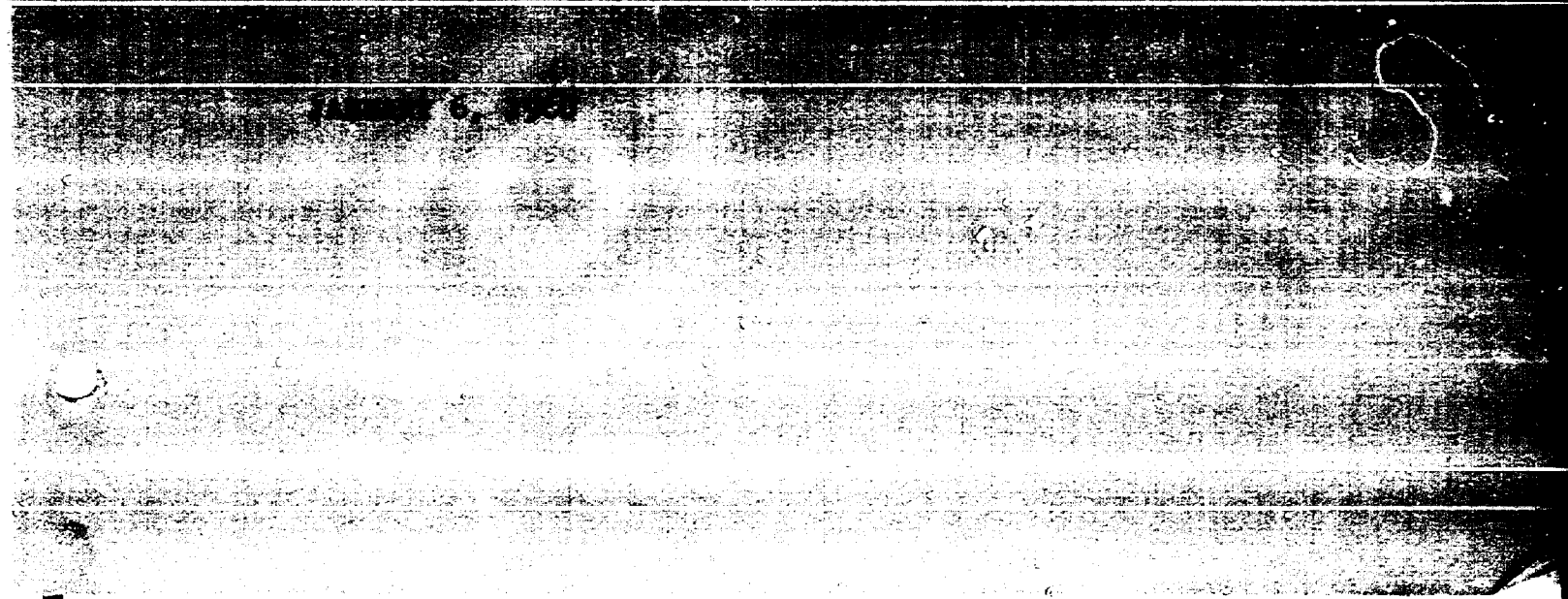
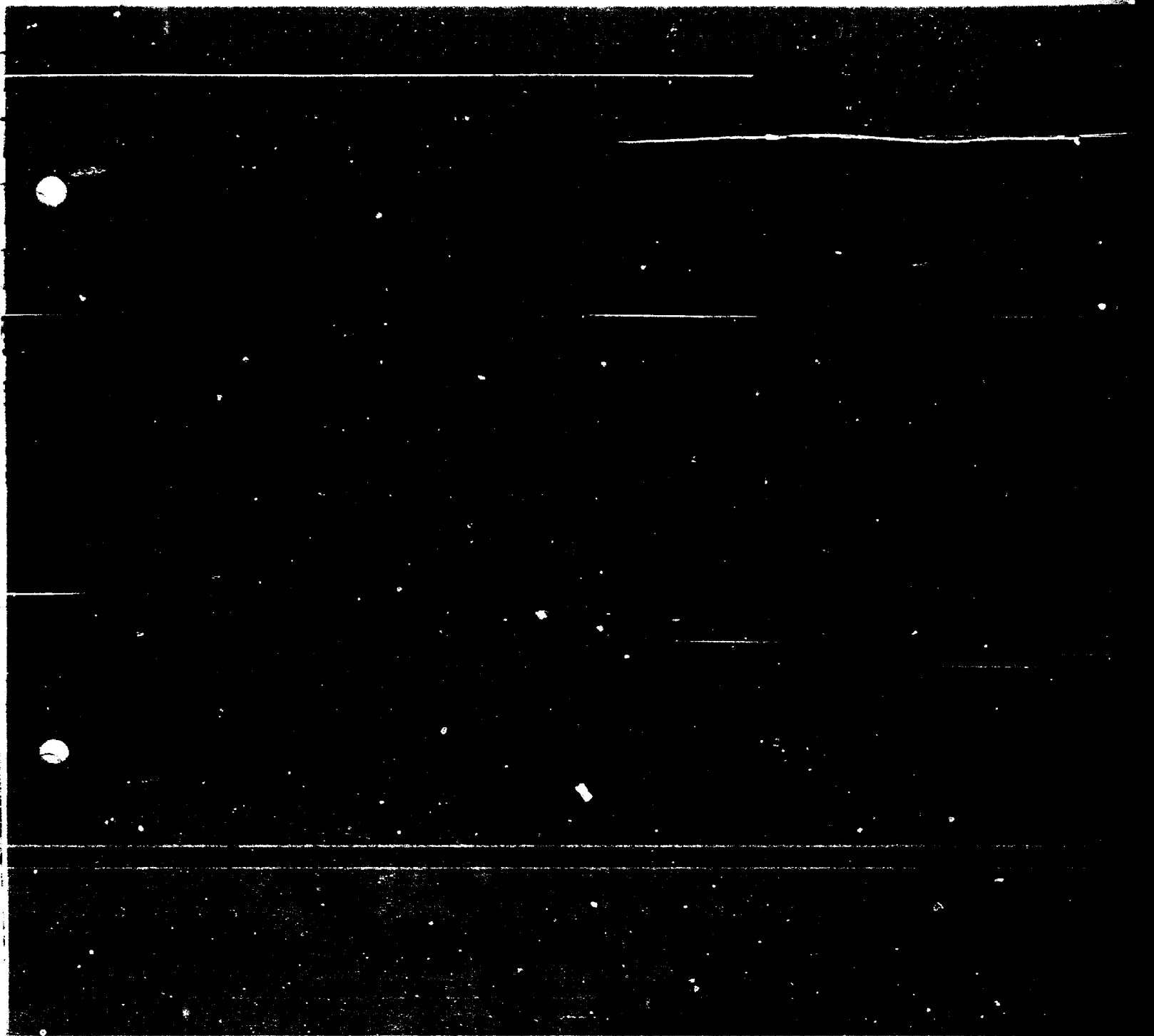


CASE 1839: Application of FRANKLIN,
ASTOR & FAIR, INC. to commingle
Empire-Abe Pool production - Eddy Co.

Case No.

1839

Application, Transcript,
Small Exhibits, Etc.



BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
JANUARY 6, 1960

IN THE MATTER OF:

CASE 1839: Application of Franklin, Aston & Fair, Inc.,
for permission to commingle the production from
three separate leases. Applicant, in the above-
styled cause, seeks permission to commingle
the Empire-Abo Pool production from three
separate State leases, one in Section 6, Town-
ship 18 South, Range 28 East, and the other
two in Section 31, Township 17 South, Range 28
East, Eddy County, New Mexico.

BEFORE:

Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

MR. NUTTER: We will take next Case 1839.

MR. PAYNE: Case 1839. Application of Franklin,
Aston & Fair, Inc., for permission to commingle the production
from three separate leases.

MR. JENNINGS: I am James T. Jennings, appearing on
behalf of Franklin, Aston & Fair, and before proceeding, I would
like to file with the Commission consents to commingle, executed
by the working interest operators, and a consent from the State
Land Office, which is a royalty owner.

MR. NUTTER: You wish to have these identified as an
exhibit in this case?

MR. JENNINGS: No, sir, I would prefer they be filed

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in the case. They are instruments to be filed, if there is no objection.

MR. NUTTER: There is none.

(Witness sworn.)

TOM STEPHENS

Called as a witness, having been first duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. JENNINGS:

Q You are Tom Stephens?

A That's right.

Q By whom are you employed, Mr. Stephens?

A Franklin, Aston, & Fair.

Q What is your capacity?

A Landman..

Q And are you familiar with the application which has been filed here by Franklin, Aston, & Fair to commingle production from three separate State leases?

A I am.

Q Roughly, this application covers the W/2, SE/4, SE/4 SW/4 of Section 31, Township 17 South, Range 28 East, and the NE/4, NE/4, S/2, NW/4, N/2, SW/4 of Section 6, Township 17 South, Range 28 East?

A That's right.

Q I hand you here, Mr. Stephens, what has been marked as

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Exhibit 2 and ask you to identify that.

A Yes. You want me to state the ownership?

Q Will you, from that exhibit, would you state the ownership of the various leases and give the numbers of the leases.

A The E/2 of the SE/4 of Section 21, 17 South, 28 East is owned by Byrd Aston and R. W. Fair. That's lease No. B-2071. The SE/4 of the SW/4 of Section 31, 17 South, 28 East is owned by Byrd Aston. The lease covering the NE/4 of the NW/4 and S/2 of the NW/4, the N/2 of the SW/4 is lease No. B-11594, owned by Franklin, Aston & Fair, Incorporated.

Q Mr. Stephens, have all offset parties entered into an operating agreement covering all of the leases with Pan American Petroleum Company?

A They have.

Q Are there any outstanding overriding royalty interests or any production payments?

A There isn't.

Q Are all of the lands owned by one common beneficiary, common school lands?

A Yes, sir, that's right.

Q Now, Franklin, Aston & Fair is the operator under the terms of the operating agreement?

A That's right.

Q How many wells have been completed on it?

A Three.

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Q Will you identify the wells?

A On lease B-11594 is well No. 1, in the SW/4 of the NW/4, and well No. "BB" Well No. 2 in the SE/4 of the NW/4, and "BB" No. 3 in the NE/4 of the NW/4. They have been completed.

Q Actually, Mr. Stephens, all of the working interest operators, other than Pan American, have pooled their production under the three leases?

A That's right.

Q Would it result in a considerable saving to the operators if they installed a common tank battery here?

A That's right.

MR. JENNINGS: I believe that's all we have of this witness.

MR. NUTTER: Any questions of the witness?

CROSS EXAMINATION

BY: MR. NUTTER:

Q What is the proposed location of the tank battery?

A It is in the SE/4. It is about four hundred feet directly south of the Well "BB" No. 2. It is in the SE/4 of the NW/4 of Section 6, 18 South, 28 East.

Q I believe you propose to meter the production from each of the three leases prior to the commingling with the production from any of the other leases?

A That is correct.

MR. NUTTER: Any further questions of the witness?



He may be excused.

(Witness excused.)

MR. NUTTER: Do you have anything further?

MR. JENNINGS: Yes, sir. Mr. Green.

(Witness sworn.)

ALBERT H. GREEN

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

DIRECT EXAMINATION

BY: MR. JENNINGS:

Q Will you state your name, please.

A Albert H. Green.

Q Mr. Green, by whom are you employed and in what capacity?

A Pan American Petroleum Corporation as petroleum engineer in their Lubbock District office, Lubbock, Texas.

Q Have you testified previously before this Commission?

A Yes, sir, I have.

Q Have your qualifications been accepted?

A Yes, sir.

MR. JENNINGS: Are the witness' qualifications acceptable?

MR NUTTER: Yes, sir.

Q (By Mr. Jennings) Pan American has an interest in the working interest, is that right?

A Yes, sir.

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Q In an operating agreement?

A Yes, sir.

Q Now, who has charge of Pan American's operations here?

A The Lubbock District Office where I am employed.

Q Mr. Green, Exhibit 1 is there on the board. Would you explain just what that is?

A Exhibit 1 here on the board is a map of the general area of the Empire-Abo field, and in the northeast portion there, I have outlined in color those leases which are the subject of this case. Outlined in green is the State lease B-11549; outlined in red is the State lease B-7966; outlined in black is State lease B-2071

Q Would you locate again for the Commission the presently producing wells on these leases?

A Presently there are three wells, which are indicated on State lease B-11549 as Well No. 1, Well No. 2, and Well No. 3.

Q Are they drilling wells?

A They are. These two wells are now drilling; Well No. 4 in State lease B-11549, and Well No. 1 in State lease B-7966.

Q Do you contemplate drilling the other remaining locations in the immediate future?

A Yes, sir.



Q Where are these wells that have been completed; from what formation are they completed at?

A They are in the Abo formation.

Q Where do you contemplate locating the central tank battery?

A In the NE/4, SW/4, Section 6, about four hundred feet south of Well No. 2.

Q You have Exhibit 3, what has been marked as Exhibit 3, Mr. Green?

A Yes, sir.

Q Would you explain that to the Examiner, please.

A On Exhibit 3 we have a schematic drawing showing the central tank battery installation, the lease separators, the lease production meters, and on the right hand side is shown the lease production manifolds, and for the sake and convenience in explaining this drawing, I'll follow the flow of production through the central tank battery by tracing its flow from one of the leases.

We can look at the flow from State lease B-7966, which is shown in red. After entering the central tank battery, production will flow through the lease separator, pass through the lease production meter, and then into a common header where it is, for the first time, commingled with production from the other two leases. From that point, production will flow on into the central storage facilities. The colors on Exhibit 3 cor-

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respond to the colors on Exhibit 1 and 2. We have shown these colors specifically to indicate that production from the three leases will be kept separate until it passes through the production meters.

Q Mr. Green, are the meters devised so that the production from each well can be tested?

A Yes, sir. The equipment will be arranged such that any single well on any of the three leases can be individually tested. We have set up a test separator and a test meter for that purpose.

Q What types of individual lease and well test meters will you have?

A These will be positive displacement meters.

Q Have these meters been proven as to their accuracy and dependability?

A Yes, sir. Pan American has previously tested these meters and found them to be extremely accurate and dependable, and we now have several meters of this type in operation, and we have a few of these type meters now measuring oil from the Empire-Abo pool.

Q They work satisfactory?

A Yes, sir, very satisfactory.

Q Mr. Green, in your opinion, will commingling of production from the various wells in the various leases into a centralized storage facility effect a considerable savings

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in installation cost and operating expenses, and also be in the interest of conservation and will not cause any waste or impair correlative rights?

A Yes, sir.

Q Will it result in a substantial saving?

A Yes, sir, it certainly will.

MR. JENNINGS: Does the Commission have any questions?

MR. NUTTER Are there any questions of the witness?

Mr. Payne.

CROSS EXAMINATION

BY: MR. PAYNE:

Q Mr. Green, you propose to commingle the production from the maximum of eight wells, is that correct?

A Yes, sir, that is correct.

Q Are these flowing wells at the present time?

A Yes, sir.

Q The three?

A The three that are completed are flowing.

MR. PAYNE: That is all.

MR. NUTTER: Any further questions of the witness?

MR. JENNINGS: We would like to offer Exhibits 1, 2, and 3.

MR. NUTTER: Exhibits 1, 2, and 3 will be entered in evidence in this case.

MR. JENNINGS: I have one further question.

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REDIRECT EXAMINATION

BY: MR. JENNINGS:

Q Mr. Green, when do you contemplate completing the well which is located on the lease marked in red, which will be a well located where the presently producing wells are located?

A I would say probably within the next thirty days.

Q You also need to have your common storage by them?

A Yes, sir, it would be helpful if we could, it would save investment cost and additional storage.

MR. JENNINGS: That's all.

MR. NUTTER: Does anyone have anything further they wish to offer in this case? The witness may be excused.

(Witness excused.)

MR. NUTTER: We will take the case under advisement.

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PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



STATE OF NEW MEXICO)
COUNTY OF BERNALILLO)

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 13th day of January, 1960, 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 complete record of the proceedings in the Examiner hearing of Case No. 1839, heard by me on 1-6, 1960.

[Signature], Examiner
New Mexico Oil Conservation Commission

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



DOCKET: EXAMINER HEARING JANUARY 6, 1960OIL CONSERVATION COMMISSION - 9 a.m., Mabry Hall, State Capitol, Santa Fe, New Mexico

The following cases will be heard before Daniel S. Nutter, Examiner, or A. L. Porter, Jr., Secretary-Director.

- CASE 1835: Application of Continental Oil Company for two non-standard gas proration units. Applicant, in the above-styled cause, seeks an order establishing two non-standard gas proration units in the Eumont Gas Pool, one consisting of the N/2 of Section 3, the other consisting of the S/2 of said Section 3, Township 20 South, Range 36 East, Lea County, New Mexico. Applicant proposes to dedicate the units respectively to its Reed A-3 Well No. 2, located 1980 feet from the North line and 660 feet from the East line of said Section 3 and to its Reed A-3 Well No. 3, located 1980 feet from the South line and 660 feet from the East line of said Section 3. Applicant further proposes the cancellation of an existing Eumont gas proration unit comprising the E/2 of said Section 3 and presently dedicated to the said Reed A-3 Well No. 3.
- CASE 1836: Application of Continental Oil Company for approval of an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing it to install an automatic custody transfer system to handle the Arrowhead Pool production from all wells on its State J-2 lease consisting of the N/2 and the SE/4 of Section 2, Township 22 South, Range 36 East, Lea County, New Mexico.
- CASE 1837: Application of Continental Oil Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Baish "A" Well No. 27, located in the NE/4 SE/4 of Section 21, Township 17 South, Range 32 East, Lea County, New Mexico, in such a manner as to permit the production of oil from an undesignated Abo pool and the production of oil from an undesignated Wolfcamp pool through parallel strings of tubing.
- CASE 1838: Application of El Paso Natural Gas Company for a gas-gas dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Huerfano Unit Well No. 111 (GD), located in Unit F, Section 20, Township 26 North, Range 9 West, San Juan County, New Mexico, in such a manner as to permit the production of gas from an undesignated Gallup pool and the production of gas from an undesignated Dakota pool through parallel strings of tubing.
- CASE 1839: Application of Franklin, Aston & Fair, Inc., for permission to commingle the production from three separate leases. Applicant, in the above-styled cause, seeks permission to commingle the Empire-Abo Pool production from three separate State leases, one in Section 6, Township 18 South, Range 28 East, and the other two in Section 31, Township 17 South, Range 28 East, Eddy County, New Mexico.
- CASE 1840: Application of Pan American Petroleum Corporation for a non-standard gas unit. Applicant, in the above-styled cause, seeks an order establishing a 264-acre non-standard gas unit in the Blanco-Pictured Cliffs Pool consisting of the N/2 of Section 6, Township 29 North, Range 9 West, San Juan County, New Mexico, to be dedicated to the Houck Gas Unit Well No. 1, located 1650 feet from the North and East lines of said Section 6.

- CASE 1841: Application of Sinclair Oil & Gas Company for the creation of a new pool in the Potash-Oil Area and for the promulgation of special rules and regulations pertaining thereto. Applicant, in the above-styled cause, seeks an order creating a new pool for Yates production in the Potash-Oil Area as defined by Order R-111-A, said pool to comprise the SE/4 NW/4 of Section 16, Township 20 South, Range 33 East, Lea County, New Mexico, and such other acreage as may reasonably be proven productive from the same common source of supply. Applicant further seeks the promulgation of special rules and regulations for said pool as follows:
- A. Cable Tool Casing Program.
- Same as Order R-1078 for Teas Pool.
- B. Rotary Tool Casing Program.
- Surface casing set at 600 feet and cement circulated. No salt protection string. Production casing to be set through pay from 3146 feet to 3232 feet (approximately) with cement circulated to at least 50 feet into surface casing.
- CASE 1842: Application of Skelly Oil Company for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle the production from the Langlie-Mattix Pool and the Drinkard Pool from all wells on its Baker "A" lease comprising the NW/4 of Section 26, Township 22 South, Range 37 East, Lea County, New Mexico.
- CASE 1843: Application of Roy H. Smith Drilling Company for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle the production from the Maljamar-Yates Pool and the Pearsall Pool from all wells on its Walker "A" lease, comprising the S/2 NE/4 of Section 5, Township 18 South, Range 32 East, Lea County, New Mexico.
- CASE 1844: Application of Texaco Inc. for permission to commingle the production from two separate pools and for permission to install an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the Justis-Ellenburger and Justis-McKee Pools from all wells on its C. E. Penny lease consisting of the NW/4 of Section 19, Township 25 South, Range 38 East, Lea County, New Mexico, and for permission to install an automatic custody transfer system to handle said commingled production.
- CASE 1845: Application of Western Natural Gas Company for an oil-gas dual completion and for an unorthodox gas well location. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Bonnie Schlosser Federal Well No. 1, located 790 feet from the North line and 1980 feet from the West line of Section 10, Township 27 North, Range 11 West, San Juan County, New Mexico, in such a manner as to permit the production of oil from an undesignated Gallup pool and the production of gas from an undesignated Dakota pool through parallel strings of tubing. Applicant further seeks an unorthodox Dakota gas well location for the said Bonnie Schlosser Federal Well No. 1.

CASE 1846: Application of Rice Engineering and Operating, Inc. for an order authorizing a salt water disposal well. Applicant, in the above-styled cause, seeks an order authorizing it to recomplete the Lowe Oberholtzer Well No. 2 as a salt water disposal well. Said well is located 1980 feet from the North and East lines of Section 8, Township 12 South, Range 38 East, Gladiola Pool, Lea County, New Mexico. Applicant proposes to inject the produced salt water in the Devonian formation in the interval from 12,223 feet to 12,500 feet.

CASE 1847: Application of Rice Engineering and Operating, Inc. for an order authorizing a salt water disposal well. Applicant, in the above-styled cause, seeks an order authorizing the disposal of produced salt water through its Hobbs SWD Well No. F-29 to be located 1880 feet from the North line and 1742 feet from the West line of Section 29, Township 18 South, Range 38 East, Hobbs, Pool, Lea County, New Mexico. Applicant proposes to inject the produced salt water into the San Andres formation in the interval from 4700 feet to 5000 feet.

CASE 1848: Application of El Paso Natural Gas Company for an exception to Paragraph 3 of Order R-1065. Applicant, in the above-styled cause, seeks an extension of time to make up the accrued underproduction of the Jones 4-A Well (a pressure build-up test well), located in Unit B, Section 13, Township 28 North, Range 8 West, Blanco-Mesaverde Pool, San Juan County, New Mexico.

CASE 1849: Application of Western Natural Gas Company for an exception to the over-production shut-in provisions of Order R-520, as amended by Order No. R-967, for 3 wells in the Jalmat Gas Pool. Applicant, in the above-styled cause, seeks an order permitting the following-described gas wells in the Jalmat Gas Pool, Lea County, New Mexico, to compensate for their overproduced status without being completely shut-in in order to prevent possible waste.

Wells Federal No. 1 Well, SW/4 NE/4 of Section 6,
T-26-S, R-37-E.

Guthrie No. 1 Well, SW/4 SE/4 of Section 34,
T-23-S, R-36-E.

State McDonald A-15 Well No. 1, NW/4 SW/4 of Section 15,
T-22-S, R-36-E.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
FRANKLIN, ASTON & FAIR, INC. FOR PER-
MISSION TO COMMINGLE PRODUCTION FROM
THREE SEPARATE LEASES IN THE EMPIRE
ABO FIELD IN EDDY COUNTY, NEW MEXICO


No. 1739

CONSENT TO COMMINGLING

The undersigned, Bert Aston, the record owner of State Lease B-7966 insofar as it covers the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 31, Township 17 South, Range 28 East hereby acknowledges receipt of a copy of the Application of Franklin, Aston & Fair, Inc. to commingle production from State Leases B-11594, B-7966 and 3-2071 insofar as they cover the following described lands in Eddy County, New Mexico, to-wit:

W $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$ Section 31, Township 17 South, Range 28 East; NE $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$ Section 6, Township 18 South, Range 28 East

and hereby consents to the commingling and requests the Commission to issue an order authorizing the commingling of production from the above described leases into one centralized storage facility.



R-27-E

R-28-E

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
App'l EXHIBIT NO. II
CASE NO. 1839

36

31

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17
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01

3

1

Tank Battery

04




6

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18
S

Legend

- Producing Oil Well
- Incomplete Oil Well

State Leases Served By Central Batt.

| | | |
|---|---------|------------------------------|
|  | B-11594 | Franklin, Aston & Fair, Inc. |
|  | B-7966 | Bert Aston |
|  | B-2071 | Bert Aston & Fair Oil Co. |

Franklin, Aston & Fair Inc. Central Tank Battery Location
Empire Abo Pool
Section 6, T-18-S, R-28-E, Eddy County, New Mexico

PAN AMERICAN PETROLEUM CORPORATION

P. O. Box 268
Lubbock, Texas
December 30, 1959

File: CDF-3407-986.510.1

Subject: NMOCC Hearing of January 6, 1960
Case No. 1839 - Commingling of
Production From Three State
Leases By Franklin, Aston & Fair, Inc.

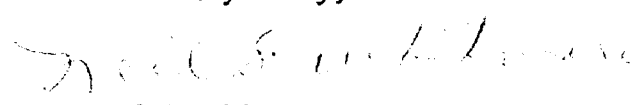
New Mexico Oil Conservation Commission (3)
P. O. Box 871
Santa Fe, New Mexico

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

Gentlemen:

Pan American Petroleum Corporation approves Franklin, Aston & Fair, Inc.'s plans to commingle production from three State Leases (Nos. B-11594, Section 6, T-18-S, R-28-E and B-7966 and B-2071, both in Section 31, T-17-S, R-28-E, all in Eddy County, New Mexico) in a consolidated tank battery to be located in Section 6 above described, and wishes to support the aforementioned party's request for the approval of the Oil Conservation Commission of the State of New Mexico, said request to be heard in public hearing before the Commission on January 6, 1960 as Case No. 1839.

Yours very truly,


Neil S. Whitmore
District Superintendent

AHG:js

cc: Franklin, Aston & Fair, Inc.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
FRANKLIN, ASTON & FAIR, INC. FOR PER-
MISSION TO COMMINGLE PRODUCTION FROM
THREE SEPARATE LEASES IN THE EMPIRE
ABO FIELD IN EDDY COUNTY, NEW MEXICO

No. 1839

CONSENT TO COMMINGLING

The undersigned, Bert Aston and Fair Oil Company, the record owners of State Lease B-2071 insofar as it covers the $W\frac{1}{2}SE\frac{1}{4}$ of Section 31, Township 17 South, Range 28 East hereby acknowledge receipt of a copy of the Application of Franklin, Aston & Fair, Inc. to commingle production from State Leases B-11594, B-7966 and B-2071 insofar as they cover the following described lands in Eddy County, New Mexico, to-wit:

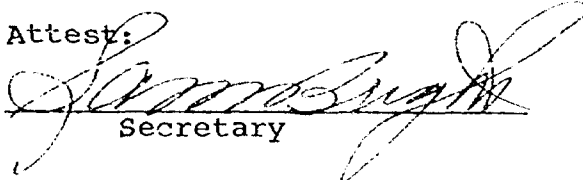
$W\frac{1}{2}SE\frac{1}{4}$, $SE\frac{1}{4}SW\frac{1}{4}$ Section 31, Township 17 South, Range 28 East; $NE\frac{1}{4}NW\frac{1}{4}$, $S\frac{1}{2}NW\frac{1}{4}$, $N\frac{1}{2}SW\frac{1}{4}$ Section 6, Township 18 South, Range 28 East

and hereby consents to the commingling and requests the commission to issue an order authorizing the commingling of production from the above described leases into one centralized storage facility.


FAIR OIL COMPANY

BY: 
President

Attest:


Secretary

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

January 19, 1960

C
O
P
Y

Mr. James Jennings
Attorney at Law
Box 805
Roswell, New Mexico

Dear Mr. Jennings:

On behalf of your client, Franklin, Aston & Fair, Inc.,
we enclose two copies of Order No. R-1573 in Case 1839
issued by the Oil Conservation Commission on January
18, 1960.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

lr/

Enclosures: (2)

CC:
Artesia
Hobbs

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. 1839
Order No. R-1573

APPLICATION OF FRANKLIN, ASTON
& FAIR, INC. FOR PERMISSION TO
COMMINGLE THE PRODUCTION FROM
THREE 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 January 6, 1960, at Santa Fe, New Mexico, before Daniel S. Nutter, 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 13th day of January, 1960, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, 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 applicant is the operator of the following-described state leases in Eddy County, New Mexico:

| | |
|---------|--|
| B-11594 | NE/4 NW/4, S/2 NW/4, N/2 SW/4 of Section 6, Township 18 South, Range 28 East, |
| B-7966 | SE/4 SW/4 of Section 31, Township 17 South, Range 28 East, |
| B-2071 | W/2 SE/4 of Section 31, Township 17 South, Range 28 East. |

(3) That the applicant proposes to commingle the Empire-Abo Pool production from the aforesaid leases into a common tank battery after separately metering the production from each lease.

-2-

Case No. 1839
Order No. R-1573

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

IT IS THEREFORE ORDERED:

That the applicant be and the same is hereby authorized to commingle in a common tank battery the Empire-Abo Pool production from the following-described State leases located in Eddy County, New Mexico:

- B-11594 NE/4 NW/4, S/2 NW/4, N/2 SW/4 of Section 6, Township 18 South, Range 28 East.
- B-7966 SE/4 SW/4 of Section 31, Township 17 South, Range 28 East,
- B-2071 W/2 SE/4 of Section 31, Township 17 South, Range 28 East.

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

PROVIDED FURTHER, That the applicant shall install adequate facilities to permit the testing of all wells located on said leases at least once each month to determine the individual production from each well on each lease.

IT IS FURTHER ORDERED:

That all meters shall be operated and maintained in such a manner as to ensure an accurate measurement of the liquid hydrocarbon production at all times.

That 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."

-3-
Case No. 1839
Order No. R-1873

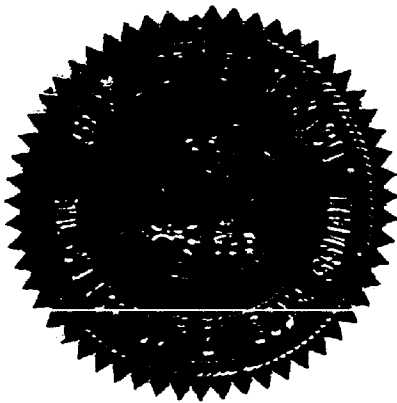
DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

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



vem/

JAMES T. JENNINGS
ATTORNEY AT LAW
J. P. WHITE BUILDING
ROSWELL, NEW MEXICO

MAIN 278432

December 9, 1959

Oil Conservation Commission
Box 871
Santa Fe, New Mexico

Attention: Pete Porter, Director

Re: Franklin, Aston & Fair, Inc.
application to commingle pro-
duction from State Leases
B-11594, B-7966 and B-2071

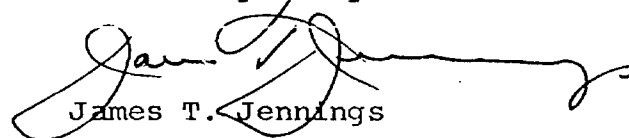
Dear Mr. Porter:

Enclosed herewith you will find an application in duplicate for authority to commingle production from the above leases.

It is my feeling that the parties would probably be entitled to an administrative approval of the application were it not for the fact that the ownership of the leases is not common. The record owners of the leases have executed an operating agreement and all of the parties to the operating agreement, as well as the record owners desire to commingle production. ✓

As the ownership is not common, I assume that it will be necessary to set this matter down for hearing and I would appreciate it if you would set it down for the next examiner's hearing which I understand will be January 6.

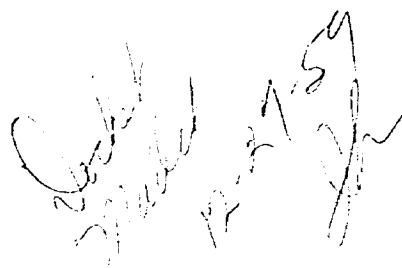
Yours very truly,


James T. Jennings

JTJ:cs

Enc.

cc: Franklin, Aston & Fair
cc: Pan American Petroleum Corp.



BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
FRANKLIN, ASTON & FAIR, INC. FOR PER-
MISSION TO COMMINGLE PRODUCTION FROM
THREE SEPARATE LEASES IN THE EMPIRE
ABO FIELD IN EDDY COUNTY, NEW MEXICO.

No. 1839

APPLICATION

Comes now Franklin, Aston & Fair, Inc. and hereby makes application for permission to commingle production of oil produced from three separate State Oil and Gas Leases covering the following described lands in an undesignated area adjacent to the Empire Abo Pool in Eddy County, New Mexico, to-wit:

W $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$ Section 31, Township 17 South,
Range 28 East; NE $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$ Section
6, Township 18 South, Range 28 East.

1. That the above described land is covered by three separate State Oil and Gas Leases and the lease numbers, record owners and lands embraced in the respective leases are as follows:

| | | |
|---------|------------------------------------|--|
| B-11594 | Franklin, Aston & Fair, Inc. | NE $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$ Sec. 6, T. 18S., R. 28 E. |
| B-7966 | Bert Aston | SE $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 31, T. 17 S., R. 28 E. |
| B-2071 | Bert Aston and Fair Oil Company | W $\frac{1}{2}$ SE $\frac{1}{4}$ Sec. 31, T. 17 S., R. 28 E. |

That the above described leases insofar as they cover the above described lands are subject to an operating agreement dated August 26, 1959 made and entered into by and between Franklin, Aston & Fair, Inc.; Bert Aston and Esther Aston, his wife; R. W. Fair and Pan American Petroleum Corporation, and that Franklin, Aston & Fair, Inc. is the operator under the terms and provisions of the operating agreement. The parties to the operating agreement are the owners of all the working interest under the above described leases insofar as they cover the lands described above and have all consented to the commingling of production from the leases.

2. Applicant and the other working interest owners have completed the "BB-1" well located in the center of the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 6 and the "BB-2" well located in the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 6, are drilling the "BB-3" well located in the NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 6 and have staked the location for the "BD-1" well located in the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 31, Township 17 South, Range 28 East, and propose to develop the remaining portion of the above described land immediately.

3. That the applicant proposes to commingle production from the Abo formation underlying the above described lands by producing the same into a centralized storage facility to be located on the SE $\frac{1}{4}$ NW $\frac{1}{4}$ Section 6. A plat showing the location of the storage tanks and of the leases in question is attached hereto and marked "Exhibit A".

4. That the oil produced from each lease will be metered separately.

5. There is a common beneficiary of all the lands covered by the above mentioned state leases in that all of the lands are Common School lands.

6. That the commingling of production of oil from the wells on the various leases into a centralized storage facility will effect a considerable saving in installation and operating expenses and such installation will be in the interest of conservation and will not cause waste or impair correlative rights.

WHEREFORE, the applicant requests the Commission to set this matter down for hearing before an examiner at an early date for the purpose of granting applicant permission to commingle production from the above described leases into one centralized storage facility. That notice of such hearing be published as required by law and after said hearing the Commission issue an order permitting the applicant to commingle production from the leases in question into a centralized storage facility.

DATED this 7th day of December, 1959.

Respectfully submitted,

FRANKLIN, ASTON & FAIR, INC.

BY:


Attorney

Box 805

Roswell, New Mexico

"EXHIBIT A"

4 SECTION PLAT

Eddy County, State of New Mexico

Sections 31 and 6 Township 17 and 18 South Range 28 East

