

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF THE STATE OF NEW
MEXICO FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 879
Order No. R-645

THE APPLICATION OF THE OIL
CONSERVATION COMMISSION UPON
ITS OWN MOTION FOR AN ORDER
REVISING RULE 309 OF THE OIL
CONSERVATION COMMISSION'S RULES
AND REGULATIONS.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. April 20, 1955, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 13th day of June, 1955, the Commission, a quorum being present, having considered the testimony adduced and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

- (1) That due notice of the time and place of hearing having been given as required by law, the Commission has jurisdiction of this cause and of the subject matter thereof.
- (2) That the following revision of Rule 309 will result in a more efficient and economic administration of the conservation laws of the State of New Mexico.

IT IS THEREFORE ORDERED:

That Section "E", Oil Production Operating Practices, of the New Mexico Oil Conservation Commission's Rules and Regulations be revised in accordance with the following:

RULE 309. CENTRAL TANK BATTERIES

- (a) Oil shall not be transported from a lease until it has been received and measured in tanks located on the lease. At the option of the operator, common tankage may be used to receive the production from as many as eight units of the same basic lease, provided adequate tankage and other equipment is installed so that the production from each well can be accurately determined at reasonable intervals.

- (b) The Secretary-Director of the Commission shall have authority to grant an exception to Rule 309 (a) and to permit the production of oil from separate state oil and gas leases, all of the acreage therein being contiguous, into a common tank battery without notice and hearing where application has been filed in due form, and
1. The separate state leases are dedicated to a common beneficiary.
 2. The wells are producing from a common source of supply.
 3. No more than eight units will produce into a common tank battery, and adequate facilities will be provided for accurately determining production from each well at reasonable intervals.
 4. All owners of adjoining oil and gas leases have consented in writing to the proposed commingling of oil from separate leases.
 5. Applicant shall have furnished a letter from the State Land Commissioner approving the commingling of oil from the two separate state leases.
 6. In lieu of paragraph 4 of this rule, the applicant may furnish proof of the fact that said offset operators were notified by registered mail of his intent to so commingle production from separate leases. The Secretary-Director of the Commission may approve the application if, after a period of 30 days following the mailing of said notice, no operator has made objection to the commingling of production from separate leases.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



JOHN F. SIMMS, Chairman



E. S. WALKER, Member



W. B. MACEY, Member and Secretary

