

TWO STATES OIL COMPANY

DALLAS, TEXAS

March 14, 1940

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New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Attention: A. Andreas, State Geologist

Gentlemen:

While in New Mexico at the recent hearing on gas-oil ratios, the writer discussed with you, several times, the problem of the Langlie and sand areas in Lea County, New Mexico, as it is affected by the problem of gas-oil ratios.

On Thursday, March 7, you were presented with three letters, signed by the Two States Oil Company, Culbertson & Irwin, Inc., and Harry Leonard, making a recommendation which would handle the condition as it now exists in these areas. Since leaving Santa Fe, we have discussed this problem with several other operators, and we enclose, herewith, identical letters, signed by the Plains Production Company; R. K. Stovall, as a member of the partnership of Culbertson & Irwin, Inc. and R. K. Stovall; and Carl B. King, for the Carl B. King Drilling Company. All of these companies are interested in a very material fashion in the production in the Langlie area and are, therefore, concerned about that particular condition.

We want to thank you, Mr. Worden, and Governor Miles for your thoughtful consideration of our problem, and to submit the recommendation to be acted upon as you consider best.

Very truly yours,

TWO STATES OIL COMPANY


President.

HPH:S

Encls.

March
Sixth
1940.

RECEIVED
STATE LAND OFFICE

MAR 16 8 57 AM '40

SANTA FE, N. M.

Conservation Commission of the State of New Mexico
Santa Fe, New Mexico

Gentlemen:

At the hearing for the State Conservation Commission on March 5th, a recommendation was made by the Lea County Operators Committee which does not adequately handle the situation as it occurs in the Langlie Pool in Lea County, New Mexico. The particular situation which we have in mind is a group of wells in the Pool where the gas being produced is being sold for use to the El Paso Natural Gas Company. It is our contention that inasmuch as this gas is being used there is no actual waste and that the handling of the problem in this manner fulfills the basic thought of conservation. It is therefore our suggestion that the following clause should be appended to the end of Paragraph 14 on Page 4 of the Recommendations of the Lea County Operators and that this same clause should also be appended to the end of Paragraph 15 on Page 4 of the Recommendations of the Lea County Operators:

"Except that gas produced and sold to a pipe line for commercial or domestic use or gas produced and sold to a gasoline plant for processing where the residue is to be delivered to a commercial or domestic outlet for a consideration shall be credited and shall not be considered in the gas-oil ratio, the effect being that such delivery and sale are approved."

Testimony of a general nature has been offered you in this case although we believe the conditions stated are well known to your group officially.

Very truly yours, L



CARL B. KING DRILLING COMPANY

elb/

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Very truly yours,

Culbertson & Irwin, & R.K. Stovall,

By- 

elb/

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Plinio Prodromou E.
By A. W. Hannan
Chairman

elb/

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Very truly yours,

Two States Oil Company,
by Howard P. Holmer, Pres.

elb/

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Culbertson & Irwin, Inc.
By: *Anna Irwin*

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Harry Leonard

elb/