

*This application was amended by
one dated May 27th*

PETROLEUM AND ITS PRODUCTS

GULF OIL CORPORATION

P. O. DRAWER 1290 · FORT WORTH 1, TEXAS

E. HOSFORD
DIVISION PRODUCTION COORDINATOR

FORT WORTH
PRODUCTION DIVISION

May 9, 1958

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 Reservoirs
Underlying Gulf's Learcy McBuffington Lease, Section 13,
T-25-S, R-37-E, Lea County, New Mexico

Gentlemen:

Gulf Oil Corporation herewith makes application for exception to Rule 303 of the New Mexico Oil Conservation Commission Rules and Regulations to obtain approval to commingle all sweet crudes into one battery on subject lease and commingle all sour crudes into an additional automatic custody transfer battery, which, if approved, will be constructed in the near future. At this hearing, Gulf will also ask permission to modify their LACT system for Ellenburger and McKee production as approved by Order R-1093 in Case No. 1337.

In order to fully utilize the proposed LACT system, Gulf will request exceptions 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.

In support of this application, Gulf 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 underlying the above described lease.

May 9, 1958

- (c) By Order R-1093 dated November 27, 1957, a lease automatic custody transfer system and commingling privileges were approved by the Commission so far as applied to the McKee and Ellenburger oils underlying subject lease.
- (d) The applicant will request permission to commingle all sweet crude produced from this lease into the LACT battery which is now being used for McKee and Ellenburger oil.
- (e) Applicant proposes to install an additional LACT battery to handle sour crudes produced from this property, and permission will be requested which would allow all sour crudes to be commingled in this one additional automatic custody battery.
- (f) Applicant proposes to modify the initially approved LACT system for McKee and Ellenburger production in order to provide for one complete test facility.
- (g) 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.
- (h) The granting of applicant's request in this case is in the interest of conservation, and will protect correlative rights.
- (i) 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 E. Harford
Division Production Coordinator

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

cc: Anderson-Prichard Oil Corporation
P. O. Box 196
Midland, Texas

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

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W. P. MARSHALL, PRESIDENT

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OIL CONSERVATION COMM=

STATE OF NEW MEXICO SANTA FE NMEX=

Case 1337

ATTENTION: MR DAN NUTTER

SUPPLEMENTING APPLICANT'S LETTER DATED MAY 9, 1958, PLEASE SET EXAMINER HEARING TO CONSIDER GULF'S REQUEST FOR AN ORDER AMENDING R-1093 IN CASE 1337. GULF WILL ASK AUTHORITY TO ADD THE FUSSELMAN ZONE TO THE COMMINGLING APPROVAL PREVIOUSLY GRANTED FOR THE ELLENBURGER AND MCKEE RESERVOIRS. APPLICANT WILL ALSO ASK AUTHORITY TO COMMINGLE THE SOUR DRINKARD, BLINEBRY AND LANGLIE MATTIX CRUDES IN A SEPARATE LACT BATTERY TO BE CONSTRUCTED IN THE NEAR FUTURE. GULF WILL FURTHER REQUEST AN EXCEITION TO THAT PORTION OF RULE 309 WHICH LIMITS PRODUCTION FROM ONLY SIXTEEN UNITS OF THE SAME BASIC LEASE INTO COMMON TANKAGE=

E HOSFORD GULF OIL CORP==

PLEASE REPLY TO THIS OFFICE

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9 1958 R-1093 1337 LACT=

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

Case 1337



PETROLEUM AND ITS PRODUCTS

GULF OIL CORPORATION

P. O. DRAWER 1290 · FORT WORTH 1, TEXAS

E. HOSFORD
DIVISION PRODUCTION COORDINATORFORT WORTH
PRODUCTION DIVISION

May 27, 1958

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

Re: Application of Gulf Oil Corporation for an Order Amending R-1093 in Case 1337. Applicant will also ask Exception to Rule 309 to Permit Lease Automatic Custody Batteries to Receive Production from More than Sixteen Wells.

Gentlemen:

Gulf Oil Corporation herewith makes application for an order amending R-1093 in Case 1337 to permit the addition of the Fusselman zone to the commingling approval previously granted for the Ellenburger and McKee reservoirs. Applicant will also ask authority to commingle the Drinkard, Blinebry and Langlie Mattix production in a separate LACT battery to be constructed in the near future for the purpose of handling sour crudes. In addition, Gulf will request an exception to that portion of Rule 309 which limits production from only sixteen units of the same basic lease into common tankage.

In support of this application, Gulf 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 underlying the above described lease.
- (c) By Order R-1093 dated November 27, 1957, a lease automatic custody transfer system and commingling privileges were approved by the Commission so far as applied to the McKee and Ellenburger oil underlying subject lease.
- (d) Applicant will request permission to add the Fusselman zone to the commingling approval previously granted for the Ellenburger and McKee reservoirs.
- (e) Applicant proposes to install an additional LACT battery to handle sour crudes produced from this property, and permission will be requested which would allow the Drinkard, Blinebry and Langlie Mattix oils to be commingled in this one additional automatic custody battery.

May 27, 1958

- (f) Applicant proposes to modify the initially approved LACT system for McKee and Ellenburger production in order to provide for only one complete test facility for each battery.
- (g) The proposed installations 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.
- (h) The granting of applicant's request in this case is in the interest of conservation, and will protect correlative rights.
- (i) 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.

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Respectfully submitted,

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By E. H. Hord
Division Production Coordinator

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