

BUFFALO OIL COMPANY

A MARYLAND CORPORATION

FIRST NATIONAL BUILDING

TULSA 3, OKLAHOMA

1203

203

ADDRESS REPLY TO:
CARPER BUILDING
ARTESIA, NEW MEXICO

January 8, 1957

*Send copy
of Docket to
P.O. Box
on 1/21/57*

APPLICATION OF THE BUFFALO OIL
COMPANY FOR AN EXCEPTION TO
RULE 303 WHICH WILL PERMIT THE
APPLICANT TO COMMINGLE OIL FROM
ITS MITCHELL B-19P AND MITCHELL
B-22P WITH OIL PRODUCED FROM
WELLS ON THE SAME LEASE COM-
PLETED IN THE MALJAMAR PAY.

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

Dear Sirs:

The Buffalo Oil Company, a Maryland Corporation with offices in Tulsa, Oklahoma and Artesia, New Mexico, herewith make application to the New Mexico Oil Conservation Commission for an order granting approval of an exception to rule 303 of the statewide rules and regulations as set out by the Commission.

The Buffalo Oil Company recites the following facts.

It is the sole owner of all oil and gas working interests within the areas described.

Its Mitchell B-19P is completed in the Paddock formation at a depth of approximately 5300' and this oil flows to a separate tank battery located on the Mitchell B Lease. Its Mitchell B wells No. 17, 18, 25, and 27, which are also on the same lease and completed in the Grayburg-San Andres within the vertical limits of the Maljamar Field, flow into a second tank battery which is adjacent to the Paddock tank battery. All of these wells are located in Section 17, T-17S, R-32E.

Its Mitchell B-22P, located in Section 20, is also completed in the Paddock zone, and it produces into a separate tank battery. A Maljamar battery is adjacent to this battery, and serves Mitchell B-9, 10, 11, and 12 wells which are completed in the Maljamar Pay. *in Sec 19.*

Each of the Paddock wells are marginal producers and it is not expected that any additional development will occur in this pay.

It is proposed to abandon and salvage each of the two Paddock tank batteries and to commingle the Paddock oil with Maljamar oil produced on the same lease. This will result in a substantial savings in material and labor, and will not create waste or cause damage to any offset operations.

If desired by the Commission, Buffalo Oil Company will be agreeable to using separate oil-gas separators for each Paddock well and will install fluid meters at the separator outlets, permitting the accurate gauging of Paddock oil from each well.

These leases are located on Federal lands and the United States Geological Survey has verbally voiced their approval of this proposal.

Wherefore, applicant respectfully requests that the Commission set this matter up for hearing at the earliest practical date, advertise the matter as required by law, and enter an order granting exception to Statewide Rule No. 303.

Buffalo Oil Company

Ralph L. Gray
Ralph L. Gray
Div. Prod. Supt.

RLG:dlr

It is requested that this be set for an Examiner hearing at Hobbs.