

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
FRANKLIN, ASTON & FAIR, INC. FOR AN
ORDER AUTHORIZING THE INSTALLATION
AND USE OF AUTOMATIC CUSTODY TRANSFER
EQUIPMENT ON THREE SEPARATE STATE
LEASES IN EDDY COUNTY, NEW MEXICO AND
FOR PERMISSION TO COMMINGLE PRODUCTION
FROM ALL OF SAID LEASES

Case 1928

APPLICATION

Comes now Franklin, Aston & Fair, Inc. and makes application for an order authorizing the installation and use of automatic custody transfer equipment and to commingle production from the three separate leases hereinafter described covering the following described lands in Eddy County, New Mexico, to-wit:

W $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$ Section 31, Township 17 South, Range 28 East; Lot 4 (NW $\frac{1}{4}$ NW $\frac{1}{4}$) Section 5, NE $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$ Section 6, Township 18 South, Range 28 East

1. That the above described land is covered by three separate State Oil and Gas Leases and the lease numbers, record owners and lands embraced in the respective leases are as follows:

B-11594	Franklin, Aston & Fair, Inc.	Lot 4 (NW $\frac{1}{4}$ NW $\frac{1}{4}$) Sec. 5, NE $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$ Sec. 6, T. 18 S., R. 28 E.
B-7966	Bert Aston	SE $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 31, T. 17 S., R. 28 E.
B-2071	Bert Aston and Fair Oil Company	W $\frac{1}{2}$ SE $\frac{1}{4}$ Sec. 31, T. 17 S., R. 28 E.

The above described leases insofar as they cover the above described lands are subject to an operating agreement dated August 26, 1959 made and entered into by and between Franklin, Aston & Fair, Inc; Bert Aston and Esther Aston, his wife; R. W. Fair and Pan American Petroleum Corporation, and that Franklin, Aston & Fair, Inc. is the operator under the terms and provisions of the operating agreement. The parties to the operating agreement are the owners of all the working interest and have all consented to the commingling of all production.

2. That by Order No. R-1573 dated January 18, 1960, the Commission authorized the commingling of Empire-Abo pool production into a common tank battery from the above mentioned leases covering all of the above described land except Lot 4 (NW $\frac{1}{4}$ NW $\frac{1}{4}$) Section 5, Township 18 South, Range 28 East and the working interest owners are now drilling the BN #1 well located on Lot 4, Section 5, Township 18 South, Range 28 East which is on Lease B-11594 and propose to commingle Empire-Abo production from this well into the centralized storage facility located on the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 6 with production from the other portions of the above mentioned leases heretofore authorized by Order R-1573.

3. That there is a common beneficiary of all the land covered by the above mentioned State Leases including Lot 4, Section 5, Township 18 South, Range 28 East in that all of the lands are Common School lands.

4. That the applicant is the operator of the leases insofar as they cover the above described land and that wells have been drilled on or are drilling on each 40 acre subdivision.

5. In order to provide for efficient operation and to properly handle production from the wells located on the above described land, the applicant desires to install lease automatic transfer custody equipment and in connection therewith the applicant proposes to measure the oil passing through the automatic custody transfer equipment by means of positive displacement meters and the production from each lease will be metered separately.

6. That the automatic custody transfer system will be equipped so as to prevent undue waste of oil in the event of malfunction or flow line break.

7. That the commingling of production from the well located on Lot 4 (NW $\frac{1}{4}$ NW $\frac{1}{4}$) Section 5, Township 18 South, Range 28 East into a centralized storage facility and the installation of automatic custody transfer equipment will be in the interest of conservation and will not cause waste or impair correlative rights.

WHEREFORE, applicant requests the Commission to set this matter down for hearing at an early date for the purpose of amending Order No. R-1573 to permit the commingling of production from the well located on Lot 4, Section 5, Township 18 South, Range 28 East with the production from the other wells described in said order and to authorize the installation and use of an automatic custody transfer system.


That notice of the hearing be published as required by law and that after said hearing the Commission issue an order amending Order No. R-1573 to permit the commingling of production from the additional well and authorizing the installation of an automatic custody transfer system.

Dated this day of March, 1960.

Respectfully submitted,

FRANKLIN, ASTON & FAIR, INC.

BY:

James D. Gurney
Attorney

Box 977

Roswell, New Mexico

JAMES T. JENNINGS
ATTORNEY AT LAW
J. P. WHITE BUILDING
ROSWELL, NEW MEXICO.
MAIN 2-8432

March 3, 1960

Case 1928

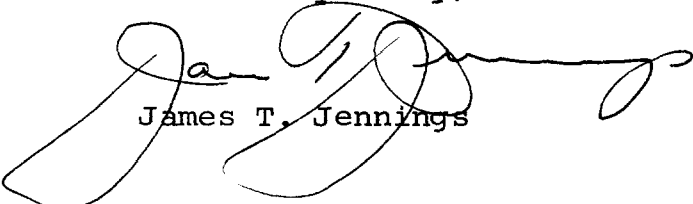
Oil Conservation Commission
Box 871
Santa Fe, New Mexico

Gentlemen:

Enclosed herewith you will find an application on behalf of Franklin, Aston & Fair, Inc. in triplicate for permission to amend Order R-1573 so that the production from an additional well located on Lot 4, Section 5, T. 18 S., R. 28 E. can be commingled with production from the remaining wells which are covered by the same leases and also requesting authority to install a LACT system.

I would appreciate it if you would set this down for hearing before an examiner at an early date and advise me the date of the hearing as soon as possible.

Yours very truly,


James T. Jennings

JTJ:cs
Enc.

cc: Franklin, Aston & Fair, Inc.

*Recd.
3-10-60*