

# LION OIL COMPANY

A DIVISION OF MONSANTO CHEMICAL COMPANY



PRODUCTION & EXPLORATION  
SOUTHWESTERN REGION

602 W. MISSOURI ST.  
MIDLAND, TEXAS

October 10, 1958

New Mexico Oil Conservation  
Commission  
107 Mabry Hall  
Capitol Building  
Santa Fe, New Mexico

*CTB-33*

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

*30,045-0501?*

Gentlemen:

Monsanto Chemical Company is the owner of New Mexico State Lease No. E-9989, which covers the SW/4 and the W/2 of the SE/4, Section 16, T-26-N, R-11-W, San Juan County, New Mexico and State Lease No. E-9895, which covers the N/2 of the NE/4 and the SW/4 of the NE/4 and the N/2 of the NW/4 and the SW/4 of the NW/4 and the NE/4 of the SE/4, Section 16, T-26-N, R-11-W, San Juan County, New Mexico.

Monsanto has recently drilled its J-1 Well on State Lease No. E-9895, located 790' from the North line and 790' from the West line of Section 16. This well was drilled to the Dakota Formation and dually completed in the Dakota and Gallup Formations pursuant to New Mexico Oil Conservation Commission rules and regulations on which Monsanto has received administrative approval. The present status of this well is that the Dakota Formation is shut in, awaiting gas line connection, and the Gallup Formation is producing.

Monsanto now proposes to drill its J-A#1 Well to the Gallup Formation, located on its State Lease No. E-9989 in Section 16. Permission is hereby earnestly requested from the New Mexico Oil Conservation Commission to commingle the oil produced from the Gallup Formation on its proposed State J-A#1 Well to be located on State Lease No. E-9989 into the tank battery receiving the Gallup production from its J-1 Well, located on State Lease No. E-9895.

In support of this request, it is stated that:

- (1) State Lease Nos. E-9989 and E-9895 are contiguous.
- (2) The royalty from these two State Leases are dedicated to the New Mexico Common School Fund.

New Mexico Oil Conservation  
Commission

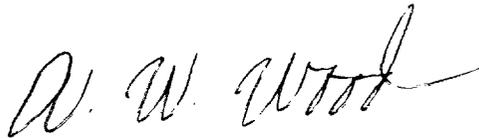
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October 10, 1958

- (3) The Oil Production will be from a common source of supply, namely, the Gallup Formation.
- (4) No more than eight units will ever produce into the common tank battery and adequate facilities will be provided for accurately determining production from each well at reasonable intervals.
- (5) All owners of adjoining leases have consented, in writing, to the proposed commingling of oil from these two separate leases and copies of their letters waiving objections to granting the requested commingling authority are attached hereto.
- (6) Also attached hereto is a copy of a letter from the State Land Office approving the commingling of oil from these two separate state leases.

Your early reply will be appreciated and if you need any further information, please so advise.

Yours very truly,



A. W. Wood  
Regional Production Superintendent

AWW:cb  
Enclosures (2)

**EL PASO NATURAL GAS PRODUCTS COMPANY**

POST OFFICE BOX 1161, EL PASO, TEXAS

RECEIVED

OCT 8 1958

SW REGION

Lion Oil Company  
602 West Missouri Street  
Midland, Texas

Attention: Mr. W. M. Wilson, Regional Manager

Gentlemen:

El Paso Natural Gas Products Company is the operator for federal oil and gas lease covering Section 17, Township 26 North, Range 11 West, San Juan County, New Mexico.

As operator, we have no objection to the request by Monsanto Chemical Company to commingle oil production from State of New Mexico leases E-9989 and E-9895 in the adjoining Section 16, Township 26 North, Range 11 West, San Juan County, New Mexico.

Yours very truly,

EL PASO NATURAL GAS PRODUCTS COMPANY

By R. L. Hamblin  
R. L. Hamblin, Manager Land Department

RLH:ms

cc: New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

# Western Development Company of Delaware



RECEIVED

OCT 8 1958

SW REGION

SENA PLAZA, SANTA FE, NEW MEXICO  
TELEPHONE 3-5568

October 6, 1958

*RWD*

Lion Oil Company  
602 W. Missouri Street  
Midland, Texas

Att.: W. M. Wilson, Regional Manager

Gentlemen:

In reply to your letter of September 29th and to enable you to comply with New Mexico Oil Conservation Commission Rule 309 (b), Paragraph 4, we hereby approve the commingling of oil produced from the Gallup Formation on State Leases E-9989 and E-9895, both located in Section 16, T 26 N, R 11 W, San Juan County, New Mexico.

Very truly yours,

W. E. Scoriah  
President

WES-ge



PETROLEUM AND ITS PRODUCTS

# GULF OIL CORPORATION

GUARANTY BANK BUILDING

P.O. BOX 2097 • DENVER 1, COLORADO

DENVER PRODUCTION  
DIVISION

October 3, 1958

PRODUCTION DEPARTMENT  
S. H. LETTEER  
ZONE MANAGER

Mr. M. W. Wilson  
Regional Manager  
Lion Oil Company  
602 West Missouri Street  
Midland, Texas

Dear Sir:

In reply to your letter of September 29, this is to advise that we have no objection to commingling oil produced from the Gallup Formation into common storage on your state leases E-9989 and E-9895 located in Section 16-26N-11W, San Juan County, New Mexico.

Very truly yours,

S. H. Letteer

SHL:br

# STATE LAND OFFICE

*Santa Fe, New Mexico*

Refer Reply to:  
Oil & Gas Royalty Div.



MURRAY E. MORGAN  
COMMISSIONER OF PUBLIC LANDS

September 21, 1958

Lion Oil Company  
Southwestern Region  
602 W. Missouri St.  
Midland, Texas

Attention: Mr. W. M. Wilson,  
Regional Manager

Dear Sir:

Permission is hereby granted to commingle oil produced from wells located in Section 16, T-26-N, R-11-W, San Juan County, New Mexico on two State Leases, E-9989 and E-9995. The acreage in both leases shall be credited to Common Schools.

When reporting production on our Production and Royalty Statements Form SLO-111-B please combine production on the SLO showing both lease numbers.

Very truly yours,

MURRAY E. MORGAN  
Commissioner of Public Lands  
By:

A handwritten signature in cursive script that reads "Ted Bilberry".

Ted Bilberry, Supervisor  
Oil & Gas Division

TB:BT:mb

cc: Oil Conservation Commission

OIL CONSERVATION COMMISSION  
P. O. BOX 871  
SANTA FE, NEW MEXICO

March 9, 1959

C  
O  
P  
Y  
  
Lion Oil Company  
602 W. Missouri Street  
Midland, Texas

Attention: Mr. A. W. Wood

Re: Administrative Order  
CTB-33

Gentlemen:

Reference is made to Administrative Order CTB-33, dated October 10, 1958, in which you were granted an exception to Rule 309 (a) and authorized to commingle the production from State Lease E-9989 and State Lease E-9895, both located in Section 16, Township 26 North, Range 11 West, NMPM, San Juan County, New Mexico.

Inasmuch as you presently have production on State Lease E-9895 only, it appears that the authorization to commingle production from the above-mentioned State leases is no longer necessary.

Accordingly, Administrative Order CTB-33 is hereby cancelled.

Very truly yours,

A. L. PORTER, Jr.,  
Secretary-Director

ALP/OEP/og  
cc: Oil Conservation Commission - Astec  
Mr. Malcolm Long, State Land Office, Santa Fe

OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

MEMORANDUM

TO: THE COMMISSION  
FROM: [Illegible]

DATE: [Illegible]

SUBJECT: [Illegible]

[Illegible]

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