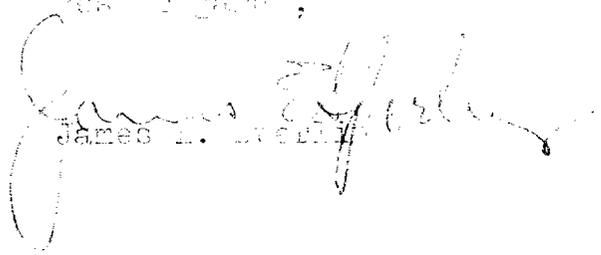


Mr. J. B. Huber
1000
1000

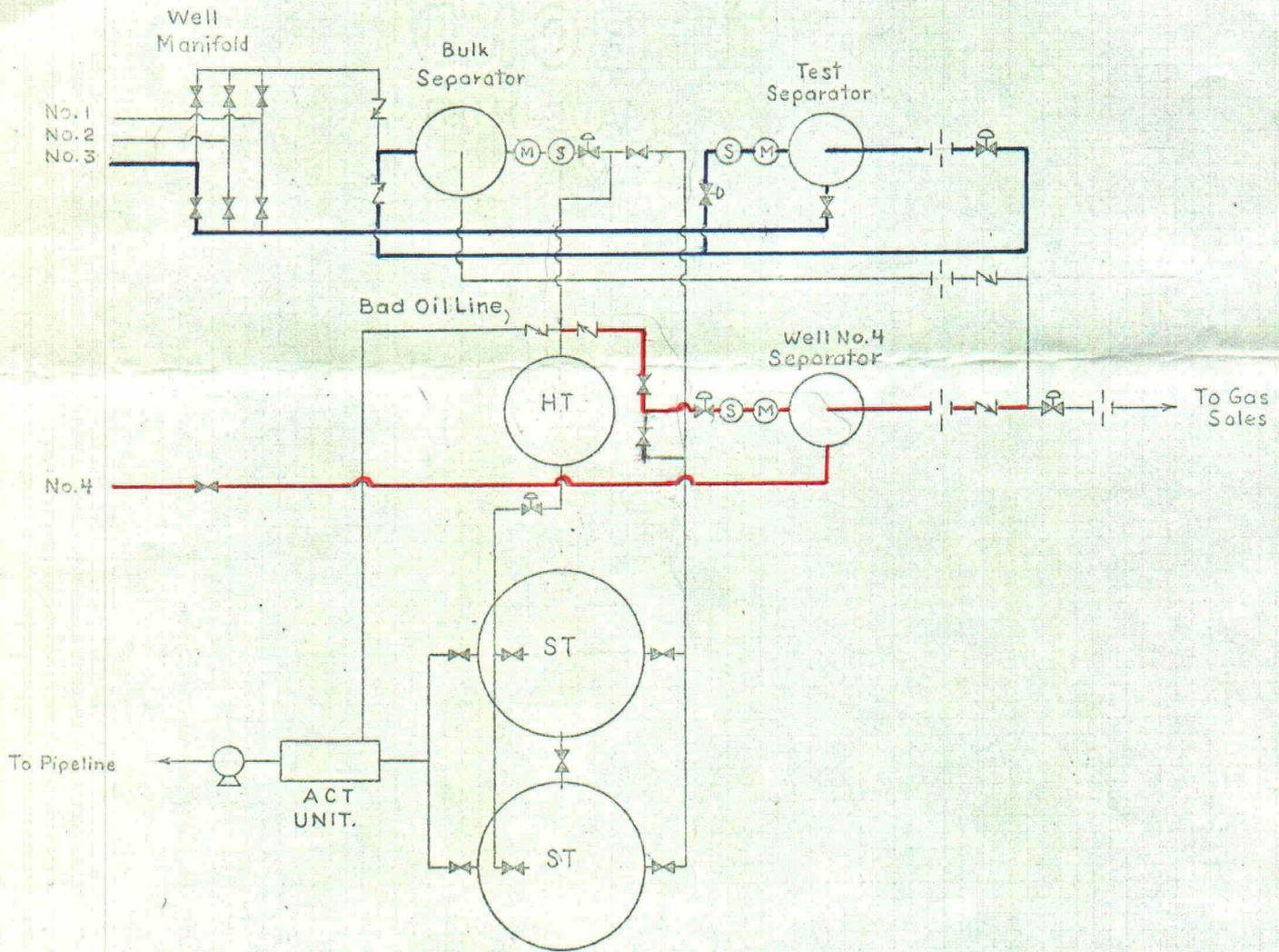
... and after you have the all right of
... the matter, I would appreciate
... to that effect.

... I agree,

James I. Kelly

...
...

...
... Brian Lee

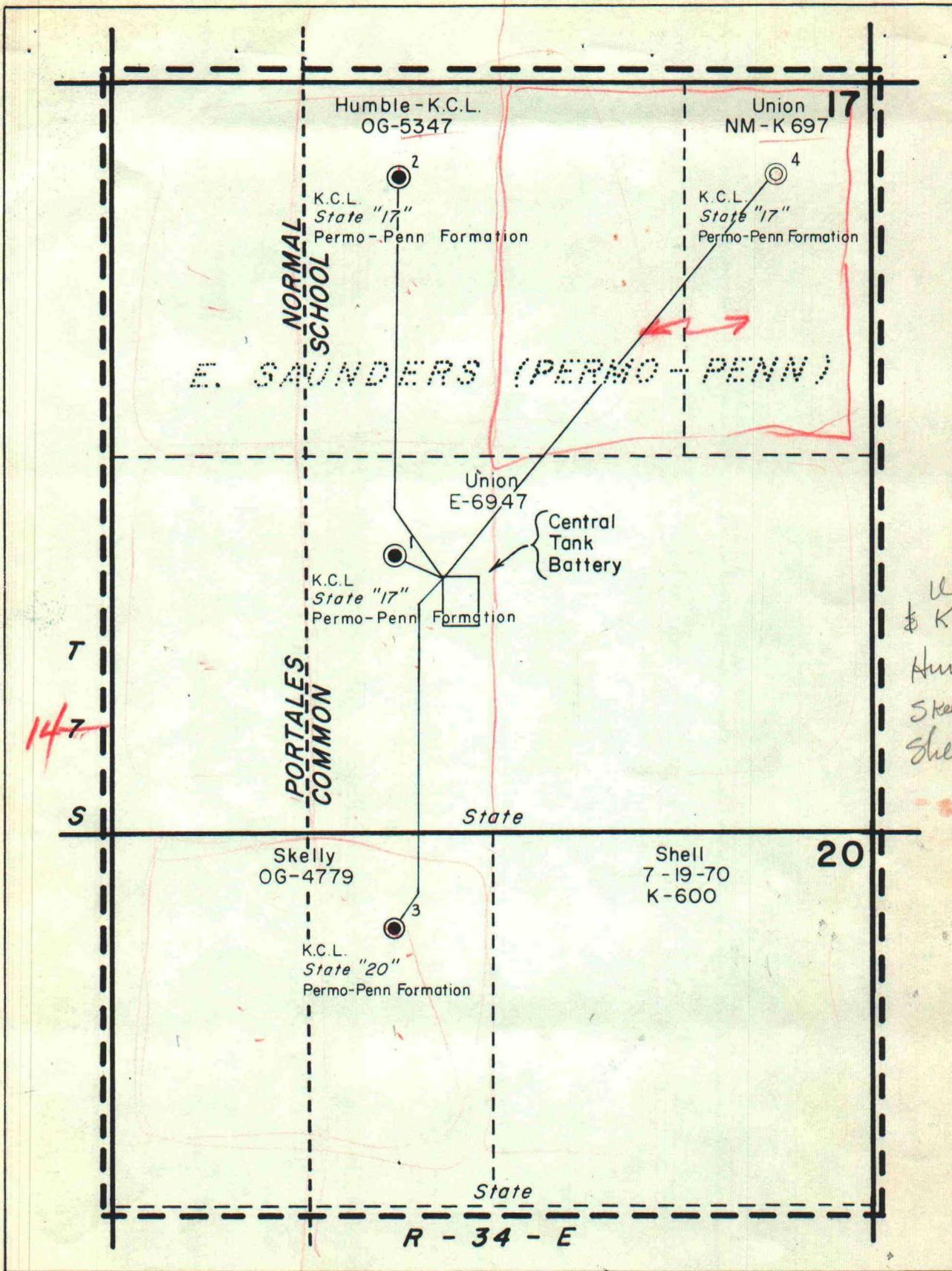
... Gilbert L. Castle



LEGEND:

1. Red flow shows additional facilities to separately meter well no. 4.
2. Blue flow shows well on test for monthly allocation of production.

EXHIBIT C
 KERN COUNTY LAND CO.
 SCHEMATIC DIAGRAM
 OF
 COMMINGLING FACILITIES
 EAST SAUNDERS FIELD
 PERMO-PENN ZONE
 Lea County, New Mexico
 4-21-66 C.F. Eaton



800
 Union 1
 & KCL 5
 Humble 3
 Skelly 2
 Shell 2

KERN COUNTY LAND CO.

ETCHEVERRY UNIT
 LEA COUNTY, NEW MEXICO

SCALE: 1"=1000'

ETCHEVERRY UNIT W. I.

K.C.L.	.3500
HUMBLE	.1250
SHELL	.2334
PURE	.2083
SKELLY	.0833
	= 1.0000

EXHIBIT - A

DATE: 1-21-66

BY: G.H.C.

MAIN OFFICE 01

'66 MAY 23 AM 8

State of New Mexico



Commissioner of Public Lands

GUYTON B. HAYS
COMMISSIONER



P. O. BOX 1148
SANTA FE, NEW MEXICO

May 20, 1966

Mr. James E. Sperling
Modrall, Seymour, Sperling, Roehl & Harris
Attorneys at Law
Post Office Box 466
Albuquerque, New Mexico 87103

Re: East Saunders Permo-Penn Pool
Lea County, New Mexico

Dear Mr. Sperling:

We have reviewed the proposal of Kern County Land Company to commingle production from Wells 1, 2, 3, and 4 in the East Saunders Permo-Penn Pool, which are located in Sections 17 and 20, Township 7 South, Range 34 East, as indicated on your Exhibit "A" plat which you submitted to the Oil Conservation Commission in connection with that proposal. It is our understanding that Wells 1, 2 and 3 are already being commingled and that your proposal is to add the production from Well No. 4, which is on Common School lands. Although the production from two beneficiaries, Portales Normal and Common Schools, is now being commingled, it is our understanding that you propose to separately meter the production from Well No. 4 to insure the separate allocation of royalty to the Common School beneficiary.

As your proposal was outlined on May 9, 1966, by letter to the Oil Conservation Commission, there appears to be no objection that the Commissioner of Public Lands would make in regard to your commingling application.

Very truly yours,

GUYTON B. HAYS
Commissioner of Public Lands

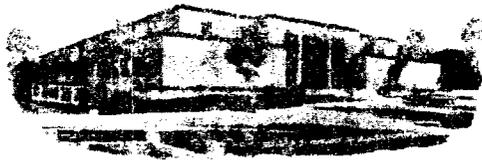
By

TED BILBERRY, Director
Oil and Gas Department

GBH/EB/TB/d

cc: New Mexico Oil Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico 87501

State of New Mexico



Commissioner of Public Lands



SANTA FE, NEW MEXICO
P. O. BOX 1148

CLYTON B. HAYS
COMMISSIONER

66 MAY 23 11 49 AM '33

100-100000-1000

[Faint, mostly illegible text, likely the body of a letter or official document.]

LAW OFFICES OF

MODRALL, SEYMOUR, SPERLING, ROEHL & HARRIS

SIMMS BUILDING

P. O. BOX 466

ALBUQUERQUE, NEW MEXICO 87103

JOHN F. SIMMS (1885-1954)

AUGUSTUS T. SEYMOUR
(1907-1965)

TELEPHONE 243-4511
AREA CODE 505

J. R. MODRALL
JAMES E. SPERLING
JOSEPH E. ROEHL
GEORGE T. HARRIS, JR.
DANIEL A. SISK
LELAND S. SEDBERRY, JR.
ALLEN C. DEWEY, JR.
FRANK H. ALLEN, JR.
JAMES P. SAUNDERS, JR.

JAMES A. PARKER
HENRY G. COORS
JOHN R. COONEY
KENNETH L. HARRIGAN

May 19, 1966

Mr. Daniel S. Nutter
Chief Engineer
New Mexico Oil Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico

MAIL OFFICE
1966 MAY 20 PM 1 15

Re: East Saunders Permo-Penn Pool,
Lea County, New Mexico
KERN COUNTY LAND COMPANY

Dear Dan:

On May 9, 1966, I wrote you furnishing you with a diagram of facilities to be installed for handling and measuring production from wells located in Sections 17 and 20 of Township 7 South, Range 34 East. I have been informed that these facilities have been installed but that the purchaser, Pan American Petroleum Corporation, will not take oil until such time as the Commission has given its approval to the handling and measuring facilities. We would appreciate your advising us as soon as possible that the Commission approves the installation so that we may furnish evidence to this effect to the purchaser.

Best regards.

Very truly yours,

James E. Sperling
James E. Sperling

JES:fm

cc: Mr. Gilbert H. Castle, Jr.
Kern County Land Company
Midland, Texas

I have dictated this before and talked to you about it

LAW OFFICES OF

MODRALL, SEYMOUR, SPERLING, ROEHL & HARRIS

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JAMES P. SAUNDERS, JR.

JAMES A. PARKER
HENRY G. COORS
JOHN R. COONEY
KENNETH L. HARRIGAN

June 15, 1966

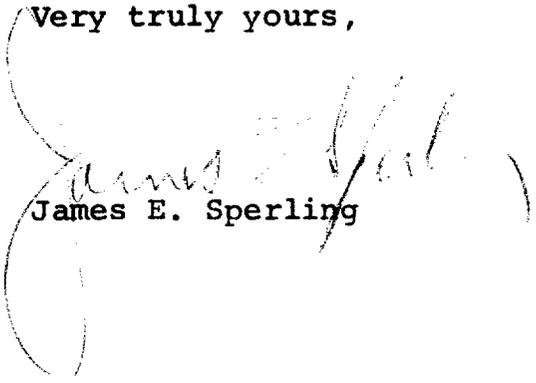
Mr. Daniel S. Nutter
Chief Engineer
New Mexico Oil Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico

Re: East Saunders Permo-Penn Pool,
Lea County, New Mexico
Kern County Land Company
Commingling Facilities

Dear Dan:

Enclosed is copy of letter from Pan American Petroleum Corporation, the purchaser of crude oil from the Kern County Land Company's wells in Section 17, Township 14 South, Range 34 East, Lea County, New Mexico, indicating their approval of the commingling facility concerning which you have previously been advised. If the letter is satisfactory for your purposes, would you please indicate the Commission's approval of the commingling plan.

Very truly yours,


James E. Sperling

JES:fm

Enclosure

cc: Mr. Gilbert H. Castle, Jr.
Kern County Land Company
Midland, Texas

PAN AMERICAN PETROLEUM CORPORATION

PAN AMERICAN BUILDING

P. O. BOX 591

TULSA, OKLAHOMA—74102

May 25, 1966

MAY 26 1966
JUN 16 9 17 AM '66

SUBJECT: State Commingling Facility
NE SW Section 17, 14S-34E.
(East Saunders Permo-Penn
Field, Lea County, New
Mexico)

Mr. Donald R. Karrasch
Kern County Land Company
Suite 418 First State Bank Bldg.
Midland, Texas

Dear Sir:

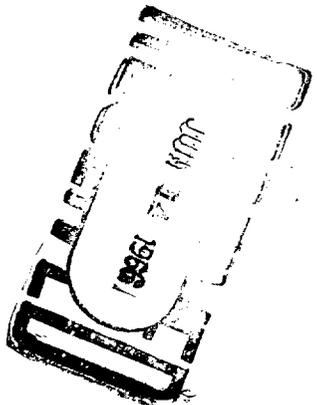
Pan American has approved the plan of allocating production from the captioned commingling facility as outlined in your letter of May 13, 1966. We will make settlement to the interest owners on the basis of the allocation information furnished by you each month.

Yours very truly,

Original
Signed D. R. Ryan

WLE:dlc

cc: J. E. Leasher
W. B. Forrest



J. R. MODRALL
JAMES E. SPERLING
JOSEPH E. ROEHL
GEORGE T. HARRIS, JR.
DANIEL A. SISK
LELAND S. SEDBERRY, JR.
ALLEN C. DEWEY, JR.
FRANK H. ALLEN, JR.
JAMES P. SAUNDERS, JR.

JAMES A. PARKER
HENRY G. COORS
JOHN R. COONEY
KENNETH L. HARRIGAN

LAW OFFICES OF
MODRALL, SEYMOUR, SPERLING, ROEHL & HARRIS

SIMMS BUILDING
P. O. BOX 466
ALBUQUERQUE, NEW MEXICO 87103

JOHN F. SIMMS (1885-1954)
AUGUSTUS T. SEYMOUR (1907-1965)
TELEPHONE 243-4511
AREA CODE 505

RECEIVED
MAY 4 1966
PH 1 13

May 3, 1966

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

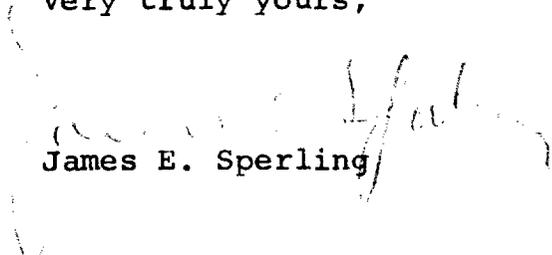
Attention: Mr. Daniel Nutter

Re: East Saunders Permo-Penn Pool,
Etcheverry Unit,
Kern County Land Company

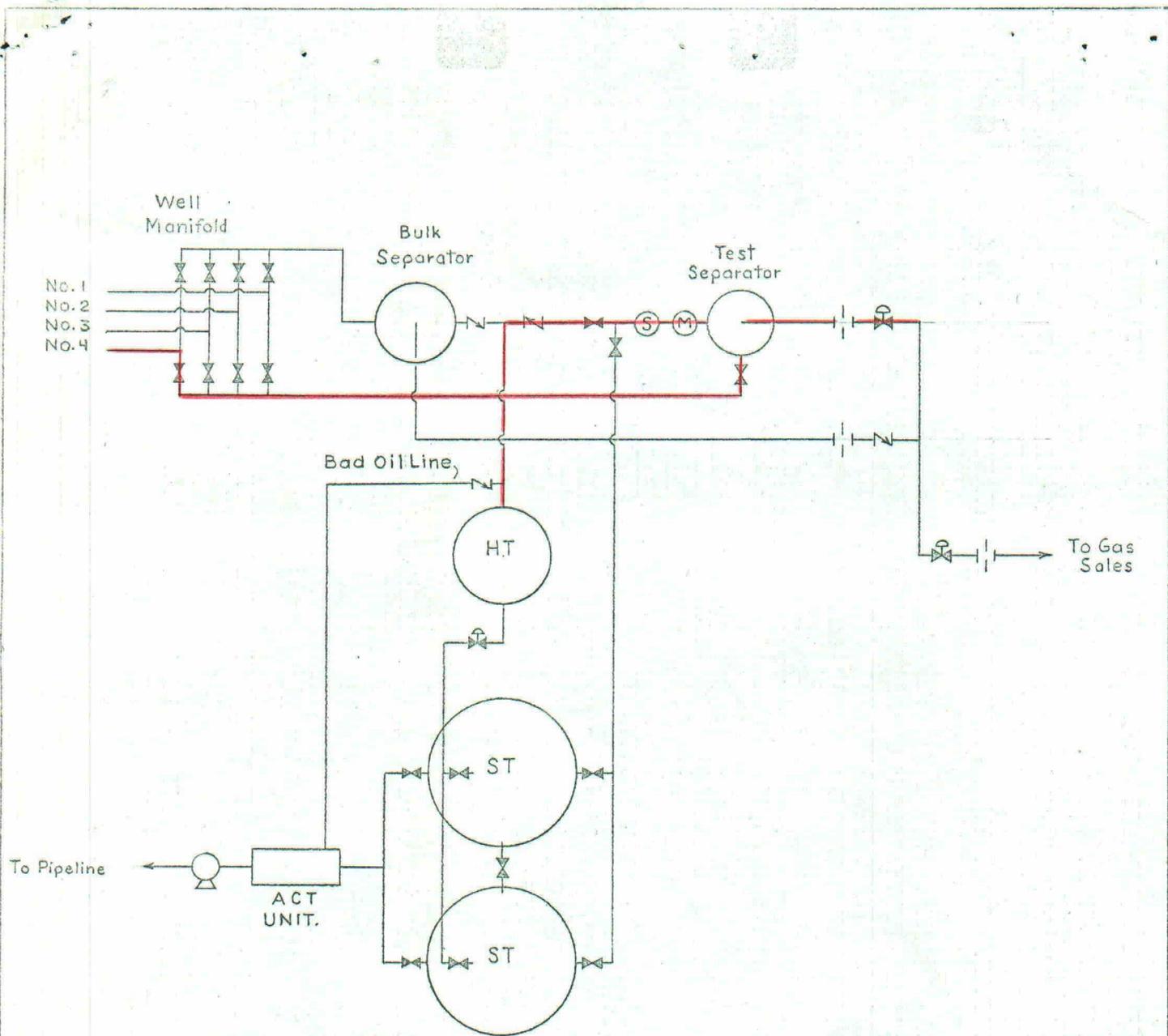
Dear Mr. Nutter:

Following our conference in Santa Fe with Mrs. Rhea, I advised the representatives of my client, Kern County Land Company, of the results of our conference and suggested that they proceed with the installation of meters. I understand that Mr. Eden of the Kern County Land Company office in Midland has discussed the matter with you. This letter is to advise you that they are proceeding with the installation of the two meters, one to measure the production from the No. 4 Well and one to measure the production from the 1, 2 and 3 Wells, which is presently being commingled. The cost of the meter installation and other necessary facilities in connection therewith exceeds considerably my, and I believe your, estimate of the cost. Apparently, it will run somewhere in the neighborhood of \$6,000.00. When the installation has been completed, you will be advised.

Very truly yours,


James E. Sperling

JES:fm



Legend: Red flow shows well on test for monthly allocation of production.

EXHIBIT B
 KERN COUNTY LAND CO.
 SCHEMATIC DIAGRAM
 OF
 COMMINGLING FACILITIES
 EAST SAUNDERS FIELD
 PERMO-PENN ZONE
 Lea County, New Mexico
 1-21-66 C.F. Eaton

J. R. MODRALL
AUGUSTUS T. SEYMOUR
JAMES E. SPERLING
JOSEPH E. ROEHL
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DANIEL A. SISK
LELAND S. SEDBERRY, JR.
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TELEPHONE 243-4511
AREA CODE 505

JAMES A. PARKER
HENRY G. COORS
JOHN R. COONEY
KENNETH L. HARRIGAN

February 21, 1966

Daniel S. Nutter, Chief Engineer
New Mexico Oil Conservation Commission
Box 2088
Santa Fe, New Mexico

Re: Kern County Land Company
State 17 Well Number 4 (Com.)
East Saunders Field ~~14~~
NE/4, Sec. 17, Twp. 7 South,
Range 34 East, N.M.P.M.,
Lea County, New Mexico

Dear Mr. Nutter:

You will recall our conversation concerning the desire of Kern County Land Company to commingle production from the captioned well with other wells in this Field presently subject to Administrative Order CTB-84 issued June 21, 1962. At the time of our conversation, I advised you that you would be informed when the Office of the Commissioner of Public Lands had approved Communitization Agreement covering acreage dedicated to this well. I further advised you that following communitization approval, I would furnish you with a Plat showing the location of the respective wells, including the captioned well, and the location of the Central Tank Battery and a diagram of the commingling facilities. Accordingly, I enclose herewith such a Plat and diagram.

The Completion Reports, Forms C-104 and C-105, have been filed with the Commission. In rechecking Order CTB-84, it would appear that the East Half of Section 17 is included within the Order. We would appreciate this being confirmed in view of the completion of the Number 4 Well.

As is indicated on the Plat, the royalty ownership is common under the Northeast Quarter of Section 17.

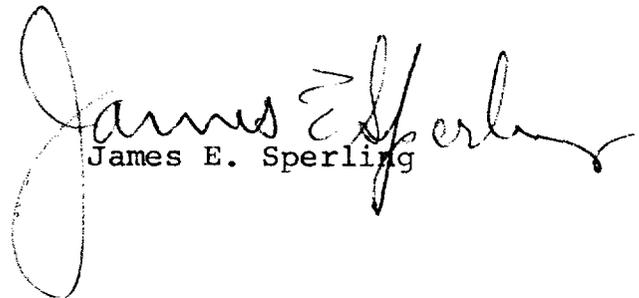
Daniel S. Nutter, Chief Engineer
New Mexico Oil Conservation Commission

February 21, 1966
Page 2

I have been informed that monthly well tests will be taken for the purpose of allocating production to the Number 4 Well.

If you require any further information, please advise.

Very truly yours,


James E. Sperling

JES:fm

Enclosures

cc: Mr. Gilbert H. Castle
District Landman
Kern County Land Company

Mr. C. F. Eaton
District Engineer
Kern County Land Company