



PETROLEUM AND ITS PRODUCTS

GULF OIL CORPORATION

P.O. BOX 1290 FORT WORTH 1, TEXAS

B. E. THOMPSON
DIVISION PRODUCTION COORDINATOR

October 11, 1957

FORT WORTH
PRODUCTION DIVISION

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

Re: Application for Approval of LACT System and Request for
Permission to Commingle Oil Produced from the McKee and
Ellenburger Reservoirs Underlying Gulf Oil Corporation's
Learcy McBuffington Lease in Section 13, T-25-S, R-37-E,
Lea County, New Mexico

Gentlemen:

Gulf Oil Corporation herewith makes application for exception to
the New Mexico Oil Conservation Commission's applicable rules and regula-
tions to obtain permission to operate Lease Automatic Custody Transfer
Equipment on subject lease.

In order to fully utilize the LACT system, Gulf will request ex-
ceptions to:

- (1) NMOCC's Rule 309(a) which requires measurement of
oil in tanks before such oil is transported from
the lease.
- (2) That portion of Rule 309 which limits production
from only eight units of the same basic lease into
common tankage.
- (3) Rule 303 which prohibits the commingling of oil
between pools.
- (4) Rule 502-II which prohibits production during any
one proration period in excess of the assigned
monthly allowable plus a tolerance of five days
allowable production.

In support of this application, Gulf Oil Corporation states the
following:

- (a) Gulf Oil Corporation is the owner and operator of
all producing rights below 3800 feet on the Learcy
McBuffington Lease which consists of the S/2 of
Section 13, T-25-S, R-37-E, Lea County, New Mexico.
- (b) There is no diversity of royalty ownership under-
lying the above described lease.

October 11, 1957

- (c) The proposed installation will be adequate to accurately measure oil produced from each pool and result in efficient accounting of crude oil transferred to the pipe line gathering system.
- (d) Applicant will request permission to commingle the oil produced from the Ellenburger and McKee Formations underlying its Learcy McBuffington Lease.
- (e) An exception to Rule 502-II may be required pending completion of sufficient wells to have enough allowable capacity to fill the storage volume of the 1000-barrel surge tank. On completion of the second Ellenburger well, this exception would no longer be required.
- (f) The pipe line company which purchases the crude oil from subject lease has indicated its approval of the design and equipment for the proposed LACT system.
- (g) The granting of applicant's request in this case is in the interest of conservation, and will protect correlative rights.
- (h) By copy of this letter all operators owning interests in the section involved and all offset operators, as well as the pipe line company concerned, are notified of Gulf's application.

Gulf Oil Corporation respectfully requests that this matter be set for hearing at an early date.

Respectfully submitted,

GULF OIL CORPORATION

By B. E. Thompson
Division Production Coordinator

cc: Oil Conservation Commission
P. O. Box 2045
Hobbs, New Mexico

Anderson-Prichard Oil Corporation
P. O. Box 2197
Hobbs, New Mexico

October 11, 1957

cc: W. K. Byrom
1000 Dal Paso
Hobbs, New Mexico

R. Olsen Oil Company
Drawer Z
Jal, New Mexico

The Texas Company
P. O. Box 1270
Midland, Texas

Tidewater Oil Company
Att'n: J. B. Holloway
P. O. Box 1404
Houston, Texas

Western Natural Gas Company
Midland Tower Building
Midland, Texas

Western Petroleum Company
291 Sutter Street
San Francisco, California

Texas-New Mexico Pipe Line Company
P. O. Box 1510
Midland, Texas