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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 DENTON
DEVONIAN POOL AND THE DENTON WOLF-
CAMP POOL ON ITS T. D. POPE LEASE,
CONSISTING OF W/2 of SECTION 36,
T-14-S, R-37-E, LEA COUNTY, NEW
MEXICO

CASE NO. 2128

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
operator of its T. D. Pope lease, consisting of the W/2 of
Section 36, T-14-S, R-37-E, Lea County, New Mexico, and that
said lease is productive of oil from the Denton Devonian Pool
and the Denton Wolfcamp Pool.

2.

Said lease consists of fee lands in which the working
interest under the existing oil and gas leases is owned by
Sinclair Oil & Gas Company and others and both the working
interest and royalty interest are owned in common throughout
the lease.

3.

Applicant proposes to install an automatic custody
transfer system to handle the Denton Devonian and the Denton
Wolfcamp production from all wells presently drilled or here-
after completed on said lease. Applicant proposes to meter
the Denton Wolfcamp production and to determine the Denton
Devonian production by subtraction from the total production
recorded by the automatic custody transfer system. Said
meters will be checked for accuracy at reasonable intervals

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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.

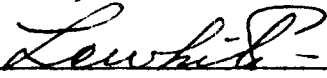
4.

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 Denton Devonian and Denton Wolfcamp Pools on its T. D. Pope lease, as hereinabove set forth.

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ATTORNEYS FOR APPLICANT
SINCLAIR OIL & GAS COMPANY