

Entered July 19, 1961
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. 2319
Order No. R-2029

APPLICATION OF TENNECO OIL
COMPANY FOR A NON-STANDARD
OIL PRORATION UNIT AND FOR
PERMISSION TO COMMINGLE THE
PRODUCTION FROM SEPARATE
LEASES, SAN JUAN COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on June 28, 1961, 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 July, 1961, 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, Tenneco Oil Company, seeks the establishment of a 90.5-acre non-standard oil proration unit in the Cha Cha-Gallup Oil Pool, consisting of Lots 3 and 4 and the E/2 SW/4 of Section 31, Township 29 North, Range 13 West, NMPM, San Juan County, New Mexico.

(3) That the applicant further seeks permission to commingle the Gallup oil production from the above-described unit with the Gallup oil production from another basic lease comprising the E/2 W/2 and the E/2 of said Section 31.

(4) That the production from each lease should be separately metered prior to commingling.

(5) That inasmuch as an industry committee has been appointed to study all phases of commingling and to recommend

-2-

CASE No. 2319
Order No. R-2029

minimum standards to prevent abuses thereof, it may be that this installation, at a later date, will have to be altered to conform to such standards as the Commission may prescribe.

(6) That approval of the subject application will neither cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

(1) That a 90.5-acre non-standard oil proration unit in the Cha Cha-Gallup Oil Pool is hereby established, consisting of Lots 3 and 4 and the E/2 SW/4 of Section 31, Township 29 North, Range 13 West, NMPM, San Juan County, New Mexico.

(2) That the allowable to be assigned the subject proration unit shall bear the same ratio to a standard allowable in the Cha Cha-Gallup Oil Pool as 90.5 bears to 80.

(3) That the applicant, Tenneco Oil Company, is hereby authorized to commingle the Gallup oil production from the subject unit with the Gallup oil production from another basic lease comprising the E/2 W/2 and the E/2 of said Section 31.

PROVIDED HOWEVER, That the production from each lease shall be separately metered prior to commingling.

PROVIDED FURTHER, That all production meters shall be equipped with non-reset totalizers.



PROVIDED FURTHER, That it may be that this installation, at a later date, will have to be altered to conform to such standards as the Commission may prescribe.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


EDWIN L. MECHEM, Chairman


E. S. WALKER, Member

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

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