

COASTAL STATES GAS PRODUCING COMPANY

NORTH TEXAS DIVISION
WILCO BUILDING
MIDLAND, TEXAS
79701

November 7, 1968

30 TH 8 NOV 68

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107-2-100

New Mexico Oil Conservation Commission
State Land Office Building
Santa Fe, New Mexico 87501

Attention: Mr. A. L. Porter, Jr.
Secretary-Director

Re: Commingle Production
From State "26" No. 1 and
State "23" No. 1,
Tulk (Penn) Field,
Lea County, New Mexico

Gentlemen:

Attached is our application to the Commissioner of Public Lands for approval to commingle production from our State "23" and State "26" wells in the subject field. Also, attached is a copy of their letter dated November 1, 1968, granting approval provided we meet the following conditions.

1. Gain the approval of the Oil Conservation Commission.
2. Remit a \$10.00 filing fee.

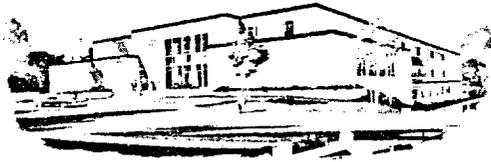
Coastal States respectfully requests that the Oil Conservation Commission approve this application administratively so that the subject leases may be operated in the most efficient manner.

Very truly yours,

Jack R. McGraw
Division Petroleum Engineer

JRMCG:lm
Attachments

State of New Mexico



Commissioner of Public Lands



GUYTON B. HAYS
COMMISSIONER

November 1, 1968

Case No.	
Date	
NOV 5 1968	
To	In
T.H. 115	✓
J.M.C.	
File	P. O. BOX 1148 SANTA FE, NEW MEXICO

Coastal States Gas Producing Company
Wilco Building
Midland, Texas 79701

Re: Request to commingle production from
State "23" Well No. 1 with State "26"
Well No. 1 - Tulk (Penn) Field.
Lea County, New Mexico (Lease No.L-521)

LOCO NO. 28

Attn: Mr. Joe R. Howard

Gentlemen:

Your above request will be granted upon receipt of \$10.00 filing fee; and with the understanding that the Commissioner of Public Lands reserves the right to withdraw his approval at any time the operation is not profitable to the State of New Mexico.

Also, this approval is granted subject to the approval of the Oil Conservation Commission.

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

COASTAL STATES GAS PRODUCING COMPANY

NORTH TEXAS DIVISION
WILCO BUILDING
MIDLAND, TEXAS
79701

October 14, 1968

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

Re: Commingle production from State "26" Well No. 1
and State "23" Well No. 1, Tulk (Penn) Field,
Lea County, New Mexico.

Gentlemen:

Coastal States Gas Producing Company requests permission to commingle the production from our State "23" Well No. 1, located in Unit K, Sec. 23, T-14-S, R-32-E, and our State "26" Well No. 1, located in Unit D of Sec. 26, T-14-S, R-32-E. The attached schedule gives a complete description of the leases involved and the proportion of each lease contained in each proration unit. There are only two leases involved and both are State leases with Common Schools as the beneficiary. Midwest Oil Corporation and Coastal States are the only working interest owners involved, and there are no overriding royalties. Attached to this application is a letter agreement signed by Midwest Oil Corporation approving the method of metering production that we are proposing.

Both wells are completed in the same formation (Upper Pennsylvanian) and produce the same gravity crude; therefore there would be no economic gain or loss to the State of New Mexico.

Coastal States requests permission to commingle the production from these two wells in order to prevent the necessity to construct and maintain a separate tank battery for each one. A description of the operating sequence is completely explained in the attachments to this application.

Coastal States respectfully request that this application be approved administratively so that these leases may be operated in the most efficient manner.

Very truly yours,

JOE R. HOWARD

Joe R. Howard
Division Production Superintendent

JRH:JRMCG:sb

cc: W. D. Elliott
H. L. Blomquist
W. A. Rees

WELL PRORATION UNIT DESCRIPTION

- 23-1 SW/4 Sec. 23-14S-32E -- Proration Unit
NW/4 SW/4 and SE/4 SW/4 - (L-44)
NE/4 SW/4 and SW/4 SW/4 - (L-521)
- 26-1 NW/4 Sec. 26-14S-32E -- Proration Unit
NW/4 - (L-521)

LEASE DESCRIPTION

- L-44 State Lease 6-20-67
Midwest Oil Corporation - lessee

14S - 32E

Sec. 14: SW/SW
Sec. 23: SW/NE, W/2 NW, NW/SW, SE/SW
Sec. 26: NE/4, W/2 SW

Containing 480 acres

Beneficiary = Common School

- L-521 State Lease 12-19-67
Coastal States Gas Producing Company - lessee

14S - 32E

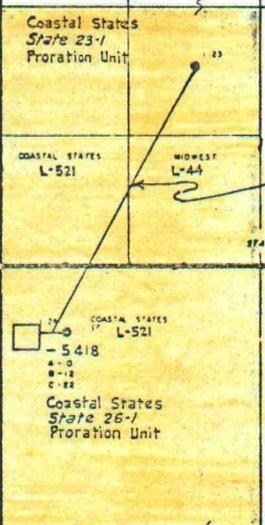
Sec. 23: E/2 NE, E/2 NW, NE/SW, SW/SW, SE/4
Sec. 26: NW/4, SE/SW

Containing 600 acres

Beneficiary = Common School

R-32-E

T
14
S



All lines layed on surface

COASTAL STATES GAS PRODUCING CO.

MIDLAND DIVISION

LEA COUNTY

NEW MEXICO STATE

TULK PENNSYLVANIAN EXTENSION
STATE 23-1 & STATE 26-1
LEASE COMMINGLING APPLICATION

- PRODUCING WELL
- DRILLING OR PROPOSED
- ◇ DRY HOLE
- ⊕ ABN PRODUCER

SCALE 1" = 2000 FT.

BY

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14

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23

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MIDWEST

ALLIED CHEMICAL

ALLIED CHEMICAL

COASTAL STATES

BELL

MIDWEST L-44

EASTLAND PHILLIPS ET TOMCO

COASTAL STATES L-521

ALLIED CHEMICAL

BELL PET

Coastal States State 23-1 Proration Unit

COASTAL STATES L-521

MIDWEST L-44

COASTAL STATES L-521

Coastal States State 26-1 Proration Unit

2-26 MIDWEST

-5403 SHELL STATE TB13740 A-0 B-0 C-10

5378

SHELL TA 2 - 27 TB13600

BELL PETR

BELL PETR

COASTAL STATES

MIDWEST

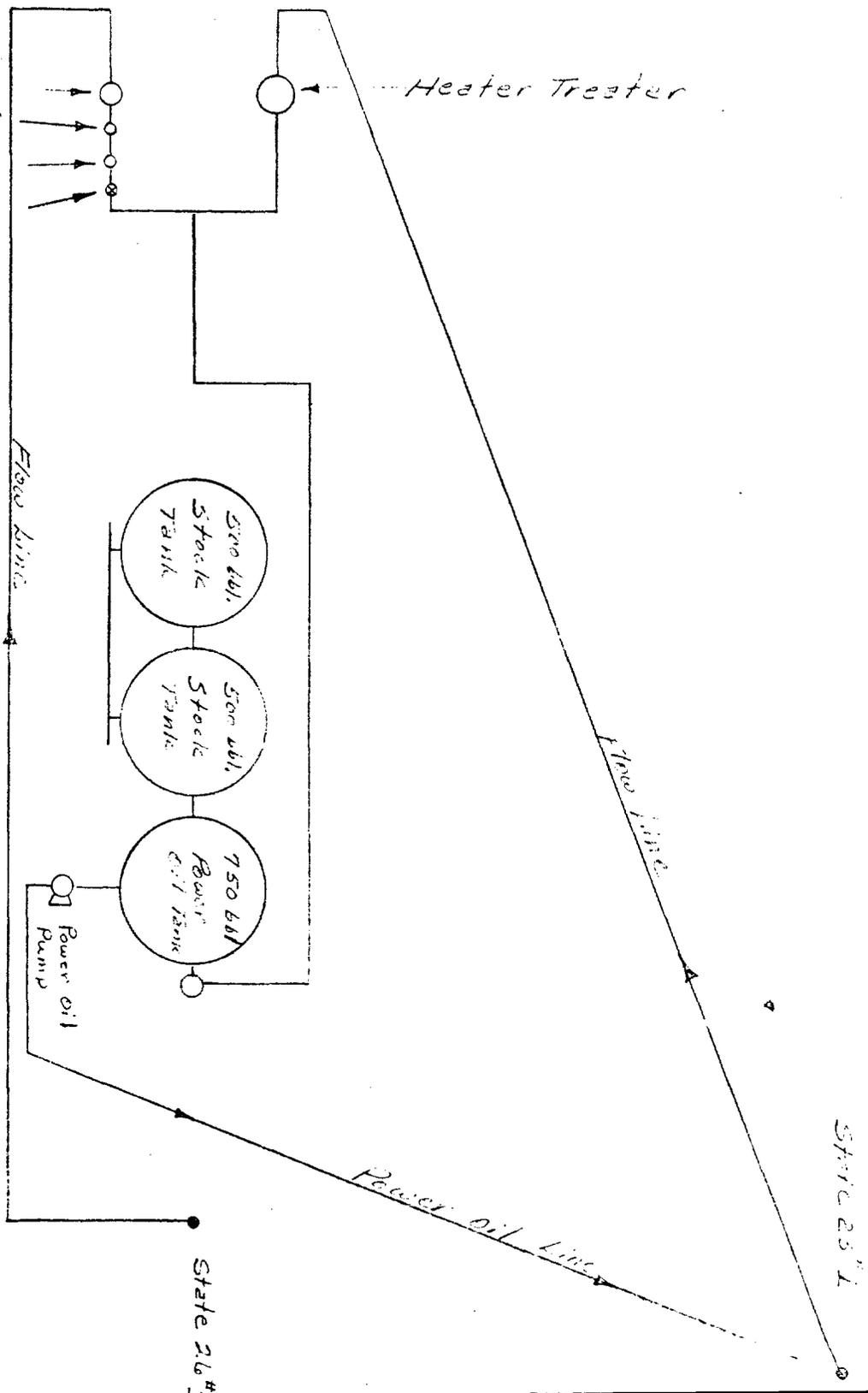
STATE

STATE

STATE

STATE

- Two Phase Separator
- Floco 2" PD Meter F-500-2.5H or Equal
- Floco Model FRH-5H Automatic Sampler or Equal
- Floco Model E-700-2 Flow Controller Kit



Coastal States was Producing in
 Commingled Btry
 State 25 & State 26 Leases
 Talk Horn Field Lee County, NM

OPERATING PROCEDURE

1. The common tank battery will be located in the NW/4 of the NW/4 of Sec. 26, T-14-S, R-32-E.
2. The State "26" #1 Well is flowing pipeline quality oil. We plan to produce this well through a two-phase separator and then through a Floco 2" PD meter Model F-500-2SA with a Floco Model FRA-SA Automatic Sampler. The oil will then be commingled with the production from the State "23" #1. Commingled production will proceed into a 750 barrel power oil tank and then into 500 barrel stock tanks. The oil is presently being sold to Permian Corporation. It is moved to market by trucks.
3. The State "23" #1 is produced by hydraulic pumping equipment. The production from this well will pass through a heater treater that will remove all water and then it will be commingled with the production from the State "26" #1. Both will proceed to the power oil tank where the power oil will be retained and the production from both wells will accumulate in the 500 barrel stock tanks.
4. The stock tanks will be gauged and the meter reading will be recorded on a daily basis. The sampler is a continuous-type that transfers equal increments of liquid from the metered stream to the sample container at a uniform rate.
5. The sample container shall be of sufficient volume to store the sample for one month at which time a shake out on the sample will be obtained and the metered volume from the State "26" #1 will be corrected accordingly. This corrected volume will then be subtracted from the total battery production to give the exact production for the State "23" #1.

COASTAL STATES GAS PRODUCING COMPANY

NORTH TEXAS DIVISION
WILCO BUILDING
MIDLAND, TEXAS
79701

October 11, 1968

Mr. Frank Qualia
Production Superintendent
Midwest Oil Corporation
1500 Wilco Building
Midland, Texas 79701

Re: Commingle production from State "26" #1
and State "23" #1, Tulk (Penn) Field,
Lea County, New Mexico.

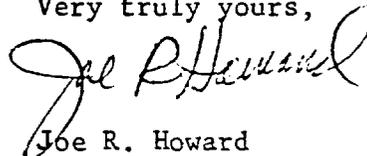
Dear Mr. Qualia:

Coastal States proposes to commingle the production from the subject wells in order to prevent the necessity of building and maintaining a separate tank battery for the State "23" #1. We plan to monitor the production from each well by metering the entire production from the State "26" #1 (flowing well) and then subtracting this metered volume from the total battery production on a daily basis. The attached schematic shows the method that we plan to use.

If this meets with your approval, please indicate by your signature in the appropriate place.

If you need additional information please advise.

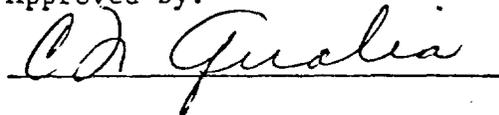
Very truly yours,



Joe R. Howard
Division Production Superintendent

JRH:JRMCG:sb

Approved by:



Midwest Oil Corporation