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CACTUS DRILLING COMPANY
905 South Cecil
Hobbs, New Mexico.

September 5, 1962

Mr. A. L. Foster
Oil Conservation Commission
P. O. Box 791
Santa Fe, New Mexico

Dear Sir:

Please be advised that on August 20, 1962, Cactus Drilling Company completed their Mobil State Well No. 1, located on State Lease No. E-6419, well site being 1900 feet from the North Line and 600 feet from the West Line of Section 16, Township 16 S, Range 32 E. Storage tank the well was erected at a point 330 feet south of the well site.

On September 4, 1962, Cactus Drilling Company spudded their Mobil State Well No. 2, located on State Lease No. E-6485, well site being 600 feet from the North Line and 990 feet from the West Line, Section 16, Township 16 S, Range 32 E.

This company obtained the above mentioned State leases from Mobil Oil Company on a farmout agreement. In view of the fact that the two leases have a common royalty owner as well as overrides that are common, it is our desire that we be allowed to produce the two wells or production from the two leases into a common storage battery. The attached plat shows the acreage that is involved in the two leases as well as the location of the tank battery.

We have discussed the above matter with Mobil Oil Company and they are agreeable to the use of common storage if such proposal will meet with your approval. May we be advised in the matter.

Yours very truly,

s/Geo. W. Baker
t/CEO. W. BAKER
Vice-President

cc: Land Commission Office
Oil and Gas Department
P. O. Box 791, Santa Fe, N. Mex

ILLEGIBLE

State of New Mexico



Commissioner of Public Lands



E. S. JOHNNY WALKER
COMMISSIONER

P. O. BOX 791
SANTA FE, NEW MEXICO

September 6, 1962

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

Attn: George W. Baker, Vice-President

Gentlemen:

We have your request dated September 5 to commingle production from your Mobil State Well No. 1 located on State Lease No. E6419 in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 16, Township 16S, Range 32 E, with the production from your Mobil State Well No. 2 now drilling on Lease No. E6485 in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of this section.

There is a problem of accounting for the production from each lease since each of these leases have only one well to date and they are running on extended terms by production. It will be necessary that this production be maintained in commercial quantities. Therefore, we feel that the production from each of these wells should be separately metered and tested before commingling. If the wells are producing from the same zones and there is no lessening of the state's royalty, and proper accounting of the production from each lease is maintained, we would have no objection to the proposed operation.

Very truly yours,

E. S. JOHNNY WALKER
COMMISSIONER OF PUBLIC LANDS

By: *Ted Bilberry*
TED BILBERRY, Supervisor
Oil and Gas Department

HOBBS OFFICE
CACTUS DRILLING COMPANY

SEP 6 1962

RECEIVED

cc: Oil and Gas Conservation Commission (OCC)

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

September 7, 1962

C
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P
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Cactus Drilling Company
P. O. Box 1826
Hobbs, New Mexico

Attention: Mr. Geo. W. Baker

Gentlemen:

Reference is made to your letter of September 5, 1962, wherein you have requested authority to commingle the production from your State Lease No. E-6419 and your State Lease No. E-6485 in Sections 16 and 20, Township 16 South, Range 32 East, Lea County, New Mexico.

From all appearances this request will be eligible for administrative approval; however, it will be necessary for you to make application in accordance with Rule 309-B of the Commission Rules and Regulations.

Very truly yours,

DANIEL S. NUTTER
Chief Engineer

DSN/esr

SAN ANGELO, TEXAS
P. O. BOX 788
PHONE 24568

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

CACTUS DRILLING COMPANY

905 SOUTH CECIL
HOBBS, NEW MEXICO

September 5, 1962

Mr. A. I. Porter
Oil Conservation Commission
P. O. Box 891
Santa Fe, New Mexico

Dear Sir:

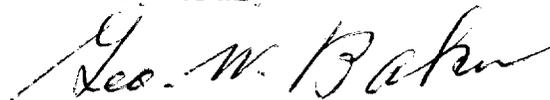
Please be advised that on August 20, 1962, Cactus Drilling Company completed their Mobil State Well No. 1, located on State Lease No. E-6419, well site being 1980 feet from the North Line and 660 feet from the West Line of Section 16, Township 16 S, Range 32 E. Storage for the well was erected at a point 330 feet south of the well site.

On September 4, 1962, Cactus Drilling Company spudded their Mobil State Well No. 2, located on State Lease No. E-6485, well site being 660 feet from the North Line and 990 feet from the West Line, Section 16, Township 16 S, Range 32 E.

This company obtained the above mentioned state leases from Mobil Oil Company on a farmout agreement. In view of the fact that the two leases have a common royalty owner as well as overrides that are common, it is our desire that we be allowed to produce the two wells or production from the two leases into a common storage battery. The attached plat shows the acreage that is involved in the two leases as well as the location of the tank battery.

We have discussed the above matter with Mobil Oil Company and they are agreeable to the use of common storage if such proposal will meet with your approval. May we be advised in the matter.

Yours very truly



GEO. W. BAKER
Vice-President

cc: Land Commission Office
Oil and Gas Department
P.O. Box 791, Santa Fe, N. Mex.

Attachment

6	5	4	3	2	1
7	8	9	10	11	12
Cactus #2 Mobil St Cactus #1 Mobil St Tank battery	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

County Lea State New Mexico

Section 16 and 20 Township 16 S Range 32 E

Remarks:

Scale: No Scale

Mobil State Lse E6419--->

Mobil State Lse E6485--->

CACTUS DRILLING COMPANY

October 2, 1962

REGISTERED MAIL

Subject: Application under
Rule 309-B to
Commingle. Mobil
State Leases E-6419,
E-6485, 16-16-32
Lea County, N. Mex

C
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Humble Oil and Refining Company
P. O. Box 1600,
Midland, Texas

Gentlemen:

For your information, under a farmout agreement made between Cactus Drilling Company and Mobil Oil Company, Roswell, New Mexico, Cactus secured operating rights in two New Mexico State Leases, Nos. E-6419 and E-6485. We have completed one producing well on Lease No. E-6419 and we are in the process of drilling another well on Lease No. E-6485.

In view of the fact that the two leases have a common royalty owner as well as common overrides, it would be economically advantageous to Cactus Drilling Company if they could be allowed to produce from both these leases into a common storage battery, and it is our intention to make such application to the Regulatory Body of the State of New Mexico for their review and approval. Acreages that would be involved in this proposal and which are covered by the above numbered state leases are as follows:

NW/4NW/4, SW/4NW/4, E/2SW/4, SW/4SE/4, NE/4SE/4, SW/4NE/4,
all of such acreage being in section 16, Township 16 South,
Range 32 East.

We are furnishing this notice in compliance with Rule 309-B, Paragraph 4. We are sure that you will concur with us in the matter.

Yours very truly,

GEORGE W. BAKER
Vice-President

cc: Mr. L. E. Nilsson

c/c

CACTUS DRILLING COMPANY

October 2, 1962

REGISTERED MAIL

Subject: Application Under
Rule 309-B to
Commingle. Mobil
State Leases E-6419,
E-6485, 16-16-32

Lea County, N. Mex.

Mobil Oil Company
P. O. Box 1098
Roswell, New Mexico

Gentlemen:

For your information, under a farmout agreement made between Cactus Drilling Company and Mobil Oil Company, Roswell, New Mexico, Cactus secured operating rights in two New Mexico State Leases, Nos. E-6419 and E-6485. We have completed one producing well on Lease No. E-6419 and we are in the process of drilling another well on Lease No. E-6485.

In view of the fact that the two leases have a common royalty owner as well as common overrides, it would be economically advantageous to Cactus Drilling Company if they could be allowed to produce from both these wells and both leases into a common storage battery, and it is our intention to make such application to the Regulatory Body of the State of New Mexico for their approval. Acreages that would be involved in this proposal and which are covered by the above numbered state leases are as follows:

NE/4NW/4, SW/4NW/4, E/2SW/4, SW/4SE/4, NE/4SE/4, SW/4NE/4,
all of such acreage being in Section 16, Township 16 South,
Range 32 East.

We are furnishing this notice in compliance with Rule 309-B, Paragraph 4. We are sure that you will concur with us in the matter.

Yours very truly,

GEORGE W. BAKER
Vice-President

cc: Mr. L. E. Nilsson

c/c

C
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October 2, 1962

REGISTERED MAIL

Subject: Application under
Rule 309-B to
Commingle Mobil
State Leases E-6419
E-6485, 16-16-32
Lea County, N. Mex.

Sinclair Oil and Gas Company
P.O. Box 809
Roswell, New Mexico

Gentlemen:

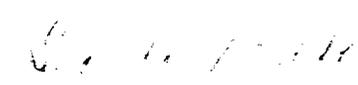
For your information, under a farmout agreement made between Cactus Drilling Company and Mobil Oil Company, Roswell, New Mexico, Cactus secured operating rights in two New Mexico State Leases, Nos. E-6419 and E-6485. We have completed one producing well on Lease No. E-6419 and we are in the process of drilling another well on Lease No. E-6485.

In view of the fact that the two leases have a common royalty owner as well as common overrides, it would be economically advantageous to Cactus Drilling Company if they could be allowed to produce from both these leases into a common storage battery, and it is our intention to make such application to the Regulatory Body of the State of New Mexico for their review and approval. Acreages that would be involved in this proposal and which are covered by the above numbered state leases are as follows:

NW/4NW/4, SW/4NW/4, E/2SW/4, SW/4SE/4, NE/4SE/4, SW/4NE/4,
all of such acreage being in Section 16, Township 16 South,
Range 32 East.

We are furnishing this notice in compliance with Rule 309 B, Paragraph 4. We are sure that you will concur with us in the matter.

Yours very truly,


GEORGE W. BAKER
Vice-President

cc: Mr. L. E. Nilsson

c/c

CACTUS DRILLING COMPANY

October 2, 1962

AIR MAILED MAIL

Subject: Application under
Rule 309-B to
Commingle. Mobil
State Leases E-6419,
E-6485, 16-16-32
Lea County, N. Mex

Continental Oil Company
P. O. Box 1277
Roswell, New Mexico

Re: Lease:

For your information, under a farmout agreement made between Cactus Drilling Company and Mobil Oil Company, Roswell, New Mexico, Cactus secured operating rights in two New Mexico State Leases, Nos. E-6419 and E-6485. We have completed one producing well on Lease No. E-6419 and we are in the process of drilling another well on Lease No. E-6485.

In view of the fact that the two leases have a common royalty owner as well as common overrides, it would be economically advantageous to Cactus Drilling Company if they could be allowed to produce from both these leases into a common storage battery, and it is our intention to make such application to the Regulatory Body of the State of New Mexico for their review and approval. Acreages that would be involved in this proposal and which are covered by the above numbered state leases are as follows:

NW/4NW/4, SW/4NW/4, N/2SW/4, SW/4SE/4, NE/4SE/4, SW/4NE/4,
all of such acreage being in Section 16, Township 16 South,
Range 32 East.

We are furnishing this notice in compliance with Rule 309-B, Paragraph 4. We are sure that you will concur with us in the matter.

Yours very truly,

GEORGE W. BAKER
Vice-President

cc: Mr. L. A. Nilsson

c/c

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CACTUS DRILLING COMPANY

October 4, 1962

MAIL ROOM

Re: Application under Rule 309-B
to Commingle. Mobil State
Leases E-6419, E-6485 16-16-32
Lea County, New Mexico

Alco Oil and Gas Company
P. O. Box 2027
LaFayette, Louisiana

Gentlemen:

For your information, under a farmout agreement made between Cactus Drilling Company and Mobil Oil Company, Roswell, New Mexico, Cactus secured operating rights in two New Mexico State Leases, Nos. E-6419 and E-6485. We have completed one producing well on Lease No. E-6419 and we are in the process of drilling another well on Lease No. E-6485.

In view of the fact that the two leases have a common royalty owner as well as common overrides, it would be economically advantageous to Cactus Drilling Company if they could be allowed to produce from both these leases into a common storage battery, and it is our intention to make such application to the Regulatory Body of the State of New Mexico for their review and approval. Acreage that would be involved in this proposal and which is covered by the above numbered state leases is as follows:

NW/4NW/4, SW/4NW/4, E/2SW/4, SW/4SE/4, NE/4E/4, SW/4NE/4,
all of such acreage being in Section 16, Township 16 South,
Range 32 East, Lea County, New Mexico.

We are furnishing this notice in compliance with Rule 309-B, Paragraph 4. We are sure that you will concur with us in the matter.

Yours very truly,

GEORGE W. BAKER
Vice-President

cc: Mr. L. A. Milson

c/c

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