wells on the lease produce as follows:

<u>Well No.</u>	<u>Oil- BPD</u>	<u>Water- BPD</u>	<u>Gas-MCFPD</u>	<u>GOR</u>
1	19	31	24	1263
2	4	173	15	3750
3	3	9	7	2333
4	5	35	18	3600
5	6	26	12	2000

The gravity of the Arrowhead Grayburg production is 33.4 and the gravity of the No. 7 well after downhole commingling is 33.4, therefore there is no price change due to commingling.

Since all the wells on this lease are of a marginal nature, we propose to allocate the production to the different zones by the monthly well tests.

New Mexico Oil Conservation Commission
Page 2
September 13, 1973

The attached schematic shows the proposed commingling facility.

Attached please find copy of letter from U.S.G.S. approving
said commingling as requested.

Your approval of the commingling is respectfully requested.

Yours very truly,

A handwritten signature in cursive script, appearing to read "L. P. Thompson".

L. P. Thompson

jll
Attach.



United States Department of the Interior

GEOLOGICAL SURVEY

P. O. Box 1157
Hobbs, New Mexico 88240

May 14, 1973

Continental Oil Company
Attention: L. P. Thompson
P. O. Box 460
Hobbs, New Mexico 88240

Gentlemen:

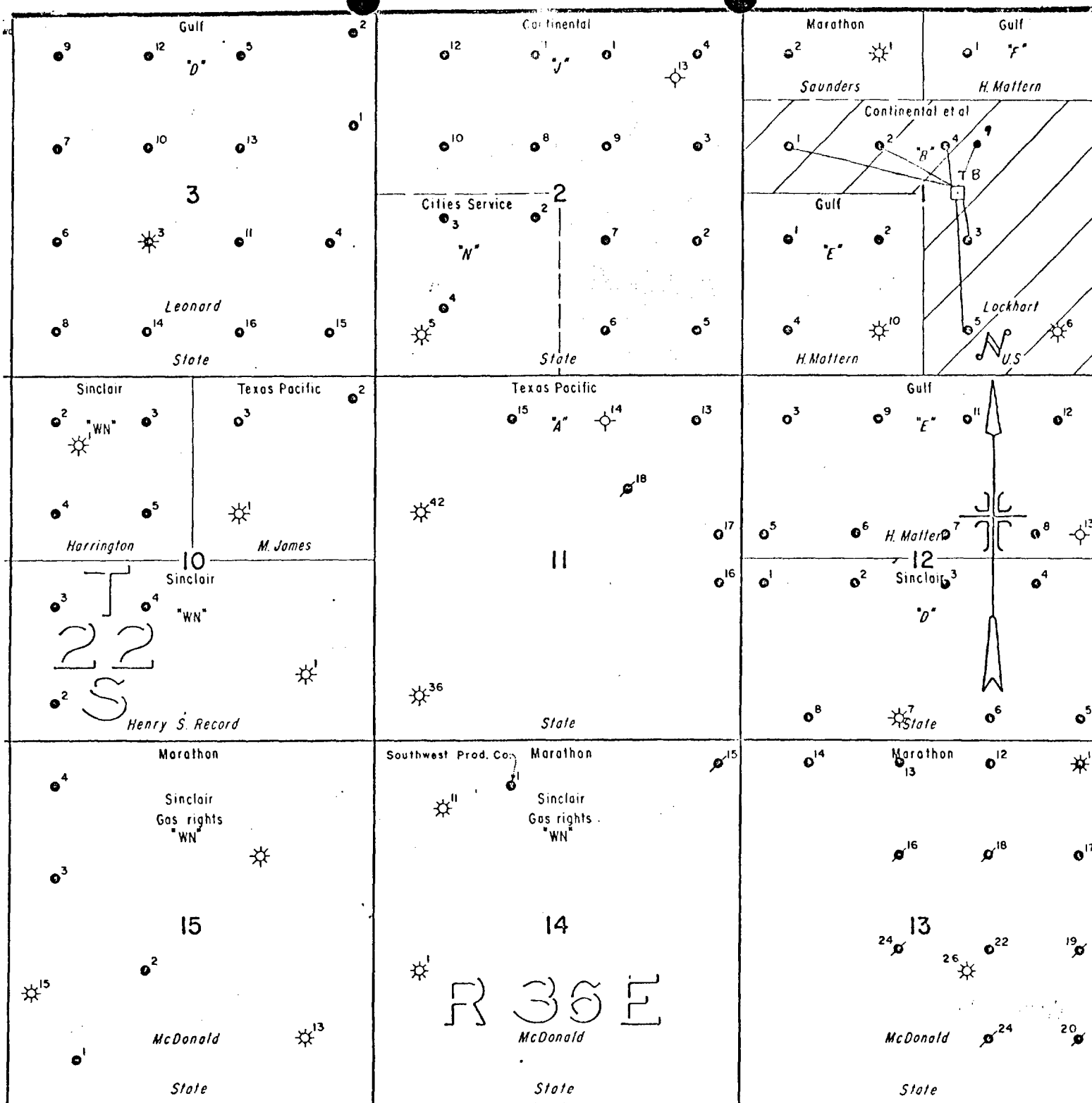
Your application of April 17 requests approval to commingle Blinebry, Drinkard and Grayburg production from wells in the S $\frac{1}{2}$ N $\frac{1}{2}$ and SE $\frac{1}{4}$ sec. 1, T. 22 S., R. 36 E., Lea County, New Mexico, lease Las Cruces 032099(b).

Commingle as proposed in your application is hereby approved subject to like approval by the New Mexico Oil Conservation Commission.

Sincerely yours,

Arthur R. Brown
District Engineer

RECEIVED HOBBS DIVISION	
MAY 15 '73	
Div. Manager	<input checked="" type="checkbox"/>
Div. Engr.	<input checked="" type="checkbox"/>
Div. Off. Mgr.	<input checked="" type="checkbox"/>
Cons'v. Coord.	<input checked="" type="checkbox"/>
Prod. Supt.	<input checked="" type="checkbox"/>
MEY	<input checked="" type="checkbox"/>
BEG	<input checked="" type="checkbox"/>
JJS	<input checked="" type="checkbox"/>



□ TANK BATTERY

CONTINENTAL OIL COMPANY
 PRODUCTION DEPARTMENT
 HOBBS DIVISION
 LOCKHART B-1 LEASE PLAT
 LEA COUNTY, NEW MEXICO
 SCALE: 1"=2000'