

BEFORE THE OIL CONSERVATION COMMISSION OF THE
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
SINCLAIR OIL & GAS COMPANY FOR AN
EXCEPTION TO RULE 309 (a) AND APPROVAL
OF USE OF COMMON TANKAGE TO RECEIVE
OIL PRODUCED IN THE WEST TEAS POOL
FROM APPLICANT'S STATE LEA 886 LEASE,
CONSISTING OF S $\frac{1}{2}$ NW $\frac{1}{4}$ AND N $\frac{1}{2}$ NE $\frac{1}{4}$ OF
SECTION 16, T-20-S, R-33-E, LEA COUNTY,
NEW MEXICO, AND OIL PRODUCED IN THE
WEST TEAS POOL FROM THAT PORTION OF
STATE LEA 6019 LEASE, CONSISTING OF
NW $\frac{1}{4}$ NW $\frac{1}{4}$ AND SE $\frac{1}{4}$ OF SAID SECTION 16.

CASE NO. 1950

ORDER NO. _____

A P P L I C A T I O N

SINCLAIR OIL & GAS COMPANY, a Maine corporation with an operating office in Midland, Texas, hereby files its application herein, in triplicate, and represents the following:

1.

Applicant is the owner and operator of its State Lea 886 lease consisting of S $\frac{1}{2}$ NW $\frac{1}{4}$ and N $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 16, T-20-S, R-33-E, Lea County, New Mexico, and also that portion of its State Lea 6019 lease consisting of NW $\frac{1}{4}$ NW $\frac{1}{4}$ and SE $\frac{1}{4}$ of said Section 16. These are lands belonging to the State of New Mexico, subject to the existing oil and gas leases owned by the applicant, and the State of New Mexico is the common owner of the royalty. Said leases are productive of crude oil produced from the West Teas Pool, which is a common source of supply.

2.

Applicant seeks permission and authority as an exception to Rule 309 (a) for the use of common tankage to receive oil produced from the separate leases. It appears that a hearing on this application will be required because the leases are not contiguous, so as to permit administrative approval under Rule 309 (b) of the Commission. Adequate facilities, either positive displacement meters or dump type metering vessels, will be provided to insure at all times accurate determination

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of the production obtained from the separate leases which may be commingled into common storage. Applicant proposes to meter the production from one lease and to determine production from the other lease by subtraction from the total production commingled and measured in common storage.

3.

Applicant will show upon hearing hereof that it has obtained the consent of the Commissioner of Public Lands of the State of New Mexico to the commingling of the production from the separate leases.

4.

Applicant alleges that the commingling of such production into common storage is in the interest of prevention of waste and will not impair correlative rights.

WHEREFORE, applicant prays that this application be set for hearing before an Examiner at Santa Fe, New Mexico, that notice be given hereon and that upon such hearing authority and permission be granted to applicant for the use of common tankage to receive oil produced in the West Teas Pool from said leases.

HORACE N. BURTON
P. O. Box 1470
Midland, Texas

GILBERT, WHITE AND GILBERT

By 
Bishop Building
Santa Fe, New Mexico

ATTORNEYS FOR APPLICANT
SINCLAIR OIL & GAS COMPANY