

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE No. 1910
Order No. R-1623

APPLICATION OF ROY H. SMITH
DRILLING COMPANY FOR PERMISSION
TO COMMINGLE THE PRODUCTION FROM
TWO SEPARATE POOLS ON EACH OF
TWO SEPARATE LEASES IN LEA COUNTY,
NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on February 25, 1960, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 4th day of March, 1960, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant is the owner and operator of the Walker "A" lease comprising the S/2 NE/4 of Section 5, Township 18 South, Range 32 East and of the Gulf State lease comprising the N/2 SW/4 of Section 16, Township 17 South, Range 32 East, all in Lea County, New Mexico.
- (3) That the applicant proposes to commingle the Maljamar-Yates Pool and the Pearsall (Queen) Pool production from all wells presently completed on said Walker "A" lease after separately measuring the Maljamar-Yates Pool production in tanks.
- (4) That the applicant further proposes to commingle the Baish (Yates) Pool and the Maljamar (Grayburg-San Andres) Pool production from all wells presently completed on said Gulf State lease after separately measuring the Baish Pool production in tanks.

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(5) That all of the wells presently completed in the subject pools on the two leases described above are low marginal wells.

(6) That because of the marginal character of the subject wells, the applicant's request for permission to commingle the production from two pools on each of two leases, after separately measuring the production from only one pool in each case, should be granted, provided that a monthly test is conducted on each of the subject wells to determine the individual production from each well.

(7) That approval of the subject application will neither cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant be and the same is hereby authorized to commingle the Maljamar-Yates Pool and the Fearsall (Queen) Pool production from all wells presently completed on the Walker "A" lease, comprising the S/2 NE/4 of Section 5, Township 18 South, Range 32 East, MNPM, Lea County, New Mexico, after separately measuring the Maljamar-Yates Pool production in tanks.

(2) That the applicant be and the same is hereby authorized to commingle the Baish (Yates) Pool and the Maljamar (Grayburg-San Andres) Pool production from all wells presently completed on the Gulf State lease, comprising the N/2 SW/4 of Section 16, Township 17 South, Range 32 East, MNPM, Lea County, New Mexico, after separately measuring the Baish Pool production in tanks.

PROVIDED HOWEVER, That if any well in either of the subject pools on either of the subject leases shall at any time in the future become capable of producing considerably in excess of the present level of liquid hydrocarbon production, the authority granted by this order shall terminate unless the production from each of the subject pools is separately measured prior to commingling.

PROVIDED FURTHER, That the applicant shall conduct monthly tests of all wells presently completed in the subject pools on the subject leases to determine the individual production from each well.

PROVIDED FURTHER, That the applicant shall conduct periodic tests to determine that undue sediment is not accumulating in the measuring tanks which would cause the measurement to become inaccurate.

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DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John Burroughs

JOHN BURROUGHS, Chairman

Murray E. Morgan

MURRAY E. MORGAN, Member

A. L. Porter, Jr.

A. L. PORTER, Jr., Member & Secretary



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