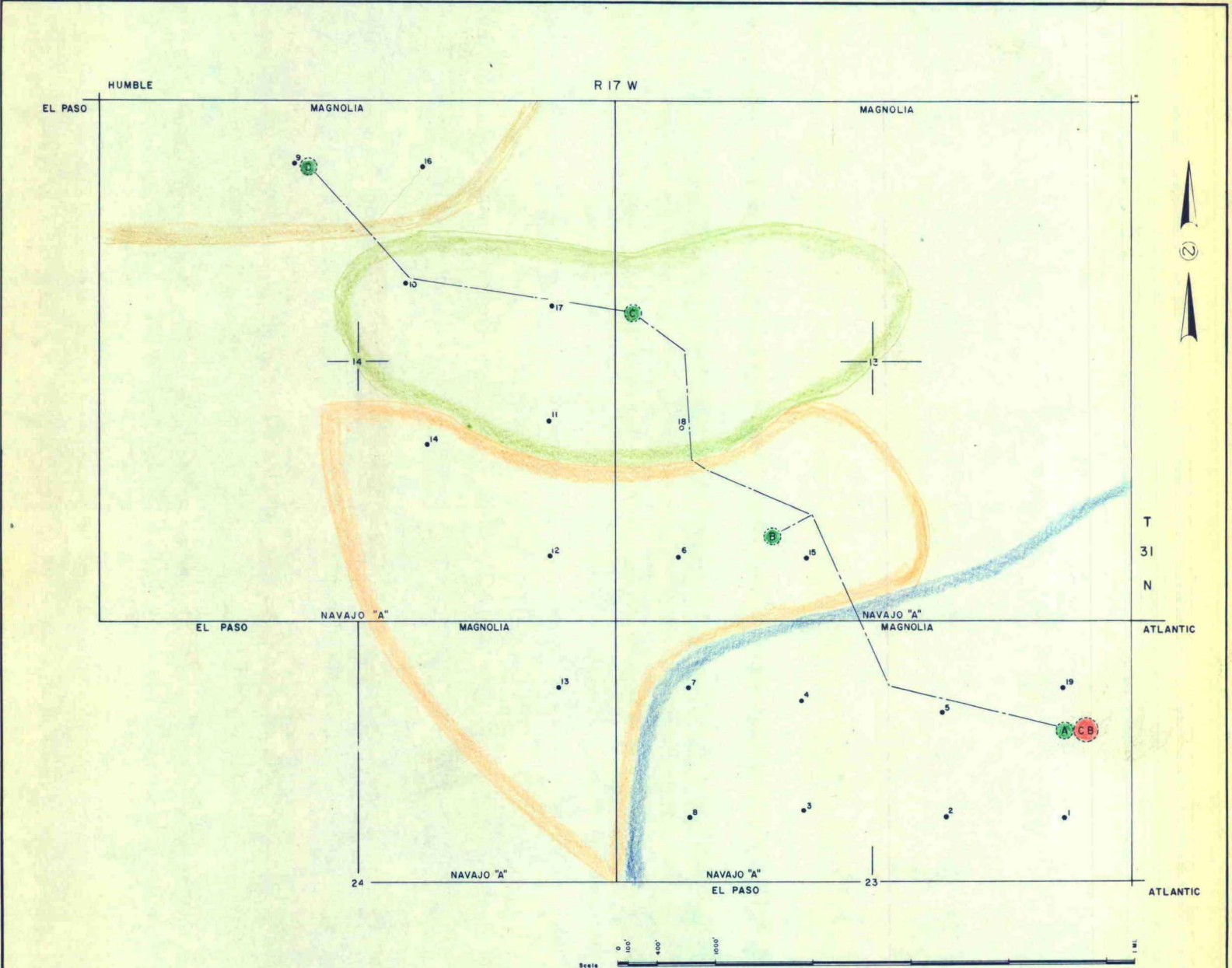


18 wells now
expect total of 24

1760 acres
1000 to 1600'
deep.
variation due
to surface
elevations



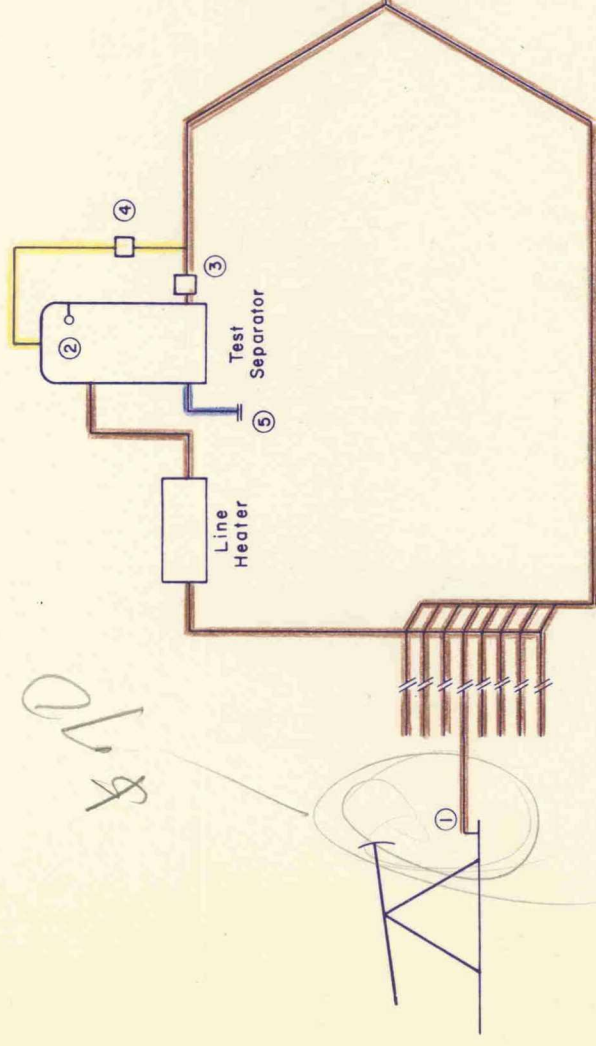
- LEGEND
- Test Station
 - Central Battery
 - Gathering System

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
Mag EXHIBIT NO. 1
CASE NO. 1748

<p align="center">Exhibit I</p> <p>MAGNOLIA PETROLEUM COMPANY</p> <p>PETROLEUM ENGINEERING DEPARTMENT</p> <p>Leo District West Texas Division</p> <p align="center">NAVAJO "A" LEASE</p> <p align="center">Proposed Lease Production Facilities</p> <p align="center">Horseshoe Gallup Field</p> <p align="center">San Juan County, New Mexico</p>		<p>Scale</p> <p>Date 8-12-58</p> <p>Drawn J.C.G.</p> <p>Checked J.C.G.</p> <p>Approved J.C.G.</p> <p>Prepared J.C.G.</p>
---	--	--

WELL

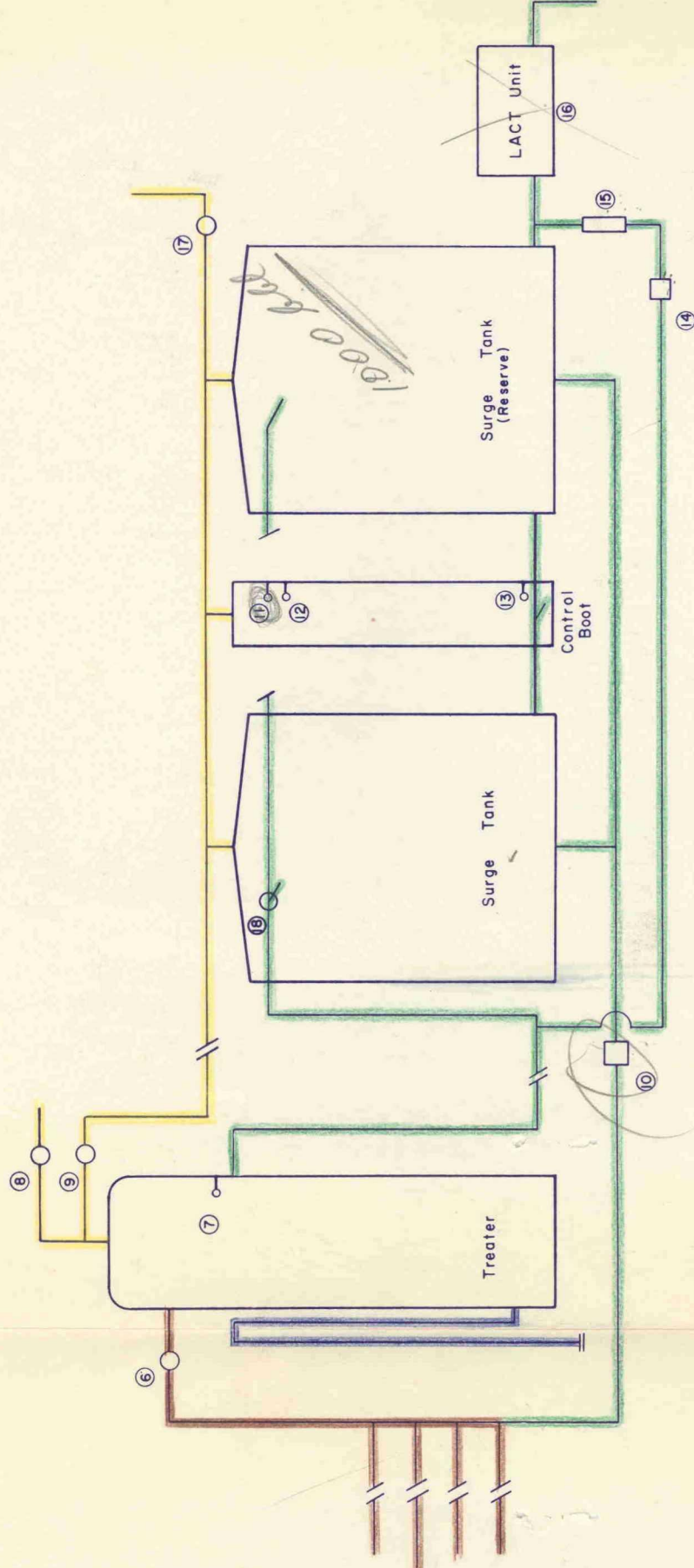
TEST STATION



- ### 1. High - Low Pressure Well Shut-In Controls

2. High Level Control
3. Oil Test Meter — Dump Type
4. Gas Test Meter
5. Water Dump, Blanked Off

CENTRAL FACILITIES



6. Automatic Test Station / Shut-Off, Float Switch
7. High Level Lease Shut-Down Control, Float Switch
8. Back Pressure Regulator
9. Pressure Regulator — Vapor Supply
10. Bottom Recirculating Pump
11. High Level Lease Shut-Down Control
12. High Level Pipeline Pump Start Control

- | | | | |
|-----|---|--------|------|
| 13. | Low Level Pipeline Control | Pump | Stop |
| 14. | Constant Monitor | Supply | Pump |
| 15. | BS & W Monitor | | |
| 16. | Positive Displacement Type Meter With Accessories | | |
| 17. | Pressure Vent Relief | | |
| 18. | Surge Tank Diverting Valve | | |

COLOR CODE

A vertical cross-section of a wellbore. The wellbore is a central vertical cylinder. It is divided into four horizontal layers. From top to bottom, the layers are labeled: Oil (green), Gas (yellow), Water (blue), and Well Fluid (brown). The layers are stacked vertically, with Oil at the top, followed by Gas, then Water, and Well Fluid at the bottom.

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
moq EXHIBIT NO. 2
CASE NO. 1748

Exhibit II

MAGNOLIA PETROLEUM COMPANY
PETROLEUM ENGINEERING DEPARTMENT

Leo District West Texas Division

NAVAJO "A" LEASE

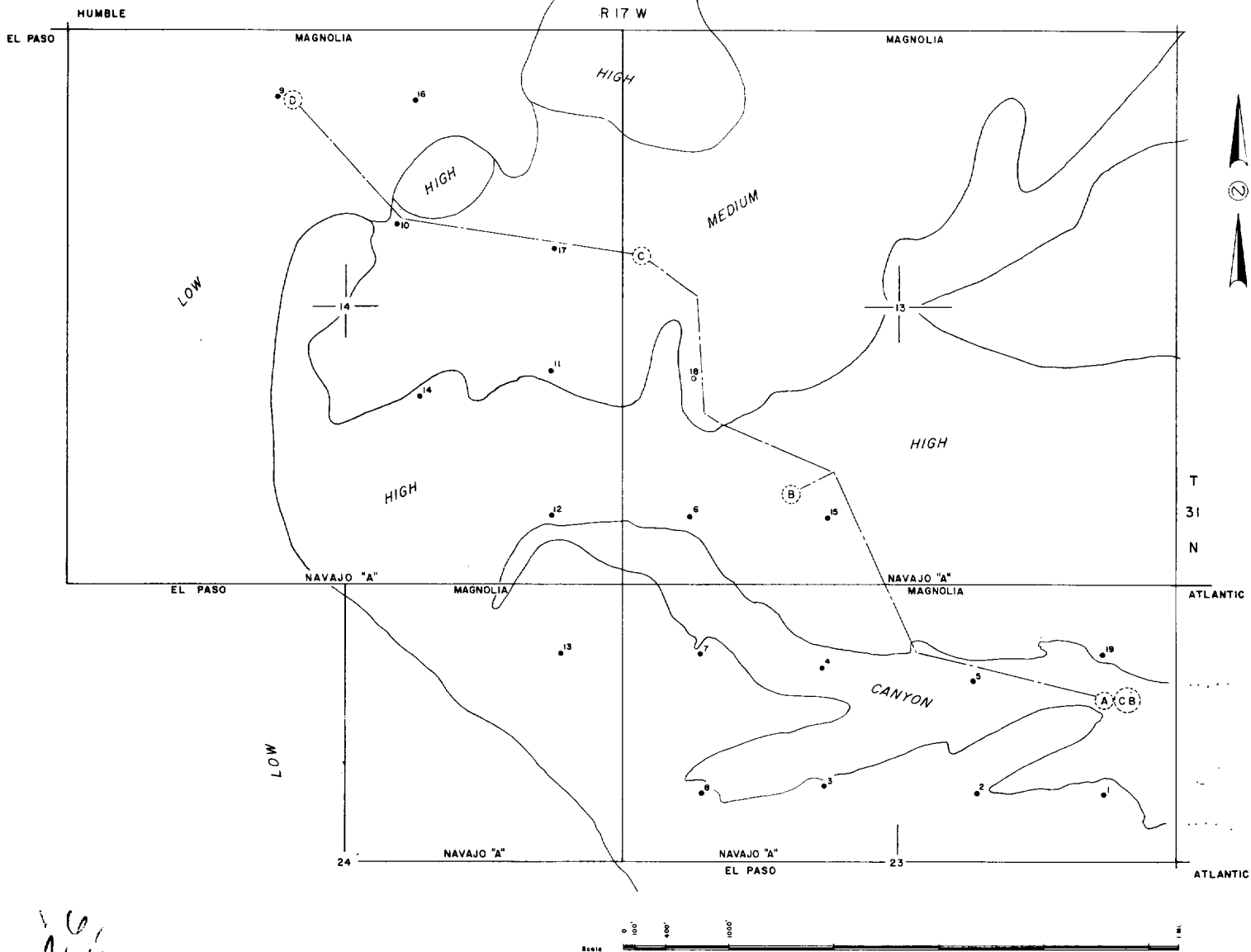
Facilities For Automatic Custody Transfer And To Produce More Than Sixteen Wells Into A Common Tank Battery

Date	8-13-59
Drawn	B.J.B
Checked	JCG
Approved	gdb
Prepared	H.J.R

3
 54
 18

 433
 54

 972



16
 25
 15

 40
 42

 57

LEGEND

- (A) Test Station
- (CB) Central Battery
- Gathering System

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
 Mag EXHIBIT NO. 3
 CASE NO. 1748

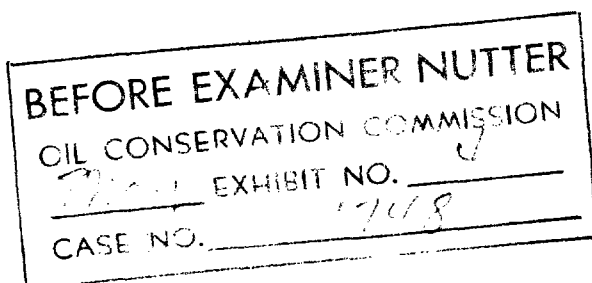
Exhibit III		Scale
MAGNOLIA PETROLEUM COMPANY		
PETROLEUM ENGINEERING DEPARTMENT		
Leo District West Texas Division		
NAVAJO "A" LEASE		
TOPOGRAPHICAL MAP		
Horseshoe Gallup Field		
San Juan County, New Mexico		
Date	8-12-55	
Drawn	J.C.B.	
Checked	J.C.B.	
Approved	J.C.B.	
Prepared	J.C.B.	

EXHIBIT IV

COMPARATIVE COST ESTIMATES
CONVENTIONAL FACILITIES COMPARED TO
CENTRALIZED FACILITIES

Magnolia Petroleum Company
Navajo "A" Lease
Horseshoe Gallup Field
San Juan County, New Mexico

Item	Costs	
	Conventional	Centralized
Flowlines	\$ 60,000	\$ 60,000
Tank Batteries	60,000	22,000
Test Facilities	6,000	12,000
Gathering System	31,000	31,000
TOTAL	\$ 157,000	\$ 125,000
SAVINGS		\$ 32,000



Case 1748

MAIN OFFICE OCC
MODRALL, SEYMOUR, SPERLING, ROEHL & HARRIS

LAW OFFICES OF

SIMMS BUILDING

P. O. BOX 466

ALBUQUERQUE, NEW MEXICO

TELEPHONE CHAPEL 3-4514

July 24, 1959

JOHN F. SIMMS (1885-1954)

J. R. MODRALL
AUGUSTUS T. SEYMOUR
JAMES E. SPERLING
JOSEPH E. ROEHL
GEORGE T. HARRIS
DANIEL A. SISK
DEAN P. KIMBALL
LELAND S. SEDBERRY
BURNS H. ERREBO
ALLEN C. DEWEY

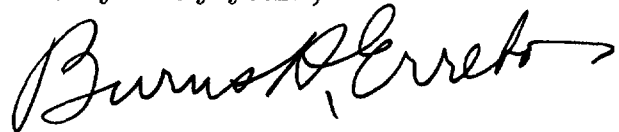
1959 JUL 27 AM 8:32

Oil Conservation Commission
Santa Fe, New Mexico

Gentlemen:

Enclosed herewith in triplicate is Application of Magnolia Petroleum Company for Exception to Statewide Rule 309 requiring the 16 well limitation and also for permission to install Automatic Custody Transfer on its Navajo "A" lease, Horseshoe-Gallup oil pool, San Juan County, New Mexico. We would appreciate your setting this for hearing on the August 19 Examiners' Docket.

Very truly yours,



Burns H. Errebo

Lochelt
mailed
8-4-59
DH

ORIGINAL 300
JUL 14 11 01 32

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF MAGNOLIA PETROLEUM COMPANY FOR
EXCEPTION TO STATEWIDE RULE 309
TO ~~PERMIT PRODUCTION OF MORE THAN
SIXTEEN OIL WELLS INTO A COMMON TANK~~
BATTERY AND TO ALLOW LEASE AUTOMATIC
CUSTODY TRANSFER OF PRODUCTION FROM
~~ITS NAVAJO "A" LEASE,~~ HORSESHOE-
GALLUP OIL POOL, SAN JUAN COUNTY,
NEW MEXICO

CASE NO. 1748

APPLICATION

Comes now Magnolia Petroleum Company and respectfully alleges
and states as follows:

(1) That it is the owner and operator of an oil and gas
lease known as its Navajo "A" lease in the Horseshoe-Gallup
oil pool, San Juan County, New Mexico, comprising the following
described acreage:

Township 31 North, Range 17 West, N.M.P.M.

Section 13: All

Section 14: All

Section 23: NE $\frac{1}{4}$

Section 24: N $\frac{1}{2}$

doesn't match exhibit #1

(2) That Applicant anticipates that in its development
of said lease, more than sixteen oil wells will be drilled
thereon, but that all of said wells can be efficiently produced
into a common tank battery.

(3) That Applicant proposes to install a lease automatic
custody transfer system for the production from Horseshoe-Gallup
oil pool wells on said lease which will result in the efficient
handling of oil and gas produced therefrom.

WHEREFORE Applicant prays that this matter be set for hearing,
that notice be given as required by law, and that upon the evidence
adduced at said hearing, Applicant be granted the relief sought
and such other relief as may be indicated therein.

MAGNOLIA PETROLEUM COMPANY

BY MODRALL, SEYMOUR, SPERLING, ROEHL & HARRIS

Burns H. Errebo

By Burns H. Errebo
1200 Simms Building
Albuquerque, New Mexico