

ELWYN C. HALE  
P. O. BOX 667  
HOBBS, NEW MEXICO

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

RE: Application for Permit to Commingle  
Production, Elwyn C. Hale, Hale State  
Lease #B-2317, Fusselman, Devonian  
and Drinkard Pools, Lea County,  
New Mexico.  
North Justis Field

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

Gentlemen:

In accordance with New Mexico Oil Conservation Commission Rule 303 (b) Elwyn C. Hale hereby makes application for administrative approval of an exception to Rule 303 (a) to permit commingling operations to be conducted on the Hale State Lease, Fusselman, Devonian and Drinkard Pools, Lea County, New Mexico, in support of which is stated the following:

1. Elwyn C. Hale is the owner and operator of the Hale State Lease, consisting of 80 acres, being the S/2 of the NE/4 of Section 2, T-25-S, R-37-E, Lea County, New Mexico. Attached is a plat showing the location of all wells on this lease.

2. The Hale State Lease has 2 producing wells, both of which are dual completions. The producing zones are:

- (a) Hale State #1 - Dual - Fusselman and Drinkard
- (b) Hale State #2 - Dual - Fusselman and Devonian

At the present time there are 2 tank batterys in one location on the lease, each consisting of 2 - 500 barrel tanks which we propose to make one tank battery. Since we are getting additional zones on this lease, it is desirable to commingle the oil from all zones allowing this one tank battery to be used as storage facilities for the whole lease rather than install additional storage.

3. From the two Fusselman wells, we expect to produce two 84 barrel allowables at 37.5° gravity which sells for \$2.95 per barrel. From the Devonian, we expect to produce one 84 barrel allowable of 38.5° gravity oil which sells for \$2.97 per barrel. From the Drinkard, we expect to produce one 64 barrel allowable of 38.5° gravity oil which sells for \$2.97 per barrel. All of these crudes are considered sweet crudes. The combined daily production, after commingling, is expected to be 316 barrels of 38.3° gravity liquid hydrocarbon at \$2.86 per barrel resulting in a \$3.36 per day gain in revenue.

4. In accordance with Item II, Section 2-B of the current "Manual for the Installation and Operation of Commingling Facilities", it is proposed to meter prior to commingling all zones. A positive displacement type metering separator with sampler and non-reset counter will be installed on all zones for accurate measurement

*OK to commingle  
after first metering  
the production  
from each  
pool.  
Ask  
HBS  
OCC  
to OK  
installation*

*Handwritten notes and signature at top right of page.*

prior to commingling. A schematic diagram of the proposed commingling installation is attached, and is in substantial compliance with Figure 6 in the aforementioned manual.

5. Royalty and working interest in the subject lease is common and the lease is a State Lease #B-2317.

In view of the facts recited in this application, it is respectfully requested that administrative approval of an exception to Rule 303 (a) be granted Elwyn C. Hale to permit commingling into a common tank battery the liquid hydrocarbon production from the Fusselman, Devonian and Drinkard Pools on the Hale State Lease from wells presently completed and from additional wells which may be completed on this lease in these reservoirs in the future.

Very truly yours,

ELWYN C. HALE

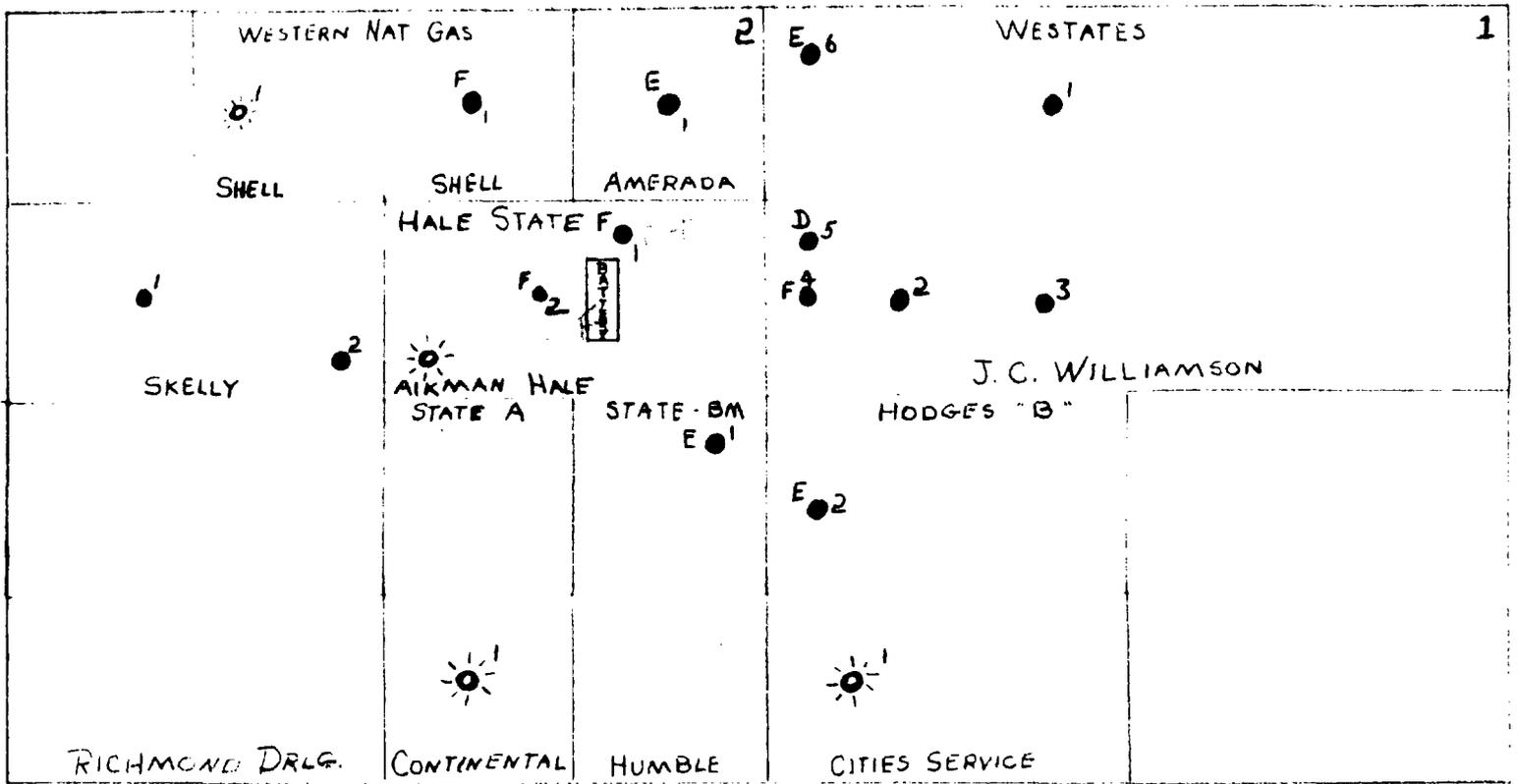
By: Howard P. Holmes  
Howard P. Holmes, Superintendent

HPH/sf

CC: New Mexico Oil Conservation Commission  
Hobbs, New Mexico

Mr. Murray E. Morgan  
Commissioner of Public Lands  
P. O. Box 791  
Santa Fe, New Mexico

Enclosure



- D - DRINKARD
- E - ELLENBERGER
- F - FUSSELMAN
- M - MCKEE

300 BARRELS 300 BARRELS

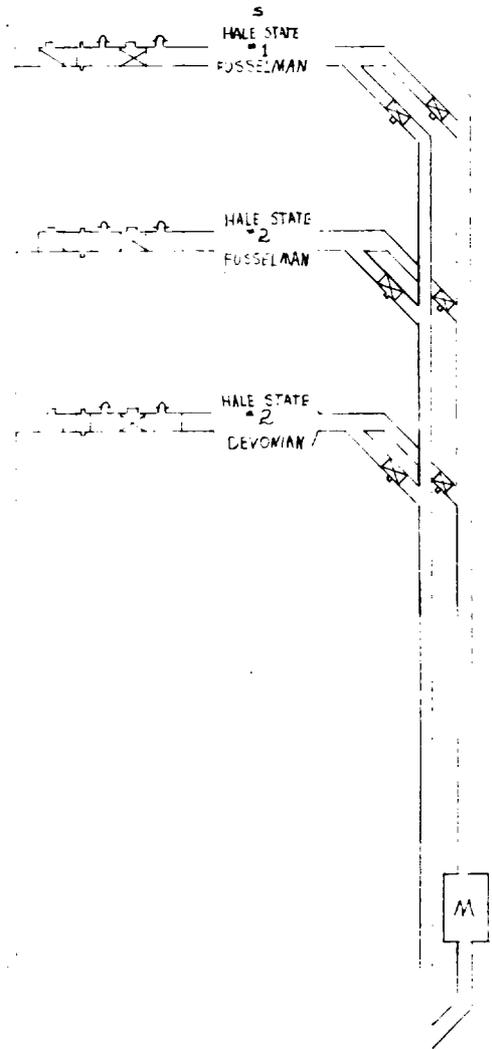
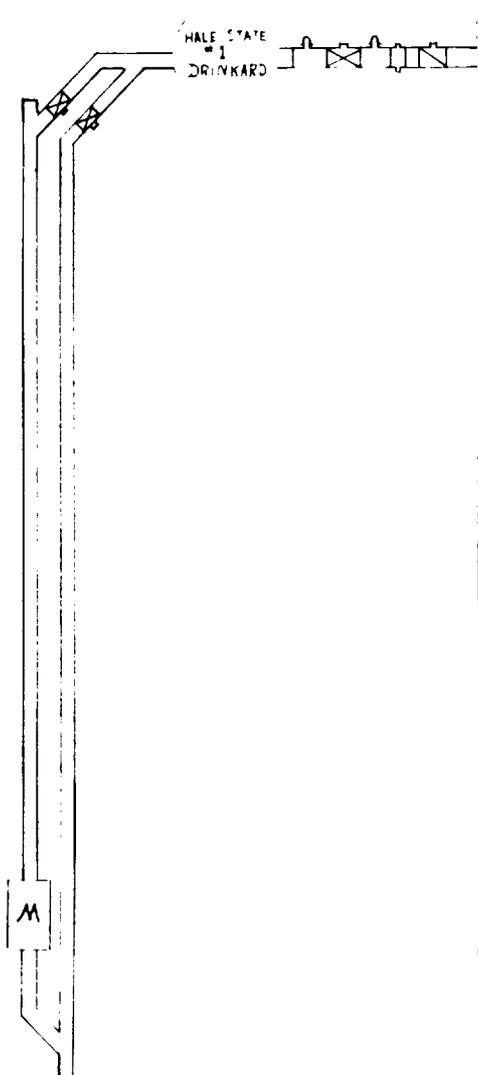
TANK BATTERY

ELWYN C HALE  
HALE STATE LEASE #B-2317

300 BARRELS 300 BARRELS

**ILLEGIBLE**

-  BLOCK VALVE
-  CHECK VALVE
-  GAS METER
-  SIVALS #MB-309  
METERING SEPARATOR



**ILLEGIBLE**

ELWYN C. HALE  
P. O. BOX 667  
HOBBS, NEW MEXICO

Mr. Murray E. Morgan  
Commissioner of Public Lands  
P. O. Box 791  
Santa Fe, New Mexico

RE: Application for Permit to  
Commingle Production, Elwyn  
C. Hale, Hale State Lease  
#B-2317, Fusselman, Devonian,  
and Drinkard Pools, Lea County,  
New Mexico.  
North Justis Field

Dear Sir:

We are enclosing herewith, a copy of our application to  
commingle the oil from the Drinkard, Devonian and Fusselman  
Pools of the North Justis Field in Lea County, New Mexico.

The regulations require permission to be given for the above  
commingling by your office. This permission to be given to  
Mr. A. L. Porter, Jr. of the New Mexico Oil Conservation  
Commission, P. O. Box 871, Santa Fe, New Mexico as the sub-  
ject lease is a State Lease.

Would you please address your agreement to this commingling  
of the oil to Mr. Porter and send a copy to us at P. O. Box 667  
Hobbs, New Mexico.

Thank you for your courtesy.

Very truly yours,

ELWYN C. HALE

  
Superintendent

HPH/sf

CC: New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

New Mexico Oil Conservation Commission  
Hobbs, New Mexico

# State of New Mexico



## Commissioner of Public Lands

E. S. JOHNNY WALKER  
COMMISSIONER



P. O. BOX 791  
SANTA FE, NEW MEXICO

March 15, 1962

Mr. A. L. Porter, Jr.  
New Mexico Oil Conservation Commission  
P. O. Box 871  
Santa Fe, New Mexico

Dear Mr. Porter:

We have considered the application of Elwyn C. Hale, to commingle the production from the Drinkard, Devonian and Fusselman Pools of the North Justis Field in Lea County, New Mexico, which oil is being produced from State of New Mexico Oil and Gas Lease No. B-2317, from wells located in the S $\frac{1}{2}$ NE $\frac{1}{4}$  of Section 2, T. 25 S., R. 37 E. This 80 acres belongs to the common schools of New Mexico and since there is no division of ownership, we have no objection to the proposed operation, provided, however, that this would not lessen the price of the oil or decrease the royalty to be received by the State of New Mexico.

We wish to mention the fact that the assignment covering this acreage is held of record by Claud E. Aikman, Box 2090, San Angelo, Texas, and it is necessary that we hold him responsible for the proper operation of the lease.

Yours very truly,

E. S. JOHNNY WALKER  
Commissioner of Public Lands

By: *Ted Bilberry*  
Ted Bilberry, Supervisor  
Oil and Gas Division

ESW:TB:eq

cc: Mr. Elwyn C. Hale  
P. O. Box 667  
Hobbs, New Mexico

MAIN OFFICE OCC

1962 MAR 29 PM 2:58

**ILLEGIBLE**

March 29, 1962

Mr. Elwyn C. Hale  
P. O. Box 667  
Hobbs, New Mexico

Re: Application for Permit to  
Commingle Production, Elwyn  
C. Hale, Hale State Lease  
#B-2317, Fusselman, Devonian  
and Drinkard Pools, Lea County,  
New Mexico. North Justis Field

Dear Sir:

We have received a copy of your letter directed to  
the New Mexico Oil Conservation Commission, in  
connection with the above referred to application  
for a permit to commingle.

We had noted that there was a discrepancy in the  
price, as stated for the commingled production,  
however, it was our contention that the State would  
lose no royalty or no value in production by the  
commingling as outlined, therefore, we have no  
objection to the process.

We wish to thank you for the schematic diagram of  
your tank battery, which has also been corrected.

Yours very truly,

E. S. JOHNNY WALKER  
Commissioner of Public Lands

By: *T.B.*  
Ted Bilberry, Supervisor  
Oil and Gas Division

ESW:TB:eg

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

C  
O  
P  
Y

ELWYN C. HALE  
P. O. BOX 667  
HOBBS, NEW MEXICO  
MAIN OFFICE 000

1902 MAR 10 PM 11 19  
New Mexico Oil Conservation Commission  
P. O. Box 871  
Santa Fe, New Mexico

RE: Application for Permit to Commingle  
Production, Elwyn C. Hale, Hale State  
Lease #B-2317, Fusselman, Devonian  
and Drinkard Pools, Lea County,  
New Mexico.  
North Justis Field

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

Gentlemen:

We have discovered that in our application to commingle the oil production from the Fusselman, Devonian and Drinkard Pools in our Hale State wells numbers 1 and 2, that we made a typographical error. In line seven (7) of paragraph three (3), where we discussed the economics of the commingling, we indicated that the price of 38.3<sup>0</sup> gravity oil would be \$2.86 per barrel. This is an obvious error as we indicated on line five (5) of the same paragraph that this gravity oil would sell for \$2.97 per barrel. The correct price of \$2.97 would justify our contention of economic advantage through commingling.

At the request of your Hobbs office, we are sending a corrected schematic diagram of our tank battery, the change indicating that we have separate flow lines from each of the producing zones in the two wells, delivering oil to separate metering separators so that there is no intermingling of the oil prior to the time that the gas is separated and the oil is metered.

We trust that this addition to our application will make our file complete and accurate.

Very truly yours,

ELWYN C. HALE

By: Howard P. Holmes  
Howard P. Holmes, Superintendent

HPH/sf

CC: New Mexico Oil Conservation Commission  
Hobbs, New Mexico

Mr. Murray E. Morgan  
Commissioner of Public Lands  
Santa Fe, New Mexico

500 BARRELS

500 BARRELS

TANK BATTERY

ELWYN C. HALE  
HALE STATE LEASE #B-2317

500 BARRELS

500 BARRELS

**ILLEGIBLE**

- FLOW LINE FROM SEPARATE PRODUCING ZONE
- ⊠ BLOCK VALVE
- ⊞ CHECK VALVE
- ⊞ GAS METER
- Ⓢ SIYALS #MB-307 METERING SEPARATOR

