

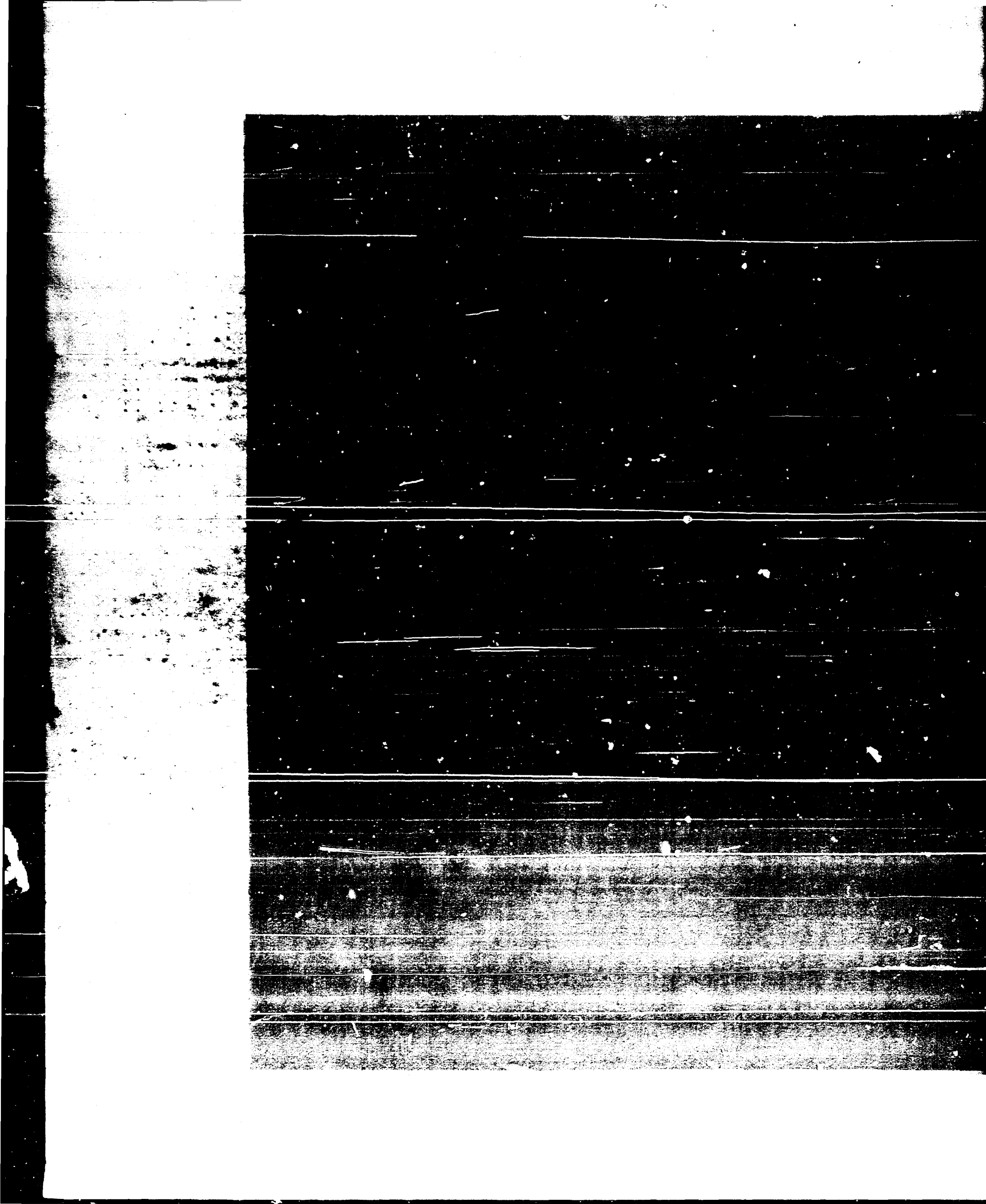
CASE 1830: Application of CARPER  
DELC. CO. & T. J. SIVLEY to commingle  
the Empire-Also Pool production from

Case No.

1820

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Application, Transcript,  
Small Exhibits, Etc.



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
NOVEMBER 24, 1959

IN THE MATTER OF:

CASE 1820 Application of Carper Drilling Company, Inc.,  
and T. J. Sivley for permission to commingle  
the production from two separate leases. Ap-  
plicant, in the above-styled cause, seeks per-  
mission to commingle the Empire-Abo Pool pro-  
duction from that portion of State Lease B-1483:  
consisting of lot 2 of Section 2 and that por-  
tion of State Lease 2029 consisting of lot 3 of:  
said Section 2, Township 18 South, Range 27  
East, Eddy County, New Mexico.

BEFORE:

Elvis A. Utz, Examiner.

T R A N S C R I P T     O F     P R O C E E D I N G S

MR. UTZ: Case 1820.

MR. PAYNE: Case 1820. Application of Carper Drilling  
Company, Inc., and T. J. Sivley for permission to commingle the  
production from two separate leases.

MR. LOOSE: Mr. Examiner, I'm A. J. Loose of Loose &  
Stewart, Artesia, New Mexico, representing the applicant. I have  
one witness, Mr. Riley.

(Witness sworn)

MARSHALL RILEY,

called as a witness, having been first duly sworn, testified as



follows:

DIRECT EXAMINATION

BY MR. LOOSE:

Q Would you state your name, please?

A Marshall Riley.

Q Where do you live, Mr. Riley?

A Artesia, New Mexico.

Q What is your occupation?

A Vice president of Carper Drilling Company, Incorporated.

Q Have you previously testified before the Commission as an expert?

A I have.

Q The most recent Case was Case 1535?

A Yes, sir.

MR. LOOSE: Are his qualifications acceptable, Mr.

Examiner?

MR. UTZ: Yes, sir, they are.

Q Are Carper Drilling Company and T. J. Sivley the working interest owners of the Wright State No. 4 Well and the State "AB" No. 5 Well?

A They are.

Q Both of these wells are located on contiguous 40-acre subdivisions?

A Yes, sir.

Q The State "AB" No. 5 Well is on State Lease 2029?



A Yes, sir.

Q What is the location of that well?

A The 5 "AB" is located 1980 from the West line, 990 from the North line of Section 2, Township 18 South, Range 27 East.

Q When was that well completed?

A The 5 "AB" was completed in August of 1959.

Q In what producing horizon is that well completed?

A The Abo Reef..

Q The Wright State No. 4 Well is located on State Lease No. B-1483, is that correct?

A Yes, sir.

Q Is that Lease also dedicated to the common schools?

A Yes, sir, it is.

Q What is the location of this Wright State No. 4 Well?

A 1660 feet from the East line, 990 from the North line of Section 2, Township 18 South, Range 27 East.

Q When was that well completed?

A October of 1959.

Q In what producing horizon is that well completed?

A In the Abo Reef also.

(Whereupon, Applicant's Exhibit No. A was marked for identification.)

Q You have before you a copy of Exhibit A. Would you state what that is, sir?



A Exhibit A is the production record of Carber Drilling Company and T. J. Sivley covering their State "AB" No. 5 and the Wright State No. 4 Wells, which was prepared under my direction.

Q Are both of those wells top allowable wells?

A They are.

Q Is the State of New Mexico the lessor of each lease?

A Yes, sir.

Q Is the overriding royalty and other burdens on production common through each lease, or is it different?

A It is different.

Q Would you state as to the Abo reef what overriding royalty exists as to B-1483, which is the Wright State No. 4 Well?

A Under State Lease B-1483 Laura Stratton Kaempf, K-a-e-m-p-f, has twelve overriding royalties.

Q Are there any other burdens on production on that Lease in that formation?

A No, sir.

Q Referring to the State "AB" No. 5 as to the Abo reef, what burdens are there on production?

A Under State Lease No. 2029, E. A. Peyton, Doris Peyton, L. B. Fetter, and H. G. Watson in equal shares, have a five percent production payment until two hundred thousand dollars exclusive of taxes have been paid from this Lease and other leases.

Q Have the four people you just mentioned on this State



Lease 2029 consented giving their consent in writing to this proposed commingling of oil?

A They have.

Q Has Mrs. Kaempf consented in writing to this commingling?

A Mrs. Kaempf has not in writing, no, sir.

Q Was she notified of this application?

A She was.

Q Did you or anyone in Carper's organization discuss the matter with her over the telephone?

A Yes, sir. My landman, Mr. Robert Bowing talked to her over the telephone, and she gave verbal approval.

(Whereupon, Applicant's Exhibit B was marked for identification.)

Q Please refer to Exhibit B, and would you state what that is, sir?

A Exhibit B shows the estimated cost of constructing a separate tank battery for our Wright State No. 4 Well.

Q Did you prepare this?

A It was prepared under my direction.

Q What would be the cost of constructing that separate tank battery for this recently completed Wright State No. 4 Well?

A Approximately seven thousand five hundred and seventy-five dollars.

Q You propose by your application to meter the produc-





tion from this well. By what method do you propose to meter the production?

A We'll use adequate metering facilities as approved by the Commission.

Q What would be the cost of constructing a separator and metering equipment?

A Approximately fourteen hundred and fifty dollars.

Q Do you feel that the metering of this production from this well before it enters the tank battery located on the State "AB" 5 will protect the correlative rights of the parties involved?

A Yes, sir.

MR. LOOSE: At this time we'll offer the service on the working interest owners and consents. I have no further questions.

CROSS EXAMINATION

BY MR. UTZ:

Q Would you give me the locations of these two wells, what locations, again?

A The footage?

Q Yes, sir.

A The 5 "AB" is 1980 feet from the West line, 990 feet from the North line of Section 2, 13, 27. The Wright 4, 1650 feet from the East line, 990 feet from the North line, same Section, Township and Range.



Q Which tract will the tank battery be located on?

A The tank battery will be located on the State "AB" No. 5 tract, which is 1980 from the West, 990 from the North.

Q What type of meters do you propose to use?

A A type that has been approved, or will be approved by the Commission. Mr. Examiner, there are quite a number on the market that -- we will use that one that would be approved by the Commission.

Q Do you have a preference between dump type and positive displacement?

A Not particularly. If the Commission so desires, I believe the positive displacement meters have been doing a better job out there in that particular field, however, because of corrosion problems, I've been told.

Q You say the positive displacement has been doing a better job?

A I believe that is correct. yes, sir.

Q You intend to use corrosive resistant meters, do you not?

A We will, if at all possible. And we have been checking on that, and we were told a few days ago that it might take from two to three months to get the corrosive type. We certainly intend to if we can get them within a reasonable time.

MR. PAYNE: By that, do you mean the plastic coated meters? You could get them more rapidly, couldn't you?



A The type I'm referring to I'm just not exactly familiar with. It is one that Pan American has had very good success on, and I believe it is more the type of material rather than the coating.

MR. PAYNE: Is your tank battery adequate to handle the production from both of these wells?

A Yes, sir. It is two five hundred barrel tanks.

Q (By Mr. Utz) Will the production be metered on the Wright Lease or on the State 5 "AB?"

A Yes, the meter will be on the Wright, on the Wright, yes, sir. No meter on the 5.

Q You intend to meter the oil from the State 5 "AB", do you not?

A No, we had intended to meter the oil off of 4, and the other oil that goes off of 5 into the tank will be the difference in that.

Q Use the subtraction method?

A Yes, sir.

MR. PAYNE: That charges all the shrinkage to the one lease, doesn't it, Mr. Riley, if any there be?

A Well, there shouldn't be very much.

Q (By Mr. Utz) Do you have any idea what the shrinkage has been running in the Abo Pool?

A No, sir.

Q Do you anticipate additional wells into this system?



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

A No, sir. Only these two wells; this is all we plan.

MR. UTZ: Are there any other questions of the witness?

Q (By Mr. Utz) Are these both top allowable wells?

A Yes, sir, they are.

Q Would you have objection to metering both leases before commingling rather than using the subtraction method?

A Not if the Commission directed. It would run the cost up a little bit more, it would be double the approximate figure, fourteen fifty, to do so. That is still a saving over that.

MR. PAYNE: Do you feel that any shrinkage there might be during one season of the year would be made up in the ensuing season?

A Oh, I think it's a good possibility, yes, sir.

MR. PAYNE: I mean, what you lost in the summer you would make up in the winter --

A Yes, sir.

MR. PAYNE: -- or the other way around?

A Yes. Reverse it.

MR. UTZ: Any other questions? No other questions. the witness may be excused.

(Witness excused)

MR. LOOSE: We'll offer our Exhibits A and B.

MR. UTZ: Without objection, they'll be entered into



the record.

(Thereupon, Applicant's Exhibits  
A and B were received in evidence.)

MR. UTZ: Any other statements to be made in this case?

The case will be taken under advisement.

DEARNLEY-MEIER REPORTING SERVICE, Inc.

ALBUQUERQUE NEW MEXICO

PHONE CH 3-6491



DEARNLEY-MEIER REPORTING SERVICE, Inc.  
PHONE CH 3-4691  
ALBUQUERQUE, NEW MEXICO

STATE OF NEW MEXICO )  
COUNTY OF BERNALILLO ) ss

I, J. A. Trujillo, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me in Stenotype and reduced to typewritten transcript by me, and that the same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal this, the 9<sup>th</sup> day of November, 1959, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

*Joseph A. Trujillo*  
NOTARY PUBLIC

My Commission Expires:  
October 5, 1960

I do hereby certify that the foregoing is a true and correct copy of the proceedings in the New Mexico Oil Conservation Commission, held on the 9<sup>th</sup> day of November, 1959.  
*Elmer A. [Signature]*, Examiner  
New Mexico Oil Conservation Commission



**#1-INSTRUCTIONS TO DELIVERING EMPLOYEE**

☐ Deliver ONLY to addressee ☐ Show address where delivered  
(Additional charges required for these services)

**RETURN RECEIPT**

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SIGNATURE OR NAME OF ADDRESSEE (must always be filled in)  
*Barclay Pitts Corp*

SIGNATURE OF ADDRESSEE'S AGENT, IF ANY  
*Bill Bradford*

DATE DELIVERED  
*11-5-59*

ADDRESS WHERE DELIVERED (only if requested in item #1)

CSS-16-71642-4 GPO

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*Laura Swallow Knight*

SIGNATURE OF ADDRESSEE'S AGENT, IF ANY  
*Murd Wright*

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*11-5-59*

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*John Hudson*

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SIGNATURE OR NAME OF ADDRESSEE (must always be filled in)  
*Rutter + Wilbanks Brothers*

SIGNATURE OF ADDRESSEE'S AGENT, IF ANY  
*By Helen Jones*

DATE DELIVERED  
*11-5-59*

ADDRESS WHERE DELIVERED (only if requested in item #1)

CSS-16-71642-4 GPO

**#1-INSTRUCTIONS TO DELIVERING EMPLOYEE**

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(Additional charges required for these services)

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Received the numbered article described on other side.

SIGNATURE OR NAME OF ADDRESSEE (must always be filled in)  
*Fred Turner*

SIGNATURE OF ADDRESSEE'S AGENT, IF ANY  
*Ed Burney*

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*NOV 6 1959*

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CITY, ZONE AND STATE

Artesia, New Mexico

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3 November 1959

**CERTIFIED MAIL  
RETURN RECEIPT REQUESTED**

Mr. William Hudson  
318 W. Missouri  
Artesia, New Mexico

Mr. Fred Turner  
Box 910  
Midland, Texas

Rutter & Wilbanks  
500 W. Big Spring Street  
Midland, Texas

~~The~~ American Petroleum Corporation  
Box 266  
Lubbock, Texas

Gentlemen:

Enclosed herewith is copy of Application of Carper Drilling Company, Inc. and T. J. Sivley for an exception to Rule 909 (a) of the New Mexico Oil Conservation Commission Rules and Regulations, to permit the commingling of the production of oil from the Abo Reef from separate State of New Mexico Oil and Gas Leases B-1483 and No. 2089, covering Lots 2 and 3, Section 2, Township 18 South, Range 27 East, in a common tank battery.

Our records indicate that you are the owners of oil and gas leases adjoining those of Applicants. It is anticipated that a hearing on this Application will be held by the New Mexico Oil Conservation Commission shortly after November 30, 1959. If you have no objection to this Application we would appreciate you advising Mr. A. L. Porter, Secretary, New Mexico Oil Conservation Commission, Mabry Hall, Santa Fe, New Mexico, of such fact and furnishing us with a copy of your letter of transmittal.

Very truly yours

A. J. Loezo

Enclosure

A. J. LOSEE  
EDWARD B. STEWART

LAW OFFICES  
LOSEE AND STEWART  
CARPER BUILDING - P. O. BOX 1117  
ARTESIA, NEW MEXICO

3 November 1959

**CERTIFIED MAIL  
RETURN RECEIPT REQUESTED**

Mrs. Laura Stratton Kaempf  
2511 Altura Street  
Montrose California

Mr. E. A. Paton  
Mrs. Doris Paton  
Mr. L. B. Feather  
Mr. H. G. Watson  
Artesia, New Mexico

Ladies and Gentlemen:

Enclosed herewith is copy of Application of Carper Drilling Company, Inc. and T. J. Sivley for an exception to Rule 309 (a) of the New Mexico Oil Conservation Commission Rules and Regulations, to permit the commingling of the production of oil from the Abo Reef from separate State of New Mexico Oil and Gas Leases B-1483 and No. 2029, covering Lots 2 and 3, Section 2, Township 18 South, Range 27 East, in a common tank battery.

Our records reflect that you are the owners of either an overriding royalty interest or a production payment under one of the two leases described in this Application. Our clients propose to produce oil from the Abo Reef in the Wright State No. 4 well and in the State AB No. 5 well into a common tank battery. Adequate facilities will be provided for accurately metering the production from each well before it is commingled into the common tank battery.

We enclose a carbon copy of this letter and if you have no objections to the enclosed Application, we would appreciate your signifying such fact on the carbon copy of this letter and returning it to us in the enclosed self-addressed envelope.

It is anticipated that a hearing on this Application will be held before the Commission shortly after November 20, 1959, and we would therefore appreciate your early consideration of this request.

Very truly yours

A. J. Losee

Enclosures

The undersigned offers no objection to the above mentioned Application and hereby consents to the commingling of production from the separate leases therein described.

Dated this 20 day of November, 1959.

  
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A. J. LOSEE  
EDWARD B. STEWART

LAW OFFICES  
LOSEE AND STEWART  
CARPER BUILDING - P. O. BOX 1117  
ARTESIA, NEW MEXICO

3 November 1959

**CERTIFIED MAIL  
RETURN RECEIPT REQUESTED**

**Mrs. Laura Stratton Knapp  
2511 Alta Street  
Montrose California**

**Mr. E. A. Paton  
Mrs. Doris Paton  
Mr. L. B. Feather  
Mr. H. G. Watson  
Artesia, New Mexico**

**Ladies and Gentlemen:**

Enclosed herewith is copy of Application of Carper Drilling Company, Inc. and T. J. Sivley for an exception to Rule 309 (a) of the New Mexico Oil Conservation Commission Rules and Regulations, to permit the commingling of the production of oil from the Abo Reef from separate State of New Mexico Oil and Gas Leases B-1483 and No. 2029, covering Lots 2 and 3, Section 2, Township 18 South, Range 27 East, in a common tank battery.

Our records reflect that you are the owners of either an overriding royalty interest or a production payment under one of the two leases described in this Application. Our clients propose to produce oil from the Abo Reef in the Wright State No. 4 well and in the State AB No. 5 well into a common tank battery. Adequate facilities will be provided for accurately metering the production from each well before it is commingled into the common tank battery.

We enclose a carbon copy of this letter and if you have no objections to the enclosed Application, we would appreciate your signifying such fact on the carbon copy of this letter and returning it to us in the enclosed self-addressed envelope.

It is anticipated that a hearing on this Application will be held before the Commission shortly after November 20, 1959, and we would therefore appreciate your early consideration of this request.

Very truly yours

A. J. Losee

Enclosures

The undersigned offers no objection to the above mentioned Application and hereby consents to the commingling of production from the separate leases therein described.

Dated this 5 day of November, 1959.

Mrs. Doris Paton

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Y

A. J. LOSEE  
EDWARD B. STEWART

LAW OFFICES  
LOSEE AND STEWART  
CARPER BUILDING - P. O. BOX 1117  
ARTESIA, NEW MEXICO

3 November 1959

**CERTIFIED MAIL  
RETURN RECEIPT REQUESTED**

Mrs. Laura Stratton Knapp  
8511 Alta Street  
Montrose California

Mr. E. A. Paton  
Mrs. Davis Paton  
Mr. L. B. Feather  
Mr. H. G. Watson  
Artesia, New Mexico

Ladies and Gentlemen:

Enclosed herewith is copy of Application of Carper Drilling Company, Inc. and T. J. Sivley for an exception to Rule 109 (a) of the New Mexico Oil Conservation Commission Rules and Regulations, to permit the commingling of the production of oil from the Abo Reef from separate State of New Mexico Oil and Gas Leases B-1483 and No. 2029, covering Lots 2 and 3, Section 2, Township 18 South, Range 27 East, in a common tank battery.

Our records reflect that you are the owners of either an overriding royalty interest or a production payment under one of the two leases described in this Application. Our clients propose to produce oil from the Abo Reef in the Wright State No. 4 well and in the State AB No. 5 well into a common tank battery. Adequate facilities will be provided for accurately metering the production from each well before it is commingled into the common tank battery.

We enclose a carbon copy of this letter and if you have no objections to the enclosed Application, we would appreciate your signifying such fact on the carbon copy of this letter and returning it to us in the enclosed self-addressed envelope.

It is anticipated that a hearing on this Application will be held before the Commission shortly after November 20, 1959, and we would therefore appreciate your early consideration of this request.

Very truly yours

A. J. Losee

Enclosures

The undersigned offers no objection to the above mentioned Application and hereby consents to the commingling of production from the separate leases therein described.

Dated this 4th day of November, 1959.

E. A. Paton

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Y

A. J. LOSEE  
EDWARD B. STEWART

LAW OFFICES  
LOSEE AND STEWART  
CARPER BUILDING - P. O. BOX 1117  
ARTESIA, NEW MEXICO  
3 November 1959

**CERTIFIED MAIL  
RETURN RECEIPT REQUESTED**

Mrs. Laura Stratton Kumpf  
2511 Altura Street  
Montrose California

Mr. E. A. Paton  
Mrs. Doris Paton  
Mr. L. B. Feather  
Mr. H. S. Watson  
Artesia, New Mexico

Ladies and Gentlemen:

Enclosed herewith is copy of Application of Carper Drilling Company, Inc. and T. J. Sivley for an exception to Rule 309 (a) of the New Mexico Oil Conservation Commission Rules and Regulations, to permit the commingling of the production of oil from the Abo Reef from separate State of New Mexico Oil and Gas Leases B-1483 and No. 2039, covering Lots 2 and 3, Section 2, Township 18 South, Range 27 East, in a common tank battery.

Our records reflect that you are the owners of either an overriding royalty interest or a production payment under one of the two leases described in this Application. Our clients propose to produce oil from the Abo Reef in the Wright State No. 4 well and in the State AB No. 5 well into a common tank battery. Adequate facilities will be provided for accurately metering the production from each well before it is commingled into the common tank battery.

We enclose a carbon copy of this letter and if you have no objections to the enclosed Application, we would appreciate your signifying such fact on the carbon copy of this letter and returning it to us in the enclosed self-addressed envelope.

It is anticipated that a hearing on this Application will be held before the Commission shortly after November 20, 1959, and we would therefore appreciate your early consideration of this request.

Very truly yours

A. J. Losee

Enclosures

The undersigned offers no objection to the above mentioned Application and hereby consents to the commingling of production from the separate leases therein described.

Dated this 18 day of November, 1959.



C  
O  
P  
Y

July 11, 1961

Mr. Rip Simmons  
P. O. Box 791  
State Land Office  
Santa Fe, New Mexico

Dear Sir

Reference is made to Case No. 1820, Order No. B-1539 wherein we requested permission to commingle oil from two wells located as follows:

State Oil & Gas Lease No. B-1483, Lot 2 (NW/4 NE/4) Sec. 2

State Oil & Gas Lease No. 2029, Lot 3 (NE/4 NW/4) Sec. 2  
All in Township 18 South, Range 27 East, Eddy County, New Mexico.

On November 27, 1956, the Commission approved this request provided that the production from each of the above described units should be separately metered prior to commingling.

We decided that since two meters would be required we would prefer to have two separate tank batteries, therefore, the production from these two wells has not been commingled.

Yours very truly,

CARPER DRILLING COMPANY, INC.

*Marshall Rowley*

Marshall Rowley, Vice-President

MR:cc  
cc: NMOCC  
Box 871  
Santa Fe, New Mexico

*case file*

DOCKET: EXAMINER HEARING NOVEMBER 24, 1959

Oil Conservation Commission - 9 a.m., Mabry Hall, State Capitol, Santa Fe, New Mexico

The following cases will be heard before Elvis A. Utz, Examiner, or A. L. Porter, Jr., Secretary.

- CASE 1811: Application of The Atlantic Refining Company for permission to commingle the production from three separate pools from three separate leases. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the Tubb, Blinberry, and Drinkard production from three Federal leases in Section 14, Township 25 South, Range 37 East, Lea County, New Mexico.
- CASE 1812: Application of Gulf Oil Corporation for permission to commingle the production from two separate leases. Applicant, in the above-styled cause, seeks permission to commingle the production from the Eumont Pool from its Ramsay (NCT-D) Lease consisting of the NE/4 of Section 31 and from its Ramsay (NCT-J) Lease consisting of the SW/4 SW/4 of Section 25, both in Township 20 South, Range 37 East, Lea County, New Mexico.
- CASE 1813: Application of Gulf Oil Corporation for a gas-oil dual completion and for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Travis Well No. 1, located 1980 feet from the South line and 660 feet from the East line of Section 21, Township 23 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of gas from an undesignated Abo gas pool and the production of oil from the Teague Pool. Applicant further seeks permission to commingle the oil produced from the Teague Pool from said well with the distillate produced from an undesignated Abo gas pool from said well.
- CASE 1814: Application of Leonard Latch for two water flood projects. Applicant, in the above-styled cause, seeks an order authorizing it to institute two water flood projects in the Empire Pool in Eddy County, New Mexico. In one project, applicant proposes to inject water into the Seven Rivers formation through ten wells located in the N/2 of Section 19, Township 17 South, Range 28 East. In the other project, applicant proposes to inject water into the Seven Rivers formation through seven wells located in the S/2 SE/4 of Section 12 and the NE/4 of Section 13, Township 17 South, Range 27 East.
- CASE 1815: Application of Leonard Oil Company for an unorthodox gas well location. Applicant, in the above-styled cause, seeks an order authorizing an unorthodox gas well location in the Jalmat Gas Pool at a point 2310 feet from the North and East lines of Section 21, Township 25 South, Range 37 East, Lea County, New Mexico. Applicant proposes that said well serve as the unit well for a non-standard gas proration unit in the Jalmat Gas Pool consisting of the E/2 NW/4 and W/2 NE/4 of said Section 21.
- CASE 1816: Application of Shell Oil Company for permission to commingle the production from several separate pools from several separate leases. Applicant, in the above-styled cause, seeks permission to commingle the production from an undesignated Aloka pool and an undesignated San Andres pool from two separate leases in Sections 23, 26, and 35, Township 19 South, Range 35 East, Lea County, New Mexico, and to transport said production from said leases

prior to measurement and to commingle such production with the commingled Pearl-Queen production authorized by Order No. R-1101. Applicant further seeks authorization to expand the automatic custody transfer system authorized by said Order No. R-1101.

CASE 1817: Application of Sunray Mid-Continent Oil Company for an automatic custody transfer system and for permission to produce more than sixteen wells into a common tank battery. Applicant, in the above-styled cause, seeks an order authorizing it to install an automatic custody transfer system to handle the production from all Bisti-Lower Gallup Oil Pool wells on its Central Bisti Unit comprising certain acreage in Townships 25 and 26 North, Range 12 West, San Juan County, New Mexico.

CASE 1818: Application of Texaco Inc., for a gas-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its State "BN" Well No. 1, located in the NW/4 SW/4 of Section 25, Township 11 South, Range 32 East, Lea County, New Mexico, in such a manner as to produce gas from the Moore-Wolfcamp Gas Pool and to produce oil from the Moore-Pennsylvanian Pool through the casing-tubing annulus and tubing respectively.

CASE 1819: Application of Hamilton Dome Oil Company, Ltd., for an order authorizing the commingling of production from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle the Blinebry and Tubb production from a lease consisting of the S/2 SE/4 of Section 25, Township 25 South, Range 37 East, Lea County, New Mexico.

CASE 1820: Application of Carper Drilling Company, Inc., and T. J. Sivley for permission to commingle the production from two separate leases. Applicant, in the above-styled cause, seeks permission to commingle the Empire-Abo Pool production from that portion of State Lease B-1483 consisting of lot 2 of Section 2 and that portion of State lease 2029 consisting of lot 3 of said Section 2, Township 18 South, Range 27 East, Eddy County, New Mexico.

CASE 1821: Application of Cities Service Oil Company for establishment of a water flood project allowable. Applicant, in the above-styled cause, seeks an order establishing a project allowable for its Drickey Queen Sand Unit in Chaves County, New Mexico, and providing for the conversion of wells to water injection at the operator's election.

CASE 1822: Application of Cities Service Oil Company for approval of automatic custody transfer facilities. Applicant, in the above-styled cause, seeks an order authorizing the installation of automatic custody transfer facilities to handle the Caprock-Queen Pool production from the Drickey Queen Sand Unit in Chaves County, New Mexico.



*Case 1820*

LAW OFFICES

LOSEE AND STEWART

CARPER BUILDING - P.O. BOX 1117

ARTESIA, NEW MEXICO

2 November 1959

A. J. LOSEE  
EDWARD B. STEWART

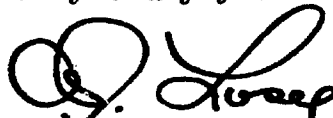
Mr. A. L. Porter, Secretary  
New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

Dear Mr. Porter:

Enclosed herewith you will please find triplicate copies of Application of Carper Drilling Company, Inc. and T. J. Sivley for an exception to Rule 309 (a).

On behalf of these clients I request that this Application be set for hearing before an examiner or the Commission, at the earliest possible date.

Very truly yours



A. J. Losee

Enclosures

*Booked  
mailed  
11-12-59  
JH*

Case 1820

# PAN AMERICAN PETROLEUM CORPORATION

OIL AND GAS BUILDING

FORT WORTH, TEXAS

ALEX CLARKE, JR.  
DIVISION ENGINEER

November 12, 1959

File: GWK-4667-986.510.1

Subject: Waiver of Objection to  
Commingling Production  
Empire Abo Field, Eddy  
County, New Mexico

Mr. A. L. Porter  
New Mexico Oil Conservation Commission  
Capitol Annex Building  
Santa Fe, New Mexico

Dear Sir:

The undersigned, being an authorized representative of the  
offset operator, has been duly informed by Carper Drilling Company  
and T. J. Sivley of their application to commingle oil produced  
from the Empire Abo Field on two State of New Mexico Oil and Gas  
Leases B-1483 and No. 2029 covering Lots 2 and 3, Section 2,  
T-18-S, R-27-E, and hereby waives objection to the granting of  
an exception to Rule 309(a) for this purpose.

We understand the two leases involved are comprised of  
NW/4 NE/4 and NE/4 NW/4 of said Section 2.

Very truly yours,

*Alex Clarke, Jr.*

GWK:lj

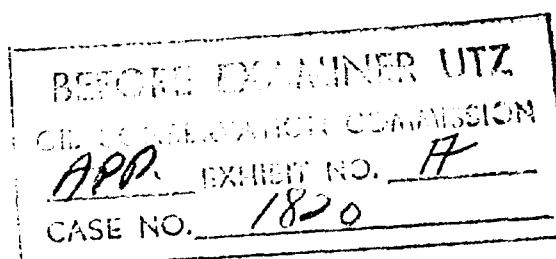
cc: Losee and Stewart  
Carper Building  
P. O. Box 1117  
Artesia, New Mexico  
Attn: Mr. A. J. Losee

CASE NO. 1820  
APPLICATION OF CARPER DRILLING COMPANY, INC.  
AND T. J. SIVLEY FOR PERMISSION TO COMMINGLE  
OIL FROM TWO SEPARATE LEASES

Production Record of Carper  
Drilling Company, Inc. and  
T. J. Sivley State AB No. 5  
Well and Wright State No. 4  
Well:

	<u>State AB #5</u>	<u>Wright State #4</u>
August, 1959	2108 barrels	
September, 1959	1818 barrels	
October, 1959	1855 barrels	459 barrels

(October, 1959,  
459 barrels shown  
above from Wright  
State #4 produced  
into test tank.  
Tested 80 b.p.d.)



CASE NO. 1820  
APPLICATION OF CARPER DRILLING COMPANY, INC.  
AND T. J. SIVLEY FOR PERMISSION TO COMMINGLE  
OIL FROM TWO SEPARATE LEASES

Estimated Costs of Constructing a  
Separate Tank Battery for Applicants'  
Wright State No. 4 Well:

Tanks	\$5,175.00
Separator	750.00
Pipe and Fittings	975.00
Hauling	100.00
Grading	75.00
Labor	400.00
Miscellaneous	100.00
	<u>\$7,575.00</u>

Estimated Costs of Constructing a  
Separator and Metering Equipment  
for Applicants' Wright State No.  
4 Well:

Separator and Metering Equipment	\$1,150.00
Labor and Miscellaneous	300.00
	<u>\$1,450.00</u>

BEFORE EXAMINER LITZ  
OF COMMISSION OF OIL AND GAS  
App EXHIBIT NO. B  
CASE NO. 1820

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF CARPER DRILLING COMPANY, INC. AND T. J. SIVLEY FOR AN EXCEPTION TO RULE 309 (a) OF NEW MEXICO OIL CONSERVATION COMMISSION RULES AND REGULATIONS, TO PERMIT THE COMINGLING OF THE PRODUCTION OF OIL FROM SEPARATE STATE OF NEW MEXICO OIL AND GAS LEASES NO. B-1483, EMBRACING LOT 2, SECTION 2, AND NO. 2029, EMBRACING LOT 3, SECTION 2, BOTH IN TOWNSHIP 18 SOUTH, RANGE 27 EAST, N.M.P.M., IN A COMMON TANK BATTERY.

CASE NO. 1820

APPLICATION

COMES CARPER DRILLING COMPANY, INC. and T. J. SIVLEY in support of this Application, and respectfully state:

1. The Applicants are the owners of State of New Mexico Oil and Gas Lease B-1483, insofar as it covers Lot 2 (NW/4 NE/4) Section 2, Township 18 South, Range 27 East, N.M.P.M., and are the owners of State of New Mexico Oil and Gas Lease No. 2029, insofar as it covers Lot 3 (NE/4 NW/4) Section 2, Township 18 South, Range 27 East, N.M.P.M., both situated in Eddy County, New Mexico.

2. The Applicants are the owners of all of the working interest oil produced in the Abo Reef from their Carper-Sivley Empire Joint Account Wright State No. 4 well on said Lot 2, Section 2, and from their Carper Drilling Company, Inc. and T. J. Sivley State AB No. 5 well on said Lot 3, Section 2.

3. A plat showing the location of these leases and the adjoining oil and gas leases is attached hereto, marked Exhibit "A" for identification and by reference made a part hereof.

4. The Applicants propose to produce the two units into a common tank battery and adequate facilities will be provided for accurately metering the production from each well.

5. The erection and use of separate tank batteries to receive oil produced from these two leases would be an unnecessary expense to Applicants.

6. The commingling of oil from said two wells into a common tank battery would prevent waste and protect correlative rights.

7. The above acreage in State Lease B-1483 and the above acreage in State Lease No. 2029 is contiguous and the leases are dedicated to a common beneficiary, namely, Common Schools.

8. The working interest ownership of the said two leases is common throughout; however, the burdens on production from said leases, other than the royalty to the State of New Mexico, is not common throughout, and as to the Abo Reef, is vested as follows:

State Lease B-1483:

Laura Stratton Kaempf ..... 12.5% overriding royalty.

State Lease No. 2029:

E. A. Paton, Doris Paton, L.  
B. Feather and H. G. Watson,  
in equal shares ..... 5% production payment until \$200,000, exclusive of taxes, has been paid from this lease and other leases.

Copies of this Application will be mailed by certified mail, return receipt requested, at least twenty (20) days before the hearing on this Application, to the Commissioner of Public Lands of the State of New Mexico and the

owners of the above burdens on production and proof thereof furnished at the hearing.

9. The owners of oil and gas leases adjoining Applicants' Leases B-1483 and No. 2029, are as follows:

William Hudson  
318 W. Missouri  
Artesia, New Mexico

Fred Turner  
Box 910  
Midland, Texas

Rutter & Wilbanks  
500 N. Big Spring Street  
Midland, Texas

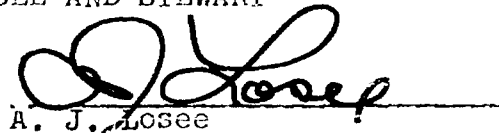
Pan American Petroleum Corporation  
Box 268  
Lubbock, Texas.

Copies of this Application will be mailed by certified mail, return receipt requested, to all such owners and proof thereof furnished at the hearing on this Application.

WHEREFORE, Applicants pray that this Application be set for hearing after due notice as required by law; that such Application be heard at the earliest possible date before an examiner or before the Commission; and that an Order be entered herein granting Applicants permission in exception to Rule 309(a) of the New Mexico Oil Conservation Commission Rules and Regulations to permit the commingling of the production of oil from separate State of New Mexico Oil and Gas Leases B-1483 and No. 2029 covering the acreage above described, in a common tank battery.

LOSEE AND STEWART

By


  
A. J. Losee  
P. O. Box 1117  
Artesia, New Mexico  
Attorneys for Applicants

STATE OF NEW MEXICO     )  
                                  : ss.  
COUNTY OF EDDY         )

MARSHALL ROWLEY, being first duly sworn upon his oath, states that he is the Vice President of Carper Drilling Company, Inc., one of the Applicants named in the within and foregoing Application; that he has read the same and understands the contents thereof and that the matters therein stated are true and correct according to his best information and belief.

  
Marshall Rowley

SUBSCRIBED AND SWORN TO before me this 2nd day of November, 1959.

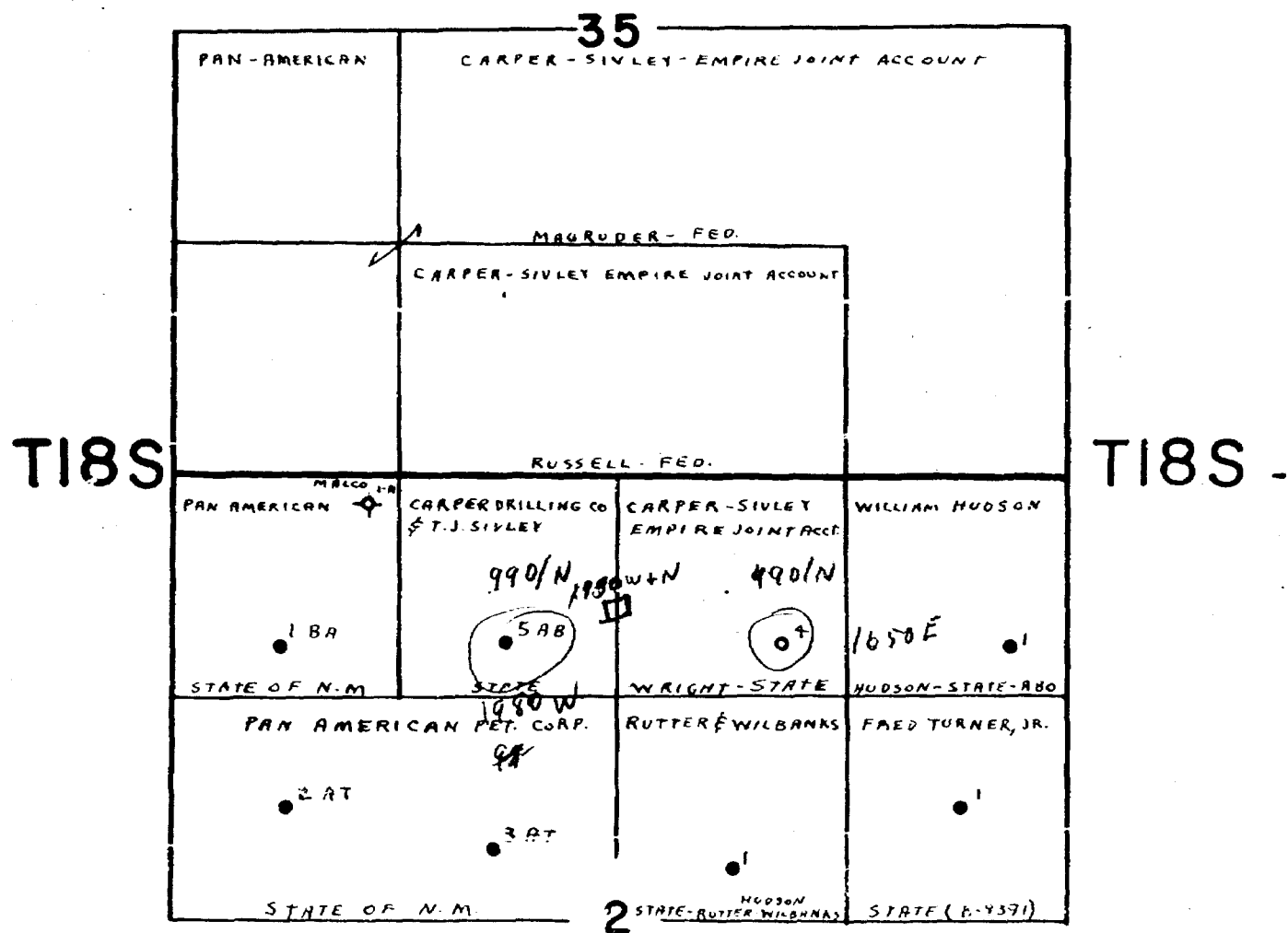
  
Notary Public

My commission expires:

March 13, 1961



R27E



A PORTION OF THE EMPIRE ABO FIELD  
EDDY CO. N.M.

SCALE 1" = 1000'

10-2-59 R.E.B.

EXHIBIT "A"

OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

Date 11-25-59

CASE 1820 Hearing Date 11-24-59

My recommendations for an order in the above numbered cases are as follows:

*Approve as follows.*

- 1. P.D. or Dump Digger meters on each lease.*
- 2. 2 stable leases, describe.*
- 3. Corrosion resistant meters.*

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

November 27, 1959

Mr. Jerry Losee  
Carper Building  
Artesia, New Mexico

Dear Mr. Losee:

On behalf of your client, Carper Drilling Company,  
we enclose two copies of Order No. R-1539 issued  
by the Oil Conservation Commission on this date.

Very truly yours,

A. L. PORTER, Jr.  
Secretary-Director

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C  
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P  
Y

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE No. 1820  
Order No. R-1539

APPLICATION OF CARPER DRILLING  
COMPANY, INC. AND T. J. SIVLEY  
FOR PERMISSION TO COMMINGLE THE  
PRODUCTION FROM TWO SEPARATE  
LEASES IN EDDY COUNTY, NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on November 24, 1959, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 27th day of November, 1959, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicants are the owners and operators of that portion of State of New Mexico Oil and Gas Lease No. B-1483 comprising Lot 2 (NW/4 NE/4) of Section 2 and that portion of State of New Mexico Oil and Gas Lease No. 2029 consisting of Lot 3 (NE/4 NW/4) of Section 2, Township 18 South, Range 27 East, NMP, Eddy County, New Mexico.

(3) That the applicants propose to commingle the Empire-Abo Pool production from the two units into a common tank battery located in the NE/4 NW/4 of said Section 2, after separately metering the production from one of the two units.

(4) That the production from each unit should be separately metered before commingling, using corrosion resistant positive displacement or dump-type meters, since royalty interests in the two units are not common.

-2-

Case No. 1820  
Order No. R-1539

(5) That approval of the subject application will neither cause waste nor impair correlative rights, provided adequate metering, testing, and storage facilities are installed.

IT IS THEREFORE ORDERED:

(1) That the application of Carper Drilling Company, Inc. and T. J. Sivley for an order authorizing them to commingle the Empire-Abe Pool production from portions of two separate leases comprising respectively Lot 2 (NW/4 NE/4) of Section 2 and Lot 3 (NE/4 NW/4) of Section 2, Township 18 South, Range 27 East, RMPM, Eddy County, New Mexico, be and the same is hereby granted.

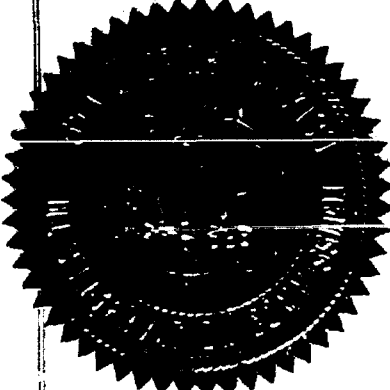
PROVIDED HOWEVER, That the production from each of the above-described units shall be separately metered prior to commingling.

(2) That all meters shall be operated and maintained in such a manner as to ensure an accurate measurement of production at all times.

That all meters shall be checked for accuracy at intervals not to exceed one month until further direction by the Secretary-Director. Meters shall be calibrated against a master meter or against a test tank of measured volume and the results of such calibration filed with the Commission on the Commission form entitled "Meter Test Report."

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION



*John Burroughs*

JOHN BURROUGHS, Chairman

*Murray E. Morgan*

MURRAY E. MORGAN, Member

*A. L. Porter, Jr.*

A. L. PORTER, Jr., Member & Secretary

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