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J. P. WHITE BUILDING
ROSWELL, NEW MEXICO
MAIN 2-8432

December 9, 1959

Oil Conservation Commission
Box 871
Santa Fe, New Mexico

Attention: Pete Porter, Director

Re: Franklin, Aston & Fair, Inc.
application to commingle pro-
duction from State Leases
B-11594, B-7966 and B-2071


Dear Mr. Porter:

Enclosed herewith you will find an application in duplicate for authority to commingle production from the above leases.

It is my feeling that the parties would probably be entitled to an administrative approval of the application were it not for the fact that the ownership of the leases is not common. The record owners of the leases have executed an operating agreement and all of the parties to the operating agreement, as well as the record owners desire to commingle production.

As the ownership is not common, I assume that it will be necessary to set this matter down for hearing and I would appreciate it if you would set it down for the next examiner's hearing which I understand will be January 6.

Yours very truly,


James T. Jennings

JTJ:cs

Enc.

cc: Franklin, Aston & Fair

cc: Pan American Petroleum Corp.



BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
FRANKLIN, ASTON & FAIR, INC. FOR PER-
MISSION TO COMMINGLE PRODUCTION FROM
THREE SEPARATE LEASES IN THE EMPIRE
ABO FIELD IN EDDY COUNTY, NEW MEXICO.

No. 1139

APPLICATION

Comes now Franklin, Aston & Fair, Inc. and hereby makes application for permission to commingle production of oil produced from three separate State Oil and Gas Leases covering the following described lands in an undesignated area adjacent to the Empire Abo Pool in Eddy County, New Mexico, to-wit:

W $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$ Section 31, Township 17 South,
Range 28 East; NE $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$ Section
6, Township 18 South, Range 28 East.

1. That the above described land is covered by three separate State Oil and Gas Leases and the lease numbers, record owners and lands embraced in the respective leases are as follows:

B-11594	Franklin, Aston & Fair, Inc.	NE $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$ Sec. 6, T. 18S., R. 28 E.
B-7966	Bert Aston	SE $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 31, T. 17 S., R. 28 E.
B-2071	Bert Aston and Fair Oil Company	W $\frac{1}{2}$ SE $\frac{1}{4}$ Sec. 31, T. 17 S., R. 28 E.

That the above described leases insofar as they cover the above described lands are subject to an operating agreement dated August 26, 1959 made and entered into by and between Franklin, Aston & Fair, Inc.; Bert Aston and Esther Aston, his wife; R. W. Fair and Pan American Petroleum Corporation, and that Franklin, Aston & Fair, Inc. is the operator under the terms and provisions of the operating agreement. The parties to the operating agreement are the owners of all the working interest under the above described leases insofar as they cover the lands described above and have all consented to the commingling of production from the leases.

2. Applicant and the other working interest owners have completed the "BB-1" well located in the center of the SW¹/₄NW¹/₄ of Section 6 and the "BB-2" well located in the SE¹/₄NW¹/₄ of Section 6, are drilling the "BB-3" well located in the NE¹/₄NW¹/₄ of Section 6 and have staked the location for the "BD-1" well located in the SE¹/₄SW¹/₄ of Section 31, Township 17 South, Range 28 East, and propose to develop the remaining portion of the above described land immediately.

3. That the applicant proposes to commingle production from the Abo formation underlying the above described lands by producing the same into a centralized storage facility to be located on the SE¹/₄NW¹/₄ Section 6. A plat showing the location of the storage tanks and of the leases in question is attached hereto and marked "Exhibit A".

4. That the oil produced from each lease will be metered separately.

5. There is a common beneficiary of all the lands covered by the above mentioned state leases in that all of the lands are Common School lands.

6. That the commingling of production of oil from the wells on the various leases into a centralized storage facility will effect a considerable saving in installation and operating expenses and such installation will be in the interest of conservation and will not cause waste or impair correlative rights.

WHEREFORE, the applicant requests the Commission to set this matter down for hearing before an examiner at an early date for the purpose of granting applicant permission to commingle production from the above described leases into one centralized storage facility. That notice of such hearing be published as required by law and after said hearing the Commission issue an order permitting the applicant to commingle production from the leases in question into a centralized storage facility.

DATED this 7th day of December, 1959.

Respectfully submitted,

FRANKLIN, ASTON & FAIR, INC.

BY:


Attorney

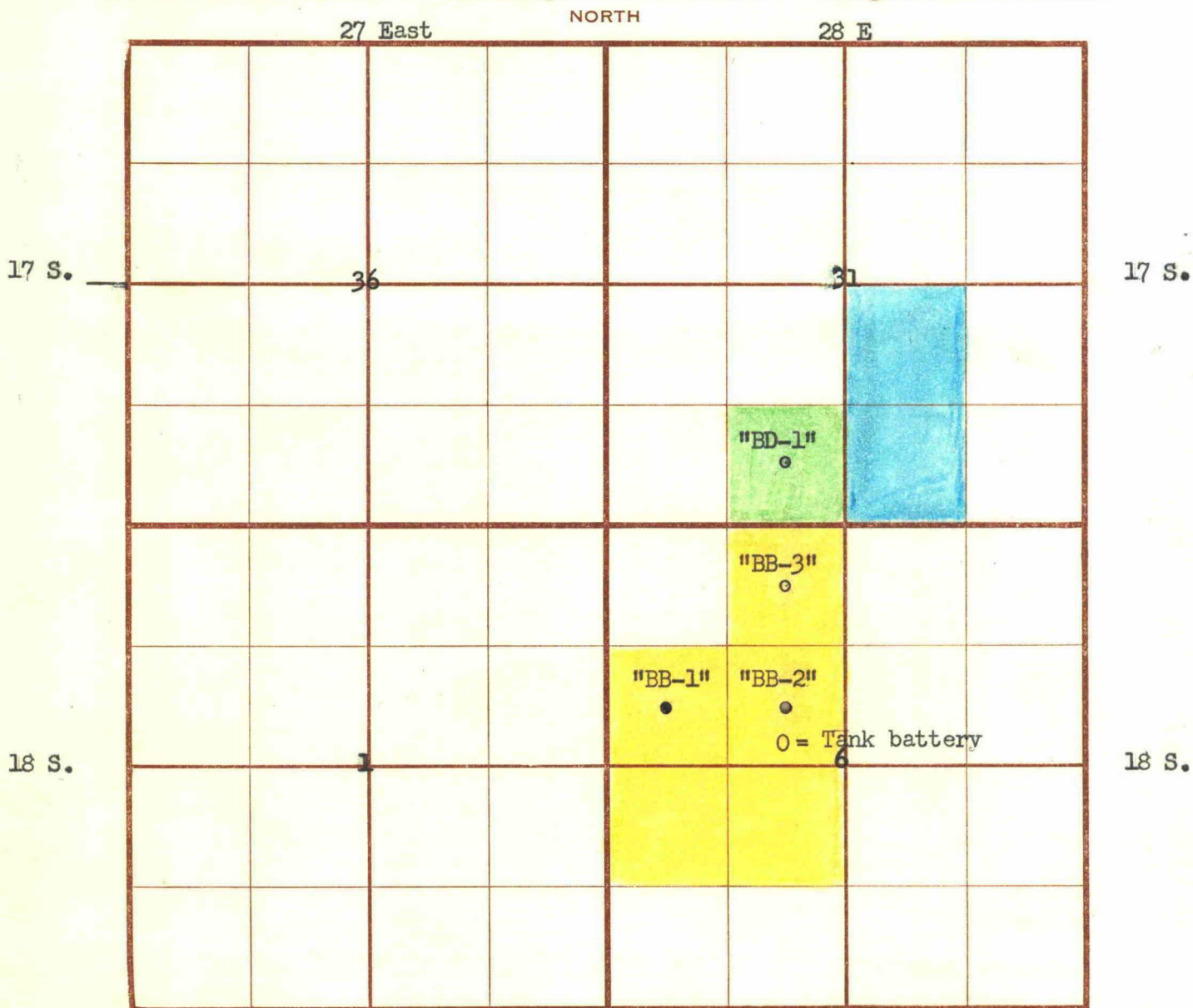
Box 805

Roswell, New Mexico

4 SECTION PLAT

Eddy County, State of New Mexico

Section s 31 and 6 Township 17 and 18 South Range 28 East



Lease B-11594-3 - Franklin, Aston & Fair, Inc.



Lease B-2071-20 - Bert Aston and Fair Oil Company



Lease B-7966-18 - Bert Aston