

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. 3822
Order No. R-3501

APPLICATION OF AZTEC OIL & GAS COMPANY
FOR COMMINGLING, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 24, 1968, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 12th day of September, 1968, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, 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 operator of the State "AJ" and Amerada State Leases comprising the SW/4 of Section 1 and the N/2 NW/4 of Section 12, respectively, Township 18 South, Range 36 East, NMPM, Arkansas Junction-San Andres Pool, Lea County, New Mexico.

(3) That the applicant seeks authority to commingle the San Andres oil production from said leases in a common tank battery and to allocate production to each of said leases on the basis of periodic well tests.

(4) That approval of the subject application will result in economic savings to the operator, prevent waste, and protect correlative rights, provided the installation of facilities for commingling production will permit the individual testing of each of the wells on the subject leases.

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IT IS THEREFORE ORDERED:

(1) That the applicant, Aztec Oil & Gas Company, is hereby authorized to commingle the San Andres production from its State "AJ" and from its Amerada State Leases comprising the SW/4 of Section 1 and the N/2 NW/4 of Section 12, respectively, Township 18 South, Range 36 East, NMPM, Arkansas Junction-San Andres Pool, Lea County, New Mexico, allocating the production to each lease on the basis of monthly well tests;

PROVIDED HOWEVER, that the facilities for said commingling of production shall be installed and maintained in a manner that will permit a determination of the producing capacity of each of the wells on the subject leases at least once each month;

PROVIDED FURTHER, that the applicant shall conduct monthly productivity tests on each of the wells on the subject leases and shall file the results of said tests with the Commission's District Office at Hobbs, New Mexico, on Commission Form C-116 each month.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


DAVID F. CARGO, Chairman


GUYTON B. HAYS, Member


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

