



OFFICE OCC
SINCLAIR OIL & GAS COMPANY

P.O. BOX 1470 MIDLAND, TEXAS

MUTUAL 3-27611

1962 JAN 15 AM 8:48

January 12, 1962

R. L. ELSTON
VICE PRES & DIVISION MANAGER

Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

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

Gentlemen:

Sinclair Oil & Gas Company requests an exception to Statewide Rule 303(a) to permit the commingling, without separate measurement, of the production from the Grayburg Jackson and Fren (Undesignated) Pools on our J. L. Keel "A" lease, Eddy County, New Mexico. There are eleven marginal Grayburg Jackson Pool wells and one marginal Fren (Undesignated) Pool well on this lease. However, only the six Grayburg Jackson wells and the Fren (Undesignated) well shown on the following tabulation are to be commingled. The lease has no wells penalized by high gas-oil ratios. The average production for October and November, 1961, are shown below:

Well No.	Pool	Oct. 1961 Oil Prod. Bbls.	Avg. Daily Prod. Bbls.	Nov. 1961 Oil Prod. Bbls.	Avg. Daily Prod. Bbls.
2	Grayburg Jackson	328	10.6	205	6.8
3	Grayburg Jackson	88	2.8	91	3.0
4	Grayburg Jackson	88	2.8	91	3.0
6	Grayburg Jackson	109	3.5	114	3.8
7	Grayburg Jackson	153	4.9	160	5.3
8	Grayburg Jackson	175	5.6	183	6.1
10	Fren (Undesignated)	356	11.47	152	5.1

The Grayburg Jackson oil has 35.4° API gravity oil and the Fren (Undesignated) oil has 35.0° API gravity. Commingling these crude oils in the ratio of their November, 1961, production rates results in a 35.3° API gravity oil. The commercial value of the commingled crude would be the same as the sum of the values of the crude produced separately from each pool.

The ownership of the six Grayburg Jackson wells and the Fren (Undesignated) well is identical with respect to the zones to be commingled. This is a Federal lease numbered LC 029435-A. A copy of this application is being sent to the Supervisor of the U.S.G.S. and his approval of the proposal will be requested.

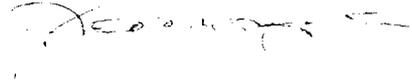
RC-61
USGS approval obtained

-2-

The attached plat shows the location of all the wells on this lease and the pool from which each well is producing.

Please advise if we can furnish any additional information concerning this matter.

Yours very truly,



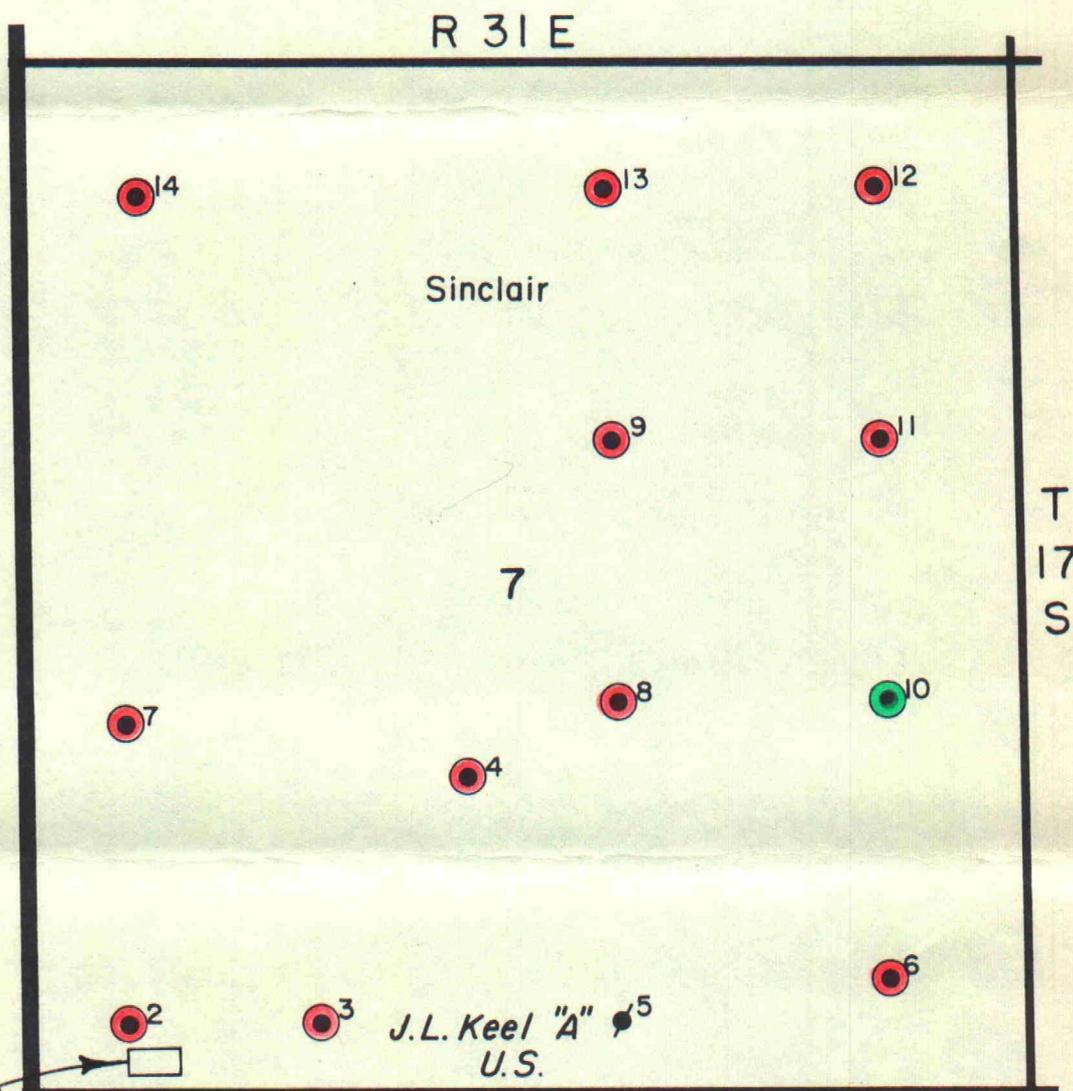
Joe Mefford

JM:DW:lw

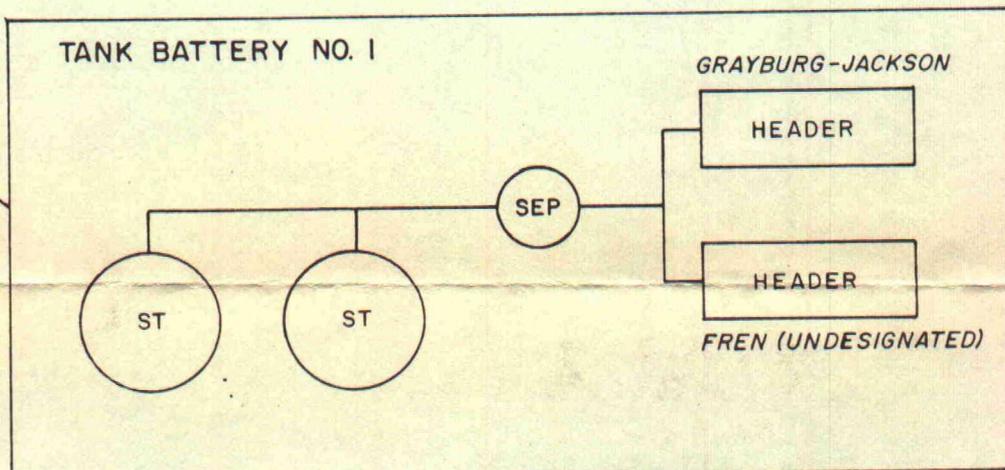
Attachment

SINCLAIR OIL & GAS COMPANY
J. L. Keel "A" Lease
 PROPOSED TO COMMINGLE
 ALL OIL IN A COMMON BATTERY

GRAYBURG - JACKSON POOL & FREN (UNDESIGNATED) POOL



● GRAYBURG - JACKSON ● FREN (UNDESIGNATED)



NOTE: WELLS ON THE NORTH HALF OF THE LEASE PRODUCE INTO TANK BATTERY NO. 2, AND WELLS ON THE SOUTH HALF OF THE LEASE PRODUCE INTO TANK BATTERY NO. 1.



MAIN OFFICE, OCG
P.O. BOX 11996

SINCLAIR OIL & GAS COMPANY

MIDLAND, TEXAS

MUTUAL 3-2761

1962 FEB 20 AM 8:24 February 16, 1962

R. L. ELSTON
VICE PRES. & DIVISION MANAGER

Oil Conservation Commission (3)
P. O. Box 871
Santa Fe, New Mexico

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

Gentlemen:

Please refer to our January 12, 1962, letter requesting an exception to Rule 303 (a) for Sinclair Oil & Gas Company's J. L. Keel "A" lease.

The attached letter denotes the approval of the application by the U.S.G.S. With reference to the second paragraph of the letter, please refer to the "note" at the bottom of the lease plat submitted with our January 12, 1962, application, which indicates that the N/2 and the S/2 of the lease are produced into separate tank batteries, and will not be commingled.

Yours very truly,

Joe Mefford

JM:DWC:lw

Attachment



Las Cruces

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Drawer 1857
Roswell, New Mexico

ILLEGIBLE

February 12, 1962

IN REPLY REFER TO:

RECEIVED
FEB 15 1962
ENGINEERING
FILED PROCEEDING
REP 2-15
RRM 2-15
RMA
FMS
IAH
DUC 2-16

Sinclair Oil and Gas Company
P. O. Box 1470
Midland, Texas

Attention: Mr. Joe Mefford

Gentlemen:

Your letter of January 12 requests our approval to commingle oil production from the Grayburg Jackson and Fren (undesignated) pools on Federal lease Las Cruces 029435-A.

The method of commingling described by the diagrams attached to your letter is hereby approved provided that the production from the N $\frac{1}{2}$ or S $\frac{1}{2}$ of sec. 7 is measured separately. The N $\frac{1}{2}$ has a 12 $\frac{1}{2}$ percent royalty rate and the S $\frac{1}{2}$ a sliding scale rate and require separate measurement.

You are requested to obtain approval from this office for any future commingling or automatic custody transfer system to be installed on Federal leases.

Very truly yours,

JOE A. ANDERSON
Regional Oil and Gas Supervisor

FEB 14 1962