NATURAL RESOURCES GROUP Exploration and Production

May 22, 1975

In re: Ranger Lease - Ranger Lake

Penn & Bough Pools - PC-452

Lea County, New Mexico

File: W2-Ed-201-75

New Mexico Oil Conservation Commission Box 2088 Santa Fe, New Mexico 87501

Attention: Mr. Daniel S. Nutter

Chief Engineer

Gentlemen:

We respectfully withdraw our subject request of March 12, 1975, proposing an amendment to PC-452 on the Ranger Lease to allow the commingling of Bough C production from Well No. 6 with lease production being operated at the time under that commingling permit. It was proposed that the production from Well No. 6 - described as being in the S/2 of Section 23 - would be separately metered prior to entering the common storage facility, due to the fact that interest in the S/2 of Section 23 was diversified by virtue of an overriding royalty.

This is to advise that the oil and casinghead gas production from the S/2 of Section 23, wherein diversified royalty interest exists, will be separately stored, measured and sold.

Commingling Permit No. PC-452 is to remain in effect. For record purposes on lease description covered by that permit, it is appropriate to delete the S/2 of Section 23 from that authority. Your consideration will be appreciated.

Yours very truly.

Harold McLemore

PHILLIPS PETROLEUM COMPANY

THM:dkj

cc: New Mexico Oil Conservation Commission Box 1980 Hobbs, New Mexico

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE NEW MEXICO 87501

May 6, 1975

Phillips Petroleum Co. Phillips Building Odessa, Texas 79761

Attention: Mr. T. H. McLemore

Gentlemen:

Reference is made to your letter of March 12, 1975, requesting the amendment of Administrative Order PC-452 which authorized the commingling of Ranger Lake-Pennsylvanian and Ranger Lake-Bough production on your Ranger Lease in Sections 23, 24, 25, and 26, Township 12 South, Range 34 East, NMPM, Lea County, New Mexico, to include Bough C production from Well No. 6, which you propose to meter separately because State Lease E-1027 which covers the S/2 of Section 23, has a diversity of ownership because of an overriding royalty interest.

You may recall that we inquired as to whether the ownership of all tracts in the then proposed Ranger Lease was common, and that by your letter of April 5, 1973, you advised that working interests, royalty interests, and overriding interests in the wells to be commingled were common. Because of this, our Order PC-452 erroneously included the S/2 of Section 23 in the commingling authority, though there were no producing wells on that tract at that time.

To now include Well No. 6, and possibly later Well No. 3, in the commingling authority will call for the cancellation of Order No. PC-452 and the issuance of a PLC (Pool-Lease) commingling order. To meet the Commission's standards for lease commingling as contained in the "Manual for the Installation and Operation of Commingling Facilities" and also to meet the requirements of Commission Rule 309-B 5(b), the hydrocarbon production from each lease must be metered.

Assuming that the interests in all of the subject lands are identical with the exception of the S/2 of Section 23, this would mean installation of two metering systems, one for the S/2 of Section 23 and one for the balance of production.

OIL CONSERVATION COMMISSION P. O. BOX 2088 SANTA FE NEW MEXICO 87501

May 6, 1975

Phillips Fatroleus Co. Thillips Building Odessa, Texas 79701

Attention: Fr. 1. 3. McDemore

Centlement

reference is take to your letter of March 12, 1975, resuesting the amendrous of Administrative Order 20-152 which authorized the cosmingling of Ranger Lake-Fern sylvanian and kanger Lake-Bough production on your Nanger Leake in Sections 25, 26, 20, and 26, Township 1. South, Range 34 hast, 1877, tea Lounty. New Westoo, to include Dough C production from fell Mc. 6, which you propes to meter separately because State Lence Lence Level 1927 which covers the 5/2 of rection 23, and a diversity of owners in because of an overriding royalty interest.

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OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE NEW MEXICO 87501

Phillips Petroleum Co.

-2-

May 6, 1975

If you have any questions concerning these requirements, I will be most happy to try to answer them.

Very truly yours,

DANIEL S. NUTTER Chief Engineer

DSN/dr

OIL CONSERVATION COMMISSION P. O. BOX 2088 SANTA FE NEW MEXICO 87501

Phillips Petroleum Co. -2-

May 6, 1975

If you have any questions concerning these requirements. I will be most happy to try to answer them.

Very thuly yours,

OASIED S. NUTTER Chief bngineer

SDEM/Gr

NATURAL RESOURCES GROUP Exploration and Production

March 12, 1975

Commingling Order P.C. - 452 Request for Amendment Ranger Lease - Ranger Lake (Penn) and Ranger Lake (Bough) Pools Lea County

File: W2-Ed-107-75

New Mexico Oil Conservation Commission (3) P. O. Box 2088 Santa Fe, New Mexico 87501

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

Gentlemen:

We respectfully request administrative approval of an amendment to Commingling Order No. P.C. - 452 dated May 17, 1973, which will allow us to add diverse royalty production from that portion of the Ranger lease described as the S/2 Section 23 (State Lease E-1027) which previously has not been produced into the commingled facility established by the subject order. The entire Ranger Lease is described in item 3 below. Diverse royalty is by an overriding interest limited to the above tract.

We have established Bough C production in Well No. 6 on this lease segment and propose to put the production into this common storage facility after the individual and separate metering of production from this zone on this lease tract. Future well completions in either the Bough C or Penn zones will be added to this metering system before entering the common storage tank battery.

The following support data is for your consideration:

- 1. Request to use common commingled oil storage and casinghead gas measuring facilities.
- 2. Plat attached reflects the Ranger lease tracts involved, the producing wells, their flow lines, and the proposed common tankage facility.

- 3. State leases within the Ranger lease are: NE/4 Section 23 (E-9718), NW/4 Section 23 (E-2793), S/2 Section 23 (E-1027), wherein the overriding royalty exists, W/2 NW/4 Section 24 (E-9718), NW/4 Section 25 (E-1233-1-4), Section 26 (E-906), all in T-12-S, R-34-E, Lea County. State beneficiary of each lease is Common School Land.
- 4. Pool names: Ranger Lake (Bough) and Ranger Lake (Penn)
- 5. Attached is a schematic diagram of the entire commingled system.
- 6. All system components are available commercially.
- 7. The production from the diverse interest lease tract will be metered before entering the common storage battery. Production from wells on the rest of the Ranger Lease will be allocated monthly on the basis of periodic tests of the wells on each individual state lease. Accurate metering equipment is now installed which allows separate and individual well testing.
- 8. Current production status of each well on this lease is:

Ranger Lake (Bough) Pool

No. 7 = 99 BO, 8 BW, 1 Mcf; No. 10 = 36 BO, 45 BW, 18 Mcf; No. 12 = 47 BO, 563 BW, 24 Mcf; No. 15 = 70 BO, 656 BW, 35 Mcf. No. 6 is the well now being completed on the diverse interest tract with a test of 90 BO, 128 BW, 35 Mcf. These are daily capacity production tests.

Ranger Lake (Penn) Pool

No. 3 - shut down. This well is on the diverse interest tract and is a candidate for recompletion in the Bough C formation. No. 7 - shut in and temporarily abandoned; recompleted in Bough C. No. 13 - 13 BO, 61 BW, 10 Mcf; produced at capacity on 24 hour test.

Very truly yours.

T. Harold McLemore

Phillips Petroleum Company

HM/jc Attachments

cc: New Mexico Oil Conservation Commission BOX 1980 Hobbs, New Mexico 88240



