

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. 805  
Order No. R-575

THE APPLICATION OF TEXAS GULF  
PRODUCING COMPANY FOR EXCEPTION  
TO RULE 309 FOR AUTHORIZATION TO  
COMMINGLE IN A COMMON TANK BATTERY  
OIL PRODUCED FROM TWO SEPARATE STATE  
LEASES, B-2229 AND B-8398, BOTH LOCATED  
IN THE N/2 OF SECTION 36, TOWNSHIP 17  
SOUTH, RANGE 33 EAST, NMPM, LEA COUNTY,  
NEW MEXICO, IN THE VACUUM POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on  
December 16, 1954, at Santa Fe, New Mexico, before the Oil Conservation  
Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 27<sup>th</sup> day of January, 1955, the Commission, a  
quorum being present, having considered the testimony adduced and the  
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, Texas Gulf Producing Company, is the  
owner of two New Mexico State oil and gas leases, B-2229 and B-8398,  
described as follows:

B-2229: 280 acres comprising the NW/4, N/2  
NE/4, and SE/4 NE/4 of Section 36, Township  
17 South, Range 33 East.

B-8398: 40 acres comprising the SW/4 NE/4 of  
Section 36, Township 17 South, Range 33 East,

both leases covering the N/2 of Section 36, Township 17 South, Range 33  
East, NMPM, Lea County, New Mexico.

(3) That for reasons of efficiency, applicant desires to use  
common tankage for the storage and measurement of oil produced from the  
Vacuum Oil Pool underlying the contiguous portions of said leases.



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(4) That applicant proposes to install appropriate physical equipment so that the production from each well completed on the described acreage may be accurately determined as prescribed by the Commission.

(5) That by reason of practical convenience and economy, and in the 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 of the State of New Mexico has been received.

IT IS THEREFORE ORDERED:

That the application of Texas Gulf Producing Company for an exception to Rule 309 be, and the same hereby is approved, and Texas Gulf Producing Company be and it hereby is authorized to establish, maintain and operate a central tank battery to receive production from the San Andres formation of the Vacuum Pool only, on the following described acreage:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM  
N/2 of Section 36

PROVIDED, HOWEVER, That adequate tankage and proper equipment be installed and maintained so as to permit specific production tests of each connected well at reasonable intervals or upon requests 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 hereafter may be fixed for the Vacuum 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.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*John F. Simms*  
JOHN F. SIMMS, Chairman

*E. S. Walker*  
E. S. WALKER, Member

*W. B. Macey*  
W. B. MACEY, Member and Secretary

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*Entered February 4, 1955*

*W. B. Macey*