



Lone Star Producing Company

C. R. RAMSEY
District Superintendent

P. O. Box 4815 • Midland, Texas 79701
WEST TEXAS PRODUCTION DISTRICT

E. C. WATSON
Assistant Superintendent

January 28, 1971

New Mexico Oil Conservation Commission
P. O. Box 1980
Hobbs, New Mexico 88240

Re: Lone Star Producing Company
Application for Commingling
N. M. (80) State No. 1
N. M. (86) State No. 1
N. M. (87) State No. 1
Tres Papalotes Pool
Lea County, New Mexico

Gentlemen:

Under provisions of Rule 309-B, Lone Star Producing Company respectfully requests your approval to commingle the oil production from our N. M. (80) State No. 1, N. M. (86) State No. 1 and N. M. (87) State No. 1 wells in a common tank battery. The commingling of oil production from these three wells will allow for more efficient producing operations with the end result being the recovery of additional oil from the reservoir. Each well is completed in the Saunders Lime formation and assigned to the Tres Papalotes Pool.

In support of this application, the following are enclosed:

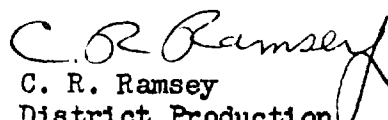
1. Plat showing location of wells and tank battery, completion depth, producing formation and ownership of leases.
2. Schematic diagram of the proposed commingling facility.
3. Letters from all royalty and overriding royalty owners and oil purchaser consenting to the commingling proposal.

The N. M. (87) State No. 1 well is shut-in pending action on this application.

Please contact this office should additional information be required.

Yours very truly,

LONE STAR PRODUCING COMPANY


C. R. Ramsey
District Production
Superintendent

RCS:vjd

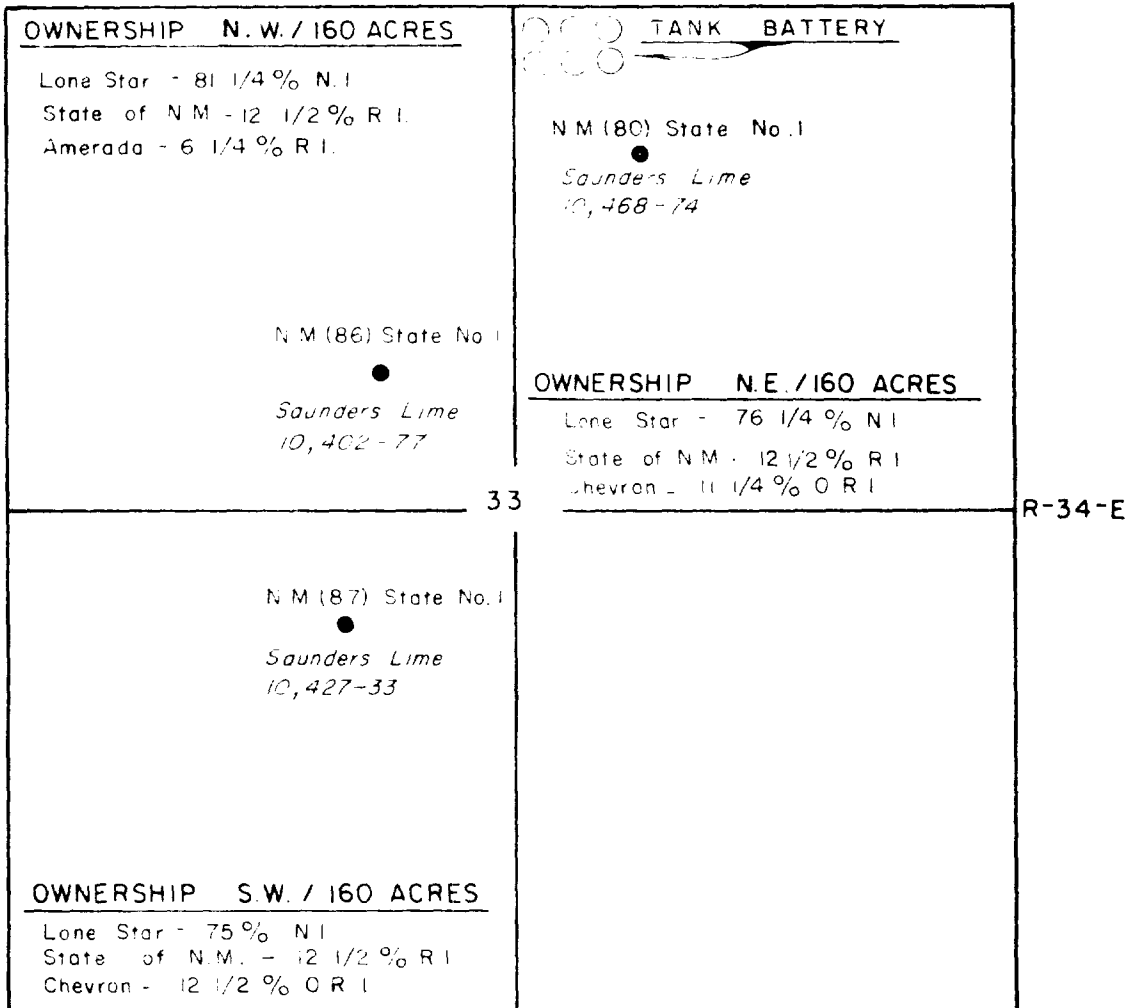
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OIL CONSERVATION COMM.
HOBBS, N. M.

T-14-S



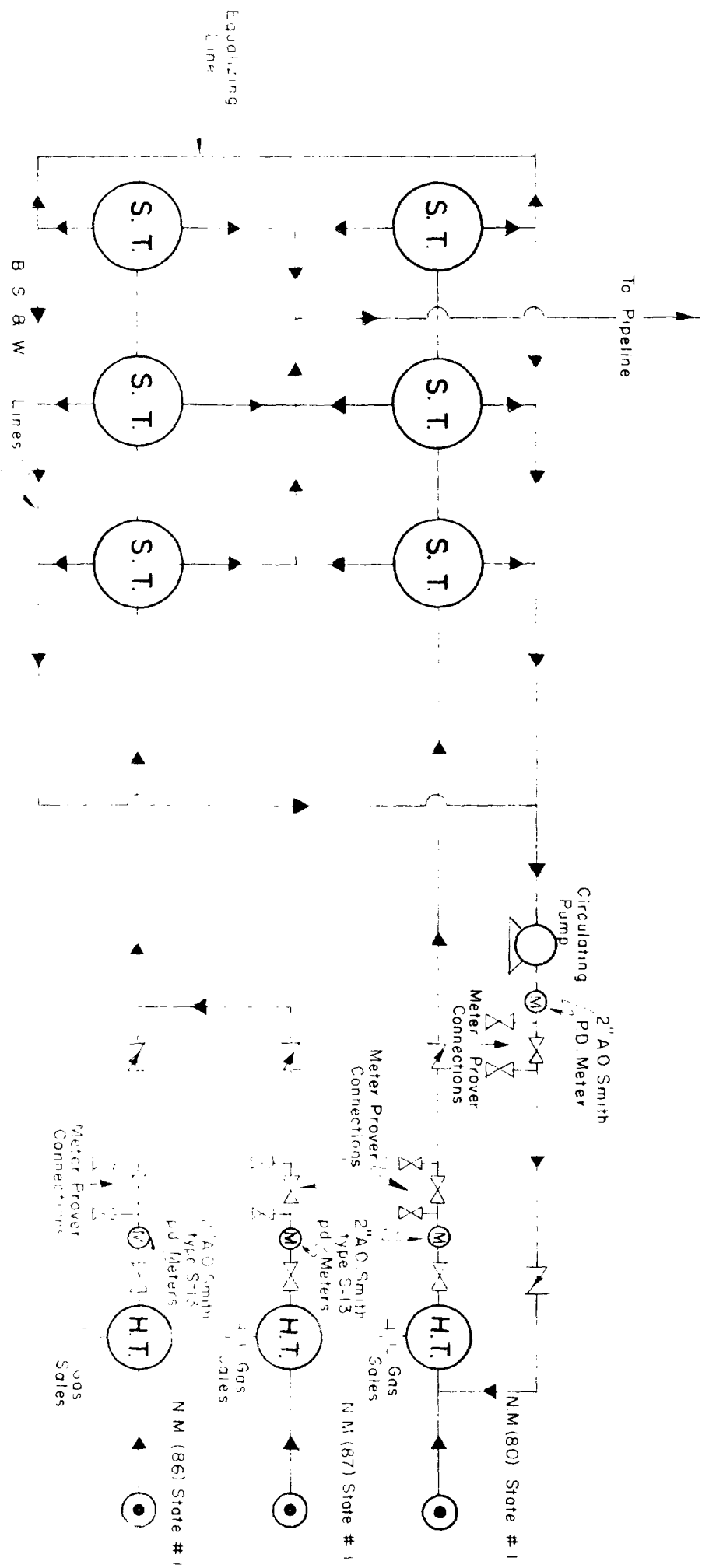
LONE STAR PRODUCING COMPANY

N. M. (80) STATE NO. 1
 N. M. (86) STATE NO. 1
 N. M. (87) STATE NO. 1

TRES PAPALOTES POOL
 Section 33, T-14-S, R-34-E
 Lea County, New Mexico

Scale: 1" = 1000'
 Dwn by M.S.T.

Date 1/27/71



PROPOSED COMMINGLING FACILITIES

Lone Star Producing Company

N M (80) State # 1
N M (86) State # 1
N M (87) State # 1

TRES PAPAOTES POOL
Section 33, T-14-S, R-34-E
Lea County, New Mexico

PAN AMERICAN PETROLEUM CORPORATION

P. O. Box 1725
Midland, Texas 79701
January 26, 1971

RECEIVED

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MIDLAND PRODUCTION

Our File: 907.81

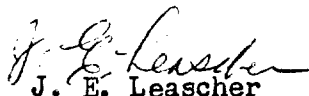
RE: Lone Star Producing Company
N. M. (80) State Lease
N. M. (86) State Lease
N. M. (87) State Lease
Tres Papalotes (Penn.) Pool
Lea County, New Mexico

Mr. C. R. Ramsey
Lone Star Producing Company
P. O. Box 4815
Midland, Texas 79701

Dear Mr. Ramsey:

This will confirm our agreement to purchase commingled Pennsylvanian oil from the captioned leases, subject to approval of the New Mexico Oil Conservation Commission.

Yours very truly,


J. E. Leascher

JEL/prr

cc: Mr. W. C. Cooper - Lubbock
Mr. W. B. Markham - Tulsa

AMERICAIDA DIVISION
AMERICAIDA OILS CORPORATION

January 25, 1971

Box 591
MIDLAND, TEXAS 79701
915-684-5531

New Mexico Oil Conservation Comm.
P. O. Box 871
Santa Fe, New Mexico

Re: N. M. (80) State No. 1
N. M. (86) State No. 1
N. M. (87) State No. 1
Sec. 33, T-14-S, R-34-E
Tres Papalotes (Penn) Field
Lea County, New Mexico

Gentlemen:

We concur with the Lone Star Producing Company request to install commingling facilities and automatic custody transfer equipment on subject leases by virtue of our 6.25% over-riding royalty and conversion privileges at pay-out in the N. M. (86) State No. 1.

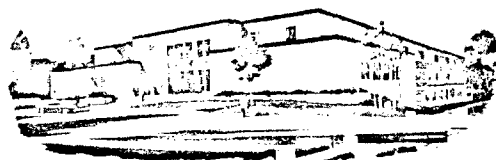
The equipment would be installed and operated in compliance with the rules and regulations of the New Mexico Oil Conservation Commission.

Very truly yours,


G. O. Webb
Joint Operations Manager

GOW:sw

State of New Mexico



Commissioner of Public Lands

January 22, 1971

ALEX J. ARMIJO
COMMISSIONER

P. O. Box 1148
SANTA FE, NEW MEXICO

Lone Star Producing Company
P. O. Box 4815
Midland, Texas 79701

Re: N.M. (80) State No. 1 (K-5024)
N.M. (86) State No. 1 (K-3013)
N.M. (87) State No. 1 (K-5450)
Sec. 33, T-14-S, R-34-E
Tres Papalotes (Penn) Field
Lea County, New Mexico

ATTENTION: Mr. C. R. Ramsey

Gentlemen:

This is to inform you that approval is hereby granted to commingle the oil from the three captioned wells. This approval is subject to the approval by the New Mexico Oil Conservation Commission. Also, this is granted with the understanding that the Commissioner of Public Lands reserves the right to withdraw this approval, if at any time he feels this operation is not to the best interest of the State.

Please remit a Ten (\$10.00) Dollar filing fee.

Sincerely yours,

Gordon G. Marcum, II
GORDON G. MARCUM, II, Director
Oil and Gas Department

AJA/GGM/s

cc: New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

Oil and Gas Accounting Commission
Santa Fe, New Mexico

State Leases



Chevron Oil Company

Western Division

P.O. Box 1660, Midland, TX 79701

January 21, 1971

N.M. (80) State No. 1
N.M. (86) State No. 1
N.M. (87) State No. 1
Sec. 33, T-14-S, R-34-E
Tres Papalotes (Penn) Field
Lea County, New Mexico

Lone Star Producing Company
P. O. Box 4815
Midland, Texas 79701

Attention: Mr. C. R. Ramsey

Gentlemen:

Reference your letter of January 20, 1971 concerning the subject leases. Chevron consents to the commingling of oil in a common battery and sale through an automatic custody transfer system.

Our approval is, of course, contingent on the fact that you will have accurate measurement and allocation of oil and gas production; this should be assured by your compliance with the rules and regulations of the NMOCC.

Yours very truly,

G.A. Schurman/CFD
G. A. Schurman
Division Production Superintendent

CFD:amj

Lone Star Producing Company

C. R. RAMSEY
District Superintendent

P. O. Box 4815 • Midland, Texas 79701
WEST TEXAS PRODUCTION DISTRICT

E. C. WATSON
Assistant Superintendent

January 20, 1971

Chevron Oil Company
Box 1660
Midland, Texas 79701

Re: N. M. (80) State No. 1
N. M. (86) State No. 1
N. M. (87) State No. 1
Sec. 33, T-14-S, R-34-E
Tres Papalotes (Penn) Field
Lea County, New Mexico

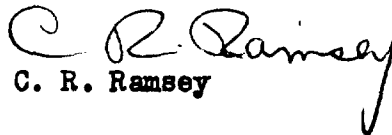
Gentlemen:

Lone Star Producing Company, as owner and operator of the three wells named above, proposes to install commingling facilities, along with an automatic custody transfer system to accommodate the oil production and sales from these wells. This equipment will be installed and operated in compliance with the rules and regulations of the New Mexico Oil Conservation Commission.

Chevron Oil Company owns an 11.25 per cent ORI in the N. M. (80) lease and a 12.50 per cent ORI in the N. M. (87) lease; therefore, it is respectfully requested that Chevron indicate in writing their consent to the commingling of oil from the three leases in a common tank battery. Your letter of approval will be forwarded to the New Mexico Oil Conservation Commission with our formal application for commingling authority.

Your cooperation in this matter will be greatly appreciated.

Yours very truly,


C. R. Ramsey

ECWatson:vjd