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BEFORE THE OIL CONSERVATION COMMISSION OF THE  
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF  
SINCLAIR OIL & GAS COMPANY FOR  
APPROVAL OF AN AUTOMATIC CUSTODY  
TRANSFER SYSTEM AND THE COMMINGLING  
OF OIL PRODUCED FROM THE DEAN DEVONIAN  
POOL AND THE DEAN PERMO-PENNSYLVANIAN  
POOL ON ITS STATE LEASE NO. 396 LEASE,  
CONSISTING OF NE $\frac{1}{4}$ , S $\frac{1}{2}$ NW $\frac{1}{4}$  and N $\frac{1}{2}$ SW $\frac{1}{4}$  OF  
SECTION 35, T-15-S, R-36-E, LEA COUNTY,  
NEW MEXICO.

CASE NO. 2127

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 application herein, in triplicate, and represents:

1.

That the applicant, Sinclair Oil & Gas Company, is the owner and operator of its State Lea No. 396 Lease, consisting of the NE $\frac{1}{4}$ , S $\frac{1}{2}$ NW $\frac{1}{4}$  and N $\frac{1}{2}$ SW $\frac{1}{4}$  of Section 35, T-15-S, R-36-E, Lea County, New Mexico, and that said lease is productive of oil from the Dean Devonian Pool and the Dean Permo-Pennsylvanian Pool. There are three Devonian completions and four Dean Permo-Pennsylvanian completions on such lease.

2.

Applicant proposes to install an automatic custody transfer system to handle the Dean Devonian production and the Dean Permo-Pennsylvanian production from all wells presently drilled or hereafter completed on said lease. Applicant proposes to meter the Dean Permo-Pennsylvanian production and to determine the Dean Devonian production by subtraction from the total production commingled in the automatic custody transfer system. Said meters will be checked for accuracy at reasonable intervals and the results of such tests furnished to the Commission as may be required by the Commission. All equipment used in the system will be operated and maintained in such a manner as to insure an accurate measurement of the

oil produced from each pool.

3.

That said lease consists of lands owned by the State of New Mexico and a copy hereof is being furnished to the Commissioner of Public Lands with the request that the Commissioner notify the applicant and the Commission of his approval or any objections hereto, prior to hearing on this application.

4.

Applicant represents that the automatic custody transfer system which it proposes to install is a reliable and economic means of transferring the custody of oil and that the installation of the system and the commingling of the oil after measurement is in the interest of prevention of waste and will not impair correlative rights.

WHEREFORE, applicant prays that this application be set for hearing before an Examiner at Santa Fe, New Mexico, that notice be given hereon, and that upon such hearing the Commission grant its approval of an automatic custody transfer system and the commingling of oil produced from the Dean Devonian and the Dean Permo-Pennsylvanian Pools on its State Lea No. 396 lease, as hereinabove set forth.

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GILBERT, WHITE AND GILBERT

By 

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Santa Fe, New Mexico

ATTORNEYS FOR APPLICANT  
SINCLAIR OIL & GAS COMPANY