

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

April 4, 1972

Penroc Oil Corporation
P. O. Drawer 831
Midland, Texas 79701

Attention: Mr. John B. Castle

Administrative Order OLS-85

Gentlemen:

Reference is made to your application dated March 9, 1972, for administrative approval of an exception to Rule 309 of the Commission Rules and Regulations to permit off-lease storage for Empire-Abo production from your State well No. 2, located in Unit P of Section 28, Township 17 South, Range 28 East, Eddy County, New Mexico. It is our understanding that you propose to construct a tank battery for this well on the Chambers and Kennedy Lease in Unit N of Section 27, Township 17 South, Range 28 East, in order to obtain a pipeline connection for the well.

Penroc is hereby authorized off-lease storage for the subject well as described above, provided that there shall be no inter-communication of the handling, separating, treating, or storage facilities designated to each lease.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/DSN/dr

cc: Oil Conservation Commission - Artesia
Oil & Gas Engineering Comm. - Hobbs
State Land Office - Santa Fe

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PENROC Oil Corporation

P. O. DRAWER 831 • MIDLAND, TEXAS • 79701

Telephone (915) 683-1861

March 9, 1972

OLS -

RECEIVED
MAY 13 1972
OIL CONSERVATION COMM.
SANTA FE

Re: NM-89, State Lease
Section 28-17S-28E
Eddy County, New Mexico

Mr. A. L. Porter
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Mr. Porter:

Penroc Oil Corporation requests administrative approval for off lease oil storage for our No. 2 State well located 330 FEL and 360 FSL, Section 28, T-17-S, R-28-E, Empire Abo Field, Eddy County.

Proposed tank battery to be located in Unit N, Section 27, T-17-S, R-28-E, as depicted by the enclosed plat.

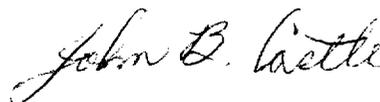
The reasons for this request are to get a pipe line connection from Amoco Pipeline Company with an eleven cent per barrel increase in the price of oil, and to move a greater distance from Mountain States telephone equipment preventing possible corrosion from sour gas.

All production is from the Abo Reef formation. Commingling of production will not result at any stage prior to entering Amoco's line.

Enclosed are plats of the proposed battery, lease ownership and well information, and a letter giving permission from the other lease owner.

Very truly yours,

PENROC OIL CORPORATION



John B. Castle

JBC:mlm

Enclosures

PENROC Oil Corporation

P. O. DRAWER 831 . MIDLAND, TEXAS . 79701

Telephone (915) 683-1861

March 6, 1972

Re: NM-89 State #2
Section 28-17S-28E
Eddy County, New Mexico

Chambers and Kennedy
607 Midland National Bank Building
Midland, Texas 79701

Gentlemen:

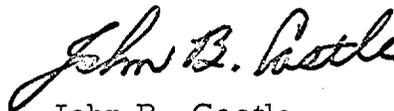
AMOCO Pipe Line Company has indicated that they will give a pipeline connection to Penroc Oil Corporation State No. 2 Abo Reef well if Penroc will set a battery at one of AMOCO's connections.

AMOCO's line to your Abo No. 1 well, Empire Abo Field, Eddy County, New Mexico, is closer to our State No. 2 than any other, therefore, we request your approval for Penroc to erect tanks and separation equipment as indicated by the attached plat.

Please sign and return one copy.

Very truly yours,

PENROC OIL CORPORATION



John B. Castle

APPROVED THIS 8th DAY
OF MARCH, 1972.

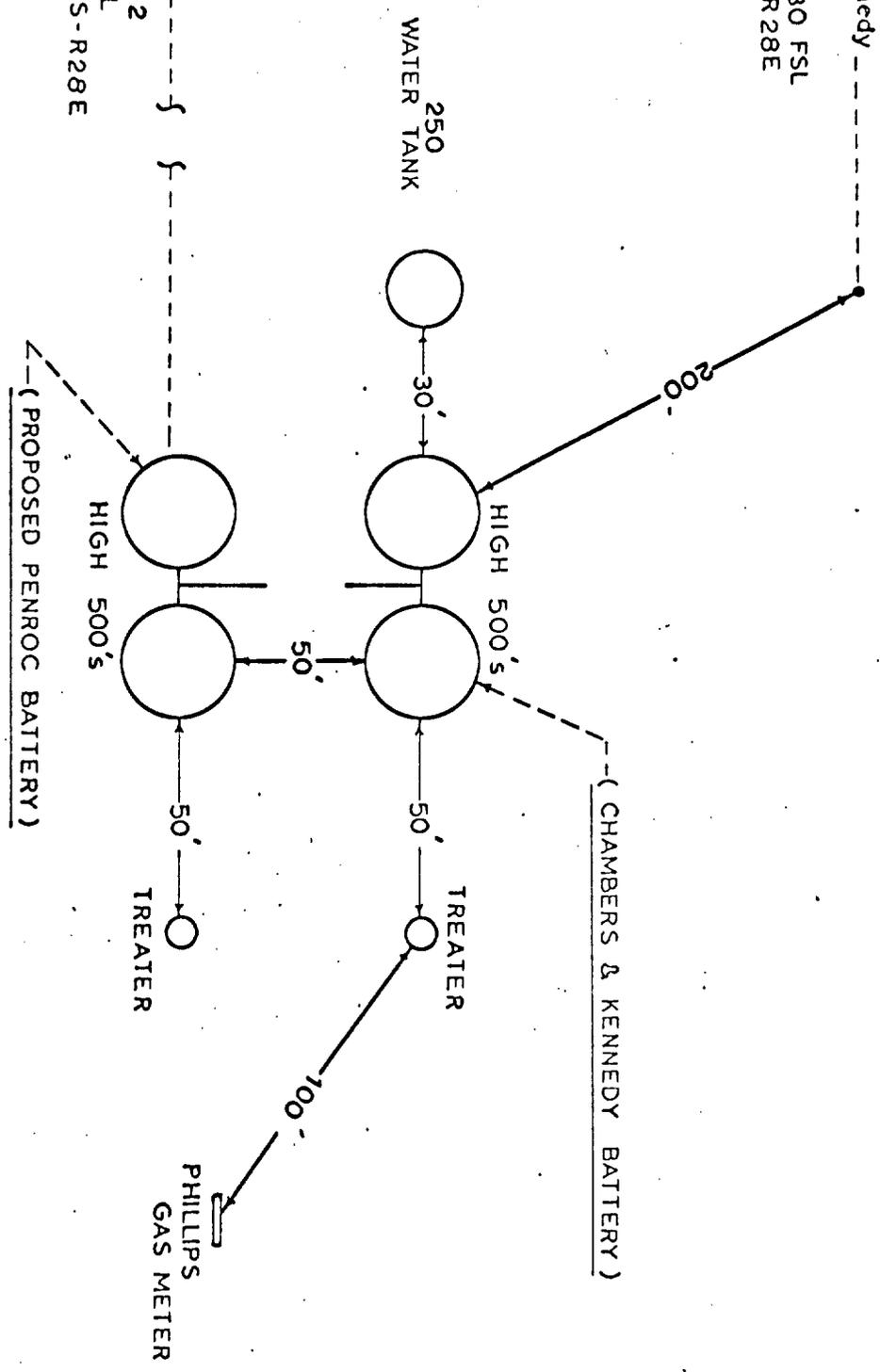
CHAMBERS AND KENNEDY

By GC Tompson

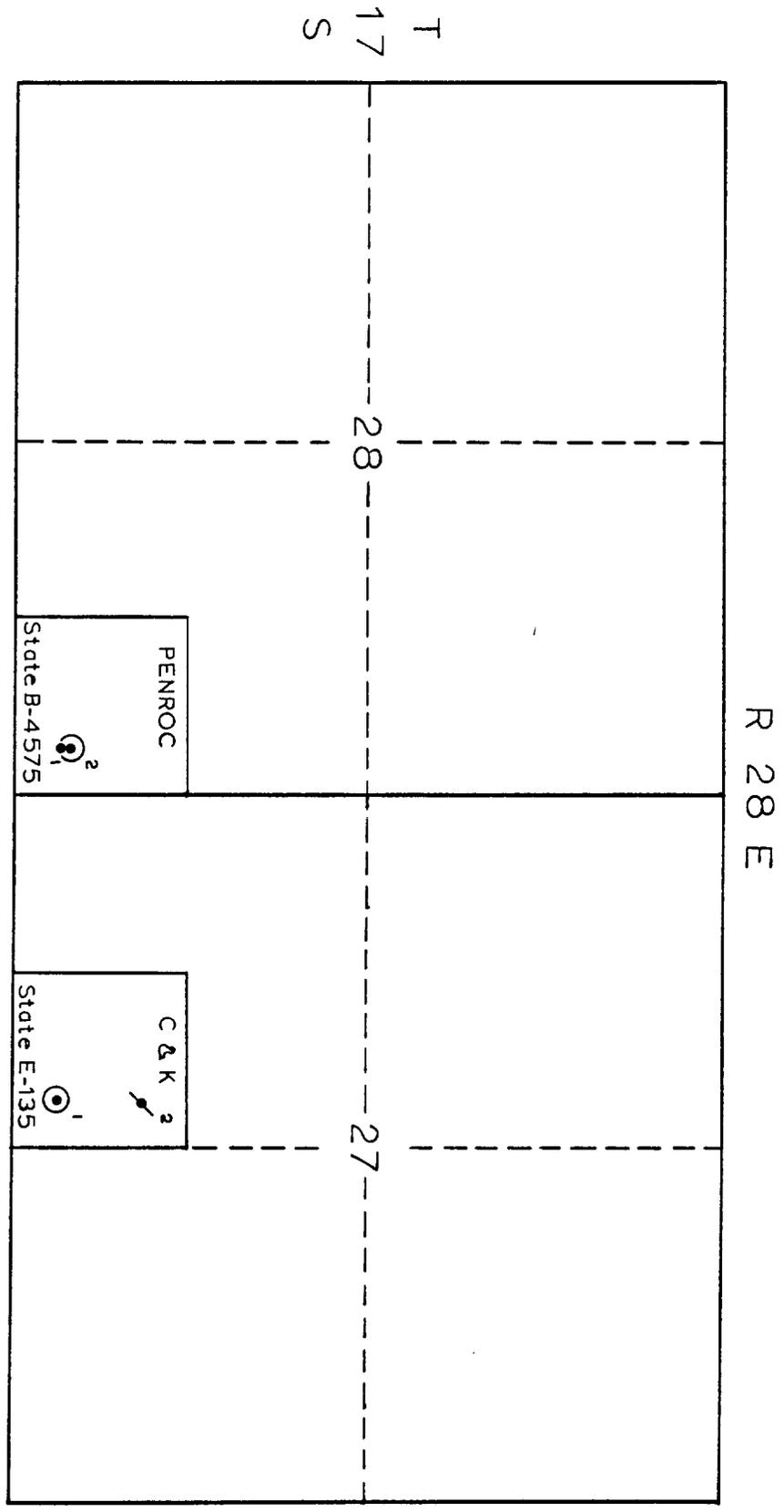
Request For Off Lease Oil Storage
 27 Unit N, T17S - R28E
 Empire Abo Field
 Eddy Co., New Mexico

Chambers & Kennedy
 Abo No. 1
 2310 FWL, 330 FSL
 Sec. 27, T17S - R28E

TO: Penroc
 State No. 2
 330 FS&EL
 Sec. 28, T17S - R28E



Lease Ownership And Well Information For Off Lease Oil Storage Request



- - GRAYBURG WELL
- ⊙ - ABO REEF WELL

REQUEST FOR OFF LEASE STORAGE IS ONLY FOR STATE NO. 2 WELL (ABO REEF PRODUCTION)