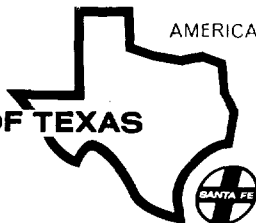


OIL DEVELOPMENT COMPANY OF TEXAS



AMERICAN NATIONAL BANK BUILDING P.O. BOX 12058,
AMARILLO, TEXAS 79101 • PHONE 806/376-5744

A SANTA FE INDUSTRIES COMPANY

7 1977

August 8, 1977

NM-47

New Mexico Oil Conservation Commission
Box 1980
Hobbs, New Mexico 88240

Re: Request for approval of
a proposed tank battery
modification on the Carlson
B Federal lease (LC-032579e)
Section 25-25S-37E, Lea County,
New Mexico

Gentlemen:

As you know, Oil Development Company of Texas (ODCOT) recently acquired Westates Petroleum Company's producing properties, one of which is the subject lease. The Carlson B Tank Battery located in the S/2 SE/4 of section 25-25S-37E serves five separate wellbores (wells B-25 #2, #3, #4, #5, and #6) and three separate pools (Blinebry, Tubb-Drinkard, and the Fusselman).

Working interest, royalty interest and overriding royalty interest is the same for all wellbores and all pools.

Inspection of the attached figure no. 1, which is a schematic of the piping network on the Carlson B Tank Battery, indicates that oil and water production from the three pools is commingled downstream of the four separators and gas production is kept separated until metered for sales. It is assumed that Westates Petroleum Company was allocating production of oil to pools on the basis of individual well tests.

Since aquisition of Westates Petroleum Company, ODCOT has viewed the subject tank battery and found the present separators are obsolete and in poor condition. Replacement parts for the separators are not obtainable. By commingling of gas production the present system can be greatly simplified, more economical to operate, and more energy conscious.

2-4 P Justin T. Dr
3 0

3 0 Justin F. Dr
6 P

6-2 P Justin Bl
5 0

August 8, 1977
Carlson B

Page 2

ODCOT proposes the following modifications (see figure2), with gas allocation to be made as oil allocation is made, by individual well tests.

1. Remove all four obsolete separators and replace with one more modern separator. This will reduce leakage losses.
2. Replace "pre-heater" with free water knockout to reduce lease gas consumption.
3. Incorporate a skim tank downstream of the Treater and FWKO to reduce oil carry-over to disposal system.
4. Reduce number of stock tanks.

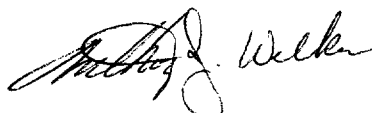
The proposed system modification is energy conscious, more economical to operate, more sanitary, and would still accomplish the objective of oil and gas allocation by pool, by well.

The gas purchaser here, ElPaso Natural Gas, pays one price for all the gas, regardless of pool. Therefore, gas royalty income would not be reduced. ElPaso Natural Gas was contacted with reference to the proposed modification and they were in favor of the modification because it will reduce their meter and manpower requirements.

As the lease involves federal lands, attached is a copy of the letter received from Arthur R. Brown, District Engineer, for the United States Geological Survey, indicating their approval of the subject modification contingent upon NMOCC approval.

The proposed system modification is beneficial in every respect and therefore approval is requested.

Sincerely,



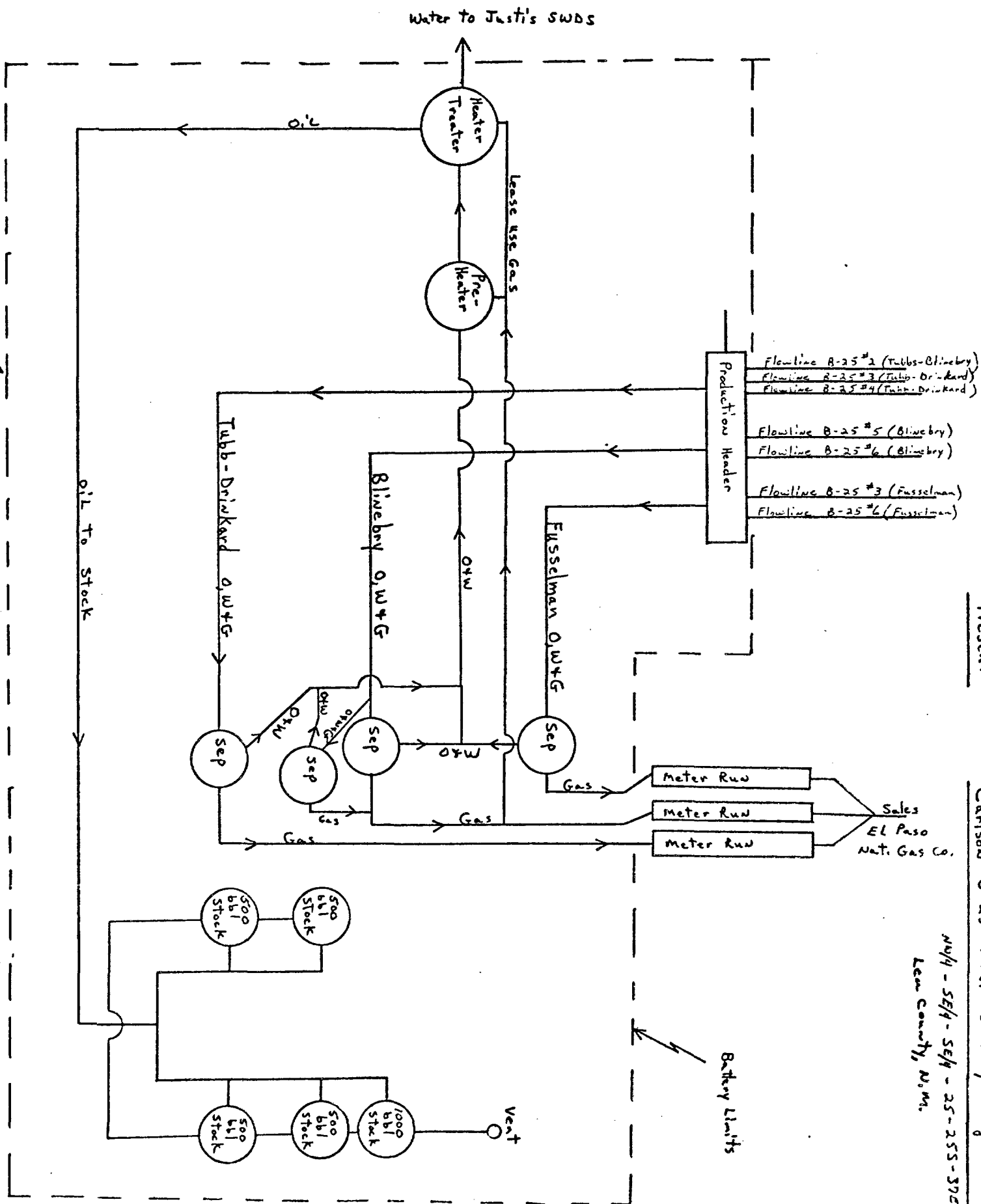
Anthony J. Welker

AJW:ldc
Enclosure

Present

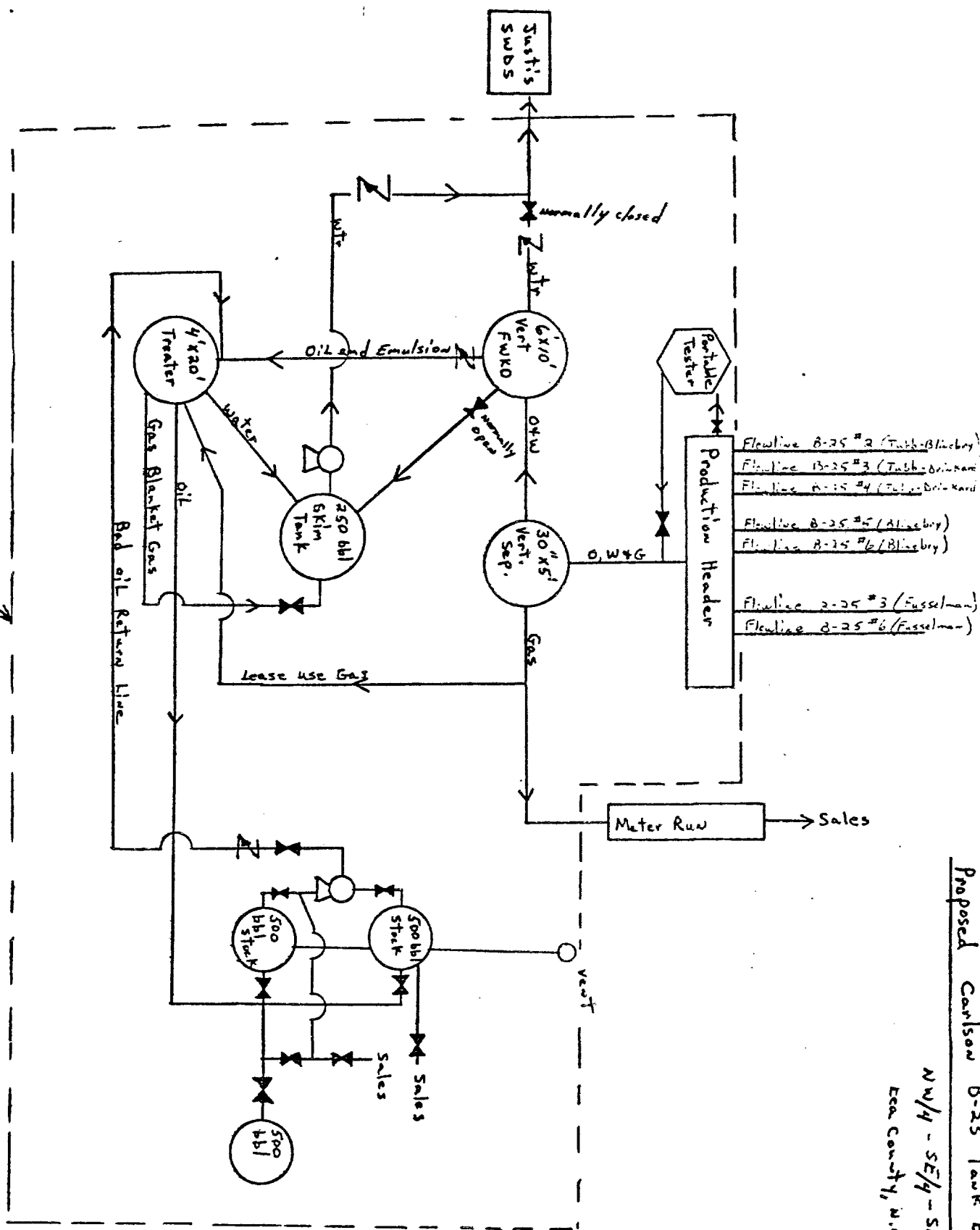
Carlson B-25 Tank Battery Figure No. 1

NW 1/4 - SE 1/4 - SE 1/4 - 25-255-37E
Lea County, N.M.

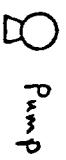


24-11-14

ASW 5/77



Symbols



Pump



Black valve

Lease Tank Battery Limit

ATW 5/77



United States Department of the Interior

GEOLOGICAL SURVEY

P. O. Box 1157
Hobbs, New Mexico 88240

JCM		1	ENG	<i>ARK</i>
MRS			GEOL	
CJB			GEOP	
HLH			TAX	
LAND			ACCTG	
July 8, 1977 ^{JUL 12} 1977				
		2	200	DDO
		3	REU	
			FILE	
			B. C.	

Oil Development Company of Texas
P. O. Box 12058
Amarillo, Texas 79101

Gentlemen:

Your letter application of May 27 requests approval to commingle Blinebry, Tubb-Drinkard and Fusselman production from wells on your Carlson "B" Federal lease in the S $\frac{1}{2}$ SE $\frac{1}{4}$ sec. 25, T. 25 S., R. 37 E., Lea County, New Mexico, lease Las Cruces 032579(e). Production is to be allocated to each pool and to each well on the basis of individual well tests.

Commingle of Blinebry, Tubb-Drinkard, and Fusselman production from wells on the above described lease is hereby approved subject to like approval by the New Mexico Oil Conservation Commission.

Sincerely yours,


Arthur R. Brown
District Engineer

