

*Case 1415*

*Oil & Gas*

*Mr. J. E. Hearn*

MAIN OFFICE 900

1958 MAR 10 AM 8:10

*Vacuum Pool*

*San Andres*

*Vacuum - Yates*

*Pool*

**PHILLIPS PETROLEUM COMPANY**

Hobbs, New Mexico  
March 3, 1958

In re: Application to Dually Complete and Commingle Crudes in Common Storage, Phillips Petroleum Company Santa Fe Lease Well No. 18, Yates Oil and San Andres Oil Pools, Lea County, New Mexico

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

Gentlemen:

By this letter of application Phillips Petroleum Company wishes to state the following:

- (a) That Phillips Petroleum Company's Santa Fe Well No. 18, located in the NW/4 NE/4 of Section 34-17S-35E, was completed on January 27, 1939, at a total depth of 4550'. The attached Exhibit "A" shows the location of this well on the Phillips Petroleum Company Santa Fe lease together with the location of all offset wells. The attached Exhibit "B" shows a diagrammatic sketch of the proposed dual completion.
- (b) That subject well has 7" casing set at 4185' and cemented with 400 sacks of cement. The well is currently producing oil from the open hole section 4185' to 4550' from the San Andres formation in the Vacuum Pool.
- (c) That the applicant proposes to dually complete the well in the following manner:
  - (1) Perforate the 7" casing within the approximate interval of 3050' - 3150' in the Yates formation in the Vacuum - Yates Pool.
  - (2) Set production type packer below these perforations at approximately 4175' to separate the two pay zones.
  - (3) Produce oil from the San Andres formation through tubing extending through the production packer and oil from the Yates formation through a second tubing string suspended in the annulus between the lower tubing string and casing.

*much lower string*

- (d) That the dual completion of the well in the above described manner is mechanically feasible and practical and is in the interest of conservation and the protection of correlative rights.
- (e) That the applicant will comply with all rules and regulations of the New Mexico Conservation Commission to maintain separation of production from the two pay zones.
- (f) That applicant has mailed a copy of this application to the following offset operators:

Cities Service Oil Company  
Box 97  
Hobbs, New Mexico

Shell Oil Company  
Box 1957  
Hobbs, New Mexico

Magnolia Petroleum Company  
Box 2406  
Hobbs, New Mexico

Standard Oil Company of Texas  
Bin "B"  
Royalty, Texas

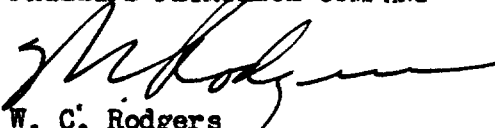
Application is also made to commingle Yates and San Andres crudes in common storage. Yates oil will be produced and measured through a metering separator that incorporates a cyclic type dump meter. San Andres oil production will be determined by deducting the metered Yates oil from the total gauged production.

Therefore, Phillips Petroleum Company requests that the Oil Conservation Commission grant a hearing on this application to dually complete the subject well and commingle Yates and San Andres crudes in common storage.

I hereby certify that the information given above is true and complete to the best of my knowledge.

Respectfully submitted,

PHILLIPS PETROLEUM COMPANY

  
W. C. Rodgers  
District Superintendent  
Production Department

WWP:js  
Attach (2)

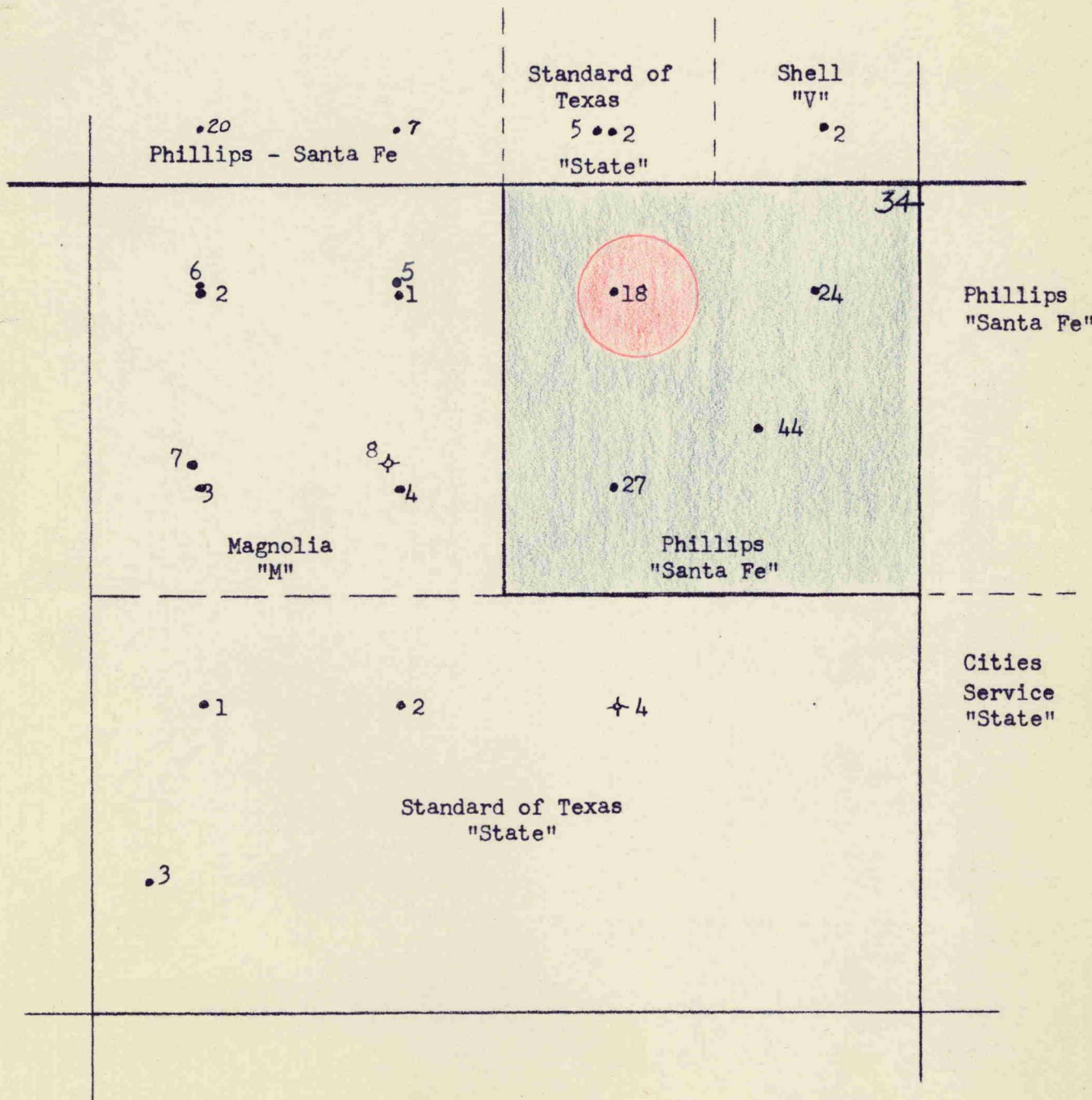
Sworn to and subscribed before me this the 4th day of March, 1958.

MY COMMISSION EXPIRES AUGUST 28, 1961

My Commission Expires \_\_\_\_\_

  
Notary Public

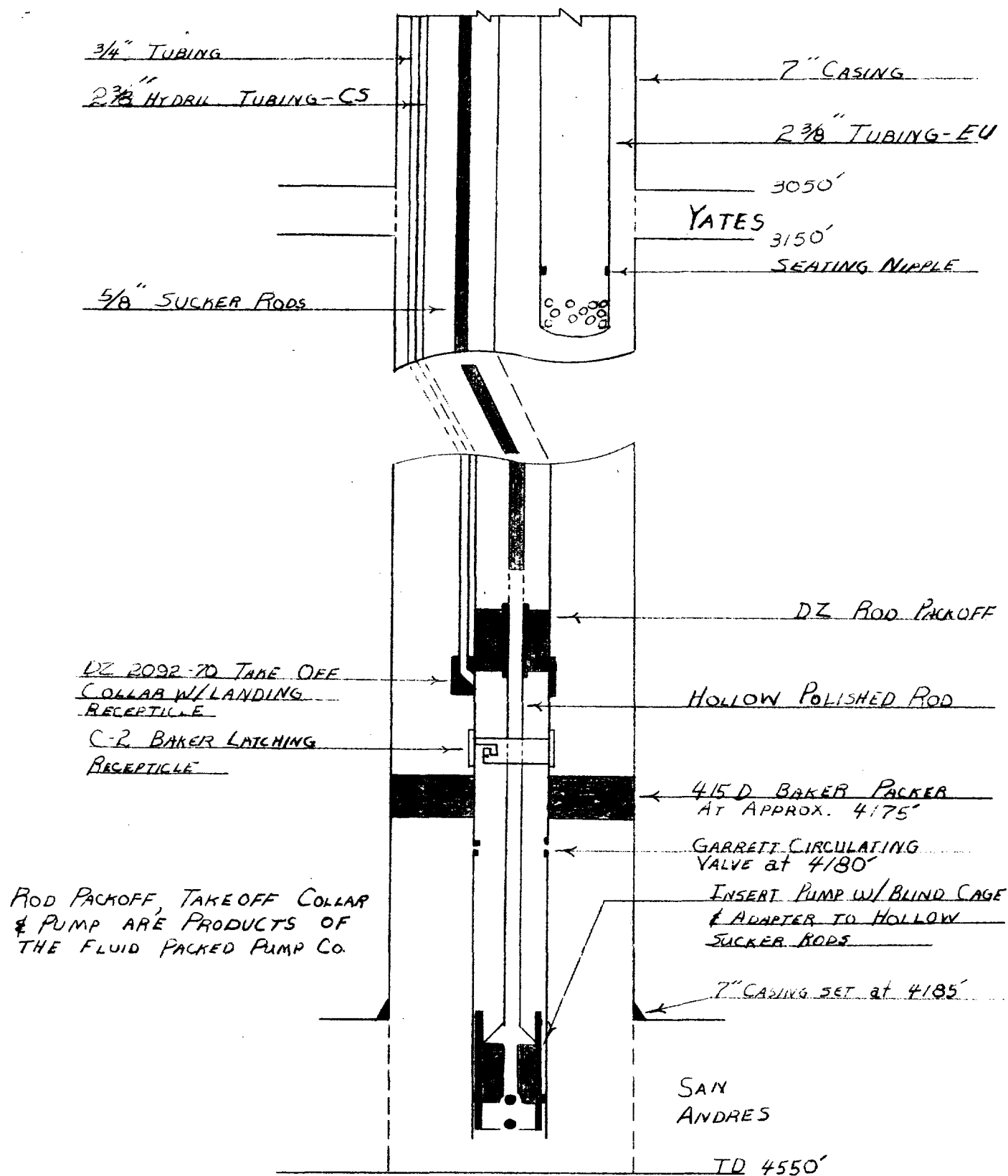
# EXHIBIT "A"



## BARTLESVILLE, OKLAHOMA

Phillips Petroleum Company - Santa Fe Lease  
NE/4, Sec. 34, R-35-E, T-17-S, Lea County, New Mexico

DRAWN 2-26-58	<i>BBB</i>	REVISION	BY	DATE	AFE. NO.	DWG. NO.
CHECKED					SCALE 1" = 1000'	SHEET NO.
APPROVED						



BARTLESVILLE, OKLAHOMA

PROPOSED DUAL COMPLETION  
 SANTA FE WELL No. 18  
 LEA COUNTY, NEW MEXICO

DRAWN 12-13-57 WWP	REVISION	BY	DATE	AFE. NO.	DWG. NO.
CHECKED 3-3-57 7607				SCALE	SHEET NO.
APPROVED					

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. 1337  
Order No. R-1093

APPLICATION OF GULF OIL CORPORATION  
FOR APPROVAL OF A LEASE AUTOMATIC  
CUSTODY TRANSFER SYSTEM TO RECEIVE  
AND MEASURE THE PRODUCTION FROM MORE  
THAN EIGHT WELLS AND FOR PERMISSION  
TO COMMINGLE THE OIL PRODUCED FROM  
THE MCKEE AND ELLENBURGER POOLS  
UNDERLYING SAID LEASE IN LEA COUNTY,  
NEW MEXICO, AND FOR PERMISSION TO  
PRODUCE THE WELLS ON SAID LEASE IN  
EXCESS OF THE MONTHLY ALLOWABLE  
TOLERANCE FOR A LIMITED PERIOD OF  
TIME.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on November 14, 1957, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 27th., day of November, 1957, the Commission, a quorum being present, having considered the application and the evidence adduced, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That Gulf Oil Corporation is the owner and operator of all producing rights below 3,800 feet on the Learcy McBuffington Lease which consists of the S/2 of Section 13, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the McKee and the Ellenburger formations underlying the aforementioned Learcy McBuffington Lease are productive of oil, and that the applicant expects to fully develop said lease in both of said formations.

(4) That the applicant proposes to install automatic production and testing facilities on said lease for each of the aforementioned formations, and further, to commingle the production from said formations after

it has been metered by means of dump-type oil meters, and to transfer the custody of all such oil to the purchaser by means of a positive displacement meter.

(5) That the applicant amended its application at the hearing to delete that portion wherein permission was requested to produce the wells on the above-described lease in excess of the monthly allowable tolerance.

(6) That if the said Learcy McBuffington Lease is fully developed there will be more than eight wells producing into the system.

(7) That the metering system proposed by the applicant will provide an accurate and reliable means for measuring the amount of oil produced from each formation, provided the meters are periodically checked for accuracy.

(8) That the previous use of automatic equipment, similar to that proposed by the applicant has shown that such equipment is a reliable and economic means of measuring and transferring the custody of oil and that the use of such equipment should be permitted.

(9) That the applicant should be permitted to install and operate the automatic equipment in the manner proposed and to commingle the production from the McKee formation and the Ellenburger formation after said production has been measured, provided that each of the meters in the system is periodically checked for accuracy.

(10) That the system should be so equipped as to prevent the undue waste of oil or gas in the event of malfunction or line break.

(11) That the system should be so equipped as to permit the testing of each well in the system at least once a month.

IT IS THEREFORE ORDERED:

(1) That the applicant, Gulf Oil Corporation, be and the same is hereby authorized to install central production and test facilities utilizing dump-type oil meters, and automatic custody transfer equipment utilizing a positive displacement meter, to receive the production from all wells completed in the McKee formation and the Ellenburger formation on the following described lease:

LEARCY McBUFFINGTON LEASE

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM  
Section 13: S/2

all in Lea County, New Mexico.

FURTHER, That the applicant be and the same is hereby authorized to commingle the production from the McKee formation and the Ellenburger formation underlying the above-described lease after such production has been separately metered through the central production and test facilities.

PROVIDED HOWEVER, That each well connected to the above-described system shall be individually tested at least once a month.

PROVIDED FURTHER, That each dump-type meter and positive displacement meter in the above-described system shall be checked for accuracy at intervals and in a manner satisfactory to the Commission.

PROVIDED FURTHER, That the above-described system shall be so equipped as to prevent the undue waste of oil or gas in the event of malfunction or line break.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

MURRAY E. MORGAN, Member

A. L. PORTER, Jr., Member & Secretary

S E A L

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