

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF GREAT WESTERN DRILLING COMPANY
FOR AUTHORITY TO COMMINGLE THE
PRODUCTION FROM SEPARATE LEASES
AND TO PRODUCE MORE THAN SIXTEEN
WELLS INTO A COMMON TANK BATTERY,
AND TO INSTALL AUTOMATIC CUSTODY
TRANSFER INSTALLATIONS IN CONNEC-
TION WITH SUCH COMMINGLING AND
PRODUCTION, ALL WITHIN THE
EXTERIOR BOUNDARIES OF THE ROCK
QUEEN UNIT AREA IN THE CAPROCK
QUEEN FIELD IN CHAVES AND LEA
COUNTIES, NEW MEXICO

CASE NO. 1932

Comes now the Applicant, Great Western Drilling Company,
whose address is Box 1659, Midland, Texas, and states:

1. Applicant is the operator of the Rock Queen Unit Agreement, which has heretofore been approved by the Commission in Case No. 1796, Order R-1541, dated November 30, 1959.

2. As an exception to Rule 309 of the Commission's Rules, Applicant hereby requests permission to commingle the production from all leases within the exterior boundaries of said Unit Area, and in support of this request states that it is the belief of the Applicant that such commingling will neither cause waste nor impair correlative rights. All production so proposed to be commingled consists of the "Unitized Substances" producible under the terms of said Unit Agreement, and consists of production from the Queen Sand Formation defined in said Unit Agreement as a member of the Queen Formation of the Guadalupe Series, a part of the Permian System, which is found at 3050 to 3066 feet, in Gulf Oil Corporation, State of New Mexico, "BMC" No. 1 Well, located in the $SE\frac{1}{4}SE\frac{1}{4}$ of Section 23, Township 13 South, Range 31 East, N.M.P.M.; that all such production is uniform and

*Noted
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similar in composition, gravity and component parts. Applicant further requests authority to transport oil from the unitized formations from the various leases within the exterior boundaries of the Unit Area prior to such oil having been received and measured in tanks located on the individual leases. Applicant believes and states that adequate tankage and other equipment can be installed so that production from the Unit Area can be accurately determined at reasonable intervals without specifically measuring such oil in tanks located on the individual leases. In this connection, it is proposed to transport such unitized oil from as many as 115-120 wells within the Unit Area to one central location within the Unit Area for the purpose of receiving and measuring such production. Appropriate lines will be laid from each well to the central gathering system, and a plat thereof will be submitted at the hearing upon this Application.

3. Applicant further requests the approval of the installation of an automatic custody transfer system to be installed within the Unit Area for the purpose of receiving, treating, measuring and marketing of unitized oil produced within the area embraced in the Unit Agreement. Applicant states that similar automatic custody transfer systems have heretofore been approved by the Commission, and a diagramatic sketch of the proposed system will be presented at the hearing on the Application. Applicant believes and states that the granting of permission to install such automatic custody transfer system will neither cause waste nor impair correlative rights, and that such system contains adequate testing and measuring equipment, including accurate meters to measure production.

4. Applicant offers to comply with all reasonable rules of the Commission relative to the testing, storage and metering of the facilities requested to be approved in this Application, and to file all requested reports in connection therewith.

WHEREFORE, Applicant respectfully requests that this Application be set before an Examiner hearing at Santa Fe, New Mexico, at the earliest possible date, that due notice of this Application be given, and that upon such hearing that Applicant as Unit Operator of the Rock Queen Unit be granted authority to:

(a) Commingle the production from separate leases in the Rock Queen Unit Area situated in the Caprock Queen Field in Chaves and Lea Counties, New Mexico;

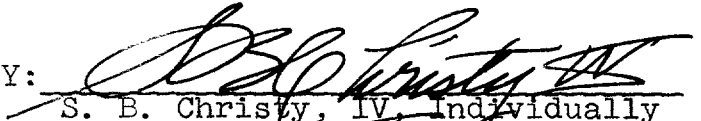
(b) Produce all unitized oil within the Rock Queen Unit Area into a common tank battery; and

(c) Install an automatic custody transfer system for the receipt, treatment, measurement, and marketing of all unitized oil produced within the Rock Queen Unit Area.

DATED this 8th day of March, 1960.

GREAT WESTERN DRILLING COMPANY

BY:


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member of the firm
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