



CARLTON BEAL
ALLEN K. TROBAUGH

GENERAL PARTNERS

BTA OIL PRODUCERS

104 SOUTH PECOS
MIDLAND, TEXAS
PHONE MU 2-3753

June 20, 1962

In Re: Commingling Permit
BTA Oil Producers'
Trust and Federal Leases

Mr. A. L. Porter, Jr., Secretary Director
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Mr. Porter:

BTA Oil Producers respectfully requests exception to New Mexico Oil Conservation Commission Rule 309-A to permit commingling of production from two federal leases shown on the attached plat and described as follows:

Lease No. NM-04361 consisting of the NW/4 of the NW/4 of Section 27,
T-16-S, R-31-E, N.M.P.M., Eddy County, New Mexico

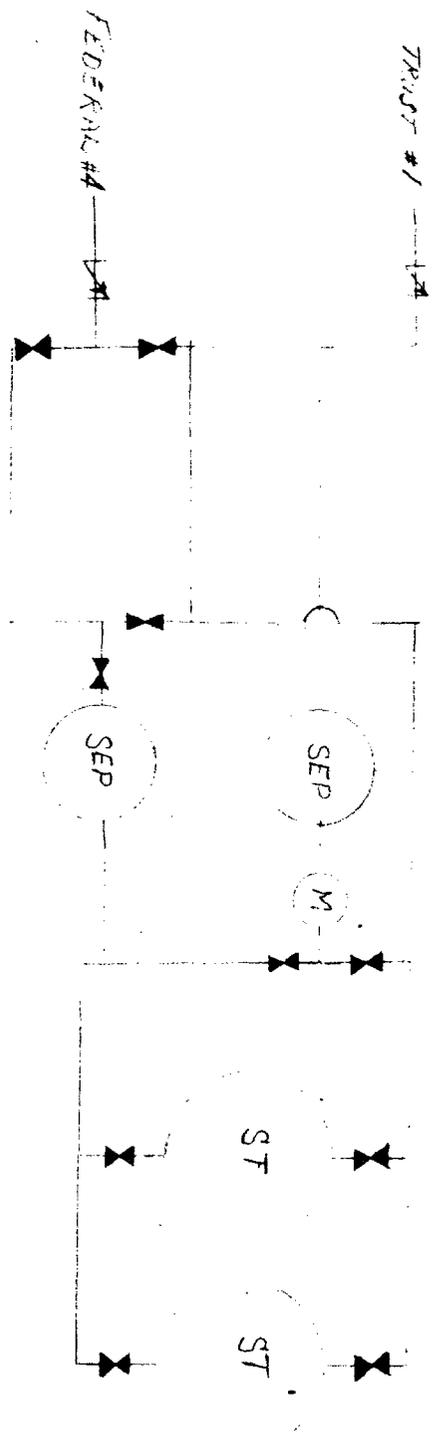
Lease No. NM-05186 consisting of the SE/4 of the NW/4 of Section 27,
T-16-S, R-31-E, N.M.P.M., Eddy County, New Mexico

These two tracts were acquired from Olen F. Featherstone and designated the BTA Oil Producers' Trust Lease. Due to a federal government technicality, however, the well drilled on NM-04361 was designated the Federal No. 4.

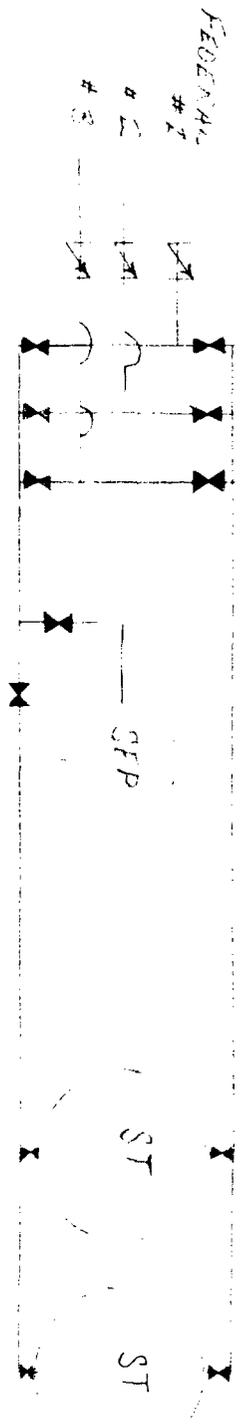
All the requirements of Rule 309-B are met by these leases and supporting data are attached and discussed as follows:

1. All production is from the same common source of supply - the Grayburg-San Andres formation.
2. Adequate facilities will be provided for accurately determining production from each well continuously. The attached sketch of the tank battery shows that a meter (National Liquid-meter) will be installed down stream from the separator for Trust No. 1. The production from the Federal No. 4 will be determined by subtraction of the meter reading from the gross production gauged in the tanks. We also plan to conduct monthly tests of the productive capacity of each well in accordance with the New Mexico Oil Conservation Commission manual for the installation and operation of commingling facilities dated September 13, 1961.

BTA OIL PRODUCERS
 FEDERAL LEASE AND TRUST LEASE
 TRAIN BATTERY FACILITIES SKETCH



REVERSE
 FEDERAL LEASE TO NO. 2 AND TRUST LEASE TO
 LOC. SW/A NW/4 2-1-16-31 EODS' 20. N.M.



FEDERAL LEASE TRS. NO. 2 (FED. #1, #2, #3)
 LOC. SW/A NW/4 2-1-16-31

3. All parties owning an interest in the leases and the purchaser of the commingled production have consented in writing to the commingling of production from the separate leases.

(a) The ownership of the two leases in question is identical and broken down as follows:

United States of America	12.5%
Olen F. Featherstone (ORR)	5.0%
BTA Oil Producers - Working Interest	<u>82.5%</u>
Total	100.0%

(b) Letters from the various owners consenting to the commingling request are attached.

(c) A letter of consent from the Continental Oil Company, the purchaser of the commingled production, is attached.

Currently the Federal No. 4 produces into a separate tank battery located as shown on the attached plat, and the Trust No. 1 produces into a test battery located at the well site.

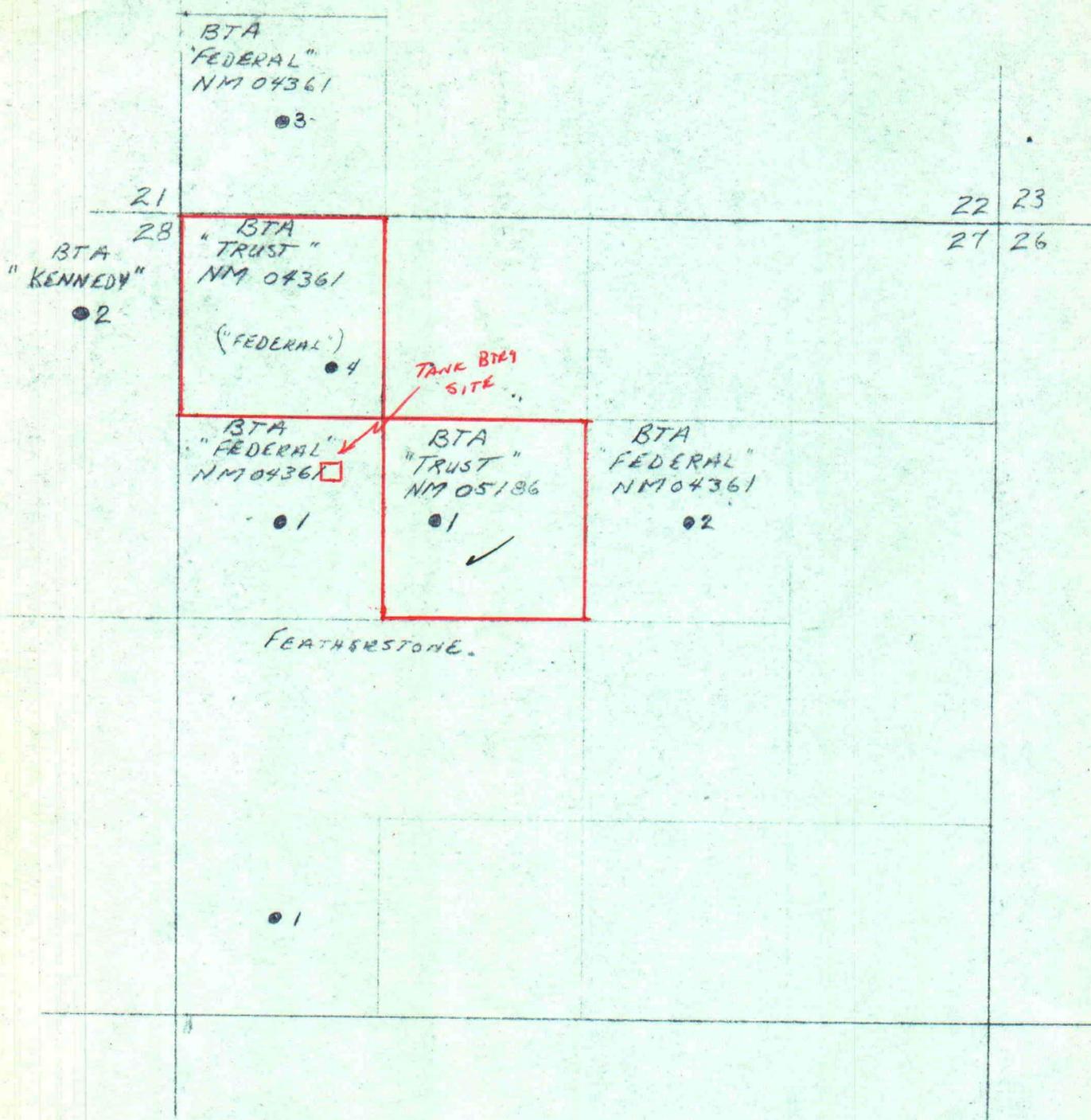
Your early consideration of this request will be appreciated.

Yours very truly,



R. L. Halvorsen
Production Superintendent

RLH/kh
Attachments



BTA OIL PRODUCERS "TRUST" LEASE
 SEC. 27 T-16-S R-31-E N.M.P.M.
 EDDY CO, N.M.
 '1" = 1000'