

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF CARPER DRILLING COMPANY, INC. AND T. J. SIVLEY FOR AN EXCEPTION TO RULE 309 (a) OF NEW MEXICO OIL CONSERVATION COMMISSION RULES AND REGULATIONS, TO PERMIT THE COMMINGLING OF THE PRODUCTION OF OIL FROM SEPARATE STATE OF NEW MEXICO OIL AND GAS LEASES NO. B-1483, EMBRACING LOT 2, SECTION 2, AND NO. 2029, EMBRACING LOT 3, SECTION 2, BOTH IN TOWNSHIP 18 SOUTH, RANGE 27 EAST, N.M.P.M., IN A COMMON TANK BATTERY.

CASE NO. 1820

APPLICATION

COMES CARPER DRILLING COMPANY, INC. and T. J. SIVLEY in support of this Application, and respectfully state:

1. The Applicants are the owners of State of New Mexico Oil and Gas Lease B-1483, insofar as it covers Lot 2 (NW/4 NE/4) Section 2, Township 18 South, Range 27 East, N.M.P.M., and are the owners of State of New Mexico Oil and Gas Lease No. 2029, insofar as it covers Lot 3 (NE/4 NW/4) Section 2, Township 18 South, Range 27 East, N.M.P.M., both situated in Eddy County, New Mexico.

2. The Applicants are the owners of all of the working interest oil produced in the Abo Reef from their Carper-Sivley Empire Joint Account Wright State No. 4 well on said Lot 2, Section 2, and from their Carper Drilling Company, Inc. and T. J. Sivley State AB No. 5 well on said Lot 3, Section 2.

3. A plat showing the location of these leases and the adjoining oil and gas leases is attached hereto, marked Exhibit "A" for identification and by reference made a part hereof.

4. The Applicants propose to produce the two units into a common tank battery and adequate facilities will be provided for accurately metering the production from each well.

5. The erection and use of separate tank batteries to receive oil produced from these two leases would be an unnecessary expense to Applicants.

6. The commingling of oil from said two wells into a common tank battery would prevent waste and protect correlative rights.

7. The above acreage in State Lease B-1483 and the above acreage in State Lease No. 2029 is contiguous and the leases are dedicated to a common beneficiary, namely, Common Schools.

8. The working interest ownership of the said two leases is common throughout; however, the burdens on production from said leases, other than the royalty to the State of New Mexico, is not common throughout, and as to the Abo Reef, is vested as follows:

State Lease B-1483:

Laura Stratton Kaempf 12.5% overriding royalty.

State Lease No. 2029:

E. A. Paton, Doris Paton, L.
B. Feather and H. G. Watson,
in equal shares 5% production payment until \$200,000, exclusive of taxes, has been paid from this lease and other leases.

Copies of this Application will be mailed by certified mail, return receipt requested, at least twenty (20) days before the hearing on this Application, to the Commissioner of Public Lands of the State of New Mexico and the

owners of the above burdens on production and proof thereof furnished at the hearing.

9. The owners of oil and gas leases adjoining Applicants' Leases B-1483 and No. 2029, are as follows:

William Hudson
318 W. Missouri
Artesia, New Mexico

Fred Turner
Box 910
Midland, Texas

Rutter & Wilbanks
500 N. Big Spring Street
Midland, Texas

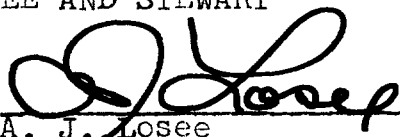
Pan American Petroleum Corporation
Box 268
Lubbock, Texas.

Copies of this Application will be mailed by certified mail, return receipt requested, to all such owners and proof thereof furnished at the hearing on this Application.

WHEREFORE, Applicants pray that this Application be set for hearing after due notice as required by law; that such Application be heard at the earliest possible date before an examiner or before the Commission; and that an Order be entered herein granting Applicants permission in exception to Rule 309(a) of the New Mexico Oil Conservation Commission Rules and Regulations to permit the commingling of the production of oil from separate State of New Mexico Oil and Gas Leases B-1483 and No. 2029 covering the acreage above described, in a common tank battery.

LOSEE AND STEWART

By


A. J. Losee
P. O. Box 1117
Artesia, New Mexico
Attorneys for Applicants

STATE OF NEW MEXICO)
 : ss.
COUNTY OF EDDY)

MARSHALL ROWLEY, being first duly sworn upon his oath, states that he is the Vice President of Carper Drilling Company, Inc., one of the Applicants named in the within and foregoing Application; that he has read the same and understands the contents thereof and that the matters therein stated are true and correct according to his best information and belief.


Marshall Rowley

SUBSCRIBED AND SWORN TO before me this 2nd day of November, 1959.


Notary Public

My commission expires:

March 13, 1961