Atlantic Richfield Company
North American Producing Division
SINCLAIR OIL CORPORATION
P. O. Box 1920
Hobbs, New Mexico

May 21, 1969

DOMESTIC OIL & GAS DIVISION

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

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

Re: Turner "B" SP (A) and
Turner "B" SP (B) Leases,
Portions of Sections 17, 20,
29, & 30, T-17S, R-31E,
Grayburg-Jackson Field,
Eddy County, New Mexico

Gentlemen:

Atlantic Richfield Company (formerly Sinclair) respectfully requests administrative approval for an exception to Rule 303 (a) permitting surface comingling to common storage of oil production from a common source of supply on two Federal Lease Tracts. This application is made under Rule 303-B, Sections 1, 2, 3, and 5(b).

All parties owning interests in the Tracts and the purchaser of the comingled production therefrom have consented in writing to the comingling proposal as evidenced by the attachments enclosed. Also attached are: (1) a plat showing the location of the Tracts and a schematic drawing of the proposed installation, (2) "Detail of ACT Installation", (3) Sequence of LACT Cycle", and (4) New Mexico Oil Conservation Commission Form C-106 "Notice of Intention to Utilize Automatic Custody Transfer Equipment."

Please refer to the attached copy of our letter to Mr. John A. Anderson of the United States Geological Survey in Roswell for details of the proposed installation and its operation.

Very truly yours,

W. F. Burns
District Production Superintendent

WFB/LMH/dh
cc: Mr. N. F. Gulledge - Midland
Mr. W. A. Gressett, Supervisor
New Mexico Oil Conservation Commission
Drawer DD
Artesia, N. M. 88210
Attachments (9)

Tranch b

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P. O. Drawer 1857
Roswell, New Mexico 88201

December 5, 1968

Sinclair Oil and Gas Company
Post Office Box 1920
Hobbs, New Mexico 88240

Gentlemen:

Your letter of November 20, 1968 requests approval to commingle Grayburg-San Andres production into common storage from Tracts A and B, which have different royalty rates, on lease Las Cruces 029395(b) involving lands in sections 20, 29, and 30, T. 17 S., R. 31 E., N.M.P.M., Eddy County, New Mexico.

The commingled tank battery will be located in the NW¼ of section 29. For royalty purposes, production will be allocated by metering the production from Tract B and subtracting from total production to obtain production for Tract A. 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. 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,

Carl C. Traywick

CARL C. TRAYWICK
Acting Oil and Gas Supervisor

cc: M. L. Moore
cc: K. P. Watring
cc: B. Jenkins

TEXAS-NEW MEXICO PIPE LINE COMPANY

P. A. LYONS
DIVISION MANAGER

P. O. BOX 1510
MIDLAND, TEXAS 79701

November 26, 1968

PROPOSED LACT UNIT
TURNER "B" SP BATTERY NO. 6
GRAYBURG-JACKSON FIELD
EDDY COUNTY, NEW MEXICO

Mr. W. F. Burns, Superintendent
Sinclair Oil & Gas Company
Hobbs, New Mexico 88240

Dear Sir:

We have received your letter of November 20, 1968, in which you propose to install a LACT unit on the subject lease.

The LACT unit does meet all of our requirements, and we will be pleased to receive the oil through it if it is located as you discussed with Mr. W. P. Foster on November 22, 1968.

If you have any questions concerning the installation, operation and proving schedule of this LACT unit, please contact Mr. Foster, our District Superintendent at Lovington, New Mexico. The final acceptance of this LACT unit will be made by District personnel in the field.

We are enclosing a copy of a LACT Inquiry Sheet with the pipe line requirements section completed as requested.

We are also enclosing the original and three copies of our letter to the New Mexico Oil Conservation Commission concurring with your proposal to permanently install and operate this unit.

Yours very truly,

P. A. Lyons

LPS-AER
Enclosures

WPF

TEXAS-NEW MEXICO PIPE LINE COMPANY

P. A. LYONS
DIVISION MANAGER

P. O. BOX 1510
MIDLAND, TEXAS 79701

November 26, 1968

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

Gentlemen:

We have been notified by Sinclair Oil & Gas Company that they propose to install a LACT unit on their Turner "B" SP Battery No. 6 in the Grayburg-Jackson Field, in the NW/4 of Section 29, T17S, R31E, Eddy County, New Mexico.

Texas-New Mexico Pipe Line Company will receive the oil from this lease and concurs with the operator's request to permanently install and operate this LACT unit.

Yours very truly,

TEXAS-NEW MEXICO PIPE LINE COMPANY

By P. A. Lyons
P. A. Lyons
Division Manager

LPS-AER

LACT by P. D. Meter, 700-2500 Barrels per day

SEQUENCE OF LACT CYCLE

As shown on the Sinclair Oil & Gas Company LACT Unit drawing, there are no conventional "Start" and "Stop" float operate switches installed in the surge tank. The LACT cycle is initiated by a program timer (7) which may be set to start as many transfer cycles per each 24 hour period as may be required to transfer average daily production.

Example for one transfer cycle: The program timer (7) opens by-pass valve (8). Contacts on the valve stem then latch up the motor starter (1) causing the A.C.T. pump (14) to take suction from the surge tank. Crude is pumped through the BS&W monitor probe (4), the P. D. meter temperature sensing cell (TB) only (not through the meter) then through t he by-pass valve (8) and the open recirculating valve (R_1) into the surge tank.

After a predetermined time interval of recirculating (approximately 15 minutes) the timer closes by-pass valve (8) causing pump pressure to increase to a predetermined level which opens a back pressure regulator valve and permits crude to pass through the temperature compensated P. D. meter (12). The meter registers barrels corrected to 60 degree F.

THE A.C.T. pump will continue to take suction from the surge tank and deliver through the BS&W monitor, the P. D. meter, the 20 gallon sampler, through the back pressure regulator (9) to the pipeline until the liquid level in the surge tank is lowered sufficiently to cause the low pressure shut down switch (5) to terminate the transfer cycle.

BS&W Monitor: Crude passes through the monitor probe (4) at all times while pump is running. Should the BS&W content exceed 1% the monitor then opens the by-pass valve (8) and oil is recirculated into the surge tank or through the treating system. Reduced pressure causes valve (9) to close preventing any further delivery to the pipe line until the crude has been cleaned up.

SINCLAIR OIL & GAS COMPANY
Hobbs, New Mexico

November 20, 1968

United States Department of Interior
Geological Survey
Drawer 1857
Roswell, New Mexico

Attention: Mr. John A. Anderson
Regional Oil and Gas Supervisor

Re: Sinclair Oil Corporations'
Turner "B" SP Battery No. 6
(LC-029395 Tracts A and B)
Sections 17, 20, 29, 30, T-17S,
R-31E, Eddy County, New Mexico

Dear Sir:

Your approval of the comingling facilities as shown on the attached schematic diagram is requested. Approval of the proposed LACT installation as shown on the second diagramatic sketch is also requested.

Comingling to common storage will be accomplished by metering all oil production from Tract B and by the subtraction method obtaining the production for Tract A. Well testing will be accomplished by use of a capacitance-type net oil detection unit. Production from Tracts A and B will be kept separate at all times while testing by the two (2) 3-way, 2 position valves shown on the diagramatic sketch which will divert production from each well on test through the proper treater.

Tract A wells to be produced into Battery 6 are Nos. 52, 53, 60, 62, 63 and 71. Tract B wells to be produced into the Battery are Nos. 42, 43, 45, 48, 49 and 57.

Form 9-361 "Leassee's Monthly Report of Sales and Royalty" will show all computations used in the calculation of lease sales. The District Engineer for the U. S. G. S. in Artesia, New Mexico will be notified after completion of the installation.

Attached hereto is a copy of "Notice of Intention to Utilize Automatic Custody Transfer Equipment" to the New Mexico Oil Conservation Commission. Please send one copy of your approval for the lease automatic custody transfer installation to the N. M. O. C. C., Box 2088, Santa Fe, New Mexico, and a copy to the undersigned.

Very truly yours,

W. F. Burns
Superintendent

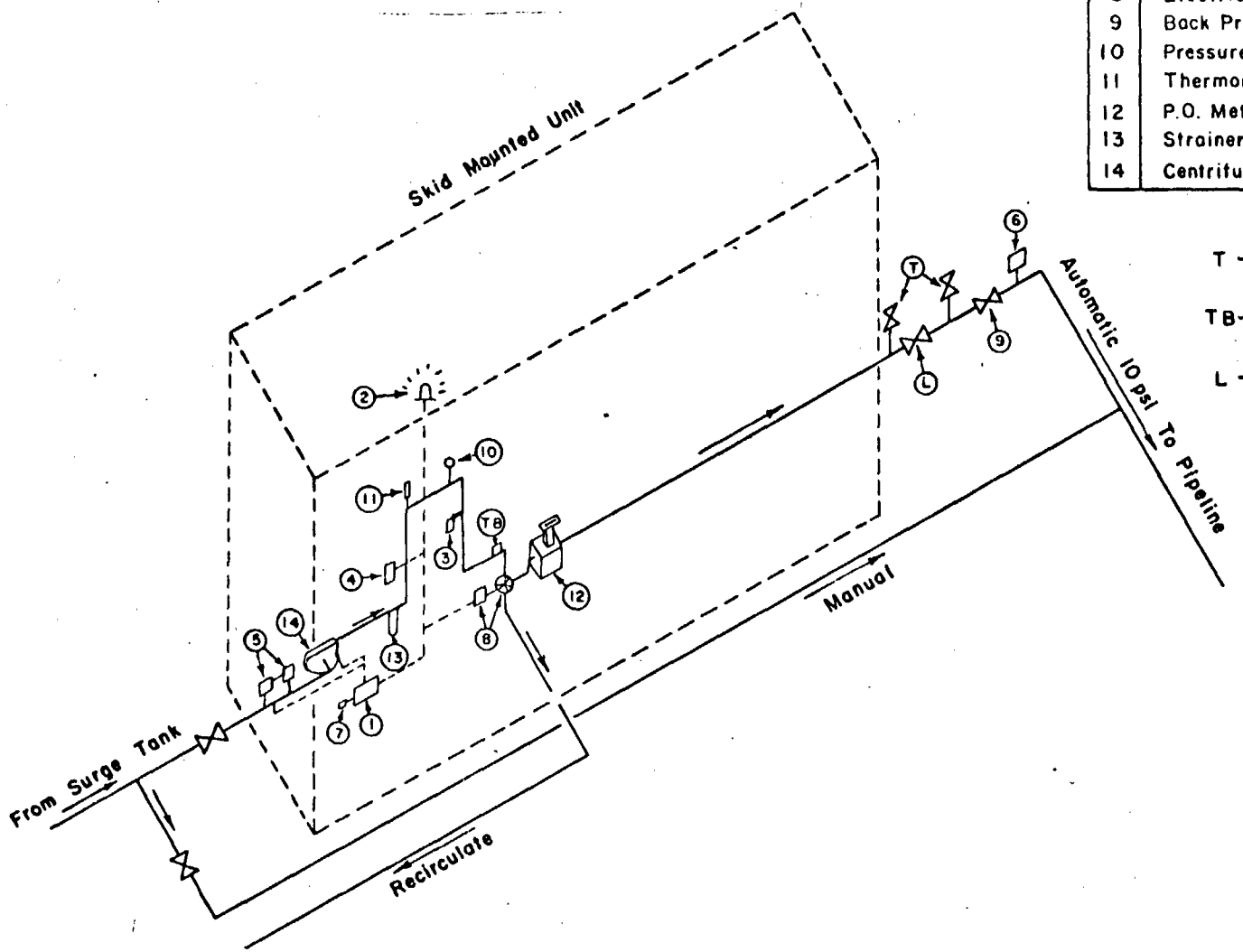
WFB/LMH/jm

Attachments (4)

Orig. & cc: USGS - Roswell
NFG - Midland

SINCLAIR OIL & GAS COMPANY

DETAIL OF LEASE AUTOMATIC CUSTODY CONTROL UNIT



LEGEND FOR SKID MOUNTED UNIT	
ITEM	DESCRIPTION
1	Starter
2	Beacon Light
3	Sampler
4	Monitor B.S. & W.
5	Low Pressure "Stop" Switch
6	High Pressure "Stop" Switch
7	Timer "Start" Switch
8	Electric Valve, 3 way, 2 position
9	Back Pressure Regulator (to maintain 10 psi)
10	Pressure Gauge
11	Thermometer
12	P.O. Meter (Temperature Compensated)
13	Strainer & AIR ELIMINATOR
14	Centrifugal Pump with Electric Motor

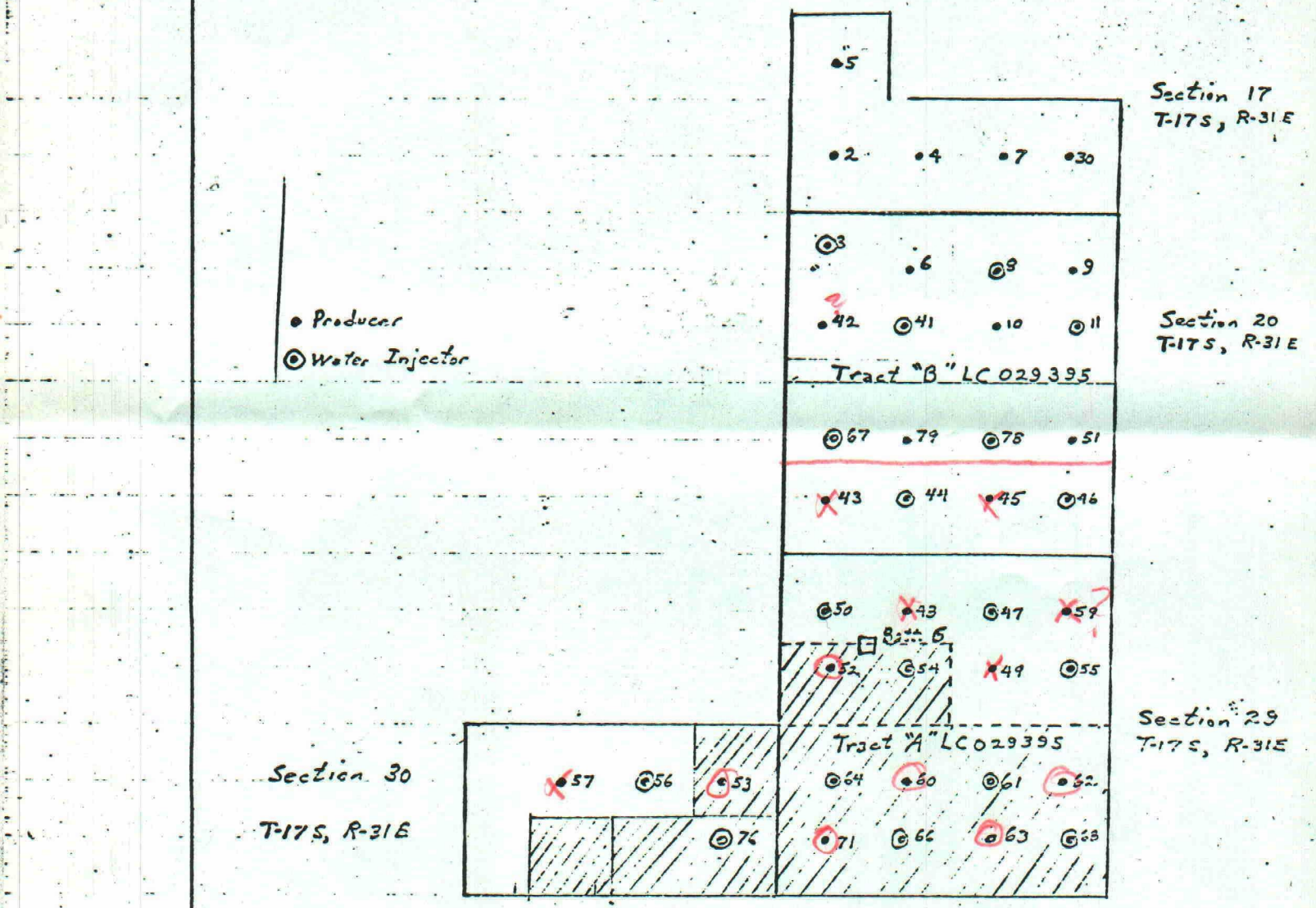
NOTES

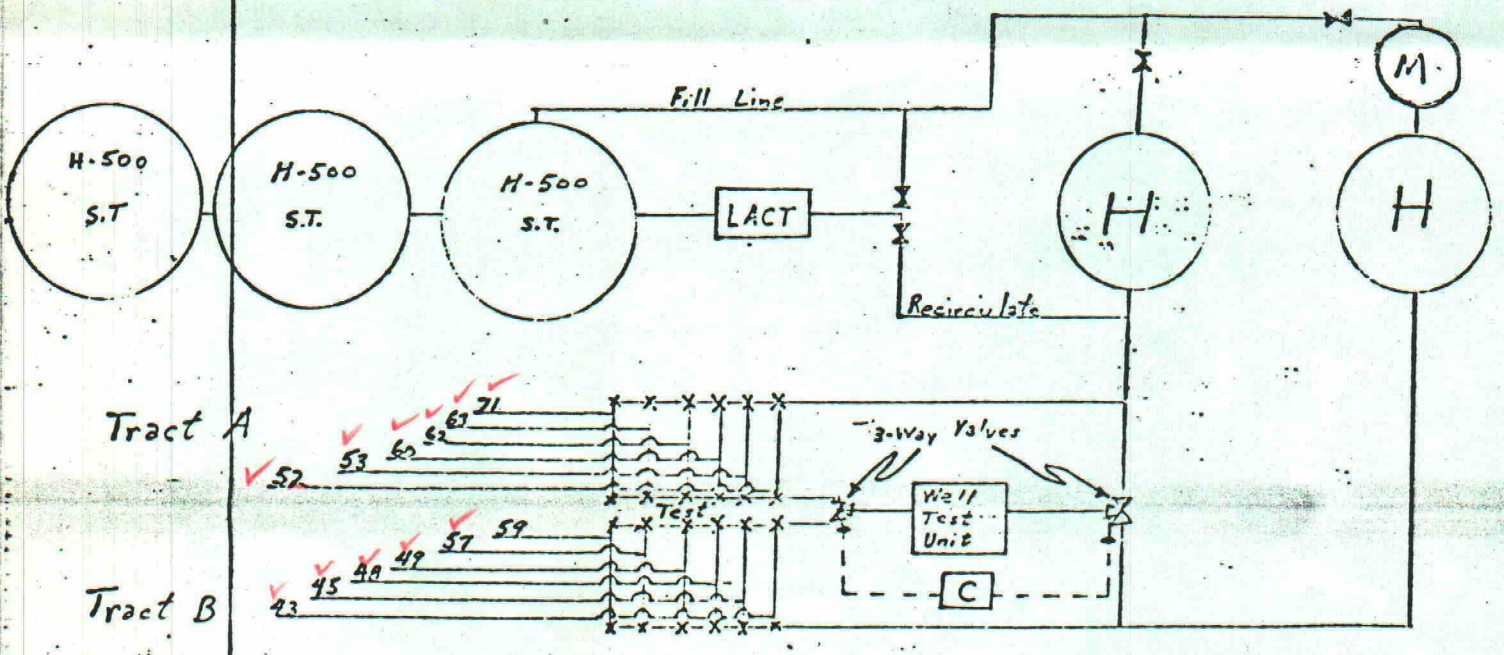
T – Connection For Meter Proving By Master Meter

TB– Temperature Bulb For Meter Externally Mounted

L – Plug Valve with Leak Test Drain-cock Assembly For Meter Proving

Turner "B" SP Lease
Comingling Facilities





SINCLAIR OIL & GAS COMPANY
Hobbs, New Mexico

November 20, 1968

Texas-New Mexico Pipe Line Company
P. O. Box 1510
Midland, Texas 79701

Attention: Mr. P. A. Lyons, Division Manager.

Re: Proposed LACT Unit Installation,
Turner "B" SP Battery No. 6
Grayburg-Jackson Field,
Eddy County, New Mexico

Gentlemen:

Sinclair plans to consolidate Batterys 5 and 6 on the above captioned lease into a central battery as shown on the attached diagramatic sketch. We propose to install lease automatic custody transfer equipment with the component features listed on the attached "LACT Inquiry Sheet", two copies of which are attached.

We request that you fill in the "Pipeline" section on the inquiry sheet as to operating conditions and special components or features which you may require. Please return one (1) copy to this office and retain one (1) copy for your records. Please attache a letter acknowlodging acceptance of the proposed installation if it meets with your approval.

Should you require additional information, please advise.

Very truly,

W. F. Burns
Superintendent

WFB/LMH/jm

cc: Mr. W. P. Foster
P. O. Box 1027
Lovington, N. M.

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-106
4-28-61

NOTICE OF INTENTION TO UTILIZE AUTOMATIC CUSTODY TRANSFER EQUIPMENT

ACT Permit No. ____

Operator Sinclair Oil Corporation Field Grayburg-Jackson

Address P. O. Box 1920, Hobbs, New Mexico 88240 County Eddy

Lease(s) to be served by this ACT Unit Turner "B" SP

Pool(s) to be served by this ACT Unit Grayburg-Jackson

Location of ACT System: Unit D Section 29 Township 17-S Range 31-E

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

System ____ Date ____

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 Texas-New Mexico Pipe Line Company

Transporter's address P.O. Box 1027, Lovington, New Mexico

Maximum expected daily through-put for this system: 800 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. [X] 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 900 BBLS.

What is the normal maximum unattended time of lease operation? 16 Hours.

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

CHECK ONE

[X] Positive displacement meter

[ ] Weir-type measuring vessel

[ ] Positive volume metering chamber

[ ] Other; describe ____

Remarks: ____

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.

Approved, Oil Conservation Commission

By ____

Title ____

By [signature]

Title Superintendent

Date 11-20-68

Approval of Form C-106 does not eliminate the necessity of an approved C-104 prior to running any oil or gas from this system.