

*Entered March 22, 1968
CLP*

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. 3740
Order No. R-3395

APPLICATION OF DAVID FASKEN
FOR LEASE COMMINGLING, EDDY
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 20, 1968, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 25th day of March, 1968, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, 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, David Fasken, is the operator of the Ross-Federal Well No. 1, the Shell-Federal Well No. 1, and the Skelly-Federal Well No. 1, located in Sections 4, 5, and 9, respectively, Township 21 South, Range 24 East, NMPM, North Indian Hills-Morrow Gas Pool, Eddy County, New Mexico.
- (3) That the applicant proposes to pipe the wet gas streams from each of the aforesaid wells to a central point located in Unit S of said Section 5, there to separately meter and then commingle said wet gas streams prior to separation and dehydration.
- (4) That the applicant proposes to commingle, subsequent to separation, the condensate from the subject wells in a single stock tank located in said Unit S.

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(5) That the applicant proposes to allocate the gas production to each well on the percentage each well's wet gas stream bears to the total combined dry gas sales and to allocate the condensate to each well on the percentage each well's wet gas stream bears to the total wet gas volume.

(6) That the condensate production from each of the subject wells is inconsiderable and if separately stored will be subject to relatively high rates of vaporization.

(7) That storage of the condensate production from the three wells in a common storage tank located in the aforesaid Unit S should minimize loss due to vaporization and allow the condensate to be stored in a more advantageous location for hauling purposes.

(8) That wet stream metering and commingling of the streams prior to separation and dehydration and allocation of production to the three wells on the basis proposed by the applicant and described in Finding No. 5 would not adequately protect correlative rights of the various owners of interest in the subject wells.

(9) That in order to prevent waste and protect correlative rights, the applicant should be authorized to commingle the condensate production from the subject wells in a common stock tank located in the aforesaid Unit S and to commingle the gas production from the subject wells subsequent to separation and metering by means of 3-phase metering separators upstream from the applicant's proposed gas meters.

IT IS THEREFORE ORDERED:

(1) That the application of David Fasken to meter the wet gas stream from the Ross-Federal Well No. 1, the Shell-Federal Well No. 1, and the Skelly-Federal Well No. 1, located in Sections 4, 5, and 9, respectively, Township 21 South, Range 24 East, NMPM, North Indian Hills-Morrow Gas Pool, Eddy County, New Mexico, prior to separation and dehydration, and to allocate production to each well on the percentage of each well's wet gas stream to the total combined gas volume is hereby denied.

(2) That the applicant is hereby authorized to commingle in a common stock tank located in Unit S of the aforesaid Section

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5 the condensate production from the aforesaid three wells and to commingle the gas production from the aforesaid three wells; provided however, that the condensate production from each of the aforesaid wells shall be separately measured, prior to commingling, by means of 3-phase metering separators located upstream from the applicant's gas meters; and provided further, that the gas production from each of the subject wells is separately metered subsequent to separation and prior to commingling.

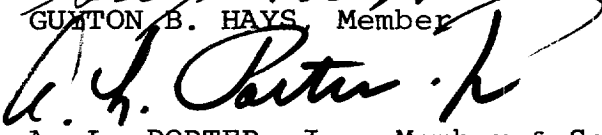
(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman


GULTON B. HAYS, Member


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

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