J. M. HERVEY 1874-1953 HIRAM M. DOW HIRAM M. DOW
CLARENCE E. HINKLE
W. E. BONDURANT, JR.
GEORGE H. HUNKER, JR.
HOWARD C. BRATTON
S. B. CHRISTY IV
LEWIS C. COX, JR. PAUL W. EATON, JR. ROBERT C. BLEDSOE

LAW OFFICES HERVEY, DOW & HINKLE

HINKLE BUILDING

ROSWELL, NEW MEXICO

October 27, 1959

ELEPHONE MAIN 2-6510 POST OFFICE BOX 547

Mr. A. L. Porter, Jr. New Mexico Oil Conservation Commission P. O. Box 871 Santa Fe, New Mexico

Dear Sir:

On behalf of The Atlantic Refining Company, enclosed please find an Application to commingle the production from several pools underlying three separate leases in Lea County, New Mexico.

I would appreciate it if you would file this Application and set it down for hearing before an Examiner at the first available hearing.

Very truly yours,

HERVEY, DOW & HINKLE

HCB:db

cc: Mr. A. B. Tanco

The Atlantic Refining Company

P. O. Box 2819

Dallas, Texas cc: Mr. Phil Tomlinson

The Atlantic Refining Company

P. O. Box 6640 Roswell, New Mexico

Decas Middled 7202 12, 1959

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

APPLICATION OF THE ATLANTIC REFINING COMPANY FOR PERMISSION TO COMMINGLE THE PRODUCTION FROM SEVERAL SEPARATE OIL POOLS UNDER-LYING SEVERAL SEPARATE LEASES IN LEA COUNTY, NEW MEXICO

CASE NO. 18

TO: THE NEW MEXICO OIL CONSERVATION COMMISSION Santa Fe, New Mexico

Comes now the undersigned, The Atlantic Refining Company, and hereby makes application to commingle the production of oil produced from separate pools underlying its Langlie Federal Lease, Langlie Federal "A" Lease, and Langlie Federal "B" Lease located in Lea County, New Mexico, and embracing the following described lands situated in said county, to-wit:

Township 25 South, Range 37 East, N.M.P.M.

Section 14 - $NE_{\frac{1}{4}}^{\frac{1}{2}}$ and $N_{\frac{1}{2}}^{\frac{1}{2}}SE_{\frac{1}{4}}^{\frac{1}{2}}$;

containing 240 acres, more or less:

and in support of such application respectfully shows:

- 1. The Atlantic Refining Company is the owner of the leases embraced in the following described lands:
 - (a) Langlie Federal Lease $N_{\frac{1}{2}}^{\frac{1}{2}}SE_{\frac{1}{4}}^{\frac{1}{2}}$ of Section 14, T. 25 S., R. 37 E., N.M.P.M.
 - (b) <u>Langlie Federal "A" Lease</u> $S_{\frac{1}{2}}^{\frac{1}{2}}NE_{\frac{1}{4}}^{\frac{1}{4}}$ of Section 14, T. 25 S., R. 37 E., N.M.P.M.
 - (c) Langlie Federal "B" Lease $N_{\frac{1}{2}}^{\frac{1}{2}}$ of Section 14, T. 25 S., R. 37 E., N.M.P.M.
- 2. Applicant has completed its Atlantic Langlie Federal No. 1
 Well which is a Blinebry oil well located 1650 feet FSL and 330 feet

FEL, Section 14, T. 25 S., R. 37 E., N.M.P.M.

Applicant has located a well on its Langlie Federal "A" Lease which location is 2310 feet FNL and 330 feet FEL, Section 14, T. 25 S., R. 37 E., N.M.P.M.

- That the area underlying the three above leases is contemplated to be productive from the Blinebry, Tubb and Drinkard formations, and Applicant proposes to commingle the production from said separate pools underlying the separate leases by producing the same into a common storage where the character of the crude oil produced is similar.
- That the oil produced from each separate pool underlying 4. each separate lease will be metered separately before commingling. If any well produces a crude other than the intermediate crude now obtained from the Langlie Federal No. 1 Well and contemplated to be obtained from the other pools on the lease, such different type crude will be produced into another tank battery.
- 5. The tank battery into which it is proposed to commingle the production from the several pools under the three leases is located 2540 feet FSL and 50 feet FEL, Section 14, T. 25 S., R. 37 E., N.M.P.M. A plat showing the proposed location of the tank battery, and the three leases and all wells located thereon is attached hereto as Exhibit "A".
- 6. Applicant proposes to allocate the production from each of the wells producing from the respective reservoirs on the several leases on the basis of periodic well tests made at such reasonable times as may be designated by the Commission.
- The production from the several pools under the several leases into a common tank battery will effect a considerable saving in installation and operating costs and it is believed that such installation will be in the interest of conservation and will not cause waste or violate correlative rights.

Respectfully submitted,

THE ATLANTIC REFINING COMPANY

New Mexico

Hervey, Dow & P. O. Box 547 Dow & Hinkle