

Gulf Oil Corporation

ROSWELL PRODUCTION DISTRICT

W. A. Shellshear
DISTRICT MANAGER
F. O. Mortlock
DISTRICT EXPLORATION
MANAGER
M. I. Taylor
DISTRICT PRODUCTION
MANAGER
G. A. Price
DISTRICT SERVICES MANAGER

P. O. Drawer 669
Roswell, New Mexico

July 27, 1960

Oil Conservation Commission
State of New Mexico
Post Office Box 871
Santa Fe, New Mexico

Gentlemen:

Re: Application for Authority to
Commingle Production from Eight
Separate Leases and for Approval
of an Automatic Custody Transfer
System to Handle this Commingled
Production from the Arrowhead,
Eumont, Eunice-Monument, South
Eunice, and Jalmat Pools, Lea
County, New Mexico

Gulf Oil Corporation herewith makes application for exception to the applicable rules and regulations of the New Mexico Oil Conservation Commission to obtain permission to commingle production, and to install and operate automatic custody transfer equipment to handle the commingled production, from eight separate leases producing from the subject pools.

In order to fully utilize the proposed ACT system, Gulf Oil Corporation will request exceptions to:

- (1) NMOCC Rule 309 (a) which requires measurement of oil in tanks before such oil is transported from the lease.
- (2) Commingle production from each of the subject leases into a common battery.
- (3) That portion of Rule 309 which limits production from 16 wells that can be received by common tankage.

In support of this application, Gulf Oil Corporation states the following:

- (A) Applicant is the owner and operator of the following leases in Lea County, New Mexico:
 - (1) William A. Ramsay "A" consisting of Sections 27, 34 and 35-T21S-R36E.
 - (2) Arnott-Ramsay "C" consisting of S/2, NW/4, N/2 SE/4, and SW/4 NE/4, Section 21-T21S-R36E.
 - (3) Arnott-Ramsay "D" consisting of Section 33-T21S-R36E.



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- (4) J. F. Janda "A" consisting of E/2 SE/4, Section 20-T21S-R36E.
- (5) J. F. Janda "B" consisting of SE/4, Section 32-T21S-R36E.
- (6) J. F. Janda "F" consisting of Section 4-T22S-R36E.
- (7) Harry Leonard "A" consisting of S/2 and NE/4 Section 22-T21S-R36E.
- (8) Harry Leonard "D" consisting of Section 3-T22S-R36E.
- (B) The above described leases are contiguous and are all state leases with the same beneficial institution.
- (C) Applicant proposes to replace present individual lease batteries with automatic test stations, remotely controlled from a central battery, located on the William A. Ramsay "A" lease in Section 34-T21S-R36E. The central battery will consist of two automatic custody transfer units, using positive displacement meters with appropriate companion equipment to measure in barrels the amount of merchantable oil delivered to the pipeline.
- (D) Crudes from the five subject pools are already being commingled on the individual leases under authorization of the Oil Conservation Commission.
- (E) The proposed ACT installations will have adequate facilities to permit the taking of all required tests.
- (F) The granting of this application is in the interest of conservation and will protect correlative rights.
- (G) By copy of this letter, the State Land Commissioner, all offset operators, and the pipelines concerned are notified of this application.

Applicant respectfully requests that this matter be set for hearing at the earliest possible date.

Respectfully submitted,

GULF OIL CORPORATION

By: W. A. Shellhear
District Manager

JCG:hs

Attachment

cc: Oil Conservation Commission
Post Office Box 2045
Hobbs, New Mexico

Commissioner of Public Lands
Post Office Box 791
Santa Fe, New Mexico

Atlantic Refining Company
Post Office Box 871
Midland, Texas

Blankenship Oil Company
Petroleum Life Building
Midland, Texas

Cities Service Oil Company
Post Office Box 97
Hobbs, New Mexico

Continental Oil Company
Post Office Box 427
Hobbs, New Mexico

El Paso Natural Gas Company
Post Office Box 1384
Jal, New Mexico

Humble Oil & Refining Company
Post Office Box 1600
Midland, Texas

Ohio Oil Company
Post Office Box 552
Midland, Texas

Olsen Oils, Inc.
Post Office Box 1744
Midland, Texas

Pan American Petroleum Corporation
Post Office Box 268
Lubbock, Texas

Shell Oil Company
Post Office Box 1957
Hobbs, New Mexico

Shelton-Warren Oil Company
2600 South Main Street
Roswell, New Mexico

Sinclair Oil & Gas Company
Post Office Box 1470
Hobbs, New Mexico

Texas Pacific Coal & Oil Company
Post Office Box 2110
Fort Worth, Texas

Tidewater Associated Oil Company
Post Office Box 1404
Houston, Texas

Western Natural Gas Company
Midland Tower Building
Midland, Texas

Shell Pipe Line Corporation
Post Office Box 1910
Midland, Texas

Gulf Refining Company
Post Office Box 4232
Odessa, Texas