BEFORE THE OIL CONSERVATION COMMISSION OF

THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF SINCLAIR OIL & GAS COMPANY FOR AN ORDER (A) PERMITTING AND AUTHORIZING THE COMMINGLING OF OIL INTO COMMON STORAGE PRODUCED FROM THE PENROSE SKELLY POOL AND THE PADDOCK POOL AND (B) PERMITTING AND AUTHORIZING THE COMMINGLING OF OIL INTO COMMON STORAGE PRODUCED FROM THE HARE POOL, THE DRINKARD POOL AND THE TUBB GAS POOL FROM WELLS LOCATED ON APPLICANT'S R. L. BRUNSON LEASE, CONSISTING OF ~~the~~ NW⁴ of the SW⁴ of sec 3, and ~~the~~ THE W/2 OF THE SE/4 OF SECTION 4, TWP 22 SOUTH, RGE. 37 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO

CASE NO. 719

ORDER NO. ____

A P P L I C A T I O N

Sinclair Oil & Gas Company, a Maine corporation with an operating office in Midland, Texas, hereby files its application herein, in triplicate, and represents the following:

I.

Applicant is the owner and operator of its R. L. Brunson Lease consisting of patented land and described as the NW⁴SW⁴ of sec. 3 and the W/2 of the SE/4 of Section 4, Twp. 22 South, Rge. 37 East, N.M.P.M., Lea County, New Mexico. Said lease is productive of sour type crudes produced from the Penrose Skelly Pool and the Paddock Pool and is productive of sweet type crudes produced from the Hare Pool, the Drinkard Pool and the Tubb Gas Pool.

II.

Applicant seeks permission and authority, as an exception under Rule 303, for the commingling of the sour type crudes into common storage which are produced from the Penrose Skelly Pool and the Paddock Pool in wells located on the lease, and for the commingling of the sweet type crudes into common storage which are produced from the Hare Pool, the Drinkard Pool and the Tubb Gas Pool in wells located on the lease. The common storage for the sour type crudes will be separate from the common storage for the sweet type crudes. Adequate

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facilities, either positive displacement meters or dump type metering vessels, will be provided to insure at all times accurate determination of the production from the separate pools which may be commingled into common storage.

III.

Applicant believes and, therefore, alleges, that the commingling of such production into common storage is mechanically feasible and that the same will not adversely affect correlative rights and is in the interest of prevention of waste.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner at Santa Fe, New Mexico, at the earliest convenience; that notice be given hereon and that upon such hearing authority and permission be granted to applicant for the commingling of production from the separate pools located on said lease.

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