BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

> CASE NO. 1013 Order No. R-774

THE APPLICATION OF HUMBLE OIL AND REFINING COMPANY FOR AN ORDER GRANTING AN EXCEPTION TO RULE 309 OF THE NEW MEXICO OIL CONSERVATION COMMISSION'S STATE-WIDE RULES AND REGULATIONS IN THE ESTABLISHMENT OF A COMMON TANK HATTERY TO RECEIVE OIL PRODUCTION FROM TWO WELLS LOCATED ON APPLICANT'S JICARILLA APACRE TRIBE OF INDIANS "B" LEASE AND JICARILLA APACHE TRIBE OF INDIANS "E" LEASE, NMPM, SANDOVAL COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 10:00 a.m. on February 8, 1956, at Hobbs, New Mexico before Warren W. Mankin, Examiner duly appointed by the Oil Conservation Commission of New Mexico, in accordance with Rule 1214 of Order R-681.

NOW, on this <u>set</u> day of March 1956, the Oil Conservation Commission of New Mexico, hereInafter referred to as the "Commission", a quorum being present having considered the application, the evidence adduced, and the recommendations of the Examiner, Warren W. Mankin, and being fully advised in the premises,

FINDS:

(1) That due notice of the time and place of hearing and the purpose thereof having been given as required by law, the Commission has jurisdiction of this case and the subject matter thereof.

(2) That applicant's Jicarilla Apache Tribe of Indians "B" Lease contains 2498.78 acres, being all of Sections 1 and 12, Township 22 North, Range 5 West and Sections 6 and 7, Township 22 North, Range 4 West, Sandoval County, New Mexico. Applicant has one producing oil well on this lease from an undesignated field. Said well being their Stearilla "B" No. 1.

(3) That applicant's Jicarilla Apache Tribe of Indians "E" Lease contains 2560 acres being all of Section 25 and 36. Township 23 North, Range 5 West and Sections 30 and 31, Township 23 North, Mange 5 West, Sandoval County, New Mexico. Applicant has one producing oil well known as the Jicarilla "E" No. 1, said well is producing from the same undesignated field as their Jicarilla -2-Order No. R-774

(4) That both wells on the above-described leases are producing oil in commercial quantities from the Mancos Shale zone.

(5) That there is a common royalty interest in both leases that being the Jicarilla Apache Tribe of Indians.

(6) That for reasons of efficiency and economy, applicant desires to establish a tank battery for the storage and measurement of oil produced from the aforementioned two wells on the above-described leases.

(7) That the central tank battery will have suitable and adequate facilities for the storage and handling of the production from the two wells on the above-described acreage and suitable equipment will be installed whereby the production from each well on the above-described land may be adequately determined as prescribed by the rules and regulations of the Commission.

(8) That by reason of practical convenience and economy and in the absence of objection by the United States Geological Survey exception to Rule 309 (a) should be granted.

(9) That no objection by the U.S. Geological Survey has been entered.

IT IS THEREPORE ORDERED;

That the application of Humble Cil and Refining Company for an order granting an exception to Rule 309 (a) of the Cil Conservation Commission & Statewide Rules and Regulations, to establish a central tank battery to receive production from its Jicarilla "B" No. 1 well located on its Jicarilla Tribe of Indians "B" Lease comprising all of Sections 1 and M2, Township 22 North, Range 5 Nest and Sections 6 and 7, Township 22 North, Range 4 West, NMPM, and its Jicarilla "E" No. 1 Well located on Jicarilla Tribe of Indians "E" Lease, comprising all of Sections 25 and 36, Township 23 North, Range 5 West and Sections 30 and 31, Township 23 North, Range 4 West, NMPM, all in Sandoval County, New Mexico, be and the same is hereby granted and approved.

DONE at Santa Fe, New Mexico on the day and yoar Mercinabove designated.

STATE OF NEW MEXICO OTO COMPLEXIVATION COMPLEXION

71 JOHN F. SIMMS, Chairman All March

E. S. WALKER, Mombor

W. B. MACRY, Member and Scoretary

