

GILBERT, WHITE AND GILBERT
ATTORNEYS AT LAW
SANTA FE, NEW MEXICO

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN RE MATTER OF THE APPLICATION OF
ZAPATA PETROLEUM CORPORATION FOR
PERMISSION TO COMINGLE IN COMMON
STORAGE FLUID HYDROCARBONS PRODUCED
FROM ELEVEN WELLS SITUATE ON APPLI-
CANT'S NON-CONFORMING NINE STATE
LEASES SITUATE IN SECTIONS 20, 26, 28
AND 29, TOWNSHIP 17 SOUTH, RANGE 35
EAST, AND IN SECTIONS 4 AND 5, TOWN-
SHIP 18 SOUTH, RANGE 35 EAST, LEA
COUNTY, NEW MEXICO, AS AN EXCEPTION
TO OCC RULE 309.

Case No. 1534

APPLICATION

TO: The Oil Conservation Commission of the State of New Mexico:

Comes now Zapata Petroleum Corporation and makes application for an
Order granting an exception to OCC Rule 309 permitting Applicant to comingle
in common storage fluid hydrocarbons to be produced from eleven of its wells
in the Vacuum Pool and in support of said Application respectfully shows:

1. Petitioner is the common owner and operator of the following State
Leases situate in Lea County, New Mexico, viz:

<u>Identification</u>	<u>Description</u>	<u>Lease Number</u>
1	NE $\frac{1}{4}$ NE $\frac{1}{4}$, Sec 28 T.17 S. R.35 E.	B-2224
2	SE $\frac{1}{4}$ NW $\frac{1}{4}$, Sec 28 T.17 S. R.35 E.	B-2498
3	N $\frac{1}{2}$ SE $\frac{1}{4}$, Sec 20 T.17 S. R.35 E.	B-2388
4	NW $\frac{1}{4}$ NE $\frac{1}{4}$, Sec 29 T.17 S. R.35 E.	B-2073
5	NE $\frac{1}{4}$ NW $\frac{1}{4}$, Sec 29 T.17 S. R.35 E.	B-1501
6	NE $\frac{1}{4}$ SE $\frac{1}{4}$, Sec 26 T.17 S. R.35 E.	B-1608
7	SE $\frac{1}{4}$ SE $\frac{1}{4}$, Sec 26 T.17 S. R.35 E.	B-2073
8	S $\frac{1}{2}$ NE $\frac{1}{4}$, Sec 5 T.18 S. R.35 E.	B-2073
9	SW $\frac{1}{4}$ NW $\frac{1}{4}$, Sec 4 T.18 S. R.35 E.	B-2131

Flat showing the location of the subject Leases and the names of the off-set
operators is attached hereto as EXHIBIT A and to which reference is hereby

made.

2. That the plan of development contemplates the drilling of a well upon each of the following locations:

NE $\frac{1}{4}$ NE $\frac{1}{4}$, Sec 28, T.17 S. R.35 E., State Lease No. B-2224

SE $\frac{1}{4}$ NW $\frac{1}{4}$, Sec 28, T.17 S. R.35 E., State Lease No. B-2498

NW $\frac{1}{4}$ SE $\frac{1}{4}$, Sec 20, T.17 S. R.35 E., State Lease No. B-2388

NE $\frac{1}{4}$ SE $\frac{1}{4}$, Sec 20, T.17 S. R.35 E., State Lease No. B-2388

NW $\frac{1}{4}$ NE $\frac{1}{4}$, Sec 29, T.17 S. R.35 E., State Lease No. B-2073

NE $\frac{1}{4}$ NW $\frac{1}{4}$, Sec 29, T.17 S. R.35 E., State Lease No. B-1501

NE $\frac{1}{4}$ NE $\frac{1}{4}$, Sec 26, T.17 S. R.35 E., State Lease No. B-1608

SE $\frac{1}{4}$ SE $\frac{1}{4}$, Sec 26, T.17 S. R.35 E., State Lease No. B-2073

SW $\frac{1}{4}$ NE $\frac{1}{4}$, Sec 5, T.18 S. R.35 E., State Lease No. B-2073

SE $\frac{1}{4}$ NE $\frac{1}{4}$, Sec 5, T.18 S. R.35 E., State Lease No. B-2073

SW $\frac{1}{4}$ NW $\frac{1}{4}$, Sec 4, T.18 S. R.35 E., State Lease No. B-2131

That production from said wells is expected to be obtained from the same zone at the approximate depth of 4800 feet. That said development will be undertaken and accomplished by the Applicant as operator thereof.

3. That in order to provide adequate lease storage for the production that is anticipated from these locations without duplicating facilities for individual wells, the Petitioner proposes to commingle the production from the separate Leases into common tank batteries as more fully detailed on EXHIBIT B attached hereto and to which reference is hereby made.

4. That because of the common interest in and the ownership of the wells upon the basic Leases and the economic savings that can be obtained from such common tanks an Order granting an exception to OCC Rule 309 will be proper in the premises; that Applicant stands ready, willing and agreeable to provide and install such equipment as the Commission may deem necessary to accurately determine the production from each of the aforesaid wells at reasonable times and intervals.

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1 WHEREFORE, applicant prays that this matter be set down for hearing
2 before the Commission or one of its examiners, that due and proper notice be
3 given in accordance with law and that an Order issue upon such terms and con-
4 ditions as may be just and reasonable in the premises.

6 ZAPATA PETROLEUM CORPORATION

7 By GILBERT, WHITE AND GILBERT

8 By 
9 One of its Attorneys

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