

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. 2287
Order No. R-2073

APPLICATION OF AZTEC OIL & GAS
COMPANY FOR AN EXCEPTION TO RULE
309 (a), SAN JUAN COUNTY, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on June 7, 1961, at Santa Fe, New Mexico, before Daniel S. Nutter, 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 9th day of October, 1961, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, 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, Aztec Oil & Gas Company, is the owner of five fee leases covering Lot 2 and the S/2 of Section 18, Township 29 North, Range 13 West, NMPM, San Juan County, New Mexico.
- (3) That the applicant seeks permission to commingle the Totah-Gallup Pool production from all wells located on the above-described leases.
- (4) That in the proposed commingling installation no provision is made for sampling or treating the production from each lease, and no provision is made to allocate BS&W to its proper lease.
- (5) That in the proposed commingling installation no provision is made for separate gas sales from each lease.
- (6) That the meters to be installed in the proposed commingling installation are not equipped with non-reset totalizers,

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and there was insufficient evidence presented to establish the reliability of the proposed meters for use in lease commingling.

(7) That inasmuch as the design of the proposed commingling installation is deficient in the particulars set forth above and is therefore unsuitable for use as a lease commingling facility, the subject application should be denied.

IT IS THEREFORE ORDERED:

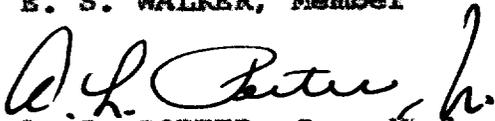
That the application in Case No. 2287 is hereby denied.

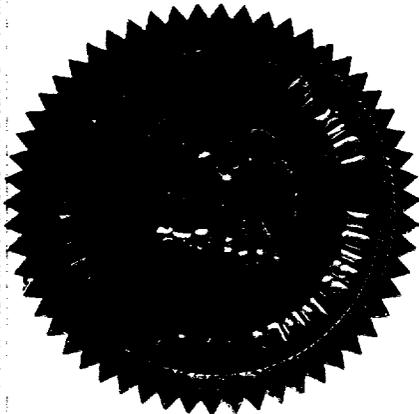
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


EDWIN L. MECHEM, Chairman


E. S. WALKER, Member


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



esr/