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COASTAL STATES GAS PRODUCING COMPANY

NORTH TEXAS DIVISION
WILCO BUILDING
MIDLAND, TEXAS
79701

January 15, 1969

69 FEB 3 AM 8 22

New Mexico Oil Conservation Commission
State Land Office Building
Santa Fe, New Mexico 87501

Attention: Mr. A. L. Porter, Jr.

Re: Application for Addition to Previously Approved
Commingle Permit LOCO #28

Administrative Order CTB-190

Gentlemen:

Attached is our application to the Commissioner of Public Lands for approval to commingle production from four additional leases with the production from those leases previously approved for commingling by Permit LOCO #28. Also attached is a copy of their approval of this application.

This represents all the additional acreage in the vicinity of the Tulk (Penn) Field owned by Coastal States that has common ownership, royalty, State beneficiary, oil gravity and source of supply.

At the present time, there are four wells completed from the Upper Penn formation and one drilling operation. Four additional locations have been proposed, but have not received final approval at this time. Therefore, we anticipate that a total of nine wells will be connected to this operation. The attached plat shows the present producers, the drilling operation and the proposed locations.

Production from all leases will be commingled, after proper metering, in a common tank battery located in the NW/4 of Section 26. Each well will be metered in the same manner that has previously been approved by the Commissioner of Public Lands and the Oil Conservation Commission.

The approval of this application should greatly enhance our request for a casing-head gas market and an oil pipe line connection.

The attached plat shows all those leases presently included in LOCO #28 (blue cross-hatch) and all those leases that we propose to include (yellow crosshatch) in this commingling permit. Also shown is the acreage dedicated to each presently producing or drilling well.

State of New Mexico

New Mexico Oil Conservation Commission

-2-

January 15, 1969

Coastal States respectfully requests that the Oil Conservation Commission approve this application administratively so that the subject leases may be operated in the most efficient manner.

Very truly yours,

Jack R. McGraw

Jack R. McGraw
Division Petroleum Engineer

JRMCG:lo

Attachments

cc: New Mexico Oil Conservation Commission
P. O. Box 1980
Hobbs, New Mexico
Attention: Mr. Joe D. Ramey

cc: Oil Conservation Commission
and Oil Reserving Commission

State of New Mexico



Commissioner of Public Lands

January 7, 1969



ALEX J. ARMIJO ✓
COMMISSIONER

CSGP CO.		
Drlg. & Prod. Dept.		
Midland Div.		
JAN 13 1969		
To	In	Out
JAH	1/13	✓
JMC		
File		

P. O. BOX 1148
SANTA FE, NEW MEXICO

Coastal State Gas Producing Company
North Texas Division
Wilco Building
Midland, Texas 79701

Re: Request permission to commingle
production from additional leases
Commingling Permit LOCO #28
Tulk (Penn) Field
Lea County, New Mexico

Gentlemen:

The Commissioner of Public Lands has no objection to your above proposed operation. However, we would like to know approximately how many wells you propose to connect to this operation. We would also require a periodic report from each lease.

This approval is given with the understanding that the Commissioner of Public Lands reserves the right to withdraw his approval, if this operation does not prove to be in the best interest of the State.

This is also subject to the approval by the Oil Conservation Commission.

Yours very truly,

Alex J. Armijo,
Commissioner of Public Lands

Ted Bilberry
Ted Bilberry, Director
Oil and Gas Department

AJA:TB:RM:cw

cc: Oil Conservation Commission
Oil & Gas Accounting Commission

COASTAL STATES GAS PRODUCING COMPANY

NORTH TEXAS DIVISION
WILCO BUILDING
MIDLAND, TEXAS
79701

January 2, 1969

Mr. Guyton B. Hays
Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87501Re: Request to Include Additional Leases
Into Commingling Permit LOCO #28
Tulk (Penn) Field
Lea County, New Mexico

Dear Sir:

Coastal States requests permission to include the following State leases in the commingling permit LOCO #28 that was approved by the Commissioner of Public Lands on November 1, 1968.

OG-5094 - containing 80 acres
L-520 - containing 480 acres
L-549 - containing 360 acres
L-523 - containing 480 acres

These leases are all owned by Coastal States. There are no overriding royalties and the beneficiary is the same for all leases involved.

Production from all leases will be commingled, after proper metering, in a common battery located in the NW/4 of Section 26. Each well will be metered in the same manner that has previously been approved by the Commissioner of Public Lands and the Oil Conservation Commission.

All wells are producing from the same formation (Upper Penn) and produce the same gravity crude; therefore, there is no economic gain or loss to the State of New Mexico.

Permission has been received from Midwest Oil Corporation who is a joint owner with Coastal States in the drilling unit comprising all of Section 23 and 26 of T-14-S, R-32-E.

Attached is a plat showing all those leases presently included in LOCO #28 (blue cross-hatch) and all of the leases that we propose to include (yellow crosshatch) in this commingling permit. Also shown is the acreage dedicated to each presently producing or drilling well.

Mr. Guyton B. Hays

-2-

January 2, 1969

A complete lease description is also included, concerning all those leases that we are proposing to add to this commingling order.

Coastal States respectfully requests that this application be approved administratively so that these leases may be operated in the most efficient manner.

Very truly yours,

Jack R. McGraw
Division Petroleum Engineer

JRMCG:lo

Attachments

LEASE DESCRIPTION

OG-5094 State Lease dated 2-17-59.

Coastal States Gas Producing Company
T-14-S, R-32-E
Sec. 13: SE/4 of SW/4
Sec. 23: NW/4 of SE/4 NE
Containing 80 acres

Beneficiary - Common School

L-520 State Lease dated 12-19-67.

Coastal States Gas Producing Company
T-14-S, R-32-E
Sec. 22: E/2, SW/4 ✓
Containing 480 acres

Beneficiary - Common School

L-549 State Lease dated 1-16-68.

Coastal States Gas Producing Company
T-14-S, R-32-E
Sec. 26: SE/4, NE/4 of SW/4
Sec. 35: NE/4 ✓
Containing 360 acres

Beneficiary - Common School

L-523 State Lease dated 12-19-67.

Coastal States Gas Producing Company
T-14-S, R-32-E
Sec. 34: W/2, NE/4 ✓
Containing 480 acres

Beneficiary - Common School

all of
231
23#26

522
all of 27

COASTAL STATES GAS PRODUCING COMPANY
NORTH TEXAS DIVISION
WILCO BUILDING
MIDLAND, TEXAS
79701

MARK OF
'69 FEB 6 6 PM 1 00

February 5, 1969

Mr. Dan Nutter, Examiner
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Mr. Nutter:

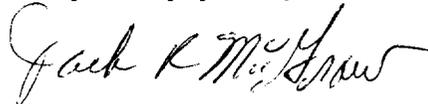
Attached is the schematic drawing of the proposed commingled tank battery in the Tulk (Penn) Field of Lea County, New Mexico.

This schematic shows that the production from each well will be metered and sampled separately, except the production from the State "23" Well No. 1, which will be obtained by subtraction. All power oil is also metered into each well separately.

As additional wells are completed, an emulsion treater and metering and sampling equipment will be added for each well.

If additional information is needed, please advise.

Very truly yours,



Jack R. McGraw
Division Petroleum Engineer

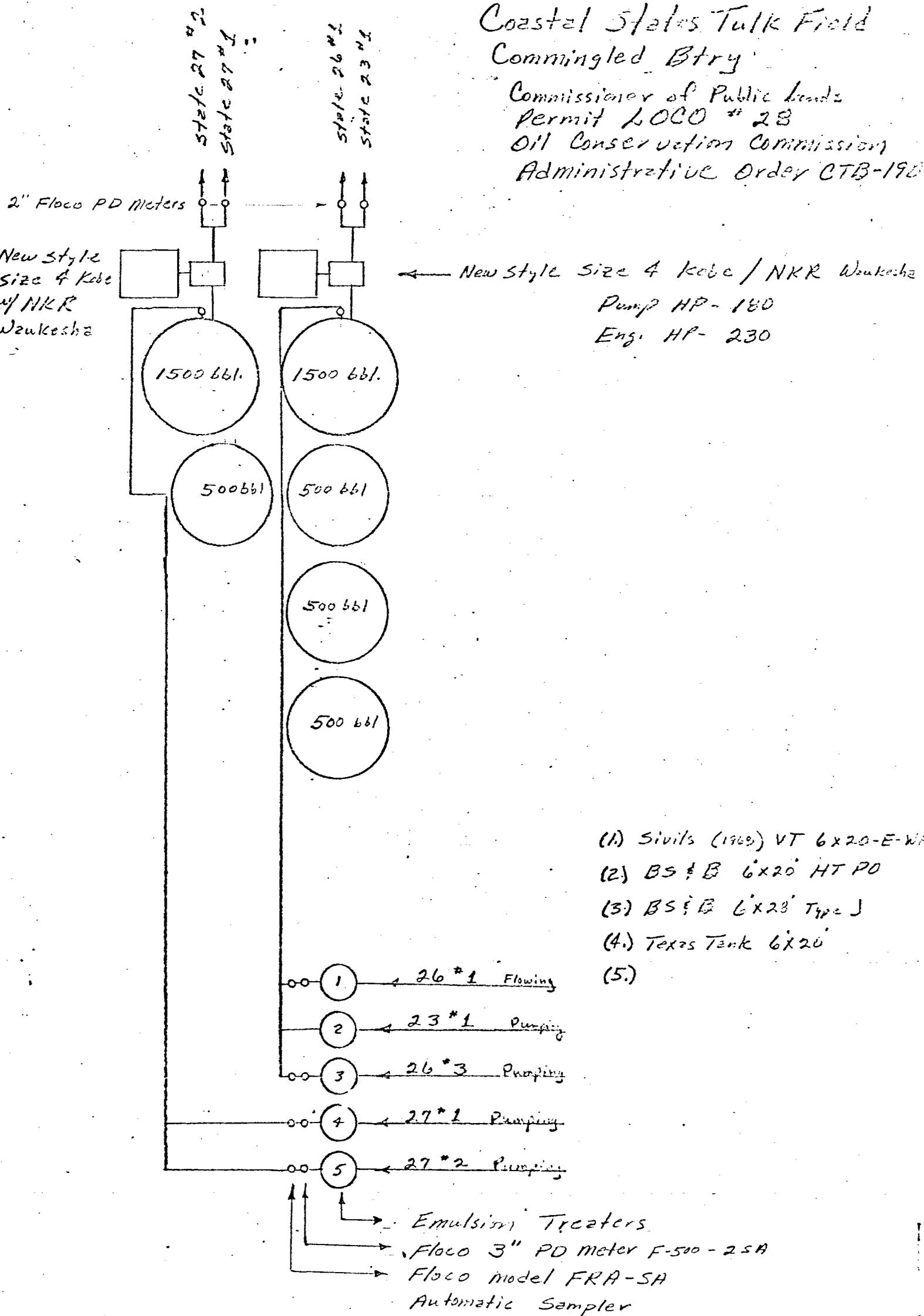
JRMCG:bm

Attachment

cc: Joe Ramey
New Mexico Oil Conservation Commission
P. O. Box 1980
Hobbs, New Mexico 88240

Coastal States Tullk Field Commingled Btry

Commissioner of Public Lands
Permit LOCO # 28
Oil Conservation Commission
Administrative Order CTB-190



- (1) Sivils (1969) VT 6x20-E-WF
- (2) BS & B 6x20 HT PD
- (3) BS & B 6x20 Type J
- (4) Texas Tank 6x20
- (5)

LARGE FORMAT
EXHIBIT HAS
BEEN REMOVED
AND IS LOCATED
IN THE NEXT FILE