

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

October 20, 1964

Val R. Reese & Associates, Inc.
2020 Central Avenue, SE
Albuquerque, New Mexico

Attention: Mr. L. C. Jameson

Administrative Order OLS-30

Gentlemen:

Reference is made to your request dated September 23, 1964, for authority for Dr. Sam G. Dorn to construct off-lease storage facilities for his Grevey Lease located in Sections 26 and 35, Township 26 North, Range 1 East, Rio Arriba County, New Mexico, off of the lease. It is our understanding that the tank battery will be located in the SE/4 SW/4 of Section 27, Township 26 North, Range 1 East, on Federal Lease No. SF-079285-B.

Inasmuch as there will be no intercommunication of the handling, separating, treating, or storage facilities designated to each lease, the subject application for an exception to Rule 309-A is hereby granted pursuant to the Commission Rule 309-C.

Very truly yours,

A. L. Fortner, Jr.
Secretary-Director

ALF:DSW:ag

cc: Oil Conservation Commission (with enclosure) - Astec
Oil & Gas Engineering Committee - Hobbs
United States Geological Survey - Roswell

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OIL CONSERVATION COMMISSION

P. O. BOX 871

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VAL R. REESE & ASSOCIATES, Inc.

CONSULTING GEOLOGISTS

ALBUQUERQUE, NEW MEXICO

September 22, 1964

PHONE 243-3569

2820 CENTRAL AVE., S.E.
SEP 24 AM 8 10
PAGE 000

Mr. A. L. Porter, Secretary Director
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

OLS

Dear Mr. Porter:

Dr. Samuel G. Dunn, 1312 Main Street, Lubbock, Texas, has asked that we make application in his name for administrative approval of off-lease storage facilities for production from wells on his Grevey lease, NM-012833, located in Sections 26 and 35, T-26N, R-1E, Rio Arriba County, New Mexico. The off-lease storage is requested in order to locate the tank battery sufficiently close to the Llaves Pipeline, Ltd. facilities for a connection into the pipeline to be made.

At present oil is being transported by truck from the Grevey lease. The wells are located on a topographically high, steeply dipping outcrop. Access during winter months will be limited. Llaves Pipeline has agreed to make a pipeline connection for the Grevey lease, provided a tank battery can be installed within 300 feet of their line. The pipeline charge will be 70¢ per barrel, including the 15¢ charge from Shell's Apache Station into Bloomfield.

As shown on the accompanying plat, the proposed location for the tank battery is in the SE/4 of the SW/4 of Section 27, T-26N, R-1E on lease SF-079285-B. This lease is within the Puerto Chiquito Unit, and a copy of a letter from the unit operator, Benson-Montin-Greer Drilling Corporation, agreeing to the location of the facilities on their lease is enclosed.

All persons owning an interest in the Grevey lease have consented to the location of the storage facilities as proposed. Dr. Dunn is the sole operating interest owner. Overriding royalty owners are as follows:

Messrs. M. Liberman, Jack Grevey and Joseph Grevey	7.0717%
Mr. L. James Risedorph	2.71415%
Coral Oil & Gas Company	2.71415%

Mr. A. L. Porter, Secretary Director
September 22, 1964
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Letters from the overriding royalty interests consenting to the tank battery location are enclosed. Mr. Risedorph failed to sign the original copy of the letter giving his consent. Copies of the unsigned letter are enclosed, and the original has been returned to him for signature. Also enclosed is a copy of the U.S. Geological Survey letter of consent.

Application has been made to the U. S. Forest Service for issuance of a special use permit for the proposed facilities.

The #1 and #2 Grevey wells produce from the Lower Mancos formation. Off-lease storage facilities will be separate and removed from any other facilities which the unit operator might have on the lease. There will be no possibility of commingling production from the two leases.

We are most anxious to obtain the necessary approvals for this facility in order that construction may be completed before the winter sets in. If additional information is needed I would therefore appreciate very much your calling me collect.

Very truly yours,



Lewis C. Jameson
Vice President

LCJ:hk
Enc.

cc: Benson-Montin-Greer Drlg. Corp.
cc: Mr. M. Liberman
cc: Mr. Jack Grevey
cc: Mr. Joseph Grevey
cc: Mr. L. James Risedorph
cc: Coral Oil & Gas Co.
cc: Dr. Sam G. Dunn

Post Office Box 1364
Albuquerque, New Mexico
September 22, 1964

Dr. Samuel G. Dunn
1312 Main Street
Lubbock, Texas

Dear Sir:

The undersigned, Maurice Liberman, together with Joseph Grevey and Jack Grevey, own a 7.07017% over-riding royalty under a lease operated by you in Sections 26 and 35, T-26N, R-1E, Rio Arriba County, New Mexico. As over-riding royalty interests, we have been notified of the intention to provide storage facilities to be located off of Lease NM-012833 on Lease SF-079285-B.

It being understood that all facilities shall be separate and removed from any other storage facilities on Lease SF-079285-B, our approval for the location of the tank battery as proposed in the SE-1/4 of the SW-1/4 of Section 27 is hereby given.

Yours very truly,



Maurice Liberman

cc: 1312 Main Street
Lubbock, Texas

R. D. #1
Gloversville, New York
September 17, 1964

Val R. Reese & Associates, Inc.
2820 Central Avenue S. E.
Albuquerque, New Mexico

Attention: Mr. Lewis C. Jameson

Gentlemen:

Being owner of a over-riding Royalty Interest, under the Grevey lease M1012833, Section 26 & 35, T-26N, R1E Rio Arriba County, New Mexico, I have been notified of the proposed tank battery location; it being understood that all facilities will be separate from any other facilities which might be located on lease SFO79285-B consequently prohibiting a possibility of comingling of production from the two leases.

I therefore approve of the tank battery being located in the SE/4 of the SW/4 of Section 27 on lease SE079285-B.

Yours very truly

LJR:p
CC: Dr. Sam G. Dunn

L. James Risedorph

CORAL OIL & GAS COMPANY

2127 SAN MATEO BLVD., N.E. - TELEPHONE ALPINE 6-3470

ALBUQUERQUE, NEW MEXICO

September 15, 1964

Dr. Sam G. Dunn
1312 Main Street
Lubbock, Texas

Dear Dr. Dunn:

Coral Oil & Gas Company, overriding royalty interest owner under part of U. S. Lease No. NM 012833, Rio Arriba County, New Mexico, does not object to your proposed off lease oil storage facilities on U. S. Lease No. SF 079285-B, Section 27, T. 26 N., R. 1 E. so long as you maintain facilities for handling the oil from NM 012833 separate from the facilities for SF 079285-B and so long as there is no possibility of commingling the oil from the two leases.

Sincerely yours,

Coral Oil & Gas Company
By Ben Donagan, President



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Drawer 1857
Roswell, New Mexico 88201

September 18, 1964

Val R. Reese & Associates, Inc.
2820 Central Avenue, SE
Albuquerque, New Mexico

Gentlemen:

Your application of September 2 in behalf of Dr. Sam G. Dunn, 1312 Main Street, Lubbock, Texas, requests approval of off-lease storage for oil production from certain wells located in sections 26 and 35, T. 26 N., R. 1 E., Rio Arriba County, New Mexico, lease New Mexico 012833.

You advise that oil is presently trucked from lease NM 012833, that access to the lease will be limited during winter months, and that the requested tank battery location will permit a connection to the Llaves Pipeline. The off-lease storage facilities are to be located in the SE $\frac{1}{4}$ SW $\frac{1}{4}$ sec. 27, T. 26 N., R. 1 E., lease Santa Fe 079285-B, committed to the Puerto Chiquito unit agreement.

The off-lease storage for New Mexico 012833 as set forth in your application is hereby approved subject to the issuance of a special use permit for the facilities to be located on lease SF 079285-B by the Regional Forester, U. S. Forest Service, 517 Gold Avenue, Albuquerque, New Mexico, or his representative.

Sincerely yours,

CARL C. TRAYWICK
Acting Oil and Gas Supervisor

BENSON-MONTIN-GREER DRILLING CORP.

GENERAL OFFICE:
2808 FIRST NATIONAL BLDG.
OKLAHOMA CITY 2, OKLAHOMA
PHONE CENTRAL 5-0546

158 PETROLEUM CENTER BUILDING
FARMINGTON, NEW MEXICO
PHONE DAVIS 5-8874

September 15, 1964

Dr. Sam G. Dunn
1312 Main Street
Lubbock, Texas

Dear Dr. Dunn:

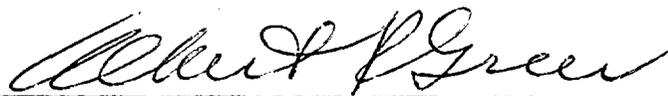
This is in reply to letter of September 8th from Val R. Reese & Associates, Inc. regarding off-lease storage for oil produced from your Grevey Lease in Sections 26 and 35, Township 26 North, Range 1 East, Rio Arriba County, New Mexico. We understand that you would like to construct a tank battery to be located in the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 27 on Lease SF 079285-B, which is within the Puerto Chiquito Unit.

Benson-Montin-Greer Drilling Corp. is operator of the Puerto Chiquito Unit, and this is to advise you that we have no objection to your off-lease storage with tank battery at the above-mentioned location. It is understood, of course, that you will keep your facilities entirely separate and removed from any facilities which we might require for our own production on the same lease.

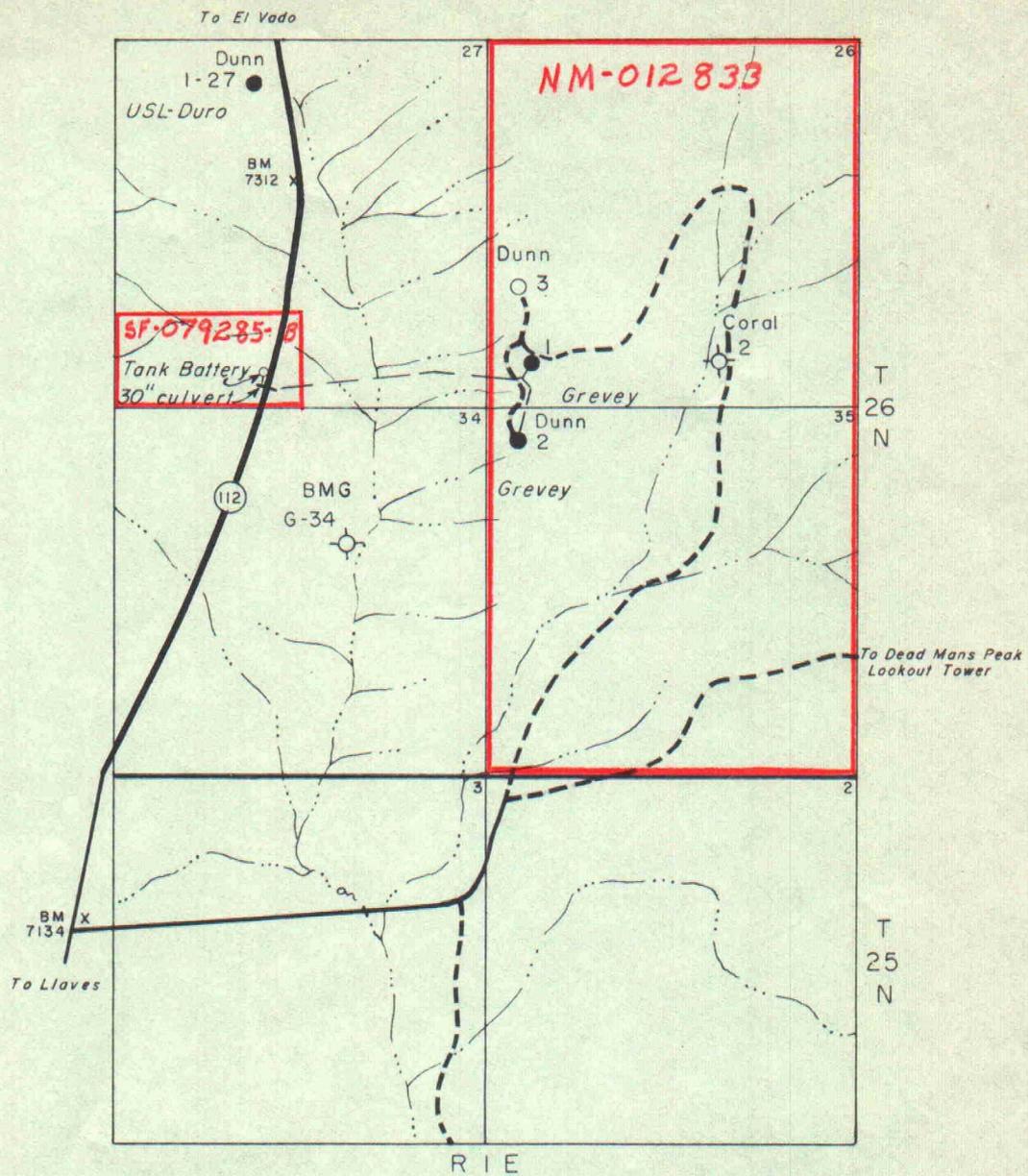
Yours very truly,

BENSON-MONTIN-GREER DRILLING CORP.

BY:



Albert R. Greer
Vice-President



PLAT SHOWING GREVEY LEASE STORAGE

T26N R1E

RIO ARRIBA COUNTY, NEW MEXICO

August 28, 1964

Dr. Sam G. Dunn

prepared by

Val R. Reese and Assoc., Inc.

— Route of flowline
from wells to tank battery

Scale: 2" = 1 mile