STANDARD OIL COMPANY OF TEXAS

P. O. BOX 1249 • HOUSTON TEXAS 77001

December 2, 1965

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

Standard Oil Company of Texas, a Division of Chevron Oil Company, respectfully requests administrative approval from the New Mexico Oil Conservation Commission to grant exceptions to Statewide Rules 309-A to permit off-lease metering and off-lease storage, in accordance with Statewide Rules 309-B and 309-C, for production from the Stateline (Ellenburger) Field on Standard's acreage in Section 32, Township 23 South, Range 38 East, and in Section 5, Township 24 South, Range 38 East, in Lea County, New Mexico. Standard's acreage in Section 32 and Section 5 was obtained from Marathon Oil Company and Continental Oil Company, respectively, on a farmout basis. Standard's acreage in Section 32 is designated as the State 32 lease and in Section 5 as the Continental State lease. Presently Standard is operating one producing well in Section 32 and one producing and one temporary abandoned well in Section 5.

Because of the diverse ownership of the two leases involved in this application, production will be metered from each of the two producing wells prior to commingling according to the prescribed specifications in the New Mexico Oil Conservation Commission "Manual for the Installation and Operation of Commingling Facilities". Attached is a schematic sketch of the proposed commingling facility. It is desired to eliminate the samplers from the facility if agreeable. Production will be allocated to each of the producing wells on each lease by periodic tests through the one test separator. Additionally, separators will be utilized until it becomes necessary to use heater treaters because of water production.

Verbal approval and consent to commingle production from the two leases was obtained from the overriding royalty interests owners (Marathon and Continental) of the two leases, as well as from the New Mexico Land Office and the oil purchaser, The Permian Corporation. Since these interests have verbally given their approval to commingle production from the State 32 and Continental State leases, a waiver of the 20-day waiting period is requested.

In support of this application, the following are attached:

1. A plat of the leases involved:

   State 32 Lease - Red
   Continental State Lease - Green
   Central Tank Battery and Metering Facilities - Yellow

2. A schematic sketch of the commingling facility.

3. Letters asking for written approval to commingle production from the State 32 and Continental State leases to the New Mexico Land Office, Marathon Oil Company, Continental Oil Company, and The Permian Corporation.

Please advise if you desire additional information in regard to this matter.

Yours very truly,

C. N. Segnar FBC

C. N. Segnar
Chief Engineer

FBC:ja

Attachments

cc: New Mexico Land Office, Santa Fe, New Mexico
Continental Oil Company, P. O. Box 460, Hobbs, New Mexico
Marathon Oil Company, P. O. Box 552, Midland, Texas

December 2, 1965

Continental Oil Company
P. O. Box 460
Hobbs, New Mexico

Attention: Mr. L. P. Thompson, District Manager

Gentlemen:

Standard Oil Company of Texas, a Division of Chevron Oil Company, is applying for administrative approval from the New Mexico Oil Conservation Commission to commingle production from the Strawline (Wilcox) reservoir on Standard's acreage in Section 32, Township 23 South, Range 36 East, and in Section 5, Township 24 South, Range 36 East, Lea County, New Mexico. Presently Standard is operating one producing well (Continental State No. 1) and one temporarily abandoned well (Continental State No. 2) in Section 5, and one producing well (State 32-1) in Section 32.

Standard's acreage in Section 5 was obtained from Continental according to a trade agreement between the two companies. Of the acreage obtained by Standard, Continental retained an overriding royalty ownership.

Because of the diversity in ownership in the two leases involved, production from each lease will be metered prior to commingling the produced oil. Attached is a schematic diagram indicating the method of metering and commingling of the produced oil from each of the leases.

On December 1, 1965, verbal approval to commingle oil from the lease, in which Continental retained an overriding royalty interest, with foreign lease production was obtained from Mr. L. P. Thompson with Continental in Hobbs. It would be appreciated if you would execute the attached waiver at your earliest convenience and return three copies to this office. If you have any questions, please contact us for additional information.

Yours very truly,

C. N. Segner FBC

C. N. Segner
Chief Engineer

FBC:ja

Attachments

cc: New Mexico Oil Conservation Commission, Santa Fe, New Mexico
New Mexico Land Office, Santa Fe, New Mexico
Marathon Oil Company, P. O. Box 552, Midland, Texas

STANDARD OIL COMPANY OF TEXAS

P. O. BOX 1249 • HOUSTON TEXAS 77001

December 2, 1965

Marathon Oil Company
P. O. Box 552
Midland, Texas 74701

Attention: Mr. L. H. Shearer
District Production Manager

Gentlemen:

Standard Oil Company of Texas, a Division of Chevron Oil Company, is applying for administrative approval from the New Mexico Oil Conservation Commission to commingle production from the Stateline-Ellenburger reservoir on Standard's acreage in Section 32, Township 23 South, Range 38 East, and in Section 5, Township 24 South, Range 38 East, Lea County, New Mexico. Presently Standard is operating one producing well (Continental State No. 1) and one temporarily abandoned well (Continental State No. 2) in Section 5, and one producing well (State 32-1) in Section 32.

Standard's acreage in Section 32 was obtained from Marathon according to a trade agreement between the two companies. Of the acreage obtained by Standard, Marathon retained an overriding royalty ownership.

Because of the diversity in ownership in the two leases involved in the commingling application, production from each lease will be metered prior to the commingling of the produced oil. Attached is a schematic diagram indicating the method that will be utilized in metering and commingling of produced oil from each of the leases.

On December 1, 1965, verbal approval to commingle oil from the lease which Marathon retained an overriding royalty interest with foreign lease production was obtained from Mr. L. H. Shearer with Marathon in Midland. It would be appreciated if you would execute the attached waiver at your earliest convenience and return three copies to this office. If you have any questions, please contact us for additional information.

Yours very truly,

C. N. Segna FBC

C. N. Segnar
Chief Engineer

FBC:ja
Attachments
cc: New Mexico Oil Conservation Commission, Santa Fe, New Mexico
New Mexico Land Office, Santa Fe, New Mexico
Continental Oil Company, P. O. Box 460, Hobbs, New Mexico

STANDARD OIL COMPANY OF TEXAS

P. O. BOX 1249 • HOUSTON TEXAS 77001

December 2, 1965

The Permian Corporation
P. O. Box 3119
Midland, Texas

Attention: Mr. W. D. Kleine

Gentlemen:

Standard Oil Company of Texas, a Division of Chevron Oil Company, is applying for administrative approval from the New Mexico Oil Conservation Commission to commingle production from the Stateline-Kleenburger reservoir on Standard's acreage in Section 32, Township 23 South, Range 38 East, and in Section 5, Township 24 South, Range 38 East, Lea County, New Mexico. This acreage in Section 32 and Section 5 is designated as the State and Continental State leases, respectively. Presently Standard is operating one producing well in Section 32 (State 32-1) and one producing well (Continental State No. 1) and one temporarily abandoned well (Continental State No. 2) in Section 5.

Production will be metered from each lease prior to commingling in the central tank battery on the Continental State lease. This method is in agreement with the specifications outlined in the New Mexico Oil Conservation Commission "Manual for the Installation and Operation of Commingling Facilities". Attached is a schematic diagram outlining the proposed method of metering and commingling.

On December 2, 1965, Mr. W. D. Kleine verbally stated that The Permian Corporation concurred with Standard's request to commingle the produced oil from the two leases and that they will run the oil. It would be appreciated if you would execute the attached waiver at your earliest convenience and return three copies to this office. If you have any questions, please contact us for additional information.

Yours very truly,

C. N. Segner FBC

C. N. Segner
Chief Engineer

FBC:ja

Attachments

cc: New Mexico Oil Conservation Commission, Santa Fe, New Mexico
New Mexico Land Office, Santa Fe, New Mexico

STANDARD OIL COMPANY OF TEXAS
A DIVISION OF CHEVRON OIL COMPANY
P. O. BOX 1249 HOUSTON TEXAS 77001

January 4, 1966

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. D. S. Nutter

Gentlemen:

In compliance with our telephone conversation on January 4, 1966, in respect to Standard Oil Company of Texas' request for exception to Statewide Rule 309-A in accordance with Statewide Rules 309-B and 309-C, in the Stateline (Ellenburger) Field by letter dated December 2, 1965, we have attached three (3) copies of the letter from the State of New Mexico Commissioner of Public Lands approving our request in their office.

Please advise if you desire additional information.

Yours very truly,

Baron Craft

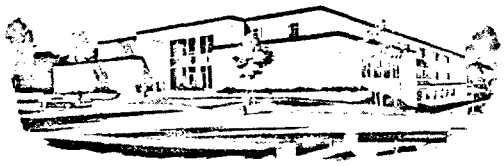
for C. N. Segnar
Chief Engineer

FBC:jah

Attachments

PH
CNS

State of New Mexico



Commissioner of Public Lands

GUYTON B. HAYS
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO

December 9, 1965

Standard Oil Company of Texas
Post Office Box 1249
Houston, Texas 77001

Attention: Mr. C. N. Segnar

Re: State of New Mexico Leases
A-2614 and B-2657

Gentlemen:

We have received your letter of December 2, 1965, in which you have requested approval to commingle Ellenburger production from the N/2 NE/4 and the S/2 NW/4, the N/2 SE/4 and the S/2 SW/4 of Section 32, Township 23 South, Range 38 East, which is within State of New Mexico Lease No. A-2614, with Ellenburger production from the N/2 NE/4 and the N/2 SE/4 of Section 5, Township 24 South, Range 38 East, which is within State of New Mexico Lease No. B-2657.

Please be advised that the Commissioner of Public Lands within the authority granted to him hereby grants approval for commingling the above described production as you have outlined in your proposal of December 2, 1965. After the installation of this facility is completed, but before it is placed in operation, please notify this office so that an inspection of the site may be made.

This approval is subject to being withdrawn at the discretion of the Commissioner of Public Lands, if, in his opinion, the operation proves to be unsound or otherwise against the best interests of the State of New Mexico.

Very truly yours,

GUYTON B. HAYS
Commissioner of Public Lands

By Ted Bilberry

TED BILBERRY, Director
Oil and Gas Department

GBH/EB/TB/d

cc: New Mexico Oil Conservation Commission
Post Office Box 2088, Santa Fe, New Mexico

New Mexico Oil & Gas Accounting Commission, Santa Fe
Oil and Gas Engineering Committee, Hobbs

STANDARD OIL COMPANY OF TEXAS

P. O. BOX 1249 • HOUSTON TEXAS 77001

December 2, 1965

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

Standard Oil Company of Texas, a Division of Chevron Oil Company, respectfully requests administrative approval from the New Mexico Oil Conservation Commission to grant exceptions to Statewide Rules 309-A to permit off-lease metering and off-lease storage, in accordance with Statewide Rules 309-B and 309-C, for production from the Stateline (Ellenburger) Field on Standard's acreage in Section 32, Township 23 South, Range 38 East, and in Section 5, Township 24 South, Range 38 East, in Lea County, New Mexico. Standard's acreage in Section 32 and Section 5 was obtained from Marathon Oil Company and Continental Oil Company, respectively, on a farmout basis. Standard's acreage in Section 32 is designated as the State 32 lease and in Section 5 as the Continental State lease. Presently Standard is operating one producing well in Section 32 and one producing and one temporary abandoned well in Section 5.

Because of the diverse ownership of the two leases involved in this application, production will be metered from each of the two producing wells prior to commingling according to the prescribed specifications in the New Mexico Oil Conservation Commission "Manual for the Installation and Operation of Commingling Facilities". Attached is a schematic sketch of the proposed commingling facility. It is desired to eliminate the samplers from the facility if agreeable. Production will be allocated to each of the producing wells on each lease by periodic tests through the one test separator. Additionally, separators will be utilized until it becomes necessary to use heater treaters because of water production.

Verbal approval and consent to commingle production from the two leases was obtained from the overriding royalty interests owners (Marathon and Continental) of the two leases, as well as from the New Mexico Land Office and the oil purchaser, The Permian Corporation. Since these interests have verbally given their approval to commingle production from the State 32 and Continental State leases, a waiver of the 30-day waiting period is requested.

In support of this application, the following are attached:

1. A plat of the leases involved:

   State 32 Lease - Red
   Continental State Lease - Green
   Central Tank Battery and Metering Facilities - Yellow

2. A schematic sketch of the commingling facility.

3. Letters asking for written approval to commingle production from the State 32 and Continental State leases to the New Mexico Land Office, Marathon Oil Company, Continental Oil Company, and The Permian Corporation.

Please advise if you desire additional information in regard to this matter.

Yours very truly,

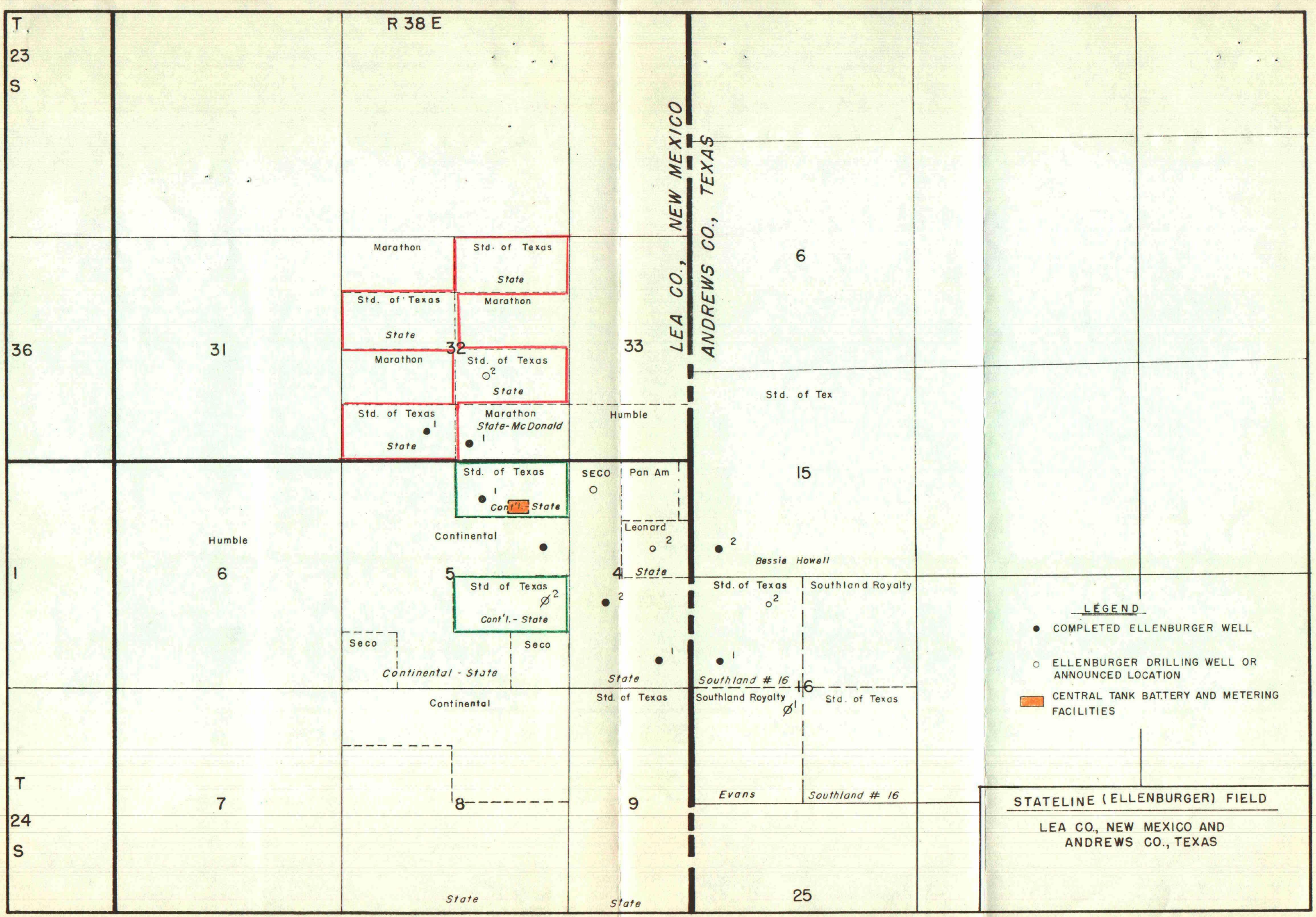
C. N. Segner FBC

C. N. Segner
Chief Engineer

FBC:ja

Attachments

cc: New Mexico Land Office, Santa Fe, New Mexico
Continental Oil Company, P. O. Box 460, Hobbs, New Mexico
Marathon Oil Company, P. O. Box 552, Midland, Texas


T. 23 S
R 38 E
LEA CO., NEW MEXICO
ANDREWS CO., TEXAS
Marathon
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Std. of Texas
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Marathon
State-McDonald
State
Humble
36
31
32
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Continental
Cont'l.- State
SECO
Pan Am
Leonard
State
15
Bessie Howell
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Std of Texas
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State
Std. of Texas
Southland Royalty
Southland # 16
Southland Royalty
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16
Continental
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7
8
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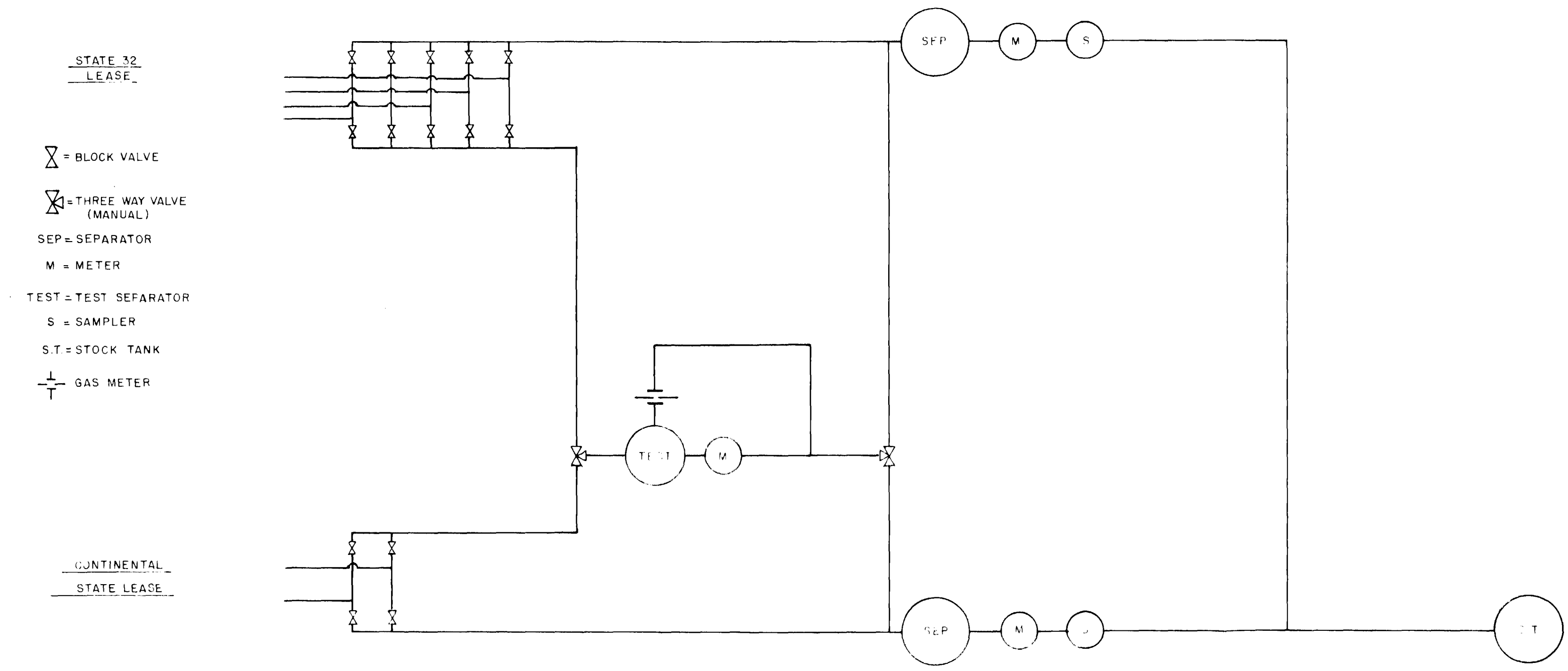
Evans
Southland # 16
State
State
25
LEGEND
COMPLETED ELLENBURGER WELL
ELLENBURGER DRILLING WELL OR ANNOUNCED LOCATION
CENTRAL TANK BATTERY AND METERING FACILITIES
STATELINE (ELLENBURGER) FIELD
LEA CO., NEW MEXICO AND ANDREWS CO., TEXAS

COMMINGLING FACILITIES



NOTE HEATER TREATERS WILL BE SUBSTITUTED FOR SEPARATORS WHEN NECESSARY.