

*Entered December 8, 1970  
L.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. 4467  
Order No. R-4079

APPLICATION OF GULF OIL CORPORATION  
FOR COMMINGLING OF PRODUCTION, LEA  
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on December 2, 1970, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 8th day of December, 1970, 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, Gulf Oil Corporation, is the owner and operator of the W. D. Grimes NCT-A and NCT-B Leases comprising, respectively, the W/2 of Section 32 and the NW/4 NE/4, E/2 NE/4, and NE/4 SE/4 of Section 33, both in Township 18 South, Range 38 East, NMPM, Lea County, New Mexico.

(3) That the applicant seeks exception to Rules 303 and 309 of the Commission Rules and Regulations to commingle, prior to measurement, production from the Hobbs (Grayburg-San Andres) and Hobbs-Blinbry Pools on said Grimes NCT-B Lease in Section 33 and to commingle, prior to measurement, the aforesaid production with the Hobbs (Grayburg-San Andres) production from said NCT-A Lease in Section 32.

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(4) That the ownership of the two leases is identical throughout, i.e., working interest, royalty, and overriding royalty.

(5) That the applicant proposes to allocate production to each of said leases and pools on the basis of monthly well tests.

(6) That the applicant desires, for safety reasons, to remove the existing tank battery from the above-described Grimes NCT-B Lease as it is located in a residential area.

(7) That approval of the subject application will allow the applicant to take desirable safety precautions and will result in economic savings to the applicant, prevent waste, and protect correlative rights, provided the installation of facilities for commingling production as proposed will permit the individual testing of each of the wells on the subject lease.

IT IS THEREFORE ORDERED:

(1) That the applicant, Gulf Oil Corporation, is hereby authorized to commingle prior to measurement production from the Hobbs (Grayburg-San Andres) and Hobbs-Blinbry Pools from wells on the W. D. Grimes NCT-B Lease comprising the NW/4 NE/4, E/2 NE/4, and NE/4 SE/4 of Section 33, Township 18 South, Range 38 East, NMPM, Lea County, New Mexico.

(2) That the applicant, Gulf Oil Corporation, is hereby authorized to commingle prior to measurement the commingled production authorized in Order (1), above, and production from the Hobbs (Grayburg-San Andres) Pool from wells on the W. D. Grimes NCT-A Lease comprising the W/2 of Section 32, Township 18 South, Range 38 East, NMPM, Lea County, New Mexico.

(3) That the commingled production authorized in Orders (1) and (2), above, shall be allocated to each of the subject wells, pools, and leases on the basis of monthly well tests.

(4) That the facilities for the commingling of production authorized in Orders (1) and (2), above, shall be installed and maintained in a manner that will permit a determination of the producing capacity of each of the subject wells on the above-described leases at least once each month.

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(5) That the applicant shall conduct monthly productivity tests on each of the subject wells on the above-described leases and shall file the results of said tests with the Commission's District Office at Hobbs, New Mexico, on Commission Form C-116 each month, all until further order of the Commission.

(6) 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



ALEX J. ARMIJO, Member



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

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