

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

February 21, 1964

C
United Texas Petroleum Corporation
P.O. Box 1859
Midland, Texas

Attention: Mr. R. W. Henry

Administrative Order PLC-8

O
Gentlemen:

P
Reference is made to your application dated January 23, 1964, wherein you request authority to commingle North Justis Blinbry and North Justis Tubb-Drinkard production from your Stuart Lease and your Justis Lease comprising the E/2 NW/4 and SW/4 and NW/4, and the N/2 SE/4, respectively, of Section 11, Township 25 South, Range 37 East, Lea County, New Mexico, after separately metering the production from each pool and each lease.

Y
Pursuant to the authority granted me under the provisions of Rule 303 (b) and 309-B of the Commission Rules and Regulations, you are hereby authorized to commingle the production from the aforesaid pools and leases in the above-described manner. Provided however, that the installation shall be operated in accordance with the Commission "Manual for the Installation and Operation of Commingling Facilities," including the requirement for non-reset counters on the meters. You are also requested to notify the Hobbs District Office of the Commission at such time as the installation is complete in order that a field inspection may be made of the installation prior to putting it in use.

Your application dated February 17, 1964, to include your Two-Stuart Lease in this commingling facility will be processed upon receipt of letters of concurrence from the United States Geological Survey, Pipeline Company, and any interest owners.

Very truly yours,

A. L. Porter, Jr.
Secretary-Director

ALP:DSN:sg

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

UNION TEXAS PETROLEUM CORPORATION

P. O. BOX 1859

MIDLAND, TEXAS

MUTUAL 2-7349

January 23, 1964

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

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

Gentlemen:

Union Texas Petroleum Corporation has recently dually completed its Justis No. 1 well, located 2310' FSL and 2310' FEL, Unit J Section 11, T-25-S, R-37-E, Lea County, North Justis Blinebry and Tubb-Drinkard Fields.

We respectfully request an Administrative Approval for an exception to Rule 303(a), Segregation of Production From Pools in order to permit us to commingle the Blinebry and Tubb-Drinkard zones from the Justis Lease into common ACT facilities. Also, approval is requested for an exception to Rule 309-B, Lease Commingling, to allow us to commingle production from the Justis Lease into the ACT facilities located on and serving the Stuart Lease. Approval of commingling on the Stuart Lease located NE/4 NW/4 and S/2 NW/4 of Section 11, T-25-S, R-37-E was provided by your Administrative Order PC-158 dated September 10, 1963. The attached schematic diagram of the proposed installation indicates that each zone on each lease will be measured separately using positive volume dump meters and samplers prior to commingling into common treating and ACT storage.

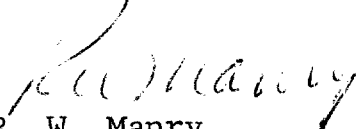
The Blinebry oil gravity is approximately 39° API corrected and is valued at \$3.01 less \$0.02 gravity penalty or \$2.99 per barrel. The Tubb-Drinkard zone oil gravity is approximately 37° API corrected and is valued at \$3.01 less \$0.06 gravity penalty or \$2.95 per barrel. We expect to produce

52 barrels per day or current top allowable from each zone per well on each lease and expect the commingled gravity to average 38° API corrected, valued at \$2.97 per barrel. The actual commercial value of the commingled production will not be less than the sum of the values of the production from each zone if sold separately.

By separate correspondence we are requesting interest owner Texas Pacific Oil Company (37.5%), the Regional Supervisor of the United States Geological Survey and Texas-New Mexico Pipe Line Company for their consent to the proposed commingling of these leases into common ACT facilities.

Your early consideration and approval would be appreciated.

Yours very truly,
UNION TEXAS PETROLEUM CORPORATION


R. W. Manry
District Engineer

RWM:bjh

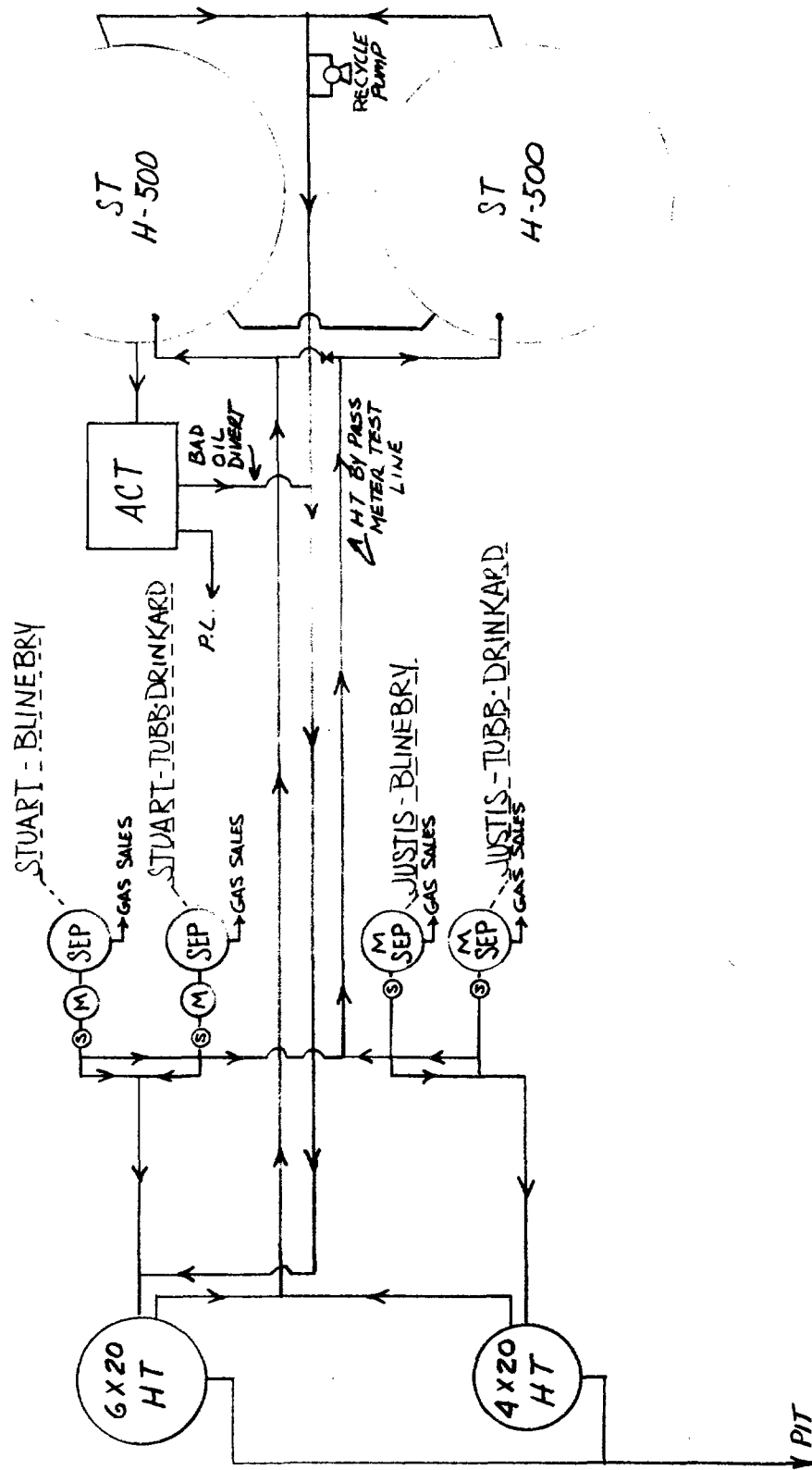
cc: NMOCC - Hobbs
USGS - Roswell
Texas Pacific Oil Co. - Dallas

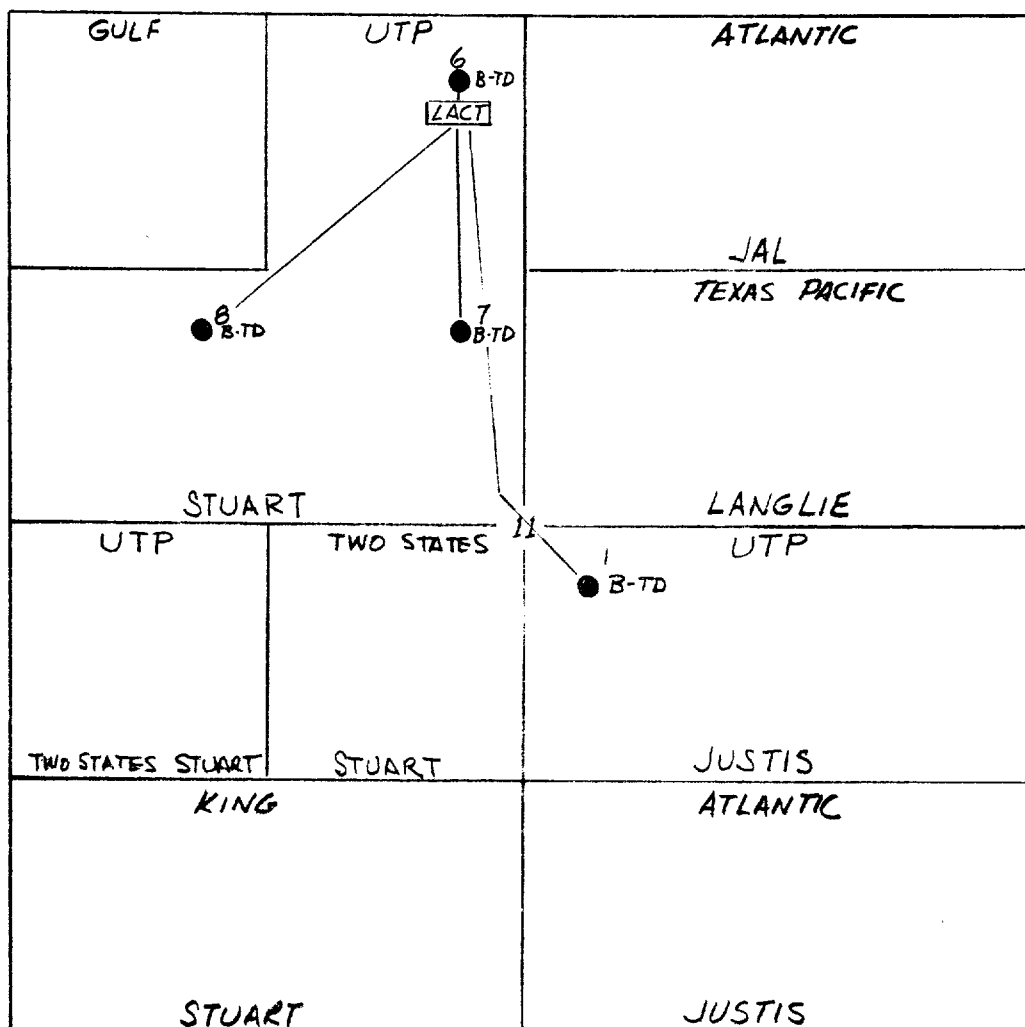
PROPOSED COMMINGLING OF SEPARATE LEASES AND POOLS IN A COMMON LACT SYSTEM

UNION-TEXAS PETROLEUM CORP.

STUART LEASE SEC 11-25S-37E LEA CO.

JUSTIS LEASE SEC 11-25S-37E N.MEX.





UNION-TEXAS PETROLEUM CORPORATION
 STUART AND JUSTIS LEASE PLAT
 NORTH JUSTIS BLINEBRY-TUBB-DRINKARD
 SEC 11-25S-37E LEA CO. NEW MEXICO



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Drawer 1857
Roswell, New Mexico 88201

February 5, 1964

Justi No 1

Union Texas Petroleum
P. O. Box 1859
Midland, Texas

Attention: Mr. R. W. Manry

Gentlemen:

Your letter of January 23 requests approval for the commingling of oil produced from the Blinbry and Tubb-Drinkard zones, lease New Mexico 0140977, with the Blinbry and Tubb-Drinkard oil produced from lease Las Cruces 032511(f), and the automatic custody transfer of oil from both leases through facilities on lease Las Cruces 032511(f). The commingling and automatic custody transfer of oil produced from the Blinbry and Tubb-Drinkard zones, lease Las Cruces 032511(f), was approved by us on September 3, 1963.

The use of automatic custody transfer facilities and the method of metering and commingling the oil production as described by your schematic diagram are hereby approved.

Please notify our Hobbs office when the installation is completed so that a field inspection of the system can be made. Master meter proving test notices should be furnished our Hobbs office in sufficient time to permit a Survey engineer to witness the calibration.

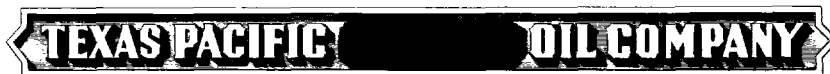
Sincerely yours,

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

Mr. Dan Hutter:

You requested this letter during our telephone conversation on 2-18-64.

Thanks
Claude C. Sprin
Union Texas Petroleum Corp.
Box 1859
Midland, Texas



GENERAL OFFICES
POST OFFICE BOX 2110

FORT WORTH 1, TEXAS

January 27, 1964

Handwritten notes:
7/11/64
p. 112

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

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

Gentlemen:

This refers to Union Texas Petroleum's letter of January 23, 1964 to the Commission requesting an exception to Rule 303(a) to permit the commingling of production of the Blinebry and Tubb-Drinkard zones on the Justis Lease into common ACT facilities.

Approval is also requested for an exception to Rule 309-B to allow commingling of the production from the Justis Lease into the ACT facilities serving the Stuart Lease. These leases are located in Section 11, Township 23 South, Range 37 East, Lea County.

This is to advise that Texas Pacific Oil Company consents to the proposed commingling of these leases into common ACT facilities.

Very truly yours,

TEXAS PACIFIC OIL COMPANY

Handwritten signature of R. W. Hines
R. W. Hines

RWH:B

cc: Union Texas Petroleum
P. O. Box 1859
Midland, Texas

TEXAS-NEW MEXICO PIPE LINE COMPANY

P. A. LYONS
DIVISION MANAGER

P. O. BOX 1510
MIDLAND, TEXAS 79701

January 27, 1964

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

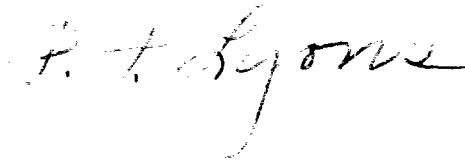
Attention: Mr. A. L. Porter, Jr.
Secretary-Director

Gentlemen:

Union Texas Petroleum advises that they have made application to the New Mexico Oil Conservation Commission for permission to commingle the production from their Justis Lease located in the N/2 SE/4 Section 11, T-25-S, R-37-E, Lea County, New Mexico, with the production from their Stuart Lease located in the NW/4 Section 11, T-25-S, R-37-E, Lea County, New Mexico.

Texas-New Mexico Pipe Line Company gathers the production from these two leases and concurs with Union Texas Petroleum's proposal to commingle this oil through the ACT unit now serving the Union Texas Petroleum - Stuart Lease.

Yours very truly,



LPS-BTK

cc: Union Texas Petroleum
P. O. Box 1859
Midland, Texas