

Monsanto

MAIN OFFICE, MO.
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HYDROCARBONS & POLYMERS DIVISION

Monsanto Company
101 North Mariefeld
Midland, Texas 79701
(915) 683-3306

November 18, 1968

New Mexico Oil Conservation Commission (3)
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Administrative Order CTB-189

Attention: Mr. Dan Nutter

Gentlemen:

With reference to Mr. Harryman's telephone conversation today with Mr. Nutter concerning Mr. Porter's letter of November 6, 1968, granting subject order, last paragraph sets out requirements for temperature compensated meters. We ask that this requirement be waived to enable use of non-temperature compensated meters since ownership of leases to be commingled is common throughout.

Your cooperation in this matter will be greatly appreciated.

Yours very truly,

A. W. WOOD
District Production Superintendent

PDH:lmj

cc: Commissioner of Public Lands
State of New Mexico
Attn: Mr. Ted Bilberry, Director
Oil and Gas Department
P. O. Box 1148
Santa Fe, New Mexico 87501

Monsanto

HYDROCARBONS & POLYMERS DIVISION

Monsanto Company
101 North Marienfeld
Midland, Texas 79701
(915) 683-3306

November 18, 1968

New Mexico Oil Conservation Commission (3)
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Administrative Order CTB-189

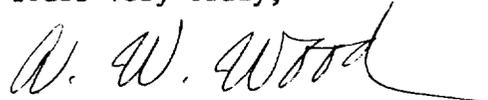
Attention: Mr. Dan Nutter

Gentlemen:

With reference to Mr. Harryman's telephone conversation today with Mr. Nutter concerning Mr. Porter's letter of November 6, 1968, granting subject order, last paragraph sets out requirements for temperature compensated meters. We ask that this requirement be waived to enable use of non-temperature compensated meters since ownership of leases to be commingled is common throughout.

Your cooperation in this matter will be greatly appreciated.

Yours very truly,



A. W. WOOD
District Production Superintendent

PDH:lmj

cc: **Commissioner of Public Lands**
State of New Mexico
Attn: Mr. Ted Bilberry, Director
Oil and Gas Department
P. O. Box 1148
Santa Fe, New Mexico

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

November 6, 1968

C
Monsanto Company
101 North Marienfeld
Midland, Texas 79701

Attention: Mr. A. W. Wood

Administrative Order CTB-189

O
Gentlemen:

P
Reference is made to your application dated October 3, 1968, as amended October 17, 1968, for administrative approval of an exception to Rule 309-A of the Commission Rules and Regulations to permit the commingling of Vada-Pennsylvanian production from your State of New Mexico TUC Lease comprising the NE/4 of Section 30 and your State of New Mexico MGF Lease comprising the NW/4 of Section 30, Township 10 South, Range 34 East, Lea County, New Mexico, after separately metering and sampling the production from each lease.

Y
Under the authority granted me pursuant to Rule 309-B, Monsanto Company is 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," including the requirement for non-reset counters on the meters and temperature-compensated meters. Please notify the Hobbs District Office of the Commission at such time as this installation is complete in order that an inspection may be made thereof.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/DSN/esr

cc: Oil Conservation Commission (with enclosure) - Hobbs
Oil & Gas Engineering Committee - Hobbs
State Land Office - Santa Fe

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

Reference is made to your letter of 10/15/68.

Enclosed for you are two copies of the report of the Commission's investigation of the matter.

Very truly yours,

W. A. W. [Signature]

Enclosure

Enclosure is made to your letter of 10/15/68, as well as to the letter of 10/15/68, the Commission's investigation of the matter. The Commission's investigation of the matter is being conducted in accordance with the provisions of the Oil Conservation Act, Chapter 10, Section 10-1-1, N.M.S. 1957, and the Commission's regulations thereunder. The Commission's investigation of the matter is being conducted in accordance with the provisions of the Oil Conservation Act, Chapter 10, Section 10-1-1, N.M.S. 1957, and the Commission's regulations thereunder. The Commission's investigation of the matter is being conducted in accordance with the provisions of the Oil Conservation Act, Chapter 10, Section 10-1-1, N.M.S. 1957, and the Commission's regulations thereunder.

Under the authority vested in the Commission pursuant to Rule 10-1-1, N.M.S. 1957, the Commission is hereby authorized to conduct the above-mentioned investigation as proposed, subject to the provisions of the Oil Conservation Act, Chapter 10, Section 10-1-1, N.M.S. 1957, and the Commission's regulations thereunder. The Commission's investigation of the matter is being conducted in accordance with the provisions of the Oil Conservation Act, Chapter 10, Section 10-1-1, N.M.S. 1957, and the Commission's regulations thereunder. The Commission's investigation of the matter is being conducted in accordance with the provisions of the Oil Conservation Act, Chapter 10, Section 10-1-1, N.M.S. 1957, and the Commission's regulations thereunder.

Very truly yours,

W. A. W. [Signature]
Secretary-Director

ALL/STW/et

Enclosure (with enclosure) - Home
Enclosure (with enclosure) - Home
Enclosure (with enclosure) - Home

Monsanto

HYDROCARBONS & POLYMERS DIVISION

Monsanto Company
101 North Marienfeld
Midland, Texas 79701
(915) 683-3306

October 17, 1968

CTB-189

New Mexico Oil Conservation Commission (3)
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: K-2443, K-5092, & OG-4632

Gentlemen:

A Form C-106, Notice of Intention to Utilize Automatic Custody Transfer Equipment for the oil being sold from the TUC State Lease, Lea County, New Mexico, was filed with your district office in Hobbs, New Mexico, on October 16, 1968.

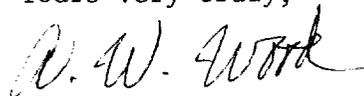
October 3, 1968, Monsanto Company requested approval from your office to commingle production from the three referenced leases in Section 30. This LACT equipment is designed to handle production from these three leases in the event commingling is approved. The LACT equipment will require a bad oil divert line which must return to a heater-treater. It is believed that a very small amount of bad oil will be diverted from the LACT unit; however, a meter will be installed in the bad oil divert line to insure proper allocation to each lease.

Attached is a revised schematic of the proposed equipment installation. On October 10, 1968, the Commissioner of Public Lands was notified of the revised equipment installation and the \$10.00 filing fee for commingling production was sent to his office.

Also enclosed is a plat showing these three leases and location of tank battery.

It is hoped the revised installation will meet with your approval.

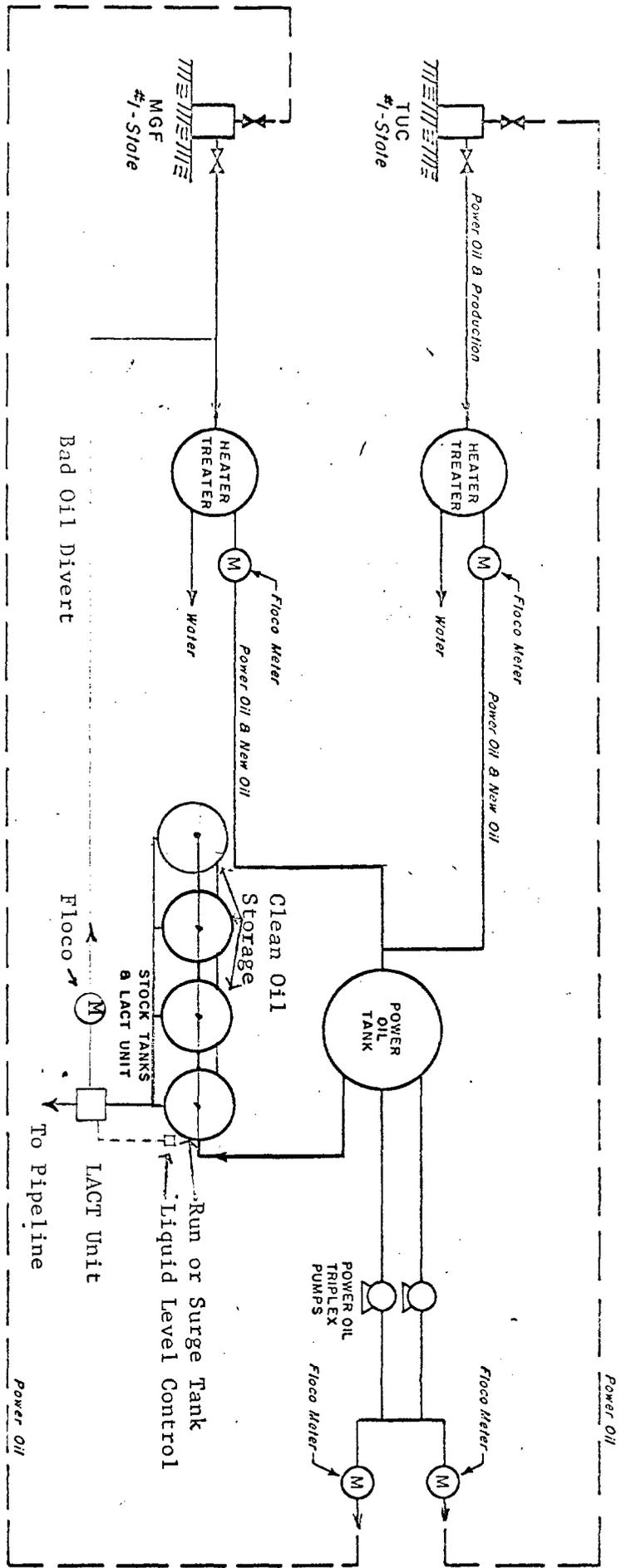
Yours very truly,



A. W. WOOD
District Production Superintendent

PDH:lmj
encls.

SCHEMATIC OF PROPOSED
 PRODUCTION EQUIPMENT INSTALLATION
 #1-TUC State & #1-MGF State
 Sec. 30-10S-34E
 LEA COUNTY, NEW MEXICO



State of New Mexico



Commissioner of Public Lands



GUYTON B. HAYS
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO

October 17, 1968

Monsanto Company
101 North Marienfeld
Midland, Texas 79701

Re: Commingle production from Leases
K-2443, K-5092 and OG-4632

Attn: Mr. P. C. Anderson

Gentlemen:

Approval is hereby granted at your request to commingle production from Leases K-2443, K-5092 and OG-4632. This approval is for production from the Bough "C" pool. Should this differentiate in any way, we would ask for separate metering.

As stated in our previous letter, this is subject to approval by the Oil Conservation Commission. Also, the Commissioner of Public Lands reserves the right to withdraw his approval at any time that he feels the interests of the State are not as they should be.

Thank you for the information and 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

GBH:TB:RM:cw

cc: Oil Conservation Commission
and
Oil and Gas Accounting Commission

10 OCT 1968

State of New Mexico



Commissioner of Public Lands



COMMISSIONER OF PUBLIC LANDS

OFFICE OF THE COMMISSIONER OF PUBLIC LANDS

Albuquerque, New Mexico

Albuquerque, New Mexico
February 10, 1933

Dear Sir: I have your letter of the 7th inst. regarding the

land in question, and in reply to inform you that the same

has been referred to the proper authorities for their consideration.

I am sure that you will understand the necessity of this procedure.

Very truly yours,

W. W. CANNON

Commissioner of Public Lands

Albuquerque, New Mexico

cc: Mr. ...

Very truly yours,
W. W. Cannon
Commissioner of Public Lands

Monsanto

C O M P A N Y

Hydrocarbons Division
101 North Marienfeld
Midland, Texas 79704

October 10, 1968

Commissioner of Public Lands
State of New Mexico
P. O. Box 1148
Santa Fe, New Mexico 87501

Re: K-2443, K-5092, and OG-4632

Attention: Mr. Ted Bilberry, Director
Oil & Gas Department

Gentlemen:

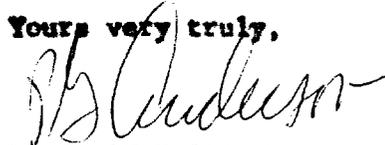
In regard to your letter of September 30, 1968, please find enclosed \$10.00 for filing fee to commingle production of the subject leases. Permission to commingle production has been requested from the New Mexico Oil Conservation Commission, but has not been approved to date.

Approval to utilize Automatic Custody Transfer (ACT) equipment has been requested from the transporter, Service Pipe Line Company. New Mexico Oil Conservation Form G-106, Notice of Intention to Utilize ACT Equipment, will be filed after approval has been received from transporter. Utilization of ACT equipment on the lease will give greater assurance that lease allowables will be run to pipe line each month.

After investigating the possibility of using ACT equipment, it was noticed a bad oil divert line would be required from the unit to a heater-treater. It is believed that a very small amount of oil will be diverted from the ACT unit; however, a meter will be installed in the oil divert line to insure proper allocation of production to each lease.

Attached is a revised schematic of the proposed equipment installation. It is hoped this meets with your approval.

Yours very truly,



P. G. ANDERSON, District Engineer

PDH:lmj
encls.

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

Monsanto

HYDROCARBONS & POLYMERS DIVISION

Monsanto Company
101 North Marienfeld
Midland, Texas 79701
(915) 683-3306

October 3, 1968

New Mexico Oil Conservation Commission (3)
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: K-2443, K-5092, & OG-4632

Gentlemen:

Monsanto Company is operator of three state leases consisting of the N/2 and SE/4 of Section 30-10S-34E, Lea County, New Mexico. The TUC State No. 1 in the NE NE of Section 30 was completed from the Bough "C" formation on September 25, 1968. We commenced drilling the MGF State No. 1 in the SW NW of Section 30 on September 22, 1968, as a Bough "C" test.

Monsanto is requesting administrative approval for exception to Rule 309-A to commingle into common storage facilities the oil production from the TUC State No. 1 and MGF State No. 1, assuming that the MGF State No. 1 is completed from the Bough "C" formation. We also plan to drill a Bough "C" test on the SE/4 of Section 30 and with your approval plan to commingle this production with the production from the MGF State No. 1 and TUC State No. 1 if this well is a successful Bough "C" oil producer.

Ownership of these leases is common throughout. The State of New Mexico owns the royalty and approval to commingle the production has been granted by the Commissioner of Public Lands (see attached letter). Attached is a list of overriding royalty owners, working interest owners and purchaser of the oil. By copy of this letter, these parties are being notified of our intention to commingle the production from these three leases.

We are submitting this request for your approval to commingle the production from the TUC State No. 1 and the MGF State No. 1 prior to completing the MGF State No. 1 so that an early decision may be obtained on this matter. A decision on this matter after the MGF State No. 1 is completed may delay production and revenue from the well for several weeks. Production equipment for the well cannot be ordered until we know if commingling will be allowed. Some of this equipment requires approximately six weeks delivery.

October 3, 1968

Attached is a plat showing the leases involved and the location of the TUC State No. 1 and MGF State No. 1. Also attached is a schematic of the proposed production equipment installation. Production and power oil from each well will go to individual heater-treaters. Water from each heater-treater will go to the water disposal system; the power oil and new oil from each heater-treater will be metered before being commingled at the power oil tank. The power oil going to each well will also be metered so that the new oil being produced from each well can be determined by subtracting the power oil meter reading from the heater-treater meter reading.

We hope that the proposed installation will meet with your approval. A decision at your earliest convenience will be appreciated. If you are unable to approve this request until after the wells are completed, could you possibly give us some expression as to whether our request contained herein would be an acceptable method of handling the production from these wells. If you have any questions or need additional information, please advise.

Yours very truly,

MONSANTO COMPANY



A. W. WOOD

District Production Superintendent

PDH:lmj
encls.

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

Over-riding Royalty Owners

Working Interest Owners

Crude Oil Purchaser

Mr. J. D. Rushing

STATE LEASES

K-2443, K-5092 and OG-4632
Lea County, New Mexico

OVER-RIDING ROYALTY OWNERS:

Texas Pacific Oil Company
P. O. Box 4067
Midland, Texas 79701

Cabot Corporation
P. O. Box 4395
Midland, Texas

WORKING INTEREST OWNERS:

Union Oil Co. of California
300 Security National Bank Bldg.
Roswell, New Mexico 88201

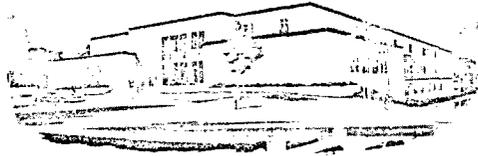
Major, Giebel & Forster
Vaughn Building
Midland, Texas 79701

Monsanto Company (operator)
101 North Marienfeld
Midland, Texas 79701

CRUDE OIL PURCHASER:

Pan American Petroleum Corporation
P. O. Box 1725
Midland, Texas 79701

State of New Mexico



Commissioner of Public Lands



September 30, 1968

GUYTON B. HAYS
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO

Monsanto Company
101 North Marienfeld
Midland, Texas 79701

RE: COMMINGLING PRODUCTION FROM
K-2443, K-5092 and OG-4632

Attn: Mr. P. G. Anderson, District Engineer

Gentlemen:

The State Land Office has no objection to your proposed operation. However, as stated in our letter of August 21, 1968 your proposal includes a well that is not as yet completed; and this makes the situation rather awkward. If your well MGF State No. 1 (of which you list two) is completed in the Bough "C", there will be no difficulty in approving said addition to the operation.

This approval is granted with the following restrictions:

1. The Commissioner of Public Lands reserves the right to withdraw his approval at any time he does not think it is to the best interest to the State.
2. New Mexico Oil Conservation Commission has to grant approval also.
3. We receive the \$10.00 filing fee.

Very truly yours,

GUYTON B. HAYS
Commissioner of Public Lands

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

GBH:TB:RM:cw

cc: Oil Conservation Commission
Oil and Gas Accounting Commission

