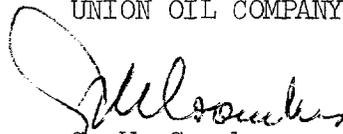


A plat of the State "A" and State "B" leases, showing all producing wells and their producing zones and the proposed off-lease storage arrangements, is attached. We are also attaching copy of letter from the Commission of Public Lands for the State of New Mexico offering no objection to our proposal for off-lease storage.

Pending disposition of this application, it is requested that temporary off-lease storage authorization be granted.

Very truly yours

UNION OIL COMPANY OF CALIFORNIA



W. W. Coombes
Division Prod. Supt.

PW:HN

CC: Gulf Refining Company
Drawer 1150 Attention of Mr. R. L. Barker
Midland, Texas

New Mexico Oil Conservation Commission
Hobbs, New Mexico

Texas Pacific Coal and Oil Company
P. O. Box 2110
Fort Worth, Texas

Union Oil Company of California

M I D L A N D  T E X A S

August 8, 1963

Texas Pacific Coal and Oil Company
P. O. Box 2110
Fort Worth, Texas

Gentlemen:

Union Oil Company of California is making application to the New Mexico Oil Conservation Commission for an exception of Rule 309 to permit the production from their State "A" No. 2-28 well to be transported prior to measurement to their State "B" lease, in which you own a working interest, for storage thereon. This request is being made to obtain a pipe line connection for the above referred to well and thereby eliminate the current truck gathering charge. Gulf Refining Company has advised it is not economically feasible to extend their facilities to serve this well.

The State "A" No. 2-28 well is located 1650 feet from the south line and 660 feet from the east line of Section 28, T-15-S, R-32-E, Lea County, New Mexico. The battery serving the State "B" lease is located in the southwest quarter of the southeast quarter (SW/4 SE/4 of Section 28. The State "A" No. 2-28 well and State "B" wells Nos. 1-28 and 2-33 are in the North Anderson Ranch Wolfcamp Pool.

A copy of our application to the New Mexico Oil Conservation Commission is attached.

We have also enclosed in triplicate a letter addressed to the New Mexico Oil Conservation Commission waiving your company's objection to our application. If this letter of waiver meets with your approval, please execute two copies, forwarding one to the New Mexico Oil Conservation Commission, P. O. Box 871, Santa Fe, New Mexico, to the attention of Mr. A. L. Porter, Jr., Secretary Director, and the other copy to our Midland office in the enclosed envelopes. The remaining copy is for your file.

Very truly yours

UNION OIL COMPANY OF CALIFORNIA



G. W. Coombes
Division Prod. Supt.

GWC:HN

Enclosures

Union Oil Company of California

M I D L A N D  T E X A S

August 8, 1963

Gulf Refining Company
P. O. Drawer 1150
Midland, Texas

Attention of Mr. R. L. Barker, District Superintendent

Gentlemen:

Union-State "A" No. 2-28 Battery
N/2 SE/4, Section 28-15S-32E
North Anderson Ranch-Wolfcamp Pool
Lea County, New Mexico

Your letter dated August 6, 1963, advised it is not economically feasible to extend your gathering facilities to make connection to subject battery.

In view of the above, we are applying to the New Mexico Oil Conservation Commission for an exception of Rule 309 to permit off-lease storage for crude oil production from our State "A" No. 2-28 well into separate facilities located at the tank battery site serving our State "B" lease. This battery is located in the southwest quarter of the southeast quarter (SW/4 SE/4) of Section 28-15S-32E, Lea County, New Mexico, which is connected to the Gulf pipe line system. We request consideration for a connection to this off-lease storage facility provided our application to the Commission is approved. Mr. R. M. Weise, Gulf Crude Oil Supply Department representative, has agreed to purchase the production from Well No. 2-28 on the basis of this arrangement.

If you are in agreement to connect to our State "A" No. 2-28 battery under the conditions referred to above, please indicate your approval in the space provided therefor below and return one copy to this office.

Very truly yours

UNION OIL COMPANY OF CALIFORNIA



G. W. Coombes
Division Prod. Supt.

PW:HN

CC: Mr. R. M. Weise
Gulf Oil Corporation
Midland, Texas

APPROVED: August 8, 1963

GULF REFINING COMPANY


R. L. Barker

State of New Mexico



Commissioner of Public Lands



E. S. JOHNNY WALKER
COMMISSIONER

P. O. BOX 791
SANTA FE, NEW MEXICO

April 5, 1963

HIGH CLOUDS

APR 8 1963

Union Oil Company of California
619 West Texas Avenue
Union Oil Building
Midland, Texas

Re: Off-Lease storage between E-5368 and
E-8974

Gentlemen:

This office can find no objections to your proposed request for off-lease storage, that is, of course, if the requirements meet with approval of the Oil Conservation Commission.

Ownership is Common.

Very truly yours,

E. S. JOHNNY WALKER
COMMISSIONER OF PUBLIC LANDS

BY:

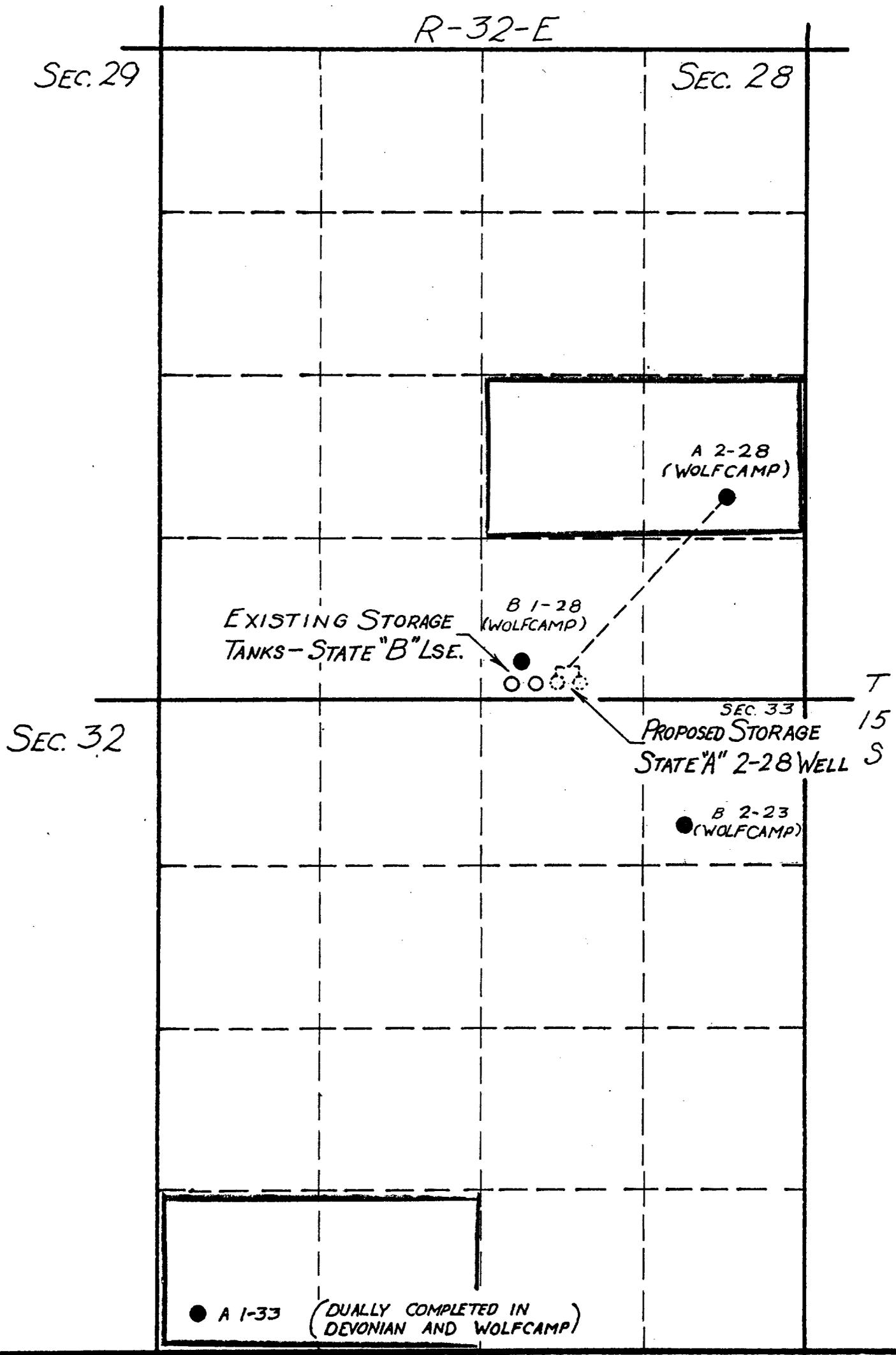
ROMULO MARTINEZ
Oil and Gas Department

EW/RM/pr

cc: Oil Conservation Commission

Oil and Gas Accounting Commission

PLAT OF WELLS AND PROPOSED STORAGE FACILITIES TO SUPPORT UNION OIL COMPANY OF CALIFORNIA'S REQUEST FOR OFF LEASE STORAGE OF PRODUCTION FROM THEIR STATE "A" WELL No. 2-28 NORTH ANDERSON RANCH WOLFCAMP POOL, LEA COUNTY, NEW MEXICO



UNION OIL CO. OF CALIFORNIA
 STATE "A" LEASE
 UNION OIL CO. OF CALIFORNIA
 STATE "R" LEASE

Date August 12, 1963

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

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

Texas Pacific Coal and Oil Company hereby waives its right of objection to the application made by Union Oil Company of California for an exception of Rule 309 to permit the production from their State "A" No. 2-28 well located in Section 28, T-15-S, R-32-E, Lea County, New Mexico, to be transported prior to measurement to their State "B" lease for separate storage thereon. Texas Pacific Coal and Oil Company owns a working interest in the State "B" lease.

It is our understanding that, if this application is approved, commingling of production will not result from the proposed off-lease storage facilities and there will be no inter-communication of the handling, separating, treating, or storage facilities designated to each lease.

Very truly yours

TEXAS PACIFIC COAL AND OIL COMPANY

By 
R.W.Hines - Exec. Vice President