

# Mobil Oil Corporation

P.O. BOX 633  
MIDLAND, TEXAS 79701

August 26, 1968

New Mexico Oil Conservation Commission (3)  
Post Office Box 2088  
Santa Fe, New Mexico 87501

Attention: Mr. A. L. Porter, Jr.

*CTB-186*

*J. & J. Co.  
General Counsel*

EXCEPTION TO RULE 309-A  
COMMINGLING OF PRODUCTION FROM  
DIFFERENT LEASES HAVING COMMON  
INTEREST - VACUUM GRAYBURG  
SAN ANDRES FIELD  
LEA COUNTY, NEW MEXICO

Gentlemen:

Mobil Oil Corporation respectfully requests permission to commingle Grayburg San Andres production from the State J Lease (NE/4 & N/2 SE/4, Sec. 22, T 17S, R 34E) with like production from the Bridges State Lease (S/2 Sec. 11, S/2 & NE/4 Sec. 12, N/2 & SW/4 Sec. 13, Sec. 14, E/2 Sec. 15, and N/2 & SE/4 Sec. 23, T 17S, R 34E). The ownership of the lands described above, including working interest, royalty interest and overriding royalty interest is common throughout. Therefore, Mobil requests that production be accounted for by monthly well tests instead of separately measuring production from each lease before commingling.

In support of this request the following items are submitted in triplicate.

1. Plat showing leases for which commingling is sought.
2. Schematic of the proposed commingling facility.
3. Letter from purchaser of crude consenting to this commingling.
4. Copy of Mobil's letter to State Land Office requesting a letter of consent. Mobil's letter also explains in detail the entire proposed operations.

It is requested that this matter be disposed of by administrative action. Should additional information be required, please advise.

Yours very truly,

*Ira B. Stitt*

Ira B. Stitt  
Division Operations Engineer

ADBond:mw  
Attachments

# Mobil Oil Corporation

P.O. BOX 633  
MIDLAND, TEXAS 79701

August 26, 1968

Commissioner of Public Lands (2)  
Post Office Box 1148  
Santa Fe, New Mexico 87501

COMMINGLING PRODUCTION FROM  
DIFFERENT STATE LEASES WITH  
COMMON BENEFICIARY -  
VACUUM GRAYBURG SAN ANDRES  
POOL - LEA COUNTY, NEW MEXICO

Gentlemen:

Mobil Oil Corporation respectfully requests State Land Office approval to commingle production from different state leases with common beneficiary into common tankage. It is further requested that Mobil be allowed to commingle production from these leases without being required to install metering equipment to measure production. Production will be accounted for by monthly well test. All wells involved in this proposed commingling produce from the Vacuum Grayburg San Andres Pool.

Approval of this application is sought in order to install centralized tank batteries, reduce operating costs, increase producing life and ultimate oil recovery in this waterflood project area. This proposed operation will increase revenue to the State of New Mexico. This increase will come from:

- (1) A slight reduction of crude weathering losses by centralizing storage,
- (2) Increased efficiency of crude oil treating in larger volume installations, and
- (3) Reduction in operating costs for required labor which will furnish a lower economic production limit, resulting in increased ultimate recovery.

This revenue increase cannot be achieved under present operation conditions. The three points cited above represent positive gain in income to the State of New Mexico even if they cannot be accurately measured or calculated at this time.

August 26, 1968

In support of this request the following items are submitted:

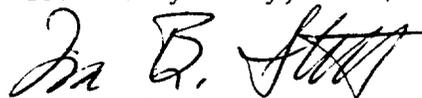
1. Two copies of plat showing the leases involved, proposed flow lines and proposed common tankage. Lines shown in red will serve the state J Lease.
2. Two copies of a list giving the description of the leases involved.
3. Two copies of a schematic diagram of the entire system from production manifold to pipeline connection. The following description of operating sequence or flow refers to this diagram: (1) Flow lines from all wells produce oil and water through individual production flowlines into a common production header. (2) The production manifold is capable of diverting any single well's production through the test side and a net oil computer unit for test purposes. (3) The net oil computer unit furnishes test results as volumes (barrels) of oil and water. These units are judged to be highly accurate. Incorporating capacitance probes for determination of water percentage and turbine meters for measuring flow rates. The computer unit translates to cumulative volumes of oil and water for test results. (4) Tested production is recombined with normal production streams at both central and satellite stations. (5) The combined production stream is taken through a free water knockout and Chemelectric Treater(National Tank Co.) for removal of water and emulsion treating. (6) Treated water-free oil is delivered to common tankage and transmitted through a LACT unit to the pipeline. (7) A heater treater and circulating pump is part of the oil and water handling equipment and is installed to treat tank bottoms consisting of oil water emulsion. (8) The operation described above permits the accurate testing of all production from each well with a minimum use of personnel and a maximum utilization of equipment. Checking and rechecking of production rates at hourly, daily or other intervals is convenient, accurate and dependable with this new modern equipment.
4. Ten dollar check - application fee.

In summary, this proposed commingling will enable Mobil Oil Corporation to utilize modern equipment and centralized facilities to achieve economics resulting in increased ultimate oil recovery. The State of New Mexico benefits from the increased ultimate recovery and at the same time maintains the desired surveillance of lease production as a check upon operating practices.

Mobil plans, in the near future, to make application with the New Mexico Oil Conservation Commission for an Exception to Rule 309-A for these leases. If the proposal to commingle outlined herein meets with your approval, a letter from you to the New Mexico Oil Conservation Commission with a copy to Mobil so stating will be appreciated.

Should additional information regarding this matter be desired please advise.

Yours very truly,



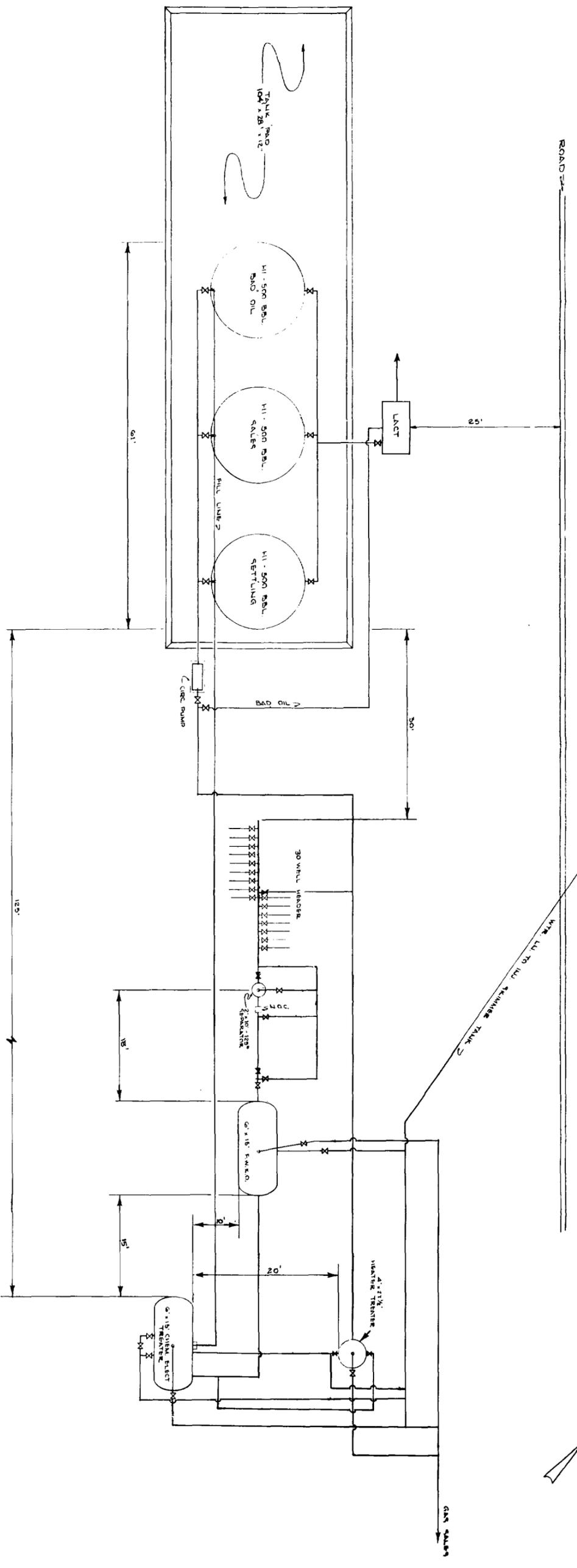
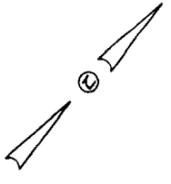
Ira B. Stitt

Division Operations Engineer

JCGordon:LTorres:ADBond/mw

cc: New Mexico Oil Conservation Commission

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NO.	DATE	BY	DESCRIPTION	CHK'D	CERT.	APP'D
<b>Mobil Oil Corporation</b> MIDLAND DIVISION VACUUM FLOOD <b>CONSOLIDATED TANK BATTERY</b> BUICKVILLE LISA COUNTY LEWIS, MISSOURI						
DRAWN BY: U/W/J.			CHECKED BY: DATE COMPLETED: 7-27-60	SCALE: 1/8" = 1'-0"		
DATE STARTED:			DATE COMPLETED:	THIS DRAWING IS NOT TO BE USED FOR MATERIAL UNLESS CERTIFIED AND DATED		
APPROVALS:			DATE:			ISSUE NO.
DWG. NO. D-161-P						

100-100-100-100

September 26, 1968

Mobil Oil Corporation  
P. O. Box 633  
Midland, Texas 79701

COMMINGLING PRODUCTION FROM DIFFERENT  
STATE LEASES WITH COMMON BENEFICIARY -  
VACUM GRAYBURG SAN ANDRES POOL -  
LEA COUNTY, NEW MEXICO

(LOCO NO. 21)

Attn: Ira B. Stitt

Gentlemen:

This is to inform you that insofar as the State Land Office is concerned, your above request is hereby granted. This however is granted with the understanding that the Commissioner of Public Lands reserves the right to withdraw his approval, if at any time the operation is not feasible to the State of New Mexico. Also, it is understood that the Oil Conservation Commission has to grant its approval.

Thank you for the \$10.00 filing fee.

Yours very truly,

GUYTON B. HAYS  
Commissioner of Public Lands

By: *Ted Bilberry*  
TED BILBERRY, Director  
Oil and Gas Department

GB H:TB:RM:cw

cc: Oil Conservation Commission ✓  
Oil and Gas Accounting Commission

# Mobil Oil Corporation

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MIDLAND, TEXAS 79701

August 26, 1968

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

Attention: Mr. A. L. Porter, Jr.

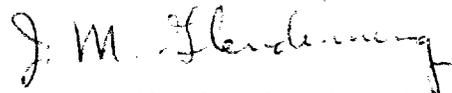
Gentlemen:

PROPOSED COMMINGLING OF PRODUCTION  
FROM MOBIL OIL CORPORATION'S  
STATE "J" AND BRIDGES STATE LEASES  
VACUUM GRAYBURG-SAN ANDRES FIELD,  
LEA COUNTY, NEW MEXICO

Mobil Oil Corporation proposes to commingle the Grayburg-San Andres production from their State "J" with like production from their Bridges State Lease, Lea County, New Mexico. The production would be accounted for by monthly well tests.

Mobil Oil Corporation, as purchaser of the crude oil production, hereby approves the commingling of this production and the allocating of same as proposed on the basis of well tests.

Very truly yours,



J. M. Glendinning, Area Representative  
Crude Oil Department

JMG/jh