

BEFORE THE OIL CONSERVATION COMMISSION OF THE
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
SINCLAIR OIL & GAS COMPANY FOR APPROVAL
OF AN AUTOMATIC CUSTODY TRANSFER SYSTEM
AND THE COMMINGLING OF OIL PRODUCED
FROM THE DENTON DEVONIAN POOL AND THE
DENTON WOLFCAMP POOL ON ITS LEE WHITMAN
"A" LEASE, CONSISTING OF NE/4 SECTION
26, AND ITS LEE WHITMAN "B" LEASE, CON-
SISTING OF E/2 SECTION 23, T-14-S,
R-37-E, IN LEA COUNTY, NEW MEXICO

CASE NO. 2129

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:

1.

That the applicant, Sinclair Oil & Gas Company, is the owner and operator of an oil and gas lease dated July 14, 1943, executed by Lee Whitman and wife, Alice Whitman, as lessor, to Erle Payne, as lessee, covering the E/2 of Section 23 and NE/4 of Section 26, Township 14-South, Range 37-East, in Lea County, New Mexico, the ownership of which was common as to both the interest of lessor and lessee at the time the lease was executed. Sometime after the date of the lease, partial transfers of the lessor's interest occurred and resulted in a differing ownership of the lessor's interest in the tracts hereinafter described, and for convenience the tracts have been operated and developed under separate lease designations as follows:

Lee Whitman "A" lease, comprising NE/4 of Section 26, Township 14-South, Range 37-East;

Lee Whitman "B" lease, comprising E/2 of Section 23, Township 14-South, Range 37-East.

2.

That said leases are productive of oil from the Denton Devonian Pool and the Denton Wolfcamp Pool, and the Lee Whitman "A" lease presently has four Devonian wells and two Wolfcamp wells, and the Lee Whitman "B" lease has two Devonian wells and one Wolfcamp well.

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3.

Applicant proposes to install an automatic custody transfer system to handle the Denton Devonian production and the Denton Wolfcamp production from all wells presently drilled or hereafter completed on said leases. Applicant proposes to measure each zone and each lease by metering devices before commingling the production in the automatic custody transfer system. Said meters will be checked for accuracy at reasonable intervals and the results of such tests furnished to the Commission as may be required by the Commission. All equipment used in the system will be operated and maintained in such a manner as to insure an accurate and separate measurement of the oil produced from each pool and each lease.

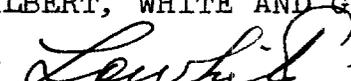
4.

Applicant represents that the automatic custody transfer system which it proposes to install is a reliable and economic means of transferring the custody of oil and that the installation of the system and the commingling of the oil after separate measurement 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 the Commission grant its approval of an automatic custody transfer system and the commingling of oil produced from the Denton Devonian Pool and the Denton Wolfcamp Pool on its Lee Whitman "A" and "B" leases, as hereinabove set forth.

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