

Case 1614
Feb Exam.

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

APPLICATION OF THE ATLANTIC REFINING COMPANY TO COMMINGLE THE PRODUCTION OF OIL AND GAS FROM SEPARATE RESERVOIRS UNDERLYING THE ATLANTIC CARLSON FEDERAL LEASE, JUSTIS POOL, LEA COUNTY, NEW MEXICO, COVERING THE N $\frac{1}{2}$ SW $\frac{1}{4}$ SECTION 25, TOWNSHIP 25 SOUTH, RANGE 37 EAST, N.M.P.M.

To New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Comes the undersigned, The Atlantic Refining Company, and hereby makes application to commingle the production of oil and gas produced from separate reservoirs underlying its Atlantic Carlson Federal Lease located in the Justis Pool, Lea County, New Mexico, and embracing the following described lands situated in said county, to-wit:

N $\frac{1}{2}$ SW $\frac{1}{4}$ Section 25, Township 25 South,
Range 37 East, N.M.P.M., containing
80 acres, more or less,

and in support of such application respectfully shows:

1. The El Paso Natural Gas Company owns the lease covering the above described lands as to all gas which may be produced and has drilled the El Paso Natural Gas Company Carlson Federal "B" No. 1 which was completed as a gas well in the Glorieta formation. This well is located 1980' FSL and 1980' FWL of said Section 25 and was completed in the following intervals:

- 4614-4634
- 4641-4685
- 4709-4760
- 4774-4820

2. Applicant is the owner of the lease covering the above described lands as to all oil which may be produced therefrom and has dually completed the Atlantic Carlson Federal No. 1 in the Drinkard and Fusselman zones. This well is located 2310' FSL and 2310' FWL of

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said Section 25 and was completed in the Drinkard zone at the interval between 5868' and 5914' and in the Fusselman in the interval between 6918' and 6950'. There is attached hereto, made a part hereof and for purposes of identification marked Exhibit "A," a plat showing said leasehold interest and the location of the respective wells above referred to.

3. Applicant desires to commingle the production of oil from the Drinkard and Fusselman zones or reservoirs in which The Atlantic Carlson Federal No. 1, above referred to, has been dually completed and also the production of oil from the Blinebry zone and any other separate productive reservoir which may be encountered in the drilling of any subsequent wells where the production is of a similar type crude.

4. The oil and gas produced from each reservoir with the exception of the gas produced from the Glorieta formation, in which the El Paso Natural Gas Company Carlson Federal "B" No. 1 is producing, will be metered separately before commingling. An oil and gas separator, a dump-type oil meter and an orifice meter will be provided for each producing reservoir and whenever any zone begins producing water an emulsion treater will be installed between the respective separators and oil meters.

5. The installation contemplated for the measuring and production of the oil and gas from each separate reservoir into a common tank battery will include equipment tested and generally recognized by the industry as being acceptable for such purpose so that the production from each separate reservoir will be effectively measured. Oil of essentially the same type, such as oil having an intermediate sulphur content, will be commingled into the same tank battery and if any one zone produces another type crude another tank battery will be provided.

6. That applicant proposes to allocate the production from each of the respective reservoirs on the basis of periodic well tests

made at such reasonable times as may be designated by the Oil Conservation Commission.

7. That the production from said reservoirs into a common tank battery will effect a considerable saving in installation and operating costs and it is believed that such installation will be in the interest of conservation and that the same will not cause waste or impair correlative rights.

WHEREFORE, applicant prays that the Oil Conservation Commission after due notice and hearing as provided by law and the rules and regulations of the Oil Conservation Commission enter an order approving the production of oil and gas as above set forth from the several separate reservoirs underlying the above described lease into a common tank battery.

Respectfully submitted,

THE ATLANTIC REFINING COMPANY

By *J. P. Taulman*

~~HERVEN~~, DOW & HINKLE

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