

Entered August 7, 1962
A.S.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. 2572
Order No. R-2291

APPLICATION OF TENNECO OIL COMPANY
FOR AN EXCEPTION TO RULE 21(A) OF
ORDER NO. R-1670, BASIN-DAKOTA GAS
POOL, 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 7, 1962, at Santa Fe, New Mexico, before Daniel S. Nutter, 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 17th day of July, 1962, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, 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, is the owner and operator of the H. O. Watson Lease comprising all of Section 22, Township 27 North, Range 12 West, NMPM, San Juan County, New Mexico, upon which lease two wells have been completed in the Basin-Dakota Gas Pool.

(3) That the applicant proposes, as an exception to the provisions of Rule 21(A) of the rules for the prorated gas pools of Northwestern New Mexico (Order No. R-1670), to commingle the production from the two wells located on the H. O. Watson Lease. Applicant proposes to install a common tank battery and separating facility to service the two wells and to allocate monthly gas production to each well on the basis of deliverability tests and average flowing tubing pressures.

(4) That due to the inherent difficulties which would be encountered in apportioning production on the basis proposed, the commingled production from the two subject wells could not be

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accurately attributed to each individual well, and this method of allocation should not be permitted in a prorated gas pool.

(5) That the commingling of liquid hydrocarbons from the two subject wells should be permitted in accordance with the Commission's Manual for the Installation and Operation of Commingling Facilities.

IT IS THEREFORE ORDERED:

That the applicant, Tenneco Oil Company, is hereby authorized to commingle the liquid hydrocarbon production from its Watson Wells Nos. 1 and 2, located on the H. O. Watson Lease comprising all of Section 22, Township 27 North, Range 12 West, NMPM, Basin-Dakota Gas Pool, San Juan County, New Mexico.

PROVIDED HOWEVER, That the commingling of liquid hydrocarbons shall be in conformance with the Commission's Manual for the Installation and Operation of Commingling Facilities with the allocation of produced liquids based upon semi-annual gas-liquid ratio tests.

PROVIDED FURTHER, That the gas production from the subject wells shall be separately measured and that a separator shall be installed for each well.

IT IS FURTHER ORDERED:

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 hereinabove 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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