

JANUARY 1957

JAN 17 AM 10 57

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

Application of TIDEWATER OIL COMPANY
to Commingle Production from the Ellenburger,
McKee, Fusselman, Montoya, and Other Pools
After Having Measured Such Production by Use
of Meters and Not in Tankage, and for an
Exception to Rule 309 of the Commission;
and, Further, to Commingle Production from
the Drinkard Pool with Production from Other
Pools, and for an Exception to Rule 309,
the Above Production Being from the
Applicant's Coates "C" Lease, Covering E $\frac{1}{2}$,
and SE $\frac{1}{4}$ NW $\frac{1}{4}$ and NE $\frac{1}{4}$ SW $\frac{1}{4}$, Section 24, Township
25 South, Range 37 East, N.M.P.M., Lea
County, New Mexico.

APPLICATION

1. Tidewater Oil Company hereby applies for authority and for an Order permitting it to commingle production from its lease known as the Coates "C" Lease, the same being a Federal lease covering the E $\frac{1}{2}$ and SE $\frac{1}{4}$ NW $\frac{1}{4}$ and NE $\frac{1}{4}$ SW $\frac{1}{4}$, Section 24, Township 25 South, Range 37 East, Lea County, New Mexico; also to include production from other leases which may be commingled with the Coates "C" production by approval of the Commission. The production from the Coates "C" Lease to be so commingled is from the following Pools: Ellenburger, McKee, Fusselman, Montoya, and from other pools encountered upon the same Lease in the future which produce intermediate grade crudes. The production will be commingled after having been separately metered but not having been measured in tankage.

2. The applicant further wishes authority and an Order permitting it to commingle production from the Drinkard Pool upon the same Lease described above with production from other pools which may hereafter be encountered upon the same Lease which produce sour

Docket Mailed
11-5-58 BP

crudes or with such production from other leases commingled with Coates "C" production as may be approved by the Commission. This commingling will be made after the measurement of such production by meters and not having been measured in tankage.

3. The applicant shows the Commission that on the subject Lease, it has wells producing from each of the five Pools named above. The oil produced from the Ellenburger, McKee, Fusselman and Montoya Pools, as to quality, is classified as an intermediate grade crude. The gravities from each of the Pools varies slightly. There is no objection on the part of the purchaser to the commingling of the crudes insofar as gravity or quality is concerned.

The production on the subject Lease from the Drinkard Pool is classified as sour crude as to quality, and consequently it is not now anticipated that this crude will be commingled with any other crudes now being produced from the subject Lease, but will be commingled with other sour crudes in the event that such crudes are encountered on this Lease.

4. The applicant proposes that the flow lines from the existing and future wells on this Lease conduct the production to a central facility where there will be installed separate conventional type separators for production from each of the Pools, and at which point there will be installed separate meters for production from each of the Pools. These meters will be dump-type meters of a brand or type in general use. There will also be installed at this location test circuit facilities to include test separators of a type in general use and necessary manifolds to return the flow from the test circuit to the proper lines at a point between the individual separators and the individual meters. The production, after separate metering, will be commingled as indicated in Paragraphs 2 and 3

above and will be connected to the automatic custody transfer equipment located on this Lease which has heretofore been approved by the Commission.

5. To handle gas, the central facilities will also include necessary connections between the individual pool separators and the gas purchasers' connections on the Lease. These connections will be so arranged that the gas may be separately measured.


6. The facilities will be so constructed that in the event water is produced in any of the pools on the Lease in the future, it may be properly separated and handled.

7. An individual circuit with separators and meters will be provided for production from the Drinkard Pool, with connections for any future production from any other pool on the Lease of crude which is classified as sour crude.

8. As indicated above in this application, the proposed facilities will be such that oil will be transported from the Lease not having been received and measured in tanks located on the Lease as required by Rule 309 of the Commission; furthermore, production from more than eight units will be conducted into common facilities and commingled.

WHEREFORE, Applicant requests that this matter be set down for hearing, and that this application be granted.

TIDEWATER OIL COMPANY

By 
Its Attorney.