

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

August 3, 1965

C  
Standard Oil Company of Texas  
P. O. Box 1249  
Houston, Texas 77001

Attention: Mr. C. N. Segnar

Administrative Order PLC-21

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Gentlemen:

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Reference is made to your application dated June 21, 1965, wherein you request authority to commingle Glorieta and Abo production from your State 6-34 Lease comprising the S/2 of Section 34, Township 17 South, Range 35 East, and your State 4-27 Lease comprising the N/2 SW/4 and the W/2 SE/4 of Section 27, Township 17 South, Range 35 East; Vacuum Field, Lea County, New Mexico, after separately metering the Glorieta production and determining the Abo production by means of the subtraction method. It is our understanding that the ownership of each of the two leases is common throughout and that the production from each given pool will be allocated to the individual leases on the basis of periodic well tests.

Y  
Pursuant to the authority granted me under the provisions of Rule 303 (b) and Rule 309-B of the Commission Rules and Regulations, you are hereby authorized to commingle the production from the aforesaid pools and leases in the above-described manner. Provided, however, that the installation shall be operated in accordance with the provisions of the Commission "Manual for the Installation and Operation of Commingling Facilities," including the requirement for non-reset counters on the meters. You are also requested to notify the Hobbs District Office of the Commission at such time as the installation is complete in order that an inspection may be made of the installation prior to putting it in operation.

Administrative Order CTB-116 which authorized the commingling of the Abo production from the 4-27 Lease and the 6-34 Lease, and Administrative Order FC-270 which authorized the commingling of Glorieta and Abo production on the State 6-34 Lease, are hereby cancelled.

Very truly yours,

A. L. Porter, Jr.  
Secretary-Director

ALP:DSN:sg

cc: Oil Conservation Commission (with enclosure) - Hobbs  
Oil & Gas Engineering Committee - Hobbs  
State Land Office - Santa Fe

# STANDARD OIL COMPANY OF TEXAS

P. O. BOX 1249 • HOUSTON TEXAS 77001

June 21, 1965

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

Gentlemen:

Standard Oil Company of Texas, a Division of California Oil Company, respectfully requests administrative approval to commingle Glorieta production now being developed on the State 6-34 lease with Abo production from the State 4-27 and State 6-34 leases. The oil will be commingled at a central battery located on the State 6-34 lease. The commingling of the State 6-34 and 4-27 Abo production was previously authorized by Administrative Order CTB-116 dated April 7, 1964. The State 6-34 lease is located in Section 34, Township 17 South, Range 35 East, Lea County, New Mexico. Working and royalty interests of the commingled production are identical. The following is a resume of the production:

<u>Lease</u>	<u>Formation</u>	<u>Daily Production (Barrels)</u>	<u>Gravity</u>	<u>Value</u>
State 4-27	Abo	132	40°	\$3.01
State 6-34	Abo	555	40°	\$3.01
State 6-34	Glorieta	50 (Est.)	38°	\$2.97

As noted by the above table no loss of value will be incurred by commingling the zones. At present there are seven Abo producers coming into the central battery located on the State 6-34 lease, two wells from the State 4-27 lease, and five wells from the State 6-34 lease. The production is being sold from an ACT unit located on the State 6-34 lease. The oil from the State 6-34 Well 11-1 (Glorieta) well will be run through a heater-treater to be located at the central battery and the oil will dump through a non-resettable positive displacement meter into the run tank at the central battery. A metering separator will be installed when and if a second Glorieta well is drilled on the State 6-34 lease.

Glorieta production will be metered and Abo production will be determined by subtraction. Production will be prorated to individual Abo wells by periodic well tests utilizing a metering separator.

Attached are a lease plat, a drawing of the proposed changes at the State 6-34 central battery, and a copy of a letter to the purchaser requesting a waiver.

New Mexico Oil Conservation Commission

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This information is being sent for your earliest consideration. We anticipate early approval from the purchaser and will transmit a copy of the executed waiver as soon as it is received.

A copy of this application is also being sent to the Land Commissioner for the State of New Mexico for his approval.

Please advise if you desire additional information in regard to this matter.

Yours very truly,



C. N. Segnar *RHE*  
Chief Engineer

RHE:ja

cc: Land Commissioner, Santa Fe, New Mexico