

MAIL ROOM

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HUMBLE OIL & REFINING COMPANY

P. O. Box 2100
Hobbs, New Mexico 88240
May 9, 1967

OTB-172

Re: Off-lease Storage, ACT
Commingling, New Mexico "BQ" State
and New Mexico "CC" State Leases,
Inbe Penn Pool,
Lea County, New Mexico

Mr. A. L. Porter, Jr.
Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87502

Dear Mr. Porter:

Humble Oil and Refining Company requests Administrative approval to commingle Inbe Penn production from our New Mexico "BQ" and "CC" State Leases, Inbe Penn Pool, Lea County, New Mexico, for off-lease storage for production from the New Mexico "BQ" Lease, and to sell the commingled production by ACT. Commingling the production from these leases will eliminate one tank battery and the cost of operating it. It will also allow the conversion of New Mexico "BQ" State Well No. 1 from rod to subsurface hydraulic pump with a minimum of cost. This should increase the production from New Mexico "BQ" State 1 materially.

The New Mexico "BQ" State Lease (a part of State Lease No. E9035 consisting of the W/2 of the SW/4 of Section 26, T-10-S, R-33-E) has one Inbe Penn well. The New Mexico "CC" State Lease (a part of New Mexico State Lease No. E9669 consisting of all of Section 27, T-10-S, R-33-E, except the E/2 of the SE/4) has two producing wells. A plat showing these leases is attached.

Rio Grande Improvement is the State beneficiary for both leases.

There will be no monetary loss due to gravity change caused by commingling.

Although the O.C.C. does not require separate measurement where ownership of the leases is common throughout, the Commissioner of Public Lands does. His letter of approval for the proposed installation is attached.

HUMBLE OIL & REFINING COMPANY

Mr. A. L. Porter, Jr.

- 2 -

May 8, 1967

The attached diagram of the proposed commingling installation shows that production from the New Mexico "BQ" State Lease will be separately metered and sampled at all times. Separate measurement of power oil to "BQ" 1 is also included.

Production from the New Mexico "CC" State Lease will be routed through a production separator with adequate provisions for periodic well tests provided. Production from both leases will then be combined and routed through the treater and back to the power oil tank, surge tank, and through the ACT to the pipeline.

Production from New Mexico "BQ" State No. 1 will be determined by taking the metered "BQ" power oil volume from the oil volume metered at the "BQ" test meter and corrected for the BS&W content. Production from the New Mexico "CC" State Lease will be determined by subtracting the "BQ" production from the ACT volumes.

Although separate measurement is not required by the New Mexico Oil Conservation Commission in this case, the installation will comply with the directions for separate measurement and ACT operation in the New Mexico Oil Conservation Commission "Manual for Installation and Operation of Commingling Facilities".

Yours very truly,

HUMBLE OIL AND REFINING COMPANY



M. C. Turner
District Superintendent

LNP/mcb

Attachments: Form C-106

Schematic of Proposed Commingled Tank Battery

Schematic of ACT equipment

Plat showing location of wells and battery.

Letter - Commissioner of Public Lands

Letter - Service Pipe Line Company

cc: Mr. J. E. Pinkerton

Humble Oil and Refining Company

P. O. Box 1600

Midland, Texas 79701

cc: New Mexico Oil Conservation Commission

P. O. Box 1980

Hobbs, New Mexico 88240

NEW MEXICO OIL CONSERVATION COMMISSION
NOTICE OF INTENTION TO UTILIZE AUTOMATIC CUSTODY TRANSFER EQUIPMENT

Form C-106
4-28-61

ACT Permit No. _____

Operator Humble Oil & Refining Company Field Inbe Penn

Address Box 2100, Hobbs, New Mexico 88240 County Lea

Lease(s) to be served by this ACT Unit New Mexico "CC" State and New Mexico "BQ" State Leases

Pool(s) to be served by this ACT Unit Inbe Penn

Location of ACT System: Unit J Section 27 Township 10-S Range 33-E

Order No. authorizing commingling between leases if more than one lease is to be served by this

System See attached letter Date 5-9-67

Order No. authorizing commingling between pools if more than one pool is to be served by this system

_____ Date _____

Authorized transporter of oil from this system Service Pipe Line Company

Transporter's address 3411 Knoxville Street, Lubbock, Texas

Maximum expected daily through-put for this system: 500 BOPD Bbls/day

If system fails to transfer oil due to malfunction or otherwise, waste by overflow will be averted by:

CHECK ONE

A. Automatic shut-down facilities
as required by Section (3) h-1 of
RULE 309-A

B. Alternative (3) h-2, providing adequate available
capacity to receive production during maximum
unattended time of lease operation.

If "A" above is checked, will flowing wells be shut-in at the header manifold or at the wellhead?

_____ Maximum well-head shut-in pressure _____

If "B" above is checked, how much storage capacity is available above the normal high working level of the

surge tank 600 BBLs.

What is the normal maximum unattended time of lease operation? 18 Hours.

What device will be used for measuring oil in this ACT unit?

CHECK ONE

Positive displacement meter

Weir-type measuring vessel

Positive volume metering chamber

Other; describe _____

Remarks: Attached are letter of request for commingling permit describing facilities, letter of approval for ACT from Service Pipe Line Co., plat of the leases, and schematic diagrams of the battery and ACT equipment.

I hereby certify that the information given above is true and complete to the best of my knowledge and that the subject ACT system will be installed and operated in accordance with RULE 309-A.

LMP/mcb
Approved, Oil Conservation Commission

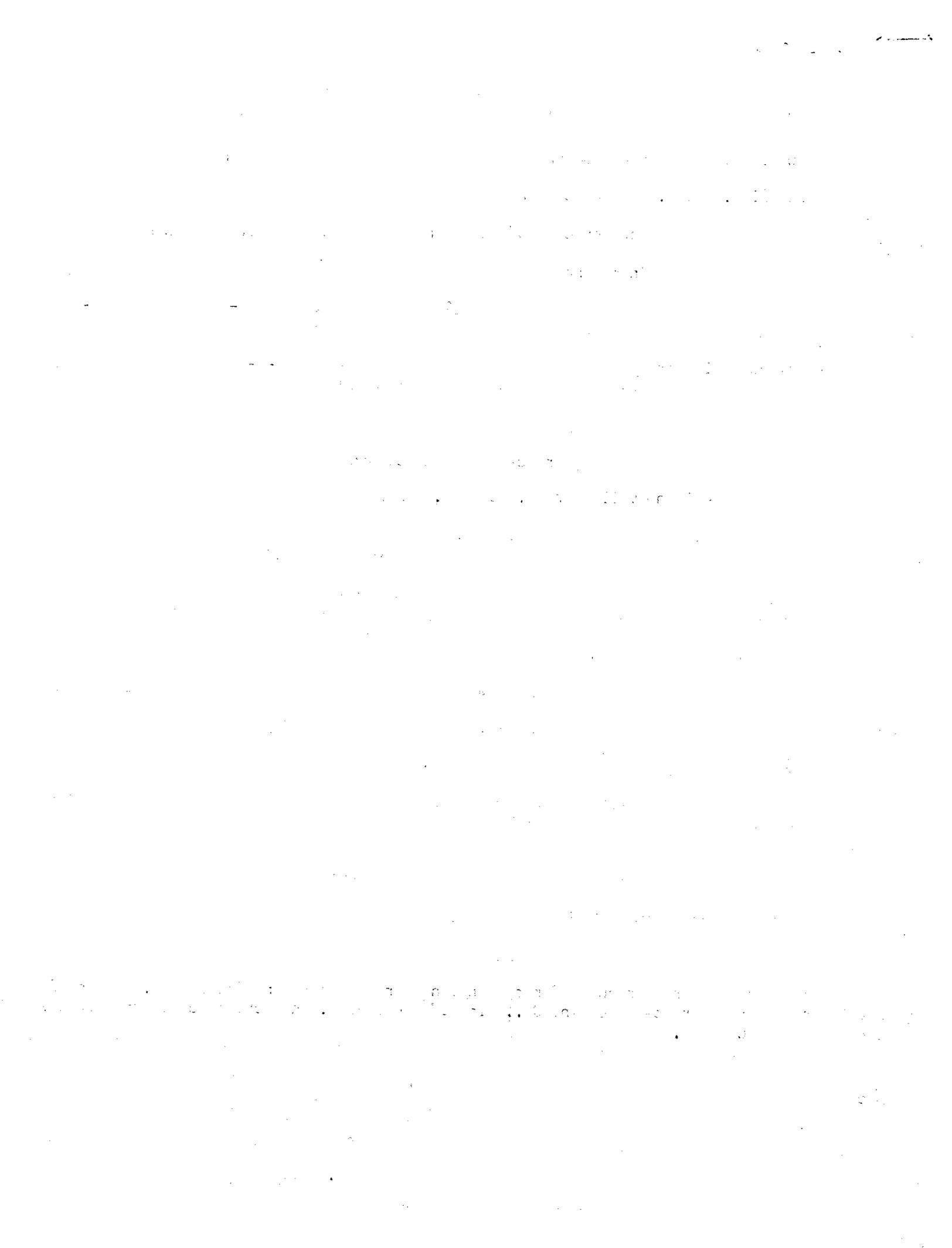
By G. L. Carpenter

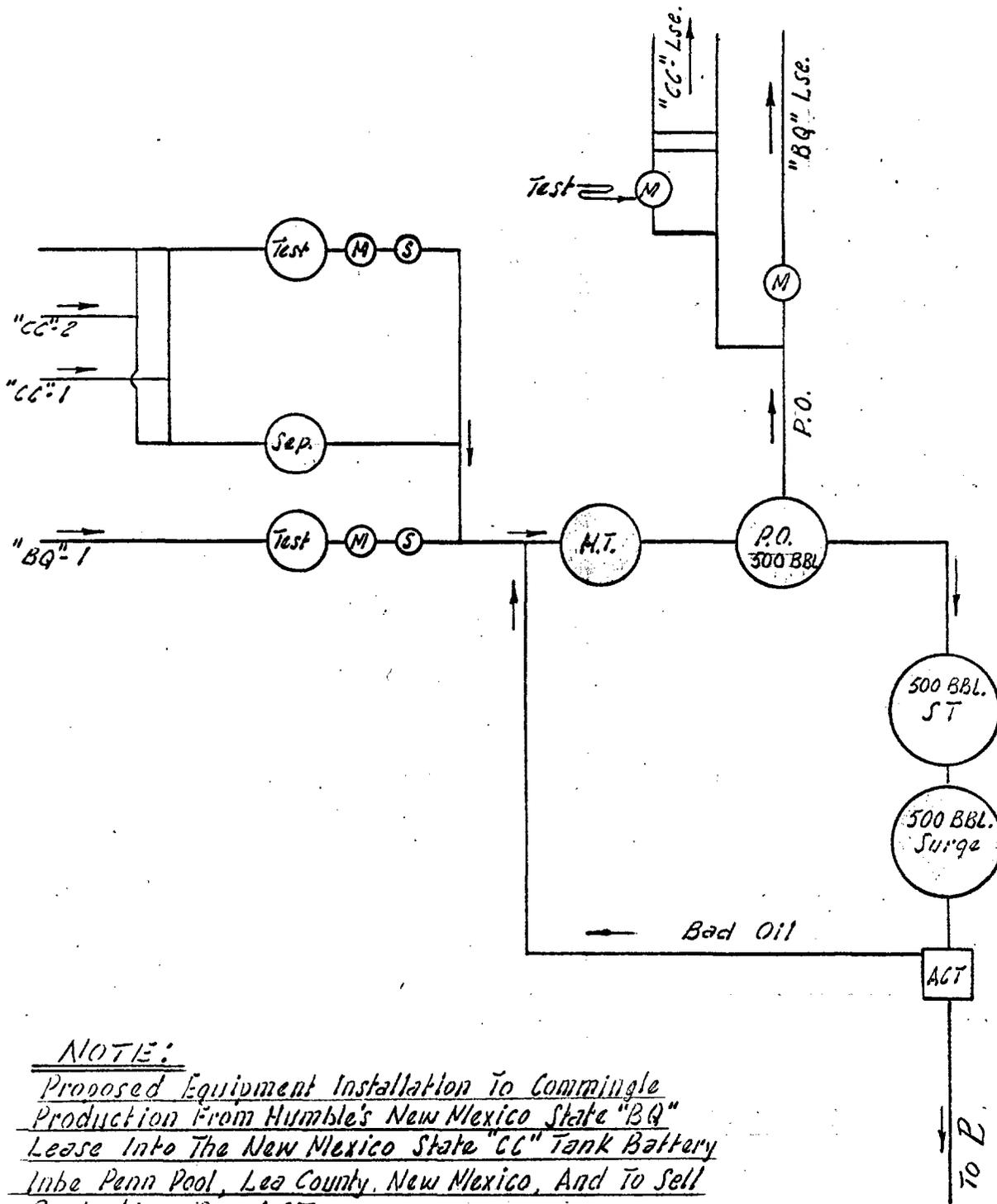
By _____

Title Agent

Title _____

Date May 9, 1967





NOTE:

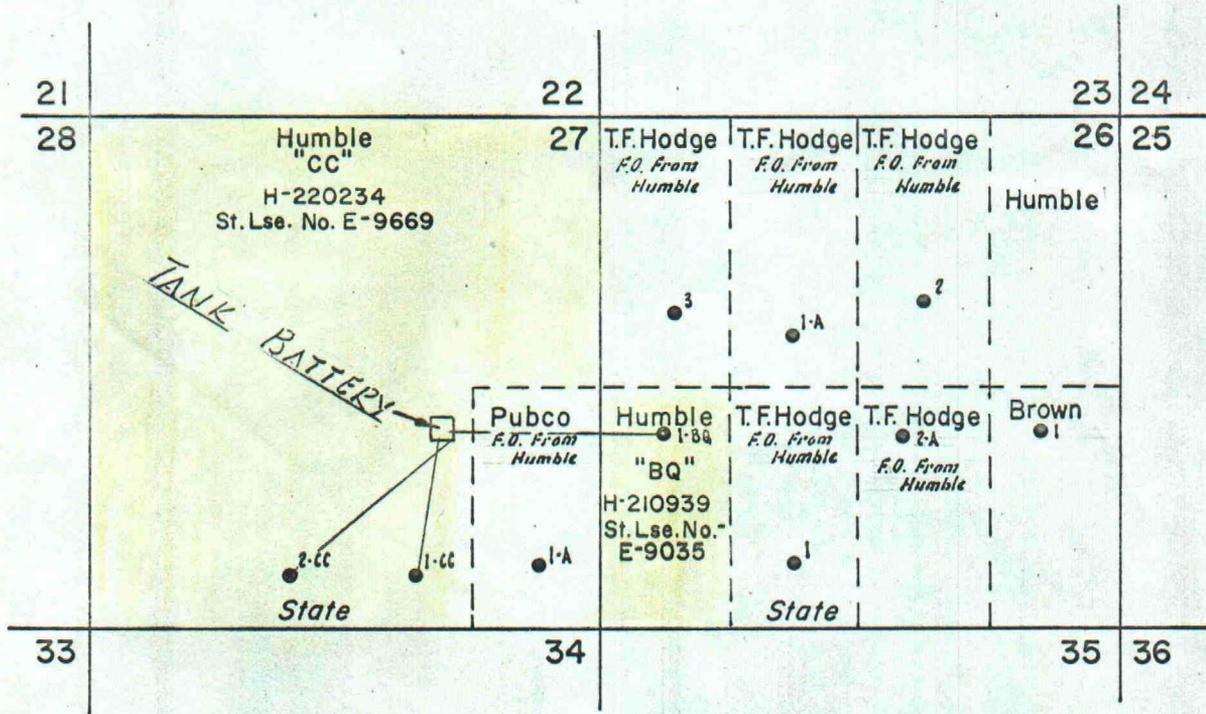
Proposed Equipment Installation To Commingle Production From Humble's New Mexico State "BQ" Lease Into The New Mexico State "CC" Tank Battery In The Penn Pool, Lea County, New Mexico, And To Sell Production By ACT

DIAGRAM NO. 1

COMMINGLED TANK BATTERY
Humble's New Mexico State "CC" & "BQ" Lse.
Lea County, New Mexico

HUMBLE OIL & REFINING COMPANY
 SOUTHWEST REGION
 PRODUCTION DEPARTMENT
 Hobbs, New Mexico

DRAWN <u>W.C.</u>	ENGR. SECTION <u>Prod.</u>	REVISED	SCALE <u>NONE</u>	JOB NO.	FILE NO.
			<u>4-17-67</u>		<u>H-A 104</u>



T-10-S, R-33-E

HUMBLE'S N.MEX. STATE "CC" & "BQ" LSE
LEA COUNTY, N. MEXICO

HUMBLE OIL & REFINING COMPANY
SOUTHWEST REGION
PRODUCTION DEPARTMENT
HOBBS, NEW MEXICO

DRAWN J.E.C. ENGR. SECTION Prod. REVISED _____
CHECKED _____ APPROVED _____

SCALE 1" = 2000'
DATE 4-12-67

JOB NO. _____

FILE NO. _____

H-A-103

State of New Mexico



Commissioner of Public Lands

GUYTON B. HAYS
COMMISSIONER



P. O. BOX 1148
SANTA FE, NEW MEXICO

April 18, 1967

Re: Commingling, New Mexico "BQ"
State and "CC" State Leases,
Inbe Penn Pool
Lea County, New Mexico

Humble Oil and Refining Company
P.O. Box 2100
Hobbs, New Mexico - 88240

Attention: Mr. M. C. Turner, District Supt.

Gentlemen:

I have reviewed your application to commingle production from your New Mexico BQ State Lease (a part of State Lease No. E-9035 which consists of the $W\frac{1}{2}$ of the $SW\frac{1}{4}$ of Sec. 26, TS 10S, R-33E in production from your New Mexico CC State Lease - a part of New Mexico State Lease No. E-9669, which comprises the whole of Section 27, TS 10-S, R 33E, with the exception of the $E\frac{1}{2}$ of $SE\frac{1}{4}$). It is our understanding that you propose to pay royalty for these two leases on the basis of actual meter readings determined by separate metering facilities. In this event, please be advised that the Commissioner of Public Lands has no objection to your proposal.

We would like, however, to be notified after the installation has been completed, but before it is put into operation so that an inspection at the site may be made.

Very truly yours,

GUYTON B. HAYS
COMMISSIONER OF PUBLIC LANDS

BY: *Ted Bilberry*

TED BILBERRY, DIRECTOR
Oil and Gas Department

GBH:TB:fr

MP #
5/10/67

SERVICE PIPE LINE COMPANY

3411 Knoxville Avenue
Lubbock, Texas
May 8, 1967

Subject: Proposed LACT on State "CC"
Lease, Inbe Penn Pool, Lea
County, New Mexico

Humble Oil & Refining Company
Post Office Box 2100
Hobbs, New Mexico 88240

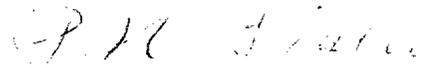
Attention: Mr. Lee N. Perry, Jr.

Dear Sir:

Your proposal and specifications for the LACT unit has our approval.

We will furnish a 10-barrel prover tank delivered to lease, provided you set tank and connect to the LACT, as per our telephone conversation.

Yours very truly,



P. N. Figley
District Superintendent

PNF:brh

cc: H. G. Mariner
J. J. McNally
K. K. King

.. Lee N. Perry, Jr.

FORM 320 (9-50)

SERVICE PIPE LINE COMPANY

3411 Knoxville Avenue
Lubbock, Texas
May 8, 1967

**Subject: Proposed LACT Unit
Humble Oil & Refining Co. -
New Mexico State "CC" Lease,
Inbe Penn Pool, Section
27 - 10E - 33E, Lea County,
New Mexico**

**State of New Mexico
Oil Conservation Commission
Post Office Box 871
Santa Fe, New Mexico 87501**

Dear Sir:

Humble Oil & Refining Company, Post Office Box 2100, Hobbs, New Mexico, 88240, is in the process of petitioning the state of New Mexico to install LACT unit on State "CC" lease to handle production from this lease and the State "BQ" lease, Lea County, New Mexico.

Service Pipe Line Company has received the detailed design of the proposed LACT unit and feel that it will adequately measure oil from this lease. Therefore, upon your receipt of the petition, we wish to support same and urge your approval of the LACT facility.

**Yours very truly,
ORIGINAL SIGNED
P. N. FIGLEY**

**P. N. Figley
District Superintendent**

FNF:brh

**cc: Mr. Lee N. Perry, Jr.
Humble Oil & Refining Company**

**Mr. H. G. Mariner
Mr. R. A. Hamill
Mr. K. K. King**

COPY

SERVICE PIPE LINE COMPANY

2011...
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May 1, 1957

Enclosed...
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