

*Put in
case file.*

TEXAS GULF PRODUCING COMPANY

WEST TEXAS - NEW MEXICO DIVISION

P. O. BOX 1764, MIDLAND, TEXAS

December 2, 1954

RECEIVED
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MIDLAND OFFICE OGC

Mr. W. B. Macey
Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Sir:

This is in answer to your letter of November 26, 1954, referring to our letter addressed to Mr. Walker and dated November 24, 1954, pertaining to a matter of a single tank battery to be located on the N $\frac{1}{2}$ of Section 36, T-17-S, R-33-E, Lea County, New Mexico.

We are inclined to believe that we did not make our request sufficiently clear in our letter to Mr. Walker. While we are requesting permission to use a single common tank battery to serve two leases, we do not now have production on both of said leases. Our request at the moment was for such permission as would permit us to erect the battery at this time to serve the one well located in approximately the center of the SW $\frac{1}{4}$ of the NE $\frac{1}{4}$ of said Section 36, and to set the same at such a location as would make it possible to use a single battery for both of said leases if and when production were had on the remaining portion of the half section in question.

We were not aware that it was necessary to have a formal hearing before the Commission in order to accomplish this purpose. In view of your letter above mentioned, the writer or some other representative of Texas Gulf Producing Company will arrange to be in Santa Fe on December 16, 1954 to appear at the hearing which you have set.

Since the well in question has produced some oil in a test tank and we are now in the process of erecting storage tanks for normal production, we would appreciate being advised as to the customary attitude of the Commission concerning such matters. We are faced with the necessity of setting a battery immediately. We would like, to so conduct our operation as to avoid insofar as possible any additional work or change at some future time. In the instant case,

Mr. W. B. Macey
December 2, 1954
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if we are to anticipate that our request would be denied, tanks of smaller size would need be set on the 40 acre tract in question to serve the one well only. If we are to anticipate that our request would be approved by the Commission we could set tanks of larger size at a better location at this time even though in so doing we would be aware of the fact that we had yet to receive formal permission to produce two leases into a single tank battery. If you can give us any preliminary suggestions along this line previous to the hearing in question it would be greatly appreciated.

Yours very truly,



H. W. Hull

HWH:EH

cc: Mr. E. S. Walker
Commissioner of Land Office
Santa Fe, New Mexico

Mr. A. L. Porter
Oil Conservation Commission
Hobbs, New Mexico

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

February 7, 1955

Texas Gulf Producing Company
Box 1764
MIDLAND, TEXAS

Attention: Mr. H. W. Hull

Gentlemen:

We attach copy of Order R-575 issued under date of January 27, 1955, in Case 805, which was heard at the December 16, 1954, hearing upon your company's application.

Very truly yours,

W. B. Macey
Secretary-Director

WBM:nr

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

November 26, 1954

Mr. H. W. Hull
Texas Gulf Producing Company
Box 1764
Midland, Texas

Dear Sir:

Reference is made to your letter of November 24, 1954, addressed to Mr. E. S. Walker, Commissioner of Public Lands, which has been referred to this office.

Before you can obtain permission to consolidate the production from two or more leases into a common tank battery, it will be necessary for you to have a hearing before this Commission. Mr. Walker has followed the procedure of approving the consolidations only after the Commission has given its consent.

We are using your letter as an application for hearing, and will set it for hearing on December 16, 1954, in Santa Fe. If you are unable to be present at that time, please let us know by wire or telephone as soon as possible.

Very truly yours,

W. B. Macey
Secretary - Director

WBM:nr

cc: Mr. E. S. Walker

Mr. A. L. Porter
Oil Conservation Commission
Hobbs, N M