

Case No.

1750

Application, Transcript,
Small Exhibits, Etc.

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. 1750
Order No. R-1484

APPLICATION OF AZTEC OIL & GAS
COMPANY FOR PERMISSION TO COM-
MINGLE THE ROBINSON POOL PRO-
DUCTION FROM TWO SEPARATE
LEASES IN TOWNSHIP 16 SOUTH,
RANGE 32 EAST, LEA COUNTY,
NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
September 2, 1959, at Santa Fe, New Mexico, before Elvis
A. Utz, 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 14th day of September, 1959, the Commission,
a quorum being present, having considered the application and
the recommendations of the Examiner, Elvis A. Utz, 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 has requested that Case No. 1750
be dismissed.

IT IS THEREFORE ORDERED:

That Case No. 1750 be and the same is hereby dismissed
without prejudice.

-2-
Case No. 1750
Order No. R-1484

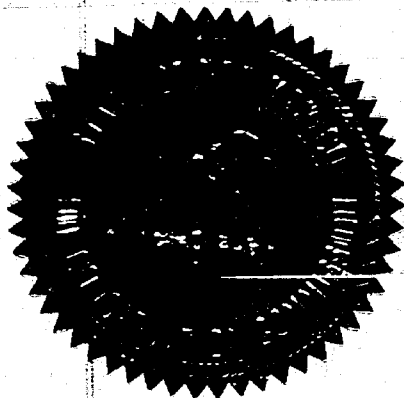
DONE at Santa Fe, New Mexico, on the day and year
hereinaabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John Burroughs
JOHN BURROUGHS, Chairman

M. E. Morgan
MURRAY E. MORGAN, Member

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



ler/

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

IN THE MATTER OF:

Case No. 1750

TRANSCRIPT OF PROCEEDINGS

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

September 2, 1959

NEW MEXICO OIL CONSERVATION COMMISSION

Examiner Hearing - Elvis A. Utz

Santa Fe, NEW MEXICO

REGISTERHEARING DATE September 2, 1959 TIME: 9 a.m.

NAME:	REPRESENTING:	LOCATION:
W.G. Abbott	RICE ENG & OP INC	HOBBS, N. Mex.
L. Q. White	Gr/Sm/White Gilbert	Santa Fe, N. Mex.
J. D. Ramsey	Skelly Oil Co.	Hobbs N. Mex
Frank E. Lohy	State Engr. Office	Santa Fe
Jason Kellah	Kellah + Fox	Santa Fe
E. J. Anderson	Joseph J. O'Neill Jr	Midland Tex
George W. Selinger	Skelly Oil Co	Dulsa Ocho

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
September 2, 1959

IN THE MATTER OF:

Application of Aztec Oil & Gas Company for :
permission to commingle the production from :
two separate leases. Applicant, in the :
above-styled cause, seeks an order authoriz- : CASE NO.
ing it to commingle the production from the : 1750
Robinson Pool from two separate leases, a :
State lease and a Federal lease, in Township :
16 South, Range 32 East, Lea County, New :
Mexico, after separately metering the pro- :
duction from each lease. :

BEFORE:

Elvis A. Utz, Examiner.

TRANSCRIPT OF PROCEEDINGS

MR. UTZ: The Hearing will come to order please.
The first case on the docket will be Case No. 1750.

MR. PAYNE: Case 1750. Application of Aztec Oil & Gas
Company for permission to commingle the production from two
separate leases. Applicant, in the above-styled cause, seeks an
order authorizing it to commingle the production from the Robinson
Pool from two separate leases, a State lease and a Federal lease,
in Township 16 South, Range 32 East, Lea County, New Mexico, after
separately metering the production from each lease. Mr. Examiner,
we have received a request from counsel for Aztec requesting that
this case be dismissed without prejudice. I so move at this time.

MR. UTZ: Is there objection to the dismissal of Case
No. 1750?

2

If not, the case will be dismissed without prejudice.

C E R T I F I C A T E

STATE OF NEW MEXICO)
 : ss
COUNTY OF BERNALILLO)

I, J. A. TRUJILLO, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me in stenotype and reduced to typewritten transcript by me and/or under my personal supervision, and that the same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal, this, the 12th day of September, 1959, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Jaime A. Trujillo
NOTARY PUBLIC

My Commission Expires:
October 5, 1960

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing No. 1250, heard by me on Sept. 2, 1959.
James A. Trujillo Examiner
New Mexico Oil Conservation Commission

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 9-2-59

CASE NO. 1750

HEARING DATE 9-2-59

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

*Dismiss this case as requested by
Aztec.*

Thomas H. Kelly

Staff Member

11:30 AM 8:31
1959 AUG 31

AZTEC OIL & GAS COMPANY

920 MERCANTILE SECURITIES BLDG.

DALLAS 1, TEXAS

August 27, 1959

AIR MAIL

REGISTERED MAIL

RETURN RECEIPT REQUESTED

New Mexico Oil Conservation Commission
P.O. Box 871
Santa Fe, New Mexico

ATTENTION: Mr. Elvis A. Utz, Examiner

Re: Case No. 1750, Application for
Exception to Rule 309 (a) for
Permission to Commingle Oil from
Two Separate Leases in Lea County,
New Mexico

Gentlemen:

On August 12, 1959, Aztec Oil & Gas Company filed its application requesting an Examiner Hearing to consider granting Applicant an exception to Rule 309 (a) for permission to commingle oil from Applicant's State of New Mexico Oil and Gas Lease E-8233 and its United States Oil and Gas Lease NM-016804. This application has been set for an Examiner Hearing September 2, 1959, under Case No. 1750.

Since the State Land Office, State of New Mexico, and the United States Geological Survey have both denied their consent to such commingling, Applicant respectfully requests that Case No. 1750 be dismissed without prejudice.

Very truly yours,

AZTEC OIL & GAS COMPANY



Gordon L. Llewellyn
Attorney

GLL/jld

cc: Mr. John Anderson
Mr. Jim A. Knauf
McGrath and Smith
Fren Oil Company
Brinson and Woodall
Continental Oil Company
Mr. Lester Duke

Mr. Murray E. Morgan
Humble Oil & Refining Company
Southern Union Gas Company
Mr. E. A. Hanson
Mr. H. T. Brinson
Carper Drilling Company
Mr. Prentice Watts

CLASS OF SERVICE
This is a fast message
unless its deferred char-
acter is indicated by the
proper symbol.

WESTERN UNION TELEGRAM

SYMBOLS
DL=Day Letter
NL=Night Letter
LT=International
Letter Telegram

The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

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D LLU53 PD=FAX DALLAS TEX 12 1116 AMC=
OLIVER PAYNE, ATTORNEY=

NEW MEXICO OIL CONSERVATION COMMISSION
SANTA FE NMEX=

CONFIRMING TELEPHONE CONVERSATION AZTEC FILING
APPLICATION FOR COMMINGLING OIL FROM ROBINSON FORMATION
FROM ONLY SE1/4 SECTION 30, E1/2SW1/4, SW1/4SW1/4
SECTION 31, OUT OF STATE LEASE E-8233 AND US LEASE
NM-016804 COVERING W1/2NW1/4, NE1/4NW1/4 SECTION
31, T-16-S, R-32-E, LEA COUNTY, NEW MEXICO=
AZTEC OIL & GAS CO GORDON L LLEWELLYN=

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

DOCKET: EXAMINER HEARING SEPTEMBER 2, 1959

Oil Conservation Commission, 9 a.m., Mabry Hall, State Capitol, Santa Fe, New Mexico

The following cases will be heard before Elvis A. Utz, Examiner, or
A. L. Porter, Jr., Secretary-Director.

- CASE 1750: Application of Aztec Oil & Gas Company for permission to commingle the production from two separate leases. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the Robinson Pool from two separate leases, a State lease and a Federal lease, in Township 16 South, Range 32 East, Lea County, New Mexico, after separately metering the production from each lease.
- CASE 1751: Application of Rice Engineering and Operating, Inc., for a salt water disposal well. Applicant, in the above-styled cause, seeks an order authorizing it to complete a salt water disposal well in the San Andres formation at a point 100 feet from the South line and 250 feet from the West line of Section 9, Township 20 South, Range 37 East, Lea County, New Mexico. Applicant proposes to inject the produced salt water into the San Andres formation in the interval from 4300 feet to 4900 feet.
- CASE 1752: Application of Skelly Oil Company for an oil-oil dual completion and for permission to commingle the production from several separate pools. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Hobbs "A" Well No. 6, located 1650 feet from the North line and 330 feet from the West line of Section 30, Township 25 South, Range 38 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Justis-Blinbry Pool and the production of oil from an undesignated Tubb oil pool. Applicant further seeks permission to commingle the production of similar grade crudes from the pools underlying its Hobbs "A" lease comprising the NW/4 of said Section 30.
- CASE 1753: Application of Joseph I. O'Neill, Jr., for an oil-oil dual completion and for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Federal "E" Well No. 3, located 1980 feet from the North line and 660 feet from the East line of Section 1, Township 19 South, Range 30 East, Eddy County, New Mexico, and for permission to commingle the production from the two zones of the said dually completed well.
- CASE 1754: Application of Skelly Oil Company for permission to commingle the production from two separate oil pools. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the Langlie-Mattix Pool and from an undesignated Blinbry oil pool from all wells on its R. R. Sims lease comprising the W/2 SW/4 and NE/4 SW/4 of Section 3, Township 23 South, Range 37 East, Lea County, New Mexico.

AZTEC OIL & GAS COMPANY
920 MERCANTILE SECURITIES BLDG.
DALLAS 1, TEXAS

August 12, 1959

Page 1750

MAIN OFFICE CCC

1959 AUG 13 9:05

REGISTERED MAIL
RETURNED RECEIPT REQUESTED

New Mexico Oil Conservation Commission
P.O. Box 871
Santa Fe, New Mexico

Re: Application for Exception to
Rule 309 (a) to Commingle Oil
from Two Separate Leases in
Lea County, New Mexico

Gentlemen:

Enclosed in triplicate is Aztec's application requesting that an Examiner Hearing be set the first part of September, 1959, to consider granting an exception to Rule 309 (a) in order that Aztec may commingle oil produced from two separate leases into a central tank battery, which leases are located in Lea County, New Mexico.

Very truly yours,

AZTEC OIL & GAS COMPANY

Gordon L. Llewellyn
Gordon L. Llewellyn
Attorney

GLL/jld
Enc.

cc: Lester Duke

*Docket
Mailed
8-19-59
JL*

AZTEC OIL & GAS COMPANY

920 MERCANTILE SECURITIES BLDG.

DALLAS 1, TEXAS
August 12, 1959

REGISTERED MAIL
RETURNED RECEIPT REQUESTED

Page 1750

New Mexico Oil Conservation Commission
P.O. Box 871
Santa Fe, New Mexico

Re: Application of Aztec Oil & Gas Company
for an Examiner Hearing Before the Oil
Conservation Commission of New Mexico
for the Granting of an Exception to
Rule 309 (a) for Approval of the Com-
mingling of Oil Into Common Tankage
Produced from Separate Leases in Lea
County, New Mexico

Gentlemen:

Aztec Oil & Gas Company, hereinafter referred to as "Applicant", hereby submits in triplicate its application for an exception to Rule 309 (a) for approval of commingling into common tankage all oil produced from two separate leases in portions of Sections 30 and 31, Township 16 South, Range 32 East, N.M.P.M., Lea County, New Mexico. In support of this application, Applicant respectfully states and shows the following:

I.

Applicant proposes to commingle oil produced from the Robinson Pool into a common tank battery which oil will be produced from its State of New Mexico Oil and Gas Lease E-8233 and its United States Oil and Gas Lease NM-016804.

II.

United States Oil and Gas Lease NM-016804 covers Lots 1 and 2 (W $\frac{1}{2}$ NW $\frac{1}{4}$), and the NE $\frac{1}{4}$ NW $\frac{1}{4}$ Section 31; State of New Mexico Oil and Gas Lease E-8233 covers, among other lands not the subject of the application, SE $\frac{1}{4}$ Section 30, E $\frac{1}{2}$ SW $\frac{1}{4}$, and Lot 4 (SW $\frac{1}{4}$ SW $\frac{1}{4}$) Section 31, both leases being in Township 16 South, Range 32 East, Lea County, New Mexico. A plat, showing the acreage covered by this application, the offset lease owners, and Applicant's proposed wells and the tank battery location is attached hereto as Exhibit "A" and by reference made a part hereof.

III.

Aztec's Federal "R" #1 Well, which has been completed as a producer, is located on the SW $\frac{1}{4}$ NW $\frac{1}{4}$ Section 31, and its Federal "R" #2 Well, which is presently being completed, is located on the NW $\frac{1}{4}$ NW $\frac{1}{4}$ Section 31,

August 12, 1959

Township 16 North, Range 32 East, N.M.P.M. Applicant's State "R" #1 Well will be located on the NE $\frac{1}{4}$ SW $\frac{1}{4}$ Section 31, Township 16 South, Range 32 East, and the central tank battery is now located adjacent to the Federal "R" #1 Well.

IV.

All of the products to be commingled in the central tank battery will be produced from the Robinson Pool of the San Andres Formation.

V.

Applicant proposes to measure production from the separate leases through dump-type metering devices prior to commingling the oil in the central tank battery. Applicant proposes to make periodic accuracy checks of the metering devices, and if required to do so will make such accuracy checks once a month and file with the New Mexico Oil Conservation Commission a "Meter Test Report".

VI.

So far as Applicant has been able to determine, all of the offset leasehold and mineral rights owners, including the United States Geological Survey and the State Land Office of the State of New Mexico, have been furnished copies of this application together with a request that they consent to the proposed commingling of oil into a central tank battery.

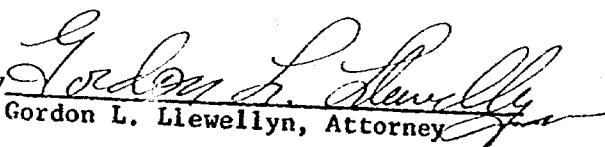
VII.

At the present time, there is no market for the Casinghead Gas produced with the oil from the subject wells and it is being flared, except for that portion utilized for lease operations; therefore, no action has been taken to separately measure gas production from the subject leases. At such time as a market is available, Applicant will establish appropriate methods of separately metering such gas production.

WHEREFORE, Aztec Oil & Gas Company respectfully requests that an Examiner Hearing at Santa Fe, New Mexico, be set as soon as possible in September, 1959, to consider the above exception to Rule 309 (a).

Yours very truly,

AZTEC OIL & GAS COMPANY

By 
Gordon L. Llewellyn, Attorney

GLL/jld

August 12, 1959

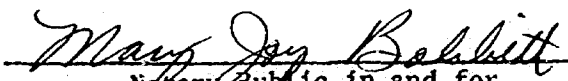
STATE OF TEXAS)

COUNTY OF DALLAS)

Gordon L. Llewellyn, being first duly sworn, hereby states that he is Attorney of Aztec Oil & Gas Company, the applicant in the foregoing application; that he has executed said application on behalf of Aztec Oil & Gas Company; that he has read said application and to the best of his knowledge, information and belief all statements of fact contained therein are true and correct.

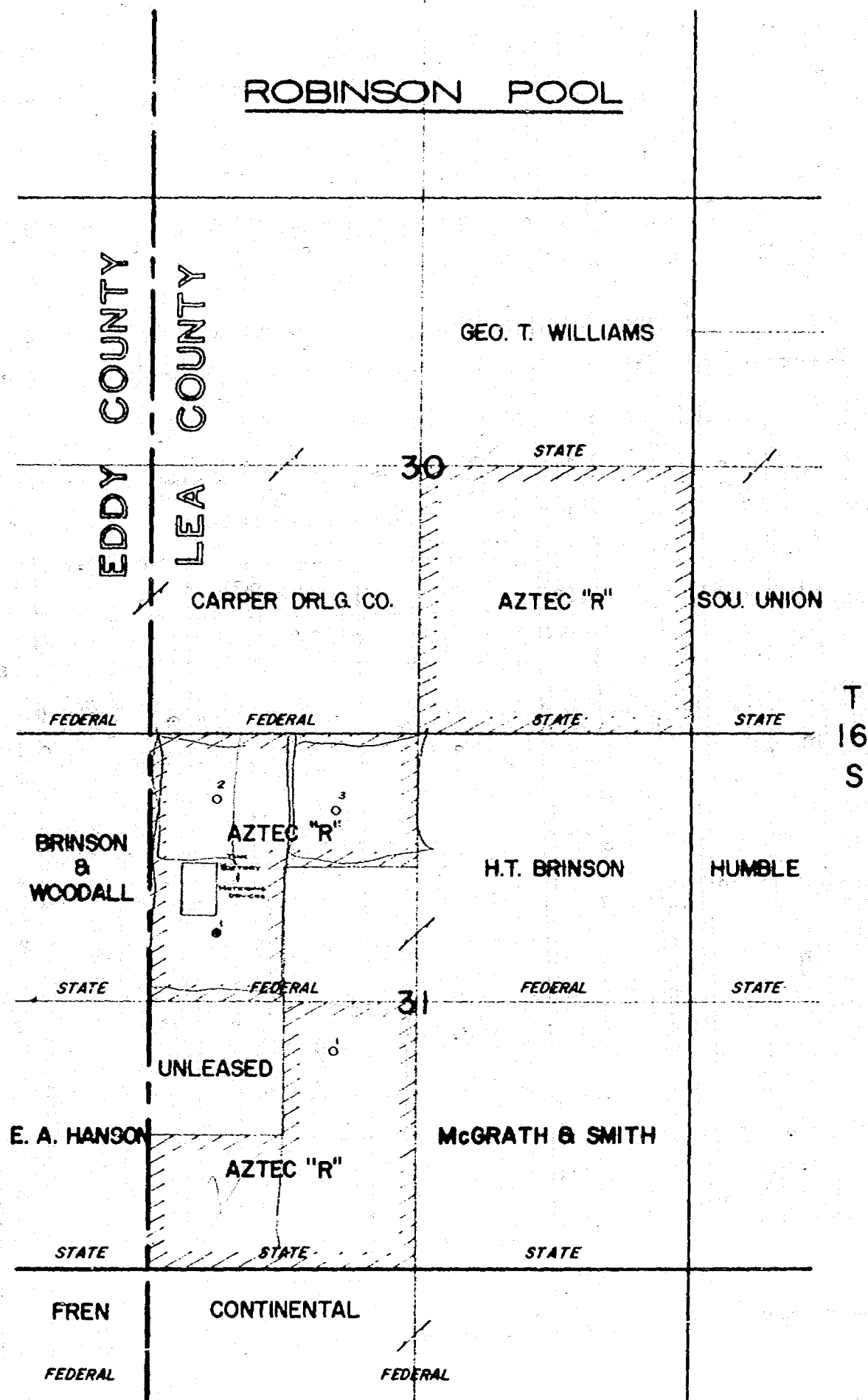

Gordon L. Llewellyn

Sworn to and subscribed before me the undersigned authority this
12th day of August, 1959.


Notary Public in and for
Dallas County, Texas

My Commission Expires:

June 1, 1961



R 32 E

EXHIBIT "A"

AZTEC OIL & GAS COMPANY

APPLICATION FOR EXCEPTION TO RULE 309(a).

Case 1750

AREA OF INTEREST