CASE 1558: Sunray Mid-Continent Oli Co. application to commingle Blinebry & Dringkard oil from State Land "15" Lease, Lea Co.



Casa Mo.

1558

Application, Transcript, Small Exhibits, Etc.

OIL CONSERVATION COMMISSION P. O. BOX 2088 SANTA FE, NEW MEXICO 87501

November 6, 1970

Sun Oil Company P. O. Box 1861 Midland, Texas 79701

Attention: Mr. Jack Andrews

AMENDMENT
Administrative Order PC-406

Gentlemen:

Reference is made to Administrative Order PC-406, recently entered by the Commission, and which authorized commingling of Blinebry and Drinkard production on your State Land "15" Lease in Lea County.

Inadvertently, the Tubb condensate production from this lease was omitted from the commingling authority. Administrative Order PC-406 is therefore hereby amended to permit commingling of the Tubb condensate with the Blinebry and Drinkard production after separately metering the Tubb condensate.

Very truly yours,

A. L. PORTER, Jr. Secretary-Director

ALP/DSM/esr

cc: Oil Conservation Commission - Hobbs Oil & Gas Engineering Committee - Hobbs State Land Office - Santa Pe

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

October 26, 1970

Sun Oil Company P. O. Box 1861 Midland, Texas 79701

Attention: Mr. Jack Andrews

Administrative Order PC-406

Gentlemen:

Reference is made to your recent letter requesting the amendment of Order No. R-1307 to delete the metering requirement in the commingling installation authorized by this order.

Inasmuch as this order was entered as the result of a public hearing, it cannot be amended except after a hearing. However, the commingling as you now propose is eligible for administrative approval.

Pursuant to Rule 303-B of the Commission Rules and Regulations, Sun Oil Company, is hereby authorized to commingle Blinebry and Drinkard production on its State Land "15" Lease in Section 16, Township 21 South, Range 37 East, Lea County, New Mexico, allocating the production on the basis of monthly well tests; provided however, that the installation shall be operated in accordance with the Commission "Manual for the Installation and Operation of Commingling Facilities," and provided further, that you shall notify the Commission in the event that any well in either pool becomes capable of top allowable production.

Order No. R-1307, which previously authorized commingling on this lease, is hereby put in abeyance.

Very truly yours,

A. L. PORTER, Jr. Secretary-Director

ALP/DSM/esr

CC: Oil Conservation Commission (with enclosure) - Hobbs Oil & Gas Engineering Committee - Hobbs State Land Office - Santa Fe

BEFORE THE OID CONSERVATION COMMISSION DECEMBER 10, 1958

IN THE MATTER OF:

APPLICATION OF SUNRAY MID-CONTINENT OIL COMPANY CASE 1558

TRANSCRIPT OF HEARING

DEARNLEY - MEIER & ASSOCIATES
GENERAL LAW REPORTERS
ALBUQUERQUE NEW MEXICO
Phone CHapel 3-6691

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REGISTER

Mabry Hall

NEW MEXICO OIL CONSERVATION COMMISSION

Santa Fe , NEW MEXICO

HEARING DATE	Examiner	December 10, 1958	TIME: 9:00 a.m.	-
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REGISTER

HEARING DATE Exa	miner December 10, 1958	TIME: 9:00 a.m.
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DEFORE THE OIL CONSERVATION COMMISSION DECEMBER 10, 1958

IN THE MATTER OF:

Application of Sunray Mid-Continent Oil Company for permission to commingle the production from two separate oil pools. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the Blinebry Oil Pool and Drinkard Pool on its State Land "15" Lease comprising the S/2 S/2 of Section 16, Township 21 South, Range 37 East, Lea County New Mexico. Applicant proposes to meter the production from the Blinebry Oil Pool prior to being commingled and to determine Drinkard Pool production by subtracting the metered volume on the total gauged production in the common tank battery.

Case 1558

BEFORE:

DANIEL S. NUTTER, Examiner.

TRANSCRIPT OF HEARING

MR. NUTTER: The hearing will come to order, please. First case on the docket this morning will be case 1558.

MR. PAYNE: Case 1558, Application of Sunray Mid-Continent Oil Company for permission to commingle the production from two separate oil pools.

MR. WHITE: If the Examiner please, Charles White, of Gilbert, White & Gilbert, of Santa Fe, New Mexico, appearing on behalf of the applicant. At this time, I'd like to request of the Examiner that William R. Loar, Sunray attorney out of Tulsa, Oklahoma, be associated with me and with the next case. We have one witness at this time.

(Witness sworn.)

DEARNLEY - MEIER & ASSOCIATES GENERAL LAW REPORTERS AT BUQUERQUE, NEW MEXICO Phone Chopel 3-6691 MR. NUTTER: At this time, we will ask if there are any other appearances to be made in 1558? Would you proceed, Mr. White.

ROBERT E. STATTON

the witness, having been first duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. WHITE:

- Q Mr. Statton, state your name?
- A Robert E. Statton.
- Q By whom are you employed and in what capacity?
- A I am employed by the Sunray Oil Company as area engineer
- Q Are you familiar with Sunray Mid-Continent's present application?
 - A Yes, sir.
- Q Have you testified on previous occasions before either the Examiner or the Commission?
 - A Yes, sir.
- MR. WHITE: If the Examiner please, are his qualifications accepted?

MR. NUTTER: Proceed, they are.

Q (By Mr. White) This application asks for an order for permission to commingle production from two separate formations as to lands set forth in the application. Refer to Exhibit One and explain that.

(Sunray Mid-Continent Exhibit One marked for identification.)

DEARNLEY: MEIER & ASSOCIATES
- GENERAL LAW REPORTERS
ALBUQUERQUE, NEW MEXICO
Phone CHapel 3-6691

A Yes, sir, Exhibit One shows the State "15" Lease located on the south half south half of Section 16, Township 21 South, Range 37 East. This plat also shows the offset operators and shows that wells number one, two and four produce from the Drinkard Oil Pool, and well number three, a dually completed well, produces from the Drinkard and Blinebry Oil Pool. The Drinkard formation is found at a depth of 6600 feet and the Blinebry at a depth of 5600 feet.

Q Will you explain your proposed program in the event the application is granted?

A Yes, sir. We propose to meter the Drinkard oil and meter the Blinebry oil and commingle both into a line leading to common tanks.

Q Now, refer to Exhibit Two. Identify that and explain it.

(Sunray Mid-Continent Exhibit 2 marked for identification.)

A Exhibit Two shows the system that we propose to use. We propose to use and approved positive displacement or dump type meter downstream, a heater treater and a similar meter downstream from the Blinebry separator to measure the oil from the two zones separately before commingling.

Not shown on this exhibit is a test line leading from the downstream side of the Blinebry meter into one tank, whereby we will be able to test each meter for accuracy.

DEARNUEY MEIER & ASSOCIATES
GENERAL LAW REPORTERS
ALBUQUERQUE NEW MEXICO
Phone Chapel 3-6991

MR. WHITE: If the Examiner please, we failed to set forth the additional meter on the exhibit right there, and this is the corrected exhibit from which he's testifying.

MR. PAYNE: Do you wish to amend your application, Mr. White to include a provision that both zones be separately metered prior to commingling?

MR. WHITE: We could have, but I thought that might be sufficient on the way the testimony would be brought out.

MR. PAYNE: That is sufficient if you don't care to amend.

Q (By Mr. White) Will you trace on Exhibit 2 the flow of production from the Blinebry Oil Pool?

A The Blinebry production will enter the Blinebry separator and the oil will be dumped through the metering system, and then the oil will go into a line leading to the tanks. The flow diagram of the Drinkard oil is similar.

Q Now, what is the nature and the amount of production from each zone?

A The Blinebry oil has a gravity of 44 degrees API, and well number three produces 47 barrels of oil top allowable, no water. The Drinkard has a gravity of 37 API. Four produces a total of 21 barrels a day, no water.

- Q Is there a common royalty interest in each lease?
- A Yes, sir.
- Q Did you obtain a consent from the State Land Commissioner?

A We have a verbal consent from them. They informed us they would furnish consent in writing.

Q Are the institutional beneficiaries in common?

A Yes, sir.

(Marked Sunray Midcontinent Exhibit 3 for identification.)

MR. WHITE: We have Exhibit 3, which are the consents from the offset operators, being as follows: Shell Oil Company, Sinclair Oil and Gas Company, Continental Oil Company, N. B. Hunt, Amerada and Tidewater. They are marked as Exhibit 3 collectively.

MR. NUTTER: Fine.

Q (By Mr. White) In your opinion, will the system which you propose to install provide an accurate and positive method for the measuring of production in both zones?

A Yes, sir.

Q Is it your opinion that the proposal will result in the prevention of waste?

A Yes, sir, by being able to fill and run the tanks faster there will be a saving in gravity and shrinkage, and also we will be able to produce a higher barrel oil rate per day prior to abandonment. Due to lower operating cost, we will not have to maintain separate tankage.

Q Is the same pipeline company taking the crude from both zones?

A Yes, sir.

DEARNLEY MEIER & ASSOCIATES
GENERAL LAW REFORTLAS
ALBUQUERQUE NEW MEXICO
Phone CHopel 3-5691

Q Do you have anything further to add in reference to the proposed system, its operation and maintenance?

A Only that we will be able to comply with the test requirements for each well. We will -- each meter will be tested for accuracy at intervals satisfactory to the Commission.

Q Were Exhibits One and Two prepared under your direction or supervision?

A Yes, sir, at my direction.

MR. WHITE: We move for the admission of Exhibits One,
Two and Three.

MR. NUTTER: If there is no objection, they will be admitted.

MR. WHITE: That's all the direct we have.

CROSS-EXAMINATION

BY MR. NUTTER:

Q Mr. Statton, is the oil produced from these two zones of similar quality insofar as sulfur content is concerned?

A Yes, sir. The same pipe line company does take it through a common line.

Q Is the owner of the working interest as well as royalty and overriding royalty identical for the two zones?

A Yes, sir.

MR. NUTTER: Any further questions of the witness? If there are no further questions, Mr. Statton may be excused.

(Witness excused.)

MR. NUTTER: Anything further anyone wishes to offer in case 1558? We will take the case under advisement.

STATE OF NEW MEXICO)

SECOUNTY OF BERNALILLO)

I, John Calvin Bevell, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me in stenotype and reduced to typewritten transcript by me; that the same is a true and correct record, to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal this 12th day of December, 1958, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

John Celni Bevell
NOTARY PUBLIC

My Commission Expires: January 24, 1962

I do hereby certify that the foregoing is a complete room of the proceedings in the Examiner hearing of tase No. 1956.

New Mexico Oil Conservation Commission

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

P.O. Box 871 Santa Fe, New Mexico December 17, 1958

Mr. L. C. White Gilbert, White & Gilbert P.O. Box 787 Santa Fe, New Mexico

Dear Mr. White:

On behalf of your client, Sunray Mid-Continent Oil Company, we enclose two copies of Order R-1307 issued December 17, 1958, by the Oil Conservation Commission in Case 1558, which was heard on December 10th at Santa Febefore an examiner.

Please note that this order requires that each meter installed in the subject system shall be tested for accuracy at intervals and in a manner satisfactory to the Commission. It will be necessary for Sunray to run a series of tests of sufficient duration to determine that the meters are functioning properly immediately following installation. Thereafter, tests should be made at intervals not to exceed one month and a report of said calibration filed with the Commission. The meters shall be calibrated against a master meter or against a test tank of measured volume.

Very truly yours,

A. L. Porter, Jr. Secretary - Director

bp Encls,

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

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

> CASE NO. 1558 Order No. R-1307

APPLICATION OF SURRAY MID-CONTINENT OIL COMPANY FOR PERHISSION TO COMMINGLE THE PRODUCTION FROM TWO SEPARATE OIL POOLS IN LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on December 10, 1958, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 17 day of December, 1958, the Commission, a quorum being present, having considered the application, the evidence adduced and the recommendations of the Examiner, Daniel S. Mutter, 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 the applicant, Sunray Mid-Continent Oil Company, is the owner and operator of four wells located on its State Land "15" lease comprising the S/2 S/2 of Section 16, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.
- (3) That three of said wells (Nos. 1, 2, 4) are producing from the Drinkard Pool and that one of said wells (No. 3 is dually completed in the Drinkard Pool and the Blinebry Oil Pool.
- (4) That the applicant proposes to commingle the Blinebry oil produced from said No. 3 well with the Drinkard oil produced from all four of said wells after separately metering the production from each of said pools prior to commingling.
- (5) That approval of the subject application will not cause waste nor impair correlative rights.

-2-Case No. 1558 Order No. R-1307

IT IS THEREFORE ORDERED:

That the applicant, Sunray Mid-Continent Oil Company, be and the same is hereby authorized to commingle the production from the Drinkard Pool and the Blinebry Oil Pool from four wells located on its State Land "15" lease comprising the S/2 S/2 of Section 16, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

PROVIDED HOWEVER, That the production from each of said pools is separately metered prior to being commingled.

PROVIDED FURTHER, That the applicant shall check such meters for accuracy at intervals and in a manner satisfactory to the Commission.

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

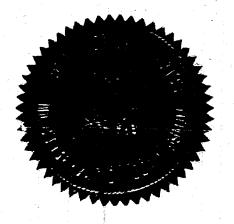
> STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

EDWIN L. MECHEN, Chairman

MURRAY E. MORGAN, Member

Mallon

A. L. PORTER, Jr., Member & Secretary



DOCKET: EXAMINER HEARING DECEMBER 10, 1958

OIL CONSERVATION COMMISSION 9 a.m., Mabry Hall, State Capitol, Santa Fe, New Mexico

The following cases will be heard before Daniel S. Nutter, Examiner:

CASE 1558:

Application of Sunray Mid-Continent Oil Company for permission to commingle the production from two separate oil pools. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the Blinebry Oil Pool and Drinkard Pool on its State Land "15" Lease comprising the S/2 S/2 of Section 16, Township 21 South, Range 37 East, Lea County, New Mexico. Applicant proposes to meter the production from the Blinebry Oil Pool prior to being commingled and to determine Drinkard Pool production by subtracting the metered volume on the total gauged production in the common tank battery.

CASE 1559:

Application of Sunray Mid-Continent Gil Company for an order authorizing a secondary recovery project in San Juan County, New Mexico, and for the promulgation of special rules and regulations in connection with said project. Applicant, in the above-styled cause, seeks an order authorizing it to institute a secondary recovery project in the Bisti-Lower Gallup Gil Pool for the injection of dry gas into the Gallup formation through its Federal "C" Well No. 18, located in the SW/4 NE/4 of Section 7, Township 25 North, Range 12 West, San Juan County, New Mexico. Applicant further proposes that special rules and regulations be promulgated to govern the operation of the above-referenced project, which rules would provide among other things for the conversion of additional injection wells without notice and hearing, the transfer of allowables from injection wells to producing wells, transfer of allowables from wells which have been shut-in for observation or to increase the efficiency of the project, exemption of all leases connected with the project from gas-oil ratio limitation provided gas produced therefrom is reinjected, and such other rules and regulations the Commission may deem appropriate.

CASE 1560:

Application of El Paso Natural Gas Company for a dual completion. Applicant, in the above-styled cause, seeks an order authorizing it to dually complete its Huerfano Unit Well No. 92 (DG) located in the SW/4 NW/4 of Section 7, Township 26 North, Range 9 West, San Juan County, New Mexico, in such a manner as to permit the production of gas from an undesignated Gallup gas pool and gas from an undesignated Dakota gas pool.

CASE 1561:

Application of Tidewater Oil Company for a dual completion. Applicant, in the above-styled cause, seeks an order authorizing it to dually complete its A. B. Coates "C" Well No. 17, located in the SE/4 NE/4 of Section 24, Township 25 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Justis-McKee Pool and oil from the Justis-Ellenburger Pool through parallel strings of tubing.

CASE 1562:

Application of British American Oil Producing Company for permission to institute a secondary recovery project in San Juan County, New Mexico, and for the promulgation of special rules and regulations in connection therewith. Applicant, in the above-styled cause, seeks an order authorizing it to institute a secondary recovery project in the Bisti-Lower Gallup Oil Pool for the injection of dry gas and/or liquefied petroleum gas into the Gallup formation through four wells located in Sections 27 and 28, Township 26 North, Range 13 West, San Juan County, New Mexico. Applicant further proposes that

Docket No. 33-58

CASE 1562: (con't)

special rules and regulations be promulgated to govern the above-described project, which would include among other things conversion of additional injection wells without notice and hearing, transfer of allowables from injection wells, transfer of allowables from wells shut-in for observation purposes or to increase the efficiency of the project, exemption of all leases connected with the project from gas-oil ratio limitation provided gas produced therefrom is reinjected, and such other rules and regulations the Commission may deem appropriate.

CASE 1563:

Application of Caulkins Oil Company for a dual completion. Applicant, in the above-styled cause, seeks an order authorizing it to dually complete its Breech "A" Well No. D-204, located in the SE/4 SE/4 of Section 9, Township 26 North, Range & West, Rio Arriba County, New Mexico, in such a manner as to permit the production of oil from the South Blanco-Tocito Oil Pool and the production of gas from the South Blanco-Dakota Gas Pool through parallel strings of tubing.

CASE 1564:

Application of Great Western Drilling Company for approval of a unit agreement and a pilot water flood project. Applicant, in the above-styled cause, seeks an order approving its proposed North Central Caprock Queen Unit Agreement embracing 2,040 acres, more or less, of state and federal lands in Sections 13, 14, 15, and 24, of Township 13 South, Range 31 East, and Sections 17, 18, and 19, of Township 13 South, Range 32 East, Caprock-Queen Pool, Chaves and Lea Counties, New Mexico, and for authority to institute a pilot water flood project in the Queen formation underlying said unit area.

CASE 1565:

Application of Continental Gil Company for a dual completion. Applicant, in the above-styled cause, seeks an order authorizing it to dually complete its Warren Unit Well No. 9 located in the SW/4 NW/4 of Section 27, Township 20 South, Range 38 East, Lea County, New Mexico, in such a manner as to permit the production of gas from the Warren-Tubb Gas Pool and oil from the Warren-Drinkard Gil Pool through parallel strings of tubing.

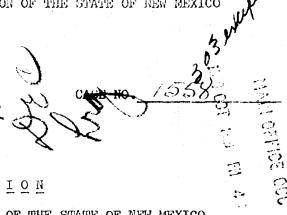
CASE 1566:

Application of Pan American Petroleum Corporation for approval of a unit agreement. Applicant, in the above-styled cause, seeks an order approving its East Saunders Unit Agreement embracing approximately 2,320 acres of state acreage in Township 14 South, Range 34 East, Lea County, New Mexico.

CASE 1567:

Application of Olsen Oils, Inc., for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 160-acre non-standard gas proration unit in the Tubb Gas Pool consisting of the N/2 NW/4, SW/4 NW/4 and the NW/4 SW/4 of Section 25, Township 22 South, Range 37 East, Lea County, New Mexico; or in the alternative for a compulsory pooling order pooling all interests within the vertical limits of the Tubb Gas Pool in the NW/4 of said Section 25 as one Tubb Gas Unit and a like order pooling all interests within the vertical limits of the Tubb Gas Pool in the SW/4 of said Section 25 as another Tubb Gas Unit.

IN THE MATTER OF THE APPLICATION OF SURRAY MID-CONTINENT CIL COMPANY FOR AN ORDER PERMITTING THE COMMINGLING OF THE OIL PRODUCED FROM THE PLINEBRY CIL POOL AND THE DRINKARD OIL POOL, LEA COUNTY, NEW MEXICO, UNDERLYING ITS STATE LAND "15"



APPLICATION

TO THE HONORABLE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

COMES NOW the Applicant, Sunray Mid-Continent Oil Company, and respectfully alleges and states as follows:

- 1. That it is the owner and operator of its State Land "15" Lease covering the South Half of the South Half (S/2 S/2) of Section 16, Township 21 South, Range 37 East, Lea County, New Mexico.
- 2. That this Commission by its Order No. R-1223 dated July 21, 1958, authorized a dual completion for Sunray Mid-Continent Oil Company's State Land "15" Well No. 3 through parallel strings of tubing between the Blinebry Oil Pool and the Drinkard Oil Pool.
- 3. That Applicant's Wells Nos. 1, 2 and 4 are producing oil from the Drinkard Oil Pool, and Well No. 3 is producing oil from the Drinkard Oil Pool and oil from the Blinebry Oil Pool through separate strings of tubing; and that Applicant desires to commingle the oil produced from the Blinebry Pool, found at an approximate depth of 5500 feet, with the oil produced from the Drinkard Pool found at an approximate depth of 6350 feet, underlying its State Land "15" Lease.
- 4. That Applicant desires to meter the oil produced from the Blinebry Pool prior to its being commingled with the oil produced from the Drinkard Pool and to subtract the volume of oil so metered from the total oil produced from its State Land "15" Lease to obtain the volume of oil produced from the Drinkard Pool.
- 5. That the names of all interested parties known to applicant with their last known addresses are:

Amerada Petroleum Corporation P. O. Box 2040 Tulsa, Oklahoma Attn: Mr. R. S. Christie

Tidewater Oil Company
P. O. Box 1404
Houston, Texas
Attn: Mr. J. B. Holloway

N. B. Hunt Mercantile Bank Building Dallas, Texas Continental Oil Company
P. O. Box 427
Hobbs, New Mexico
Attn: Mr. F. T. Elliott

Sinclair Oil and Gas Company P. O. Box 521 Tulsa, Oklahoma Attn: Mr. J. H. McGowan

Shell Oil Company
P. O. Box 1509
Midland, Texas
Attn: Mr. Ed Nester

- 6. That attached hereto, marked Exhibit "A", and made a part hereof by this reference, is a plat which shows the location of all Drinkard and Blinebry wells on Applicant's lease and on all offset leases.
- 7. That attached hereto, marked Exhibit "B", and made a part hereof by this reference, is a diagrammatic sketch which shows the proposed method of measurement and storage of the oil produced on Applicant's lease.

WHEREFORE Applicant prays that this application be set for hearing, that notice be given as required by law, and that upon the evidence adduced at this hearing the Commission issue an order permitting Applicant to commingle the oil produced from the Blinebry Pool with the oil produced from the Drinkard Pool underlying its State Land "15" Lease, Lea County, New Mexico, as more fully set out in this application.

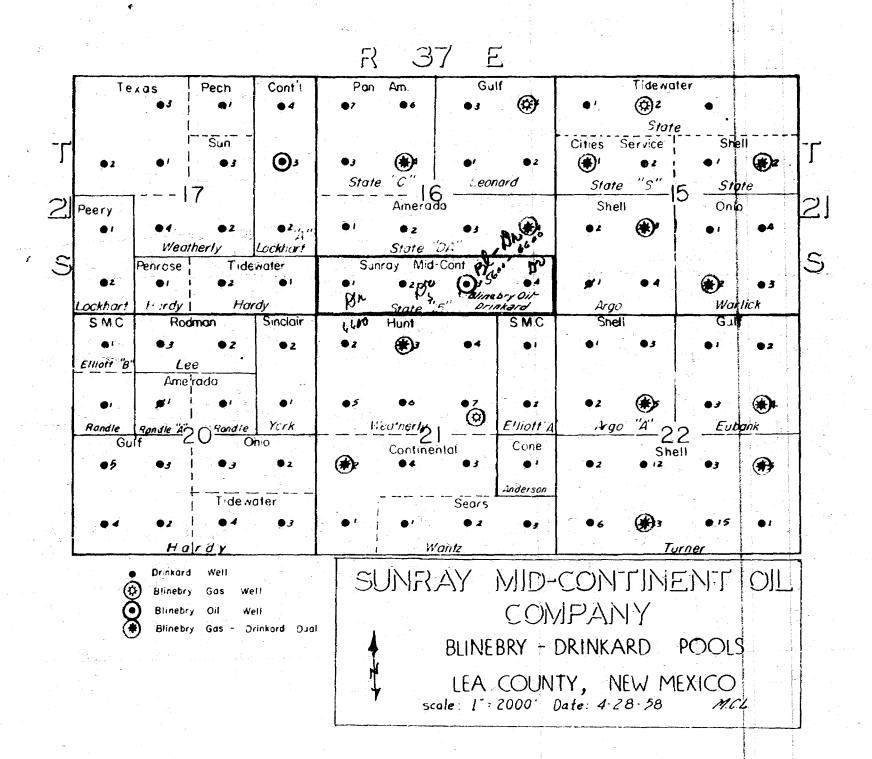
Dated this 28 day of October, 1958.

SUNRAY MID-CONTINENT OIL COMPANY

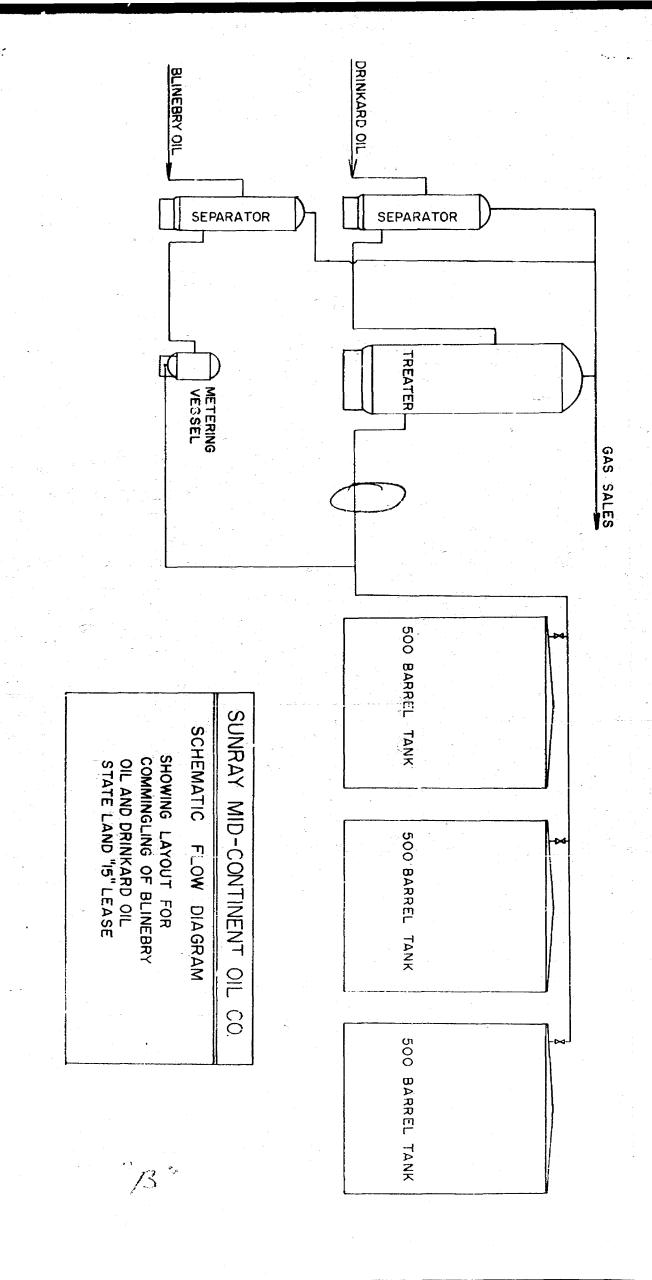
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I. C. White, Attorney

Dealer Costs



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SINCHMIR OHL & GAS COMPANY

PETROLEUM LIFE BUILDING

Box 1470 MINDHAND, TEXAS

G D ALMEN, JR

R.L. ELSTON
ASSISTANT DIVISION MANAGER

November 18, 1958

H. F. DEFENBAUGH

F. C. ROGERS

New Mexico Oil Conservation Commission P. O. Box 871 Santa Fe, New Mexico

Gentlemen:

We have been advised by the Sunray Mid-Continent Oil Company that they have requested permission to commingle the oil produced from the Blinebry Pool with the oil produced from the Drinkard Pool underlying their State Land "15" Lease which occupies the S/2 S/2 of Section 16-21S-17E, Lea County, New Mexico. We understand that Sunray proposes to measure the oil produced from the Blinebry Pool prior to commingling and will obtain the Drinkard oil production by subtraction.

Sinclair Oil & Gas Company has no objection to the granting of this application and hereby waives its right to notice and hearing on same.

Yours very truly,

R. F. Higginbotham, Assistant Division

Production Superintendent

Org. / lcc. Sunray Mid-Continent Oil Company Box 2039 Tulsa, Oklahoma



CONTINENTAL OIL COMPANY

FAIR BUILDING FORT WORTH 2. TEXAS

II. L. JOHNSTON
REGIONAL MANAGER OF PRODUCTION
SOUTHWESTERN REGION

November 19, 1958

New Mexico 011 Conservation Commission 107 Mabry Hall Capitol Building Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr., Secretary and Director Gentlemen:

Continental Oil Company has been notified of Sunray Mid-Continent Oil Company's application for authority to commingle oil production from the Blinebry Pool with the oil produced from the Drinkard Pool underlying its State Land "15" Lease which covers the S/2 S/2 of Section 16, T-21-S, R-37-E, Lea County, New Mexico. It is understood that oil produced from the Blinebry Pool through applicants well No. 3 on said lease will be metered prior to said oil being commingled with the oil produced from the Drinkard Pool.

You are respectfully advised that Continental Oil Company hereby waives notice and hearing on the application described above.

Yours very truly,

HLJ-SL

BEFORE THE OIL CONSERVATION COMMISSION

OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF SUNRAY MID-CONTINENT OIL COMPANY FOR AN ORDER PERMITTING THE COMMINGLING OF THE OIL PRODUCED FROM THE BLINEBRY OIL POOL AND THE DRINKARD OIL POOL, LEA COUNTY, NEW MEXICO, UNDERLYING ITS STATE LAND "15" LEASE.

Case No.

CONSENT TO ORDER GRANTING APPLICATION

TO: THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO.

Comes now the undersigned, one of the off-set operators and an interested party in the above proceeding, and acknowledges the receipt of a copy of the subject Application in which Sunray Mid-Continent Oil Company requests authority to commingle the oil produced from the Blinebry Pool with the oil produced from the Drinkard Pool underlying its State Land "15" Lease, which covers the South Half of the South Half (S/2 S/2) of Section 16, Township 21 South, Range 37 Fast, Lea County, New Mexico, and consents that the Commission issue its Order as prayed for by the applicant.

By GS VaHi

(TIS+10)

MPIERAIDA PETROLEUPI CORPORATION

P. O. BOX 2040

Tulsa 2, Okla.

November 10, 1958

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF SUNRAY MID-CONTINENT OIL COMPANY FOR AN ORDER PERMITTING THE COMMINGLING OF THE OIL PRODUCED FROM THE BLINEBRY OIL POOL AND THE DRINKARD OIL POOL, LEA COUNTY, NEW MEXICO, UNDERLYING ITS STATE LAND "15" LEASE.

Case No.

CONSENT TO ORDER GRANTING APPLICATION

TO: THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

Comes now the undersigned, one of the offset operators and an interested party in the above proceeding, and acknowledges the receipt of a copy of the subject Application in which Sunray Mid-Continent Oil Company requests authority to commingle the oil produced from the Blinebry Pool with the oil produced from the Drinkard Pool underlying its State Land "15" Lease, which covers the South Half of the South Half (S/2 S/2) of Section 16, Township 21 South, Range 37 East, Lea County, New Mexico, and consents that the Commission issue its Order as prayed for by the applicant.

AMERADA PETROLEUM CORPORATION

P C Chwlet1e

BEFORE THE OIL CONSERVATION COMMISSION

OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF SUNRAY MID-CONTINENT OIL COMPANY FOR AN ORDER PERMITTING THE COMMINGLING OF THE OIL PRODUCED FROM THE BLINEBRY OIL POOL AND THE DRINKARD OIL POOL, LEA COUNTY, NEW MEXICO, UNDERLYING ITS STATE LAND "15" LEASE.

Case No.

CONSENT TO ORDER GRANTING APPLICATION

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TIDEWATER OIL COMPANY

By RIS Con

Ass't. Manager of Production
(Title)

37 Tidewater Gulf Texas Pech Cont'i (X)* (2)2 State Service Shell Sun Cities **(**)3 *** (4)** ●3 **0** 2 **(*)**2 "C". State "S" State Leonard State Shell Onio Peery •2... Weetherly State 'DA" Lockhart S ray Mid-Cont Penrose ! Tidewater Argo Warlick ockhart. Hardy SMC Rodman Sinclair Gulf Hunt **₩**3 • 2 Elilott "B Lee Ame rada ***** (0) Vieutherly Eubank Elliott'A York Cone Continental Shell •5 Tidewater Sears Wontz SUNRAY MID-CONTINENT OIL COMPANY BLINEBRY - DRINKARD POOLS LEA COUNTY, NEW MEXICO scale: 1' : 2000' Date: 4.28-58 M.C.L. MINER NUMBER

SUNRAY MID-CONTINENT OIL COMPANY

EXHIBIT NO. / CASE NO. 1558

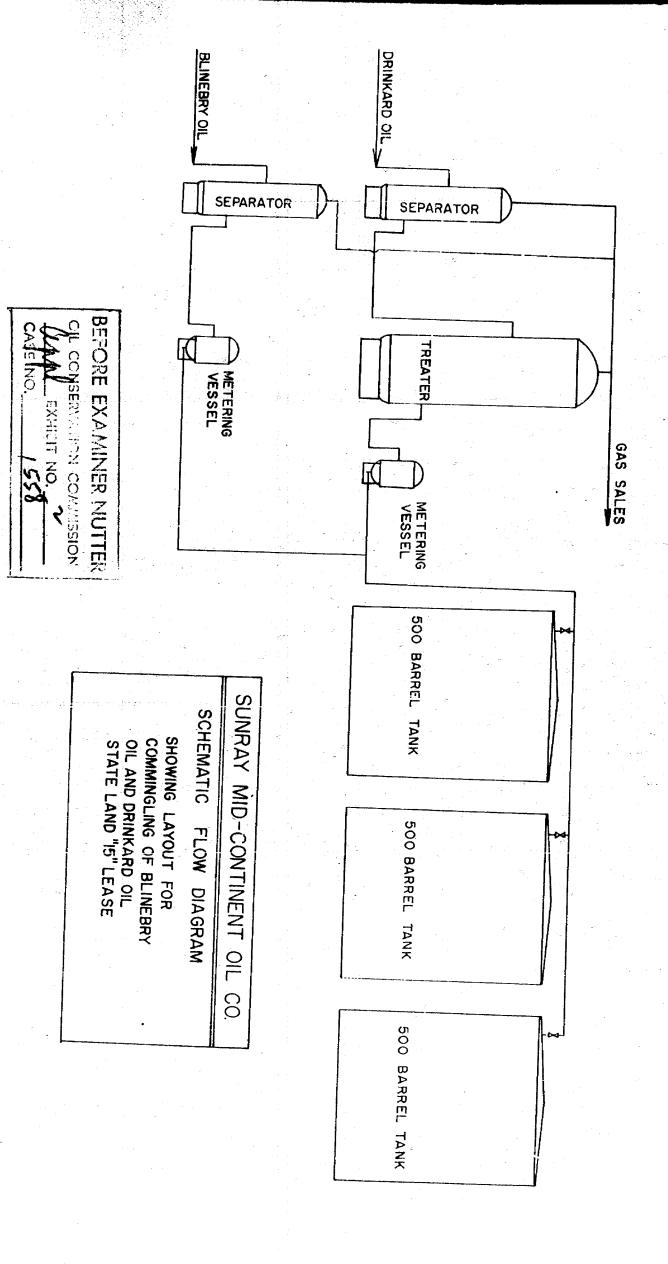


EXHIBIT NO. 2 CASE NO. 1558

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF SUNRAY MID-CONTINENT OIL COMPANY FOR AN ORDER PERMITTING THE COMMINGLING OF THE OIL PRODUCED FROM THE BLINEBRY OIL POOL AND THE DRINKARD OIL POOL, LEA COUNTY, NEW MEXICO, UNDERLYING ITS STATE LAND "15" LEASE.

Cáse No.

CONSENT TO ORDER GRANTING APPLICATION

TO: THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO.

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OIL CONSERVATION COMMISSION

EXHIBIT NO. 3

CASE NO. 1558

Shell ail Co

By Man

(Title)