

CHARLES B. READ  
PRESIDENT

NORMAN L. STEVENS, JR.  
VICE-PRESIDENT

JOHN L. ANDERSON, JR.  
EXPLORATION MANAGER

*Read & Stevens, Inc.*

*Oil Producers*

*P. O. Box 2126*

*Roswell, New Mexico 88202*

March 22, 1971

Re: Commingling of Production  
#1 State "C" (OG-2001) and  
#1 Pennzoil-State (OG-4886)  
Lea County, New Mexico

Oil Conservation Commission  
P.O. Box 2088  
Santa Fe, New Mexico 87501

Attn: Mr. A.L. Porter, Jr., Secretary-Director

Gentlemen:

Read & Stevens, Inc. respectfully present the following information to the Oil Conservation Commission of the State of New Mexico for their consideration of approval of commingling of production from the above two wells in accordance with Rule 309-B.

1. Xerox copies of well completion Form C-105 showing production from both wells is from the same common source of supply.
2. Adequate facilities will be provided for accurately determining production from each well at monthly intervals as shown on the "Schematic Diagram" attached hereto and labeled Ex. "A".
3. All parties owning an interest in the leases including the purchaser of the commingled production have consented in writing to the commingling of production from the separate leases. The original letters of consent are attached. Also attached are the division orders covering the two wells showing the interest owned by each.
4. Enclosed also is a plat showing the location of the two wells labeled Ex. "B" and a plat showing location of the Tank Battery and line labeled Ex. "C".

*Read & Stevens*

Oil Conservation Commission

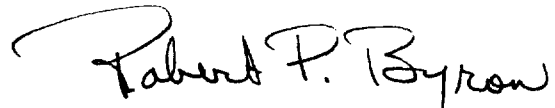
-2-

March 22, 1971

Since the above information does comply with Rule 309-B we hereby request administrative approval to commingle production from the #1 State "C" and the #1 Pennzoil-State, Lea County, N.M. In the event you should need any additional information, please advise.

Very truly yours,

READ & STEVENS, INC.

  
Robert P. Byron

RPB:dj

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5a. Indicate Type of Lease	
State <input checked="" type="checkbox"/>	Fee <input type="checkbox"/>
5. State Oil & Gas Lease No.	
OG-4886	

DISTRIBUTION	
SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

1. TYPE OF WELL		7. Unit Agreement Name	
2. TYPE OF COMPLETION		8. Farm or Lease Name	
OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> OTHER <input type="checkbox"/>		Pennzoil-State	
NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> OTHER <input type="checkbox"/>		9. Well No.	
3. Name of Operator		1	
Charles B. Read		10. Field and Pool, or Wildcat	
4. Address of Operator		Undesignated	
P. O. Box 2126 Roswell, New Mexico 88201			

4. Location of Well		12. County	
UNIT LETTER <u>G</u> LOCATED <u>1980</u> FEET FROM THE <u>North</u> LINE AND <u>1980</u> FEET FROM		Lea	
THE <u>East</u> LINE OF SEC. <u>11</u> TWP. <u>19S</u> RGE. <u>34E</u> NMPM			

15. Date Spudded	16. Date T.D. Reached	17. Date Compl. (Ready to Prod.)	18. Elevations (DF, RKB, RT, GR, etc.)	19. Elev. Casinghead
11-22-68	12-7-68	12-14-68	3972.5 GL	-

20. Total Depth	21. Plug Back T.D.	22. If Multiple Compl., How Many	23. Intervals Drilled By	Rotary Tools	Cable Tools
5300'	5297'	-	→	0-TD	-

24. Producing Interval(s), of this completion - Top, Bottom, Name	25. Was Directional Survey Made
4992.5' to 5234.5' Penrose	No

26. Type Electric and Other Logs Run	27. Was Well Cored
Welex Acoustic Velocity	Yes

28. CASING RECORD (Report all strings set in well)					
CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8 5/8"	24#	397'	11"	150 sx	circ to surface
5 1/2"	17#	5297'	7 7/8"	250 sx	None

29. LINER RECORD					30. TUBING RECORD		
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2 3/8"	4982' KB	None

31. Perforation Record (Interval, size and number)	32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.
Perf w/2 1/2" SPF @ 4992.5', 4994', 5000', 5002.5', & 5004.5'. Perf w/4 1/2" @ 5054'. Perf w/2 SPF @ 5183', 5185', 5231' & 5234.5	DEPTH INTERVAL
	AMOUNT AND KIND MATERIAL USED
	5231-5234.5 500 Acid, 10,000 gal Brine, 10,000# 20/40 Sand
	5183 - 5185 Same as above.
	5054 Same as above.


33. Date First Production	Production Method (Flowing, gas lift, pumping - Size and type pump)	Well Status (Prod. or Shut-in)
12-14-68	Swabbing & Pumping	Pumping

Date of Test	Hours Tested	Choke Size	Prod'n. For Test Period	Oil - Bbl.	Gas - MCF	Water - Bbl.	Gas - Oil Ratio
12-14-68	24	-	→	75	TSTM	75	-
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API (Corr.)	
-	35#	→	75	TSTM	75	32°	

34. Disposition of Gas (Sold, used for fuel, vented, etc.)	Test Witnessed By
Vented	Daniel Lough

35. List of Attachments
Acoustic Velocity Log, Inclination Report

36. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief.

SIGNED 	TITLE <u>Agent</u>	DATE <u>12-18-68</u>
--	--------------------	----------------------

2

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

### Southeastern New Mexico

### Northwestern New Mexico

T. Anhy <u>1843</u>	T. Canyon _____	T. Ojo Alamo _____	T. Penn. "B" _____
T. Salt <u>1967</u>	T. Strawn _____	T. Kirtland-Fruitland _____	T. Penn. "C" _____
B. Salt <u>3294</u>	T. Atoka _____	T. Pictured Cliffs _____	T. Penn. "D" _____
T. Yates <u>3558</u>	T. Miss _____	T. Cliff House _____	T. Leadville _____
T. 7 Rivers <u>4008</u>	T. Devonian _____	T. Menefee _____	T. Madison _____
T. Queen <u>4722</u>	T. Silurian _____	T. Point Lookout _____	T. Elbert _____
T. Grayburg _____	T. Montoya _____	T. Mancos _____	T. McCracken _____
T. San Andres _____	T. Simpson _____	T. Gallup _____	T. Ignacio Qtzte _____
T. Glorieta _____	T. McKee _____	Base Greenhorn _____	T. Granite _____
T. Paddock _____	T. Ellenburger _____	T. Dakota _____	T. _____
T. Blinebry _____	T. Gr. Wash _____	T. Morrison _____	T. _____
T. Tubb _____	T. Granite _____	T. Todilto _____	T. _____
T. Drinkard _____	T. Delaware Sand _____	T. Entrada _____	T. _____
T. Abo _____	T. Bone Springs _____	T. Wingate _____	T. _____
T. Wolfcamp _____	T. _____	T. Chinle _____	T. _____
T. Penn. _____	T. _____	T. Permian _____	T. _____
T. Cisco (Bough C) _____	T. _____	T. Penn. "A" _____	T. _____

FORMATION RECORD (Attach additional sheets if necessary)

From	To	Thickness in Feet	Formation
0	1840		Red Beds
1840	1970		Anhy
1970	3300		Salt & Anhy
3300	3560		Anhy
3560	4010		Sand & Anhy
4010	4720		Dolo, Anhy & Sand
4720	5300		Sand, Dolo & Anhy

From	To	Thickness in Feet	Formation
			<u>Core #1</u> 4720' - 4778'
			Recovered 58' Anhy, Dolo, Red & Gray sand, no shows of oil or gas.
			<u>Core #2</u> 4983' - 5041'
			Recovered 57' Dolo, Sand & Shale; shows of oil @ 4991.2' - 4993.5' 4193.5' - 4995.2' 4998.3' - 5002.7' 5005.3' - 5008.8'

NO. OF COPIES RECEIVED	
DISTRIBUTION	
SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL COMPLETION OR RECOMPLETION REPORT AND LOG

Form C-105  
Revised 1-1-65

5a. Indicate Type of Lease  
State ☒ Fee ☐

5. State Oil & Gas Lease No.  
OG-2001

1a. TYPE OF WELL  
OIL WELL ☒ GAS WELL ☐ DRY ☐ OTHER ☐

5. TYPE OF COMPLETION  
NEW WELL ☒ WORK OVER ☐ DEEPEN ☐ PLUG BACK ☐ DIFF. RESVR. ☐ OTHER ☐

7. Unit Agreement Name  
-

8. Farm or Lease Name  
State "C"

1. Name of Operator  
Charles B. Read

3. Address of Operator  
P.O. Box 2126, Roswell, New Mexico 88201

9. Well No.  
1

10. Field and Pool, or Wildcat  
Quail Queen (Undes.)

4. Location of Well  
UNIT LETTER K LOCATED 2080 FEET FROM THE South LINE AND 1980 FEET FROM

12. County  
Lea

THE West LINE OF SEC. 11 TWP. 19S RGE. 34E NMPM

15. Date Spudded 3/29/69	16. Date T.D. Reached 4/11/69	17. Date Compl. (Ready to Prod.) 9/1/69	18. Elevations (DF, RKB, RT, GR, etc.) 3976' GL	19. Elev. Casinghead -
20. Total Depth 5168'	21. Plug Back T.D. 5137'	22. If Multiple Compl., How Many -	23. Intervals Drilled By Rotary Tools 0-TD	Cable Tools -

24. Producing Interval(s), of this completion - Top, Bottom, Name  
5028-5088' Penrose

25. Was Directional Survey Made  
No

26. Type Electric and Other Logs Run  
Welex - Acoustic Velocity

27. Was Well Cored  
yes

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8 5/8"	32#	407' RKB	11"	150 sx	None
5 1/2"	14#, 15.5#	5168' RKB	7 7/8"	250 sx	None

29. LINER RECORD					30. TUBING RECORD		
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2 3/8"	5036' RKB	4967' RKB

31. Perforation Record (Interval, size and number)  
5033-34' and 4783-94' W/2 JS/F  
5028-5032' and 5083-88' W/2 JS/P

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
5083-5088'	500 of 15% acid, 11,000 crude & 11,000# 20/40 sd.
5028-5032'	500 of 15% acid, 15,000 crude & 15,000# 20/40 sd.

33. PRODUCTION (see reverse side)

Date First Production 9/1/69	Production Method (Flowing, gas lift, pumping - Size and type pump) Pumping	Well Status (Prod. or Shut-in) Producing
Date of Test 9/1/69	Hours Tested 24	Choke Size Opn 2"
Flow Tubing Press. 0	Casing Pressure Pkr	Calculated 24-Hour Rate 7
		Oil - Bbl. 7
		Gas - MCF TSTM
		Water - Bbl. 15
		Gas - Oil Ratio 32°

34. Disposition of Gas (Sold, used for fuel, vented, etc.)  
Vented

Test Witnessed By

35. List of Attachments  
Core Analysis Results, Inclination Report, Welex Acoustic Velocity Log

36. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief.

SIGNED Charles B. Read TITLE Agent DATE Sept. 2, 1969

# INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Commission not later than 20 days after the completion of any newly-drilled or opened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, Items 30 through 34 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

## INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

### Southeastern New Mexico

### Northwestern New Mexico

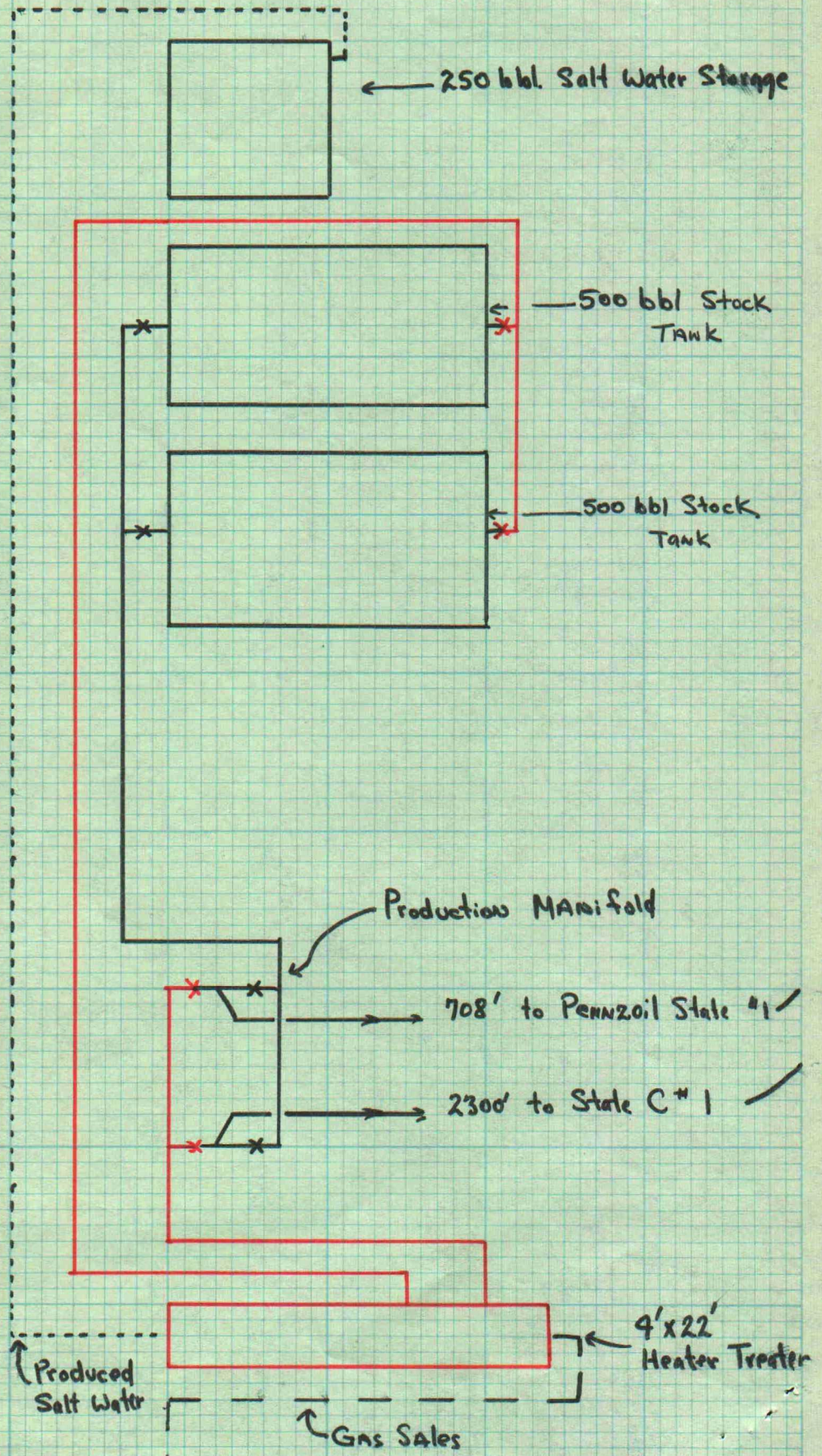
T. Anhy _____	T. Canyon _____	T. Ojo Alamo _____	T. Penn. "B" _____
T. Salt _____	T. Strawn _____	T. Kirtland-Fruitland _____	T. Penn. "C" _____
B. Salt _____	T. Atoka _____	T. Pictured Cliffs _____	T. Penn. "D" _____
T. Yates _____ 3568'	T. Miss _____	T. Cliff House _____	T. Leadville _____
T. 7 Rivers _____	T. Devonian _____	T. Menefee _____	T. Madison _____
T. Queen _____ 4739'	T. Silurian _____	T. Point Lookout _____	T. Elbert _____
T. <del>XXXXX</del> 5022'	T. Montoya _____	T. Mancos _____	T. McCracken _____
T. <del>Perrisse</del>	T. Simpson _____	T. Gallup _____	T. Ignacio Qtzte _____
T. San Andres _____	T. McKee _____	Base Greenhorn _____	T. Granite _____
T. Glorieta _____	T. Ellenburger _____	T. Dakota _____	T. _____
T. Paddock _____	T. Gr. Wash _____	T. Morrison _____	T. _____
T. Blinebry _____	T. Granite _____	T. Todilto _____	T. _____
T. Tubb _____	T. Delaware Sand _____	T. Entrada _____	T. _____
T. Drinkard _____	T. Bone Springs _____	T. Wingate _____	T. _____
T. Abo _____	T. _____	T. Chinle _____	T. _____
T. Wolfcamp _____	T. _____	T. Permian _____	T. _____
T. Penn. _____	T. _____	T. Penn. "A" _____	T. _____
T. Cisco (Bough C) _____	T. _____		

## FORMATION RECORD (Attach additional sheets if necessary)

From	To	Thickness in Feet	Formation	From	To	Thickness in Feet	Formation
0	1840		Red beds				Cores (See attachments)
1840	2115		Anhy				
2115	3300		Salt & Anhy				
3300	3568		Anhy				
3568	4035		Sand & Anhy				
4035	4739		Dolo, Anhy & Sand				
4739	TD		Sand, Dolo & Anhy				
							Continued
				Depth Interval			Amount & Kind Material Used
				5028-34'			500 of 15% acid, 20,000 Brine & 20,000# 20/40 sd.
				4783-94'			500 of 15% acid, 20,000 Brin & 20,000# 20/40 sd.



Production from both wells comes together at production manifold where it is split up, one going to either of the stock tanks while the other well goes thru the heater treater. Here oil and water separates, water being measured in salt water storage, oil being measured in the other stock tank.



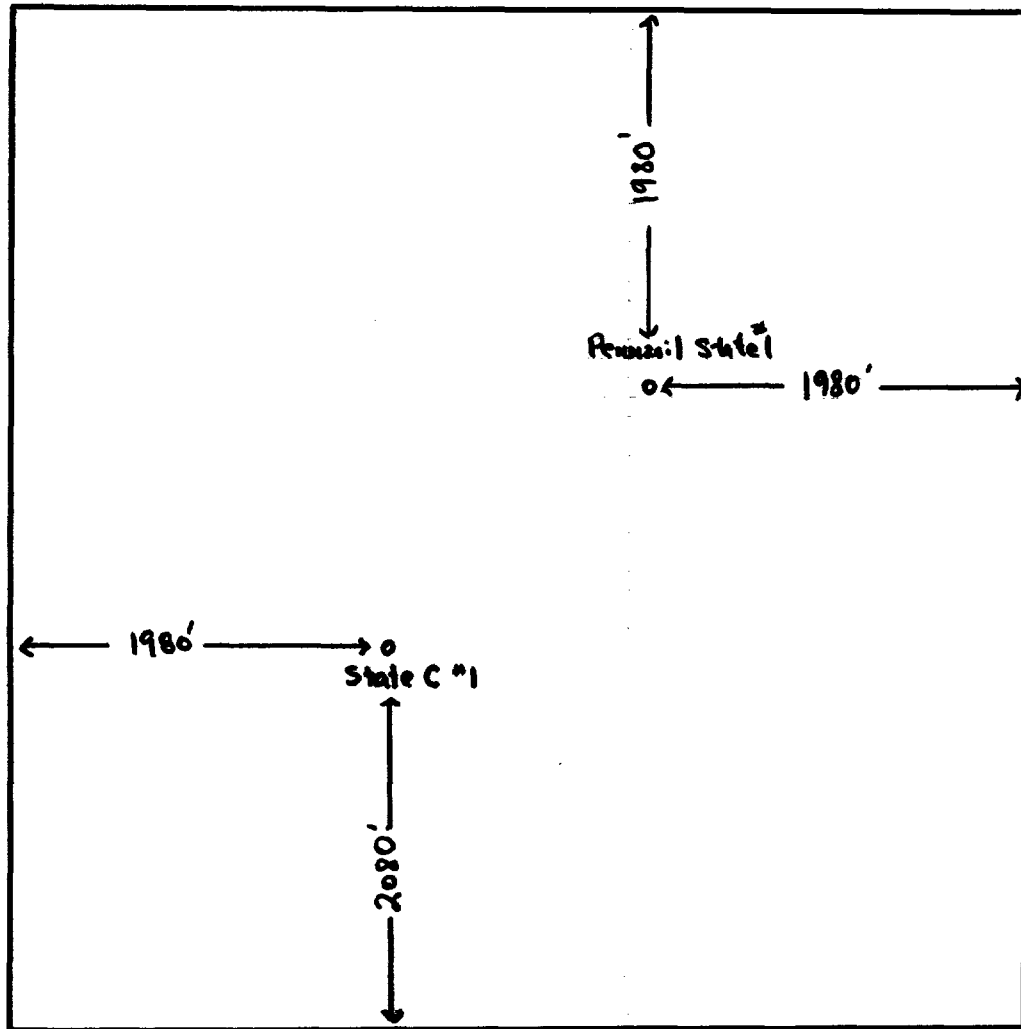
### Schematic Diagram Of:

Lease Commingling, Treating and Storage System.

Road # Stevens - Pennzoil State #1  
State C#1  
Quail Queen Pool



EXHIBIT "B"



Sec 11; TS 19S, Rng 34E.

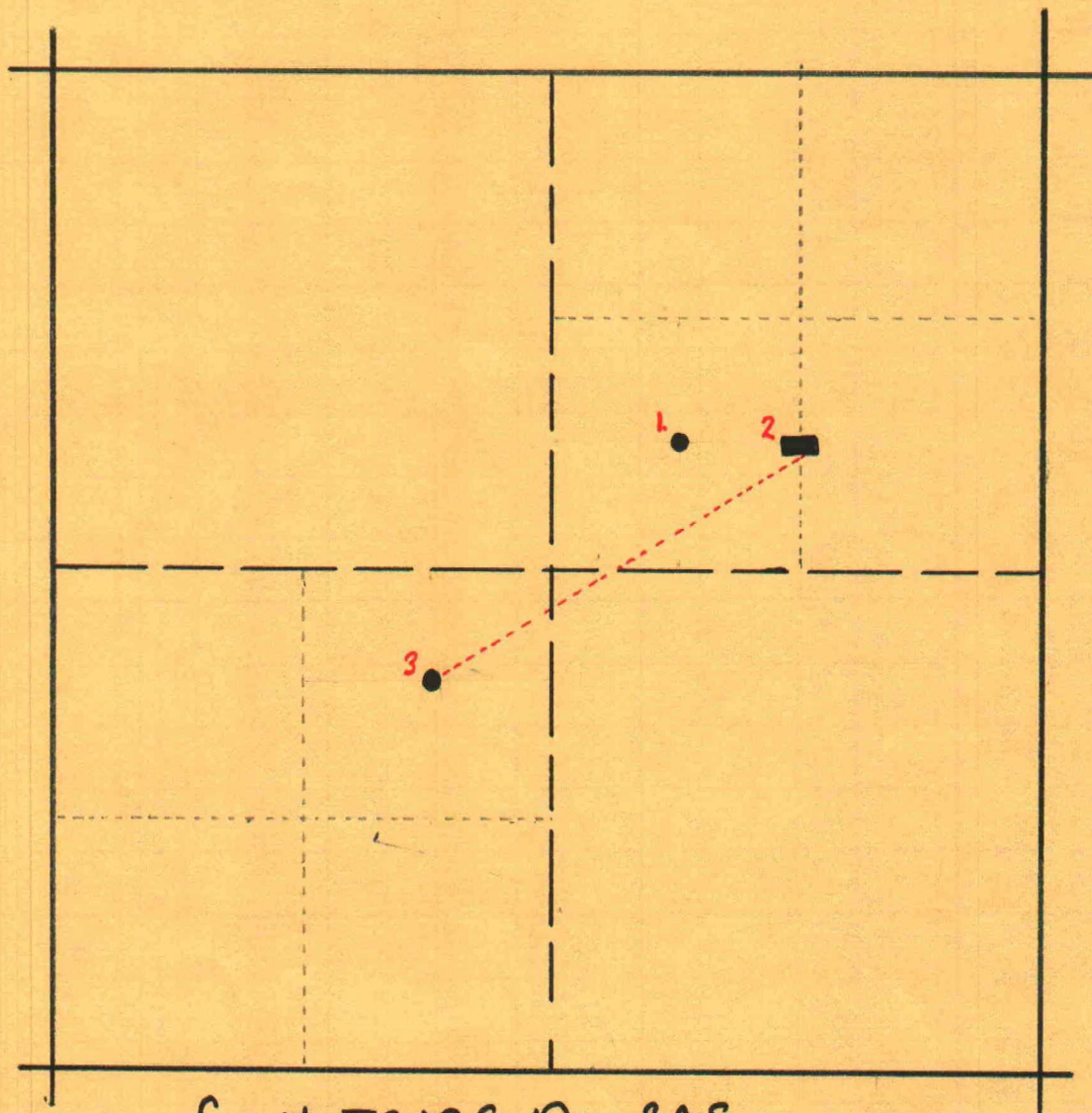
Well Locations.

Scale 1 = 1000'



Information to coningle.  
Production state C + Pennzoil

EXHIBIT "C"



Sec 11; T. 19 S; R. 34 E.

1. Pennzoil #1 1980' 7NL & 1980' 7EL 11-19-34
2. Pennzoil Tank Battery 708' East of wall.
3. State C #1 1980' 7NL & 2080' 7SL 11-19-34

----- Proposed flow line 2300' of 2 $\frac{3}{8}$ " Reg.

Scale 1" = 1000'

CHARLES B. READ  
PRESIDENT

NORMAN L. STEVENS, JR.  
VICE-PRESIDENT

JOHN L. ANDERSON, JR.  
EXPLORATION MANAGER

*Read & Stevens, Inc.*

*Oil Producers*

*P. O. Box 2126*

*Roswell, New Mexico 88201*

March 4, 1971

Re: Commingling of Production from  
#1 State "C" (OG-2001) and #1  
Pennzoil (OG-4886) Lea County,  
New Mexico

Admiral Crude Oil Corporation  
P. O. Box 36008  
Airlawn Station  
Dallas, Texas 75235

Gentlemen:

Read & Stevens, Inc. intend to commingle production from the above two wells in a common tank battery located on State Lease OG-4886 (#1 Pennzoil). We have recently written the working interest owners requesting their permission. Copies of these letters are attached.

In compliance with the Oil Conservation Commission, Rule 309-B, permission from the purchaser is required. The ownership in both leases is common.

It is requested that you signify your approval of the commingling by signing and returning the copy of this letter. In the event you should need any additional information, please advise. Your favorable consideration will be appreciated.

Very truly yours,

READ & STEVENS, INC.

*Robert P. Byron*  
Robert P. Byron

ACCEPTED this 16<sup>th</sup> day of March, 1971.

ADMIRAL CRUDE OIL CORPORATION, a Division of TULSA CRUDE OIL

BY *Robert J. Cameum*  
*Secretary & General Counsel*

CHARLES B. READ  
PRESIDENT

NORMAN L. STEVENS, JR.  
VICE-PRESIDENT

JOHN L. ANDERSON, JR.  
EXPLORATION MANAGER

*Read & Stevens, Inc.*

*Oil Producers*

*P. O. Box 2126*

*Roswell, New Mexico 88201*

February 25, 1971

Commingling State "C" and Pennzoil #1,  
Lea County, New Mexico. State of New  
Mexico Leases OG-2001 and OG-4886

Mr. Marvin J. Coles  
1000 Connecticut Ave. NW  
Washington D. C. 20036

Dear Interest Owner:

Read & Stevens, Inc. intend to commingle production from the above two wells in a common tank battery located on State Lease OG-4886 (#1 Pennzoil).

In compliance with the Oil Conservation Commission, Rule 309-B, permission from the purchaser and all parties owning an interest in the separate leases is required.

Since there is common ownership in both leases, it is requested that you signify your approval of the commingling by signing and returning one copy of this letter.

Your favorable consideration will be appreciated.

Very truly yours,

READ & STEVENS, INC.

*Robert P. Byron*  
Robert P. Byron

ACCEPTED this 4 day of March, 1971.

*Marvin J. Coles*  
MARVIN J. COLES

MAR 1 1971

CHARLES B. READ  
PRESIDENT

NORMAN L. STEVENS, JR.  
VICE-PRESIDENT

JOHN L. ANDERSON, JR.  
EXPLORATION MANAGER

*Read & Stevens, Inc.*

*Oil Producers*

*P. O. Box 2126*

*Roswell, New Mexico 88201*

February 25, 1971

15  
8  
23  
11  
PHONE 622-3770

Commingling State "C" and Pennzoil #1,  
Lea County, New Mexico. State of New  
Mexico Leases OG-2001 and OG-4886

Union Producing Company and  
Stetco '67, Ltd.  
500 Wall Towers West  
Midland, Texas 79701

Dear Interest Owner:

Read & Stevens, Inc. intend to commingle production from the above two wells in a common tank battery located on State Lease OG-4886 (#1 Pennzoil).

In compliance with the Oil Conservation Commission, Rule 309-B, permission from the purchaser and all parties owning an interest in the separate leases is required.

Since there is common ownership in both leases, it is requested that you signify your approval of the commingling by signing and returning one copy of this letter.

Your favorable consideration will be appreciated.

Very truly yours,

READ & STEVENS, INC.

*Robert P. Byron*  
Robert P. Byron

ACCEPTED this 5<sup>th</sup> day of March, 1971.

UNION PRODUCING COMPANY

BY: *F. Clinton Edwards*

STETCO '67, LTD.

BY: *F. Clinton Edwards*

CHARLES B. READ  
PRESIDENT

NORMAN L. STEVENS, JR.  
VICE-PRESIDENT

JOHN L. ANDERSON, JR.  
EXPLORATION MANAGER

*Read & Stevens, Inc.*

*Oil Producers*

*P. O. Box 2126*

*Roswell, New Mexico 88201*

February 25, 1971

Commingling State "C" and Pennzoil #1,  
Lea County, New Mexico. State of New  
Mexico Leases OG-2001 and OG-4886

**Dr. Fred Veninga**  
**5531 Ursula Lane**  
**Dallas, Texas 75229**

Dear Interest Owner:

Read & Stevens, Inc. intend to commingle production from the above two wells in a common tank battery located on State Lease OG-4886 (#1 Pennzoil).

In compliance with the Oil Conservation Commission, Rule 309-B, permission from the purchaser and all parties owning an interest in the separate leases is required.

Since there is common ownership in both leases, it is requested that you signify your approval of the commingling by signing and returning one copy of this letter.

Your favorable consideration will be appreciated.

Very truly yours,

READ & STEVENS, INC.

*Robert P. Byron*

Robert P. Byron

ACCEPTED this 3rd day of March, 1971.

*Fred Veninga*  
**FRED VENINGA**



CHARLES B. READ  
PRESIDENT

NORMAN L. STEVENS, JR.  
VICE-PRESIDENT

JOHN L. ANDERSON, JR.  
EXPLORATION MANAGER

*Read & Stevens, Inc.*

*Oil Producers*

*P. O. Box 2126*

*Roswell, New Mexico 88201*

February 25, 1971

Commingling State "C" and Pennzoil #1,  
Lea County, New Mexico. State of New  
Mexico Leases OG-2001 and OG-4886

Mr. Charles B. Read  
P. O. Box 2126  
Roswell, New Mexico 88201

Dear Interest Owner:

Read & Stevens, Inc. intend to commingle production from the above two wells in a common tank battery located on State Lease OG-4886 (#1 Pennzoil).

In compliance with the Oil Conservation Commission, Rule 309-B, permission from the purchaser and all parties owning an interest in the separate leases is required.

Since there is common ownership in both leases, it is requested that you signify your approval of the commingling by signing and returning one copy of this letter.

Your favorable consideration will be appreciated.

Very truly yours,

READ & STEVENS, INC.

*Robert P. Byron*

Robert P. Byron

ACCEPTED this 25<sup>th</sup> day of February, 1971.

*Charles B. Read*

CHARLES B. READ

15  
PHONE 622-3770  
MAR 23 1971

CHARLES B. READ  
PRESIDENT

NORMAN L. STEVENS, JR.  
VICE-PRESIDENT

JOHN L. ANDERSON, JR.  
EXPLORATION MANAGER

*Read & Stevens, Inc.*

*Oil Producers*

*P. O. Box 2126*

*Roswell, New Mexico 88201*

February 25, 1971

Commingling State "C" and Pennzoil #1,  
Lea County, New Mexico. State of New  
Mexico Leases OG-2001 and OG-4886

Mr. Norman L. Stevens, Jr.  
P. O. Box 2126  
Roswell, New Mexico 88201

Dear Interest Owner:

Read & Stevens, Inc. intend to commingle production from the above two wells in a common tank battery located on State Lease OG-4886 (#1 Pennzoil).

In compliance with the Oil Conservation Commission, Rule 309-B, permission from the purchaser and all parties owning an interest in the separate leases is required.

Since there is common ownership in both leases, it is requested that you signify your approval of the commingling by signing and returning one copy of this letter.

Your favorable consideration will be appreciated.

Very truly yours,

READ & STEVENS, INC.

*Robert P. Byron*  
Robert P. Byron

ACCEPTED this 1 day of MARCH, 1971.

*Norman L. Stevens, Jr.*  
NORMAN L. STEVENS, JR.

CHARLES B. READ  
PRESIDENT

NORMAN L. STEVENS, JR.  
VICE-PRESIDENT

JOHN L. ANDERSON, JR.  
EXPLORATION MANAGER

*Read & Stevens, Inc.*

*Oil Producers*

*P. O. Box 2126*

*Roswell, New Mexico 88201*

February 25, 1971

Commingling State "C" and Pennzoil #1,  
Lea County, New Mexico. State of New  
Mexico Leases OG-2001 and OG-4886

Mr. Gene Snow  
606 So. 13th Street  
Lovington, New Mexico

Dear Interest Owner:

Read & Stevens, Inc. intend to commingle production from the above two wells in a common tank battery located on State Lease OG-4886 (#1 Pennzoil).

In compliance with the Oil Conservation Commission, Rule 309-B, permission from the purchaser and all parties owning an interest in the separate leases is required.

Since there is common ownership in both leases, it is requested that you signify your approval of the commingling by signing and returning one copy of this letter.

Your favorable consideration will be appreciated.

Very truly yours,

READ & STEVENS, INC.

*Robert P. Byron*

Robert P. Byron

ACCEPTED this 1 day of March, 1971.

*Gene Snow*

GENE SNOW

CHARLES B. READ  
PRESIDENT

NORMAN L. STEVENS, JR.  
VICE-PRESIDENT

JOHN L. ANDERSON, JR.  
EXPLORATION MANAGER

*Read & Stevens, Inc.*

*Oil Producers*

*P. O. Box 2126*

*Roswell, New Mexico 88201*

February 25, 1971

5  
8  
23  
MAR 1971

Commingling State "C" and Pennzoil #1,  
Lea County, New Mexico. State of New  
Mexico Leases OG-2001 and OG-4886

Neuhoff Oil & Gas Corporation  
5543 Yale Blvd.  
Dallas, Texas 75206

Dear Interest Owner:

Read & Stevens, Inc. intend to commingle production from the above two wells in a common tank battery located on State Lease OG-4886 (#1 Pennzoil).

In compliance with the Oil Conservation Commission, Rule 309-B, permission from the purchaser and all parties owning an interest in the separate leases is required.

Since there is common ownership in both leases, it is requested that you signify your approval of the commingling by signing and returning one copy of this letter.

Your favorable consideration will be appreciated.

Very truly yours,

READ & STEVENS, INC.

*Robert P. Byron*  
Robert P. Byron

ACCEPTED this 2 day of March, 1971.

NEUHOFF OIL & GAS CORPORATION

BY: *Edward E. Matus*

CHARLES B. READ  
PRESIDENT

NORMAN L. STEVENS, JR.  
VICE-PRESIDENT

JOHN L. ANDERSON, JR.  
EXPLORATION MANAGER

*Read & Stevens, Inc.*

*Oil Producers*

*P. O. Box 2126*

*Roswell, New Mexico 88201*

February 25, 1971

Commingling State "C" and Pennzoil #1,  
Lea County, New Mexico. State of New  
Mexico Leases OG-2001 and OG-4886

Mr. Richard Azar  
P. O. Box 10073  
El Paso, Texas 79991

Dear Interest Owner:

Read & Stevens, Inc. intend to commingle production from the above two wells in a common tank battery located on State Lease OG-4886 (#1 Pennzoil).

In compliance with the Oil Conservation Commission, Rule 309-B, permission from the purchaser and all parties owning an interest in the separate leases is required.

Since there is common ownership in both leases, it is requested that you signify your approval of the commingling by signing and returning one copy of this letter.

Your favorable consideration will be appreciated.

Very truly yours,

READ & STEVENS, INC.

*Robert P. Byron*  
Robert P. Byron

ACCEPTED this 27 day of February, 1971.

*Richard Azar*  
RICHARD AZAR

71 MAR 23 AM 8 15



# TULSA CRUDE OIL PURCHASING COMPANY

## DIVISION ORDER

WILLIAM J. JONES OIL CORPORATION, A DIVISION OF \_\_\_\_\_, 19\_\_\_\_  
TO TULSA CRUDE OIL PURCHASING COMPANY, P. O. BOX 1709, TULSA 1, OKLAHOMA

The undersigned, and each of them guarantee and warrant that they are the legal owners in the proportion set out below of all the oil produced from the NEW MEXICO - CHARLES B. READ, OIL lease, described as

SW NE SECTION 11-10S-34E FROM THE SURFACE  
DOWN TO THE DEPTH OF 5,400 FEET BELOW THE  
SURFACE.

State of NEW MEXICO, in SAN County,  
and commencing as of 7 a.m. the 1st day of February,  
1966, and until further written notice either from you or us you are authorized to receive oil therefrom, purchase it and pay therefor as follows:

OWNERS'  
SOCIAL SECURITY  
OR TAX ACCOUNT NO.

CREDIT TO

DIVISION OF INTEREST

✓STATE OF NEW MEXICO	1/8 x 8/8 RI on	.1250000
✓UNION PRODUCING COMPANY, A CORPORATION	60% x 1/16 x 7/8 CRR1 on	.0326173
✓STERCO '67, LTD., A LIMITED PARTNERSHIP	40% x 1/16 x 7/8 CRR1 on	.0210714
✓CHARLES B. READ		.0561321
✓MORRIS L. STEVENS, JR.		.0561321
✓HENRY NEUMOFF, JR.		.2034781
✓FRED VENISCA		.2034781
✓MARVIN J. COLES		.1025191
✓RICHARD W. AZAR		.1025191
✓GENE SNOW		.0120473

The foregoing Working Interest owners execute this Division Order whereby authorizing Tulsa Crude Oil Purchasing Company to have distribution of their respective interest in the proceeds of production to Charles B. Read, Father, said Working Interest Owners agreed to look solely to Charles B. Read for distribution of funds attributable to the respective interest as reflecting herein.

ADMIRAL CRUDE OIL CORPORATION, A DIVISION OF  
TULSA CRUDE OIL PURCHASING COMPANY

# 31189

DIVISION ORDER

October 24, 1969

TO TULSA CRUDE OIL PURCHASING COMPANY, P. O. BOX 1709, TULSA, OKLAHOMA 74102

The undersigned, and each of them guarantee and warrant that they are the legal owners in the proportion set out below of all the oil produced from the STATE "C" - CHARLES B. READ, OPERATOR lease, described as

NE 1/4 SW 1/4 SECTION 11-19S-34E, TO A DEPTH  
OF 5,100 FEET.

State of NEW MEXICO, and commencing as of 7 a.m. the 18th in LEA County,  
1969, and until further written notice either from you or us you are authorized to receive oil therefrom, purchase it and pay therefor as follows:

OWNERS'  
SOCIAL SECURITY  
OR TAX ACCOUNT NO.

CREDIT TO

DIVISION OF INTEREST

✓ CHARLES B. READ

.0961304 WI \*

✓ NORMAN L. STEVENS, JR.

.0961304 WI \*

✓ NEUNOFF OIL & GAS CORPORATION

.2050781 WI \*

✓ FRED VENINGA

.2050781 WI \*

✓ MARYIN J. COLES

.1025391 WI \*

✓ RICHARD N. AZAR

.1025391 WI \*

✓ GENE SNOW

.0128173 WI \*

✓ STATE OF NEW MEXICO

.1250000 RI

✓ UNION PRODUCING COMPANY, A  
CORPORATION

.0546875 CRR1

✓ FIRST NATIONAL BANK OF MIDLAND  
FOR THE ACCOUNT OF  
AYAPAZ PETROLEUM, INC.

NO INTEREST

✓ PENNZOIL UNITED, INC.

NO INTEREST

IN CONSIDERATION OF THE PAYMENT BY ADMIRAL CRUDE OIL CORPORATION, A DIVISION OF TULSA CRUDE OIL PURCHASING COMPANY OF .8203125 % OF THE PRODUCTION FROM THE DESCRIBED LEASE, TO CHARLES B. READ, THE OPERATOR OF SAID PROPERTY, HE AGREES TO SETTLE DIRECTLY AND MAKE PROPER PAYMENT TO ALL PARTIES WHO NOW OWN OR HEREAFTER ESTABLISH OWNERSHIP OF AN INTEREST IN SAID PRODUCTION FROM SAID TRACTS; AND THE UNDERSIGNED TO THE EXTENT OF THEIR INDIVIDUAL INTEREST IN SAID PRODUCTION AGREES TO INDEMNIFY AND HOLD ADMIRAL CRUDE OIL CORPORATION, A DIVISION OF TULSA CRUDE OIL PURCHASING COMPANY, ITS SUCCESSORS AND ASSIGNS, HARMLESS FROM AND AGAINST ALL LOSS, COSTS, DAMAGE OR EXPENSE OF ANY NATURE, INCLUDING REASONABLE ATTORNEY'S FEES, THAT IT MAY SUFFER OR INCUR BY OR ON ACCOUNT OF HAVING MADE SUCH PAYMENT TO CHARLES B. READ. IN THE EVENT ADMIRAL CRUDE OIL CORPORATION, A DIVISION OF TULSA CRUDE OIL PURCHASING COMPANY, ITS SUCCESSORS AND ASSIGNS, IS REQUIRED TO BRING AN ACTION TO ENFORCE ITS RIGHTS HEREUNDER, IT SHALL BE ENTITLED TO RECOVER IN ADDITION TO ALL SUMS RECOVERABLE PURSUANT HERETO, REASONABLE ATTORNEY'S FEES.

The following covenants are also parts of this INSTRUMENT and shall be binding on the undersigned, their heirs, devisees, successors, legal representatives and assigns.

**FIRST:** The oil received and purchased hereunder shall become your property as soon as the same is received into your custody, or that of any pipe line company or carrier designated by you.

**SECOND:** The oil received and purchased hereunder shall be delivered F. O. B. to any pipeline or carrier designated by you which gathers and receives said oil, and you shall pay for such oil to the respective owners according to the division of interest above set forth at the same price per barrel received by the operator of the lease covered by this division order. The term "oil" as used in this division order shall include all liquid hydrocarbons.

**THIRD:** Quality and quantity shall be determined in accordance with the conditions specified in the purchase agreement with lease operator. You may refuse to receive any oil not considered merchantable by you.

**FOURTH:** Settlements and payments shall be made monthly by check mailed from your office to the respective parties at the addresses above given, for the amount of such purchase price due said parties, respectively, less any taxes required by law to be deducted and paid by you as purchaser. At your option, you may withhold, without interest, monthly payment due any payee of amounts less than Five Dollars (\$5.00), it being agreed, however, that regardless of the amount so accumulated, you will make payment of full amount so credited to each payee either annually or semi-annually.

**FIFTH:** Satisfactory abstracts or other evidence of title will be furnished to you at any time on demand. In the event of a failure so to furnish such evidence of title, or in the event of an adverse claim, question or dispute at any time concerning the title to such oil or any part thereof or to the land from which such oil is produced, you may hold the proceeds of all oil received and run, to the extent of the interest involved in such adverse claim, question or dispute, without interest, until indemnity satisfactory to you has been furnished or until said claim, question or dispute as to ownership has been finally settled or finally determined. In the event any action or suit is filed in any court affecting the title either to the real property above described or to the oil produced therefrom in which any of the undersigned are parties, written notice of the filing of said action shall be immediately furnished you by the undersigned stating the court in which the same is filed and the title of such action or suit. You and/or any carrier transporting oil for your account shall be held harmless by each party to this division order to the extent of each party's interest, as set forth in this division order, from any judgment rendered against you or it on account of receiving, purchasing, paying for or transporting the oil credited to such party's interest.

**SIXTH:** The undersigned severally shall notify you in writing of any change of ownership, and no transfer of interest shall be binding upon you until a transfer order and the recorded instrument evidencing such transfer, or a certified copy thereof, shall be furnished to you. You will not be responsible for any change of ownership in the absence of actual notice and satisfactory proof thereof. Transfer of interest shall be made effective at 7 o'clock A.M. on the first day of the calendar month following said written notice to you unless this requirement is waived by you. If any limited, reversionary or sliding scale interest is owned or retained by any party to this division order, such party hereby relieves you of any obligation to determine if and when payment for such interest shall commence, change or cease, and further agrees to notify you in writing as to the date on which such payment shall commence, change or cease, and to hold you harmless and further agrees to notify you in writing as to the date on which such payment shall commence, change or cease, and to hold you harmless for any erroneous payment made prior to receipt of said written notice.

**SEVENTH:** Working interest owners or operators who sign this division order, and each of them, guarantee and warrant for your benefit and that of any pipe line or other carrier designated by you to run or transport said oil, that all oil rendered hereunder has been all the requirements of the Fair Labor Standards Act of 1938 and amendments thereto.

**EIGHTH:** This division order shall become valid and binding on each and every owner above named as soon as signed by him or her regardless of whether any of the other above named owners have so signed; and in consideration of the purchase of oil hereunder, and remove such pipe lines, in case of termination by either you or us of purchases under this division order. You are not expected to receive oil in definite quantities or for fixed periods nor to provide storage on the credit balance plan or otherwise except as and when you shall now or hereafter agree in writing.

WITNESSES SIGN BELOW

OWNERS SIGN BELOW

(PRINT OR TYPE YOUR COMPLETE ADDRESS)

**IMPORTANT: TO AVOID DELAY IN PAYMENT — YOUR CORRECT ADDRESS AND YOUR SOCIAL SECURITY NUMBER OR TAX ACCOUNT NUMBER MUST BE SHOWN.**