OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

December 13, 1955

Buffalo Oil Company 1st. National Bank Bldg. Tulsa, Oklahoma

Attention: Mr. Jim Kackley, Treasurer

Re: Exception to Rule 309

Gentlemen:

Reference is made to your letter of November 18, 1955, to the New Mexico State Land Office with a copy to the Oil Conservation Commission regarding commingling of oil on your State A and B leases in the Maljamar Pool of Lea County, New Mexico.

Please be advised that the Oil Commission is unable to find a copy of the prior permission to commingle oil production from your State A Well No. 1-P (lease No. B-4062) in Section 16, Township 17 South, Range 32 East, with your State B Well No. 1-0 (lease No. B-2366) in the same section, both leases being in the Majamar Pool.

Attached are two copies of Order No. R-645 from which it is desired that you apply for exception under Rule 309-b to be granted administratively by this Commission. Well request will be granted after notification of the offset operators and thirty days after receipt in this office.

Under separate cover the New Mexico State Land Office is furnishing to you a letter giving their approval for commingling on these two state leases.

Very truly yours,

Warren W. Mankin District Engineer

WWM:jh cc: State Land Office, Santa Fe Oil Conservation Commission, Hobbs

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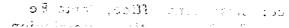
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BUFFALO DIL COMPANY A MARYLAND CORPORATION FIRST NATIONAL BUILDING TULSA 3, OKLAHOMA

November 18, 1955

E. S. Walker, Commissioner of Public Lands State Land Office Santa Fe, New Mexico

Attention: Oil & Gas Royalty Division

Gentlemen:

Re: State Leases Nos. B-4062, B-2366

In reply to your inquiry of November 15, 1955, with regard to the commingling of oil produced from the captioned leases, I wish to explain as follows:

The Buffalo Oil Company and J. Feldman acquired all of the capital stock of the Maljamar Oil & Gas Corporation on April 5, 1944, and Buffalo managed the Maljamar Corporation until October 31, 1944, at which time it was dissolved. From that date to the present Buffalo has operated those properties acquired from the Maljamar Corporation.

During the month of April 1944, I made a trip to Santa Fe to apprise the various State Offices of the acquisition of Maljamar Oil & Gas Corporation by Buffalo Oil Company and J. Feldman and that Buffalo intended to manage the Maljamar Corporation until its dissolution and to operate the properties thereafter. During my visit to the various offices, I discussed the matter of commingling the oil from the State leases rather than go to the expense of additional tank batteries, with Mr. John Kelley, State Geologist, and Mr. Livingston, Engineer. Those two gentlmen agreed to the production procedure that I requested. I have a faint recollection of receiving a letter from Mr. Kelley addressed to the Maljamar Oil & Gas Corporation to that effect.

I have made a search of our records for this letter but have been unable to locate it. I fear, if my recollection is correct, that this letter is in the files of the Maljamar Oil & Gas Corporation which have been in storage for the past eleven years.

In view of the fact that the oil from these leases has been commingled for so many years, I sincerely request that you authorize Buffalo Oil Company by lette to continue its producing practice on the captioned leases.

By copy of this letter to the Conservation Commission, I am requesting the same authorization from them.

Yours very truly,

cc: Conservation Commission State of New Mexico

BUFFALO OIL COMPANY acfle CORY Jim Kackley Treasurer