

Case No.

972

Application, Transcript,  
Small Exhibits, Etc.

BEFORE THE  
Oil Conservation Commission  
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE NO. 972

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES  
COURT REPORTERS  
ROOMS 105, 106, 107 EL CORTEZ BUILDING  
TELEPHONE 7-9546  
ALBUQUERQUE, NEW MEXICO

BEFORE THE  
OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO  
Santa Fe, New Mexico

October 17, 1955

-----  
IN THE MATTER OF:

Application of Wilson Oil Company for an exception to Rule 309 for a centralization of tank batteries in the Wilson Pool, Lea County, New Mexico. Applicant is the owner of the following State Leases in Section 13, Township 21 South, Range 34 East: B-6717, B-8251 and B-6807. Applicant desires to produce a maximum number of fifteen wells into tank batteries at the following locations: NW/4 NW/4 Section 18, Township 21 South, Range 35 East; center of the W/2 of Section 13, Township 21 South, Range 34 East, and center of the S/2 of Section 13, Township 21 South, Range 34 East. Applicant at present has twelve producing wells located on the above leases and has received approval to drill three additional wells as unorthodox locations on these leases. Furthermore, applicant desires permission to relocate the existing tank batteries serving the wells producing from said leases in such a manner that all of the wells will be produced into one central tank battery located in the center of the S/2 of Section 13, Township 21 South, Range 34 East.

Case No.  
972

Before: Acting Chairman Warren B. Mankin.

TRANSCRIPT OF HEARING

ACTING CHAIRMAN MANKIN: The next case is Case 972.

MR. SETH: Mr. Oliver Seth, Seth and Montgomery, appearing for Wilson Oil Company. We will call as our first witness Mr. Raymond Lamb. This is an application by Wilson Oil Company for the centralization of tank batteries. The description of the location of the battery and description of the leases is contained in the docket, which we would like to make a part of the record. It is also contained in a letter from the applicant to the Commission dated September 23, 1955, entitled "Request for approval of centralization tankage, Wilson State Leases B-6717, B-8251, B-6807,

ADA DEARNLEY & ASSOCIATES  
STENOGRAPHIC REPORTERS  
ALBUQUERQUE, NEW MEXICO  
TELEPHONE 3-6691

located in the Wilson Pool in Lea County, New Mexico".

R A Y M O N D L A M B

having first been duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. SETH:

Q Mr. Lamb, would you state your name for the record, please?

A I am Raymond Lamb.

Q By whom are you employed and in what capacity?

A The Wilson Oil Company as Vice President in charge of exploration.

Q Are you familiar with this application?

A I am.

Q And the lands covered by it? A Yes.

Q Do you have for the Commissioner and Staff, copies of plats showing the area covered by the application?

A These plats were filed with the application.

(Marked Wilson Oil Company's Exhibit  
No. 1, for identification.)

A There is one change on the plat that was filed since the application was made. A well has been drilled, our No. 42. You will note that it is designated on the plat.

MR. NUTTER: Where is that one?

A It is with the same proration unit as Well No. 5 with Lease B-6807, it is 2310 from the south and east.

MR. NUTTER: That puts it up in the northwest of the unit?

A Yes, of that unit.

Q In your application, Mr. Lamb, you indicated that there were eleven wells within the area covered by the application?

A That is right.

Q Now there are twelve, is that correct?

A There are twelve.

Q Would you state briefly the plan as outlined in your application?

A Well, it is our plan to centralize the storage for the three leases as mentioned in the application, for a more efficient and economical operation. The number of wells at present is mentioned as well and we have plans to drill additional wells as they are needed, and in no event will the battery or batteries serve more than fifteen producing wells. The number of proration units will remain the same and we have no plans to increase that number.

Q What is the number, twelve proration units now?

A Twelve is correct.

Q This covers three separate State leases, is that right?

A That is correct.

Q Are the beneficiaries of these leases the common school fund?

A Yes, and they are all common ownership as far as the working interest is concerned.

Q Would you state the pool or zone that these wells produce from?

A These wells are located in the Wilson Pool and are producing from the Yates-Seven Rivers formation.

Q Have you previously received authority from the Commission for the drilling of additional wells on unorthodox locations?

A That is correct, it was Order R-243.

Q In Case 605, is that correct? A Right.

Q Is it the intention of your application to permit the production from these wells if they should be drilled to go into the

same tank battery?

A Correct.

Q But never more than fifteen wells?

A Never more than fifteen.

Q Would you also describe the amount of storage that is contemplated for this battery?

A We will have 3,750 barrels of storage, at the present rate of production and allowable, which will mean ten days of storage.

Q Would you also state the location of this battery?

A At the present there will be two batteries, the west battery will be eliminated as the equipment needs to be replaced; the south battery's in the center of the south half of Section 13 and the west battery is in the center of the west half of Section 13. The west battery will be eliminated as replacement is needed.

Q In view of your experience with these particular wells there, would you state in your opinion whether there is adequate tankage and other equipment so that the production from each well can be accurately determined from time to time?

A The permanent equipment will be maintained in such a status that each well can be tested separately and in need of extra equipment we have a portable test separator which can be used in conjunction with that permanent equipment.

Q Is this equipment similar to the equipment generally used in that area for that purpose?

A Yes.

Q Are your methods of testing similar to those generally employed in the area?

A Yes.

Q Have you requested approval of the centralization from the Commissioner of Public Lands?

A We have approval from the Commissioner of Public Lands under

date of October 3, 1955.

Q Would you ask Miss Dearnley to mark that?

A We have only one copy.

(Marked Wilson Oil Company's Exhibit No. 2, for identification.)

Q Are there marginal wells producing within the area that is covered by your application?

A There are two marginal wells. The remainder are top allowable wells or units. The marginal wells are identified as Wilson Oil Company Amerada State No. 1 and the Wilson Oil Company State No. 12.

Q Did you furnish to the Commission a list of the offset operators as best you could determine?

A I did. It was under date September 23.

MR. SETH: That is all the questions on this case. We are going to offer these exhibits in evidence. We will offer them now.

ACTING CHAIRMAN MANKIN: Is there objection to the entering of Exhibits 1 and 2 by the applicant in this case? If not they are so entered and received. Any questions of the witness?

CROSS EXAMINATION

By MR. NUTTER:

Q Which wells are flowing into which batteries at the present time?

A Let me get my plat. The wells on Leases 6807 are divided into the two batteries so noted. The Well No. 12 in B8251 is in a battery at the location of the south battery. Those are the two separate batteries there at the location. There is storage for the No. 12 well at that location.

Q This battery that is in the south half of 13 is actually two

batteries in one?

A Yes.

Q The No. 12 flows into it?

A Yes.

Q The other wells into the south half, do they flow into the battery in the south half?

A All in the south half of the section?

Q Yes.

A All except No. 7. No. 7 goes the other way.

Q No. 5 comes into this battery, 15, do ten-40 flow through a common flow line?

A Ten and 40, ten has been recompleted, we have had a little discussion on it as far as proration is concerned. It is a top allowable flowing into the battery. Forty has recently been completed as a gas well. It is no longer producing oil. We have one well on that proration unit producing oil. The other one has been converted to a gas well.

Q No. 8 flows into that battery to?

A It flows into the south battery. No. 5 has a divided flow line and may flow either way depending on the available storage.

Q It can be coming to the battery in the south or the west half?

A Yes.

Q I suppose No. 14, 41 and 9?

A They go into the west battery. Amerada 1 and 2 are produced through a flow line to the battery designated in the upper right-hand corner which is actually in Section 18 of the adjoining township.

Q What other wells are tied into that battery?

A That is a divided battery also.

Q Those two wells are in a battery by themselves?

A Yes.



Q What are 10 and 13 on the Wilson Shell State?

A They are producing wells and they go into the battery there in 18 as part of the divided battery.

Q Do they flow into the same portion as Amerada State 1 and 2?

A No. They are not common ownership.

Q They come around to the other side?

A Yes. For the history, that battery location was selected, I believe Mr. Yarborough and Mr. Wilson, for gravity purposes, into the Texas-New Mexico pipeline. As far as I know there was no written approval for it, but it was knowledge of the Commission at the time the battery was set up. The Texas-New Mexico pipeline is to the right, upper right of your plat. The battery in 18 is on top of the hill, and it will gravitate to the tanks of New Mexico pipeline. We originally were our own transporters to the pipeline. In other words, they refused to make connection. We had to be our own transporter.

ACTING CHAIRMAN MANKIN: Any other questions of the witness?

By MR. GURLEY:

Q It is your intention, as I understand it, to bring into the south battery --

A (Interrupting) Eventually a common battery.

Q You state that you are going to have to continue using the west battery for a time? How long do you think that will be necessary?

A It depends on when corrosion catches us.

ACTING CHAIRMAN MANKIN: Give us some idea.

A A couple of years. As tanks are taken out of that battery, additional tanks will be placed in the south battery.

ACTING CHAIRMAN MANKIN: Mr. Lamb, the Amerada State Lease,

did I understand that that is a split line? In other words, you still have separate flow lines, or it can be tested separately into the new batteries that will go on this map, this application?

A That is correct. Don't be misled by the Amerada State. The Amerada property was purchased on an oil payment basis. That oil payment has been completely paid off and we are sole owner of the working interest. There is no overrides. We are a common owner of all property going into the centralized property.

Q All wells covered under this application can be individually and separately tested?

A That is correct.

Q There would be no split lines where there would have to be any estimates made?

A That is right. We will be able to test them either with permanent equipment or with our portable unit. There is one other means we use, and that is transporting a test tank to the location and test directly in the tank.

Q What would the permanent facilities be, a test tank and test separator?

A It would be a test separator and we have a manifold setup so we can flow any well in the battery.

Q Your portable is a test separator, but you have a test tank?

A Our test separator is the ordinary type which carries a flow oil meter and an orifice plate for testing and measuring of gas, so it is a complete unit within itself. We also use the 100 barrel test tank, since we have very little gas we can test it directly into that tank.

Q So it would be possible to test two wells at the same time?

A We can test three at one time. By using the test tank, the

portable test separator and the permanent separator, auxiliary separator at the battery. We can test three wells at a time. That would be the maximum of the present equipment which we have.

ACTING CHAIRMAN MANKIN: One other thing, Mr. Lamb. I notice you mention No. 40 is now a gas well. I believe it has been carried up to the present time with another well which is No. 10 as a common unit for proration purposes?

A That is correct.

ACTING CHAIRMAN MANKIN: Which I presume presently would be taken away from that unit and carried as only one well within that unit?

A Yes, No. 40 will be removed from the schedule. It has happened in the last four or five days.

ACTING CHAIRMAN MANKIN: Any other questions of the witness?

MR. SETH: That is all, in that case.

ACTING CHAIRMAN MANKIN: The witness may be excused and if no statements, we will take the case under advisement. I believe you entered both of these exhibits?

MR. SETH: Yes.

(Witness excused.)

C E R T I F I C A T E

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings in the matter of Case No. 972 were taken by me on October 17, 1955, that the same is a true and correct record to the best of my knowledge, skill and ability.

  
Reporter

ADA DEARNLEY & ASSOCIATES  
STENOGRAPHIC REPORTERS  
ALBUQUERQUE, NEW MEXICO  
TELEPHONE 3-6691

MAIN OFFICE CCC

RECEIVED SEP 23 1955

September 23, 1955

Mr. E. S. Walker  
Commissioner of Public Lands  
New Mexico State Land Office  
Box 791  
Santa Fe, New Mexico

In re: Request for Approval of Commingling of Oil Produced  
from Wilson Oil Company State Leases B-11610, B-9084,  
and E-229, Sections 14 and 23 T21S-R34E, Wilson Pool,  
Lee County, New Mexico.

Dear Sir:

The Wilson Oil Company, applicant herein, is the  
Owner-Operator of New Mexico State Leases B-11610, B-9084  
and E-229. The royalty under each of said lease is held  
for the Common School Fund.

There are twelve producing wells located on the  
above contiguous leases and are shown on the attached plat.  
The wells are producing from the Yates-Seven Rivers forma-  
tion in the Wilson Pool, a common reservoir.

It is respectfully requested, that the Commissioner  
grant the Wilson Oil Company permission for the commingling  
of production from subject leases for reasons of convenience  
efficiency and economy in the handling of said production.

Please be assured that adequate tankage, testing  
facilities and other equipment will be maintained so that  
production from each of the twelve producing wells can be  
accurately determined at reasonable intervals.

Upon receipt of the Commissioner's approval, the  
Wilson Oil Company will file application to the New Mexico  
Oil Conservation Commission for an exception to statewide  
Rule 309, permitting the centralization of tankage and  
commingling of production.

Sincerely yours,

WILSON OIL COMPANY

*N. Raymond Lamb*  
N. Raymond Lamb  
Vice President

RL:lg

September 23, 1955

New Mexico Oil Conservation Commission  
Box 871  
Santa Fe, New Mexico

CASE 972

In re: Request for Approval of  
Centralization of Tankage  
Wilson State Leases B-6717,  
B-8251, B-6807, Sec. 18-T21S-  
R-35E, and Sec. 13-T21S-R34E,  
Wilson Pool, Lea County, N. M.

Gentlemen:

The Wilson Oil Company, applicant herein, is the owner-operator of New Mexico State Leases B-6717, B-8251, and B-6807. The royalty under each of said lease is held for the Common School Fund.

For a number of years and for reasons of convenience, efficiency and economy the oil from the above leases has been produced into three tank batteries at locations, as follows, NW $\frac{1}{4}$  NW $\frac{1}{4}$  of Section 18-T21S-R35E; Center W $\frac{1}{2}$  and Center S $\frac{1}{2}$  of Section 13-T21S-R34E. From these locations it has been possible to gravity the oil into Texas-New Mexico Pipe Line Company's pump station. The above lease holdings and the location of the tank batteries are shown on the attached plat.

It should be noted that all eleven of our wells located on the above contiguous leases and shown on the plat are producing from the Yates-Seven Rivers Wilson Pool, a common reservoir. The leases, or portion of leases, involved in this application include 12 proration units with the above mentioned eleven producing wells and one drilling well. Under Order R-243, Case 605, the New Mexico Oil Conservation Commission granted the applicant permission to drill as many as six unorthodox locations on the subject leases. It is the intent of the Operator to drill these unorthodox locations as alternate wells. However, in no event will there be more than fifteen producing wells carried in the centralized battery.

Although the location of the batteries and the leases produced therein have been shown on our C-110 reports filed with the Commission, and therefore have been a matter of notice to the Commission, it is our feeling that the location of the tankage should be brought formally to the attention of the regulatory bodies for approval.

Accordingly, it is respectfully requested that the Commission, after proper notice and hearing before a legally appointed Examiner, grant an exception to Statewide Rule 309 and, for reasons of added convenience, efficiency and economy, approve the existing location and/or relocation of the tank batteries and permit centralization and the commingling of oil produced from the eleven wells located on leases listed above.

Please be assured that adequate tankage, testing facilities, and other equipment will be maintained so that production from each of the eleven existing wells can be accurately determined at reasonable intervals.

I hereby certify that the information contained herein, and on the attached plat is true and complete to the best of my knowledge.

PLAT ON FILE OCC, SANTA FE, N. M.  
NEW MEXICO O. & G. ENGR. COMMITTEE  
HOBBS, NEW MEXICO  
October 10, 1955

N. Raymond Lamb  
Vice President  
Wilson Oil Company

October 3, 1955

Wilson Oil Company  
Box 627  
Sant Fe, New Mexico

Gentlemen:

Permission is hereby granted to commingle oil produced from well located on State Lease B-6717, B-8251 and E-6807, Sec. 18-T21S-R35E, and Sec. 13-T21S-R34E, Wilson Pool, Lea County, New Mexico. Provided however, that permission will then be obtained from Oil Conservation Commission.

When reporting production on Production and Royalty Form SLO-111-A please use all lease numbers involved, so that we may properly credit all the leases.

Very sincerely yours

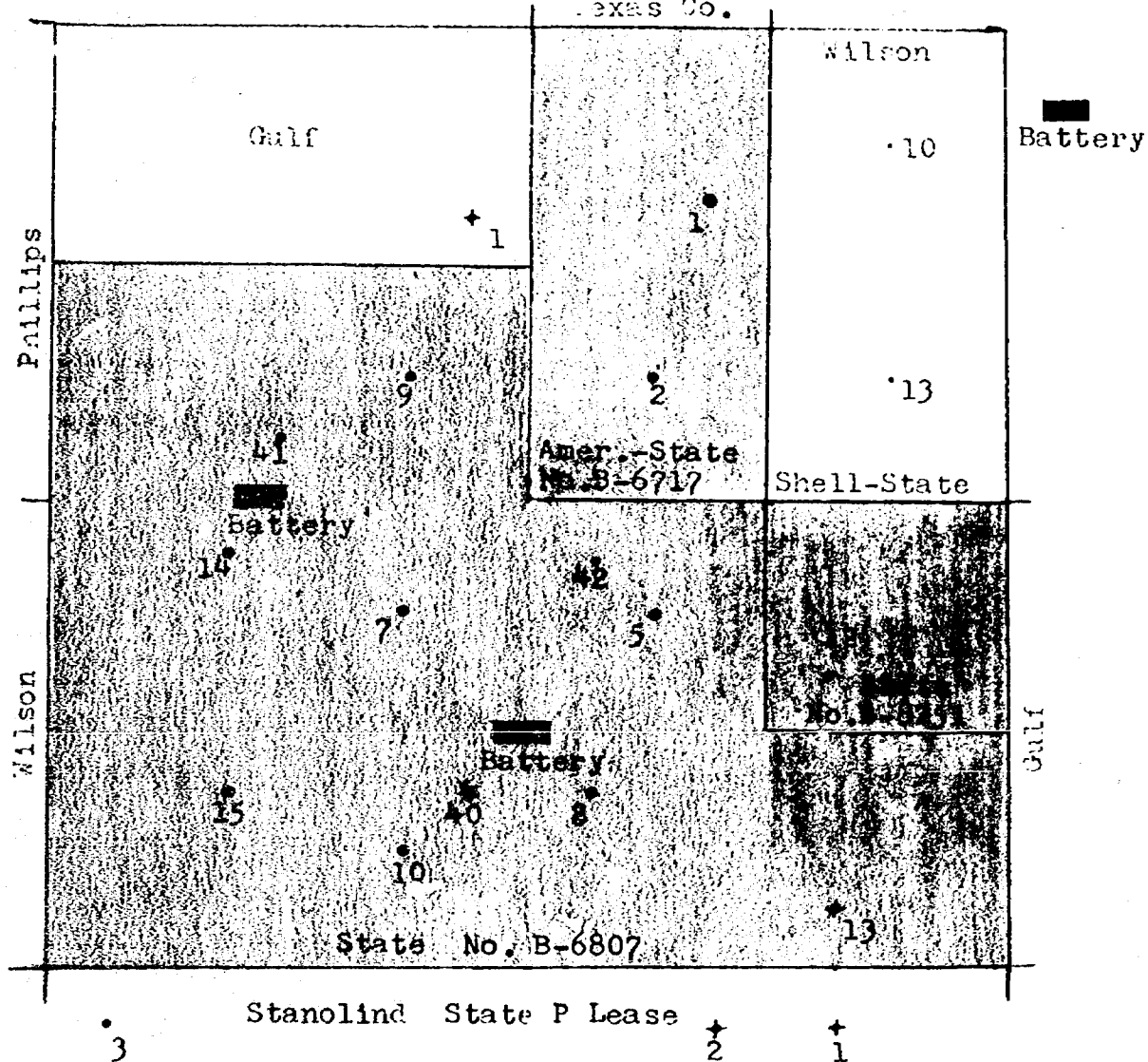
E. S. WALKER  
Commissioner of Public Lands

ESW:LC:mb

Case No. 972  
Order No. \_\_\_\_\_

WILSON OIL COMPANY  
Wilson Pool  
Lea County, New Mexico

Section 13, Township 21 South, Range 34 East  
Texas Co.



WILSON OIL COMPANY  
Producing Leases  
No. B-6717, B-8251, B-6807

7-20-55 By N.R.L.

STATE AND COUNTY

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
*Wilson* EXHIBIT No. 2  
ONE 972



*Case 9-11*

**Wilson Oil Company**

INCORPORATED UNDER THE LAWS OF NEW MEXICO



P. O. BOX 627  
SANTA FE, NEW MEXICO  
TELEPHONE 3-7141

September 23, 1955

*Examiner  
Hearing*

*(at 9 AM on 10/20/55)*

New Mexico Oil Conservation Commission  
Box 871  
Santa Fe, New Mexico

In Re: Request for Approval of  
Centralization of Tankage  
Wilson State Leases B-6717,  
B-8251, B-6807, Sec. 18-T21S-  
R35E, and Sec. 13-T21S-R34E,  
Wilson Pool, Lea County, N. M.

Gentlemen:

Please find attached, Wilson Oil Company application  
on subject matter, accompanied by a plat and copy of Wilson  
Oil Company's letter to Commissioner of Public Lands.

According to our records, the offset lease holders  
and their addresses are as follows:

Gulf Oil Corporation  
Box 669  
Roswell, New Mexico

The Texas Company  
Box 1270  
Midland, Texas

Phillips Petroleum Company  
Permian Building  
Midland, Texas

Stanolind Oil and Gas Company  
Attn: C. L. Kelly  
Box 899  
Roswell, New Mexico

Sincerely yours,

WILSON OIL COMPANY

*N. Raymond Lamb*  
N. Raymond Lamb  
Vice President

NRL:lg

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. 808  
Order No. R-580

THE APPLICATION OF GULF OIL  
CORPORATION FOR AN EXCEPTION  
TO RULE 309 IN UTILIZATION OF A  
SINGLE TANK BATTERY FOR PRO-  
DUCTION FROM A MAXIMUM OF TEN  
(10) WELLS DRILLED TO THE DRINKARD  
FORMATION ON ITS HARRY LEONARD "G"  
LEASE IN THE DOLLARHIDE-DRINKARD  
OIL POOL COMPRISING THE W/2 NW/4  
AND SW/4 OF SECTION 33, TOWNSHIP 24  
SOUTH, RANGE 38 EAST, AND THE NW/4  
OF SECTION 4, TOWNSHIP 25 SOUTH,  
RANGE 38 EAST, NMPM, LEA COUNTY,  
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m., on January 13, 1955, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 9th, day of February, 1955, the Commission, a quorum being present, having considered the testimony adduced, the exhibits received at said hearing and being fully advised in the premises,

FINDS:

1. That due notice of the time and place of hearing and the purpose thereof having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

2. That applicant, Gulf Oil Corporation, is the owner of an oil and gas lease in Lea County, New Mexico, consisting of the following acreage:

TOWNSHIP 24 SOUTH, RANGE 38 EAST, NMPM  
W/2 NW/4, SW/4 of Section 33

TOWNSHIP 25 SOUTH, RANGE 38 EAST, NMPM  
NW/4 of Section 4

3. That for reasons of efficiency and economy, applicant desires to use common tankage for the storage and measurement of oil produced from the Dollarhide-Drinkard Pool, underlying the above-described lease.

4. That the central tank battery has suitable and adequate facilities for the storage and handling of the production from the ten (10) wells on the above-described lease, and that suitable equipment is installed whereby the production from each well on the above-described land may be accurately determined as prescribed by the Rules and Regulations of the Commission.

5. That the above described acreage is of one common royalty interest, the same being the State of New Mexico.

6. 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.

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

IT IS THEREFORE ORDERED:

That the application of Gulf Oil Corporation for an exception to Rule 309 be, and the same hereby is approved and Gulf Oil Corporation be and it hereby is authorized to establish, maintain and operate a central tank battery to receive production from ten (10) wells completed in the Dollarhide-Drinkard pool on the following described acreage:

TOWNSHIP 24 SOUTH, RANGE 38 EAST, NMPM  
W/2 NW/4, SW/4 of Section 33

TOWNSHIP 25 SOUTH, RANGE 38 EAST, NMPM  
NW/4 Section 4

PROVIDED HOWEVER, That adequate tankage and proper equipment be 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 Dollarhide-Drinkard Pool.

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

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

Oil Conservation Commission - Signed by: John F. Simms, Chairman; E. S. Walker, Member; W. B. Macey, Member and Secretary.

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

November 28, 1955

Wilson Oil Company  
P.O. Box 627  
Santa Fe, New Mexico

Gentlemen:

We enclose a copy of each of the following Orders issued  
November 21, 1955, by the Oil Conservation Commission:

Order R-720 in Case 972  
Order R-721 in Case 973.

Very truly yours,

W. B. Macey  
Secretary - Director

WBM:brp  
Encls.

C  
O  
P  
Y

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

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

*Reasonable  
Of Applicant*

CASE NO. 972  
ORDER NO. \_\_\_\_\_

THE APPLICATION OF WILSON OIL  
COMPANY FOR AN EXCEPTION TO RULE  
309 FOR CENTRALIZATION OF TANK  
BATTERIES IN THE WILSON POOL,  
LEA COUNTY, NEW MEXICO, COVERING  
NEW MEXICO STATE LEASES NUMBER  
B-6717, B-8251 AND B-6807, ALL  
IN SECTION 13, TOWNSHIP 21 SOUTH,  
RANGE 34 EAST, LEA COUNTY, NEW  
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:00 A.M. before Warren W. Mankin, Examiner, on October 20, 1955, the said Examiner having been duly designated and appointed by the Commission to hear the above entitled case, and the Examiner has further caused a record of the proceedings to be made and transcribed and has certified the same to the Commission for its consideration, together with the Examiner's report and recommendation.

NOW, on this \_\_\_\_\_ day of October, 1955, the Commission, a quorum being present, having considered the transcription of testimony and record made by and under the supervision of Warren W. Mankin, Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, and the matter having been properly referred to and heard by an examiner, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the acreage concerned, located in the Wilson Pool, Lea County, New Mexico, which is the subject matter of the application, is land owned by the State of New Mexico, in trust for the Common Schools and that the royalty under the said State Leases Number B-6717, B-8251 and B-6807 goes to the Common School Fund.

-2-

Case No. 972

Order No. \_\_\_\_\_

(3) That the said leases and acreage, subject matter of this application, are contiguous and are held by the applicant under oil and gas leases issued by the Commissioner of Public Lands of New Mexico and numbered B-6717, B-8251 and B-6807.

(4) That applicant has adequate tankage and other equipment upon said leases so that production from each well may be accurately determined.

(5) The Commissioner of Public Lands has given permission to commingle oil produced from the above three state leases in a common tank battery.

(6) That by reason of common ownership, of both working and mineral interests, practical convenience and economic benefit, and by reason of the approval of the Commissioner of Public Lands to the commingling, exception to Rule 309 of the Commission's rules should be granted.

(7) The tank batteries are to be located in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ , Section 18, Township 21 South, Range 35 East, the center of the W $\frac{1}{2}$  of Section 13, Township 21 South, Range 34 East, and the center of the S $\frac{1}{2}$  of Section 13, Township 21 South, Range 34 East. The said existing tank batteries will be relocated in such a manner that all of the wells will be produced into one central tank battery located in the center of the S $\frac{1}{2}$ , Section 13, Township 21 South, Range 34 East.

IT IS THEREFORE ORDERED:

That the application of Wilson Oil Company for exception to Rule 309 of this Commission be and the same is hereby granted and approved and that Wilson Oil Company be and it is hereby authorized to establish, maintain and operate three central tank batteries located as follows: NW $\frac{1}{4}$ NW $\frac{1}{4}$ , Section 18, Township 21 South, Range 35 East; center W $\frac{1}{2}$ , Section 13, Township 21 South, Range 34 East; and the center of S $\frac{1}{2}$  of Section 13, Township 21 South, Range 34 East. Wilson Oil Company is further authorized and granted permission to relocate the said existing tank batteries in such a manner that all wells will be produced into one central tank battery located in the center of the S $\frac{1}{2}$ , Section 13, Township 21 South, Range 34 East.

IT IS FURTHER ORDERED:

That production from Applicant's existing wells may be produced into said tank battery and that production from additional wells at unorthodox locations, as heretofore approved by this Commission by Order No. R-243, may likewise be run into said centralized tank batteries.

-3-

Case NO. 972

Order NO. \_\_\_\_\_

PROVIDED, HOWEVER, That adequate tankage and other equipment be maintained in connection with such central tank batteries in order that specific production from each well, and of future wells, can be accurately determined at reasonable intervals, or upon request of the Commission, and,

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

IT IS FURTHER ORDERED:

That jurisdiction of this case be retained for purpose of revocation or modification under changing conditions.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

S E A L

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

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

CASE NO. 972  
Order No. R-720

THE APPLICATION OF WILSON OIL  
COMPANY FOR AN EXCEPTION TO  
RULE 309 (a) FOR CENTRALIZATION  
OF TANKAGE FOR THE MAXIMUM OF  
15 WELLS TO BE PRODUCED FROM THE  
WILSON STATE LEASES B-6717, B-8251,  
B-6807, SECTION 13, TOWNSHIP 21 SOUTH,  
RANGE 34 EAST, NMPM, IN THE WILSON  
POOL, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on October 20, 1955 at Santa Fe, New Mexico, before Warren W. Mankin, Examiner appointed by the Oil Conservation Commission of New Mexico, in accordance with Rule 1214 of Order R-681.

NOW, on this 21<sup>st</sup> day of November, 1955, the Oil Conservation Commission, hereinafter referred to as the "Commission", a quorum being present, having considered said application and the recommendations of the Examiner, Warren W. Mankin, and being fully advised in the premises,

FINDS:

1. That due notice of the time and place of hearing and the purpose thereof having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
2. That the applicant, Wilson Oil Company, is the owner and operator of New Mexico State Leases B-6717, B-8251, B-6807, located in Section 13, Township 21 South, Range 34 East, NMPM, Lea County, New Mexico.
3. That there are 11 existing wells in the above-named contiguous leases producing from the Wilson Pool, a common reservoir and that said leases include 12 possible proration units with the above-mentioned 11 producing wells and 1 drilling well. Applicant presently is producing said oil into three tank batteries at locations in the NW/4 NW/4 Section 13, Township 21 South, Range 35 East; center W/2 and center S/2 of Section 13, Township 21 South, Range 34 East.



4. That under Order R-243, Case 605, applicant was granted permission to drill as many as 6 unorthodox locations on the subject leases.

5. That it is the intent of applicant to drill these unorthodox locations as alternate wells but in no event will there be more than 15 wells producing into the centralized battery.

6. That for reasons of efficiency and economy, applicant desires to use common tankage for the storage and measurement of oil produced from the Wilson Pool, underlying the above-described lease.

7. That the central tank battery has suitable and adequate facilities for the storage and handling of the production from a maximum of 15 wells on the above-described leases and that suitable equipment is installed whereby the production from each well on the above-described lands may be accurately determined as prescribed by the Rules and Regulations of the Commission.

8. That the above-described acreage is of one common royalty interest, the same being the State of New Mexico.

9. 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 (a) should be granted.

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

**IT IS THEREFORE ORDERED:**

That the application of Wilson Oil Company for an exception to Rule 309 (a) be, and the same is, hereby granted and approved. That Wilson Oil Company be and it is hereby authorized to establish, maintain and operate three central tank batteries located as follows: NW/4 NW/4 Section 18, Township 21 South, Range 35 East; center W/2 Section 13, Township 21 South, Range 34 East, and the center of the S/2 Section 13, Township 21 South, Range 34 East; to receive production from a maximum of fifteen wells to be completed in the Wilson Pool on the following described State leases: B-6717, B-8251, B-6807 and consisting of the following described acreage: S/2, S/2 NW/4, W/2 NE/4 Section 13, Township 21 South, Range 34 East, NMPM, Lea County, New Mexico. Wilson Oil Company is further hereby authorized and granted permission to relocate the said existing tank batteries in such a manner that a maximum of fifteen wells will be produced into one central tank battery located in the center of the S/2 of Section 13, Township 21 South, Range 34 East.

**IT IS FURTHER ORDERED:** That production from applicant's existing wells will be produced into said tank battery and that production from additional wells at unorthodox locations, as heretofore approved by this Commission by Order No. R-243, the total number of wells not to exceed a maximum of fifteen, may likewise be produced into said centralized tank battery.

PROVIDED, HOWEVER, That adequate tankage and proper equipment be installed and maintained in connection with such central tank batteries 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 any well now or hereafter connected to such tank batteries will produce its allowable in full compliance with Rule 502 of the Rules and Regulations of the Commission.

PROVIDED FURTHER, That for administrative purposes the effective date of this order will be November 1, 1955.

IT IS FURTHER ORDERED, That jurisdiction of this case is hereby retained with the purpose of revocation and modification under changing conditions.

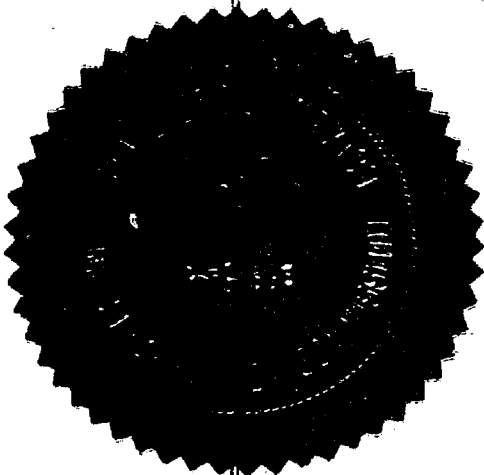
DONE at Santa Fe, New Mexico on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*John F. Simms*  
JOHN F. SIMMS, Chairman

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

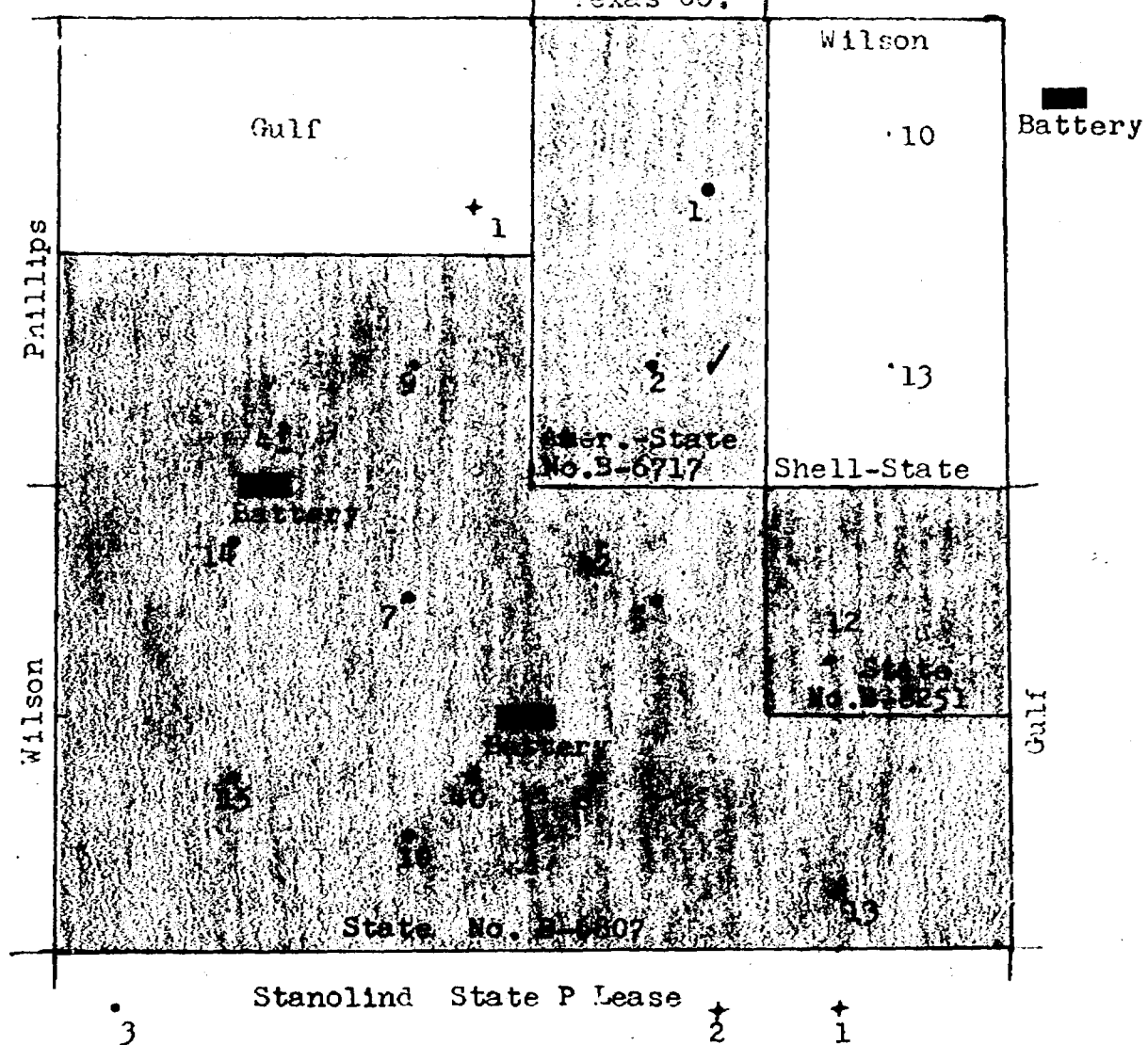
*W. B. Macey*  
W. B. MACEY, Member and Secretary



Case No. 972  
Order No.       

WILSON OIL COMPANY  
Wilson Pool  
Lea County, New Mexico

Section 13, Township 21 South, Range 34 East  
Texas Co.



WILSON OIL COMPANY  
Producing Leases  
No. B-6717, B-8251, B-6807  
7-20-55 By N.R.L.

BEFORE THE  
OIL CONS. COM. COMMISSION  
SANTA FE, NEW MEXICO  
Wilson EXHIBIT No. 1  
CASE 972

September 23, 1955

New Mexico Oil Conservation Commission  
Box 871  
Santa Fe, New Mexico

In re: Request for Approval of  
Centralization of Tankage  
Wilson State Leases B-6717,  
B-8251, B-6807, Sec. 18-T218-  
R35E, and Sec. 13-T218-R34E,  
Wilson Pool, Lea County, N. M.

Gentlemen:

The Wilson Oil Company, applicant herein, is the owner-operator of New Mexico State Leases B-6717, B-8251, and B-6807. The royalty under each of said lease is held for the Common School Fund.

For a number of years and for reasons of convenience, efficiency and economy the oil from the above leases has been produced into three tank batteries at locations, as follows, NW $\frac{1}{4}$  NW $\frac{1}{4}$  of Section 18-T218-R35E; Center W $\frac{1}{2}$  and Center S $\frac{1}{2}$  of Section 13-T218-R34E. From these locations it has been possible to gravity the oil into Texas-New Mexico Pipe Line Company's pump station. The above lease holdings and the location of the tank batteries are shown on the attached plat.

It should be noted that all eleven of our wells located on the above contiguous leases and shown on the plat are producing from the Yates-Seven Rivers Wilson Pool, a common reservoir. The leases, or portion of leases, involved in this application include 12 proration units with the above mentioned eleven producing wells and one drilling well. Under Order R-243, Case 605, the New Mexico Oil Conservation Commission granted the applicant permission to drill as many as six unorthodox locations on the subject leases. It is the intent of the Operator to drill these unorthodox locations as alternate wells. However, in no event will there be more than fifteen producing wells carried in the centralized battery.

Page -2-  
September 23, 1955

New Mexico Oil Conservation Commission

Although the location of the batteries and the leases produced therein have been shown on our C-110 reports filed with the Commission, and therefore have been a matter of notice to the Commission, it is our feeling that the location of the tankage should be brought formally to the attention of the regulatory bodies for approval.

Accordingly, it is respectfully requested that the Commission, after proper notice and hearing before a legally appointed Examiner, grant an exception to Statewide Rule 309 and, for reasons of added convenience, efficiency and economy, approve the existing location and/or relocation of the tank batteries and permit centralization and the commingling of oil produced from the eleven wells located on leases listed above.

Please be assured that adequate tankage, testing facilities, and other equipment will be maintained so that production from each of the eleven existing wells can be accurately determined at reasonable intervals.

I hereby certify that the information contained herein, and on the attached plat is true and complete to the best of my knowledge.

*M. Raymond Lamb*

M. Raymond Lamb,  
Vice President  
Wilson Oil Company

STATE OF NEW MEXICO }  
COUNTY OF EDDY }

Before me, the undersigned, a Notary Public in and for said County and State, on this 23 day of September, 1955, personally appeared M. RAYMOND LAMB, to me known to be the identical person who subscribed the name of WILSON OIL COMPANY to the within and foregoing instrument as its Vice President, and duly acknowledged to me that he executed the same as his free and voluntary act and deed, and as the free and voluntary act and deed of such corporation for the uses, purposes and consideration therein expressed and set forth.

Given under my hand and seal of office the day and year last above written.

My commission expires:

4/22/59

*Edmund Franklin Smith*  
Notary Public

WILSON OIL COMPANY  
Wilson Pool  
Lea County, New Mexico

Section 19, Township 31 South, Range 94 East  
Texas Co.

Wilson

Gulf

Phillips

Wilson

Gulf

Stanolind State P Lease

State No. B-6717

State No. B-6807

Battery

Battery

Battery

10

13

1

2

3

4

5

6

7

8

9

11

12

14

15

WILSON OIL COMPANY  
Producing Leases  
No. B-6717, B-8251, B-6807  
7-20-55 By N.R.L.

# Memo

10/24

From *Sen*

To *Jack*

OK so far as I'm concerned  
to approve Wilson Oil Co  
applications in Cores 922  
and 973. Limit the number of  
wells in each battery to a  
maximum of 15 and require  
adequate facilities to test the  
wells.