

CASE 1950: Application of SINCLAIR
for permission to commingle West Teas
Pool production from State Lea 886 &
State Lea 6019 lease- Lea Co. NM.

Case No.

1950

Application, Transcript,
Small Exhibits, Etc.

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 5-2-60

CASE 1750

Hearing Date 4-27-60

My recommendations for an order in the above numbered cases are as follows:

Grant DeLair request for the commingling
of 2 state leases from the West Texas
Yates Oil Pool into one T.B. located in the SE/4 NW/4
16-205-33E.


1. Their St. Lea 886 (E-3441) consisting of
N/2 NE/4, ~~and~~ NW/4 NW/4 and S/2 NW/4 Sec 16-
205-33E. and.

Their St. Lea. 6019 (E-4207) consisting of
SE/4-16-205-33E.

2. operator proposes to install a meter
on the St. Lea 6019 side and deter-
mine the volume from the St. Lea 886 by
subtracting this volume from the total of
both leases.

3. R.I and Beneficiaries are common.

4. Usual Comm. order otherwise.


Staff Member

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

May 13, 1960

Mr. Charlie White
Bishop Building
P. O. Box 787
Santa Fe, New Mexico

Dear Charlie:

On behalf of your client, Sinclair Oil & Gas
Company we enclose two copies of Order No. R-1672
in Case No. 1850. This order was issued by the
Oil Conservation Commission this date.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/1r

Enclosures: (2)

CC: Hobbs

5-13-60

C
O
P
Y

State of New Mexico



Commissioner of Public Lands

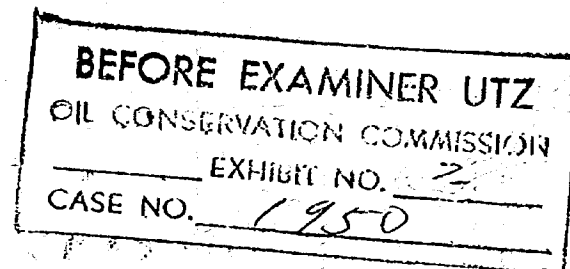
MURRAY E. MORGAN
COMMISSIONER

Refer Reply To:
Oil & Gas Royalty Division



April 4, 1960

P.O. BOX 791
SANTA FE, NEW MEXICO



Horace N. Burton
P. O. Box 1470
Midland, Texas

Gentlemen:

Permission is hereby granted to commingle production from State Lea 886 consisting of the S/2 NW/4 and N/2 NE/4 of Section 16, T-20S R-33E, State Lease E-3441, and State Lea 6019 consisting of the NW/4 NW/4 and SE/4 also of Section 16, T-20S R-33E, State Lease E-4207, Lea County, New Mexico.

All this acreage is committed to one beneficiary institution, that being Common School

Sincerely yours,

MURRAY E. MORGAN,
Commissioner of Public Lands

BY: *Ted Bilberry*
Ted Bilberry, Supervisor
Oil & Gas Royalty Division

NEM:TB:ML

BEFORE THE OIL CONSERVATION COMMISSION OF THE
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
SINCLAIR OIL & GAS COMPANY FOR AN
EXCEPTION TO RULE 309 (a) AND APPROVAL
OF USE OF COMMON TANKAGE TO RECEIVE
OIL PRODUCED IN THE WEST TEAS POOL
FROM APPLICANT'S STATE LEA 386 LEASE,
CONSISTING OF $S\frac{1}{2}NW\frac{1}{4}$ AND $N\frac{1}{2}NE\frac{1}{4}$ OF
SECTION 16, T-20-S, R-33-E, LEA COUNTY,
NEW MEXICO, AND OIL PRODUCED IN THE
WEST TEAS POOL FROM THAT PORTION OF
STATE LEA 6019 LEASE, CONSISTING OF
 $NW\frac{1}{4}NW\frac{1}{4}$ AND $SE\frac{1}{4}$ OF SAID SECTION 16.

CASE NO. 195

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 the following:

1.

Applicant is the owner and operator of its State Lea 886
lease consisting of $S\frac{1}{2}NW\frac{1}{4}$ and $N\frac{1}{2}NE\frac{1}{4}$ of Section 16, T-20-S,
R-33-E, Lea County, New Mexico, and also that portion of its
State Lea 6019 lease consisting of $NW\frac{1}{4}NW\frac{1}{4}$ and $SE\frac{1}{4}$ of said
Section 16. These are lands belonging to the State of New
Mexico, subject to the existing oil and gas leases owned by
the applicant, and the State of New Mexico is the common owner
of the royalty. Said leases are productive of crude oil pro-
duced from the West Teas Pool, which is a common source of
supply.

2.

Applicant seeks permission and authority as an exception
to Rule 309 (a) for the use of common tankage to receive oil
produced from the separate leases. It appears that a hearing
on this application will be required because the leases are
not contiguous, so as to permit administrative approval under
Rule 309 (b) of the Commission. Adequate facilities, either
positive displacement meters or dump type metering vessels,
will be provided to insure at all times accurate determination

W. H. H. H.
W. H. H. H.
4/18/60
J. H.

of the production obtained from the separate leases which may be commingled into common storage. Applicant proposes to meter the production from one lease and to determine production from the other lease by subtraction from the total production commingled and measured in common storage.

3.

Applicant will show upon hearing hereof that it has obtained the consent of the Commissioner of Public Lands of the State of New Mexico to the commingling of the production from the separate leases.

4.

Applicant alleges that the commingling of such production into common storage 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 authority and permission be granted to applicant for the use of common tankage to receive oil produced in the West Teas Pool from said leases.

HORACE N. BURTON
P. O. Box 1470
Midland, Texas

GILBERT, WHITE AND GILBERT

By *Leah S.*
Bishop Building
Santa Fe, New Mexico

ATTORNEYS FOR APPLICANT
SINCLAIR OIL & GAS COMPANY

DOCKET: EXAMINER HEARING APRIL 27, 1960

Oil Conservation Commission - 9 a.m., Mabry Hall, State Capitol, Santa Fe
The following cases will be heard before Elvis A. Utz, Examiner, or Oliver E. Payne, Attorney, as alternate examiner:

- CASE 1942: Application of Continental Oil Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of the Jicarilla Well No. 28-1, located in the NW/4 SE/4 of Section 28, Township 25 North, Range 4 West, Rio Arriba County, New Mexico, in such a manner as to permit the production of oil from the Gallup formation and the production of oil from the Dakota formation through parallel strings of tubing.
- CASE 1927: (Continued)
Application of J. W. Brown for the establishment of special rules and regulations governing the Brown Pool in Chaves County, New Mexico, to provide for 2½-acre spacing in said pool.
- CASE 1943: Application of Gulf Oil Corporation for a dual completion and for an exception to the tubing requirements of Rule 107. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Apache-Federal Well No. 8, located in Unit D, Section 8, Township 24 North, Range 5 West, Rio Arriba County, New Mexico, in such a manner as to permit the production of gas from the Otero-Gallup Oil Pool and the production of gas from the Dakota Producing Interval through the casing-tubing annulus and the tubing respectively. Applicant further seeks an exception to certain tubing requirements set forth in Rule 107 of the Commission's Rules and Regulations.
- CASE 1944: Application of Great Western Drilling Company for establishment of a 200-acre non-standard gas proration unit in the Eumont Gas Pool. Applicant, in the above-styled cause, seeks an order establishing a 200-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the E/2 NE/4 of Section 32 and the E/2 NW/4 and NW/4 NW/4 of Section 33, all in Township 19 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to its Bordages Well No. 1 located 330 feet from the North line and 270 feet from the West line of said Section 33.

CASE 1945: Application of Permian Oil Company for an order force-pooling the interests in a 320-acre unit in the Dakota formation. Applicant, in the above-styled cause, seeks an order force-pooling all Dakota formation mineral interests in the 320 acres comprising the E/2 of Section 5, Township 30 North, Range 13 West, San Juan County, New Mexico, the non-consenting mineral interest owners being Raymond H. Walker and Edith Walker, 1250 South Figueroa Street, Los Angeles, California, and Norman Roybark and Rose Ella Roybark, address unknown.

CASE 1946: Application of J. R. Cone for an exception to the over-production shut-in provisions of Order R-520, as amended by Order R-967, for two wells in the Jalmat Gas Pool. Applicant, in the above-styled cause, seeks an order allowing the following-described wells in the Jalmat Gas Pool to compensate for their overproduced status without being completely shut-in in order to prevent possible waste:

Mobil-Myers Well No. 4, Unit I, Section 22

Pan American-Myers Well No. 1, Unit H, Section 22

both in Township 24 South, Range 36 East, Lea County, New Mexico.

CASE 1947: Application of Phillips Petroleum Company for the establishment of two 80-acre non-standard oil proration units and one unorthodox oil well location. Applicant, in the above-styled cause, seeks an order establishing two 80-acre non-standard oil proration units in the Kemnitz-Wolfcamp Pool, Lea County, New Mexico, each consisting of a portion of the S/2 of Section 25, Township 16 South, Range 33 East. Applicant further seeks approval of an unorthodox oil well location in said Kemnitz-Wolfcamp Pool, the location to be in the center of the NW/4 SE/4 of said Section 25.

CASE 1948: Application of Humble Oil & Refining Company for authority to commingle the production from several separate leases and for approval of an automatic custody transfer system to handle said commingled production. Applicant, in the above-styled cause, seeks permission to commingle the Empire-Abo Pool production from certain leases in Sections 4, 8, 9, 16 and 17, Township 18 South, Range 27 East, Eddy County, New Mexico, all of such leases being in the Chalk Bluff Draw Unit. Applicant also seeks approval of an automatic custody transfer system to handle said Empire-Abo Pool production from all wells presently completed or hereafter drilled on said leases.

- CASE 1949: Application of Trice Production Company for approval of a "slim-hole" completion. Applicant, in the above-styled cause, seeks an order authorizing the "slim-hole" completion of its Four Lakes State Well No. 1, located in the NE/4 NW/4 of Section 11, Township 12 South, Range 34 East, Lea County, New Mexico, to be completed in either the Pennsylvanian or Wolfcamp formation at a minimum total depth of 10,000 feet.
- CASE 1950: Application of Sinclair Oil & Gas Company for permission to commingle the production from two separate leases. Applicant, in the above-styled cause, seeks permission to commingle the West Teas Pool production from its State Lea 886 lease consisting of the S/2 NW/4 and N/2 NE/4 of Section 16 with the West Teas Pool production from that portion of its State Lea 6019 lease consisting of the NW/4 NW/4 and SE/4 of said Section 16, all in Township 20 South, Range 33 East, Lea County, New Mexico.
- CASE 1951: Application of Texaco Inc. for a gas-gas dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of the State "CH" Well No. 1, located in Unit H, Section 36, Township 20 South, Range 32 East, Lea County, New Mexico, in such a manner as to permit the production of gas from an undesignated Atoka gas pool and the production of gas from the South Salt Lake-Pennsylvanian Gas Pool through parallel strings of tubing.
- CASE 1952: Application of Texaco Inc. for establishment of a 476-acre non-standard gas proration unit in the Jalmat Gas Pool. Applicant, in the above-styled cause, seeks the establishment of a 476-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the N/2 of Section 4 and the NE/4 of Section 5, Township 24 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the E. D. Fanning Well No. 6, to be located 660 feet from the North and West lines of said Section 4.
- CASE 1953: Application of Keohane, Saunders, Welch and Iverson for an unorthodox oil well location. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location for its Hinkle-Federal Well No. 7-B in the Shugart Pool at a point 330 feet from the South line and 2329 feet from the East line of Section 35, Township 18 South, Range 31 East, Eddy County, New Mexico.

- CASE 1954: Application of Shell Oil Company for approval of an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing the installation of an automatic custody transfer system to handle the production from the Saunders (Permo-Pennsylvanian) Pool from all wells presently completed or hereafter drilled on the State A lease comprising the E/2 of Section 34, Township 14 South, Range 33 East, Lea County, New Mexico.
- CASE 1955: Application of Shell Oil Company for approval of an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing the installation of an automatic custody transfer system to handle the production from the Monument Pool from all wells presently completed or hereafter drilled on the State B lease comprising the NW/4 of Section 36, Township 19 South, Range 36 East, Lea County, New Mexico.
- CASE 1956: Application of Shell Oil Company for approval of an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing the installation of an automatic custody transfer system to handle the production from the Townsend-Wolfcamp Pool from all wells presently completed or hereafter drilled on the State ETA lease comprising all of Section 8, Township 16 South, Range 35 East, Lea County, New Mexico.
- CASE 1957: Application of Shell Oil Company for approval of an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing the installation of an automatic custody transfer system to handle the production from the Denton (Devonian) Pool from all wells presently completed or hereafter drilled on the Priest lease comprising the N/2 of Section 1, Township 15 South, Range 37 East, Lea County, New Mexico.

DOCKET: EXAMINER HEARING APRIL 27, 1960

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

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Docket No. 12-60

- CASE 1949: Application of Trice Production Company for approval of a "slim-hole" completion. Applicant, in the above-styled cause, seeks an order authorizing the "slim-hole" completion of its Four Lakes State Well No. 1, located in the NE/4 NW/4 of Section 11, Township 12 South, Range 34 East, Lea County, New Mexico, to be completed in either the Pennsylvanian or Wolfcamp formation at a minimum total depth of 10,000 feet.
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CASE 1955:

Application of Shell Oil Company for approval of an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing the installation of an automatic custody transfer system to handle the production from the Monument Pool from all wells presently completed or hereafter drilled on the State B lease comprising the NW/4 of Section 36, Township 19 South, Range 36 East, Lea County, New Mexico.

CASE 1956:

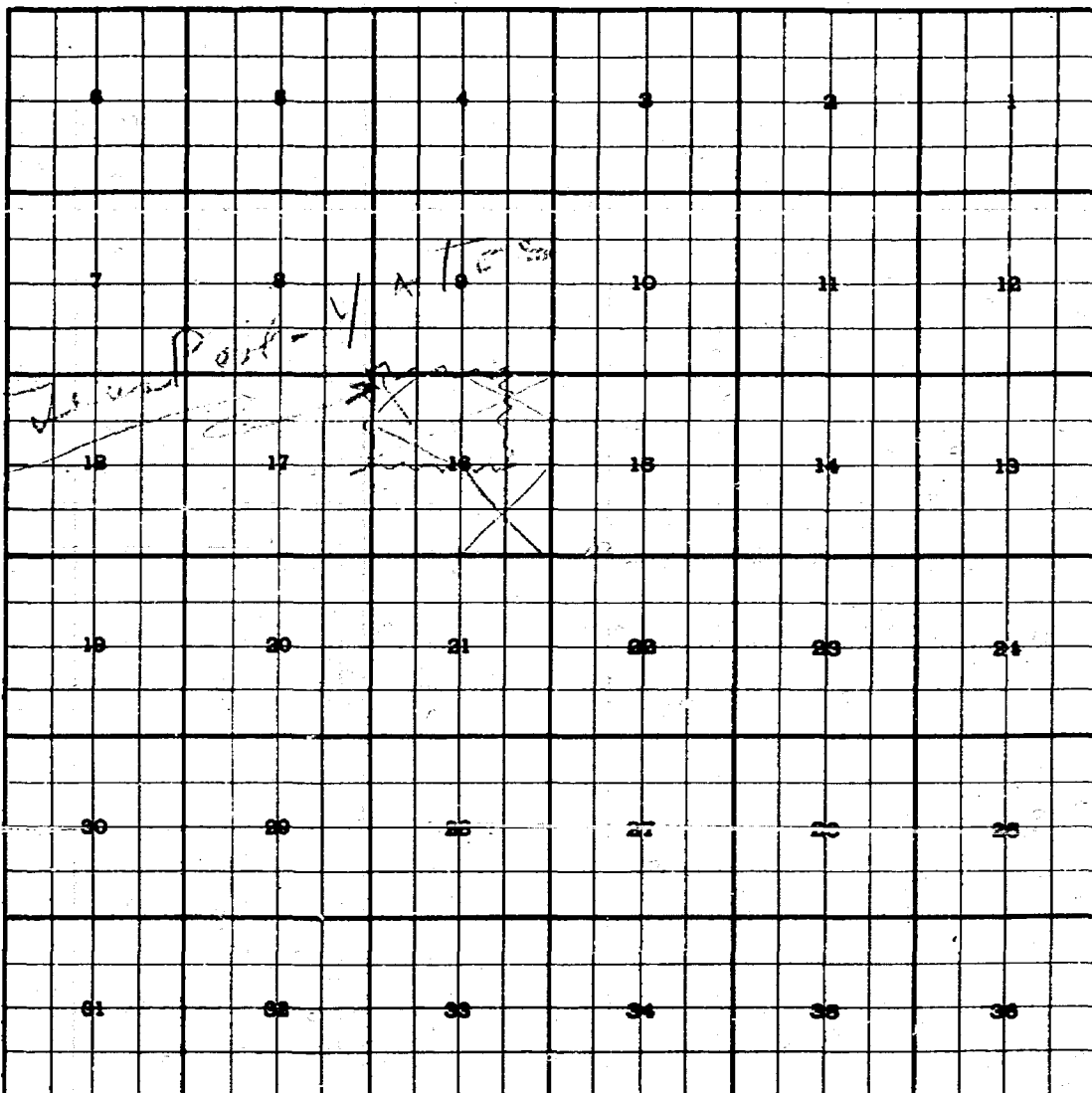
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CASE 1957:

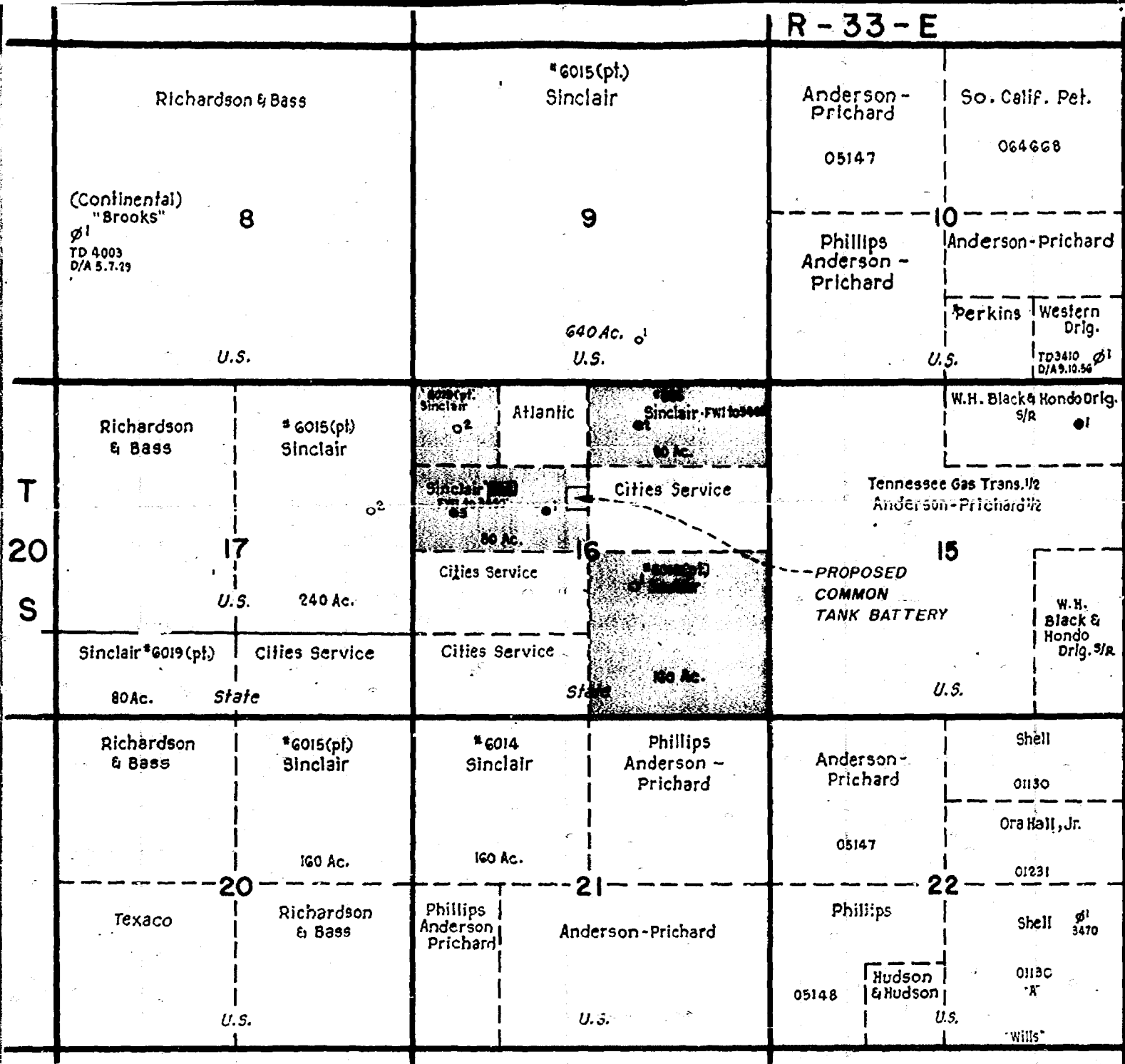
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County _____ Pool _____

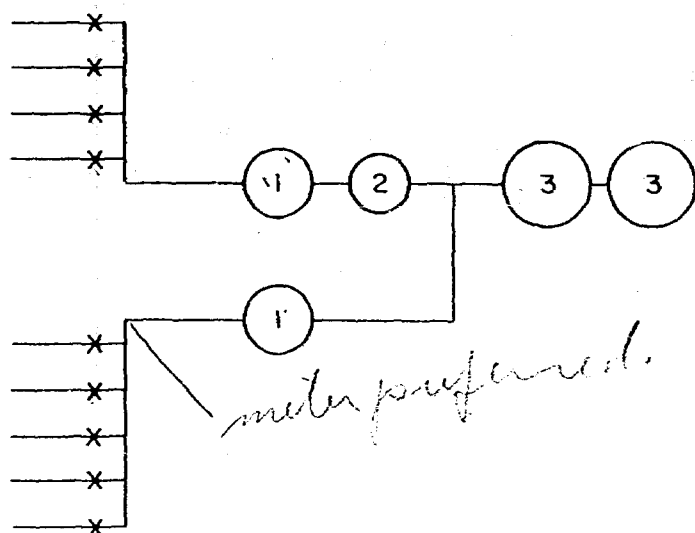
TOWNSHIP 20 South, RANGE _____ East, NEW MEXICO PRINCIPAL MERIDIAN



R - 33 - E



STATE LEA 886
HEADER (MAX. 4 WELLS)



STATE LEA 6019
HEADER (MAX. 5 WELLS)

- ① - SEPARATOR OR HEATER TREATER
- ② - MEASURING DEVICE
- ③ - 500 BBL. STOCK TANK

SINCLAIR OIL & GAS COMPANY
WEST TEAS - YATES POOL
PROPOSED COMMON BATTERY
STATE LEA 886 LEASE
AND
STATE LEA 6019 LEASE

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. 1
CASE NO. 1950

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
APRIL 27, 1960

EXAMINER HEARING

PHONE (CH 3-6691

DEARNLEY-MEIER REPORTING SERVICE, Inc.

ALBUQUERQUE, NEW MEXICO

IN THE MATTER OF:

Application of Sinclair Oil and Gas Company for permission to commingle the production from two separate leases. Applicant, in the above-styled cause, seeks permission to commingle the West Teas Pool production from its State Lea 886 lease consisting of the S/2 NW/4 and N/2 NE/4 of Section 16 with the West Teas Pool production from that portion of its State Lea 6019 lease consisting of the NW/4 NW/4 and SE/4 of said Section 16, all in Township 20 South, Range 33 East, Lea County, New Mexico.

Case
1950

BEFORE:

Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

MR. UTZ: Case 1950.

MR. PAYNE: Application of Sinclair Oil & Gas for permission to commingle production from two separate leases.

MR. WHITE: Charles White, Gilbert, White & Gilbert. We have one witness to be sworn.

(Witness sworn)

R. M. ANDERSON,

called as a witness, having been previously duly sworn, testified as follows:



DIRECT EXAMINATION

BY MR. WHITE:

Q Will you state your full name?

A R. M. Anderson.

Q And by whom are you employed, and in what capacity?

A Senior Engineer, Midland Division Office.

Q Have you previously qualified to testify before the Commission?

A I have.

Q Are you familiar with the subject application?

A I am.

Q Is Sinclair the owner and operator of 886 and 6019?

A They are.

Q Are they leasehold interests in common?

A They are.

Q Royalty interests in common?

A They are.

Q Will you refer to what has been marked Exhibit 1 and explain that to the Commission, including the location of the proposed commingling unit?

A We are requesting permission to establish a common tank battery to serve our State 886 Lease, which consists of two 80-acre tracts, and our State 6019 Lease, which consists of a 40-acre tract and a 106-acre tract. All of the acreage that is subject to that application has been colored in red on the Exhibit 1. I have



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH. 3-6691

ALBUQUERQUE, NEW MEXICO

designated the proposed common tank battery location, and it lies just to the east of the No. 1 well in the center of Section 16, Township 20 South, Range 33 East, Lea County.

Q Are these leases contiguous within the definition of the O.C.C. rules and regulations?

A No, they are not, and that is why this matter necessitated a hearing. They have a common point, but they do not have a common quarter quarter section.

Q Are the true characteristics expected to be identical?

A Yes, sir. The production will all come from the Yates formation in the West Teas Pool, which is a common source of supply in this entire area.

Q Now, will you explain the diagrammatic sketch at the bottom of Exhibit 1?

A The diagrammatic sketch on the bottom of the exhibit indicates that there will be a maximum of four wells coming into the State Lea 886 heads and a maximum of five wells coming into the State Lea 6019 heads. From the headers the production will flow through a separator or a heater treater, and then we propose to meter the production from one of the leases. On the exhibit I have shown the location of the meter, which is Item 2, or measuring device, to be on the 886 side. I would like the order, if at all possible, to be general enough to permit us to install the meter on either one lease or the other. I believe that we possibly



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

would prefer to install it on the 6019 lease. However, that is, we would like that leeway if possible.

Q What type meter do you intend to install?

A We actually are going to install a one-barrel metering dump vessel. However, I would like the order to be general enough to permit the use of either type of measuring equipment.

Q And how many stock tanks do you intend to install?

A At the present time we have two 500-barrel stock tank batteries on the 886 Lease, and we believe that may be enough tankage to handle all of the production.

Q And if not, you will install additional tanks?

A At the most, we will need one additional 500-barrel tank. I might state, at this time we have three wells completed on the subject acreage, wells 1, 2 and 3 on the State 886 Lease. Well No. 2 on the State 6019 Lease is reaching TD at this time, and we expect to have it completed in the next few days. Well No. 1 is a location on the 6019 Lease and has not been spudded yet.

Q Did Sinclair submit a copy of this application to the Commissioner of Public Lands?

A Yes.

Q And did they give their approval?

A Yes, they did.

Q And is that further evidenced by Exhibit No. 2?

A Yes, sir.



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

Q Was Exhibit 1 prepared by you or under your direction?

A It was.

Q In your opinion, will this proposed commingling of production impair correlative rights in any manner?

A No, sir.

Q And will it be in the interests of prevention of waste?

A Yes, it will prevent economic waste by not requiring the installation of unnecessary tankage.

Q At this time we offer Exhibits 1 and 2.

MR. UTZ: Without objection they will be entered.

CROSS-EXAMINATION

BY MR. PAYNE:

Q Are you sure that both of these leases have the same beneficiary?

A The only source of information I have is the lease.

MR. UTZ: If it should develop that the State has two beneficiaries in this lease, would you be willing to set a meter for each, to meter each separately?

A If approval of our application is hinged on that factor, we would prefer to set two meters rather than have to maintain two tank batteries.

Q (By Mr. Payne) Mr. Anderson, in view of your belief that the ownership is common throughout, why do you propose to use any meters?



DEARNLEY-MEIER REPORTING SERVICE, Inc.
ALBUQUERQUE, NEW MEXICO

PHONE CH 3-6691

A They are separate leases and subject to separate termination conditions and what not, and we do propose to keep the production separate.

Q I see. To the best of your knowledge, is that also the requirement of the U.S.G.S. on Federal Leases?

A I don't know.

BY MR. UTZ:

Q Mr. Anderson, of the three wells you have completed on this lease, are they top level wells?

A Yes, sir.

Q Would you be willing to test these wells in accordance with common practice, which is once every 30 days, to determine whether or not they are top allowable wells?

A Yes; yes, sir.

MR. UTZ: Any other questions of the witness? Witness may be excused.



STATE OF NEW MEXICO)
)
 COUNTY OF BERNALILLO) ss

I, the Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

June Parge
 Court Reporter

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 1950, heard by me on *April 27*, 19*60*.

Stanley R. [Signature] Examiner
 New Mexico Oil Conservation Commission

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



DRAFT
OEP:esr
May 6

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. 1950

Order No. R-1072

APPLICATION OF SINCLAIR OIL & GAS
COMPANY FOR PERMISSION TO COMMINGLE
THE PRODUCTION FROM TWO SEPARATE
LEASES IN LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
April 27, 1960, 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 _____ day of May, 1960, the Commission,
a quorum being present, having considered the application, the
evidence adduced, 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 sub-
ject matter thereof.

(2) That the applicant, Sinclair Oil & Gas Company, is the owner and operator of the following-described State Leases in Lea County, New Mexico:

State Lea 886 lease comprising the S/2 NW/4 and N/2 NE/4 of Section 16

State Lea 6019 lease comprising the NW/4 NW/4 and SE/4 of Section 16

all in Township 20 South, Range 33 East.

(3) That the applicant proposes to commingle the West Teas Pool production from the aforesaid leases into a common tank battery after separately metering the production from one lease and subtracting that amount from the total commingled production in order to determine the production from the other lease.

(4) That inasmuch as the ownership of the above-described leases is common throughout ^{and the State beneficiary is the same under each lease} the approval of the subject application will neither impair correlative rights nor cause waste.

IT IS THEREFORE ORDERED:

That the applicant, Sinclair Oil & Gas Company, be and the same is hereby authorized to commingle in a common tank battery the West Teas Pool production from the following-described State Leases in Lea County, New Mexico:

lease

State Lea 886/comprising the S/2 NW/4 and N/2 NE/4 of Section 16

State Lea 6019 lease comprising the NW/4 NW/4 and SE/4 of Section 16

all in Township 20 South, Range 33 East, after separately metering the production from one pool and subtracting that amount from the ^{total} ~~pool~~ commingled ^{production} ~~volume~~ in order to determine the production from the other lease.

PROVIDED HOWEVER, That the applicant shall install adequate facilities to permit the testing of all wells located on said leases at least once each month to determine the individual production from each well on each lease.

IT IS FURTHER ORDERED:

That all meters shall be operated and maintained in such a

-3-

Case No. 1950

Order No. R-_____

manner as to ensure an accurate measurement of the liquid hydrocarbon production at all times.

That meters shall be checked for accuracy at intervals not to exceed one month until further direction by the Secretary-Director.

That meters shall be calibrated against a master meter or against a test tank of measured volume and the results of such calibration filed with the Commission on the Commission form entitled "Meter Test Report."

DONE at Santa Fe, New Mexico,-----

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. 1950
Order No. R-1672

APPLICATION OF SINCLAIR OIL & GAS
COMPANY FOR PERMISSION TO COMMINGLE
THE PRODUCTION FROM TWO SEPARATE
LEASES IN LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on April 27, 1960, 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 13th day of May, 1960, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendation 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, Sinclair Oil & Gas Company, is the owner and operator of the following-described State Leases in Lea County, New Mexico:

State Lea 886 lease comprising the S/2 NW/4
and N/2 NE/4 of Section 16

State Lea 6019 lease comprising the NW/4 NW/4
and SE/4 of Section 16

all in Township 20 South, Range 33 East.

(3) That the applicant proposes to commingle the West Teas Pool production from the aforesaid leases into a common tank battery after separately metering the production from one lease and subtracting that amount from the total commingled production in order to determine the production from the other lease.

(4) That inasmuch as the ownership of the above-described

-2-

CASE No. 1950
Order No. R-1672

leases is common throughout and the State beneficiary is the same under each lease, approval of the subject application will neither impair correlative rights nor cause waste.

IT IS THEREFORE ORDERED:

That the applicant, Sinclair Oil & Gas Company, be and the same is hereby authorized to commingle in a common tank battery the West Teas Pool production from the following-described State Leases in Lea County, New Mexico:

State Lea 886 lease comprising the S/2 NW/4
and N/2 NE/4 of Section 16

State Lea 6019 lease comprising the NW/4 NW/4
and SE/4 of Section 16

all in Township 20 South, Range 33 East, after separately metering the production from one pool and subtracting that amount from the total commingled production in order to determine the production from the other lease.

PROVIDED HOWEVER, That the applicant shall install adequate facilities to permit the testing of all wells located on said leases at least once each month to determine the individual production from each well on each lease.

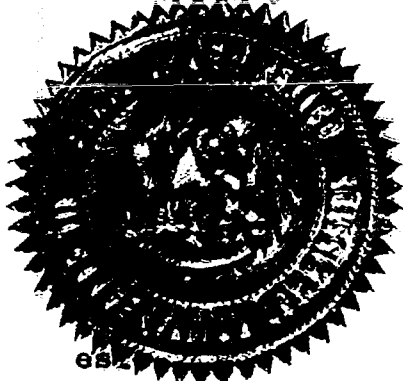
IT IS FURTHER ORDERED:

That all meters shall be operated and maintained in such a manner as to ensure an accurate measurement of the liquid hydrocarbon production at all times.

That meters shall be checked for accuracy at intervals not to exceed one month until further direction by the Secretary-Director.

That meters shall be calibrated against a master meter or against a test tank of measured volume and the results of such calibration filed with the Commission on the Commission form entitled "Meter Test Report."

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



STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John Burroughs
JOHN BURROUGHS, Chairman

Murray E. Morgan
MURRAY E. MORGAN, Member

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

CASE 1951: Application of TEXACO INC.
for gas-gas dual of State "CH" Well
No. 1 - Lea County, New Mexico.