

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

December 14, 1967

C Union Oil Company of California
P. O. Box 671
Midland, Texas 79701

Attention: Mr. G. W. Coombes

O Administrative Order CTB-178

Gentlemen:

P Reference is made to your application dated November 16, 1967, for administrative approval of an exception to Rule 309-A of the Commission Rules and Regulations to permit the commingling of Shugart production from your Federal "E" Lease and your Federal "F" Lease both located in Section 31, Township 18 South, Range 31 East, Eddy County, New Mexico, allocating the production on the basis of monthly well tests. It is our understanding that the ownership of these two leases is identical throughout.

Y Under the authority granted me pursuant to Rule 309-B, you are hereby authorized to commingle the above-described production as proposed, subject to the provisions of the Commission "Manual for the Installation and Operation of Commingling Facilities."

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/DEN/esr

cc: Oil Conservation Commission (with enclosure) - Artesia
Oil & Gas Engineering Committee - Hobbs
United States Geological Survey - Roswell

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

MEMORANDUM

TO: DIRECTOR, OIL CONSERVATION COMMISSION

DATE: 1/15/68

FROM: [Illegible]

SUBJECT: [Illegible]

1. [Illegible]

2. [Illegible]

3. [Illegible]

4. [Illegible]

5. [Illegible]

6. [Illegible]

7. [Illegible]

8. [Illegible]

Union Oil Company of California

M I D L A N D

D I S T R I C T

AREA CODE 915
MU 2-9731

November 16, 1967

P.O. Box 671
500 N. MARIENFELD
MIDLAND, TEXAS 79701

CARBONE

New Mexico Oil Conservation Commission
P. O. Box 1980
Hobbs, New Mexico 88240

Attn: Mr. Joe D. Ramey, Supervisor

Gentlemen:

SLY

Union Oil Company of California as operator of the Federal "E" and Federal "F" Leases, numbers NM-0560352 and LC-062085, Shugart Pool, ~~Lee~~ County, respectfully request permission to commingle the production from these two leases.

We have received permission from the USGS and the ORR owner to commingle this production and have enclosed their letter permits. We respectfully request that the requirement to separately measure production from each lease before commingling be waived as the ownership of the leases is common throughout and production from only one zone is involved.

A plat of our present and proposed lease facilities is attached.

Yours very truly,

UNION OIL COMPANY OF CALIFORNIA

G. W. Coombes
G. W. Coombes

District Operations Superintendent

JFw/sdw

Attachments



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P. O. Drawer 1857
Roswell, New Mexico 88201

November 13, 1967

Union Oil Company of California
Post Office Box 671
Midland, Texas 79701

Gentlemen:

Your letter of November 7, 1967, requests approval to commingle Seven Rivers-Queen production from Federal leases New Mexico 0560352 and Las Cruces 062085 in the Shugart pool located in sec. 31, T. 18 S., R. 31 E., N.M.P.M., Eddy County, New Mexico.

For royalty purposes, production allocation will be based on monthly well tests and resulting lease production as reported on Lessee's Monthly Report of Operations (form 9-329). The Lessee's Monthly Report of Sales and Royalty (form 9-361) must show all computations used in the calculation of lease sales.

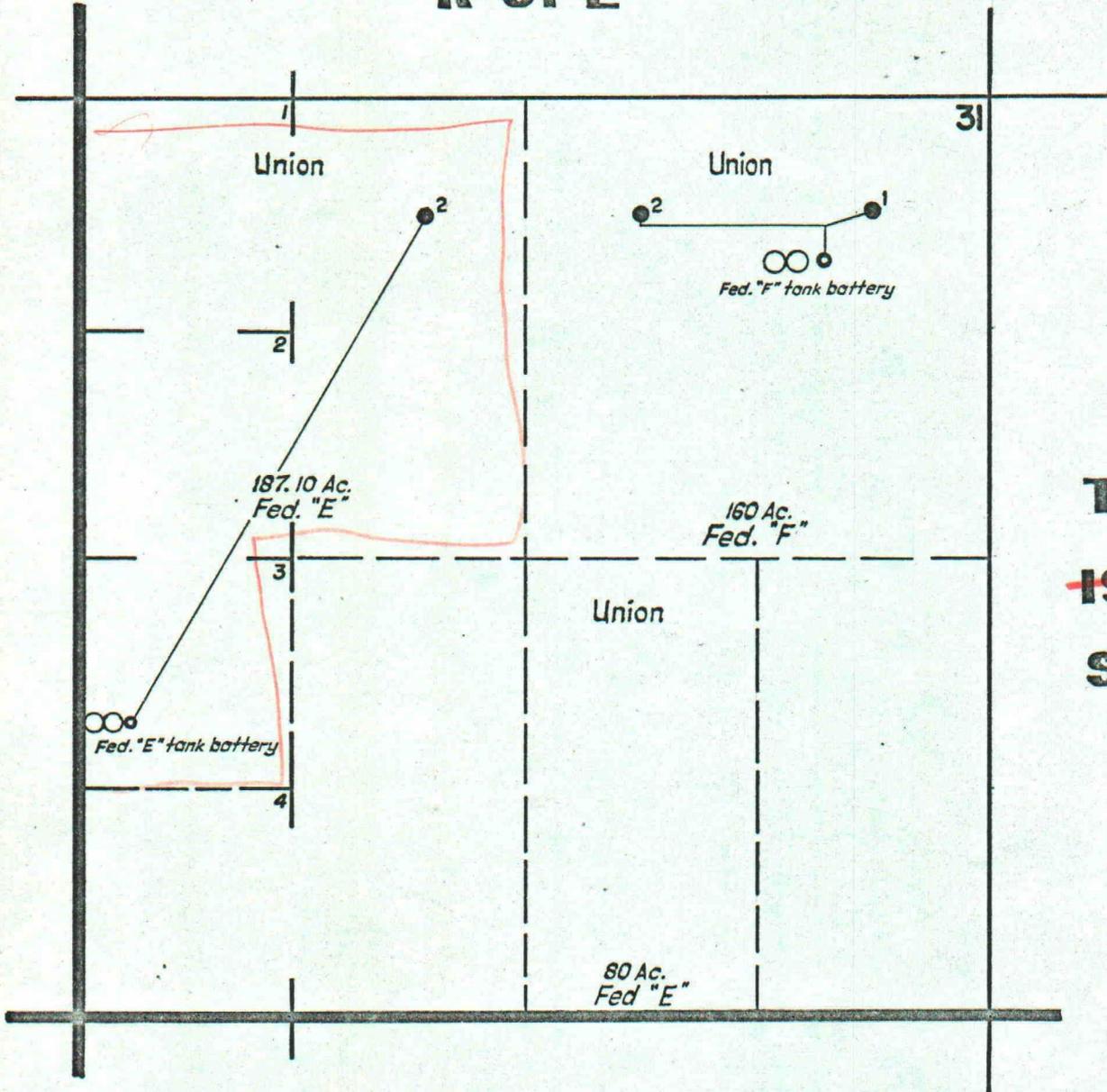
The method of commingling described by your application is hereby approved subject to like approval by the New Mexico Oil Conservation Commission.

Please notify the District Engineer, U. S. Geological Survey, Post Office Drawer U, Artesia, New Mexico 88210, when the installation is completed and operative so that an inspection can be made.

Sincerely yours,

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

R 31 E



T
~~19~~
S

Scale 1"=1000'

We propose to salvage the Federal E Lease tank battery and flow line. The flow line from Federal E #2 will then be routed to the treater at Federal F tank battery and connected in such manner as to allow individual well testing.

JOHNSTON, WILSON & ENGLAND
Public Accountants

J. WALDEN BASSETT, R.P.A. (1900-1959)

E. BERNARD JOHNSTON, R.P.A.

C. V. WILSON, C.P.A.

VIRGIL H. DOTTS, C.P.A.

GEORGE H. ENGLAND, JR., C.P.A.

BUDDY BURTON, C.P.A.

H. C. KASTLER, C.P.A.

P. O. BOX 880 - 600 NORTH RICHARDSON

TELEPHONE 505 622-2540

ROSWELL, NEW MEXICO 88201

October 23, 1967

TELEPHONE 505 746-6671

P. O. BOX 400 - CARPER BUILDING

ARTESIA, NEW MEXICO 88210

RECEIVED
OCT 24 1967
J. M. T.

Union Oil Company of California
Post Office Box 671
Midland, Texas 79701

Attention: Mr. John M. Tyler
District Production Supt.

Reference: Mercury Oil Company

Dear Mr. Tyler:

Mr. Ralph A. Shugart of Artesia, New Mexico, who owns stock in the Mercury Oil Company, and who has always looked after its business passed away September 1, 1967. I have been designated by the Board of Directors to look after the affairs of the Mercury Oil Company.

In reply to your letter of October 12, wanting to know whether or not the Mercury would object to the co-mingling of the income from Federal E Lease and Federal ~~F~~ Lease, Shugart Pool, Lea County, New Mexico, it makes no difference to the Mercury as their overriding royalty is the same on both tracts.

Very truly yours,

JOHNSTON, WILSON & ENGLAND


E. Bernard Johnston

EBJ:jt