

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF CONCHO OIL & GAS  
CORP. AND NEARBURG PRODUCING  
COMPANY FOR APPROVAL OF SURFACE  
COMMINGLING OF PRODUCTION FROM  
WELLS OPERATED BY TWO DIFFERENT  
OPERATORS, EDDY COUNTY, NEW MEXICO.

No. 12874

RECEIVED  
OIL CONSERVATION DIVISION  
EDDY COUNTY  
MAR 21 1950

APPLICATION

Concho Oil & Gas Corp. ("Concho") and Nearburg Producing Company ("Nearburg") apply for an order approving surface commingling of gas production from three wells, as an exception to Division Rules, and in support thereof, state:

1. Concho is the operator of the Crow Flats 11 Fed. Well No. 1, which has the following acreage dedicated to it:

Township 16 South, Range 28 East, N.M.P.M.  
Section 11:  $W\frac{1}{2}$

2. Concho is also the operator of the Crow Flats 3 Fed. Well No. 1, which has the following acreage dedicated to it:

Township 16 South, Range 28 East, N.M.P.M.  
Section 3:  $S\frac{1}{2}$

3. Nearburg is the operator of the Crow Flats 10 Fed. Well No. 1, which has the following acreage dedicated to it:

Township 16 South, Range 28 East, N.M.P.M.  
Section 10:  $E\frac{1}{2}$

4. All three wells are producing from the Diamond Mound-Morrow Gas Pool.

5. Concho has recently purchased the interests of Nearburg and its affiliates in the Crow Flats 11 Fed. Well No. 1 and Crow Flats 3 Fed. Well No. 1, and has become operator of those wells.

Nearburg has retained ownership and operation of the Crow Flats 10 Fed. Well No. 1.

6. Nearburg is the owner and operator of a gas pipeline servicing the three wells. Nearburg has been surface commingling gas produced from the three wells. All three wells measure production through separate check meters on each of the wellsites, and the gas is then transported through Nearburg's pipeline, to a single sales meter, to a pipeline owned by Duke Energy Field Services LP ("Duke").

7. Applicants request that the Division allow Concho and Nearburg to continue to measure the gas through the check meters as described above and report it to the Division on that basis, to commingle the gas in Nearburg's pipeline, and to sell the gas through the existing sales meter at Duke's pipeline.

8. The Crow Flats 11 Fed. Well No. 1 and Crow Flats 3 Fed. Well No. 1 produce at low rates, and without an exception to Division Rules would be shut-in.

9. Interest ownership among the wells is not common, and notice of this application has been given to all interest owners in three wells.

10. The granting of this application is in the interests of conservation, the prevention of waste, and the protection of correlative rights.

**WHEREFORE**, applicant requests that, after notice and hearing, the relief requested above be granted.

Respectfully submitted,

A handwritten signature in cursive script that reads "James Bruce". The signature is written in black ink and is positioned above a horizontal line.

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Attorney for Applicants,