OIL CONSERVATION COMMISSION P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

August 20, 1968

Watson & Watson P. O. Drawer E Artesia, New Mexico

Attention: Mr. Fred A. Watson

Administrative Order OLS-66

Gentlemen:

Reference is made to your application dated July 30, 1968, for an exception to Rule 309 of the Commission Rules and Regulations to permit off-lease storage for Quasar, Incorporated for its Wilson Federal Lease (N.M.-015068) comprising the E/2 NW/4 of Section 34 and for its Featherstone Federal Lease (N.M.-010907-A) comprising the W/2 NE/4 of Section 34, Township 18 South, Range 29 East, Eddy County, New Mexico. It is proposed to construct the tank batteries for said leases on Quasar's Federal Brainard Lease (L.C.-062029) in the NE/4 of the SW/4 of said Section 34. It is our understanding that production from said leases is from the Turkey Track Pool.

Pursuant to the authority granted me by Rule 309-C of the Commission Rules and Regulations, Quasar, Incorporated is hereby authorised off-lease storage as described above, provided that there shall be no intercommunication of the handling, separating, treating, or storage facilities designated to any of the aforesaid three leases.

Very truly yours,

A. L. PORTER, Jr. Secretary-Director

ALP/DSN/esr

CC: Oil Conservation Commission - Artesia
Oil & Gas Engineering Committee - Hobbs
United States Geological Survey - Roswell

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OIL PRODUCERS · P. O. BOX 266 · EVANSVILLE, INDIANA 47705 · TEL.(812) 425-5245

Date: July 26, 1968

Hon. A. L. Porter, Jr., Secretary-Director, New Mexico Oil Conservation Commission, State Land Office Building, Santa Fe, New Mexico 87501.

Dear Mr. Porter:

Re: Application to permit production to be transported prior to measurement: -

FROM:

U. S. Oil and Gas Lease N.M.-015068, insofar as same covers E½NW¼ of Section 34, Township 18 South, Range 29 East, N.M.P.M.;

and

U. S. Oil and Gas Lease N.M.-010907-A, insofar as same covers W2NE2 of Section 34, Township 18 South, Range 29 East, N.M.P.M.;

TO:

U. S. Oil and Gas Lease L.C.-062029 (Consolidated), insofar as same covers NE\(\frac{1}{2}\text{SW}\(\frac{1}{2}\) of Section 34, Township 18 South, Range 29 East, N.M.P.M.,

for storage thereon.

Pursuant to Rule 309-C of the Rules and Regulations of the New Mexico Oil Conservation Commission, application is hereby made by Quasar, Incorporated (formerly R. C. Davoust Company), operator of the leases described in the caption, to permit the production from the first two

Page No. 2

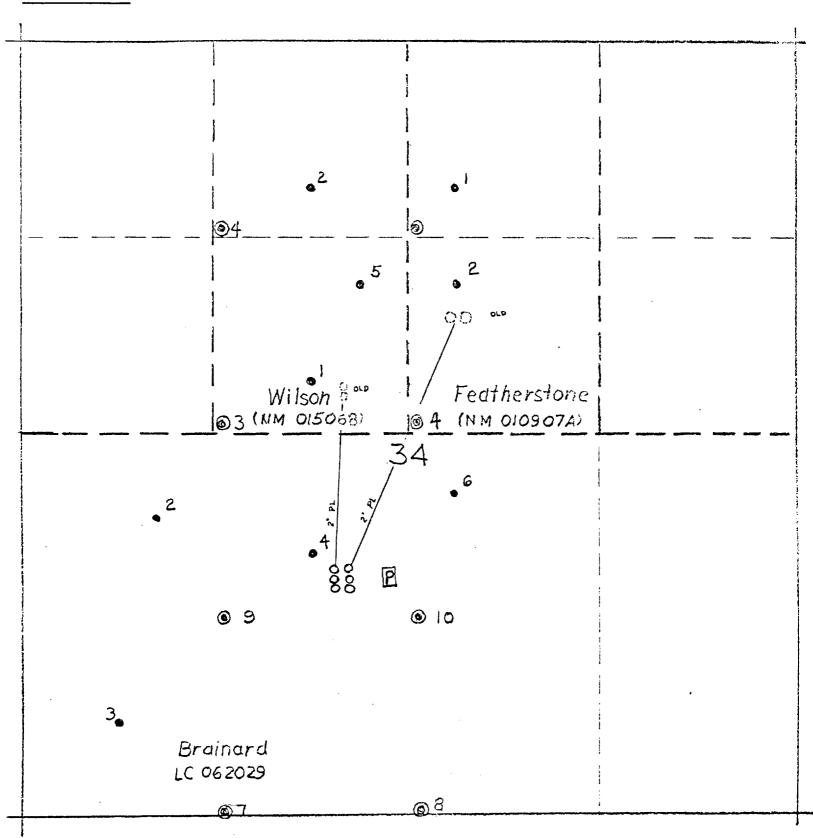
leases above described to be transported prior to measurement to the third lease above described, for storage thereon.

This Application is filed in triplicate, and it is hereby certified as follows:

- 1. Exhibit "A" hereto is a plat showing the leases, the wells thereon and the proposed location of the tank battery.
- 2. Exhibit "B" hereto shows the ownership, including all parties owning an interest, of the leases involved in said Application.
- 3. All production is from the same common source of supply in that the wells on the "transported-from" leases and the wells on the "transported-to" lease are completed in and producing from the Queen Sand (Red Sand) Formation in the Turkey Track Pool, Eddy County, New Mexico.
- 4. Commingling of production from the leases involved in this Application will not result.
- 5. There will be no intercommunication of the handling, separating, treating or storage facilities designated to each lease.
- 6. Applicant certifies that applicant has notified by certified mail all parties shown on Exhibit "B" to this Application, of applicant's intent to transport prior to measurement the production from the two leases to the other lease for storage, as set forth in the caption hereof.
- 7. The Regional Supervisor of the United States Geological Survey, Roswell, New Mexico, has consented to the proposed off-lease storage, and such consent accompanies this Application.
- 8. That the off-lease storage of production is sought by applicant because the same will result in the most economic and efficient disposal of produced water.

Applicant hereby requests the Secretary-Director of the New Mexico Oil Conservation Commission to grant administrative approval for the off-lease storage requested in this Application.

Respectfully submitted,
QUASAR, INCORPORATED
By:
Title:



SECTION 34 T18S R29E EDDY COUNTY, NEW MEXICO QUASAR OPERATED

Application for permission offlease storage of crude oil from Wilson (NM 015068) and Featherstone (NM 010907A) to Brainard (LC 062029)

EXHIBIT "B" to Application for Off-Lease Storage by Quasar, Incorporated.

Lease Ownership: -

U. S. Oil and Gas Lease N.M.-015068, insofar as same covers E2NW2 of Section 34, Township 18 South, Range 29 East, N.M.P.M., Eddy County, New Mexico.

Record Owner:

Wilson Oil Company,

P. O. Box 457,

Artesia, New Mexico 88210.

Current Interest Owners:

Owner	Address	Interest	
United States of America	U.S.G.S., Drawer 1857, Roswell, N. M. 88201.	.1250000	R.I.
Wilson Oil Company	(address as shown above)	.1093750	O.R.I.
Joe L. Stanton	800 Navarro, San Antonio, Texas 78205.	.0133594	O.R.I.
James Noel	515 Rusk, Room 9136, Houston, Texas 77061.	.0008906	O.R.I.
First City National Bank of Houston (mortgagee of production payment)	Houston, Texas 77000.)	.2629812	P.P.I.
December, Inc. (owner of production payment)	1800 United Founders) Tower, Oklahoma City,) Oklahoma 73100.		
Texas City Refining, Inc.	P. O. Box 1271, Texas City, Texas 77590.	.4883938	W.I.

U. S. Oil and Gas Lease N.M.-010907-A, insofar as same covers W2NW4 of Section 34, Township 18 South, Range 29 East, N.M.P.M., Eddy County, New Mexico.

Record Owner:

Olen F. Featherstone, 239 Petroleum Building, Roswell, New Mexico 88201.

Current Interest Owners:

<u>Owner</u>	Address	Interest
United States of America	U.S.G.S., Drawer 1857, Roswell, N. M. 88201.	.1250000 R.I.

LAW OFFICES

NEIL B. WATSON FRED A. WATSON

WATSON & WATSON CARPER BUILDING - P. O. DRAWER E ARTESIA, NEW MEXICO

TELEPHONE SHERWOOD 6-4151

.'r'n :

July 30, 1968.

CERTIFIED MAIL, RETURN RECEIPT REQUESTED.

Hon. A. L. Porter, Jr., Secretary-Director, New Mexico Oil Conservation Commission, State Land Office Building, Santa Fe, New Mexico 87501. OLS-66

Dear Mr. Porter:

Re: Application of Quasar, Incorporated, to transport production prior to measurement from U. S. Oil and Gas Lease N.M.-015068, ENW* of Section 34, and U. S. Oil and Gas Lease N.M.-010907-A, W*2NE* of Section 34, to U. S. Oil and Gas Lease L.C.-062029 (Consolidated), NE*2SW* of Section 34 for storage thereon; all being in Township 18 South, Range 29 East, N.M.P.M., Eddy County, New Mexico.

I herewith enclose, in triplicate, the Application of Quasar, Incorporated pursuant to Rule 309-C for off-lease storage of production.

I also enclose triplicate xerox copies of a letter dated April 8, 1968, by Mr. John A. Anderson, Regional Oil and Gas Supervisor, United States Geological Survey, Roswell, New Mexico, indicating approval of this off-lease storage. I believe that your office has already received a copy of this letter from Mr. Anderson.

The Application is for off-lease storage and is not for commingling. I am of the opinion that the Application is complete in all respects, and it certifies that all parties interested in the leases have been notified by certified mail. However, should anything further be needed in order for you to act upon the enclosed Application, please advise me.

Thanking you in advance for your consideration, I remain,

Very truly yours,

Fred M. Watson

FAW:drm

Enclosures.

- cc. Quasar, Incorporated.
- cc. New Mexico Oil Conservation Commission, Artesia, New Mexico.

EXHIBIT "B" Page No. 2.

Featherstone Farms, Ltd.	239 Petroleum Bldg., Roswell, N. M. 88201.	.1093750	O.R.I.
Joe L. Stanton	800 Navarro, San Antonio, Texas 78205.	.0133594	O.R.I.
James Noel	515 Rusk, Room 9136, Houston, Texas 77061.	.0008906	O.R.I.
First City National Bank of Houston (mortgagee of production payment)		.2629812	Р.Р.Т.
December, Inc. (owner of production payment)	1800 United Founders) Tower, Oklahoma City,) Oklahoma 73100.	.2029012	
Texas City Refining, Inc.	P. O. Box 1271, Texas City, Texas 77590.	.4883938	W.I.

U. S. 0il and Gas Lease L.C.-062029 (Consolidated), insofar as same covers NE\(^1\)SW\(^1\) of Section 34, Township 18 South, Range 29 East, N.M.P.M., Eddy County, New Mexico.

Record Owner:

Bassett-Birney Oil Corporation, c/o Martin Yates, III, 207 South 4th Street, Artesia, New Mexico 88210;

and

Cities Service Oil Company, Cities Service Building, Bartlesville, Oklahoma 74004.

Current Interest Owners:

<u>Owner</u>	Address	Interest
United States of America	U.S.G.S., Drawer 1857, Roswell, N. M. 88201.	.1250000 R.I.*

(* Minimum under sliding scale.)

E. H. Ward, Executor and 101 South 4th Street, .0100000 O.R.I. Testamentary Trustee Artesia, N. M. 88210. under the Last Will and Testament of Julia Brainard, deceased

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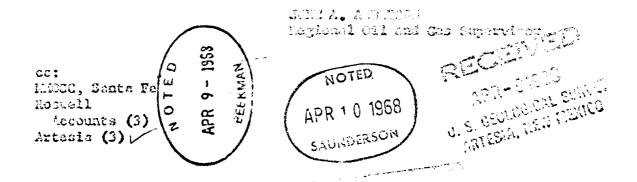
Now latter of March 12, 1860, requests approval of off-lense storage for Queen production from lease New Marches 017807 involving the Milling see. 34, and lease New Marches 61886. intolving the Milling see. 34. The trust betteries for those lesses are to be located at the bottery site of lease has finded leases in the Milling occ. 34, all in T. 18 S., it. 19 E., Milling, Milling County, New Marches. The production from each of the three leases is to be benilved in separate gathering, began wing, and storage familiates.

The off-lease storage of the leases described above is hereby approval. You are reminded that this approval does not in any tray authorize countryling of all or gas production from these fectors. The individual tank batteries should be properly nauted and identified with a sign thereby reflecting the lease from which the production originated.

You are requested to notify the District Engineer, V. S. Coolegical Survey. Post Office Draver V, Artesia, How Marico Sello, then the installation is completed and operative so that it can be inspected.

Sincerely yours,

(ORIG. SGD.) JOHN A. ANDERSON



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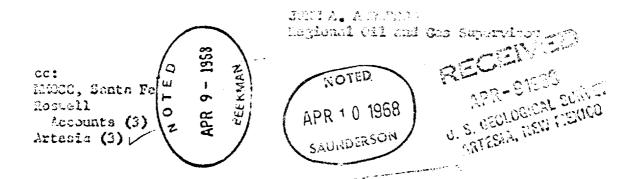
Your intervolation 12, 13.8, requests approval of off-le-me stored for Queen profession from least New Medico 01:007 involving the Milly see. 34, and least New Medico 01:005. involving the Hilly see. 34. We trust betweeter for a costenous are to be located at the battery site of least Les Cauces (52:01) inorted in the Million see. 34, all in T. 16 S., n. 39 E., M.P.M., Ediy County, New Menter. The profession from each of the first leases is to be brailed in separate gathering, separating, and storage facilities.

The off-lease storage of the lease described above is hereby approval. You are reminded that this approval Jose not in any tay sulborine comingling of all or gas production from these leases. The individual tank batteries should be properly marked and identified with a sign thereby reflecting the lease from which the production originated.

You are requested to notify the District Engineer, U. S. Coological Survey, Post Office Orawar U, Artesia, Now Mexico 86218, then the installation is completed and operative so that it can be inspected.

Sincerely yours,

(ONG. SGD.) JOHN A. ANDERSON



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The off-lease storage of the lease described above is hereby approval. You are reminded that this approval does not in any tray rethorize commingling of all or gas production from these feares. The individual tank batteries should be properly marked and identified with a sign thereby reflecting the lease from which the production originated.

You are requested to notify the District Engineer, U. S. Coological Survey, Post Office Drawer U, Artesia, Now Mexico 50210, when the installation is completed and operative so that it can be inspected.

Sincerely yours,

(ORIG. SGD.) JOHN A. ANDERSON

