

Case No.

545

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Application, Transcript,  
Small Exhibits, Etc.

CASE 545: Sinclair application for exception  
to Rule 309 - common tankage for storage in  
leases in 135, 33 E, Lea County

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

June 1, 1953

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Y

Mr. H. B. Smith  
Sinclair Oil & Gas Company  
Sinclair Building  
TULSA OKLAHOMA

Dear Sir:

This is to advise that your two petitions for exception to the Commission's Rule 309, involving use of common tank storage in Twp. 13 South, Rge. 33 East, Lea County, N. M., have been set up as Cases 545 and 546 and advertised for the regular hearing at 9 a.m. on June 16 at Santa Fe.

Very truly yours,

W. B. Macey  
Chief Engineer

WBM:nr



D. Attached hereto, marked Exhibit "A" and made a part hereof is a plat of the lands sought to be joined by common tankage showing the location of the well thereon and the properties of offsetting operators.

WHEREFORE, applicant prays that the Commission set a day for hearing, that notices be given as required by law and that upon said hearing permission be granted applicant to receive and measure in common tankage oil produced from the Pennsylvania Formation underlying the above described portions of State Leases Nos. B-10209, B-10137 and E-6931.

Respectfully submitted,

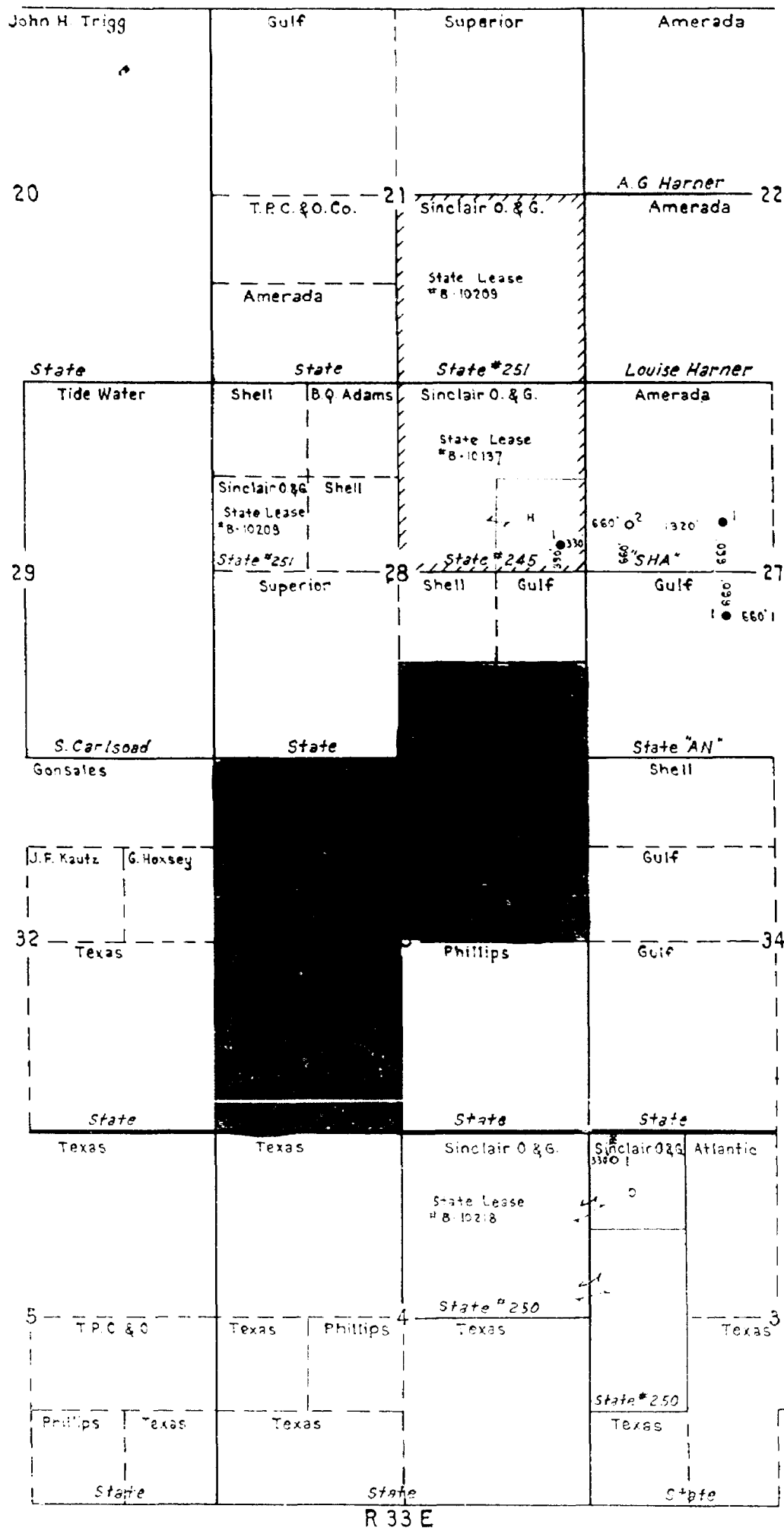
SINCLAIR OIL & GAS COMPANY

By

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Its Attorneys

DCI/ws

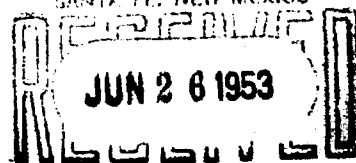


PART OF  
LEA CO., NEW MEXICO  
SCALE: 1" = 2000'

EXHIBIT "A"

BEFORE THE  
OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO

OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO



CASES 545 and 546 (consolidated):

In the matter of the application of Sinclair Oil and Gas Company for an exception to Rule 309 of the Commission's Rules and Regulations to permit the use of common tankage for the storage of oil produced from portions of State Lease No. B-10209 insofar as it covers the S $\frac{1}{2}$  SE $\frac{1}{4}$  of Sec. 28; State Lease B-10137 insofar as it covers the N $\frac{1}{2}$  of Sec. 33; and State Lease E-6931 insofar as it covers the SW $\frac{1}{4}$  of Sec. 33, all in Township 13 South, Range 33 East, NMPM, Lea County, New Mexico, in the Lazy 'J' Pool.

In the same matter as it covers State Lease No. B-10209, insofar as it covers the SE $\frac{1}{4}$  of Sec. 21; and State Lease No. B-10137, insofar as it covers the NE $\frac{1}{4}$  of Sec. 28, same range, township and pool.

TRANSCRIPT OF HEARING

June 16, 1953

Date

BEFORE: Honorable Ed. L. Mechem, Governor  
Honorable E. S. Walker, Land Commissioner  
Honorable R. R. Sturrier, Director, OCC

STATE OF NEW MEXICO )


ss

COUNTY OF BERNALILLO)

I HEREBY CERTIFY That the within transcript of proceedings before the Oil Conservation Commission is a true record of the same to the best of my knowledge, skill, and ability.

DONE at Albuquerque, N. M., this 24th day of  
June 1953.

My Comm. Ex.:  
August 4, 1956

  
E. E. Greeson  
Notary - Reporter

COM. SPURNIER: The next case on the docket is  
Case 545.

(Mr. Graham reads the advertisement.)

MR. PHILLIPS: If the Commission please, on behalf of the applicant I would like to consolidate this case with the following case 546, which appears on the docket.

(Mr. Graham reads the advertisement.)

MR. PHILLIPS: If the Commission please, I am Dudley Phillips appearing for the applicant. I have one witness, Mr. Gilbert Thompson, who should be sworn.

GILBERT THOMPSON

having been first duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. PHILLIPS:

Q Will you please state your name and address?

A Gilbert C. Thompson, Midland, Texas.

Q By whom are you employed?

A Sinclair Oil and Gas Co.

Q In what capacity are you employed?

A Assistant to the division engineer in the West Texas Division.

Q Mr. Thompson, have you previously qualified your testimony as a professional petroleum engineer before this Commission?

A I have not.

Q Will you please tell us, Mr. Thompson, if you have a degree in petroleum engineering from a recognized school or college authorized by the teaching profession to grant such degrees?

A I have a degree in mechanical engineering from Stanford University. That is a bachelor degree and a masters degree from Stanford University.

Q Have you practiced as a petroleum engineer since those degrees were granted to you?

A I have practiced as a petroleum engineer for the last six years, yes.

Q Have you previously qualified to testify as an engineer before any other state commission authorized to regulate the production of oil or gas?

A Yes, I have testified frequently before the Railroad Commission of Texas.

MR. PHILLIPS: Will the witness' qualifications be received?

COM. SPURMER: They will.

Q Mr. Thompson, I hand you Exhibit 1 in Case 545 which is the application made therein, and ask you if you are familiar with all the contents thereof, including the exhibit attached thereto marked Exhibit A?

A I am.

Q Are the statements made in the application true



and correct to the best of your knowledge?

A To the best of my knowledge, they are.

Q Mr. Thompson, I hand you Exhibit 1 in case 546, which is the application made therein, and ask you if you have read all the contents thereof, including Exhibit A attached thereto?

A I have.

Q Are all statements and allegations made therein true and correct to the best of your knowledge and belief?

A Yes.

MR. PHILLIPS: We would like to introduce these two exhibits in evidence as a statement of our case.

COM. SPURRIER: Without objection, they will be admitted.

(Off the record.)

MR. PHILLIPS: We rest.

COM. SPURRIER: Is there anyone else to be heard in this case?

MR. GRAMAM: May I ask counsel if he wishes a consolidated or separate orders?

MR. PHILLIPS: At the Commission's convenience.

COM. SPURRIER: We will take the case under advisement, and move on to case 547.

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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. 545  
Order No. R-336

THE APPLICATION OF SINCLAIR OIL AND  
GAS COMPANY FOR AUTHORIZATION TO  
COMMINGLE IN A COMMON TANK BATTERY  
OIL PRODUCED FROM CERTAIN PORTIONS  
OF ITS STATE LEASES NUMBERED B-10209,  
B -10137, AND E-6931, ALL IN TOWNSHIP 13  
SOUTH, RANGE 33 EAST, NMPM, LEA COUNTY,  
NEW MEXICO, IN THE LAZY 'J' POOL: THIS TO  
BE IN EXCEPTION TO RULE 309 OF THE COM-  
MISSION'S RULES AND REGULATIONS.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on June 16, 1953,  
at Santa Fe, New Mexico, before the Oil Conservation Commission of New  
Mexico, hereinafter referred to as the "Commission."

NOW, on this <sup>23<sup>rd</sup></sup> day of June, 1953, the Commission, a quorum  
being present, having considered the testimony adduced and the exhibits  
received at said hearing, 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 and the subject matter thereof.

2. That applicant is the sole owner of New Mexico State oil and  
gas leases numbered B-10209, B-10137 and E-6931, said leases being owned  
in fee by the State of New Mexico.

3. That for reasons of efficiency applicant desires to use common  
tankage for the storage and measurement of oil produced from the Pennsyl-  
vanian formation underlying the following contiguous portions of said leases:

State Lease B-10209 insofar as it covers:  
S/2 SE/4 Section 28, Township 13 South,  
Range 33 East, NMPM, Lea County, New Mexico.

State Lease B-10137 insofar as it covers:  
N/2 Section 33, Township 13 South,  
Range 33 East, NMPM, Lea County, New Mexico.

State Lease E-6931 insofar as it covers:  
SW/4 Section 33, Township 13 South,  
Range 33 East, NMPM, Lea County, New Mexico.

4. That applicant has made provision for installation of a common  
tank battery for the storage of all oil produced from the Pennsylvanian forma-  
tion underlying the described portions of the above leases, a total of 560 acres,  
and that equipment is to be installed whereby production from each well  
drilled on the described land may be accurately determined as prescribed  
by the Commission.

5. 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.

6. That no objection by the Commissioner of Public Lands has been entered.

IT IS THEREFORE ORDERED:

That the application of Sinclair Oil and Gas Company for an exception to Rule 309 be, and the same hereby is approved, and Sinclair Oil and Gas Company be and it hereby is authorized to establish, maintain and operate a central tank battery to receive production from wells completed to the Pennsylvanian formation of the Lazy 'J' Pool only on certain described contiguous portions of its State Leases B-10209, B-10137 and E-6931, as follows:

State Lease B-10209 insofar as it covers:  
S/2 SE/4 Section 28, Township 13 South,  
Range 33 East, NMPM, Lea County, New Mexico.

State Lease B-10137 insofar as it covers:  
N/2 Section 33, Township 13 South,  
Range 33 East, NMPM, Lea County, New Mexico.

State Lease E-6931 insofar as it covers:  
SW/4 Section 33, Township 13 South,  
Range 33 East, NMPM, Lea County, New Mexico

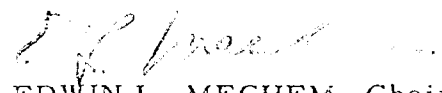
PROVIDED, HOWEVER, That adequate tankage and proper equipment are installed and maintained so as to permit specific production tests of each connected well at reasonable intervals or upon request of the Commission, or of the Commissioner of Public Lands, and

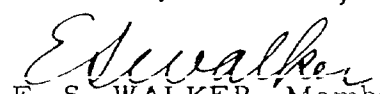
PROVIDED FURTHER, That no well now or hereafter connected to such tank battery be permitted to produce at a rate in excess of top allowable as now or hereafter may be fixed for the Lazy 'J' Pool.


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

  
EDWIN L. MECHEM, Chairman

  
E. S. WALKER, Member

  
R. R. SPURRIER, Secretary

S E A L

AtlanticRichfieldCompany

North American Producing Division  
Permian District - West Area  
Post Office Box 1978  
Roswell, New Mexico 88201  
Telephone 505 622 4041



April 15, 1971

Mr. A. L. Porter, Jr.  
Secretary-Director  
New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

*File*  
*Case No.*  
*548*

Dear Sir:

In compliance with the Oil Conservation Commission's Memo No. 10 -61, please be advised that effective March 1, 1971, production commingling was discontinued on the State 245 lease (B-10137) and the State 251 lease (B-10209), Lazy J Penn Pool, Section 28 and 33, T-13S, R-33E, Lea County, New Mexico.

This commingling was authorized by the New Mexico Oil Conservation Order No. R-336 dated June 23, 1953.

Yours truly,

ATLANTIC RICHFIELD COMPANY

*B. C. Jenkins*

B. C. Jenkins  
Auth. Drilling Clerk

BCJ:cm

OIL CONSERVATION COMMISSION  
P. O. BOX 871  
SANTA FE, NEW MEXICO

July 7, 1953

Mr. H. B. Smith  
Sinclair Oil & Gas Company  
Sinclair Building  
TULSA, OKLAHOMA

Dear Sir:

We enclosed two signed copies each of orders issued in  
Sinclair cases heard by this Commission on June 16, 1953:

Order No. R-336 in Case 545  
Order No. R-337 in Case 546

Very truly yours,

W. B. Macey  
Chief Engineer

WBM:nr

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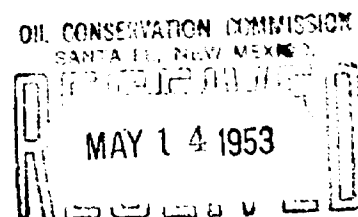
# SINGLAIR OIL & GAS COMPANY

SINCLAIR BUILDING

**TULSA, OKLAHOMA**

May 12, 1953

H. B. SMITH  
EXECUTIVE VICE-PRESIDENT



Mr. R. R. Spurrier, Secretary  
New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

Dear Sir:

Enclosed herewith, in triplicate, find our Application to permit the use of common tankage for the storage of oil produced from portions of state leases numbered B-10209 covering the S/2 SE/4 of Section 28; B-10137 covering the N/2 of Section 33, and E-6931 covering the SW/4 of Section 33, all in Township 13-South, Range 33-East, Lea County, New Mexico.

Will you please advise the undersigned the date this Application will be set down for hearing.

Yours very truly,



LJF/as

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF  
SINCLAIR OIL & GAS COMPANY FOR AN  
EXCEPTION TO RULE 309 OF THE NEW  
MEXICO OIL CONSERVATION COMMISSION  
PERMITTING THE USE OF COMMON TANKAGE  
FOR THE STORAGE OF OIL PRODUCED FROM  
PORTIONS OF STATE LEASES NUMBERED  
B-10209, B-10137 AND E-6931, LAZY "J"  
FIELD, LEA COUNTY, NEW MEXICO

CAUSE NO. 545  
FILED May 14, 1953  
HEARING SET 6-16-53

A P P L I C A T I O N

Comes now SINCLAIR OIL & GAS COMPANY, applicant herein, and would show to the Commission as follows:

1. That applicant is the sole owner of New Mexico State oil and gas leases Nos. B-10209, B-10137 and E-6931; that said leases cover lands owned in fee by the State of New Mexico; that applicant desires to use common tankage for the storage of oil produced upon the following contiguous portions of said leases:

State Lease No. B-10209 in so far only as it covers the -

South Half ( $\frac{S}{2}$ ) of Southeast Quarter ( $\frac{SE}{4}$ ) of  
Section Twenty-eight (28), Township Thirteen  
(13) South, Range Thirty-three (33) East,  
Lea County, New Mexico;

State Lease No. B-10137 in so far only as it covers the -

North Half ( $\frac{N}{2}$ ) of Section Thirty-three (33),  
Township Thirteen (13) South, Range Thirty-  
three (33) East, Lea County, New Mexico;

State Lease No. E-6931 in so far only as it covers the -

Southwest Quarter ( $\frac{SW}{4}$ ) of Section Thirty-  
three (33), Township Thirteen (13) South,  
Range Thirty--three (33) East, Lea County,  
New Mexico;

Containing a total of 560 acres.

2. That applicant has heretofore completed a well located 330 feet from the east and north lines of the Southeast Quarter ( $\frac{SE}{4}$ ) of Section 28, Township 13 South, Range 33 East, and proposes to locate a tank battery in the center of the North Half ( $\frac{N}{2}$ ) of Section 33, Township 13 South, Range 33 East, and seeks permission to use said tank battery as common tankage for the storage of all oil produced from the Pennsylvania Formation underlying the above described 560 acres.

3. That adequate tankage and other equipment will be installed so that the production from each well which may be drilled upon the above described land can be accurately determined at reasonable intervals or upon request of the Commission, in the event applicant is authorized to maintain such common tankage.

4. That authority to use common tankage in the operation of portions of said leases will result in substantial economies of operation and maintenance and will minimize the use of steel.

5. Attached hereto, marked Exhibit "A" and made a part hereof is a plat of the lands sought to be joined by common tankage showing the location of the well thereon and the properties of offsetting operators.

WHEREFORE, applicant prays that the Commission set a day for hearing, that notices be given as required by law and that upon said hearing permission be granted applicant to receive and measure in common tankage oil produced from the Pennsylvania Formation underlying the above described portions of State Leases Nos. B-10209, B-10137 and E-6931.

Respectfully submitted,

SINCLAIR OIL & GAS COMPANY

By

Ralph W. Garrett

Robert L. Fowler

Gar. D. Almen, Jr.

Frederic C. Shillig  
Its Attorneys

DCP/ws



