

Case No.

1719

Application, Transcript,  
Small Exhibits, Etc.

BEFORE THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
July 8, 1959

EXAMINER HEARING

IN THE MATTER OF:

Case 1719

TRANSCRIPT OF HEARING

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

BEFORE THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
July 8, 1959

EXAMINER HEARING

1

IN THE MATTER OF:

Application of Sinclair Oil & Gas Company  
to commingle the production from several  
separate pools. Applicant, in the above-  
styled cause, seeks authority to com-  
mingle the production from the Penrose-  
Skelly Pool and the Paddock Pool from all  
wells on its Brunson lease comprising the  
NW/4 SW/4 of Section 3 and the W/2 SE/4  
of Section 4, Township 22 South, Range 37  
East, Lea County, New Mexico. Applicant  
further seeks permission to commingle the  
production from the Hare Pool, Drinkard  
Pool and Tubb Gas Pool from all wells on  
said lease.

Case 1719

BEFORE:

Mr. Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

MR. NUTTER: We will take up Case 1719.

MR. PAYNE: Case 1719. "Application of Sinclair Oil  
& Gas Company to commingle the production from several separate  
pools."

MR. PIPER: If it please the Commission, I am Ed Piper  
of Gilbert, White and Gilbert, Attorneys at Law in Santa Fe,  
New Mexico, and I am appearing for the applicant, Sinclair Oil

and Gas Company. We have one witness, Mr. Anderson.

(Witness sworn.)

R. M. ANDERSON

called as a witness, having been previously duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. PIPER:

Q Will you state your name, please?

A R. M. Anderson.

Q By whom are you employed, Mr. Anderson?

A Sinclair Oil and Gas Company.

Q Are you familiar, Mr. Anderson, with the application of Sinclair Oil and Gas Company in Case No. 1719?

A I am.

Q Could you briefly summarize for us what is sought by that application?

A We are asking permission to consolidate three sweet batteries and to consolidate two sour batteries on our R. L. Brunson Lease which produces, which contains 8 wells which produce from five pools.

Q Is Sinclair Oil and Gas Company the owner and operator of the subject lease?

A Yes, sir.

Q Now, Mr. Anderson, have you ever testified on any

previous occasions before the New Mexico Oil Conservation Commission?

A Yes, sir, I have.

Q And were your qualifications accepted on those occasions?

A Yes, sir.

MR. PIPER: If it please the Commission, does the witness' qualifications meet with approval?

MR. NUTTER: Yes, sir, please proceed, Mr. Piper.

Q Mr. Anderson, have you prepared an ownership map of the area involved here?

A Yes, sir, I have, and I have marked it Exhibit 1.

(Marked Sinclair Oil & Gas Company's Exhibit No. 1, for identification.)

Q Does that map show the subject lease and the offset operators?

A Yes, it does, and I have identified the subject lease, which consists of two non contiguous tracts, by coloring them yellow. Now, the lease occupies the Northwest Quarter of the Southwest Quarter of Section 3 and the West Half of the Southeast Quarter of Section 4 in Township 22 South, Range 37 East, Lea County. This lease consists of eight wells, one of which is dually completed. There are three Drinkard Pool completions at about 6500 feet. There are two Hare-McKee Pool completions at

about 7350 feet. There is one Tubb completion at 6100 feet, there are two Penrose-Skelly completions at 3650 feet, and there is one Paddock completion at 5100 feet, and I have on a later exhibit identified those specific wells.

Q Now, referring to the subsequent exhibits, Mr. Anderson, have you prepared any diagramatic sketches of the present battery setup on the lease and also the proposed battery setup as contemplated in the application?

A I have, and I have indicated those diagramatic sketches as Exhibits 2 and 3. Exhibit 2 is the present status and Exhibit 3 is the status after consolidation, the proposed status.

Q Now, with reference to these diagramatic sketches, Exhibits 2 and 3, will you explain those for the Examiner, Mr. Anderson?

A Yes. I have shown all wells on the Sinclair-Brunson Lease on this exhibit, and I have colored them as indicated on the lower left-hand corner of the exhibit, identifying the zone they are producing from, and I have schematically shown the five batteries that will be in existence and the status of the lease if this application were denied.

The first battery, incidentally, I have used a nomenclature here, "S" stands for separator and "HT" for heater treater, and the 500 indicates a 500 barrel tank and 210 indicates a 210 barrel tank, and the "GB" is gun barrel and "H" is heater, and,

I have, the top battery is labeled Drinkard battery. We showed three wells flowing into that battery. The second battery is labeled Paddock battery and we have one well. The third battery is a Penrose-Skelly battery, and we have two wells flowing into that battery. The fourth battery is a Hare-McKee battery and we have two wells producing into that battery, and the fifth battery is the Tubb battery and we have recently dualled completed Well No. 1, making a Tubb producer, which has occasioned this lease revision work that we are here asking permission for today.

And the 210 barrel tanks are shown dashed on this exhibit because they have not been purchased and installed at this time, but the need for them without the consolidation is apparent.

Now, Exhibit 3 is a similar sketch showing the status of the batteries after consolidation of the three sweet batteries and the two sour batteries, and we have similarly indicated the flow lines from the separate wells to the separate batteries, and the top battery is a sour battery, I have labeled it as such, and it shows the Paddock well and the Penrose-Skelly wells flowing through separate separators through heater treaters and through a measuring device, and in that regard we wish permission to use the positive displacement meters or dump metering, dump type vessels, and we intend to use both types in this installation as we feel they will be more applicable due to the flow rates and so forth.

The sweet battery I show as having the three sweet pools, Drinkard, the Hare-McKee and the Tubb flowing through separate separators, heater treaters, in the case of Drinkard and McKee, and then metering devices downstream of the heater treaters or the separator in the case of the Tubb. I believe that's all.

Q Do any of these crudes present a corrosion problem, Mr. Anderson?

A No, they do not. No corrosion problem on this lease.

Q Has the Commission, to your knowledge, previously approved similar type of installation and equipment?

A Yes. Yes, they have.

Q Are the royalty ownership accounts common throughout, the royalty accounts?

A Yes, the royalty is the same under both of these non-contiguous tracts, and the royalty is the same as to depth, all zones are subject to the same royalty.

Q Now, by what means do you propose to measure the commingled crude, the amount of these commingled crudes from time to time that are in storage?

A Well, crude in storage will be measured in the conventional manner, using the gauge line.

Q And, as I understand it, the amount of crude for each pool that will be individually measured, as you previously testified, as shown on Exhibit 3?



A Yes, they will be measured prior to commingling.

Q How often do you contemplate taking production tests, calibration tests?

A We will take very frequent tests at first until we are satisfied as to the accuracy of your installation, and, we will make calibration tests probably at any time that it appears that one is needed. We are measuring both streams prior to commingling and then we will measure the commingled crude so we will have a constant check on our accuracy and, therefore, the calibration checks I feel are less important for that reason. So we will make them as they are required. We propose to make them as required by field operations or as required by the Commission.

Q Sir, have you prepared any data concerning the economics of the proposed battery setup?

A Yes, I have. I have taken the difference in equipment as reflected by Exhibits 2 and 3 and I have priced that equipment in the conventional manner and I have listed these savings in investment and equipment that will be afforded by the granting of this application, on Exhibit 4, and briefly what that amounts to is we will not have to buy two new 210 barrel tanks with walkways and fittings and what not for the Tubb zone valued at a new price of \$3,490.00. We will recover two 500 barrel tanks through this consolidation, and that will, and I valued those at 75% of their value because they are serviceable

at present, and that is our standard bookkeeping procedure and we will recover one 210 barrel tank, and that tank is labelled "B G", gun barrel, that is a 210 barrel tank that we are using there. And we will recover one heater that we have on the Penrose battery that we are using to heat production prior to putting it in the tank, and that equipment is \$9,182.00.

However, this installation will require us to purchase some additional equipment. We will have to purchase two heater treaters to put on the Penrose and Paddock zones, and we will have to purchase five meters or metering dump time metering vessels at about \$505 each. That price includes the package deal on the meters, which is a snap acting dump type and a few other refinements, so the total expense is \$5,431, which results in a net savings in equipment of \$3,751.

Q Have you prepared, Mr. Anderson, any further data concerning, for example, the selling price of commingled crudes so that we could have a comparison on that?

A Yes, I've prepared a sheet which I named "Statistical Analysis of Commingling", and I have shown all of the pertinent statistical data here that I thought would be of interest. Shows that there the number of wells producing from each pool, it shows the daily production from each pool, both oil and water, shows if the crude is sweet or sour, gives the A.P.I. gravity of the crudes, gives the pipeline that we are selling

through, price per barrel, and then I have calculated the selling price of the crudes separately. That would be \$394.99, and likewise for the sour, for a total of \$465.14 per total.

Now, if we were to commingle the crudes we would have some gravity improvement by virtue of the Tubb distillate, and at the same time we would recover the high gravity, sixteen cents a barrel that the Tubb distillate would be subject to. And so we find that the selling price of the sweet crude is \$398.25 and the sour crude is \$70.00, for a total of \$468.25 a day commingled.

And that is a difference of \$3.11 a day or \$93.30 a month increase in selling price of the crudes by virtue of commingling.

Q In your opinion would this proposed battery installation have any effect on correlative rights?

A No, I do not believe correlative rights are involved.

Q Well, in your opinion will waste occur if this application is not granted?

A Yes, I believe that waste would occur if the application were not granted.

Q Now, at this point, Mr. Anderson, do you have anything to add to your testimony that we may have missed?

A No, sir, I believe that's all.

Q And were Exhibits 1 through 5 which we have discussed here, were those prepared by you or at your direction?

A They were.

MR. PIPER: I would like to formally offer Exhibits 1 through 5, Applicant's Exhibits 1 through 5 in evidence in this hearing.

MR. NUTTER: Sinclair's Exhibits 1 through 5 will be admitted.

MR. PIPER: I believe that completes my questions of this witness, if it please the Commission.

MR. NUTTER: Does anyone have any questions of Mr. Anderson?

CROSS EXAMINATION

BY MR. PAYNE:

Q Mr. Anderson, on which portion of this non-contiguous lease are your tank batteries to be located?

A Approximately centrally located from north to south on the western 80 acre portion.

Q Now, I note that under your proposed plan you'll have less storage capacity than you presently have. Do you feel that you have sufficient storage capacity here?

A Yes.

Q Under your proposed installation?

A Yes. The storage capacity at present on the lease, a lot of it is occasioned by the fact that you must have in most cases at least two tanks. Penrose-Skelly battery only has one tank, but we can, also we have some flexibility with that gun

barrel tank.

Q Now, the Drinkard oil in this area is definitely sweet crude?

A Yes, sir.

Q What do you do with the Tubb gas, Mr. Anderson?

A We recently completed the well and we intend to, as a result of administrative application, which we have not made yet, we intend to use the Tubb allowable to gas lift the Hare-McKee wells. We recently encountered difficulties with those wells due to the fact that they have produced paraffin and sand and it is quite a problem to artificially lift them, so we are tentatively considering that course of action provided we get the proper approval.

Q You do not feel it is necessary to use a corrosion resistant type meter on your sour crudes in this area?

A Apparently they are not sour enough to cause equipment troubles. The batteries are both old and we have had corrosion free history with them, we've had no corrosion problem.

MR. PAYNE: That's all, thank you.

BY MR. NUTTER:

Q Mr. Anderson, I note on your Exhibit No. 1 that the east 40 is labeled Sinclair and Cities Service and the west 80 is labeled a Sinclair. Is that an error in that exhibit or is

that the status of the ownership of those two tracts?

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A No, that is an error in the exhibit. Cities Service has a working interest. The working interest is common under both tracts.

Q It is identical under both tracts?

A Yes.

Q And the overriding royalties and the royalties are identical too?

A Yes, sir.

Q Now, what is this, is this Tubb production going through two stage separation?

A Yes, sir. We have the high pressure separator set near the well and the low pressure separator is down at the battery.

Q Now, I do not see any heater treater on that Tubb line. Is there no necessity for treating that?

A No.

Q Makes no water at all? A No.

Q Now, how are you going to test your meters, Mr. Anderson?

A They would have to be tested by shutting in one pool and producing the other pool through the battery and checking against the gauge line measurement in the tank.

Q In other words, up here in the sour battery if you

wanted to test your Penrose-Skelly meter, you would have to shut it at Paddock?

A Yes, sir.

Q And vice versa?

A Yes, sir.

Q And when you get down to the sweet battery, you are going to have to shut down two pools while you test the meter in the third?

A Yes, sir.

Q Now, how do you make your individual well test, will that be by the same means by shutting in?

A We will just have to shut in the other wells in the pool in that one pool and make individual well tests through the meter.

Q Is this gravity for your commingled production a weighted average of the gravities?

A Yes.

Q Taking into consideration the volume of oils for each one of the separate gravities?

A Yes, sir, I looked up the specific gravity in the gravity tables and multiplied that by the number of barrels and got that sum for each of the crudes and then divided by the total number of barrels which give me the actual specific gravities of the mixture, and then go back to the table to convert it back to A.P.I.

Q And you feel that the installation of this commingling system is not only going to save money on cost of equipment, but will actually make money by the amount of three dollars and eleven cents a day?

A Yes, sir.

Q Your purchaser knows about that?

A We purchase it.

MR. NUTTER: Any further questions of Mr. Anderson?

He may be excused.

(Witness excused.)

MR. NUTTER: Does anyone have anything further in Case 1719? We will take the case under advisement and take Case 1720.



STATE OF NEW MEXICO )  
                              : ss  
COUNTY OF BERNALILLO )

I, JOSEPH A. TRUJILLO, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 24<sup>th</sup> day of July, 1959.

*Joseph A. Trujillo*  
Notary Public-Court Reporter

My Commission Expires:

*Oct. 5, 1960*

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. *1219* heard by me on *7-8*, 19*59*.

*[Signature]*, Examiner  
New Mexico Oil Conservation Commission

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. 1719  
Order No. R-1447

APPLICATION OF SINCLAIR OIL &  
GAS COMPANY TO COMMINGLE THE  
PRODUCTION FROM SEVERAL SEPA-  
RATE POOLS IN LEA COUNTY,  
NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:00 o'clock a.m. on July 8, 1959, 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 31<sup>st</sup> day of July, 1959, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, 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, Sinclair Oil & Gas Company, is the owner and operator of the R. L. Brunson Lease, comprising the W/2 SE/4 of Section 4 and the NW/4 SW/4 of Section 3, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the applicant proposes to commingle the production from the Penrose Skelly Pool and the Paddock Pool underlying said R. L. Brunson Lease in a common tank battery, after separately metering the production from each pool.

(4) That the applicant further proposes to commingle the production from the Hare Pool, the Drinkard Pool, and the Tubb Gas Pool underlying its said R. L. Brunson Lease in another common tank battery, after separately metering the production from each pool.

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Case No. 1719  
Order No. R-1447

(5) That approval of the subject application will neither cause waste nor impair correlative rights, provided adequate treating, testing, and storage facilities are installed.

IT IS THEREFORE ORDERED:

(1) That the applicant, Sinclair Oil & Gas Company, be and the same is hereby authorized to commingle the production from the Penrose Skelly Pool and the Paddock Pool underlying its R. L. Brunson Lease, comprising the W/2 SE/4 of Section 4 and the NW/4 SW/4 of Section 3, Township 22 South, Range 37 East. NMPM, Lea County, New Mexico, in a common tank battery.

PROVIDED HOWEVER, That the production from each pool shall be separately metered prior to commingling.

(2) That the applicant be and the same is hereby authorized to commingle the production from the Hare Pool, the Drinkard Pool, and the Tubb Gas Pool underlying its said R. L. Brunson Lease in a common tank battery.

PROVIDED HOWEVER, That the production from each pool shall be separately metered prior to commingling.

(3) That in the event any well in any of the aforesaid pools produces water, the production from said pool shall be adequately treated prior to commingling.

(4) That all meters shall be operated and maintained in such a manner as to ensure an accurate measurement of production at all times.

That all meters shall be checked for accuracy at intervals not to exceed one month until further direction by the Secretary-Director. Meters shall be calibrated against a master meter or against a test tank of measured volume and the results of such calibration filed with the Commission on the Commission form entitled "Master Test Report."

(5) That the applicant shall install adequate testing facilities to permit the testing of all wells located on the said R. L. Brunson Lease at least once each month to determine the individual production from each of said wells.

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Case No. 1719  
Order No. R-1447

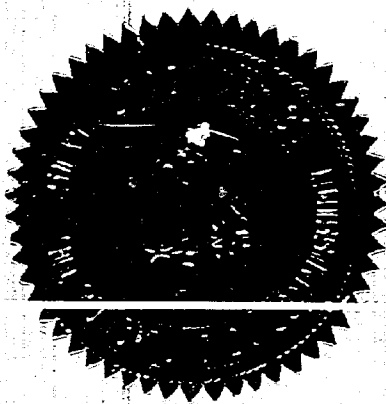
DONE at Santa Fe, New Mexico, on the day and year herein-  
above designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*John T. Burroughs*  
JOHN BURROUGHS, Chairman

*M. E. Morgan*  
MURRAY E. MORGAN, Member

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



vem/

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

August 3, 1959

Mr. Charlie White  
Box 787  
Bishop Building  
Santa Fe, New Mexico

Dear Mr. White:

On behalf of your client, Sinclair Oil and Gas Company,  
we enclose two copies of Order No. R-1447 in Case No.  
1719, issued by the Oil Conservation Commission on July  
31, 1958.

Very truly yours,

A. L. PORTER, Jr.  
Secretary-Director

lr/

Enclosures

*Copy sent to  
Mr. G. B. Gustin & Associates*

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P  
Y

OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

Date 7-20-59

CASE NO. 1719

HEARING DATE 9 am 7-8-59

My recommendations for an order in the above numbered case(s) are as follows:

Enter an order permitting Sinclair Oil & Gas Company to produce sour <sup>type</sup> crudes from the Peuroe Skelly Pool and the Poddock Pool underlying its R.L. Brunson Lee (comprising the W/2 SE/4 Sec 4 and the NW/4 SW/4 Sec 3, T 22 S, R 37 E Lea Co., N.M.) in a common tank battery to be located in the approximate center of of said W/2 SE/4 Sec 4. Also authorize Sinclair to produce sweet type crudes from the Hare Pool, the Drinkard Pool, and the Tubbs Gas Pool into underlying said lease in a common tank battery similarly located. Provide that <sup>Staff Member</sup> the production from each pool shall be separately metered prior to commingling. Provide further that production from each pool must be adequately treated <sup>if making water</sup> provided. Require adequate testing & storage facilities. Require meter tests monthly.



SINCLAIR OIL & GAS COMPANY  
 R. L. BRUNSON LEASE  
 SECTIONS 3 & 4, T-22-S, R-37-E  
 LEA COUNTY, NEW MEXICO

1. Savings in Investment and Equipment by Commingling

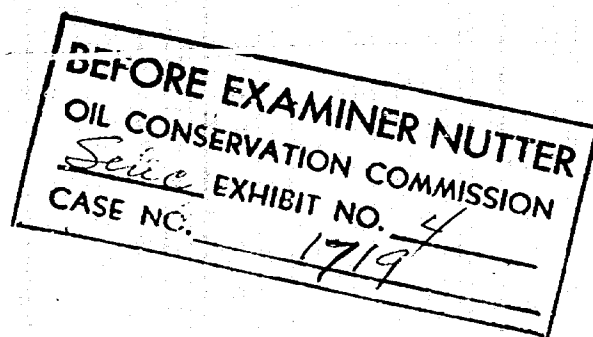
Two new 210 bbl tanks (Tubb)	\$ 3,490
Recover two 500 bbl tanks (Hare)	4,117
Recover one 210 bbl tank (Penrose)	825
Recover one heater (Penrose)	750
Gross Savings	\$ 9,182

2. Additional Equipment to be Purchased

Two heater treaters (Penrose & Paddock)	\$ 2,906
Five meters @ \$505 each	2,525
Total Expense	\$ 5,431

3. Net Saving in Equipment after  
 Commingling

\$ 3,751



Ex 4



SINCLAIR OIL & GAS COMPANY  
R. L. BRUNSON LEASE

STATISTICAL ANALYSIS OF COMINGLING

NUMBER WELLS	DAILY PRODUCTION	TYPE CRUDE	GRAVITY °API	PIPE LINE	PRICE PER BBL	SELLING PRICE COMPARISON	
						SEPARATELY	COMINGLED
3	58-0 3-W	sweet	36	TNPL	\$ 2.93	\$ 169.94	37.2° API @ \$2.95/bbl. = \$ 398.25
2	70-0 22-W	sweet	36	TNPL	2.93	205.10	
1	7-0	sweet	52	TNPL	2.85	19.95	
135						\$ 394.99	
2	10-0 2-W	sour	34	SHELL	2.77	27.70	35.6° API @ \$2.80/bbl. = 70.00
1	15-0 2-W	sour	36	SHELL	2.83	42.45	
25						\$ 70.15	
TOTALS						\$ 465.14	\$ 468.25
INCREASE/DAY BY COMINGLING							\$ 3.11
INCREASE/MONTH BY COMINGLING							\$ 93.30

RE EXAMINER NUTTER  
CONSERVATION COMMISSION  
INC EXHIBIT NO. 5  
NO. 1719

EX 5

SINCLAIR OIL & GAS COMPANY  
R. L. BRUNSON LEASE

STATISTICAL ANALYSIS OF COMINGLING

POOL	NUMBER WELLS	DAILY PRODUCTION		TYPE CRUDE	GRAVITY °API	PIPE LINE	PRICE PER BBL	SELLING PRICE COMPARISON	
								SEPARATELY	COMINGLED
Drinkard	3	58.0	3-W	sweet	36	TNMPL	\$ 2.93	\$ 169.94	37.2° API @ \$2.95
Hare	2	70.0	22-W	sweet	36	TNMPL	2.93	205.10	
Tubb	1	7.0		sweet	52	TNMPL	2.85	19.95	
		135						\$ 394.99	
Penrose Skelly	2	10.0	2-W	sour	34	SHELL	2.77	27.70	35.6° API @ \$2.80
Paddock	1	15.0	2-W	sour	36	SHELL	2.83	42.45	
		25						\$ 70.15	
TOTALS								\$ 465.14	

TOTALS

INCREASE/DAY BY COMINGLING

INCREASE/MONTH BY COMINGLING

BEFORE EXAMINER NUTTER  
OIL CONSERVATION COMMISSION  
Sine EXHIBIT NO. 2  
CASE NO. 1719

No. 24-59

DOCKET: EXAMINER HEARING JULY 8, 1959

OIL CONSERVATION COMMISSION, 9 a.m., MABRY HALL, STATE CAPITOL, SANTA FE

The following cases will be heard before Daniel S. Nutter, Examiner, or  
A. L. Porter, Jr., Secretary-Director.

CASE 1707:

Application of Continental Oil Company for two non-standard oil proration units. Applicant, in the above-styled cause, seeks the establishment of two non-standard oil proration units for Delaware production, one 49.8-acre unit to consist of lots 1 and 2 of partial Section 35, Township 26 South, Range 32 East, Lea County, New Mexico, the other 49.9-acre unit to consist of lots 3 and 4 of said partial Section 35. Said units are to be dedicated respectively to a well to be located 330 feet from the North and East lines of lot 1 and to a well to be located 330 feet from the North and East lines of lot 3, all in said Section 35.

CASE 1708:

Application of Continental Oil Company for permission to commingle the production from three separate leases. Applicant, in the above-styled cause, seeks permission to commingle the production from an undesignated Delaware pool from three separate leases in Sections 25, 26, and 35, Township 26 South, Range 32 East, Lea County, New Mexico, after separately metering the production from each lease.

CASE 1709:

Application of Continental Oil Company for a 160-acre non-standard gas proration unit. Applicant, in the above-styled cause, seeks the establishment of a 160-acre non-standard gas proration unit in an undesignated Tubbs gas pool consisting of the E/2 SW/4 and the W/2 SE/4 of Section 15, Township 20 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to applicant's Britt B-15 Well No. 9 located 1980 feet from the South and East lines of said Section 15.

CASE 1710:

Application of The Atlantic Refining Company for the establishment of three non-standard oil proration units and for approval of an unorthodox oil well location. Applicant, in the above-styled cause, seeks the establishment of three 44.56-acre non-standard oil proration units in the Horseshoe-Gallup Oil Pool, the three units together to comprise all of lots 1, 2, 3, and 4 of Section 33, Township 31 North, Range 16 West, San Juan County, New Mexico, one unit to be dedicated to a well in said lot 1, another to a well in said lot 2, the other to a well in said lot 4. Applicant further seeks approval of an unorthodox location for the well in said lot 2.

CASE 1711:

Application of The Atlantic Refining Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its State "Y" Well No. 8, located in the SE/4 NE/4 of Section 25, Township 25 South, Range 37 East, Lea County, New Mexico, in such a manner as to produce oil from the Justis Blinbry Pool and from the Justis Fusselman Pool through parallel strings of tubing.

CASE 1712:

Application of Angels Peak Oil Company for a non-standard gas proration unit or in the alternative for a force pooling order. Applicant, in the above-styled cause, seeks the establishment of a 98.87-acre non-standard gas proration unit in the Fulcher Kutz-Pictured Cliffs Pool consisting of lots 1 and 2 of Section 10 and lots 3 and 4 of Section 11, both in Township 28 North, Range 11 West, San Juan County, New Mexico said unit to be

CASE 1712 (continued) dedicated to applicant's Angels Peak Well No. 5, located 285 feet from the North line and 1520 feet from the West line of said Section 11. Applicant proposes, in the alternative, to force pool all interests in the above-described acreage in said Fulcher Kutz-Pictured Cliffs Pool.

CASE 1713: Application of El Paso Natural Gas Company for a gas-gas dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Hancock Well No. 3, located in the SW/4 SW/4 of Section 22, Township 28 North, Range 9 West, San Juan County, New Mexico, in such a manner as to produce gas from the Aztec-Pictured Cliffs Pool and to produce gas from the Blanco-Mesaverde Pool through the casing-tubing annulus and tubing respectively. Applicant proposes to utilize a retrievable-type packer in said well.

CASE 1714: Application of John H. Trigg for an order authorizing a pilot water flood project, for capacity allowables for seven wells in said project area, and for establishment of an administrative procedure for expansion of said project and for granting capacity allowables. Applicant, in the above-styled cause, seeks an order authorizing it to institute a pilot water flood project in the Caprock-Queen Pool in Chaves County, New Mexico. Applicant proposes to inject water into the Queen formation through 4 wells located in Sections 4 and 5, Township 14 South, Range 31 East. Applicant also seeks capacity allowables for seven wells in said project. Applicant further seeks the establishment of a procedure whereby the project area may be expanded and capacity allowables granted without notice and hearing.

CASE 1715: Application of Gulf Oil Corporation for permission to install a lease automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing it to install automatic custody transfer equipment to receive and measure the oil produced from its B. V. Culp Lease consisting of the SW/4 NW/4, E/2 NW/4, and the NE/4 of Section 19, Township 19 South, Range 37 East, Lea County, New Mexico.

CASE 1716: Application of Northwest Production Corporation for an oil-gas dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its "S" Lease Well No. 15-11, located in the NE/4 NE/4 of Section 11, Township 24 North, Range 4 West, Rio Arriba County, New Mexico, in such a manner as to produce oil from an undesignated Gallup oil pool and the production of gas from an undesignated Dakota gas pool through parallel strings of tubing.

CASE 1717: Application of Pan American Petroleum Corporation for an exception to the "No-Flare" provisions of Order No. R-1237. Applicant, in the above-styled cause, seeks an exception to the requirement in Order No. R-1237 that no casinghead gas be flared or vented from any well within the defined limits of the Otero-Gallup Oil Pool or within one mile therefrom for its Jicarilla Tribal 35 Well No. 1, located in the NW/4 SW/4 of Section 35, Township 25 North, Range 5 West, Rio Arriba County, New Mexico.

CASE 1718: Application of Samedan Oil Corporation for an unorthodox oil well location. Applicant, in the above-styled cause, seeks an order authorizing an unorthodox oil well location in the Kemnitz-Wolfcamp Pool for a well to be located 660 feet from the South and East lines of Section 20, Township 16 South, Range 34 East, Lea County, New Mexico, in exception to the spacing requirements for said pool as promulgated by Order No. R-1011.

CASE 1719:

Application of Sinclair Oil & Gas Company to commingle the production from several separate pools. Applicant, in the above-styled cause, seeks authority to commingle the production from the Penrose-Skelly Pool and the Paddock Pool from all wells on its Brunson lease comprising the NW/4 SW/4 of Section 3 and the W/2 SE/4 of Section 4, Township 22 South, Range 37 East, Lea County, New Mexico. Applicant further seeks permission to commingle the production from the Hare Pool, Drinkard Pool and Tubb Gas Pool from all wells on said lease.

CASE 1720:

Application of Skelly Oil Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its W. P. Saunders Well No. 1, located in the SW/4 SE/4 of Section 11, Township 26 North, Range 11 West, San Juan County, New Mexico, in such a manner as to produce oil from the Gallegos-Gallup Oil Pool and to produce oil from an undesignated Dakota pool through parallel strings of tubing.

CASE 1721:

Application of Great Western Drilling Company for an automatic custody transfer system, for permission to commingle the production from separate leases, for permission to produce more than 16 wells into a common tank battery, and for an administrative procedure whereby wells may be produced in excess of top unit allowable. Applicant, in the above-styled cause, seeks an order authorizing installation of an automatic custody transfer system and for permission to commingle the Caprock-Queen Pool production from more than 16 wells located on separate leases within the confines of the North Central Caprock Queen Unit Area in Township 13 South, Ranges 31 and 32 East, Lea and Chaves Counties, New Mexico. Applicant further proposes the establishment of an administrative procedure whereby wells in said Unit Area may be permitted to produce in excess of top unit allowable for said Caprock-Queen Pool.

CARL H. GILBERT  
L. C. WHITE  
WILLIAM W. GILBERT  
SUMNER S. KOCH  
EDWIN E. PIPER, JR.

GILBERT, WHITE AND GILBERT  
ATTORNEYS AND COUNSELORS AT LAW  
BISHOP BUILDING  
SANTA FE, NEW MEXICO

May 28, 1959

*First  
Examined  
Hearing in Case  
July 17/19  
(probably 8)*

New Mexico Oil Conservation Commission  
Capitol Building  
Santa Fe, New Mexico

Attention: Mr. Peter Porter

Gentlemen:

Enclosed herewith please find original and one copy of Application by Sinclair Oil & Gas Company for authority to commingle in common storage production from various Pools on Applicant's R. L. Brunson Lease in Section 4, Lea County, New Mexico.

With kindest regards, I am

Very truly yours,

*L. C. White*

L. C. WHITE

LCW:LG  
Enclosures

BEFORE THE OIL CONSERVATION COMMISSION OF  
THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF  
SINCLAIR OIL & GAS COMPANY FOR AN  
ORDER (A) PERMITTING AND AUTHORIZING  
THE COMMINGLING OF OIL INTO COMMON  
STORAGE PRODUCED FROM THE PENROSE  
SKELLY POOL AND THE PADDOCK POOL AND  
(B) PERMITTING AND AUTHORIZING THE  
COMMINGLING OF OIL INTO COMMON STORAGE  
PRODUCED FROM THE HARE POOL, THE  
DRINKARD POOL AND THE TUBB GAS POOL  
FROM WELLS LOCATED ON APPLICANT'S  
R. L. BRUNSON LEASE, CONSISTING OF *the NW<sup>4</sup> of the SW<sup>4</sup> of sec 3, and the*  
THE W/2 OF THE SE/4 OF SECTION 4,  
TWP 22 SOUTH, RGE. 37 EAST, N.M.P.M.,  
LEA COUNTY, NEW MEXICO

CASE NO. *1719*

ORDER NO. \_\_\_\_\_

A P P L I C A T I O N

Sinclair Oil & Gas Company, a Maine corporation with  
an operating office in Midland, Texas, hereby files its appli-  
cation herein, in triplicate, and represents the following:

I.

Applicant is the owner and operator of its R. L. Brunson  
Lease consisting of patented land and described as *NW<sup>4</sup>SW<sup>4</sup> of sec. 3 and the*  
the SE/4 of Section 4, Twp. 22 South, Rge. 37 East, N.M.P.M.,  
Lea County, New Mexico. Said lease is productive of sour type  
crudes produced from the Penrose Skelly Pool and the Paddock  
Pool and is productive of sweet type crudes produced from the  
Hare Pool, the Drinkard Pool and the Tubb Gas Pool.

II.

Applicant seeks permission and authority, as an excep-  
tion under Rule 303, for the commingling of the sour type  
crudes into common storage which are produced from the Penrose  
Skelly Pool and the Paddock Pool in wells located on the lease,  
and for the commingling of the sweet type crudes into common  
storage which are produced from the Hare Pool, the Drinkard  
Pool and the Tubb Gas Pool in wells located on the lease.

The common storage for the sour type crudes will be separate  
from the common storage for the sweet type crudes. Adequate

*Doyle*  
*Maile*  
*6-25-59*  
*[Signature]*

facilities, either positive displacement meters or dump type metering vessels, will be provided to insure at all times accurate determination of the production from the separate pools which may be commingled into common storage.

III.

Applicant believes and, therefore, alleges, that the commingling of such production into common storage is mechanically feasible and that the same will not adversely affect correlative rights and is in the interest of prevention of waste.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner at Santa Fe, New Mexico, at the earliest convenience; that notice be given hereon and that upon such hearing authority and permission be granted to applicant for the commingling of production from the separate pools located on said lease.

HORACE N. BURTON  
P. O. Box 1470  
Midland, Texas

GILBERT, WHITE AND GILBERT

✓ By Lewis  
Bishop Building  
Santa Fe, New Mexico

ATTORNEYS FOR APPLICANT  
SINCLAIR OIL & GAS COMPANY