



Lone Star Producing Company

P. O. Box 4815 • Midland, Texas 79701
WEST TEXAS PRODUCTION DISTRICT

C. R. RAMSEY
District Superintendent

E. C. WATSON
Assistant Superintendent

October 26, 1970

CTB-

Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. Daniel S. Nutter

Re: Application for Commingling
N.M. (55) Federal No. 1 & 2 Wells
Vada Pennsylvanian Pool
Roosevelt County, New Mexico

Gentlemen:

Reference is made to the following letters concerning the commingling of production from the two wells named above.

1. Our original application to commingle production dated August 10, 1970.
2. Your letter dated August 18, 1970 wherein you stated that since ownership of the two wells is not identical throughout it will be necessary that the production from each well be metered separately prior to commingling.
3. Our letter dated August 26, 1970 stating that another meter had been installed so that production from each well could be metered separately. A revised skematic showing this change was also submitted with the letter.

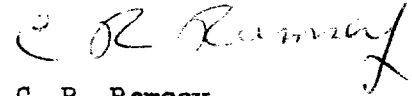
As of this date we have not received notice that our application has been approved. Please advise if additional information is required before this application can be processed.

Attached is revision #2 of the installation showing that the 2-bbl. dump meter has been replaced with a 3" Floco meter. The dump meter proved to be unsatisfactory for this particular metering application.

Your inspection of this installation would be welcomed.

Yours very truly,

LONE STAR PRODUCING COMPANY

A handwritten signature in cursive script, appearing to read "C. R. Ramsey".

C. R. Ramsey
Dist. Prod. Superintendent

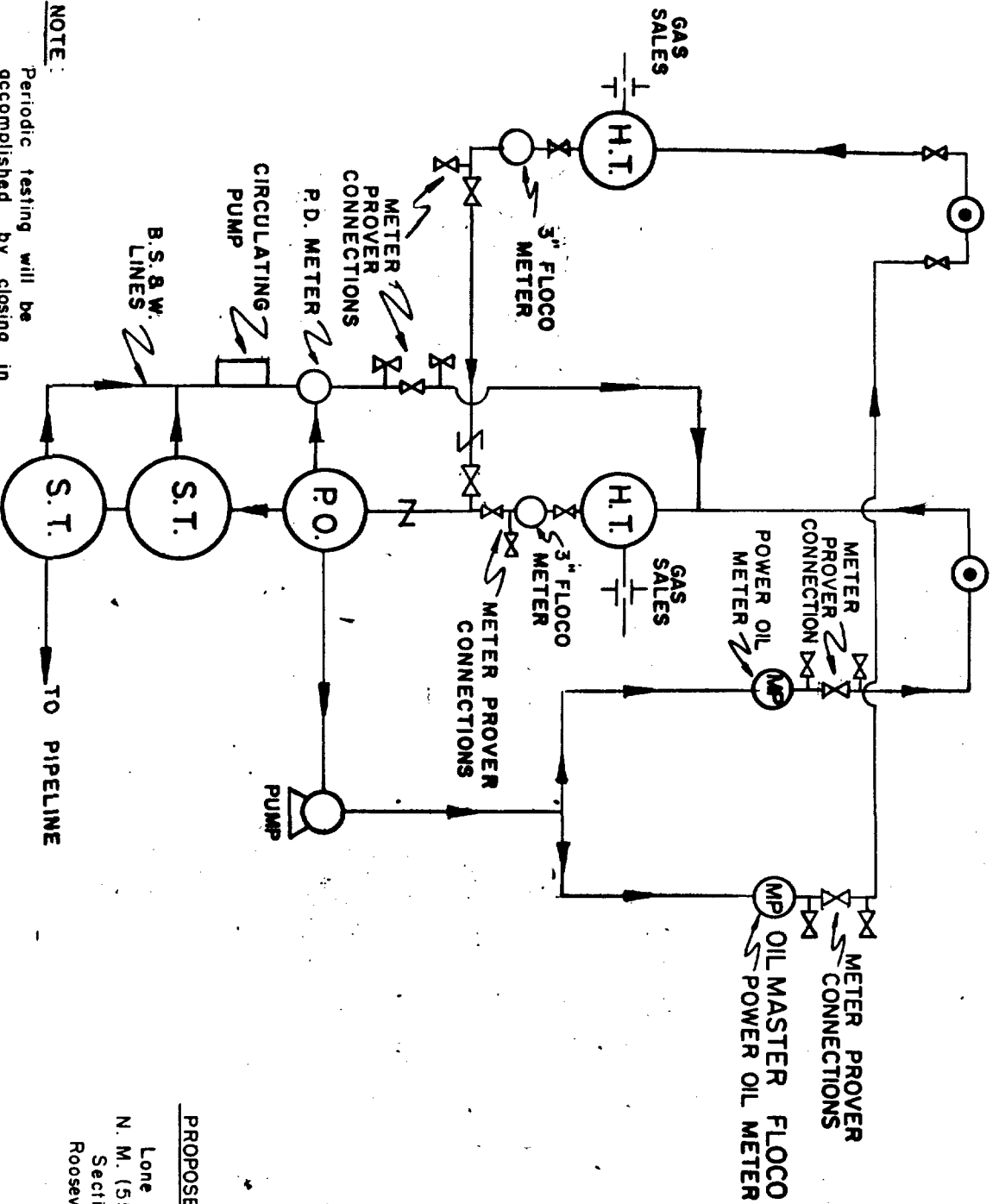
CRR:vjd

cc: Mr. J. D. Ramey
Mr. Carl C. Traywick
Mr. A. R. Brown

Attach-

WELL NO.55-2

WELL NO.55-1



NOTE:
Periodic testing will be accomplished by closing in one well and testing other well to tanks. All tanks have been strapped according to A.P.I. specifications.

PROPOSED COMMINGLING FACILITIES

Lone Star Producing Company
N. M. (55) Federal No. 1 & 2 Wells
Section 27, T-8-S, R-36-E
Roosevelt County, New Mexico
(REVISED 10-23-70)



Lone Star Producing Company

C. R. RAMSEY
District Superintendent

P. O. Box 4815 • Midland, Texas 79701
WEST TEXAS PRODUCTION DISTRICT

E. C. WATSON
Assistant Superintendent

August 26, 1970

1970 AUG 27 PM 1 09

Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. Daniel S. Nutter

Re: Lone Star Producing Company
N. M. (55) Federal No. 1 & 2
Section 27, T-8-S, R-36-E
Roosevelt County, New Mexico

Gentlemen:

Reference is made to our conservation of August 24, 1970 when we discussed the requirement of additional metering equipment to meet the New Mexico State commingling requirement on the subject wells. We wish to advise that the two meters have been installed. We are also attaching a revised skematic diagram of the present installation. We would appreciate it if you would attach same to the form you are holding for approval.

Thank you for your help in this matter and if additional information is needed please advise.

Yours very truly,

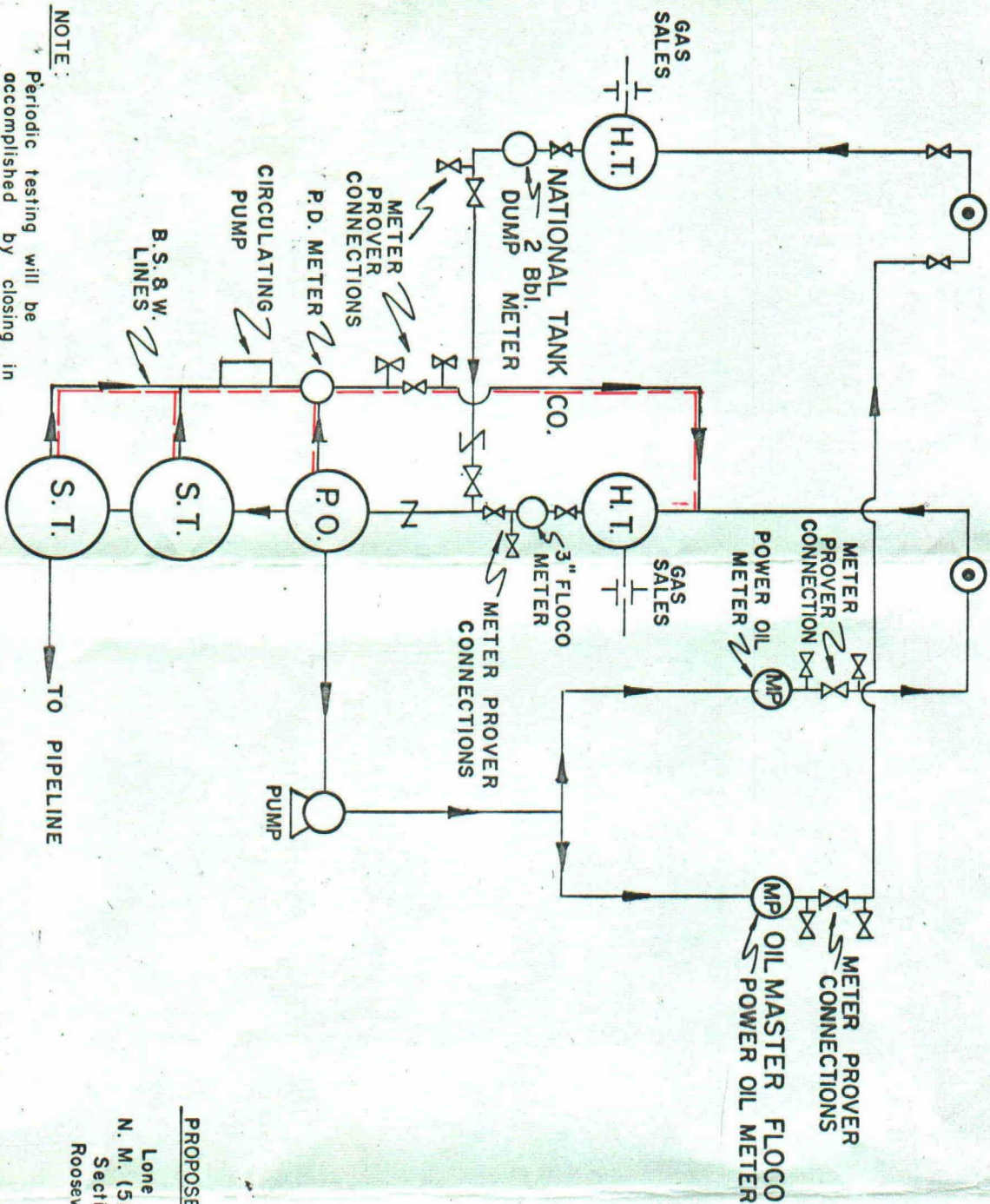
E. C. Watson

ECW:vjd
cc: NMOCC, Hobbs
USGS, Hobbs

Attach-

WELL NO. 55-2

WELL NO. 55-1



NOTE:

Periodic testing will be accomplished by closing in one well and testing other well to tanks. All tanks have been strapped according to A.P.I. specifications.

PROPOSED COMMINGLING FACILITIES

Lone Star Producing Company
N. M. (55) Federal No. 1 & 2 Wells
Section 27, T-8-S, R-36-E
Roosevelt County, New Mexico

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

August 18, 1970

C Lone Star Producing Company
P. O. Box 4815
Midland, Texas 79701

Attention: Mr. E. C. Watson

O Gentlemen:

Reference is made to your letter dated August 10, 1970, wherein you request approval to commingle production from your Federal Wells Nos. 1 and 2 in the Vada-Pennsylvanian Pool, Roosevelt County, New Mexico.

P Inasmuch as the ownership of these two leases is not identical throughout it will be necessary that the production from each lease be metered separately prior to commingling. Please revise the schematic diagram of the proposed commingling facilities to so provide, and we will be happy to process the application.

Y Very truly yours,

DANIEL S. NUTTER
Chief Engineer

DSN/esr



Lone Star Producing Company

P. O. Box 4815 • Midland, Texas 79701
WEST TEXAS PRODUCTION DISTRICT

C. R. RAMSEY
District Superintendent

E. C. WATSON
Assistant Superintendent

August 10, 1970

270 AUG 14 AM 8 22

New Mexico Oil Conservation Commission
P. O. Box 1980
Hobbs, New Mexico 88240

Re: Lone Star Producing Company
Application for Commingling
N. M. (55) Federal No. 1 & 2 Wells
Vada Pennsylvanian Pool
Roosevelt County, New Mexico

Gentlemen:

Under provisions of Rule 309-B, Lone Star Producing Company respectfully requests your approval to commingle the oil production from our N. M. (55) Federal No. 1 and 2 wells in a common tank battery. The commingling of oil production from these two wells will allow for more efficient producing operations with the end result being the recovery of additional oil from the reservoir. Each well is completed in the Bough "C" formation and assigned to the Vada Penn Pool.

In support of this application, the following are enclosed:

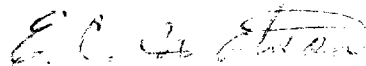
1. Plat showing location of wells and tank battery, completion depth, producing formation and ownership of lease.
2. Schematic diagram of the proposed commingling facility.
3. Copies of letter to all royalty and overriding royalty owners and oil purchaser.
4. Letters from all of the above parties consenting to the commingling proposal.

Page 2
New Mexico Oil Conservation Commission
August 10, 1970

Please contact this office should additional information be required. The No. 2 well on the lease is shut-in pending action on this application.

Yours very truly,

LONE STAR PRODUCING COMPANY



E. C. Watson
Asst. Dist. Prod. Supt.

CRR:vjd
cc: U. S. Geological Survey

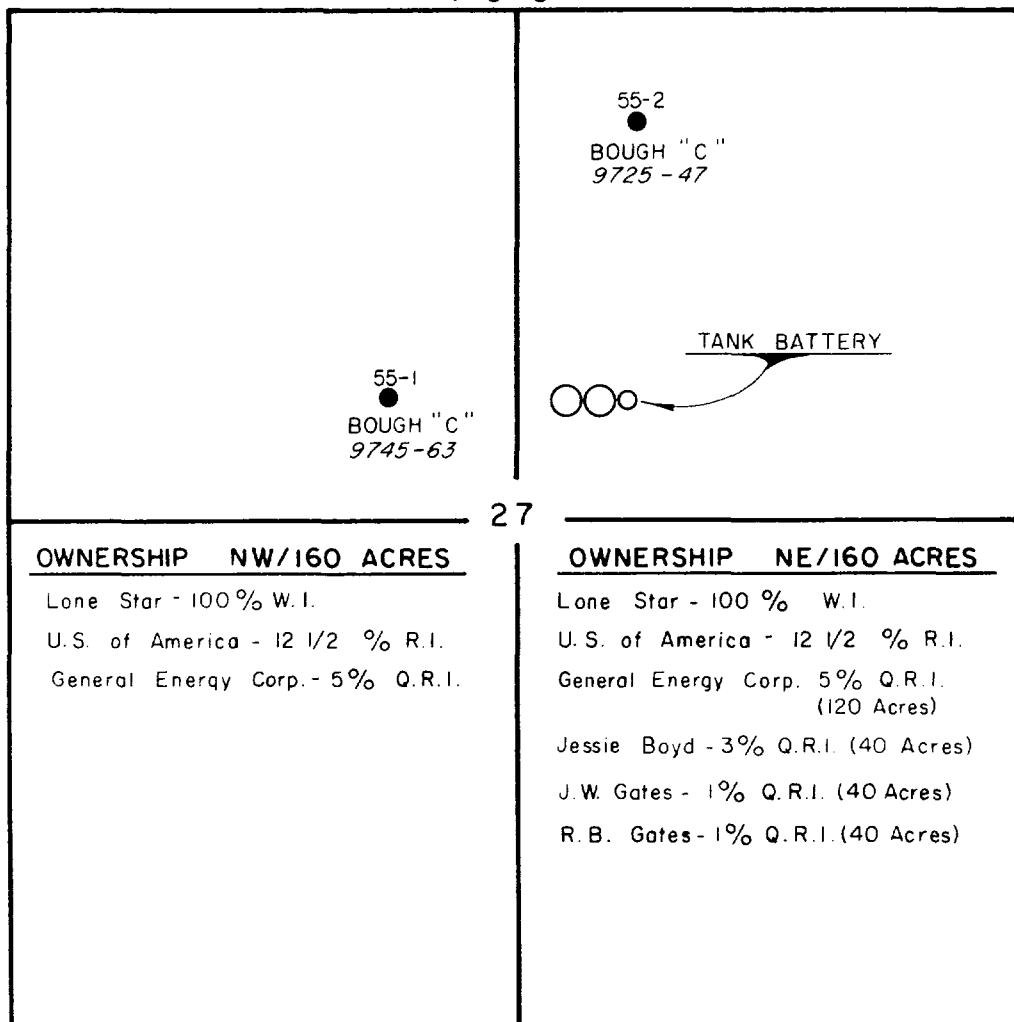
Encls-

RECEIVED

AUG 11 1970

OIL CONSERVATION COMM.
HOBBS, N. M.

T-8-S



N

27

R-36-E

OWNERSHIP NW/160 ACRES

Lone Star - 100% W.I.
U.S. of America - 12 1/2 % R.I.
General Energy Corp. - 5% Q.R.I.

OWNERSHIP NE/160 ACRES

Lone Star - 100 % W.I.
U.S. of America - 12 1/2 % R.I.
General Energy Corp. 5% Q.R.I.
(120 Acres)
Jessie Boyd - 3% Q.R.I. (40 Acres)
J.W. Gates - 1% Q.R.I. (40 Acres)
R.B. Gates - 1% Q.R.I. (40 Acres)

LONE STAR PRODUCING COMPANY

**N. M. (55) FEDERAL LEASE
VADA PENN POOL**

**SECTION 27, T-8-S, R-36-E
Roosevelt County, New Mexico**

SCALE: 1" = 1000'
Dwn by M.S.T

DATE: 7/15/70



Lone Star Producing Company

C. R. RAMSEY
District Superintendent

P. O. Box 4815 • Midland, Texas 79701
WEST TEXAS PRODUCTION DISTRICT

E. C. WATSON
Assistant Superintendent

July 6, 1970

General Energy Corporation
P. O. Box 1042
Boulder, Colorado

Gentlemen:

Lone Star Producing Company recently completed the N. M. (55) Federal No. 2 well in the NE/4 of Section 27, T-8-S, R-36-E, Roosevelt County, New Mexico, as an oil well from the Bough "C" formation. You own a five (5) per cent overriding royalty interest in 120 acres of the 160 acres assigned this well for proration purposes, therefore, you will have a 3.75 per cent interest in all oil and gas sold from the Federal 55-2 well.

$$120/160 \times 0.05 = 3.75 \text{ per cent}$$

In an effort to reduce well operating costs, thereby extending the life of the well which will result in additional revenue to you, Lone Star proposes to commingle the oil from this well with that produced from our Federal 55-1 well located in the adjacent 160 acre quarter section. Rule 309-B of the New Mexico Oil Conservation Commission's Statewide Rules and Regulations provides for the commingling of production from two or more separate leases in a common tank battery. The installation and operation of this facility will be in accordance with the New Mexico Oil Conservation Commission's MANUAL FOR THE INSTALLATION AND OPERATION OF COMMINGLING FACILITIES.

A skematic of the proposed installation is attached for your review. Production from each well will be determined in the following manner:

- (1) Power oil pumped to the 55-2 well to operate pumping equipment will be metered with an Oilmaster Floco meter.
- (2) The returning power oil and produced oil will be metered with a National 2-bbl. dump meter.
- (3) The difference in the two readings obtained above will be the oil produced by the 55-2 well.

(4) This figure will then be subtracted from the total oil measured in the stock tanks to give the production from the 55-1 well.

(5) Gas production from each well will be metered separately.

It is requested that you execute and date the attached letter and return same to the writer. This will signify your consent to the commingling of production from the Federal 55-1 and 55-2 wells in a common tank battery. The approval of all parties owning an interest in the leases is required by Rule 309-B before the Oil Conservation Commission will grant authority for commingling.

Your immediate attention to this matter is requested.

Yours very truly,

LONE STAR PRODUCING COMPANY

ORIGINAL SIGNED
C. R. RAMSEY

C. R. Ramsey
Dist. Prod. Superintendent

CRR:vjd

Encls-



Lone Star Producing Company

C. R. RAMSEY
District Superintendent

P. O. Box 4815 • Midland, Texas 79701
WEST TEXAS PRODUCTION DISTRICT

E. C. WATSON
Assistant Superintendent

July 6, 1970

Mr. John W. Gates
707 West Grand Ave.
Artesia, New Mexico

Dear Mr. Gates:

Lone Star Producing Company recently completed the N. M. (55) Federal No. 2 well in the NE $\frac{1}{4}$ of Section 27, T-8-S, R-36-E, Roosevelt County, New Mexico, as an oil well from the Bough "C" formation. You own a one (1) per cent overriding royalty interest in the NE $\frac{1}{4}$ of the 160 acre proration unit assigned this well, therefore, you will have a 0.25 per cent interest in all oil and gas sold from the Federal 55-2 well.

$$40/160 \times 0.01 = 0.25 \text{ per cent}$$

In an effort to reduce well operating costs, thereby extending the life of the well which will result in additional revenue to you, Lone Star proposes to commingle the oil from this well with that produced from our Federal 55-1 well located in the adjacent 160 acre quarter section. Rule 309-B of the New Mexico Oil Conservation Commission's Statewide Rules and Regulations provides for the commingling of production from two or more separate leases in a common tank battery. The installation and operation of this facility will be in accordance with the New Mexico Oil Conservation Commission's MANUAL FOR THE INSTALLATION AND OPERATION OF COMMINGLING FACILITIES.

A schematic of the proposed installation is attached for your review. Production from each well will be determined in the following manner:

- (1) Power oil pumped to the 55-2 well to operate pumping equipment will be metered with an Oilmaster Floco meter.
- (2) The returning power oil and produced oil will be metered with a National 2-bbl. dump meter.
- (3) The difference in the two readings obtained above will be the oil produced by the 55-2 well.

(4) This figure will then be subtracted from the total oil measured in the stock tanks to give the production from the 55-1 well.

(5) Gas production from each well will be metered separately.

It is requested that you execute and date the attached letter and return same to the writer. This will signify your consent to the commingling of production from the Federal 55-1 and 55-2 wells in a common tank battery. The approval of all parties owning an interest in the leases is required by Rule 309-B before the Oil Conservation Commission will grant authority for commingling.

Your immediate attention to this matter is requested.

Yours very truly,

LONE STAR PRODUCING COMPANY

ORIGINAL SIGNED
C. R. RAMSEY

C. R. Ramsey
Dist. Prod. Superintendent

CRR:vjd

Encls-



Lone Star Producing Company

C. R. RAMSEY
District Superintendent

P. O. Box 4815 • Midland, Texas 79701
WEST TEXAS PRODUCTION DISTRICT

E. C. WATSON
Assistant Superintendent

July 6, 1970

Mrs. Jessie Ruth Boyd
510 West Texas Avenue
Artesia, New Mexico

Dear Mrs. Boyd:

Lone Star Producing Company recently completed the N. M. (55) Federal No. 2 well in the NE $\frac{1}{4}$ of Section 27, T-8-S, R-36-E, Roosevelt County, New Mexico, as an oil well from the Bough "C" formation. You own a three (3) per cent overriding royalty interest in the NE $\frac{1}{4}$ acres of the 160 acre proration unit assigned this well, therefore, you will have a 0.75 per cent interest in all oil and gas sold from the Federal 55-2 well.

$$40/160 \times 0.03 = 0.75 \text{ per cent}$$

In an effort to reduce well operating costs, thereby extending the life of the well which will result in additional revenue to you, Lone Star proposes to commingle the oil from this well with that produced from our Federal 55-1 well located in the adjacent 160 acre quarter section. Rule 309-B of the New Mexico Oil Conservation Commission's Statewide Rules and Regulations provides for the commingling of production from two or more separate leases in a common tank battery. The installation and operation of this facility will be in accordance with the New Mexico Oil Conservation Commission's MANUAL FOR THE INSTALLATION AND OPERATION OF COMMINGLING FACILITIES.

A schematic of the proposed installation is attached for your review. Production from each well will be determined in the following manner:

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- (2) The returning power oil and produced oil will be metered with a National 2-bbl. dump meter.
- (3) The difference in the two readings obtained above will be the oil produced by the 55-2 well.

- (4) This figure will then be subtracted from the total oil measured in the stock tanks to give the production from the 55-1 well.
- (5) Gas production from each well will be metered separately.

It is requested that you execute and date the attached letter and return same to the writer. This will signify your consent to the commingling of production from the Federal 55-1 and 55-2 wells in a common tank battery. The approval of all parties owning an interest in the leases is required by Rule 309-B before the Oil Conservation Commission will grant authority for commingling.

Your immediate attention to this matter is requested.

Yours very truly,

LONE STAR PRODUCING COMPANY

ORIGINAL SIGNED
C. R. RAMSEY

C. R. Ramsey
Dist. Prod. Superintendent

CRR:vjd

Encls-



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Drawer 1857
Roswell, New Mexico 88201

RECEIVED

JUL 27 1970

MIDLAND PRODUCTION

July 22, 1970

Lone Star Producing Co.
P. O. Box 4815
Midland, Texas 79701

Attention: Mr. C. R. Ramsey

Gentlemen:

Your letter of July 16 requests approval to commingle Vada Pennsylvanian pool production from your wells Nos. 1 and 2 in the N $\frac{1}{2}$ sec. 27, T. 8 S., R. 36 E., Roosevelt County, New Mexico. These wells are on the same lease, New Mexico 0328425. However, acreage dedicated to well No. 2 will be communitized with land involving lease New Mexico 0348589.

The system for commingling described in the diagram attached to your letter is hereby approved, subject to no objection by owners of overriding royalty interests and like approval by the New Mexico Oil Conservation Commission. Your Lessee's Monthly Report of Sales and Royalty, Form 9-361, should show all computations used in allocating production to each lease.

Please notify this office when the installation is completed so that a field inspection of the system can be made.

Sincerely yours,

Carl C. Traywick

CARL C. TRAYWICK
Acting Oil and Gas Supervisor

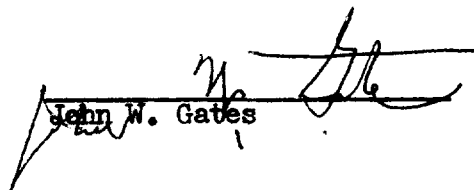
Mobil Oil Corporation consents to the commingling of oil production from Lone Star Producing Company's N. M. (55) Federal No. 1 and 2 wells located in Section 27, T-8-S, R-36-E, Roosevelt County, New Mexico, and agrees to purchase the commingled oil from these two wells.

MOBIL OIL CORPORATION

By: J. H. Joubert

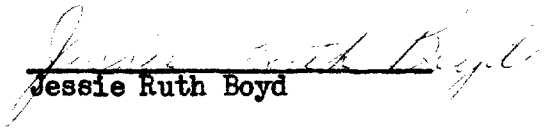
Date: 7-7-70

As owner of a one (1) per cent overriding royalty interest in the NE/4 of the NE/4 of Section 27, T-8-S, R-36-E, Roosevelt County, New Mexico, I have no objection to Lone Star Producing Company's proposal to commingle oil from their N. M. (55) Federal No. 1 and No. 2 wells in a common tank battery.

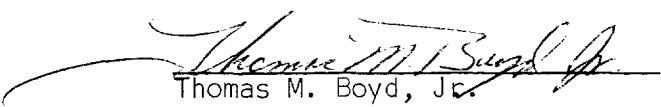

John W. Gates

Date: JULY 16, 1970

As owner of a three (3) per cent overriding royalty interest in the NE/4 of the NE/4 of Section 27, T-8-S, R-36-E, Roosevelt County, New Mexico, I have no objection to Lone Star Producing Company's proposal to commingle oil from their N. M. (55) Federal No. 1 and No. 2 wells in a common tank battery.


Jessie Ruth Boyd

Date: August 3, 1970


Thomas M. Boyd, Jr.

Testamentary Trustee under the
will of Thomas M. Boyd

Date: July 29, 1970

As owner of a one (1) per cent overriding royalty interest in the NE/4 of the NE/4 of Section 27, T-8-S, R-36-E, Roosevelt County, New Mexico, I have no objection to Lone Star Producing Company's proposal to commingle oil from their N. M. (55) Federal No. 1 and No. 2 wells in a common tank battery.

Robert B. Gates
Robert B. Gates

Date: July 16, 1970

As owner of a five (5) per cent overriding royalty interest in 280 acres, being the NW/4, the S/2 of the NE/4 and the NW/4 of the NE/4, all out of Section 27, T-8-S, R-36-E, Roosevelt County, New Mexico, we have no objection to Lone Star Producing Company's proposal to commingle oil from their N. M. (55) Federal No. 1 and No. 2 wells in a common tank battery.

GENERAL ENERGY CORPORATION

By:  PRES.

Date: 7-14-70