

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. 546
Order No. R-337

THE APPLICATION OF SINCLAIR OIL AND
GAS COMPANY FOR AUTHORIZATION TO
COMMINGLE IN A COMMON TANK BATTERY
OIL PRODUCED FROM CERTAIN PORTIONS
OF ITS STATE LEASES NUMBERED B-10209
AND B-10137, TOWNSHIP 13 SOUTH, RANGE 33
EAST, NMPM, LEA COUNTY, NEW MEXICO,
IN THE LAZY 'J' POOL: THIS TO BE IN
EXCEPTION TO RULE 309 OF THE COMMISSION'S
RULES AND REGULATIONS.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on June 16, 1953, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 23rd day of June, 1953, the Commission, a quorum being present, having considered the testimony adduced and 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 applicant is the sole owner of New Mexico state oil and gas leases numbered B-10209 and B-10137, said leases being owned in fee by the State of New Mexico.
3. That for reasons of efficiency applicant desires to use common tankage for the storage and measurement of oil produced from the Pennsylvanian formation underlying the following contiguous portions of said leases:

State Lease B-10209 insofar as it covers:
SE/4 Section 21, Township 13 South,
Range 33 East, NMPM, Lea County, New Mexico.

State Lease B-10137 insofar as it covers:

NE/4 Section 28, Township 13 South,

Range 33 East, NMPM, Lea County, New Mexico

4. That applicant has made provision for installation of common tank battery for the storage of oil produced from the Pennsylvanian formation underlying the described portions of the above leases, a total of 320 acres, and that equipment is to be installed whereby production from each well drilled on the described land may be accurately determined as prescribed by the Commission.

5. That by reason of practical convenience and economy, and in absence of objection by the Commissioner of Public Lands of New Mexico, exception to Rule 309 should be granted.

6. That no objection by the Commissioner of Public Lands has been entered.

IT IS THEREFORE ORDERED:

That the application of Sinclair Oil and Gas Company for an exception to Rule 309 be, and the same hereby is approved, and Sinclair Oil and Gas Company be and it hereby is authorized to establish, maintain and operate a central tank battery to receive production from wells completed to the Pennsylvanian formation of the Lazy 'J' Pool only, on certain described contiguous portions of its State Leases B-10209 and B-10137, as follows:

State Lease B-10209 insofar as it covers:

SE/4 Section 21, Township 13 South

Range 33 East, NMPM, Lea County, New Mexico

State Lease B-10137 insofar as it covers:

NE/4 Section 28, Township 13 South,

Range 33 East, NMPM, Lea County, New Mexico

PROVIDED, HOWEVER, That adequate tankage and proper equipment are installed and maintained so as to permit specific production tests of each connected well at reasonable intervals or upon request of the Commission, or of the Commissioner of Public Lands, and

PROVIDED FURTHER, That no well now or hereafter connected to such tank battery be permitted to produce at a rate in excess of top allowable as now or may hereafter be fixed for the Lazy 'J' Pool.

IT IS FURTHER ORDERED: That jurisdiction of this case is hereby retained for purpose of revocation and modification under changed conditions.

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

Signed: Edwin L. Mechem, Chairman; E. S. Walker, Member; R. R. Spurrier, Secy.