

Case No.

1319

Application, Transcript,
Small Exhibits, Etc.

1319
CASE 1319: Standard Oil Co. of Texas appli-
cation authorizing production into common
tank battery of oil produced from 2 separate
leases in Atoka Pool, Eddy County.

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

September 24, 1957

IN THE MATTER OF
CASE NO. 1319

TRANSCRIPT OF PROCEEDINGS

DEARNLEY - MEIER & ASSOCIATES
INCORPORATED
GENERAL LAW REPORTERS
ALBUQUERQUE, NEW MEXICO
3-6691 5-9546

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
September 24, 1957

IN THE MATTER OF:

Application of Standard Oil Company of
Texas for an order authorizing the
production into a common tank battery
of the oil produced from two separate
leases in the Atoka Pool, Eddy County,
New Mexico. Applicant, in the above-
styled cause, seeks an order authorizing
the production into a common tank
battery of the oil produced from two
separate leases in the Atoka Pool. Said
leases comprise the SW/4 SW/4 of Section
13 and the SE/4 SE/4 of Section 14, all
in Township 18 South, Range 26 East, Eddy
County, New Mexico.

CASE NO.

1319

BEFORE:

Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

MR. NUTTER: Case No. 1319.

MR. COOLEY: Case No. 1319. Application of Standard Oil
Company of Texas for an order authorizing the production into a
common tank battery of the oil produced from two separate leases
in the Atoka Pool, Eddy County, New Mexico.

MR. WALTERS: I would like to introduce myself, I am John
Walters and I am an attorney, and Mr. Bob Stewart who is with the
Engineering staff of Standard Oil Company. I would like to use
Mr. Stewart as a witness.

ROBERT STEWART

called as a witness, having previously been duly sworn, testified as follows.

DIRECT EXAMINATION

BY MR. WALTERS:

Q Mr. Stewart, have you been qualified by the New Mexico Oil Conservation Commission? A No I haven't.

Q Would you state your educational qualifications?

A I graduated from the University of Houston with a BS in Petroleum Engineer in 1952.

Q And you are now presently employed by whom?

A I am employed by Standard Oil Company of Texas.

Q And for how long?

A I have been with Standard Oil five and a half years.

Q And you have been in their engineering department --

A Five and a half years.

MR. WALTERS: Does the Commission accept his qualifications?

MR. NUTTER: The witness is qualified.

Q (By Mr. Walters) I would like to introduce some Exhibits to be used in the hearing, I wonder if you could pass them over please? The first Exhibit, Mr. Examiner, is a map of the Atoka field in the area of the leases in question here. I would like to point out that Standard Oil Company of Texas has unitized the North Half of the Southeast Quarter of the Southeast Quarter of Section 14 with the South Half of the Southeast Quarter of the Southeast

Quarter.

And, if I may at this time, this is a copy of the pooling or unitizing agreement, and we would like to introduce it as an exhibit.

MR. NUTTER: This will be marked as Exhibit No. 2, the plat is Exhibit No. 1.

A The communization of those two 20-acre lease from a 40-acre lease on which there is one well now drilled. The North Half of that Quarter Quarter Section is the Elsa McNatt lease, which was communitized with the South Half, a 20-acre lease, of the Vandagriff lease. As I said, the well which is now the McNatt-Vandagriff unit No. 1 well is now located on the formerly Elsa McNatt portion of the 40-acre lease.

MR. WALTERS: We would like to introduce as an exhibit a reduced area map of the same lease area.

MR. NUTTER: It will be marked as Exhibit No. 3.

A On each of the two 40-acre leases, there is a single well drilled, as I point out, the McNatt-Vandagriff unit well no. 1 and the McNatt no. 1 well. Each of the wells is completed in the Atoka field and producing from a common source of supply.

Q We would like to introduce as Exhibits 4 and 5, the production agreement, let's see, this one is signed by the executrix of the estate of Elsa McNatt, and this would be five; this is a production agreement signed by Lee Vandagriff and Anna May Vandagriff, whereby the leasehold owners agree to the common pooling

of the oil from the different leased areas.

We would like to introduce a facility map of the same area, and I would like Mr. Stewart to explain this to the Commission.

A I would like to point out the McNatt-Vandagriff lease and the Lee Vandagriff lease --

MR. COOLEY: You are now referring to Exhibit 6?

A Yes, I believe so. The equipment on the lease, is, at the present time is shown on the larger portion of the facility map and at the bottom of it we have the proposed battery detailed. You will notice that there will be installed two heater treaters, one from each of the two wells, and directly down stream from the heater treaters, each of them, we have shown a positive displacement meter. We would like an order to be written specifying a meter on each of the two wells or a meter, positive displacement meter on one of the two wells with production from each of the two wells to be accounted for by subtracting off the metered amount from the total production. It is our plan to test the meters, meter or meters, monthly to assure their accuracy.

Q Mr. Stewart, could you explain to the Commission the basis for the application?

A Well, the installation of two complete meters, one on each of the two leases, would of course, incur additional expenses. We estimate that would be in the vicinity of eight thousand dollars, equipment alone probably would be around five thousand, supplying two, five hundred barrel tanks, two, ten tanks, and of course, we

will have two heater treaters that would not be included, and in addition to that, we will have the labor cost of installing the additional tank batteries and the maintenance of them.

MR. WALTERS: This proposed application, which is noted in the request for the application, is an exception to New Mexico Rule 309-A and as has been pointed out in the Exhibits and by the testimony, the leasehold interest owners have agreed to the commingling and single tankage. The individual wells will be metered as suggested and consequently, production from each well will be adequately taken care of.

MR. WALTERS: That is all.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Stewart, will there be any appreciable change in volume from the time the oil leaves the heater treater until it is run into a pipeline after it has been in the five hundred storage tanks?

A We don't feel there would be.

Q Would there be any lose of volume due to weathering of the oil?

A No, sir, I don't feel that there would be any great amount of lose. At the present time, we are producing into a tank on each of the two leases. It is a temporary arrangement, and it would be similar to what we have.

Q What I am driving at is the flexibility of measuring the

oil in one of these tanks and then metering the oil from one of the wells and subtracting the difference, that might not be one hundred percent accurate on account of the loss of volume on the storage tank?

A We hadn't considered that there would be any great loss. I really don't know, I wouldn't say positively. In the event that there would be, or possibly would be, then two meters would be the more accurate way of determining production from the two wells.

Q Now, how about separation for the oil and gas?

A The separation would come in the heater treaters, we have shown the water line, and the gas line here.

MR. WALTERS: We do request the Commission to take under advisement the proposed arrangement whereby we would have the single meter and the subtraction from the tankage, and if the Commission would agree to that, we would of course, like it that way, if not; if the Commission wouldn't agree to separate meters --

A It will allow some flexibility. Of course, our intentions are to get accurate metering of the production and if it's felt that it would not be accurate by the subtraction method, of course we would like the additional installation.

MR. NUTTER: Does anyone else have any question of the witness? Mr. Cooley.

QUESTIONS BY MR. COOLEY:

Q What is the difference in cost between one meter and subtracting the difference, and two meters?

A A meter costs approximately \$450.00.

MR. COOLEY: And the last question, I think I better ask the attorney rather than you. You say the leasehold owners have agreed to this. By this, you mean the working interest?

MR. WALTERS: These are the individual owners, this is individually owned land.

MR. COOLEY: You mean the royalty owners, is that what you are referring to?

MR. WALTERS: Royalty owners.

MR. COOLEY: And Standard Oil of Texas is the only working interest owner?

MR. WALTERS: That is right.

MR. COOLEY: And you have lease on the entire acreage?

MR. WALTERS: That's right.

MR. COOLEY: And all of the royalty owners have agreed --

MR. WALTERS: Yes, sir. There isn't but three, and the two -- there is Lee Vandagriff and Anna Vandagriff, her's, and --

MR. COOLEY: By her's would you --

MR. WALTERS: The 40-acre unit. In other words, that is the Southwest Quarter of the Southwest Quarter, they are also owners of a portion of the Southeast Quarter which has been unitized with the other portions so there are actually three owners in the 80-acres.

MR. COOLEY: You are aware of no others?

MR. WALTERS: There are no others.

MR. WHITE: I would like to point out to Mr. Examiner that

in the communitization agreement, I believe in the production agreement signed by the two parties, provision is made whereby production from each of the two wells will be accounted for by positive displacement meters. In the event meters are installed on each of the two wells, no alteration of this will be necessary, and in the event it is decided to produce through one meter and account for production by subtraction, then we will attempt to alter this agreement.

MR. NUTTER: I see. Does anyone else have any further questions of the witness? Mr. Cooley.

QUESTIONS BY MR. COOLEY:

Q Mr. Stewart, do you feel that the reduction in cost of the lease equipment in the manner proposed, as compared with the cost if installing individual tank batteries for each well, would permit the wells to be produced for a longer period of time? I mean, would they become marginal at a later date due to the reduced lease cost? That's a difficult question to express.

A You are speaking of expense, I suppose.

Q Wells that are abandoned because they are no longer economical to operate.

A Of course, there would be a greater expenditure of money in the installation of two separate tank batteries, and I suppose, if I understand your question right, I would answer the question, yes, they would become marginal.

MR. COOLEY: That is all.

MR. NUTTER: The operating cost would also be higher for two tank batteries?

A Yes, that's right.

MR. NUTTER: Any further questions of the witness? If not, the witness may be excused.

MR. WALTERS: I would like to introduce these exhibits into the hearing as Exhibits.

MR. NUTTER: Without objection, Standard's Exhibits 1 through 6 in Case 1319 will be received. Does anyone have anything further in Case 1319? If not, we will take the case under advisement and the hearing is adjourned.

C E R T I F I C A T E

STATE OF NEW MEXICO)
 : ss
 COUNTY OF BERNALILLO)

I, J. A. TRUJILLO, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing was reported by me in Stenotype at the time and place hereinbefore set forth; that same was thereafter transcribed into typewritten transcript by me; and that same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal this, the 2nd day of October, 1957, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

J. A. Trujillo
 NOTARY PUBLIC

My Commission Expires:
 October 5, 1960.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 1219, heard by me on 9-24, 1957.
Paul A. Miller, Examiner
 New Mexico Wildlife Conservation Commission

DEARNLEY - MEIER & ASSOCIATES
 INCORPORATED
 GENERAL LAW REPORTERS
 ALBUQUERQUE, NEW MEXICO
 3-6691 5-9546

Case 1319



STANDARD OIL COMPANY OF TEXAS

MAIL OFFICE OCC
P. O. BOX 1249 • HOUSTON 1 • TEXAS

1957 AUG 30 AM 8:10

August 28, 1957

*per
amended
appt. rec'd
9-9-57*

*EX. 129
DSN 6 SF
9 am 9-24-57*

New Mexico Oil Conservation Commission
Box 871
Santa Fe, New Mexico

Gentlemen:

Attached are three copies of the application of Standard Oil Company of Texas for exception to Rule 309 (a) of the Rules and Regulations for permission to produce into common tankage production from the SE/4 of SE/4, Section 14, with production from SW/4 of SW/4, Section 13, T-18-S, R-26-E, Atoka Field, Eddy County, New Mexico.

Copies of this application are being sent to the following three offset operators of the two leases:

Stanley Jones
214 Booker Building
Artesia, New Mexico

Malco Refineries, Inc.
Box 660
Roswell, New Mexico

Pan American Prod. Co.
Box 591
Tulsa, Oklahoma

Yours very truly,

C. N. Segnar

C. N. Segnar,
Chief Engineer

RHS/bh
Attach.

See amended appl. rec'd 9-9-57 *Case 1319*

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

AUG 1957

IN THE MATTER OF THE APPLICATION OF STANDARD
OIL COMPANY OF TEXAS FOR EXCEPTION TO RULE
309 (a) OF THE RULES AND REGULATIONS IN ORDER
TO PRODUCE INTO COMMON TANKAGE, PRODUCTION
FROM SE/4 OF SE/4, SECTION 14, T-18-S, R-26-E,
WITH PRODUCTION FROM SW/4 OF SW/4, SECTION 13,
T-18-S, R-26-E, ATOKA FIELD, EDDY COUNTY, NEW
MEXICO.

A P P L I C A T I O N

In support of this application, the applicant, Standard Oil
Company of Texas, submits the following:

1. That applicant is the owner of oil and gas leases designated
as the McNatt-Vandagriff Unit, a 40 acre lease comprising
SE/4 of SE/4, Section 13, T-18-S, R-26-E, Eddy County, New
Mexico.
2. That applicant has drilled and completed in the Atoka Field,
a common source of supply, a well on each of the two described
40 acre leases.
3. That adequate metering facilities to account for production
from each well separately will be installed.
4. That production agreements have been executed by royalty
interests to permit common storage of production from the
two wells.
5. That erection of separate storage facilities for each of the
one-well leases would cause unnecessary expense to the
operator.
6. That production of the two one-well leases into common
storage will not create waste or impair correlative rights.

Therefore, the applicant requests that this application for
exception to Rule 309 (a) be set for examiner hearing at a time and
place convenient to the Commission.

STANDARD OIL COMPANY OF TEXAS

C. N. Segnar
By C. N. Segnar,
Chief Engineer

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 9-24-57

CASE

1319

Hearing Date

9-24-57 @ 9 am

JSN @ SF

My recommendations for an order in the above numbered cases are as follows:

Enter an order approving the proposed commingling in a common tank battery of the production from the two leases as proposed by applicant.

~~Provide~~ ^{Require} that separate metering facilities must be provided and make mention of the fact that applicant shall test these metering facilities as prescribed by the Commission (Letter of Transmittal should specify tests once a month)

Also note in the findings that Std. of Tetas is the sole working interest owner and that all royalty interests have agreed to the commingling provided that ~~the~~ separate metering facilities are provided.

[Signature]
Staff Member

DOCKET: EXAMINER HEARING SEPTEMBER 24, 1957

Oil Conservation Commission 9:00 a.m., Mabry Hall, State Capitol, Santa Fe

The following cases will be heard before Daniel S. Nutter, Examiner:

- CASE 1315: Application of Magnolia Petroleum Company for approval of an unorthodox gas well location in an undesignated Lower Gallup Gas Pool in San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order authorizing an unorthodox gas well location for its Ah-Nus-Bah No. 1 Well, at a point 1980 feet from the South line and 1980 feet from the West line of Section 22, Township 25 North, Range 11 West, San Juan County, New Mexico. Said well was projected as a wildcat oil well but was found to be productive of gas rather than oil.
- CASE 1316: Application of Sun Oil Company for approval of an 80-acre non-standard gas proration unit and an unorthodox gas well location in the Crosby-Devonian Gas Pool, Lea County, New Mexico, in exception to Rule 3 of Order No. R-639-A. Applicant, in the above-styled cause, seeks an order authorizing an 80-acre non-standard gas proration unit in the Crosby-Devonian Gas Pool consisting of the E/2 SE/4 of Section 20, Township 25 South, Range 37 East, Lea County, New Mexico. Applicant further seeks approval of the unorthodox location of its B. T. Lanehart Well No. 3 at a point 330 feet from the South and East lines of said Section 20. The said B. T. Lanehart Well No. 3 was projected as an oil well and was found to be productive of gas rather than oil.
- CASE 1317: Application of Sunray Mid-Continent Oil Company for approval of a 320-acre non-standard gas proration unit in the Jalmat Gas Pool, Lea County, New Mexico and for the forced pooling of all interests therein within the vertical limits of the Jalmat Gas Pool. Applicant, in the above-styled cause, seeks an order establishing a 320-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the NE/4 of Section 20, and the NW/4 of Section 21 of Township 20 South, Range 36 East, Lea County, New Mexico, said unit to be dedicated to the applicant's Greer No. 2 Well located in the NW/4 NW/4 of said Section 21. Applicant further requests the forced pooling of the interests of all persons within the vertical limits of the Jalmat Gas Pool underlying the above-described acreage.
- CASE 1318: Application of Continental Oil Company for approval of two 160-acre non-standard gas proration units in the Jalmat Gas Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order establishing two 160-acre non-standard gas proration units in the Jalmat Gas Pool, one unit to consist of the N/2 N/2 of Section 23, Township 22 South, Range 36 East, Lea County, New Mexico, which is to be dedicated to the applicant's Meyer B-23 No. 1 Well located in the NE/4 NW/4 of said Section 23; and the other unit to consist of the S/2 N/2 of said Section 23 which is to be dedicated to the

applicant's Meyer B-23 No. 3 Well located in the SW/4 NW/4 of said Section 23. The entire N/2 of said Section 23 is presently dedicated to the above-described Meyer B-23 No. 1 Well.

CASE 1319: Application of Standard Oil Company of Texas for an order authorizing the production into a common tank battery of the oil produced from two separate leases in the Atoka Pool, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order authorizing the production into a common tank battery of the oil produced from two separate leases in the Atoka Pool. Said leases comprise the SW/4 SW/4 of Section 13 and the SE/4 SE/4 of Section 14, all in Township 18 South, Range 26 East, Eddy County, New Mexico.

Mr. Seward

ir/

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. 1673
Order Nos. R-1067-A
R-1124-A

APPLICATION OF STANDARD OIL
COMPANY OF TEXAS FOR AN
AMENDMENT OF ORDER NOS. R-1067
AND R-1124 TO PERMIT THE
UTILIZATION OF DUMP-TYPE METERS
IN LIEU OF POSITIVE DISPLACEMENT
METERS ON CERTAIN LEASES IN THE
ATOKA POOL, EDDY COUNTY,
NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 20, 1959, at Santa Fe, New Mexico, before E. J. Fischer, 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 28th day of May, 1959, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, E. J. Fischer, 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 by Order No. R-1067, the applicant was authorized to commingle the production from its McNatt-Vandagriff Unit Well No. 1, located in the SE/4 SE/4 of Section 14, Township 18 South, Range 26 East, Atoka Pool, Eddy County, New Mexico, with the production from its Lee Vandagriff Well No. 1, located in the SW/4 SW/4 of Section 13, Township 18 South, Range 26 East, Atoka Pool, Eddy County, New Mexico, after separately metering the production from each of said wells by means of a positive displacement meter.

(3) That by Order No. R-1124, the applicant was authorized to commingle the production from the Atoka (San Andres) Pool from five separate 40-acre leases in Section 12, Township 18 South, Range 26 East, NMPM,

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Case No. 1673
Order Nos. R-1067-A
R-1124-A

Eddy County, New Mexico, after separately metering the production from each of said leases by means of positive displacement meters.

(4) That the applicant proposes that Order Nos. R-1067 and R-1124 be amended to permit the applicant, at its option, to utilize dump-type meters in lieu of positive displacement meters.

(5) That approval of the subject application will neither cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

That Order Nos. R-1067 and R-1124 be and the same are hereby amended to permit the utilization of dump-type meters in lieu of positive displacement meters.

PROVIDED HOWEVER, That whatever type meters the applicant utilizes, they must be such as to ensure an accurate measurement of the liquid hydrocarbon production at all times.

IT IS FURTHER ORDERED:

That all meters shall be checked for accuracy at least once each month until further direction by the Secretary-Director.

Meters shall be calibrated against a master meter or against a test tank of measured volume and the results of such calibrations filed with the Commission on the Commission form entitled "Meter Test Report."

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JOHN BURROUGHS, Chairman

S E A L

MURRAY E. MORGAN, Member

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

vem/

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

October 11, 1957

C
O
P
Y

Mr. John Walters
Standard Oil Company of Texas
P.O. Box 1249
Houston 1, Texas

Dear Sir:

We enclose a copy of Order R-1067 issued October 9, 1957, by the Oil Conservation Commission in Case 1319, which was heard on September 24th at Santa Fe.

You will note that in the "It Is Therefore Ordered" portion of Order R-1067 that the first paragraph entitled "Provided Further," on page two requires that each of the positive displacement flow meters shall be calibrated in a manner and at intervals satisfactory to the Commission. Standard Oil Company of Texas is hereby directed to calibrate each of the positive displacement flow meters at intervals not to exceed one month and to file a report of said calibrations with the Commission. The meters shall be calibrated against a master meter or against a test tank of measured volume.

Very truly yours,

A. L. Porter, Jr.
Secretary - Director

ALP/DSN:bp
Encl.

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. 1319
Order No. R-1067

APPLICATION OF STANDARD OIL COMPANY
OF TEXAS FOR AN ORDER AUTHORIZING
THE PRODUCTION INTO A COMMON TANK
BATTERY OF THE OIL PRODUCED FROM TWO
SEPARATE LEASES IN THE ATOKA POOL,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on September 24, 1957, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the New Mexico Oil Conservation Commission, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 7th day of October, 1957, 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, Standard Oil Company of Texas, is the owner of two patented oil and gas leases, one known as the Lee Vandagriff Lease, comprising the SW/4 SW/4 of Section 13, and the S/2 SE/4 SE/4 of Section 14, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico, and the other known as the Elsa McNatt Lease comprising the N/2 SE/4 SE/4 of said Section 14.

(3) That the SE/4 SE/4 of said Section 14 has been communitized by all persons owning an interest therein.

(4) That the applicant has completed an oil well in the Atoka Pool in the SE/4 SE/4 of said Section 14 known as the McNatt-Vandagriff Unit Well No. 1.

(5) That the applicant has also completed an oil well in the Atoka Pool in the SW/4 SW/4 of said Section 13, known as the Lee Vandagriff Well No. 1.

(6) That the applicant proposes to commingle all the production from the above-named wells in a single common tank battery and to measure the oil produced from each of said wells by means of positive displacement meters.

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Case No. 1319
Order No. R-1067

(7) That all of the royalty owners in the above-described wells have consented in writing to the applicant's proposal.

(8) That approval of the subject application will not cause waste nor impair correlative rights.

(9) That the subject application should be approved.

IT IS THEREFORE ORDERED:

1. That the applicant, Standard Oil Company of Texas, be and the same is hereby authorized to commingle the production from its McNatt-Vandagriff Unit Well No. 1, located in the SE/4 SE/4 of Section 14, Township 18 South, Range 26 East, NMPM, in the Atoka Pool, Eddy County, New Mexico, with the production from its Lee Vandagriff Well No. 1, located in the SW/4 SW/4 of Section 13, Township 18 South, Range 26 East, NMPM, in the Atoka Pool, Eddy County, New Mexico;

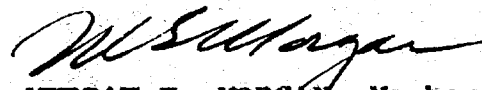
PROVIDED HOWEVER, That the applicant shall install a positive displacement meter on each of the above-named wells;


PROVIDED FURTHER, That the applicant shall test the accuracy of said positive displacement meter in a manner and at intervals satisfactory to the Commission.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


EDWIN L. MECHEM, Chairman


MURRAY E. MORGAN, Member


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



lr/

Standard Oil Company of Texas, hereinafter called Lessee, is the owner of the following described Oil, Gas and Mineral Leases insofar as they cover respectively the following described land in Eddy County, New Mexico:

- (a) Lease dated February 11, 1934, recorded in Book 60, Page 196 of the records of Eddy County, New Mexico, between Miss McMatt as Lessor and Standard Oil Company of Texas as Lessee, covering the following described tract of land in Eddy County, New Mexico:

All of the $\frac{1}{2}$ of the $\frac{3}{4}$ of the $\frac{3}{4}$ of the $\frac{3}{4}$ of Section 14, T-18-S, R-26-E; and

- (b) Lease dated January 9, 1934, recorded in Book 60, Page 157 of the records of Eddy County, New Mexico, between Lee Vandagriff and wife, Jennie May Vandagriff, as Lessor and Standard Oil Company of Texas as Lessee, covering, among other land, the following described tract of land in Eddy County, New Mexico:

The $\frac{3}{4}$ of the $\frac{3}{4}$ of the $\frac{3}{4}$ of Section 14, T-18-S, R-26-E; and

WHEREAS, in Lessee's judgment it is necessary and advisable in order properly to develop and operate the aforescribed acreage covered by said respective leases to pool and combine said premises into one unit, and in Lessee's judgment the pooling and combining of the aforescribed acreage covered by said respective leases into one unit will promote the conservation of oil and gas in and under, and that may be produced from said premises.

Accordingly, Lessee, in the exercise of the right and power given to Lessee in Paragraph Fourteen (14) of said leases, does hereby pool and combine the aforescribed tracts of land and said leases into one unit for all purposes and with the effect provided in said leases.

Reference is hereby made to each of said leases and the recording thereof for all purposes. *th*

EXECUTED this 12 day of October, 1956.

STANDARD OIL COMPANY OF TEXAS

By *William S.*
Vice President





Helmy Viola
Notary Public in and for Harris
County, Texas.

My Commission Expires 6-1-57

HELMY VIOLA
Notary Public in and for Harris County, Texas
My Commission Expires June 1, 1957

STATE OF NEW MEXICO, County of Eddy, ss. I hereby certify that this instrument was filed for record on
the 9 day of Nov., 1956, at 10:05 o'clock A.M. and duly recorded
in Book 76, page 429, of the Records of Oil & Gas.

Mrs. R. A. Wilcox, County Clerk

L. M. Sears

STATE OF NEW MEXICO

COUNTY OF HAYS

KNOW ALL MEN BY THESE PRESENTS

WHEREAS, on the 9th day of January, 1954, Lee Vandagriff and wife, My Vandagriff, entered into an oil, gas and mineral lease with Standard Oil of Texas, the same being recorded in Volume 60 page 157 of the Oil and Gas Records of Hays County, New Mexico, covering, among other lands, the following described land, to wit:

The South Half (S/2) of Southeast Quarter (SE/4) of Southeast Quarter of Section 14, Township 18 South, Range 26 East, of N. M. P. M., containing more or less; and

WHEREAS, on the 11th day of February, 1954, Elva McHatt, a feme sole, entered into an oil, gas and mineral lease with Standard Oil Company of Texas, the same being recorded in Volume 60, page 196 of the Oil and Gas Records of Hays New Mexico, covering the following described land, to wit:

All of the North Half (N/2) of the Southeast Quarter (SE/4) of Southeast Quarter (SE/4) of Section 14, Township 18 South, Range 26 East, of N. M. P. M., containing 20 acres, more or less; and

WHEREAS, on the 18th day of October, 1956, Party Lessee to the two hereinabove set out, and by authority granted therein, created the McHatt-Vandagriff Unit whereby the North Half (N/2) of Southeast Quarter (SE/4) of Southeast Quarter (SE/4) of said Section 14 was pooled with the South Half (S/2) of Southeast Quarter (SE/4) of Southeast Quarter (SE/4) of said Section 14 for the purpose of creating a 40-acre unit to be produced and drained by one well, i. e. the Standard Oil of Texas No. 1 McHatt-Vandagriff Unit; and

WHEREAS, in addition to the 20 acres out of the Vandagriff lease hereinabove described as being pooled, there is a 40-acre tract covered by the said Vandagriff lease and described as the Southwest Quarter (SW/4) of the Southwest Quarter (SW/4) of Section 13, Township 18 South, Range 26 East, of N. M. P. M., containing 40 acres, more or less, which 40 acres constitutes the entire remainder of the lands covered by said Vandagriff lease; and

WHEREAS, Standard Oil Company of Texas, as operator, contemplates the completion of a well on the said Southwest Quarter (SW/4) of Southwest Quarter of Section 13, i. e. No. 1 Lee Vandagriff; and

WHEREAS, it is the desire of both the lessors and lessee named herein

