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Case 11

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

APPLICATION OF THE ATLANTIC REFINING
COMPANY FOR APPROVAL OF AN AUTOMATIC
CUSTODY TRANSFER SYSTEM IN THE DENTON
WOLFCAMP AND DENTON DEVONIAN POOLS
AND FOR THE COMMINGLING OF THE PRO-
DUCTION THEREFROM IN CONNECTION WITH
ATLANTIC'S STATE "T" LEASE, LEA COUNTY,
NEW MEXICO.

APPLICATION

TO THE NEW MEXICO OIL CONSERVATION COMMISSION:

COMES The Atlantic Refining Company and hereby makes
application for the approval of an automatic custody transfer
system in the Denton Wolfcamp and Denton Devonian Pools and
for the commingling of production therefrom in connection with
Atlantic's State "T" Lease embracing the following lands situ-
ated in Lea County, New Mexico, to-wit:

Township 15 South, Range 37 East, N.M.P.M.

Section 2: $SE\frac{1}{4}NW\frac{1}{4}$, $E\frac{1}{2}SW\frac{1}{4}$, $SW\frac{1}{4}SW\frac{1}{4}$

Containing 160 acres, more or less,

and in support of such application respectfully shows:

1. That The Atlantic Refining Company is the owner
of a certain Oil and Gas Lease issued by the State of New Mex-
ico, acting by and through its Commissioner of Public Lands,
embracing the 160 acres hereinabove described.

2. That there is attached hereto, made a part hereof
and for purposes of identification marked Exhibit "A", a plat

showing the oil and gas lease hereinabove described, together with the producing wells located thereon producing from both the Denton Wolfcamp and Denton Devonian Pools, there being four wells producing from the Denton Wolfcamp Pool and four wells producing from the Denton Devonian Pool.

3. That the oil being produced from both the Denton Wolfcamp and Denton Devonian Pools is of substantially the same quality and gravity and is being marketed for the same base price, and the State of New Mexico is the owner of all royalty payable on account of said production.

4. Applicant proposes to commingle the production from the Denton Wolfcamp with the production from the Denton Devonian Pools produced from the wells located upon said leasehold interest or which may hereafter be completed upon the same after separately metering the production from each pool.

5. That Applicant proposes to install an automatic custody transfer system to handle said commingled production from all wells presently completed or which may hereafter be completed upon said leasehold interest.

6. That in the metering of the production from each pool prior to commingling, accurate metering devices will be used to insure an adequate measurement of the liquid hydrocarbon production at all times from each pool, and the automatic custody transfer system will include adequate facilities to handle the commingled production from all wells upon said

leasehold premises and will be installed in such a manner as to permit the testing of all of said wells at least once each month to determine the individual production from each well. That in order to prevent the overflow and waste of oil in the event the automatic custody transfer system should fail to transfer oil to the pipeline, Applicant proposes to provide adequate storage facilities or else to equip said facilities so as to automatically shut in the lease production at the well heads in the event storage facilities should become full. The automatic custody transfer facilities to be installed will be similar to those previously approved by the Commission.

Respectfully submitted,

THE ATLANTIC REFINING COMPANY

By *W. P. T. Anderson*

HERVEY DOW & HINKLE

By *Samuel Hinkle*

Roswell, New Mexico
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February 10, 1961

File 2209

Mr. A. L. Porter
Executive Director
Oil Conservation Commission
Santa Fe, New Mexico

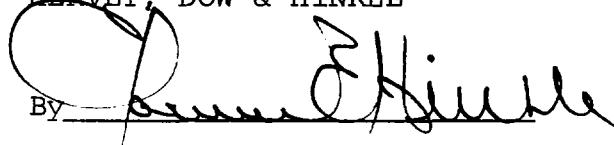
Dear Mr. Porter:

We enclose, in triplicate, Application of The Atlantic Refining Company for Approval of an Automatic Custody Transfer System in the Denton Wolfcamp and Denton Devonian Pools in connection with Atlantic's State "T" Lease, Lea County.

We would appreciate your setting this matter down to be heard at the next Examiner's hearing, if possible, and would appreciate your sending us a copy of the notice.

Yours sincerely,

HERVEY, DOW & HINKLE

By 

CEH:bc
Encls.
cc: Atlantic Ref. Co.

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BEFORE EXAMINER NOTED

NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

7-3-58

APPLICATION FOR DUAL COMPLETION

Field Name Undesignated		County Lea	Date March 3, 1961
Operator Great Western Drilling Company		Lease Federal M	Well No. 1
Location of Well B	Unit 8	Township 9-S	Range 37-E

1. Has the New Mexico Oil Conservation Commission heretofore authorized the dual completion of a well in these same pools or in the same zones within one mile of the subject well? YES _____ NO X
2. If answer is yes, identify one such instance: Order No. _____ ; Operator, Lease, and Well No.:

3. The following facts are submitted:	Upper Zone	Lower Zone
a. Name of reservoir	San Andres - Glorieta	Bough "C"
b. Top and Bottom of Pay Section (Perforations)	4300 - 9400'	Perforations 9662-67', 9673-77', 9671-73'
c. Type of production (Oil or Gas)	Salt Water Disposal	Oil
d. Method of Production (Flowing or Artificial Lift)	Injection Zone	Artificial Lift

4. The following are attached. (Please mark YES or NO)

- Yes a. Diagrammatic Sketch of the Dual Completion, showing all casing strings, including size and setting, top of cement, perforated intervals, tubing strings, including diameters and setting depth, location and type of packers and side door chokes, and such other information as may be pertinent.
- Yes b. Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease.
- Yes c. Waivers consenting to such dual completion from each offset operator, or in lieu thereof, evidence that said offset operators have been furnished copies of the application. *
- Yes d. Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed, it shall be submitted as provided by Rule 112-A.)

5. List all offset operators to the lease on which this well is located together with their correct mailing address.

Santa Fe Pacific Rwy. Co.	900 Folk Street	Amarillo, Texas
Union Oil of California	Union Oil Bldg.,	Midland, Texas
John Kelly	Box 5671	Roswell, New Mexico
Teneco, Inc.	Box 3109	Midland, Texas
King, Warren & Dye	Box 1505	Midland, Texas
L.B. Hedges	Box 671	Roswell, New Mexico

6. Were all operators listed in Item 5 above notified and furnished a copy of this application? YES _____ NO _____. If answer is yes, give date of such notification _____.

CERTIFICATE: I, the undersigned, state that I am the **Chief Production Engineer** of the **Great Western Drilling Co.** (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

John I. Hampton
Signature

- * Should waivers from all offset operators not accompany an application for administrative approval, the New Mexico Oil Conservation Commission will hold the application for a period of twenty (20) days from date of receipt by the Commission's Santa Fe office. If, after said twenty-day period, no protest nor request for hearing is received by the Santa Fe office, the application will then be processed.
- NOTE: If the proposed dual completion will result in an unorthodox well location and/or a non-standard proration unit in either or both of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.