

Case 1554

*exam hearing*

BEFORE THE OIL CONSERVATION COMMISSION OF  
THE STATE OF NEW MEXICO

IN RE MATTER OF THE TEXAS COMPANY  
FOR PERMISSION TO COMINGLE IN COMMON  
STORAGE FLUID HYDROCARBONS PRODUCED  
FROM FIVE OF ITS NAVAJO ALLOTTEE  
LEASES LOCATED IN THE NW $\frac{1}{4}$ , SW $\frac{1}{4}$  SECTION  
14; NE $\frac{1}{4}$ , SE $\frac{1}{4}$  SECTION 15; NW $\frac{1}{4}$  SECTION 23,  
TOWNSHIP 25 NORTH, RANGE 11 WEST, SAN  
JUAN COUNTY, NEW MEXICO, AND TO INSTALL  
A L.A.C.T. SYSTEM, AS AN EXCEPTION TO  
OCC RULE 309.

RECORDED IN 1554

FILED OCT 14 PM 1:54  
OCC OFFICE 003

APPLICATION

TO: THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

Comes now The Texas Company and makes application for an Order granting  
an exception to OCC Rule 309 permitting Applicant to comingle in and sell  
from common storage fluid hydrocarbons through a Lease Automatic Custody  
Transfer System from the following leases situate within Township 25 North,  
Range 11 West, N.M.P.M., San Juan County, New Mexico:

<u>Lease Name</u>	<u>Location</u>
Navajo Allottee	NW $\frac{1}{4}$ Section 14
Navajo Allottee "T"	SW $\frac{1}{4}$ Section 14
Navajo Allottee	NE $\frac{1}{4}$ Section 15
Navajo Allottee "O"	SE $\frac{1}{4}$ Section 15
Navajo Allottee "M"	NW $\frac{1}{4}$ Section 23

That the Applicant as common owner and operator of the aforementioned  
leases has presently completed in the Bisti (Lower Gallup) Oil Pool the  
following wells, viz:

Navajo Allottee "O" No. 1 SW $\frac{1}{4}$ SW $\frac{1}{4}$  Section 15  
Navajo Allottee "T" No. 1 SW $\frac{1}{4}$ SW $\frac{1}{4}$  Section 14  
Navajo Allottee "M" No. 1 SW $\frac{1}{4}$ NW $\frac{1}{4}$  Section 23  
Navajo Allottee "M" No. 2 SE $\frac{1}{4}$ NW $\frac{1}{4}$  Section 23

Plat showing the location of the subject leases, the presently completed

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

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1 wells, and the names of the off-set operators so far as known by this  
2 Applicant is attached hereto as EXHIBIT A, and to which reference is hereby  
3 made.

4 That in order to provide adequate lease storage for the production  
5 anticipated from these locations without duplicating facilities and equip-  
6 ment for each individual well the Applicant proposes to continuously meter  
7 the production from each lease prior to comingling the production in common  
8 storage.

9 Applicant seeks an exception to OCC Rule 309, by reason of the diverse  
10 royalty interests involved, and permission to operate on an unattended  
11 basis a LACT System to serve the subject leases; Applicant is willing,  
12 ready, and able to provide and install such equipment as the Commission may  
13 deem necessary to accurately determine the production from each well at  
14 reasonable times and intervals.

15 WHEREFORE, Applicant prays that this matter be set down for hearing  
16 before this Commission, or one of its Examiners; that notice thereof be  
17 given in accordance with law, and that the subject Order issue upon such  
18 terms and conditions as may be just and reasonable in the premises.

19 THE TEXAS COMPANY

20 By GILBERT, WHITE AND GILBERT

21 By *Louie P. Gilbert*  
22 One of its Attorneys  
23 P. O. Box 787  
24 Santa Fe, New Mexico  
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