

ELWYN C. HALE  
P. O. BOX 667  
HOBBS, NEW MEXICO

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

RE: Application for Permit to Commingle  
Production, Elwyn C. Hale, Hale State  
Lease #P-2317, Fusselman, Devonian,  
Drinkard, Waddel, McKee and Ellenberger  
Pools, Lea County, New Mexico.  
North Justis Field.

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

Gentlemen:

In accordance with New Mexico Oil Conservation Commission Rule 303 (b) Elwyn C. Hale hereby makes application for administrative approval of an exception to Rule 303 (a) to permit commingling operations to be conducted on the Hale State Lease, Fusselman, Devonian, Drinkard, Ellenberger, McKee and Waddel Pools, Lea County, New Mexico, in support of which is stated the following:

1. Elwyn C. Hale is the owner and operator of the Hale State Lease, consisting of 80 acres, being the S/2 of the NE/4 of Section 2, T-25-S, R-37-E, Lea County, New Mexico. Attached is a plat showing the location of all wells on this lease.

2. The Hale state Lease has 3 producing wells, two of which are dual completions and the No. 3 well is a quadruple, with four separate strings of casing.

- (a) Hale State #1 - Dual - Fusselman and Drinkard
- (b) Hale State #2 - Dual - Fusselman and Devonian
- (c) Hale State #3 - Quadruple - Ellenberger, Waddel, McKee and Devonian

At the present time there is a tank battery in one location on the lease, consisting of 4 - 500 barrel tanks. Since we are getting additional zones on this lease, it is desirable to commingle the oil from all zones allowing this one tank battery to be used as storage facilities for the whole lease rather than install additional storage.

3. From the wells we expect to produce the following production which if sold as individual wells would result as follows:

	Barrels Allowed	Barrels Expected Production	Gravity	Price	Income
2 Fusselman Wells	172	150	38.9	2.97	445.50
2 Devonian Wells	172	150	34.5	2.89	433.50
1 Drinkard Well	49	49	37.5	2.95	144.55
1 Ellenberger Well	111	111	46.5	2.97	329.67
1 Waddel Well	111	111	46.5	2.97	329.67
1 McKee Well	111	111	46.5	2.97	329.67
	<u>726</u>	<u>682</u>			<u>2012.56</u>

The combined daily production after commingling would be as follows:

	Barrels Allowed	Barrels Expected Production	Expected Gravity	Price	Income
8 wells	726	682	41.5	3.01	2052.82

This would result in a gain in revenue of \$40.26 per day.

4. In accordance with Item II, Section 2-B of the current "Manual for the Installation and Operation of Commingling Facilities", it is proposed to meter prior to commingling all zones. A positive displacement type metering separator with sampler and non-reset counter are installed on all zones for accurate measurement prior to commingling. A schematic diagram of the proposed commingling installation is attached, and is in substantial compliance with Figure 6 in the aforementioned manual.

5. Royalty and working interest in the subject lease is common and the lease is a State Lease #B-2317.

In view of the facts recited in this application, it is respectfully requested that administrative approval of an exception to Rule 303 (a) be granted Elwyn C. Hale to permit commingling into a common tank battery the liquid hydrocarbon production from the Fusselman, Devonian, Drinkard, McKee, Waddel and Ellenberger Pools on the Hale State Lease from wells presently completed and from additional wells which may be completed on this lease in these reservoirs in the future.

Very truly yours,

ELWYN C. HALE

By:   
Howard P. Holmes, Superintendent

HPH/sw

CC: New Mexico Oil Conservation Commission  
Hobbs, New Mexico

Mr. Murray E. Morgan  
Commissioner of Public Lands  
P. O. Box 791  
Santa Fe, New Mexico

Enclosure

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# ILLEGIBLE

## TANK BATTERY

ELWYN C. HALE  
HALE STATE LEASE "B-2317"

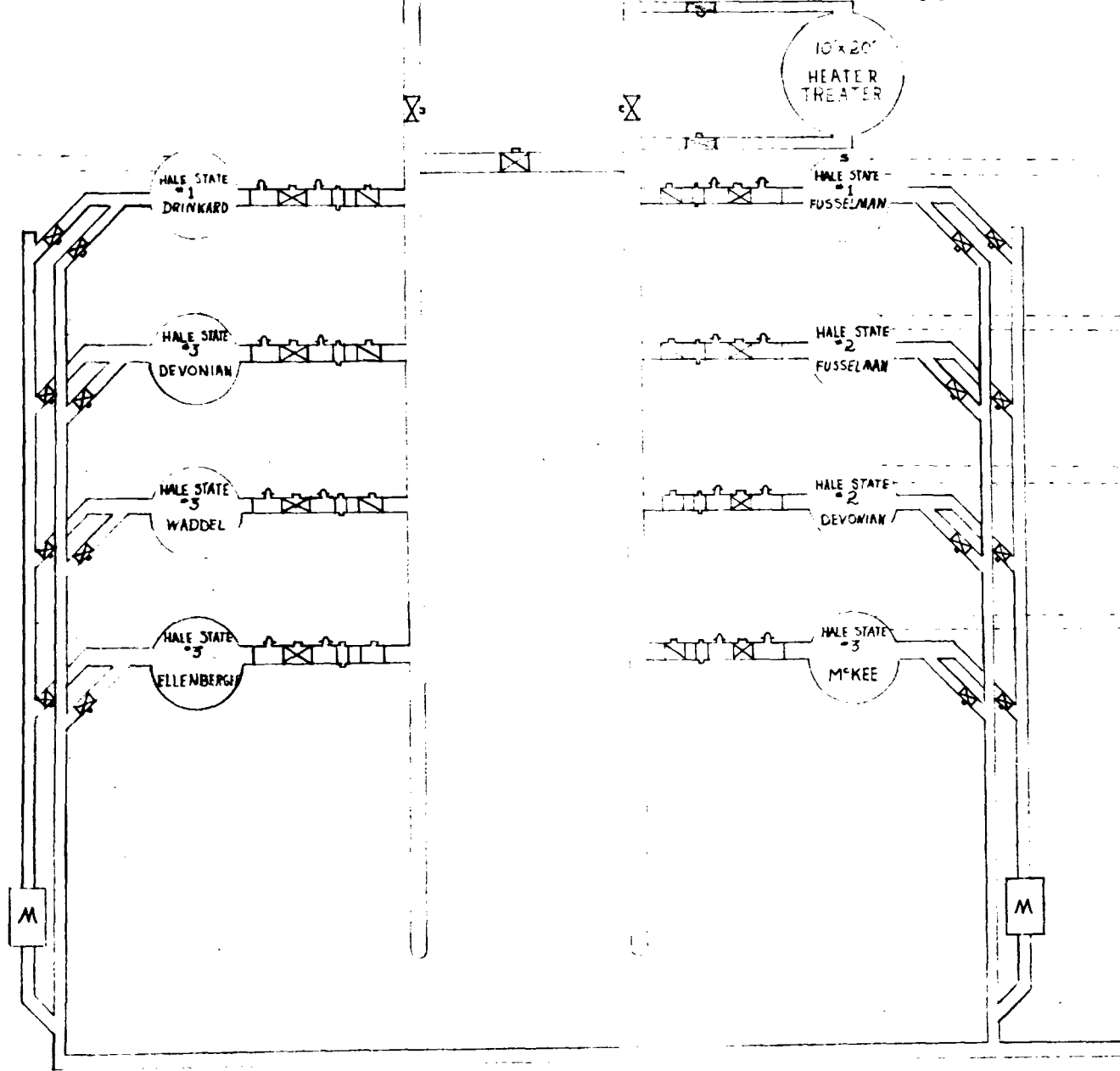
500 BARRELS

500 BARRELS

500 BARRELS

500 BARRELS

- FLOW LINE FROM SEPARATE PRODUCING ZONE
- ⊠ BLOCK VALVE
- ⊡ CHECK VALVE
- Ⓜ GAS METER
- Ⓢ SIVALS "MB-308" METERING SEPARATOR



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# ILLEGIBLE

October 31, 1962

Elwyn C. Hale  
P. O. Box 667  
Hobbs, New Mexico

Re: Application for permit to commingle production, Elwyn C. Hale, Hale State Lease No. B2317, Fussellian, Devonian, Drinkard, Waddel, McKee and Ellenberger Pools, Lea County, New Mexico. North Justis Field.

Attn: Howard P. Holmes

Gentlemen:

Permission is hereby granted to commingle the production from your Hale State Wells Nos. 1, 2, 3, all zones producing from the ~~SHN~~ of Section 2, Township 25S, Range 37E.

This, of course, is in accordance with your proposed operation to comply with the Oil Conservation Commission rules. It is also our understanding that the specific gravity of the various commingled crudes will not be less and that the State will perhaps receive an increase in royalties.

Thank you for sending us the information upon the proposed operation.

Very truly yours,

E. S. JOHNNY WALKER  
COMMISSIONER OF PUBLIC LANDS

By:  
TED SILBERRY, Supervisor  
Oil and Gas Department

EW/TA/pb

cc: Oil and Gas Accounting Commission

Oil Conservation Commission