

ELK OIL COMPANY

BOX 310

ROSWELL, NEW MEXICO 88201

(505) 623-3190

RECEIVED
NOV 10 1976
NEW MEXICO
STATE OIL & GAS COMMISSION

December 7, 1976

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

CTB-

Re: Lease Commingling

Gentlemen:

Elk Oil Company wishes to commingle its Union State #1, located in 1N-25-14S-34E with its Anderson State #1, located 1E-36-14S-34E, Lea County, New Mexico.

Elk Oil Company provides that:

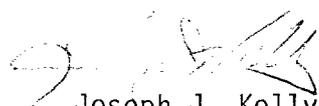
- (a) All production is from the same common source of supply, being the North Morton Permo Penn Pool. Both wells are marginal and are physically incapable of producing the top unit allowable assigned to the North Morton Permo Penn Pool.
- (b) Adequate facilities have been provided for accurately determining production from each well.
- (c) Both leases have common ownership and purchaser and the parties have been notified of Elk's intention to commingle production from the separate leases.

Enclosed please find a schematic diagram of the commingling facility in accordance with the Commission "Manual for the Installation and Operating of Commingling Facilities", and a plot of the leases to be commingled.

Elk Oil Company therefore, requests administrative approval according to Rule 309-B for this commingling facility.

Yours very truly,

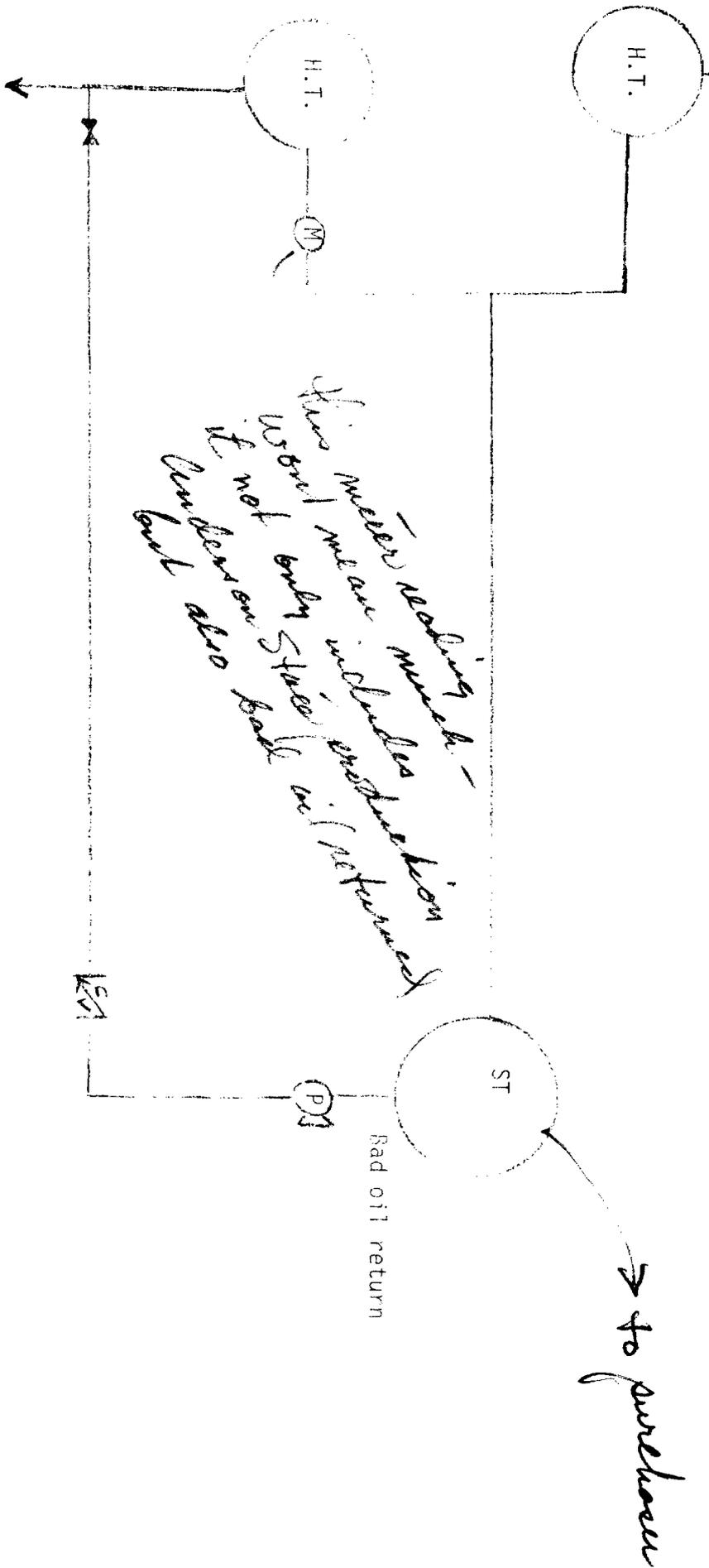
ELK OIL COMPANY


Joseph J. Kelly
President

JJK/rm
Encl.

UNION STATE #1
1N-25-14S-34E

ELK Oil Company
Individual Treators used in commingling
Common ownership
Union State and Anderson State Leases
Lea County, New Mexico



Anderson St #1

- SYMBOLS
- CV - Check Valve
 - M - Meter
 - P - Pump
 - HT - Heater Treator
 - ST - Stock Tank

State of New Mexico



Commissioner of Public Lands

January 3, 1977

PHIL R. LUCERO
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

Elk Oil Company
Box 310
Roswell, New Mexico

Re: Commingling of Oil Production from
Union State # 1N Well-Sec. 24-14S-34E
and Anderson State # 1E well-Sec. 36-14S-
34E
Lea County, New Mexico

ATTENTION: Mr. Joseph J. Kelly

Gentlemen:

As per your request of December 24, 1976, the Commissioner of Public Lands has granted you permission to commingle the oil production from your UNION STATE # 1N Well(Lease K-3662) in Section 25-14S-34E with your ANDERSON STATE # 1E well(Lease L-6879) Section 36-14S-34E, Lea County, New Mexico.

Our approval is subject to like approval by the New Mexico Oil Conservation Commission.

Your Ten (\$10.00) Dollar filing fee has been received. Enclosed is one approved copy for your files.

Very truly yours,

PHIL R. LUCERO
COMMISSIONER OF PUBLIC LANDS

BY:
RAY D. GRAHAM, Director
Oil and Gas Division

PRL/RDG/s
encl.

cc: New Mexico Oil Conservation Commission ✓
Oil and Gas Accounting Commission
State Leases K-3662 and L-6879

ELK OIL COMPANY

RECEIVED

BOX 310

ROSWELL, NEW MEXICO 88001

(505) 623-3190

DEC 29 9 28 AM '76

STATE OF
NEW MEXICO

December 24, 1976

Commissioner of Public Lands
Attn: Ray D. Graham
P.O. Box 1148
Santa Fe, New Mexico 87501

Re: Leases K-3662, L-6879

Dear Sir:

ELK OIL COMPANY requests permission to commingle the oil production from its UNION STATE #1N well (Lease K-3662) in Section 25-14S-34E with its ANDERSON STATE #1E well (Lease L-6879) Section 36-14S-34E, Lea County, New Mexico. This commingling will prevent economic waste and provide for the more efficient management of production.

- (2) Plats showing location of leases and proposed hookup are enclosed. Similar plats have been furnished the Oil Conservation Commission.
- (3) Leases to be commingled are:
 - (a) K-3662,-T-14-S, R-34-E, NMPM
Section 25: NE $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{2}$
Common school lands
 - (b) L-6879,-T-14S, R-34-E, NMPM
Section: 36 N $\frac{1}{2}$
Common school lands
- (4) The two wells produce from the North Morton Permo-Penn field.
- (5) This operation will commingle oil of same 42- gravity and will be sold at the same price of \$12.30 barrel. There will be no economic loss to the State of New Mexico.
- (6) Plat Enclosed
- (7) Not applicable
- (8) The two wells will produce thru separate heater-treators. A meter to measure the oil production will be placed on the Anderson State flow line and gas meters will be placed on the individual well flow lines.

Commission of Public Lands
Attn: Ray D. Graham

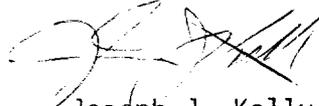
Page two
December 24, 1976

- (9) The oil volume will be tested from each well individually on a periodic basis and the gas volumes will be measured individually on a daily basis.

Your courtesy in processing this application for commingling promptly will be appreciated.

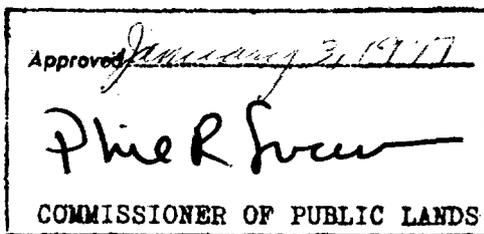
Very truly yours,

ELK OIL COMPANY



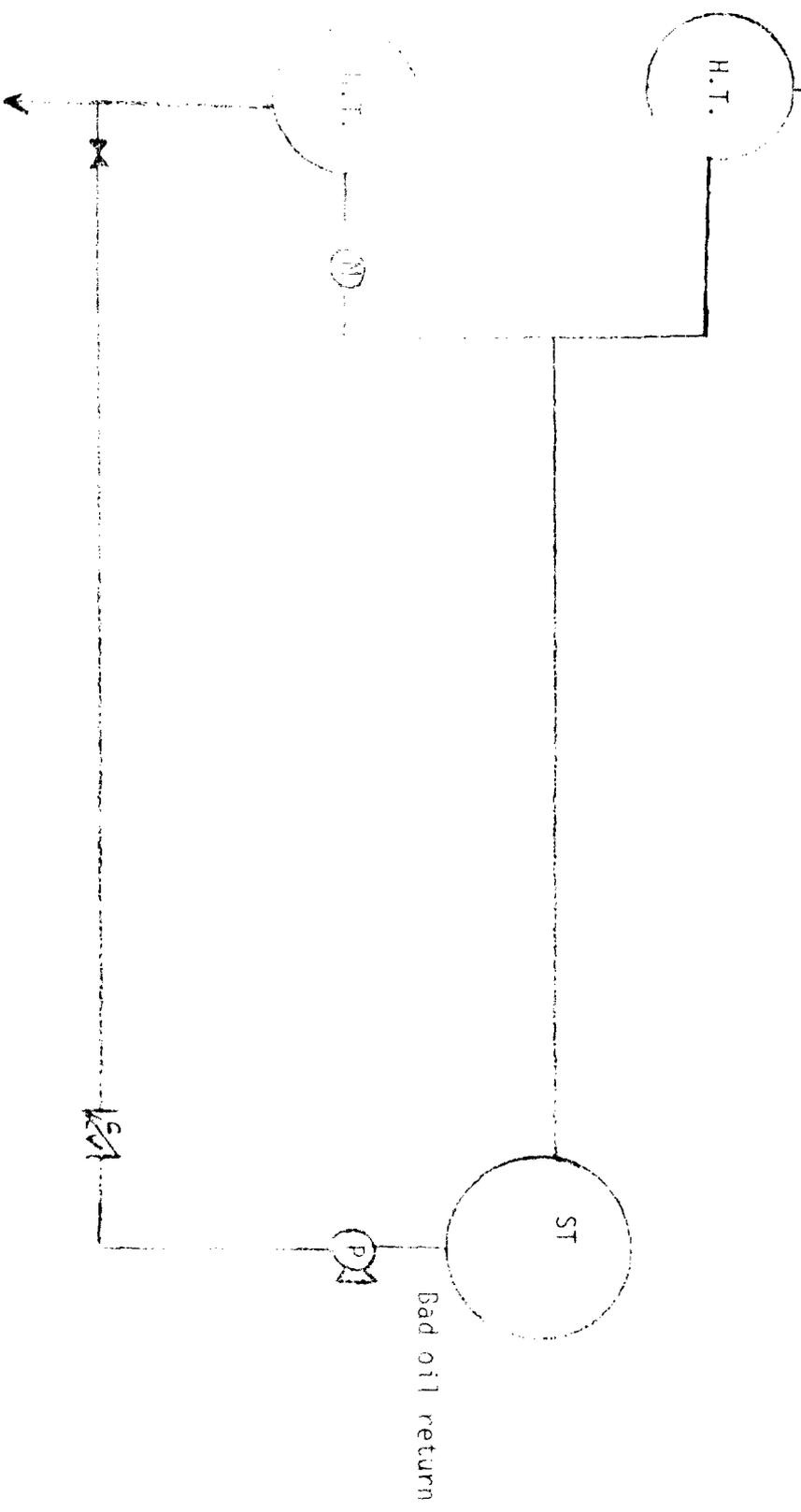
Joseph J. Kelly
President

Enclosures



UNION STATE #1
1N-25-14S-34E

Elk Oil Company
Individual Treators used in commingling
Common ownership
Union State and Anderson State Leases
Lea County, New Mexico



ANDERSON STATE #1
1E-36-14S-34E

SYMBOLS

- CV - Check Valve
 - M - Meter
 - P - Pump
 - HT - Heater Treator
 - ST - Stock Tank
- All piping above ground