

CACTUS DRILLING COMPANY
905 SOUTH CECIL
HOBBS, NEW MEXICO

October 4, 1962

Re: Application for Administrative Approval under Rule 309-B, Lease Commingling Section 16, Township 16s, Range 32e, Lea County, New Mexico.

New Mexico Oil Conservation Commission
P. O. Box 791
Santa Fe, New Mexico

Gentlemen:

Attention: Mr. H. I. Porter

Cactus Drilling Company respectfully requests permission to commingle production on our Mobil State Lease consisting of NE/4NW/4, SW/4NW/4, E/2SW/4, SW/4SE/4, NE/4SE/4, SW/4NE/4, all acreage being in Section 16, Township 16s, Range 32e, Lea County, New Mexico and being made up under State Leases No. E-8419 and E-8425.

In support to our request we invite attention to the following provisional requirements we consider as meeting your requirements under Rule 309-B:

1. The acreages which we hold are contiguous;
2. All production will be from the same pay zone which is the Queen topped at approximately 3594 feet;
3. There will not be more than 6 units produced into the common storage battery;
4. All leases have a common royalty owner and as over-rides being common;
5. Permission has been given by royalty owner;
6. We attach copies of notice to off-set producers in regard to our intention to make this application.
7. Map is attached which shows acreages involved and covered by above state lease numbers.

Please advise us should there be any further requirements

SAN ANGELO, TEXAS
P. O. DRAWER 71
PHONE 653-4568

HOBBS, NEW MEXICO
P. O. BOX 1826
PHONE EXPRESS 3-2146

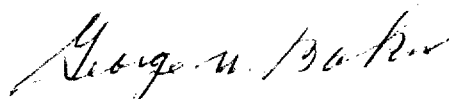
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that will have to be met in securing your approval of our application.

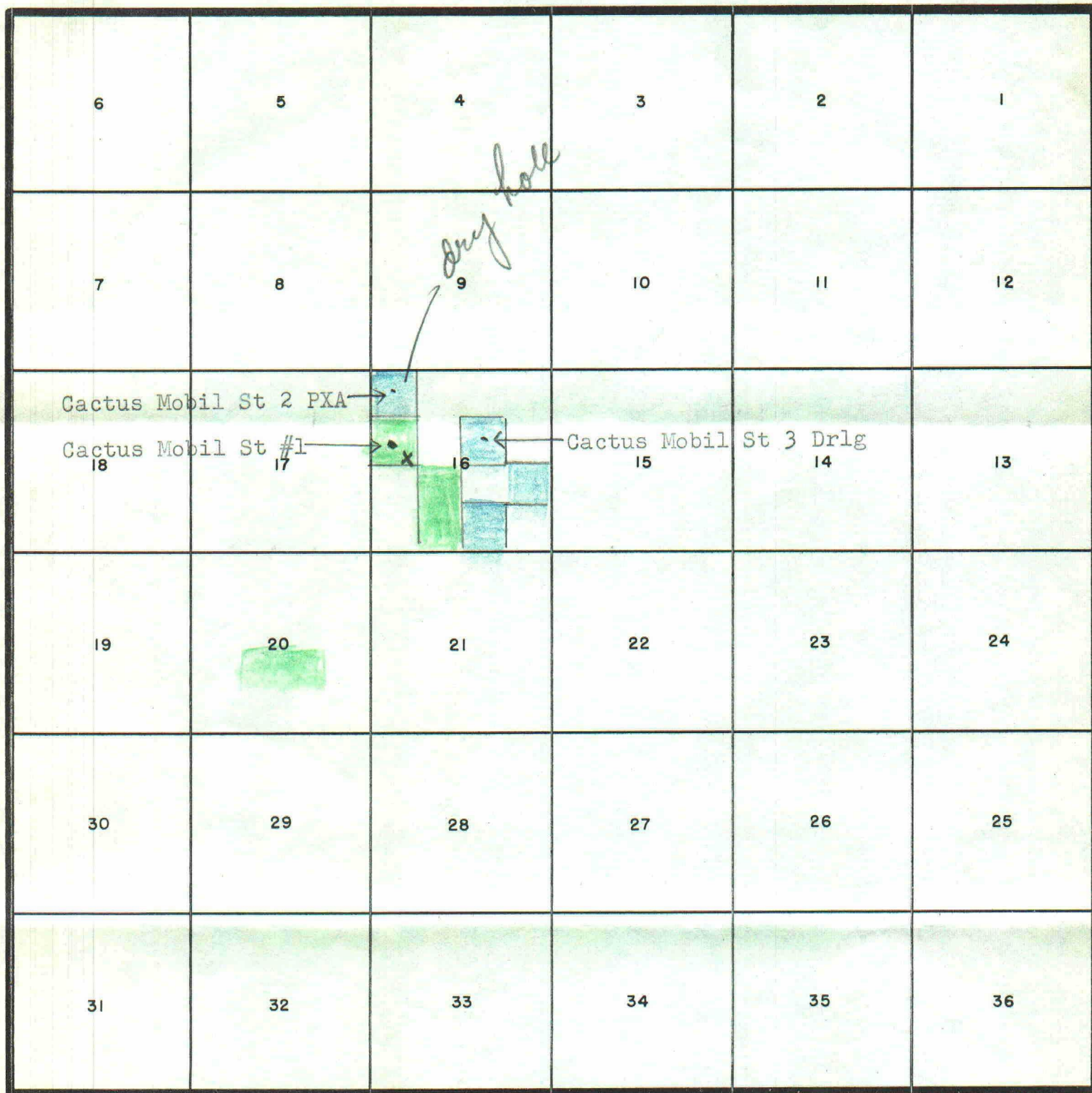
Yours very truly,



GEORGE W. SAILER
Vice-President

Enclosures

cc: R. L. M. Nilsson



County Lea State New Mexico

Section 16 & 20 Township 16s Range 32e

Remarks: Commingling request applicable to acreage in Section 16 only.

 E-6419 Mobil State
 E-6485 Mobil State
 x - Tank Battery