

Case No.

495

Application, Transcript,
Small Exhibits, Etc.

NO
CASE 495: Cities Service Oil Company
Exception to Rule 309 (to permit commingling
on State AC and AG leases), Lea County

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 495
Order No. R-315

THE APPLICATION OF CITIES SERVICE
OIL COMPANY FOR AUTHORIZATION TO
COMMINGLE IN A COMMON TANK BATTERY
OIL PRODUCED FROM ITS STATE 'AC' AND
'AG' LEASES IN THE SAUNDERS POOL, LEA
COUNTY, NEW MEXICO, AS AN EXCEPTION
TO RULE 309.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on March 17, 1953, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this th10 day of April, 1953, the Commission, a quorum being present, having considered the testimony adduced and the exhibits introduced, and being fully advised in the premises,

FINDS:

1. That due public notice having been given as required by law, the Commission has jurisdiction of this cause.
2. That the acreage located in the Saunders Pool, Lea County, New Mexico, the subject matter of the application herein, is all state-owned, held under State Lease B-9858 and State Lease B-9957, of the applicant, and the separate tracts are contiguous, with common institutional ownership of minerals.
3. That for further identification the applicant terms the tracts its "AC" and "AG" leases, respectively.
4. That by reason of practical convenience and economy, and in absence of objection by the Commissioner of Public Lands of New Mexico, exception to Rule 309 should be granted, provided ample facilities are provided for testing specifically the production of each connected well.

IT IS THEREFORE ORDERED:

That the application of Cities Service Oil Company for an exception to Rule 309 be and the same hereby is approved, and that Cities Service Oil Company be and it hereby is authorized to establish, maintain and operate a central tank battery to receive production from wells completed in the Saunders Pool on its State "AC" and State "AG" leases, being described as:

Township 15 South, Range 33 East, NMPM
E/2 NE/4 and N/2 SE/4 of Section 9

and

Township 15 South, Range 33 East, NMPM
S/2 SE/4 Section 9

respectively, in the Saunders Pool, Lea County, New Mexico;

PROVIDED, HOWEVER, That adequate tankage and pertinent equipment are installed and maintained so as to permit specific production tests of each and every connected well at reasonable intervals or upon request of the Commission, or of the Commissioner of Public Lands, and

PROVIDED FURTHER, That no well now or hereafter connected to such tank battery be permitted to produce at a rate in excess of top allowable as now or hereafter may be fixed for the Saunders Pool.

IT IS FURTHER ORDERED: That jurisdiction of this case is hereby retained for purpose of revocation and modification under changed conditions.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

E. L. Mechem
EDWIN L. MECHEM, Chairman

E. S. Walker
E. S. WALKER, Member

R. R. Spurrier
R. R. SPURRIER, Secretary

S E A L

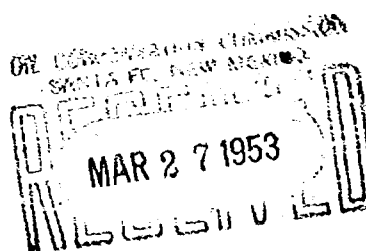


CITIES SERVICE OIL COMPANY

PRODUCERS-REFINERS-MARKETERS OF PETROLEUM PRODUCTS

BARTLESVILLE
OKLAHOMA

March 24, 1953



Oil Conservation Commission,
State of New Mexico,
Santa Fe, New Mexico.

Re: Case No. 495

Attention: Mr. R. R. Spurrier, Secretary

Gentlemen:

At the hearing on our application for permission to commingle the oil produced from our State "AC" and State "AG" leases in Section 9-15S-33E a question was raised with respect to which school fund received the royalties from these leases.

We have checked this matter with the State Land Office and are advised that royalties under both these leases are dedicated to the common schools and there is, therefore, a common ownership of royalties under said leases.

Yours very truly,

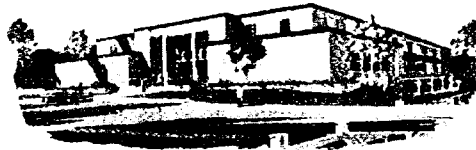
R E Adams
aw

R. E. Adams,
Proration Engineer

REA:pg

State	State	State	State	State
Shell 9-10-58	Amerada 9-8-53	Gulf	Shell "A"	Gulf 6-10-53
33	34	35		
Gulf 8-10-52	Amerada 8-10-58	392-188W 30 9919	251-4W 40 9921 P.B. 9889	456 30 9901
State	A.C. Chester, et al	Saunders 268-108W 20 10000 P.B. 9932	Saunders 984-456W 10 13232 P.B. 10709	292 20 9910 P.B. 9845
Phillips 10-11-58	Amerada 4-10-56	Magnolia 12-10-52	208 90 10040	368-31W 70 10003
Phillips 5-10-53	Amerada C-10 10000	387 100 10015 P.B. 9858	Texas "AG" 343 20 9990	824 20 9913 Amerada
Amerada 4-10-56	Gulf 11-10-53	Amerada 9-10-58 "SD"	584 80 10220	827 10 9895
Phillips 10-11-58	Co-op. Ref. 9-10-61	Amerada 4-10-56	747 40 9913	323 60 9935
State	State	State	State	State
Gulf 11-10-53	Amerada 4-10-56	Gulf 9-10-58	Amerada 376-23W 40 10125 P.B. 9995	191-141W 10 10060
Amerada 4-10-56	Gulf 9-10-58	Amerada 9-10-58	408 20 10050 P.B. 9950	Amerada 354-27W 10 10077 P.B. 9975 "SE"
State	State	State	State	State
Gulf 1-9-53	Gulf 7-28-59	Gonzales 9-10-58	Cit. Serv. O. 4-10-56	Amerada 255-421W 30 10177 10,098
Carl Sams	State	State	State	State
Wilson Oil, et al 10-10-56	Amerada 4-10-56	Cit. Serv. O. 4-10-56	Cit. Serv. O. 10-10-52	Humble 9-1-56
16	15	14		
Magnolia 12-10-52	Atlantic 9-10-52			
State	State	State	State	State

State of New Mexico



Commissioner of Public Lands



GUYTON B. HAYS
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO

February 19, 1965

*File Case
495*

Oil Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico

Att: Ralph Trujillo

In RE: R-Order 315
Dated April 10, 1953

Gentlemen:

Please revoke the comingling authority granted under the captioned order. State oil and gas lease No. B-9957 has expired by its own terms, as production ceased in September of 1964.

Very truly yours,

GUYTON B. HAYS,
Commissioner of Public Lands

By

Ray D. Graham

RAY D. GRAHAM, Assistant Director,
Oil and Gas Department

GBH/RDG/kcl

Case 495

May hearing

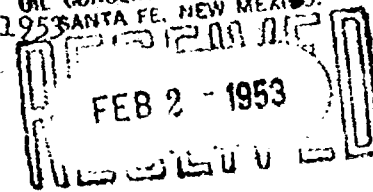


CITIES SERVICE OIL COMPANY

PRODUCERS - REFINERS - MARKETERS OF PETROLEUM PRODUCTS

BARTLESVILLE
OKLAHOMA

January 30, 1953
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO.



Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico

Attention: Mr. R. R. Spurrier, Secretary

In re: Application of Cities Service Oil Company
for Authorization to Commingle in the same
Tank Battery Oil Produced from Its State "AC"
and "AG" Leases, Saunders Field, Lea County,
New Mexico.

Gentlemen:

Cities Service Oil Company herewith makes application for an exception to Rule 309 of the Rules and Regulations of the New Mexico Oil Conservation Commission granting it permission to commingle in the same tank battery oil produced from its State "AC" and State "AG" leases, Saunders Field, Lea County, New Mexico, and in support thereof states:

1. That Cities Service Oil Company owns two contiguous portions of oil and gas leases obtained from the State of New Mexico, both tracts being common School Lands, described as follows, to-wit:

State "AC" Lease - That portion of State Lease B-9858 comprising the E/2 NE/4 and the N/2 SE/4 of Section 9, T-15-S, R-33-E, a tract of 160 acres.

State "AG" Lease - That portion of State Lease B-9957 comprising the S/2 SE/4 of Section 9, T-15-S, R-33-E, a tract of 80 acres.

That there is a common ownership of both working and mineral interests in said leases.

2. That State "AC" Well No. 1 has been completed in Unit "A" NE/4 NE/4 Section 9, T-15-S, R-33-E, and that State "AG" Well No. 1 is now in the process of completion in Unit "P", SE/4 SE/4 Section 9, T-15-S, R-33-E.

3. That attached hereto marked as Exhibit "A" is an ownership plat of the area showing the location of said leases and wells, and properties of offsetting operators.

4. That it is proposed to receive and measure the oil produced from said two leases in common tankage located on the State "

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January 30, 1953

lease. That adequate tankage and other equipment will be maintained in connection with said central tank battery in order that specific production of each well, and of future wells, can be accurately determined at reasonable intervals, or upon request of the Commission.

5. That the granting of this application will result in substantial savings in steel, reduce the costs of operation and maintenance, prevent waste and protect correlative rights.

Therefore, Cities Service Oil Company respectfully requests that the New Mexico Oil Conservation Commission set a certain day upon which this matter may be heard, and after said hearing grant permission for applicant to receive and measure in common tankage oil produced from its State "AC" and State "AG" Leases.

Respectfully submitted,

CITIES SERVICE OIL COMPANY

By *R. E. Adams*
R. E. Adams - Proration Engineer

REA:lk

Attach.

State			State			State			TEXAS S. 53					
Humble 9-10-58 32			Shell 9-10-58 33			Gulf 34			Gulf 6-10-53 Amerada 9-10-58 292 2.0 9910 P.B. 9845					
			Gulf 6-10-52 Amerada 8-10-58 State			Saunders 268+108W 984+456W 2.0 1.0 10,000 13232 P.B. 9932 P.B. 10709			Saunders 251+4W 456 4.0 3.0 9921 9901 P.B. 9889					
State			State			A.C. Chester, et al			880 1.0 9895					
Shell 10-10-59 Co-Op. Ref. 9-10-61 5			Phillips 10-11-58 Amerada 4-10-56 Gulf 11-10-53 Phillips 10-11-59			Magnolia 12-10-52 Amerada 9-10-58 4			208 9.0 10040 368+31W 824 7.0 2.0 10003 9913 Amerada Texas "AG" 1169 343 2.0 9990 9904 3			827 1.0 9895 Amerada 1134 1.0 9810 "SC" 567 1.0 9914 Ame "S"		
Gulf 11-10-53 Phillips 10-11-59			Amerada 4-10-56 Co-Op. Ref. 9-10-61 Phillips 10-11-58			Gulf 11-10-53 Amerada 4-10-56 State			584 8.0 10220 747 4.0 9913 323 6.0 9935 299 2.0 9914 state			T. 15 S.		
Gulf 10-11-58 E.C. Donohue 2-1-53 U.S.			Gulf 11-10-53 Amerada 4-10-56 Gulf 9-10-59 U.S.			Gulf 9-10-58 Amerada 4-10-56 Gulf 9-10-58 8			376+ 4.0 23W 10125 P.B. 9995 191+141W 1.0 10050 "AC"			408 2.0 10050 P.B. 9950 Amerada 354+27W 885 1.0 10133 10077 P.B. 9975 "SE"		
Gulf 3-23-56 E.C. Donohue 2-1-53 U.S.			Gulf 1-9-53 Gulf 7-28-59 Carl Sams			Gulf 9-10-58 Gonzales 9-10-58 Cit. Serv. O. 9			Amerada 299+27W "SC" 2.0 10,177 10,098 Amerada "SF"			304 Amerada "SG" 1.0 10015 Shell 10-10-59 state		
Gulf 17			Wilson Oil, et al 10-10-56 Magnolia 12-10-52			Amerada 4-10-56 Atlantic 9-10-52 16			Cit. Serv. O. 10-10-52 Humble 9-1-56 15			EXHIBIT A U.S.		
State			State			State			State					
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	State		State		Texas 5-10-53	Amerada 9-10-58	State
ble -58 2	Shell 9-10-58 Gulf 6-10-52 Amerada 8-10-58 State	Amerada 9-8-53 33 A.C. Chester, et al	Gulf 392-1182W 3● 9919 Saunders 268-108W 984-456W 2● 1● 10,000 13232 P.B. 9932 P.B. 10709	Shell "A" 251-4W 456 4● 3● 9921 9901 P.B. 9889 Saunders 404 780 1● 2● 9911 10107 P.B. 9932	Gulf 6-10-53 Amerada 9-10-58 292 2● 9910 P.B. 9845 880 1● 9995	Gulf 6-10-52 Shell 35 Gray	Amera "SA" 2-11-
Phillips 10-11-58	Amerada 4-10-56 Phillips 5-10-53 Amerada 4-10-56 Phillips 10-11-58 Co.op. Ref. 9-10-61	Magnolia 12-10-52 Amerada C-1 10000 387 10● 10015 P.B. 9858 4 Amerada 9-10-58 "SD" 273-266W 3● 10105	368-31W 824 827 7● 2● 1● 10003 9913 9895 Amerada Texas "AG" 1169 733 661 2● 1● 3● 9990 9904 9904 9906 584 747 323 8● 4● 6● 10220 9913 9935 SAUNDERS FIELD 299 2● 9914	Amerada 1134 1● 9810 "SC" "SB" 3 State	567 1● 9914 Amerada "SD" 2 Amer. 8-10	Amera 7-10-	
Gulf 11-10-53 Amerada 4-10-56 Gulf 1-9-53	Amerada 4-10-56 Gulf 9-10-59 Gulf 7-28-59	Gulf 9-10-58 Amerada 4-10-56 Gulf 9-10-58 Gonzales 9-10-58 Gulf 9-10-58	376-23W 191-141W 4● 1● 10125 10050 P.B. 9995 "AC" Tank Battery 408 354-27W 885 2● 1● 1● 10050 10077 10133 P.B. 9950 P.B. 9975 P.B. 10006 "SE" Amerada 299-27W "SC" 3● 10,177 10,098 304 Amerada 1● 10015 Shell 10-10-59	Amerada Cit. Serv. O. 9-10-58 10-10-52 Amerada 4-10-56 Cit. Serv. O. 4-10-61 Magnolia 12-10-52	C.B. GONZ 9-10- T. 15 S. Gulf 7-10-		
f 7	Wilson Oil, et al 10-10-56 Magnolia 12-10-52	Amerada 4-10-56 Atlantic 9-10-52 16 State	Cit. Serv. O. 10-10-52 15 R. 33 W. State	Humble 9-1-56 U.S.	EXHIBIT I. state	Ame 7-10	

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