OIL CONSERVATION COMMISSION P. O. BOX 871

SANTA FE. NEW MEXICO

October 31, 1962

Cactus Drilling Company P. O. Box 1826 Hobbs, New Maxico

Attention: Mr. George W. Baker

Administrative Order CTB-93

Gentlemen:

Reference is made to your application dated October 4, 1962, for administrative approval of an exception to Rule 309-A to permit the commingling of oil produced from your E-6419 Mobil State Lease comprising the SW/4 MW/4 and E/2 SW/4 of Section 16, Township 16 South, Range 32 East and your E-6485 Mobil State Lease comprising the MW/4 MW/4, SW/4 ME/4, ME/4 SE/4, and SW/4 SE/4 of said Section 16, Lea County, New Mexico.

Although it is our understanding that the ownership of both leases is common throughout, approval for the proposed commingling by the Commissioner of Public Lands for the State of New Mexico requires that each some be separately measured prior to commingling. It will therefore be necessary that a meter be installed on one of the leases and that the production from the other lease be determined by the subtraction method.

Under the authority granted me pursuant to Rule.:309-B, you are hereby authorized to commingle the above-described production as herein set forth, subject to the provisions of the Commission "Manual for the Installation and Operation of Commingling Facilities," including the requirement for non-reset counters on the meters.

Very truly yours,

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

ALP/DSM/esr

cc: Oil Conservation Commission (with enclosure) - Hobbs Oil & Gas Engineering Committee - Hobbs State Land Office - Santa Fe

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