

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF THE STATE OF NEW
MEXICO FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 902
Order No. R-663

THE APPLICATION OF THE OIL
CONSERVATION COMMISSION
UPON ITS OWN MOTION FOR AN
ORDER ESTABLISHING RULES AND
PROCEDURES IN EXCEPTION TO THE
PROVISIONS OF RULE 303 TO PERMIT
THE COMMINGLING OF OIL FROM VARIOUS
GAS AND OIL POOLS IN LEA COUNTY, NEW
MEXICO, SAID COMMINGLING BEING OCCASIONED
BY THE RE-CLASSIFICATION OF WELLS LOCATED
WITHIN THE OIL AND GAS POOLS DEFINED BY
ORDER R-520.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m., on May 18, 1955, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 7th day of July, 1955, the Commission, a quorum being present, having considered the records and testimony adduced and being fully advised in the premises,

FINDS:

(1) That due notice of the time and place of hearing and the purpose thereof having been given as required by law, the Commission has jurisdiction of this case and the subject matter thereof.

(2) That Rule 303 of the Commission's Rules and Regulations, Oil Production Operating Practices, provides that each pool shall be produced as a single common reservoir and the commingling or confusion of production from separate and distinct pools prior to marketing shall be prohibited.

(3) That Commission Order R-520 defines the vertical limits of the Jalmat, Eumont, and Arrow Gas Pools, and also defines the vertical limits of the Arrowhead, Eunice-Monument, South Eunice, Cooper-Jal, and Langlie-Mattix Oil Pools.

(4) That at the present time there are certain basic leases wherein all wells are prorated in the same pool and the production therefrom is produced into a common tankage; and when reclassified such wells will be affected to the extent that one or more wells will remain in the pool in which they are presently classified, while other wells on the same lease will be placed in a different pool.

Entered July 7, 1955
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(5) That under the provisions of Rule 303 of the Commission's Rules and Regulations, separate facilities to receive, measure, and store the production of those wells so reclassified would have to be provided by the operator. That in certain cases the installation and maintenance of said separate facilities for the measurement and storage of oil would create an undue expense and hardship upon the operator.

(6) That approval of this application for an order establishing rules and procedures in exception to the provisions of Rule 303 to permit the commingling of oil from various oil and gas pools defined by Order R-520 would be in the interest of conservation and would prevent waste.

IT IS THEREFORE ORDERED:

(1) That the application of the Commission upon its own motion for an order establishing rules and procedures in exception to the provisions of Rule 303 to permit the commingling of oil from various gas and oil pools in Lea County, New Mexico, said commingling being occasioned by the reclassification of wells located within the oil and gas pools defined by Order R-520, be and the same is hereby approved.

(2) That the oil and gas pools thus affected are the Jalmat, Eumont, and Arrow Gas Pools, and the Arrowhead, Eunice-Monument, South Eunice, Cooper-Jal, and Langlie-Mattix Oil Pools, as they are now defined both vertically and horizontally, and including such future changes as may be made in the horizontal limits of said pools.

(3) That the following procedure be followed when an operator desires to produce reclassified wells into common tankage with a well or wells on the same basic lease in another pool:

- (a) When notified by the Commission that the pool designation for any well has been changed, the operator shall file Commission Form C-110 in quadruplicate showing the change in pool designation.
- (b) If the operator desires to produce reclassified wells into common tankage with a well or wells on the same basic lease in another pool, he shall insert the following statement on the Form C-110:

"Permission is hereby requested to produce this well, completed in the _____ Pool, into common storage with wells on the same lease currently prorated in the _____ Pool."

Approval of the Form C-110 by the Proration Manager shall constitute authority for the operator to commingle the oil and for the transporter to run it.

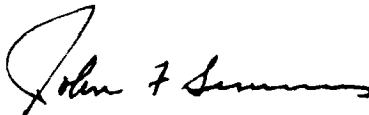
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(4) That for all new wells that are completed or recompleted in one of the aforementioned pools as delineated in Order No. R-520, the provisions of paragraphs (1), (2), and (3) shall apply to permit the commingling of oil from said well or wells with that oil produced from other wells located on the same basic lease. Authority for the operator to commingle such production shall be the approval of the Form C-110 by the Proration Manager as outlined by the provisions of paragraph (3) above.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



JOHN F. SIMMS, Chairman



E. S. WALKER, Member



W. B. MACEY, Member and Secretary

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