



Cities Production Corporation

Bartlesville, Oklahoma

March 24, 1953

Oil Conservation Commission,
State of New Mexico,
Santa Fe, New Mexico.

Re: Case No. 494

Attention: Mr. R. R. Spurrier, Secretary

Gentlemen:

At the hearing on our application for permission to commingle the oil produced from our State "AE" lease in Section 36-16S-36E with the oil produced from our State "AH" lease in Section 35-16S-36E a question was raised with respect to which school fund received the royalties from these leases.

We have checked this matter with the State Land Office and are advised that royalties under both these leases are dedicated to the common schools and there is, therefore, a common ownership of royalties under said leases.

Yours very truly,

A handwritten signature in cursive script that reads "R. E. Adams" with a small flourish at the end.

R. E. Adams,
Proration Engineer

REA:pg

Case 494

Cities Production Corporation

Bartlesville, Oklahoma

January 30, 1953

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

Attention: Mr. R. R. Spurrier, Secretary

In re: Application of Cities Production Corporation
for Authorization to Commingle in the Same
Tank Battery Oil Produced from Its State "AE"
and "AH" Leases, Lovington Abo Field, Lea County,
New Mexico.

Gentlemen:

Cities Production Corporation herewith makes application for an exception to Rule 309 of the Rules and Regulations of the New Mexico Oil Conservation Commission granting it permission to commingle in the same tank battery oil produced from its State "AE" and "AH" Leases, Lovington Abo Field, Lea County, New Mexico, and in support thereof states:

1. That Cities Production Corporation owns two contiguous oil and gas leases obtained from the State of New Mexico, both tracts being Common School Lands, described as follows, to-wit:

State "AE" Lease - State Lease B-7766
W/2 SW/4 Section 36, T-16-S, R-36-E, 80 acres.

State "AH" Lease - State Lease E-1678
SE/4 NE/4 and NE/4 SE/4 Section 35,
T-16-S, R-36-E, 80 acres.

That there is a common ownership of both working and mineral interests in said leases.

2. That State "AE" Well No. 1 has been completed in Unit "M", SW/4 SW/4 Section 36, T-16-S, R-36-E, and that State "AH" Well No. 1 is now in the process of drilling in Unit "I" NE/4 SE/4 Section 35, T-16-S, R-36-E.

3. That attached hereto marked as Exhibit "A" is an ownership plat of the area showing the location of said leases and wells, and properties of offsetting operators.

4. That it is proposed to receive and measure the oil produced from said two leases in common tankage located on the State "AE"

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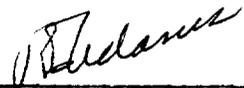
lease. That adequate tankage and other equipment will be maintained in connection with said central tank battery in order that specific production of each well, and of future wells, can be accurately determined at reasonable intervals, or upon request of the Commission.

5. That the granting of this application will result in substantial savings in steel, reduce the costs of operation and maintenance, prevent waste, and protect correlative rights.

Therefore Cities Production Corporation respectfully requests that the New Mexico Oil Conservation Commission set a certain day upon which this matter may be heard, and after said hearing grant permission for applicant to receive and measure in common tankage oil produced from its State "AE" and State "AH" Leases.

Respectfully submitted,

CITIES PRODUCTION CORPORATION

By 

R. E. Adams - Proration Engineer

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