

COASTAL STATES GAS PRODUCING COMPANY

NORTH TEXAS DIVISION  
WILCO BUILDING  
MIDLAND, TEXAS  
79701

November 7, 1968

New Mexico Oil Conservation Commission  
State Land Office Building  
Santa Fe, New Mexico 87501

Attention: Mr. A. L. Porter, Jr.  
Secretary-Director

Re: Commingle Production  
From State "26" No. 1 and  
State "23" No. 1,  
Tulk (Penn) Field,  
Lea County, New Mexico

Gentlemen:

Attached is our application to the Commissioner of Public Lands for approval to commingle production from our State "23" and State "26" wells in the subject field. Also, attached is a copy of their letter dated November 1, 1968, granting approval provided we meet the following conditions.

1. Gain the approval of the Oil Conservation Commission.
2. Remit a \$10.00 filing fee.

Coastal States respectfully requests that the Oil Conservation Commission approve this application administratively so that the subject leases may be operated in the most efficient manner.

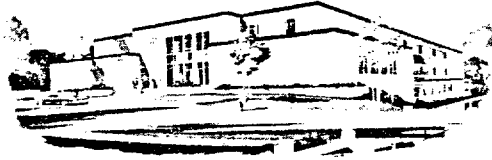
Very truly yours,

*Jack R. McGraw*

Jack R. McGraw  
Division Petroleum Engineer

JRMCG:lm  
Attachments

# State of New Mexico



## Commissioner of Public Lands



GUYTON B. HAYS  
COMMISSIONER

November 1, 1968

CSGP CO.	
Date: NOV 5 1968	
To: T.H. Hays	✓
Jmc	
File	P. O. BOX 1148 SANTA FE, NEW MEXICO

Coastal States Gas Producing Company  
Wilco Building  
Midland, Texas 79701

Re: Request to commingle production from  
State "23" Well No. 1 with State "26"  
Well No. 1 - Tulk (Penn) Field.  
Lea County, New Mexico (Lease No. L-521)

LOCO NO. 28

Attn: Mr. Joe R. Howard

Gentlemen:

Your above request will be granted upon receipt of \$10.00 filing fee; and with the understanding that the Commissioner of Public Lands reserves the right to withdraw his approval at any time the operation is not profitable to the State of New Mexico.

Also, this approval is granted subject to the approval of the Oil Conservation Commission.

Yours very truly,

GUYTON B. HAYS  
Commissioner of Public Lands

By: *Ted Bilberry*  
TED BILBERRY, Director  
Oil and Gas Department

GBH:TB:RM:cw

cc: Oil Conservation Commission  
and  
Oil and Gas Accounting Commission

## COASTAL STATES GAS PRODUCING COMPANY

NORTH TEXAS DIVISION  
WILCO BUILDING  
MIDLAND, TEXAS  
79701

October 14, 1968

Commissioner of Public Lands  
P. O. Box 1148  
Santa Fe, New Mexico 87501

Re: Commingle production from State "26" Well No. 1  
and State "23" Well No. 1, Tulk (Penn) Field,  
Lea County, New Mexico.

Gentlemen:

Coastal States Gas Producing Company requests permission to commingle the production from our State "23" Well No. 1, located in Unit K, Sec. 23, T-14-S, R-32-E, and our State "26" Well No. 1, located in Unit D of Sec. 26, T-14-S, R-32-E. The attached schedule gives a complete description of the leases involved and the proportion of each lease contained in each proration unit. There are only two leases involved and both are State leases with Common Schools as the beneficiary. Midwest Oil Corporation and Coastal States are the only working interest owners involved, and there are no overriding royalties. Attached to this application is a letter agreement signed by Midwest Oil Corporation approving the method of metering production that we are proposing.

Both wells are completed in the same formation (Upper Pennsylvanian) and produce the same gravity crude; therefore there would be no economic gain or loss to the State of New Mexico.

Coastal States requests permission to commingle the production from these two wells in order to prevent the necessity to construct and maintain a separate tank battery for each one. A description of the operating sequence is completely explained in the attachments to this application.

Coastal States respectfully request that this application be approved administratively so that these leases may be operated in the most efficient manner.

Very truly yours,

JOE R. HOWARD

Joe R. Howard  
Division Production Superintendent

JRH:JRMCG:sb

cc: W. D. Elliott  
H. L. Blomquist  
W. A. Rees

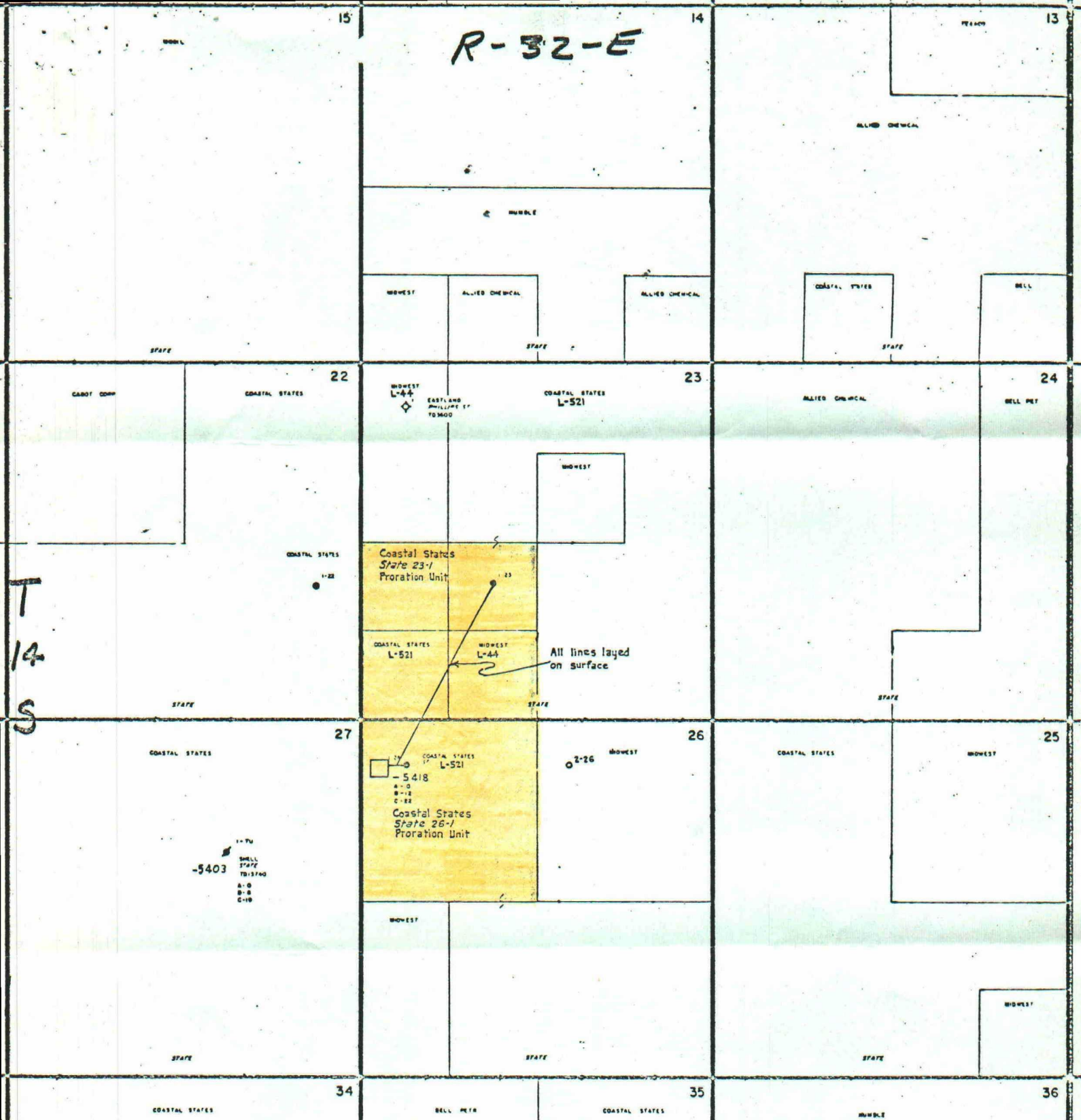
WELL PRORATION UNIT DESCRIPTION

- 23-1 SW/4 Sec. 23-14S-32E -- Proration Unit  
NW/4 SW/4 and SE/4 SW/4 - (L-44)  
NE/4 SW/4 and SW/4 SW/4 - (L-521)
- 26-1 NW/4 Sec. 26-14S-32E -- Proration Unit  
NW/4 - (L-521)

LEASE DESCRIPTION

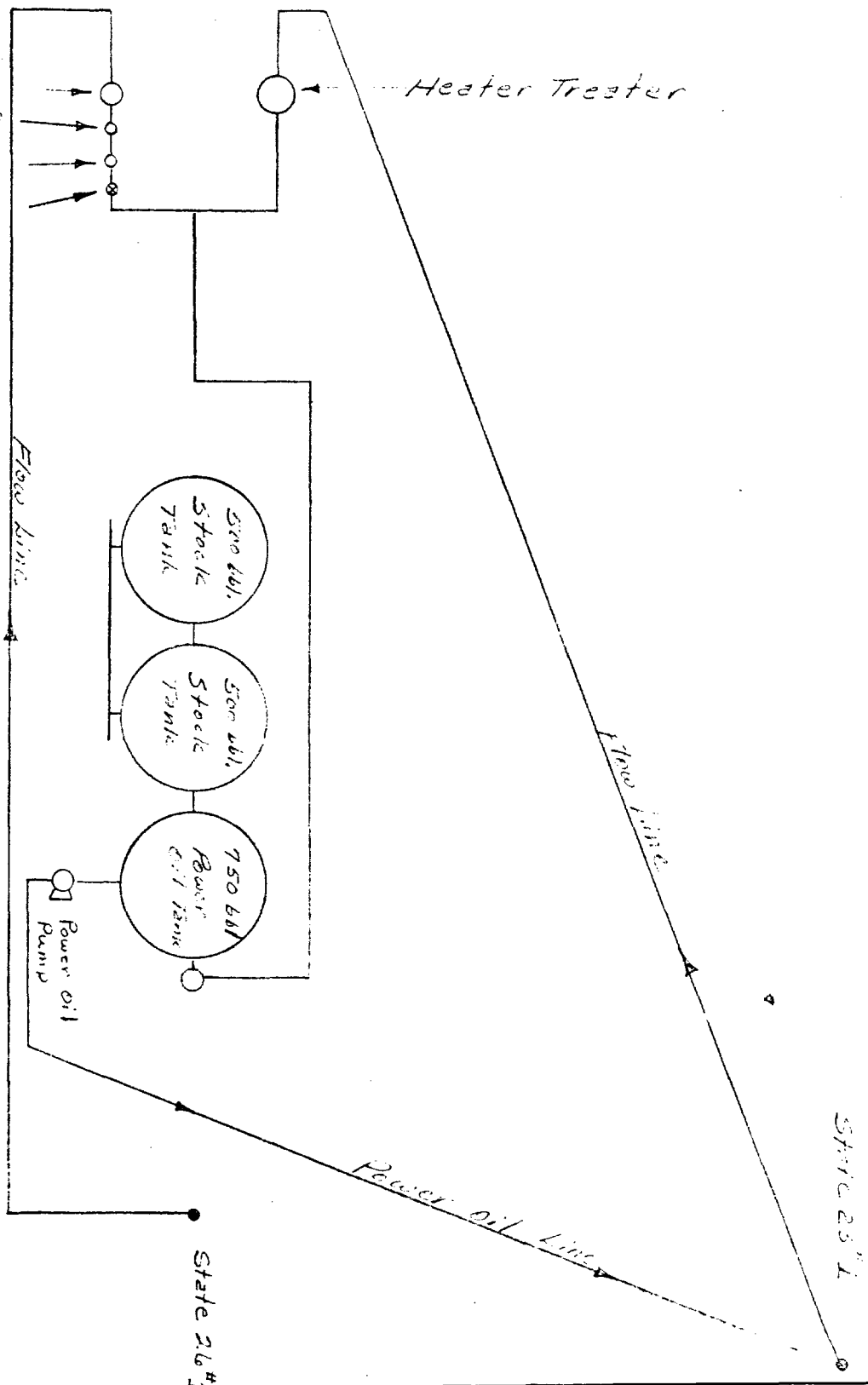
- L-44 State Lease 6-20-67  
Midwest Oil Corporation - lessee  
14S - 32E  
Sec. 14: SW/SW  
Sec. 23: SW/NE, W/2 NW, NW/SW, SE/SW  
Sec. 26: NE/4, W/2 SW  
  
Containing 480 acres  
  
Beneficiary = Common School
- L-521 State Lease 12-19-67  
Coastal States Gas Producing Company - lessee  
14S - 32E  
Sec. 23: E/2 NE, E/2 NW, NE/SW, SW/SW, SE/4  
Sec. 26: NW/4, SE/SW  
  
Containing 600 acres  
  
Beneficiary = Common School

R-32-E



COASTAL STATES GAS PRODUCING CO.	
MIDLAND DIVISION	
LEA COUNTY	NEW MEXICO STATE
TULK PENNSYLVANIAN EXTENSION STATE 23-1 & STATE 26-1 LEASE COMMINGLING APPLICATION	
<ul style="list-style-type: none"> <li>● PRODUCING WELL</li> <li>○ DRILLING OR PROPOSED</li> <li>◇ DRY HOLE</li> <li>◻ ABN PRODUCER</li> </ul>	
SCALE 1" = 2000 FT.	DATE
BY	

Two Phase Separator  
 Flocc 2" PL Meter F-500-2.5H  
 or Equal  
 Flocc Model FRA-5H  
 Automatic Sampler or Equal  
 Flocc Model E-700-2  
 Flow Controller Kit



Coastal States was producing the  
 Conninglyed Btry  
 State 2.6" L State 2.3" L  
 Talk Tenn Field Lee County, NM

### OPERATING PROCEDURE

1. The common tank battery will be located in the NW/4 of the NW/4 of Sec. 26, T-14-S, R-32-E.
2. The State "26" #1 Well is flowing pipeline quality oil. We plan to produce this well through a two-phase separator and then through a Floco 2" PD meter Model F-500-2SA with a Floco Model FRA-SA Automatic Sampler. The oil will then be commingled with the production from the State "23" #1. Commingled production will proceed into a 750 barrel power oil tank and then into 500 barrel stock tanks. The oil is presently being sold to Permian Corporation. It is moved to market by trucks.
3. The State "23" #1 is produced by hydraulic pumping equipment. The production from this well will pass through a heater treater that will remove all water and then it will be commingled with the production from the State "26" #1. Both will proceed to the power oil tank where the power oil will be retained and the production from both wells will accumulate in the 500 barrel stock tanks.
4. The stock tanks will be gauged and the meter reading will be recorded on a daily basis. The sampler is a continuous-type that transfers equal increments of liquid from the metered stream to the sample container at a uniform rate.
5. The sample container shall be of sufficient volume to store the sample for one month at which time a shake out on the sample will be obtained and the metered volume from the State "26" #1 will be corrected accordingly. This corrected volume will then be subtracted from the total battery production to give the exact production for the State "23" #1.

## COASTAL STATES GAS PRODUCING COMPANY

NORTH TEXAS DIVISION

WILCO BUILDING

MIDLAND, TEXAS

79701

October 11, 1968

Mr. Frank Qualia  
Production Superintendent  
Midwest Oil Corporation  
1500 Wilco Building  
Midland, Texas 79701

Re: Commingle production from State "26" #1  
and State "23" #1, Tulk (Penn) Field,  
Lea County, New Mexico.

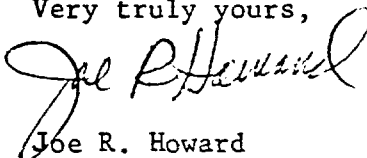
Dear Mr. Qualia:

Coastal States proposes to commingle the production from the subject wells in order to prevent the necessity of building and maintaining a separate tank battery for the State "23" #1. We plan to monitor the production from each well by metering the entire production from the State "26" #1 (flowing well) and then subtracting this metered volume from the total battery production on a daily basis. The attached schematic shows the method that we plan to use.

If this meets with your approval, please indicate by your signature in the appropriate place.

If you need additional information please advise.

Very truly yours,



Joe R. Howard

Division Production Superintendent

JRH:JRMCG:sb

Approved by:



Midwest Oil Corporation