

AUG 9 1991

Ray Westall

Independent Oil Producer
Post Office Box 4 • Loco Hills, New Mexico 88255
Ph. 505-677-2370

August 5, 1991

New Mexico Energy, Minerals &
Natural Resources Department
Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504

ATTN: Mr. William LeMay
Director

RE: Surface Commingling, Rule 303-B
Lease Commingling, Rule 309-B
Off-Lease Storage, Rule 309-C
La Huerta - Delaware Pool
Eddy, County, New Mexico

*#1 & 3 well
BATTERIES at #2
location*

Dear Mr. LeMay:

Ray Westall Operator Inc. respectfully requests administrative approval to commingle production from two wells drilled on two leases into a common tank battery and to permit the production from one lease to be transported prior to measurement to another lease for storage there on. It is proposed to commingle the production from the Myrtle Myra #1 and the Myrtle Myra #3 into a common storage facility located on the Myrtle Myra #2 location. A map labeled Attachment I is enclosed for your information.

The purpose of this off lease storage and surface commingling is to reduce operating cost for storage and treating and thereby extend the economic life of each well. Without approval for utilizing existing batteries on adjacent leases, it will become necessary to build separate facilities for each well. This will greatly increase costs and shorten the economic life of the well. Because working interests and royalty interests are the same in both leases we will assign a factor to each well based on semi-annual GOR tests. The production in both wells is from the same producing zone which is the Delaware Formation. In accordance with the referenced Rules 303-B, 309-B and 309-C, the following diagrams, maps and well data are submitted for your information.

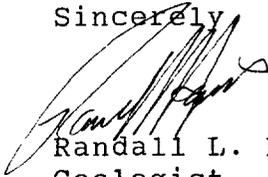
Attachment I - Plat of the leases showing the wells, locations and ownership.

Attachment II - A diagram of the proposed equipment, separators and storage tanks.

Attachment III - Notice to lease interest owners of the proposal to commingle production.

Ray Westall-Operator Inc. appreciates your cooperation in this matter. If you should need further information please contact me.

Sincerely

A handwritten signature in black ink, appearing to read "Randall L. Harris", written over the word "Sincerely".

Randall L. Harris
Geologist

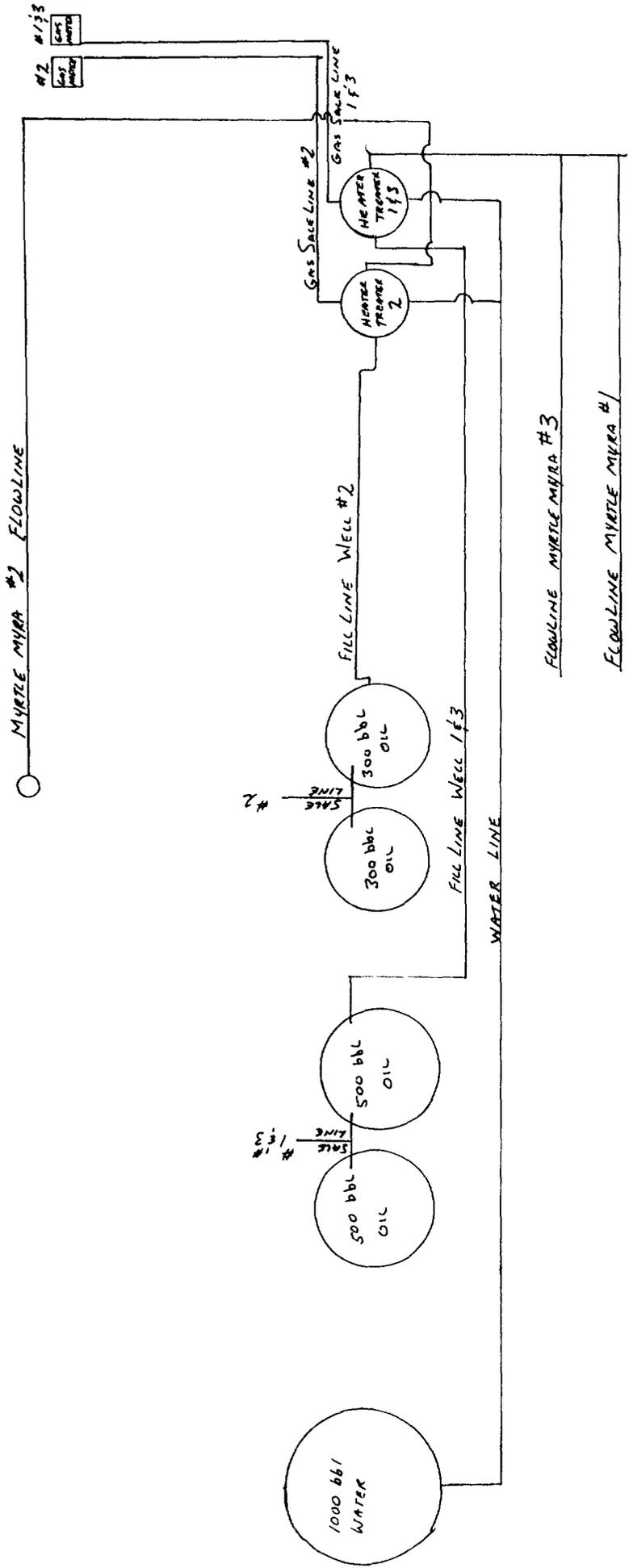
Attachments

WELL DATA

Operator Ray Westall
Well Name Myrtle Myra #1
Lease # V-1981
Location 990' FNL & 2310' FWL Section 16
Township 21 South, Range 27 East
Eddy County, New Mexico
Field La Hureta Delaware

Operator Ray Westall
Well Name Myrtle Myra #2
Lease # L-1648
Location 1830' FSL & 1980' FEL Section 9
Township 21 South, Range 27 East
Eddy County, New Mexico
Field La Hureta Delaware

Operator Ray Westall
Well Name Myrtle Myra #3
Lease # V-1952
Location 1980' FSL & 1980' FWL Section 9
Township 21 South, Range 27 East
Eddy County, New Mexico
Field La Hureta Delaware



Ray Westall

Independent Oil Producer

Post Office Box 4 • Loco Hills, New Mexico 88255

Ph. 505-677-2370

August 5, 1991

William Barnhill

P.O. Box 1354

Roswell, New Mexico 88201

Attn: Land Dept.

Dear Interest Owner,

Ray Westall-Operator Inc. is requesting your approval for off-lease storage and surface commingling of production from the following wells:

Myrtle Myra #1
Sec 16, T 21S-R27E
990 FNL & 2310 FWL

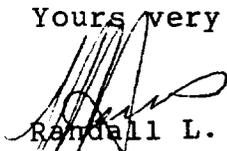
Myrtle Myra #3
Sec 9, T 21S-R27E
1980 FNL & 1980 FWL

The purpose of this off-lease storage and surface commingling is to reduce operating costs for storage and treating and thereby extend the economic life of each well. Without approval for utilizing the already existing battery facilities on an adjacent lease, separate facilities would have to be constructed for each of these wells. This would increase operating costs and possibly cause the premature plugging of these wells.

Because interests in the two wells are the same, we propose to assign a factor to each well based on semi-annual GOR tests. This will ensure that production from each of the wells is equitably accounted for without the need for expensive metering equipment.

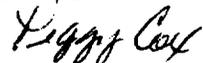
We would appreciate your returning an approved copy of this letter to us by August 20, 1991 in the enclosed self-addressed envelope. If we do not hear from you by that date, we will assume that you have no objection to our proposal, and will request approval from the New Mexico Oil Conservation Division for this proposed off-lease storage and surface commingling.

Yours very truly,


Randall L. Harris

WILLIAM B. BARNHILL HAS NO OBJECTION
TO THE ABOVE PROPOSAL.

WILLIAM B. BARNHILL
by PEGGY COX



Enclosure

Ray Westall

Independent Oil Producer

Post Office Box 4 • Loco Hills, New Mexico 88255

Ph. 505-677-2370

August 5, 1991

Barber Oil Company
111 W. Mermod
Carlsbad , New Mexico 88220

Attn: Land Dept.

Dear Interest Owner,

Ray Westall-Operator Inc. is requesting your approval for off-lease storage and surface commingling of production from the following wells:

Myrtle Myra #1
Sec 16, T 21S-R27E
990 FNL & 2310 FWL

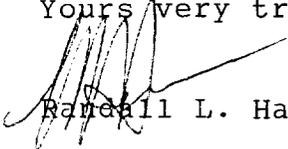
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Sec 9, T 21S-R27E
1980 FNL & 1980 FWL

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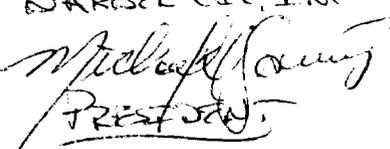
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Yours very truly,


Randall L. Harris

Enclosure

APPROVED:
BARBER OIL INC.

PRESIDENT

Ray Westall

Independent Oil Producer

Post Office Box 4 • Loco Hills, New Mexico 88255

Ph. 505-677-2370

August 5, 1991

Gene Cox
2308 Sierra Vista Rd
Artesia, New Mexico 88201

Attn: Land Dept.

Dear Interest Owner,

Ray Westall-Operator Inc. is requesting your approval for off-lease storage and surface commingling of production from the following wells:

Myrtle Myra #1
Sec 16, T 21S-R27E
990 FNL & 2310 FWL

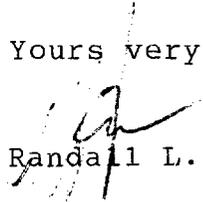
Myrtle Myra #3
Sec 9, T 21S-R27E
1980 FNL & 1980 FWL

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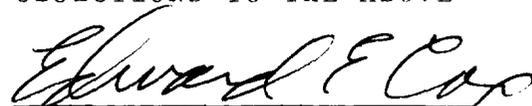
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Yours very truly,


Randall L. Harris

I HAVE NO OBJECTIONS TO THE ABOVE
PROPOSAL.


EDWARD E. COX

Enclosure

Ray Westall

Independent Oil Producer

Post Office Box 4 • Loco Hills, New Mexico 88255

Ph. 505-677-2370

August 5, 1991

Sandra Shank
P.O. Box 1554
Hope, New Mexico 88250

Attn: Land Dept.

Dear Interest Owner,

Ray Westall-Operator Inc. is requesting your approval for off-lease storage and surface commingling of production from the following wells:

Myrtle Myra #1
Sec 16, T 21S-R27E
990 FNL & 2310 FWL

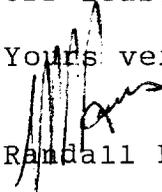
Myrtle Myra #2
Sec 9, T 21S-R27E
1980 FNL & 1980 FWL

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Yours very truly,


Randall L. Harris

Enclosure

No objection
SS

Ray Westall

Independent Oil Producer

Post Office Box 4 • Loco Hills, New Mexico 88255

Ph. 505-677-2370

August 5, 1991

Randall L. Harris
439 W. Funk Rd.
Lake Arthur, New Mexico 88253

Attn: Land Dept.

Dear Interest Owner,

Ray Westall-Operator Inc. is requesting your approval for off-lease storage and surface commingling of production from the following wells:

Myrtle Myra #1
Sec 16, T 21S-R27E
990 FNL & 2310 FWL

Myrtle Myra #2
Sec 9, T 21S-R27E
1980 FNL & 1980 FWL

The purpose of this off-lease storage and surface commingling is to reduce operating costs for storage and treating and thereby extend the economic life of each well. Without approval for utilizing the already existing battery facilities on an adjacent lease, separate facilities would have to be constructed for each of these wells. This would increase operating costs and possibly cause the premature plugging of these wells.

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Yours very truly,

Randall L. Harris

Enclosure

I have no objections

Ray Westall

Independent Oil Producer

Post Office Box 4 • Loco Hills, New Mexico 88255

Ph. 505-677-2370

August 5, 1991

Garel R. Westall

P.O. Box 234

Loco Hills, New Mexico 88255

Attn: Land Dept.

Dear Interest Owner,

Ray Westall-Operator Inc. is requesting your approval for off-lease storage and surface commingling of production from the following wells:

Myrtle Myra #1
Sec 16, T 21S-R27E
990 FNL & 2310 FWL

Myrtle Myra #3
Sec 9, T 21S-R27E
1980 FNL & 1980 FWL

The purpose of this off-lease storage and surface commingling is to reduce operating costs for storage and treating and thereby extend the economic life of each well. Without approval for utilizing the already existing battery facilities on an adjacent lease, separate facilities would have to be constructed for each of these wells. This would increase operating costs and possibly cause the premature plugging of these wells.

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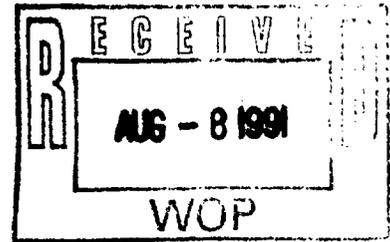
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Yours very truly,


Randall L. Harris

No objection
Dave

Enclosure



Ray Westall

Independent Oil Producer
Post Office Box 4 • Loco Hills, New Mexico 88255
Ph. 505-677-2370
August 5, 1991

Western Oil Producers, Inc
P.O.Box 1479
Roswell , New Mexico 88201

Attn: Land Dept.

Dear Interest Owner,

Ray Westall-Operator Inc. is requesting your approval for off-lease storage and surface commingling of production from the following wells:

Myrtle Myra #1
Sec 16, T 21S-R27E
990 FNL & 2310 FWL

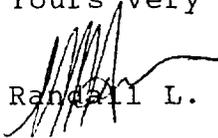
Myrtle Myra #3
Sec 9, T 21S-R27E
1980 FNL & 1980 FWL

The purpose of this off-lease storage and surface commingling is to reduce operating costs for storage and treating and thereby extend the economic life of each well. Without approval for utilizing the already existing battery facilities on an adjacent lease, separate facilities would have to be constructed for each of these wells. This would increase operating costs and possibly cause the premature plugging of these wells.

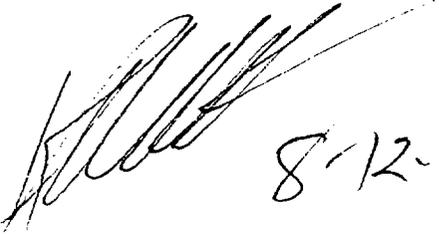
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Yours very truly,


Randall L. Harris

Enclosure


8-12-91

Ray Westall

Independent Oil Producer

Post Office Box 4 • Loco Hills, New Mexico 88255

Ph. 505-677-2370

August 5, 1991

Centennial

P.O. Box 1837

Roswell , New Mexico 88201

Attn: Land Dept.

Dear Interest Owner,

Ray Westall-Operator Inc. is requesting your approval for off-lease storage and surface commingling of production from the following wells:

Myrtle Myra #1
Sec 16, T 21S-R27E
990 FNL & 2310 FWL

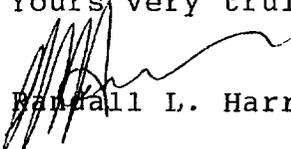
Myrtle Myra #3
Sec 9, T 21S-R27E
1980 FNL & 1980 FWL

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Yours very truly,


Randall L. Harris

Enclosure

Ray Westall

Independent Oil Producer

Post Office Box 4 • Loco Hills, New Mexico 88255

Ph. 505-677-2370

August 5, 1991

Sandpoint Petroleum
3939 A San Pedro NE
Albuquerque, New Mexico 87110

Attn: Land Dept.

Dear Interest Owner,

Ray Westall-Operator Inc. is requesting your approval for off-lease storage and surface commingling of production from the following wells:

Myrtle Myra #1
Sec 16, T 21S-R27E
990 FNL & 2310 FWL

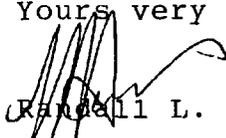
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Sec 9, T 21S-R27E
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Yours very truly,


Randall L. Harris

Enclosure

Ray Westall

Independent Oil Producer

Post Office Box 4 • Loco Hills, New Mexico 88255

Ph. 505-677-2370

August 5, 1991

MYCO Industries Inc.
207 S. 4th Street
Artesia, NM 88210

Attn: Land Dept.

Dear Interest Owner,

Ray Westall-Operator Inc. is requesting your approval for off-lease storage and surface commingling of production from the following wells:

Myrtle Myra #1
Sec 16, T 21S-R27E
990 FNL & 2310 FWL

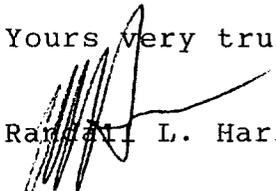
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Sec 9, T 21S-R27E
1980 FNL & 1980 FWL

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Yours very truly,


Randall L. Harris

Enclosure

*YATZS Called
8/15/91
They had no objections*

Ray Westall

Independent Oil Producer

Post Office Box 4 • Loco Hills, New Mexico 88255

Ph. 505-677-2370

August 5, 1991

Yates Petroleum Corp
105 S. 4th street
Artesia, NM 88210

Attn: Land Dept.

Dear Interest Owner,

Ray Westall-Operator Inc. is requesting your approval for off-lease storage and surface commingling of production from the following wells:

Myrtle Myra #1
Sec 16, T 21S-R27E
990 FNL & 2310 FWL

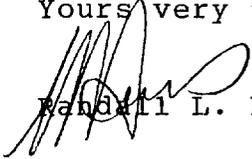
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Sec 9, T 21S-R27E
1980 FNL & 1980 FWL

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Yours very truly,


Randall L. Harris

Enclosure

*YATES call
8/15/91
they have no objection*

Ray Westall

Independent Oil Producer

Post Office Box 4 • Loco Hills, New Mexico 88255

Ph. 505-677-2370

August 5, 1991

Yates Drilling Company
105 S. 4th Street
Artesia, NM 88210

Attn: Land Dept.

Dear Interest Owner,

Ray Westall-Operator Inc. is requesting your approval for off-lease storage and surface commingling of production from the following wells:

Myrtle Myra #1
Sec 16, T 21S-R27E
990 FNL & 2310 FWL

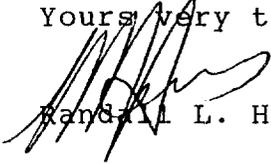
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Yours very truly,


Randall L. Harris

Enclosure

*Yates called
on 8/15/91
They had no objection*

Ray Westall

Independent Oil Producer

Post Office Box 4 • Loco Hills, New Mexico 88255

Ph. 505-677-2370

August 5, 1991

ABO Petroleum Corporation
207 S. 4th Street
Artesia, NM 88210

Attn: Land Dept.

Dear Interest Owner,

Ray Westall-Operator Inc. is requesting your approval for off-lease storage and surface commingling of production from the following wells:

Myrtle Myra #1
Sec 16, T 21S-R27E
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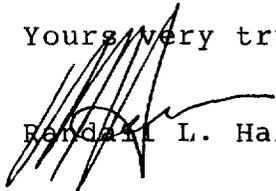
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Yours very truly,


Randall L. Harris

Enclosure

*GATES called 8/15/91
they have no objection*