

Entered January 11, 1960
A.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. 1850
Order No. R-1597

APPLICATION OF THE OIL CON-
SERVATION COMMISSION ON ITS OWN
MOTION TO CONSIDER REVISING
RULE 303 OF THE COMMISSION RULES
AND REGULATIONS TO ESTABLISH A
PROCEDURE WHEREBY AUTHORITY TO
COMMINGLE PRODUCTION FROM TWO OR
MORE SEPARATE COMMON SOURCES OF
SUPPLY MAY BE APPROVED WITHOUT
NOTICE AND HEARING

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on January 13, 1960, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 8th day of February, 1960, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, 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 in the interest of administrative convenience, Rule 303 of the Commission Rules and Regulations should be revised to establish a procedure whereby the authority to commingle the production from two or more separate common sources of supply may be approved without notice and hearing, provided that the production from each common source of supply will be accurately measured and determined prior to such commingling.

IT IS THEREFORE ORDERED:

That Rule 303 of the Commission Rules and Regulations be and the same is hereby revised to read in its entirety as follows:

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RULE 303. SEGREGATION OF PRODUCTION FROM POOLS

(a) Each pool shall be produced as a single common source of supply and the wells therein shall be completed, cased, maintained, and operated so as to prevent communication, within the well bore, with any other specific pool or horizon, and the production therefrom shall at all times be actually segregated, and the commingling or confusion of such production, before marketing, with the production from any other pool or pools is strictly prohibited.

(b) The Secretary-Director of the Commission shall have the authority to grant an exception to Rule 303(a) to permit the commingling in common facilities of the commonly owned production from two or more common sources of supply, without notice and hearing, provided that the liquid hydrocarbon production from each common source of supply is to be accurately measured and determined prior to such commingling.

Applications for administrative approval to commingle the production from two or more common sources of supply shall be filed in triplicate with the Santa Fe office of the Commission. The application must contain detailed data as to the gravities of the liquid hydrocarbons, the values thereof, and the volumes of the liquid hydrocarbons from each pool, as well as the expected gravity and value of the commingled liquid hydrocarbon production; a schematic diagram of the proposed installation; a plat showing the location of all wells on the applicant's lease and the pool from which each well is producing. The application shall also state specifically whether the actual commercial value of such commingled production will be less than the sum of the values of the production from each common source of supply and, if so, how much less.

Applicant shall furnish evidence that all persons owning any interest of record in the subject acreage, which interest appears in the applicant's files, have been sent a copy of the application by registered mail.

The Secretary-Director may approve the commingling, if after a period of twenty (20) days following receipt of the application, no person owning any interest in the subject acreage has objected.

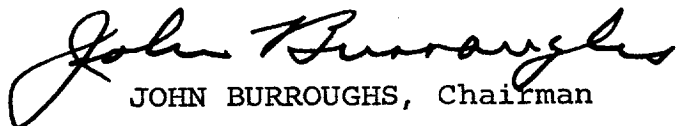
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DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN BURROUGHS, Chairman


MURRAY E. MORGAN, Member


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

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