

EDWARD C. DONOHUE

509 CANAL ST. P. O. Box 1507 P. O. DRAWING
PHONE KE 2-3372-EL PASO, TEXAS

February 1, 1963

RECEIVED
1963 FEB 4 AM 9 31

Oil Conservation Commission
State of New Mexico
P. O. Box 871
Santa Fe, New Mexico

Attention: Mr. Daniel S. Nutter, Chief Engineer

Dear Mr. Nutter:

Your letter of January 17, 1963. I am handing you herewith, in triplicate, application for administrative approval to commingle the production from three (3) wells located on New Mexico State Lease E-611. You will also find a schematic diagram of the producing installations on said lease.

Well No. 1 is producing from the Baish-Yates Pool, while wells Nos. 2 and 3 are producing from the Maljamar Pool in Lea County, New Mexico. Wells Nos. 2 and 3 are now connected to the Continental Pipeline. Well No. 1 was commingled with wells Nos. 2 and 3 by previous operator, same being pumped into production tanks for wells Nos. 2 and 3 at periodical times from tank No. 1005. Gauge reports show well No. 1 producing 4.14 bbls. per day while wells Nos. 2 and 3 producing 13.87 bbls. per day. Specific gravity of these wells is practically the same, so the actual commercial value would be the same. Only State lands are involved.

Enclosed kindly find photostatic copies of permission of approval of public lands for the State of New Mexico.

I respectfully request the approval of your honorable body for said commingling.

Yours very truly,

Edward C. Donohue
Edward C. Donohue

ECD:mjs
Encls.

cc: Mr. A. L. Porter, Jr. - Secretary - Director
Mr. J. D. Ramey - Supervisor District No. 1

COPY

EDWARD C. DONOHUE
BOX CANAL CT. P. O. DRAWER 1372
PHONE NIT 2-3372 EL PASO 48, TEXAS

January 16, 1963

Mr. A. L. Porter, Jr.
Secretary - Director
State of New Mexico
Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

ILLEGIBLE

Dear Mr. Porter:

I am, at this time, in the process of taking over the operation of Gulf State Lease No. E-611 located in Section 16, Township 17 South, Range 32 East, Lea County, New Mexico.

There are three (3) wells located on this lease, Gulf State No. 1, which produces from the Balish Yates Pool and Gulf State Nos. 2 and 3 which are producing from the Maljamar Pool.

I would like to respectfully request commingling authority of these two pay zones, the purpose of this being so that oil from the Gulf State No. 1 may be transferred to tanks used in connection with Gulf State wells Nos. 2 and 3, in order that this oil may be disposed of to the pipe line;

I am enclosing a schematic diagram of the producing facilities of the lease. As you know, the gravity of these different pools is practically the same and, of course, the price which the pipeline pays is the same. The allowable which was assigned to Gulf State No. 1 - 5 barrels per day or 150 barrels per month. While the allowable previously assigned to Roy Smith on well located in 2K was 15 barrels per day, and the one on 3L is 16 barrels per day. Grade oil in storage on the property now as gauged at 2:00 o'clock on the afternoon of the 15th in the three (3) tanks, namely, tank No. 1005 in which Gulf State No. 1 has produced into 144.14 barrels. Tank No. 22969 - 246.27 barrels and tank No. 22970 - 310.80 barrels.

As you can see if there is any way possible to increase the allowable on the wells located in 2K and 3L, they should be increased and I respectfully request your consideration of increasing this allowable if consistent with the rules and regulations of your honorable body. This would benefit the State of New Mexico financially as they receive the full royalty from this lease.

Thanking you for your kind consideration and I am awaiting your authorization.

Respectfully,

ECD:mjs

Edward C. Donohue

cc: Mr. Joe D. Emery
New Mexico Oil Conservation Commission
Albuquerque, New Mexico

State of New Mexico



Commissioner of Public Lands



E. S. JOHNNY WALKER
COMMISSIONER

P. O. BOX 704
SANTA FE, NEW MEXICO

January 30, 1963

Mr. Edward C. Donohue
P. O. Drawer No. 1372, Zone 48
El Paso, Texas

Dear Sir:

You are hereby given permission to commingle production from your Gulf State Well No. 1 Baish-Yates Pool, with the production from your Gulf State Wells Nos. 2 and 3, Maljamar Pool, Lea County, New Mexico.

It is our understanding that the production will be metered according to instructions.

Very truly yours,

E. S. JOHNNY WALKER
COMMISSIONER OF PUBLIC LANDS

By: *Romulo Martinez*
ROMULO MARTINEZ
Oil and Gas Department

EW/RM/pr

cc: Oil and Gas Accounting Commission

Oil Conservation Commission

LARGE FORMAT
EXHIBIT HAS
BEEN REMOVED
AND IS LOCATED
IN THE NEXT FILE

COPY

EDWARD C. DONOHUE

509 CANAL ST.

P. O. DRAWER 1372

MAIN OFFICE OCC PHONE KE 2-3372

EL PASO 48, TEXAS

January 28, 1963

1963 JAN 30 AM 8:19

Mr. E. S. Johnny Walker
Commissioner of Public Lands
State of New Mexico
P. O. Box 791
Santa Fe, New Mexico

Attention: Mr. Rolunda Martinez, Oil and Gas Department

Dear Mr. Martinez:

Your letter of January 25, 1963 in reply to my letter of January 21, 1963. Please find enclosed supplementary letter to my letter of January 21, 1963 in duplicate submitting schematic diagram of the producing facilities on New Mexico State Lease No. E-611, being the N $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 16, T. 17 S., R. 32 E. Tanks No. 22969 and No. 22970 are shown in their proper location. They are connected to a 4" line extension to the Continental Pipeline Company. Pipeline pump is indicated in the proper position on diagram. Tank No. 1005 has never had a pipeline connection. Gulf State No. 1 well is being produced into No. 1005.

When I was operating this lease before the sale to the Roy Smith Drilling Company, I had another 250 bbl. tank located adjacent to No. 1005, but did not have a pipeline connection, and was hauling the oil. Roy Smith's No. 2 and No. 3 are being produced into tanks No. 22969 and No. 22970, each having a 500 bbl. capacity, and the Roy Smith Drilling Company paid the Continental Oil Company for laying the line and pump for connecting tanks No. 22969 and No. 22970, and after pipeline connection was secure I understand that the production from No. 1 well into tank No. 1005 was periodically pumped or transferred or commingled with the oil produced from wells No. 2 and No. 3.

I respectfully request permission to do this legally with the consent of the governing bodies. If it is necessary to haul the oil from No. 1 tank No. 1005, of course, the royalty owners as well as the working interest owners would be penalized.

I respectfully request the permission of the Commissioner for the commingling in question. As soon as same is received will proceed with further handling with the Oil Conservation Commission.

Thanking you for your kind attention in this matter,
I am,

Yours very truly,


Edward C. Donohue

ECD:mjs

1001

1001

1001

1001

1001

1001

1001

1001

1001

1001

1001

1001

1001

Mr. E. S. Johnny Walker

Page Two

January 28, 1963

Attention: Mr. Roluna Martinez, Oil and Gas Department

cc: Mr. Daniel S. Nutter - Chief Engineer

Mr. A. L. Porter, Jr. - Secretary - Director

Mr. J. D. Ramey - Supervisor District No. 1

the 1990s, the number of people in the world who are under 15 years of age is expected to increase from 1.2 billion to 1.5 billion. The number of people aged 65 and over is expected to increase from 200 million to 400 million. The number of people aged 15 and over is expected to increase from 3.5 billion to 4.5 billion. The number of people aged 15 and over is expected to increase from 3.5 billion to 4.5 billion. The number of people aged 15 and over is expected to increase from 3.5 billion to 4.5 billion.

[Illegible handwritten notes]

...the
... ..
... ..

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

Handwritten:
100-100000-100000
100-100000-100000
100-100000-100000

January 17, 1963

Mr. Edward C. Donahue
P. O. Drawer 1372 Zone 48
El Paso, Texas

Dear Mr. Donahue:

Reference is made to your letter of January 16, 1963, wherein you request authority to commingle the production from your Gulf State Well No. 1, Baish-Yates Pool, with the production from your Gulf State Wells Nos. 2 and 3, Maljamar Pool, Lea County, New Mexico.

Your attention is called to Commission Rule 303 (b) which reads as follows:

"The Secretary-Director of the Commission shall have the authority to grant an exception to Rule 303 (a) to permit the commingling in common facilities of the commonly owned production from two or more common sources of supply, without notice and hearing, provided that the liquid hydrocarbon production from each common source of supply is to be accurately measured or determined prior to such commingling in accordance with the applicable provisions of the Commission "Manual for the Installation and Operation of Commingling Facilities," then current.

"Applications for administrative approval to commingle the production from two or more common sources of supply shall be filed in triplicate with the Santa Fe office of the Commission. The application must contain detailed data as to the gravities of the liquid hydrocarbons, the values thereof, and the volumes of the liquid hydrocarbons from each pool, as well as the expected gravity and value of the commingled liquid hydrocarbon production; a schematic diagram of the proposed installation; a plat showing the location of all wells on the applicant's lease and the pool from which each well is producing. The application shall also state

C
O
P
Y

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

October 11, 1961

Mr. J. H. ...
P. O. Box 1000
Santa Fe, New Mexico

Dear Mr. ...:

Reference is made to your letter of October 10, 1961, regarding the proposed installation of a new oil well in the ... area. The Commission has reviewed the information submitted and has determined that the proposed installation is in accordance with the provisions of the ... Act.

Your application is hereby approved, and you are authorized to proceed with the installation of the new oil well. This approval is subject to the conditions set forth in the ... Act.

The Commission has also determined that the proposed installation is in accordance with the provisions of the ... Act. The Commission has also determined that the proposed installation is in accordance with the provisions of the ... Act. The Commission has also determined that the proposed installation is in accordance with the provisions of the ... Act.

Application for a new oil well is hereby approved, and you are authorized to proceed with the installation of the new oil well. This approval is subject to the conditions set forth in the ... Act. The Commission has also determined that the proposed installation is in accordance with the provisions of the ... Act. The Commission has also determined that the proposed installation is in accordance with the provisions of the ... Act.

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

-2-

January 17, 1963

Mr. Edward C. Donahue
P. O. Drawer 1372 Zone 48
El Paso, Texas

specifically whether the actual commercial value of such commingled production will be less than the sum of the values of the production from each common source of supply and, if so, how much less.

"Where State or Federal lands are involved, applicant shall furnish evidence that the Commissioner of Public Lands for the State of New Mexico or the Regional Supervisor of the United States Geological Survey has consented to the proposed commingling."

Upon receipt of the schematic diagram of the proposed installation and evidence of approval of the proposal by the Commissioner of Public Lands, we will be happy to consider your application.

As to increasing the allowables for the No. 2 and No. 3 wells, it would appear from past production history that the presently assigned allowables are sufficient to meet the marginal rate of production from each well. However, the Hobbs office of the Commission stands ready to increase the allowable assigned to the wells upon receipt of Form C-116, Gas-Oil Ratio Test Report, showing thereon the 24-hour rate of production based upon special test.

Very truly yours,

DANIEL S. MUTTER
Chief Engineer

DSM/esr

cc: Mr. A. L. Porter, Jr.
Secretary-Director

Mr. J. D. Ramey
Oil Conservation Commission
Hobbs, New Mexico

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

January 11, 1951

Mr. J. H. ...
...
...

...
...
...
...

...
...
...
...
...

...
...
...
...

...
...
...
...
...
...
...
...
...

Very truly yours,

WILLIAM J. ...
...

cc - ...

...
...

...
...
...

EDWARD C. DONOHUE

509 CANAL ST. ~~P. O. Box 1507~~ P. O. DRAWER 48

PHONE KE 2-3372-EL PASO, TEXAS

January 16, 1963

1963 JAN 17 PM 1 34

Mr. A. L. Porter, Jr.
Secretary - Director
State of New Mexico
Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Mr. Porter:

I am, at this time, in the process of taking over the operation of Gulf State Lease No. E-611 located in Section 16, Township 17 South, Range 32 East, Lea County, New Mexico.

There are three (3) wells located on this lease, Gulf State No. 1, which produces from the Baish Yates Pool and Gulf State Nos. 2 and 3 which are producing from the Maljamar Pool.


I would like to respectfully request commingling authority of these two pay zones, the purpose of this being so that oil from the Gulf State No. 1 may be transferred to tanks used in connection with Gulf State wells Nos. 2 and 3, in order that this oil may be disposed of to the pipe line;

I am enclosing a schematic diagram of the producing facilities of the lease. As you know, the gravity of these different pools is practically the same and, of course, the price which the pipeline pays is the same. The allowable which was assigned to Gulf State No. 1 - 5 barrels per day or 150 barrels per month. While the allowable previously assigned to Roy Smith on well located in 2K was 15 barrels per day, and the one on 3L is 16 barrels per day. Crude oil in storage on the property now as gauged at 2:00 o'clock on the afternoon of the 15th in the three (3) tanks, namely, tank No. 1005 in which Gulf State No. 1 has produced into 146.14 barrels. Tank No. 22969 - 246.27 barrels and tank No. 22970 - 510.80 barrels.

As you can see if there is any way possible to increase the allowable on the wells located in 2K and 3L, they should be increased and I respectfully request your consideration of increasing this allowable if consistent with the rules and regulations of your honorable body. This would benefit the State of New Mexico financially as they receive the full royalty from this lease.

Thanking you for your kind consideration and I am awaiting your authorization.

Respectfully,


Edward C. Donohue

ECD:mjs

cc: Mr. Joe D. Ramey
New Mexico Oil Conservation Commission
Hobbs, New Mexico