

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

February 26, 1965

General American Oil Company of Texas
Box 416
Loco Hills, New Mexico

Attention: Mr. R. J. Heard

Administrative Order CTB-140

Gentlemen:

Reference is made to your application dated February 24, 1965, for administrative approval of an exception to Rule 309-A of the Commission Rules and Regulations to permit the commingling of oil produced from your High Lonesome waterflood project on your Brewer LC-061638 Lease and your Bosworth LC-067610-A Lease, High Lonesome Pool, Eddy County, New Mexico, without separately measuring the production from each lease. It is our understanding that although the two leases do not have identical ownership throughout, they are covered by a royalty pooling agreement executed by all parties owning an interest in the leases. Said agreement provides the manner in which the production from the leases will be allocated. Further, the regional supervisor of the United States Geological Survey has approved the application to commingle.

Under the authority granted me pursuant to Rule 309-B, you are hereby authorized to commingle the above-described production as proposed, subject to the applicable provisions of the Commission "Manual for the Installation and Operation of Commingling Facilities."

Approval of the subject commingling installation and royalty pooling agreement also constitutes authority for transfer of allowables across lease lines within the waterflood project area.

Very truly yours,

A. L. Porter, Jr.
Secretary-Director

ALF:DSN:sg

cc: Oil Conservation Commission - Artesia (with enclosure)
Oil & Gas Engineering Committee - Hobbs
United States Geological Survey - Roswell
Case File 2755

THE OCEANOGRAPHIC SURVEY

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GENERAL AMERICAN OIL COMPANY OF TEXAS

1965 FEB 25

DISTRICT OFFICE
BOX 416
LOCO HILLS, NEW MEXICO
February 24, 1965

Mr. D. S. Nutter
Chief Engineer
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

Gentlemen:

Pursuant to Rule 309-B, General American Oil Company of Texas seeks administrative approval to commingle the production from its Bosworth lease LC-067610-A, with the production from its Brewer lease LC-061638 both leases located within the boundaries of a waterflood project in the High Lonesome Pool, Eddy County, New Mexico, approved by Commission Order No. R-2443.

In support of our request we submit the following exhibits:

- (1) A plat showing both leases and the zones which they are producing from.
- (2) Schematic diagrams of the commingling facility showing that from time to time exact lease production can be obtained and that facilities are available to test each well separately at least once a month.
- (3) A copy of the Royalty Pooling Agreement.
- (4) A copy of the letter of approval from John A. Anderson, Regional Oil and Gas Supervisor for the United States Geological Survey.
- (5) A letter of approval from Continental Pipe Line Company as purchaser of the production.

Production from the Bosworth and Brewer leases are from a common source of supply both being from the High Lonesome Penrose Sand Pool.

If additional information is needed please advise.

Very truly yours,

GENERAL AMERICAN OIL COMPANY OF TEXAS

By:
R. J. Heard
District Superintendent