

October 21, 1969

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

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

Dear Sir:

I am requesting a permit for off-lease storage under Rule 309-C for my J. M. Welch No. 1 Gulf located in the NW $\frac{1}{4}$ of the NE $\frac{1}{4}$ of Sec. 28 18S 31E. The reason for the request is that the Texas-New Mexico Pipeline Company will not lay a line to this well but they will run my oil if I put a tank battery close to the V. S. Welch tank battery. This battery is already on the pipeline. There will be no comingling between the two leases. There will be no intercommunication of the handling, separating, treating, or storage facilities designated to each lease.

I am enclosing three copies of application to reflect ownership of the lease. Also, three plats of the lease showing thereon the wells on the lease and the formation in which they are completed and the proposed location of the tank battery.

By a copy of this letter, I am requesting the U.S.G.S. to approve this application.

Yours very truly,


J. M. WELCH

JMW/bb

enc.

Artesia, New Mexico,
October 16th, 1969.

Oil Conservation Commission,
Santa Fe, New Mexico.

Gentlemen:

Re: Consent to Off-Lease Storage

Gulf Oil Corporation is the owner of Federal Oil and Gas Lease N.M. 02577-A, insofar as it covers the E $\frac{1}{4}$ NE $\frac{1}{4}$ and NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 28, Township 18 South, Range 31 East, N.M.P.M. The V. S. Welch Estate is the owner of a Sub-Lease Operating Agreement, granting the operating rights, covering oil and gas rights to a depth of 4,000 feet beneath the surface of the land, as to the E $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 28, Township 18 South, Range 31 East, N.M.P.M.; and the V. S. Welch Estate No. 1 Well is located in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of said Section 28, Township 18 South, Range 31 East, N.M.P.M., 990 feet from the north line and 330 feet from the east line, and has a tank battery at said location, with a pipeline connection.

J. M. Welch, of Artesia, New Mexico, is the designated operator from Gulf Oil Corporation, under a Sub-Lease Operating Agreement covering the NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 28, Township 18 South, Range 31 East, N.M.P.M., and has completed a well on said land, and has requested permission to set a tank battery, for off-lease storage, and to obtain a pipeline connection in the vicinity of the tank battery of the V. S. Welch Estate in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 28, Township 18 South, Range 31 East, N.M.P.M.

This letter, by the undersigned duly authorized Co-Executor of the V. S. Welch Estate, will constitute a consent in writing to the off-lease storage by J. M. Welch, by placing a tank battery on that portion of the said lease in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 28, Township 18 South, Range 31 East, N.M.P.M., which is held by Sub-Lease Operating Agreement of V. S. Welch Estate from Gulf Oil Corporation.

Dated this 16th day of October, 1969.

V. S. WELCH ESTATE

by



Duly authorized Co-Executor of the
Will and Estate of V. S. Welch,
Deceased.

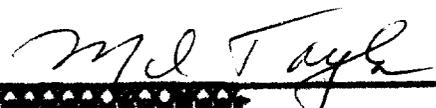
* * *

Gulf Oil Corporation, owner of the said oil and gas lease, hereby consents to the off-lease storage so that J. M. Welch may be permitted to set a tank battery and obtain a pipeline connection on that portion of Gulf's lease held by the V. S. Welch Estate, as to the sub-lease operating rights.

Dated this 17th day of October, 1969.

GULF OIL CORPORATION

by



~~Secretary~~
District Production Manager

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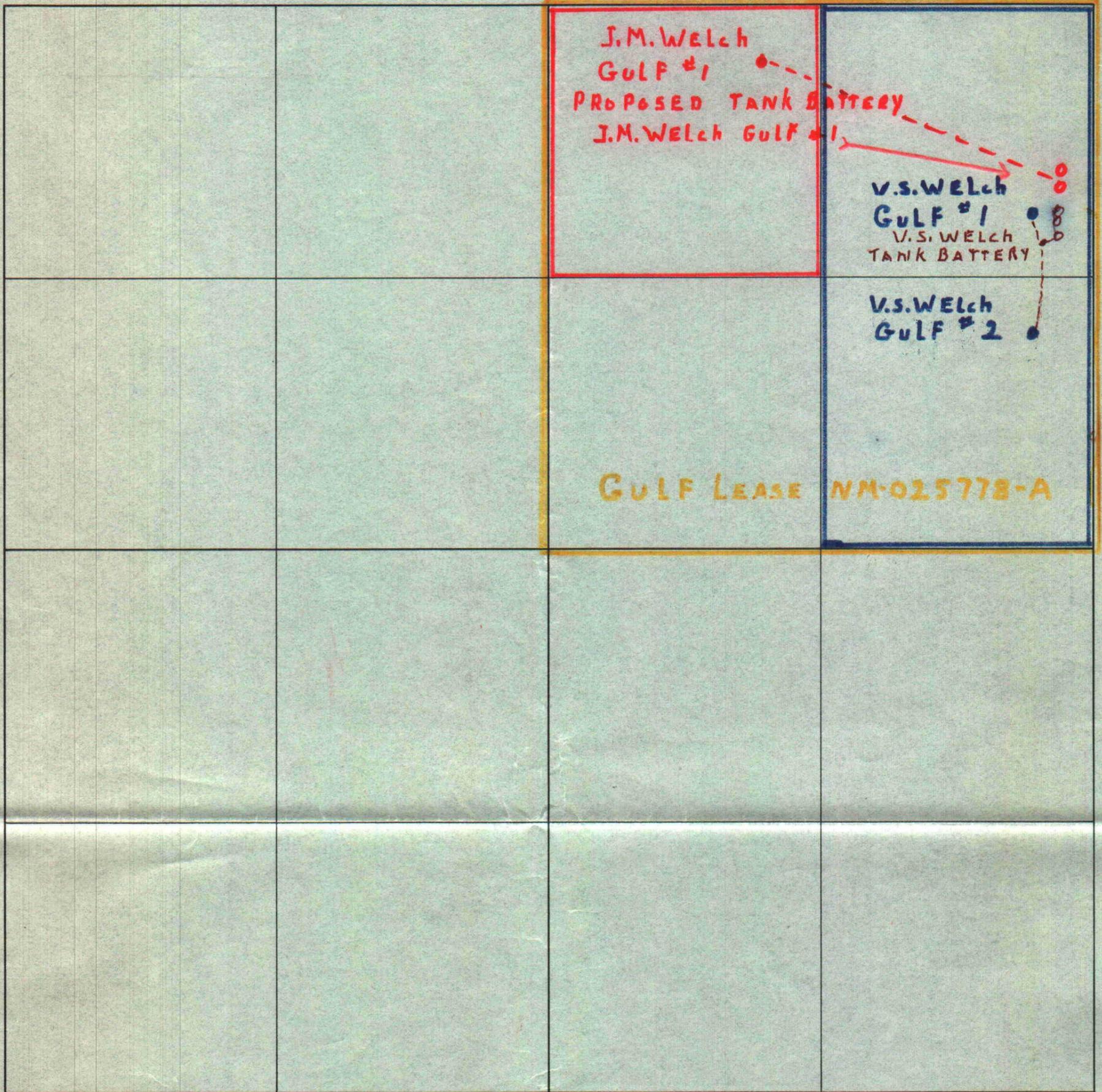
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Prepared By: CURRIER ABSTRACT COMPANY, Box 697, ARTESIA, NEW MEXICO, Phone 470

- ▣ J.M. WELch - GULF FARMOUT
NW 1/4 NE 1/4 SEC 28-18-S 31-E
- ▣ V.S. WELch - GULF FARMOUT
E 1/2 NE 1/4 SEC. 28 18-S 31-E
- ▣ GULF LEASE NM-025778-A
NE 1/4 SEC 28 18-S 31-E

ALL THREE WELLS ARE PRODUCING FROM LOWER QUEENS AT APPROX. 3900' IN SHUGART POOL

LLEGIBLE