

T. F. HODGE

OIL PRODUCER

1113 CONTINENTAL BANK BUILDING
FORT WORTH, TEXAS 76102

March 3, 1964

Handwritten: 7-10
1113-1111

Oil Conservation Commission
Oil and Gas Accounting Commission
State of New Mexico Commissioner of Public Lands

RECEIVED
MAR 5 PM 1 30
MAIN OFFICE 0000

Gentlemen:

Attached is a copy of a letter from the State of New Mexico Commissioner of Public Lands dated January 9, 1964, stating that the Commissioner will approve T. F. Hodge's application for permission to commingle production from the Humble State "A" Lease Well Nos. 1 and 2, South Lane Field, Lea County, New Mexico, provided that approval is secured from the Oil Conservation Commission. I am also attaching a letter from the Oil and Gas Conservation Commission dated February 26, 1964, wherein they granted approval for T. F. Hodge to commingle the production from the wells located on the above lease and to account for the production from each well by the use of quarterly well tests.

We shall start reporting the production for each well during the month of March, 1964, based on well tests available during the first three months of this year. Beginning in April the wells will be tested on a quarterly basis between the first and the fifteenth of the first month in each quarter and the production will be split on the basis of these tests.

Yours very truly,

Handwritten signature of Walter L. Hahn
Walter L. Hahn

WLH:mr

cc: Howard Wright
Humble Oil & Refining Company

T. F. HODGE
OIL PRODUCER
1113 CONTINENTAL BANK BUILDING
FORT WORTH, TEXAS 76102

January 16, 1964

1964 JAN 16 PM 2 20

Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Gentlemen:

Attached is a letter addressed to Mr. T. F. Hodge from the State of New Mexico, Commissioner of Public Lands stating that they will grant approval of our request to commingle production on our Humble State "A" Lease, South Lane Field, Lea County, New Mexico, after we satisfy certain conditions. It will be noted in their letter that the State of New Mexico Commissioner of Public Lands requests that we submit a monthly production report on each of the two wells on this lease. We have set one tank battery to serve both wells and for this reason, we hereby respectfully request approval from the Conservation Commission to commingle the production from these two wells.

Attached to this letter is a schematic diagram showing the location of the two wells, the tank battery and other equipment used in producing this lease. We propose that a quarterly well test be performed on each of the wells to determine their producing rates and that this test be used as a basis to divide the total tank battery production between the two wells. We propose that the tests be performed during the first half of the first month in each quarter, and the monthly production for that quarter be based on the proportion derived from the well test.

You will notice that it was stated in the letter from the Commissioner of Public Lands that both of the eighty acre tracts, in question, are dedicated to the Improvement of the Rio Grande. All of the royalty income to the State from these properties, even though they are separate leases, go to the same beneficiary and for this reason we feel that the quarterly well test will be adequate for dividing the production between the two wells.

Yours very truly,


Walter L. Hahn

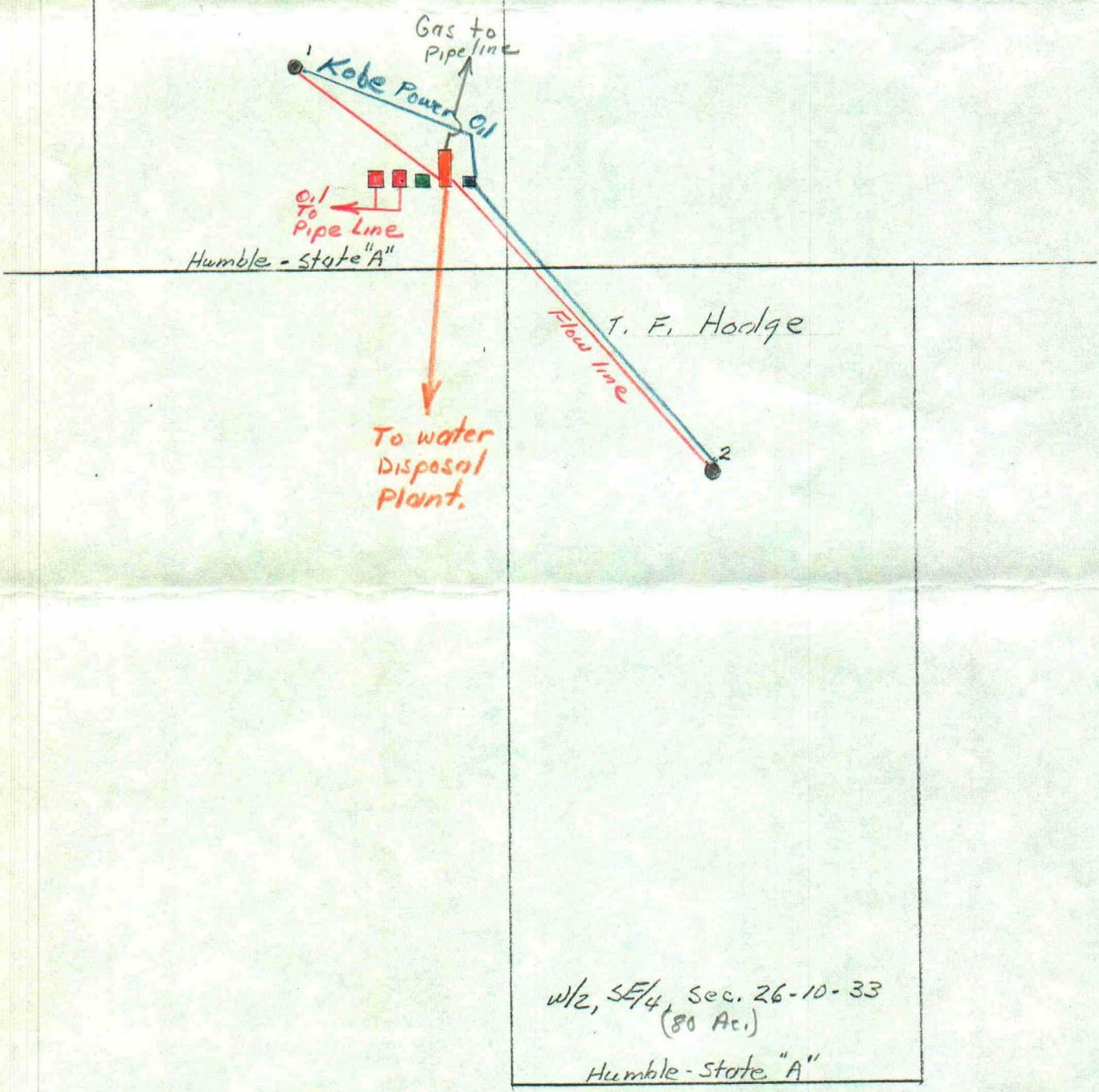
WLH:mr

Encl.

CC: Commissioner of Public Lands
Humble Oil & Refining Company
Oil & Gas Accounting Commission
Howard Wright

T. F. HODGE
 E/2, NW/4, Sec 26-10-33
 (80 Aci.)

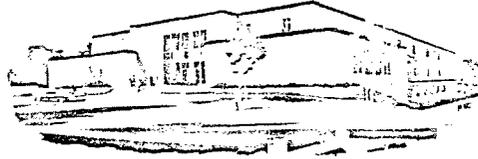
- 1000 Bbl. Stock tank
- 750 Bbl. Power Oil Tank
- 6' x 20' Heater Treater
- Kobe Triplex
- Flow Line
- Kobe Power Oil Line
- Water Disposal Line
- Oil Pipeline
- Gas Pipeline



W/2, SE/4, Sec. 26-10-33
 (80 Aci.)
 Humble - State "A"

T. F. HODGE
 Schematic Diagram of Battery & Flow Lines
 Humble - State "A" Lease
 Lane South Field.
 Lea County, New Mexico
 Scale 1" = 500'

State of New Mexico



Commissioner of Public Lands

E. S. JOHNNY WALKER
COMMISSIONER



January 9, 1964

P. O. BOX 791
SANTA FE, NEW MEXICO

1964 MAR 5 PM 1:30
MAIN OFFICE OCC

Mr. T. F. Hodge
1113 Continental Bank Building
Fort Worth, Texas, 76102

ATTENTION: Mr. Walter L. Hahn

RE: Application for permission to commingle pro-
duction from Humble State "A" Lease, Well No.
1 and 2, South Lane Field, Lea County, New Mexico

Gentlemen:

We will approve the above request on certain con-
ditions. Since the E $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 26 belongs to
Lease E-9035 and the W $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 26 belongs
to Lease E-9796, we must have a monthly production
report from each well. This is to protect the
interests of the State since there are two wells
on two leases. This is subject to approval by the
Oil Conservation Commission.

The beneficiary on both leases is Improvement of
the Rio Grande.

Very truly yours,

E. S. JOHNNY WALKER
COMMISSIONER OF PUBLIC LANDS

BY: *Romulo Martinez*
ROMULO MARTINEZ
Oil and Gas Department

ESJW/RM/po

CC: Oil Conservation Commission
Oil and Gas Accounting Commission

T. F. HODGE
OIL PRODUCER
1113 CONTINENTAL BANK BUILDING
FORT WORTH 2, TEXAS

January 7, 1964

State Land Office
Commissioner of Public Lands
Box 791
Sant Fe, New Mexico

Attention: Oil & Gas Department

Gentlemen:

This is T. F. Hodge's application to the State Land Office for permission to commingle the oil and gas produced from his Humble State "A" Lease Well No. 1 and No. 2, South Lane Field, Lea County, New Mexico. The Humble State "A" Lease contains the E/2 of the NW/4 and the W/2 of the SE/4 of Section 26, Township 10S, Range 33E. This lease is colored on the attached map. Also, attached to this letter is a schematic diagram of the various flow lines, tanks and other equipment used in producing the oil and gas from this lease.

It will be noted from the attached plat that we have two, one-thousand barrel stock tanks located approximately 500' southeast of the Well No. 1. Included in the battery is one, 750 power oil tank, a six foot by twenty foot heater treater, the Kobe Tri-plex and other associated Kobe equipment. The oil is produced from the two wells into the heater treater where the gas, water and oil are separated. The water enters a line going to the salt water disposal whereby, the gas goes to the pipeline. The oil, of course, goes from a heater treater to the stock tanks or to the power oil tank. The power oil tank is a storage tank for the oil used to operate the Kobe pumps which are used in both of the wells. The oil from the power oil tank enters the Kobe Tri-plex and from there goes to the sub-surface pumps on each of the wells.

Since the income to the State from both of these tracts goes to the same account, we hereby, request permission to commingle the oil from the Well No. 1 and Well No. 2. If any additional information is required, please advise.

Yours very truly,

Walter L. Hahn

WLH:mr
Encl.

*Copies made to Humble
also plat 1-10-64*

(11)

December 30, 1963

Mr. T. F. Hodge
203 Waynick & Walsh Building
Midland, Texas

Gentlemen:

It has come to our attention that you are commingling production from two wells on SE $\frac{1}{4}$ NW $\frac{1}{4}$ and NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 26, Township 10S, Range 33E. These wells are also located on two different leases. This commingling is illegal. The Oil Conservation Commission does not have an order permitting it and this office does not have one either.

I believe that we could give you permission if you request it. Otherwise, we must ask that all production be separated.

Very truly yours,

E. S. JOHNNY WALKER
COMMISSIONER OF PUBLIC LANDS

BY:
ROSELLO MARTINEZ
Oil and Gas Department

EEJW/EM/po

CC: Oil Conservation Commission
Oil and Gas Accounting Commission
Humble Oil and Refining Company