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BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

APPLICATION OF MAGNOLIA PETROLEUM COMPANY
TO AMEND ORDER NO. R-984 (CASE NO. 1226)
PERTAINING TO COMMINGLING OF LIQUID HYDRO-
CARBONS FROM MESA VERDE AND PICTURED CLIFFS
FORMATIONS AND LOCATIONS OF CENTRAL TANK
BATTERIES ON MAGNOLIA PROPERTIES IN THE
BLANCO MESA VERDE GAS POOL, TAPICITO PICTURED
CLIFFS GAS POOL AND UNDESIGNATED PICTURED
CLIFFS AND MESA VERDE GAS POOL AREAS,
RIO ARriba COUNTY, NEW MEXICO

APPLICATION

MAGNOLIA PETROLEUM COMPANY, by its attorneys, Simms, Modrall,
Seymour, Sperling & Roehl, Post Office Box 466, Albuquerque,
New Mexico, in support of its application as hereinabove stated,
shows to the Commission:

1. That, by the order of this Commission No. R-984,
entered as of April 29, 1957, authority was granted this appli-
cant to produce certain wells into certain central tank batteries
located at designated points as specified in the order, subject
to the conducting of gas liquid ratio tests from all wells lo-
cated on the leases mentioned in the order and to the provid-
ing of sufficient central tank battery capacities in order to
prevent waste of liquid hydrocarbons produced from the leases.

2. That the applicant is the owner of the following
oil and gas leases in Rio Arriba County, New Mexico, which said
leases include, together with other leases, the leases described
in Commission Order No. R-984:

Boring-Cheney-Fed. Unit:
TOWNSHIP 26 NORTH, RANGE 2 WEST, NMPM
Sec. 8: N $\frac{1}{2}$

Cheney-Federal Lease:
TOWNSHIP 26 NORTH, RANGE 2 WEST, NMPM
Sec. 8: S $\frac{1}{2}$
Sec. 17: All

Featherstone-Federal Unit:

TOWNSHIP 26 NORTH, RANGE 2 WEST, NMPM

Sec. 18: All

Sec. 19: All

Rueckhaus Unit:

TOWNSHIP 26 NORTH, RANGE 2 WEST, NMPM

Sec. 6: All

Sec. 7: All

Jicarilla "B" Lease:

TOWNSHIP 26 NORTH, RANGE 3 WEST, NMPM

Sec. 17: All

Sec. 18: All

Sec. 19: All

Sec. 20: All

Jicarilla "C" Lease:

TOWNSHIP 26 NORTH, RANGE 3 WEST, NMPM

Sec. 5: All

Sec. 6: All

Sec. 7: All

Sec. 8: All

Jicarilla "D" Lease:

TOWNSHIP 26 NORTH, RANGE 3 WEST, NMPM

Sec. 13: All

Sec. 14: All

Sec. 23: All

Sec. 24: All

Jicarilla "E" Lease:

TOWNSHIP 27 NORTH, RANGE 3 WEST, NMPM

Sec. 11: All (Fractional)

Sec. 12: All (Fractional)

Sec. 13: All

Sec. 14: All

Sec. 15: $S\frac{1}{2}$

Jicarilla "F" Lease:

TOWNSHIP 27 NORTH, RANGE 3 WEST, NMPM

Sec. 22: All

Sec. 23: All

Sec. 24: All

Sec. 27: All

Jicarilla "G" Lease:

TOWNSHIP 27 NORTH, RANGE 3 WEST, NMPM

Sec. 25: All

Sec. 26: All

Sec. 35: All

Sec. 36: All

Jicarilla "H" Lease:

TOWNSHIP 26 NORTH, RANGE 3 WEST, NMPM

Sec. 1: All

Sec. 2: All

Sec. 11: All

Sec. 12: All

Jicarilla "I" Lease:

TOWNSHIP 27 NORTH, RANGE 2 WEST, NMPM

Sec. 19: All

Sec. 20: All

Sec. 29: All

Sec. 30: All

Jicarilla "J" Lease:

TOWNSHIP 27 NORTH, RANGE 2 WEST, NMPM

Sec. 21: All

Sec. 22: All

Sec. 27: All

Sec. 28: All

Jicarilla "K" Lease:

TOWNSHIP 27 NORTH, RANGE 2 WEST, NMPM

Sec. 7: All

Sec. 8: All

Sec. 17: All

Sec. 18: All

3. That applicant has completed, as of November 1, 1957, a total of forty-seven wells on the above described leases of which, twenty wells have been dually completed, and that, except for seven wells which are temporarily abandoned, said wells are presently producing from the Mesa Verde Formation or are dually completed in the Pictured Cliffs or Mesa Verde Formations.

4. That, as found by the Commission in its previous Order No. R-984, said leases are located in mountainous terrain and the scarcity of access roads renders it extremely burdensome to erect separate tank batteries for each of said leases.

5. That it has proven impractical to locate central tank batteries at the sites originally requested by applicant and as ordered by Order No. R-984, and it is to the best interests of both the applicant and this Commission that the previous Commission Order be amended to permit the commingling of liquid hydrocarbons from the Pictured Cliffs and Mesa Verde Formations into central tank batteries located on any of the above named leases, and that such permission would result in more efficient operation of applicant's properties and would, therefore, prevent the occurrence of economic and underground waste.

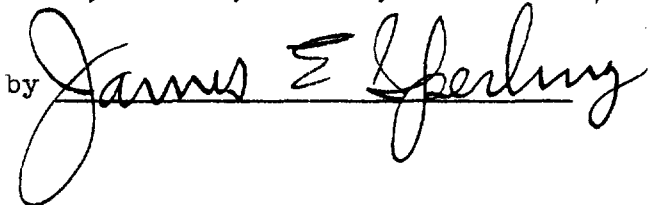
6. That periodic gas-liquid ratio tests will be taken to determine what portion of the production should be attributed to each formation of each well producing into a common tank battery, which tests will provide an accurate and reasonable basis for attributing to the separate formations of each well its allocable portion of the production.

7. That the gas produced from each well and from each formation will be measured and reported separately.

8. The attention of the Commission is directed to Order No. R-1022 issued upon the application of Northwest Production Corporation, which order granted authority to commingle liquid hydrocarbons from five separate reservoirs into central tank batteries located at various unspecified locations on the leases described in said order. This applicant requests a similar order in accordance with the facts and circumstances referred to in this application.

9. It is the request of the applicant that a hearing be set as soon as possible to consider this application and issuance of an order based thereon.

MAGNOLIA PETROLEUM COMPANY
by its attorneys,
SIMMS, MODRALL, SEYMOUR, SPERLING & ROEHL

by 

Post Office Box 466
Albuquerque, New Mexico