

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

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O. C. C.
ADMIN. OFFICE

January 21, 1969

Sun Oil Company - DX Division
P. O. Box 1416
Roswell, New Mexico 88201

Well file

Attention: Mr. F. D. Lebo

Re: Exception to Statewide Rule 403
South Hope Unit Wells Nos. 1 and
2 - Hope Unit Well No. 1, Eddy
County, New Mexico

Gentlemen:

Reference is made to your letter dated December 3, 1968, wherein you request authority to commingle natural gas produced from your South Hope Unit Well No. 1, located in Unit K of Section 30, Township 18 South, Range 23 East, your South Hope Unit Well No. 2, located in Unit A of Section 36, Township 18 South, Range 21 East, and your Hope Unit Well No. 1, located in Unit J of Section 19, Township 18 South, Range 23 East, Eddy County, New Mexico, after separately metering the production from each well. It is our understanding that the production from the Hope Unit Well No. 1 and the South Hope Unit Well No. 2 is very dry insofar as liquid hydrocarbons are concerned, and that you therefore will make no attempt to extract liquid hydrocarbons from either of these wells prior to sale. Further, that the production from the South Hope Unit Well No. 1 will be treated by a combination separator-heater for the removal of liquid hydrocarbons prior to metering, then the production from each of the three wells will be commingled and treated by a common dehydrator and passed through a sales meter into the pipeline.

The above-described commingling of production from the subject three wells is hereby approved, provided that Sun Oil Company - DX Division shall allocate production to each of the wells on the basis of its proportionate share of the total gas

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sold to the pipeline as determined by the individual well meters, and provided further, that in the event the liquid hydrocarbon production from the Hope Unit Well No. 1 or the South Hope Unit Well No. 2 should increase substantially, the Commission reserves the right to require separate measurement of said liquid hydrocarbons. Further, in the event water production from any of the three wells should increase substantially, it may be that individual dehydrators will be required.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/DSN/esr

cc: Oil Conservation Commission - Artesia
Oil & Gas Engineering Committee - Hobbs
State Land Office - Santa Fe