

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

January 21, 1969

The Superior Oil Company
P. O. Box 1900
Midland, Texas 79701

Attention: Mr. O. V. Sivage

Administrative Order PLC-30

Gentlemen:

Reference is made to your application dated December 17, 1968, for an exception to Rule 303 (a) and Rule 309-A of the Commission Rules and Regulations to permit the commingling of Cerca-Upper Pennsylvanian production from your State "M" Lease comprising the NW/4 of Section 4, Township 14 South, Range 34 East, Lea County, New Mexico, and Cerca-Upper Pennsylvanian production from your State "D" Lease comprising the NE/4 of Section 4, and Cerca-Upper Pennsylvanian and undesignated Lower Wolfcamp production from your State "K" Lease comprising the SE/4 of Section 4, after separately metering the production from each zone and each lease.

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 samplers and non-reset counters on the meters. Please 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.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/DSN/esr

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

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THE SUPERIOR OIL COMPANY

P. O. BOX 1900
MIDLAND, TEXAS 79701

December 17, 1968

2-18-30

Mr. A. L. Porter, Jr.
Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Request for Exception to Rules
303 (a) and 309-A (309-B)
The Superior Oil Company State "D" #1,
State "K" #1 and State "M" COM #1
Cerca (Upper Penn) and
Undesignated (Lower Wolfcamp) Fields
Section 4, T-14-S, R-34-E
Lea County, New Mexico

Dear Sir:

We respectfully request exception to Rules 303 (a) and 309-A (309-B) to permit commingling of crude oil in common storage and use of common LACT facilities for two common sources of supply and three separate wells involving four State leases after the oil produced from each individual completion has been accurately measured.

The two separate sources of supply are Cerca (Upper Penn) and Undesignated (Lower Wolfcamp). The API gravity of the oil from the Upper Penn is 43.2°, from the Lower Wolfcamp 44.5°. All crude of 40° API gravity or above is currently listed at \$3.16 per barrel. Commingling of the two crudes will not result in a change of value.

After installation of artificial lift the wells can be expected to produce at top allowable rates resulting in a daily production of 1407 barrels Upper Penn crude and 271 barrels of Lower Wolfcamp crude.

A schematic diagram of the proposed installation is attached. Metering and testing facilities will be provided as outlined in Manual For The Installation and Operation of Commingling Facilities, September, 1961.

A plat is attached showing location and zones of completion of all wells, location of surface facilities, and lease information.

Approval by the Commissioner of Public Lands has been obtained. A copy of the approval is attached.

Mr. A. L. Porter

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December 17, 1968

All parties owning either operating or royalty interest in the leases and the purchaser of the crude involved has been notified by registered mail. A xerox copy of the registration receipts is attached.

Yours very truly,

THE SUPERIOR OIL COMPANY

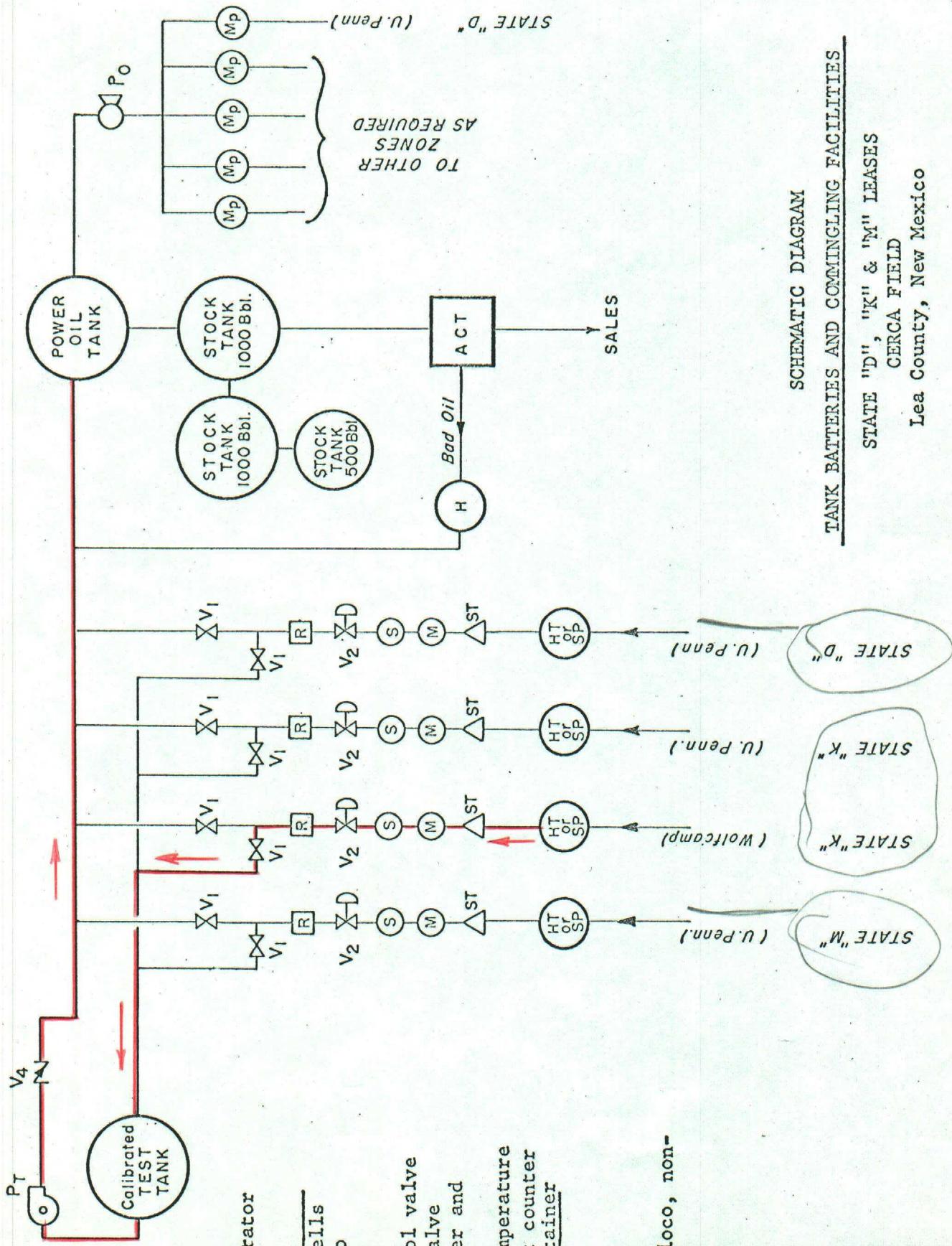


O. V. Sivage
Production Engineer

OVS/js

cc: By registered mail: Tenneco Oil Company
Service Pipe Line Co., Lubbock & Lovington
George E. Conley
Sam H. Jolliffe
M. M. Merritt
John K. Funk

cc: J. D. Ramey



H - Heater (if Needed)
 HT or SP - Heater-treater or Separator
 as required

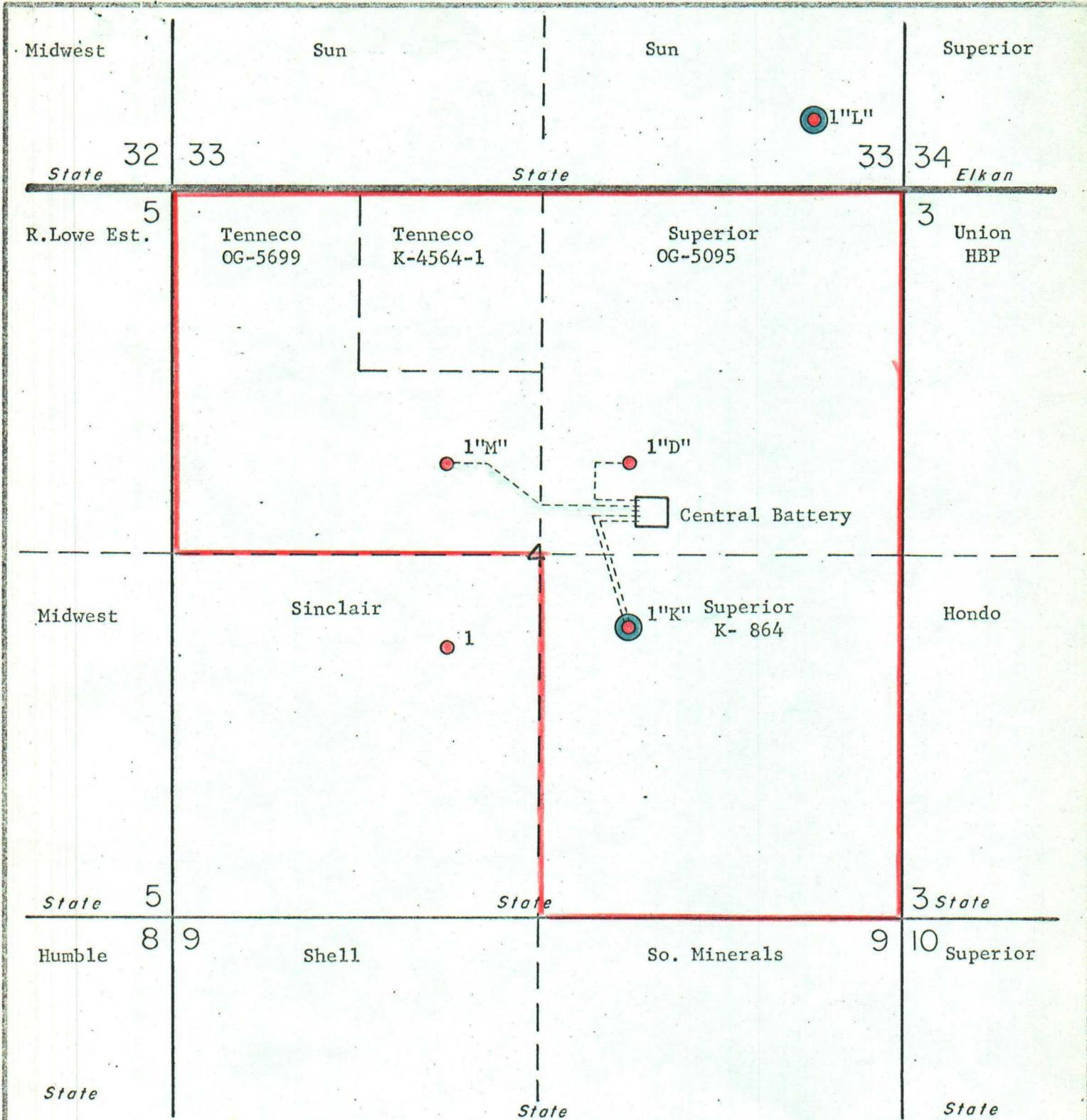
Commingling Unit fabricated by Stells
 Sales & Service, Hobbs, New Mexico
 consist of:

- V1 - 2" plug valve
- R - 2" A.O. Smith flow-rate control valve
- V2 - 2" Kimray 212 SMT DA motor valve
- ST - A.O. Smith Type TEB-10 strainer and
 air eliminator
- M - A.O. Smith S-13, automatic temperature
 compensated meter w/non-reset counter
- S - Fluid sampler and sample container

- Po - Power oil pumps
- Pt - Transfer pump
- ACT - Automatic Custody Transfer
- Mp - Power oil meter, 1" Barton Flocco, non-
 reset counters.
- V4 - Check valve
- ACT - Automatic Custody Transfer

All lines above ground

SCHEMATIC DIAGRAM
 TANK BATTERIES AND COMMINGLING FACILITIES
 STATE "D", "K" & "M" LEASES
 CERCA FIELD
 Lea County, New Mexico



PLAT OF SECTION 4, R-34-E, T-14-S, Lea County, New Mexico

- Lower Wolfcamp
- Upper Penn

DEC 16 1968

THE SUPERIOR OIL COMPANY
ENGINEERING MIDLAND
<u>FLOW LINE DIAGRAM</u> Cerca Field Area Lea County, New Mexico
SCALE: 1" = 1000'