

CASE 2250: Application of Texaco, Inc. for an exception to Rule 309 (a) and for an automatic custody transfer system. Applicant, in the above-styled cause, seeks permission to commingle the Paduca-Delaware Pool production from all wells presently completed or hereafter drilled on the Cotton Draw Unit, comprising portions of Townships 24 and 25 South, Ranges 31 and 32 East, Eddy and Lea Counties, New Mexico. Applicant further proposes to install an automatic custody transfer system to handle said commingled production.

CASE 2251: Application of Texaco, Inc. for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks the establishment of a 280-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the SW/4, the E/2 SE/4 and the NW/4 SE/4 of Section 31, Township 23 South, Range 37 East, Lea County, New Mexico, to be dedicated to its E. E. Blinbry Well No. 2, located 1980 feet from the South line and 660 feet from the East line of said Section 31.

CASE 2252: Application of Cities Service Petroleum Company for an automatic custody transfer system. Applicant, in the above-styled cause, seeks permission to install an automatic custody transfer system to handle the production from the Vacuum-Abo Pool from all wells presently completed or hereafter drilled on its State B "J" lease, S/2 of Section 35, Township 17 South, Range 35 East, Lea County, New Mexico.

CASE 2253: Application of G. E. Reagin for permission to operate a treating plant. Applicant, in the above-styled cause, seeks permission to operate a sediment oil treating plant to be located at or near the City of Hobbs, New Mexico.

CASE 2254: Application of The Ohio Oil Company for exception to Rule 309 (a) and for two automatic custody transfer systems. Applicant, in the above-styled cause, seeks permission to commingle prior to measurement, the Lea-Devonian Pool production from all wells presently completed or hereafter drilled in the Lea Unit Area, comprising portions of Township 20 South, Ranges 34 and 35 East, Lea County, New Mexico, and to commingle prior to measurement, the Lea-Bone Springs Pool production from all wells presently completed or hereafter drilled in said Lea Unit Area. Applicant further proposes to install two automatic custody transfer systems, one to handle the Devonian production, the other to handle the Bone Springs production.

DOCKET: EXAMINER HEARING - WEDNESDAY, APRIL 19, 1961

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Elvis A. Utz, Examiner, or A. L. Porter, Secretary-Director, as alternate examiner:

CASE 2246: Application of Sinclair Oil & Gas Company for an exception to Rule 303 (a) and Rule 309 (a). Applicant, in the above-styled cause, seeks permission to commingle, without separate measurement, the oil production from the Tubb Gas Pool, the oil production from the Blinebry Gas Pool and the oil production from the Drinkard Pool from all wells presently completed on its J. R. Cone "A" lease, comprising the W/2 SW/4 of Section 26, Township 21 South, Range 37 East, Lea County, New Mexico, and on its J. R. Cone "B" lease comprising the SE/4 SW/4 and the SW/4 SE/4 of said Section 26.

CASE 2247: Application of Sinclair Oil & Gas Company for an exception to Rule 303 (a). Applicant, in the above-styled cause, seeks permission to commingle, without separate measurement, the distillate production from the Tubb Gas Pool, the distillate production from the Blinebry Gas Pool, the oil production from the Drinkard Pool and the oil production from the Wantz Abo Pool from all wells presently completed on the S. J. Sarkeys lease, comprising the the SE/4 of Section 23, Township 21 South, Range 37 East, Lea County, New Mexico.

CASE 2248: Application of Sinclair Oil & Gas Company for an exception to Rule 303 (a). Applicant, in the above-styled cause, seeks permission to commingle, without separate measurement, the oil production from the Drinkard Pool with the oil production from the Tubb Gas Pool from all wells presently completed on its A. M. York "B" lease, comprising the NE/4 NE/4 of Section 20, Township 21 South, Range 37 East, Lea County, New Mexico.

CASE 2249: Application of Southern Union Production Company for an order force pooling a standard 160-acre proration unit in the Tapacito-Pictured Cliffs Gas Pool. Applicant, in the above-styled cause, seeks an order force pooling all mineral interests in the Tapacito-Pictured Cliffs Gas Pool in the SW/4 of Section 2, Township 25 North, Range 3 West, NMPM, Rio Arriba County, New Mexico, to form a standard 160-acre gas proration unit.

March 17, 1961  
New Mexico Oil Conservation Commission  
Page 2

c - Mr. E. S. Johnny Walker  
Commissioner of Public Lands  
P O. Box 791  
Santa Fe, New Mexico

Mr. John Anderson  
Regional Oil and Gas Supervisor  
United States Geological Survey  
P. O. Box 6721  
Roswell, New Mexico

List of Interested Parties known to Applicant  
re: Foregoing Application

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W. G. Ross and wife, Vee K. Ross  
P. O. Box 1094  
Midland, Texas

Jake L. Hamon  
5th Floor Vaughn Building  
1712 Commerce Street  
Dallas 1, Texas

Edwin B. Cox  
2100 Adolphus Tower  
Dallas, Texas

The Pure Oil Company  
P. O. Box 239  
Houston 1, Texas

Gulf Oil Corporation  
P. O. Box 669  
Roswell, New Mexico

Sinclair Oil & Gas Company  
P. O. Box 1470  
Midland, Texas

Drilling & Exploration Co., Inc.  
Box 35366, Airlawn Station  
Dallas 35, Texas

Mr. John Anderson  
Regional Oil and Gas Supervisor  
United States Geological Survey  
P. O. Box 6721  
Roswell, New Mexico

Mr. E. S. Johnny Walker  
Commissioner of Public Lands  
P. O. Box 791  
Santa Fe, New Mexico

Mr. and Mrs. W. H. Milner  
609 S. Lea  
Roswell, New Mexico

Martha Featherstone  
236 Petroleum Building  
Roswell, New Mexico

Harvey E. Roelofs  
Trustee for Olen F. Featherstone, II  
c/o Olen F. Featherstone  
236 Petroleum Building  
Roswell, New Mexico

Edith M. Kasper and husband, Paul Kasper  
P. O. Box 1094  
Midland, Texas

Dorothy E. Cox McCormick and husband,  
Don G. McCormick  
c/o Reese, McCormick, Lusk & Paine  
3 Bujac Building  
112 North Canyon  
Carlsbad, New Mexico

L. N. Hapgood and wife, Mary C. Hapgood  
P. O. Box 966  
Casper, Wyoming

E. F. Howe and wife, Frances E. Howe  
c/o New Mexico Bank & Trust  
Hobbs, New Mexico

Thomas Joseph Sheehan and wife,  
Louise Sheehan  
112 West Fairview Boulevard  
Inglewood, California

R. R. Herrell  
Oil & Gas Properties  
P. O. Box 1656  
Midland, Texas

Western Oil Fields, Inc.  
P. O. Box 1139  
Denver, Colorado

Ernest A. Hanson  
P. O. Box 852  
Roswell, New Mexico

E. B. Todhunter  
P. O. Box 852  
Roswell, New Mexico

GOVERNOR  
EDWIN L. MECHEM  
CHAIRMAN

State of New Mexico  
**Oil Conservation Commission**



P. O. BOX 871  
SANTA FE

April 28 1961

LAND COMMISSIONER  
E. S. JOHNNY WALKER  
MEMBER

STATE GEOLOGIST  
A. L. PORTER, JR.  
SECRETARY - DIRECTOR

Mr. Terrell Couch  
The Ohio Oil Company  
P. O. Box 3128  
Houston 1, Texas

Re: Case No. 2254  
Order No. R-1956  
Applicant:  
The Ohio Oil Company

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, Jr.  
Secretary-Director

ir/

Carbon copy of order also sent to:

Hobbs OCC        x  
Artesia OCC         
Aztec OCC       

OTHER                      Kirk Newman

# The Ohio Oil Co.

## Legal Department

*W. Hume Everett*  
*Division Attorney*

April 11, 1961

*P.O. Box 3128*  
*Houston, Texas*

*J. O. Terrell Couch*  
*Warren B. Leach, Jr.*  
*Attorneys*

Re: NMOCC Case No. 2254  
A.C.T. System  
Lea Unit

Mr. Elvis Utz  
New Mexico Oil Conservation Commission  
P. O. Box 871  
Santa Fe, New Mexico

Dear Sir:

I observe from the docket that you or Mr. Porter will be the Examiner for the above styled case. I have heretofore furnished to Mr. Dan Nutter a copy of our preliminary drawing; of our proposed A.C.T. System. For your information I enclose two copies of each of the exhibits which we plan to present at the hearing on April 19. There have been some revisions since the preliminary drawing we submitted to Mr. Nutter and I would therefore appreciate it if you would hand a copy of each of the exhibits to him.

We look forward to seeing you in Santa Fe April 19.

Very truly yours,

  
J. O. Terrell Couch

TC:MK  
enc.4

# The Ohio Oil Co.

Page 2550

P. O. BOX 3128  
HOUSTON 1, TEXAS

March 17, 1961

Re: Lea-Devonian Pool and Lea-Bone Springs Pool  
in Township 20 South, Ranges 34 and 35 East,  
N.M.P.M., Lea County, New Mexico

New Mexico Oil Conservation Commission  
P O. Box 871  
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.  
Secretary-Director

Gentlemen:

The Ohio Oil Company, Operator of the Lea Unit created by Unit Agreement for the Development and Operation of the Lea Unit Area heretofore approved by Lea Unit Agreement Order No. R-1540 dated November 30, 1959, in Case No. 1823, acting with the concurrence of the other working interest owners in said Unit; hereby applies for authority to:

- (1) Construct and operate Automatic Custody Transfer equipment for the handling, measurement and delivery of oil produced from the Lea-Devonian Pool and from the Lea-Bone Springs Pool, from wells now existing or hereafter completed within the Lea Unit Area, provided such equipment is designed to separately and accurately measure the oil produced from each such Pool prior to delivery of such oil to or for the account of the purchaser of such oil;
- (2) Commingle all oil and gas produced from the Lea-Devonian Pool by such well or wells, without separately measuring such production from the respective wells;
- (3) Commingle all oil and gas produced from the Lea-Bone Springs Pool by such well or wells, without separately measuring such production from the respective wells.

Operations pursuant to the requested authority will prevent waste and protect correlative rights.

The Ohio therefore requests that this application be set for hearing before the Commission, or an Examiner of the Commission, at the earliest possible date, and that notice be given as requested by the applicable laws and regulations. A list of the interested parties now known to applicant is attached.

Very truly yours,

THE OHIO OIL COMPANY

By   
J. O. Terrell Couch

TC:MK



OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

May 1, 1961

Mr. Joe Ramey  
District Supervisor  
Oil Conservation Commission  
P. O. Box 2045  
Hobbs, New Mexico

Dear Joe:

We are enclosing herewith a copy of corrected Page 3 of Order No. R-1956, recently entered in Ohio's Case No. 2254.

Please substitute this page for Page 3 of the copy of the order which was recently mailed to you, and acknowledge receipt of the corrected Page 3.

Very truly yours,

DANIEL S. NUTTER  
Chief Engineer

DSN/esr  
Enclosure

C  
O  
P  
Y

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

May 1, 1961

Mr. Kirk Newman  
Atwood & Malone  
P. O. Box 867  
Roswell, New Mexico

Dear Mr. Newman:

We are enclosing herewith a copy of corrected Page 3 of Order No. R-1956, recently entered in Ohio's Case No. 2254.

Please substitute this page for Page 3 of the copy of the order which was recently mailed to you, and acknowledge receipt of the corrected Page 3.

Very truly yours,

DANIEL S. NUTTER  
Chief Engineer

DSN/esr  
Enclosure

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OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

May 1, 1961

Mr. Terrell Couch  
The Ohio Oil Company  
P. O. Box 3128  
Houston 1, Texas

Dear Terrell:

We are enclosing herewith two copies of corrected Page 3 of Order No. R-1956, recently entered in Ohio's Case No. 2254.

Please substitute these two pages for Page 3 of the two copies of the order which were recently mailed to you, and acknowledge receipt of the corrected Page 3.

Very truly yours,

DANIEL S. NUTTER  
Chief Engineer

DSN/esr  
Enclosures

P. O. Box 2107  
Hobbs, New Mexico

June 26, 1961

*Cover  
file*

New Mexico Oil Conservation Commission  
P. O. Box 2045  
Hobbs, New Mexico

Attention: Mr. J. D. Ramey

Dear Sir:

This will serve to advise you that on June 21, 1961, the Bevonian and Bone Springs flowlines from the wellhead to the header of The Ohio Oil Company's Lea Unit, Well Nos. 1, 2 and 4 were pressure tested in accordance with the provisions of Order No. R-1956. These lines were tested with 3000 psig, and held satisfactorily. The shut-in valves and headers were tested with 2600 psig.

The maximum shut-in tubing pressure observed to date in either of the referenced pools is 1700 psig.

Yours very truly,

*Frank M. Varner*

Frank M. Varner  
Petroleum Engineer

FMV:bje

Subscribed and sworn to before me, a Notary Public, in and for Lea County, New Mexico, this 26th day of June, 1961.

*Roger L. Smith*  
My Commission Expires January  
28, 1963

cc: NMOCC - Santa Fe -  
L. H. Shearer  
J. A. Grimes  
T. A. Steele  
D. V. Kitley  
B. L. Walters  
File

# The Ohio Oil Co.

Legal Department

W. Hume Everett  
*Division Attorney*

May 5, 1961

P.O. Box 3128  
Houston, Texas

J. O. Terrell Couch  
Warren B. Leach, Jr.  
*Attorneys*

Re: Order No. R-1956  
Ohio's Case No. 2254

Mr. Daniel S. Nutter, Chief Engineer  
New Mexico Oil Conservation Commission  
P. O. Box 871  
Santa Fe, New Mexico

Dear Dan:

Thank you for your letter of May 1. I acknowledge receipt of the two copies of corrected page 3 of Order No. R-1956 entered in Case No. 2254. The revised pages are being substituted for page 3 of the two copies of the order forwarded with the Commission's letter of April 28.

Very truly yours,

  
J. O. Terrell Couch

TC:MK