

Entered July 24 1959
Q.H.P.

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. 1700
Order No. R-1439

APPLICATION OF GULF OIL
CORPORATION FOR PERMISSION TO
COMMINGLE THE PRODUCTION FROM
TWO SEPARATE LEASES IN THE
EAST MILLMAN QUEEN-GRAYBURG
POOL, EDDY COUNTY, NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 8:00 o'clock a.m. on June 24, 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 15th day of July, 1959, 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 subject matter thereof.

(2) That the applicant, Gulf Oil Corporation, is the owner and operator of the following-described non-contiguous leases in the East Millman Queen-Grayburg Pool, Eddy County, New Mexico:

Eddy-State "AN" Lease, comprising the
S/2 NW/4 and the N/2 S/2 of Section 13

Eddy-State "BN" Lease, comprising the
SE/4 of Section 11

all in Township 19 South, Range 28 East.

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(3) That the ownership of the above-described leases is common throughout.

(4) That approval of the subject application will neither cause waste nor impair correlative rights provided adequate testing equipment and storage facilities are installed.

IT IS THEREFORE ORDERED:

That the applicant be and the same is hereby authorized to commingle the production from the following-described leases from a maximum of ten (10) 40-acre proration units completed in the East Millman Queen-Grayburg Pool, Eddy County, New Mexico:

Eddy-State "AN" Lease, comprising the
S/2 NW/4 and the N/2 S/2 of Section 13

Eddy-State "BN" Lease, comprising the
SE/4 of Section 11

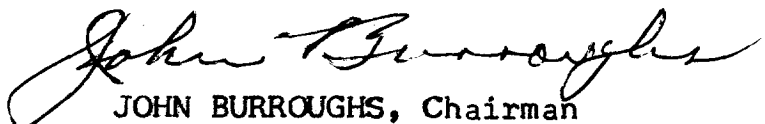
all in Township 19 South, Range 28 East.

PROVIDED HOWEVER, That the applicant shall furnish sufficient storage capacity to prevent the overflow and wasting of oil produced into the common tank battery.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN BURROUGHS, Chairman


MURRAY E. MORGAN, Member


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

S E A L

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