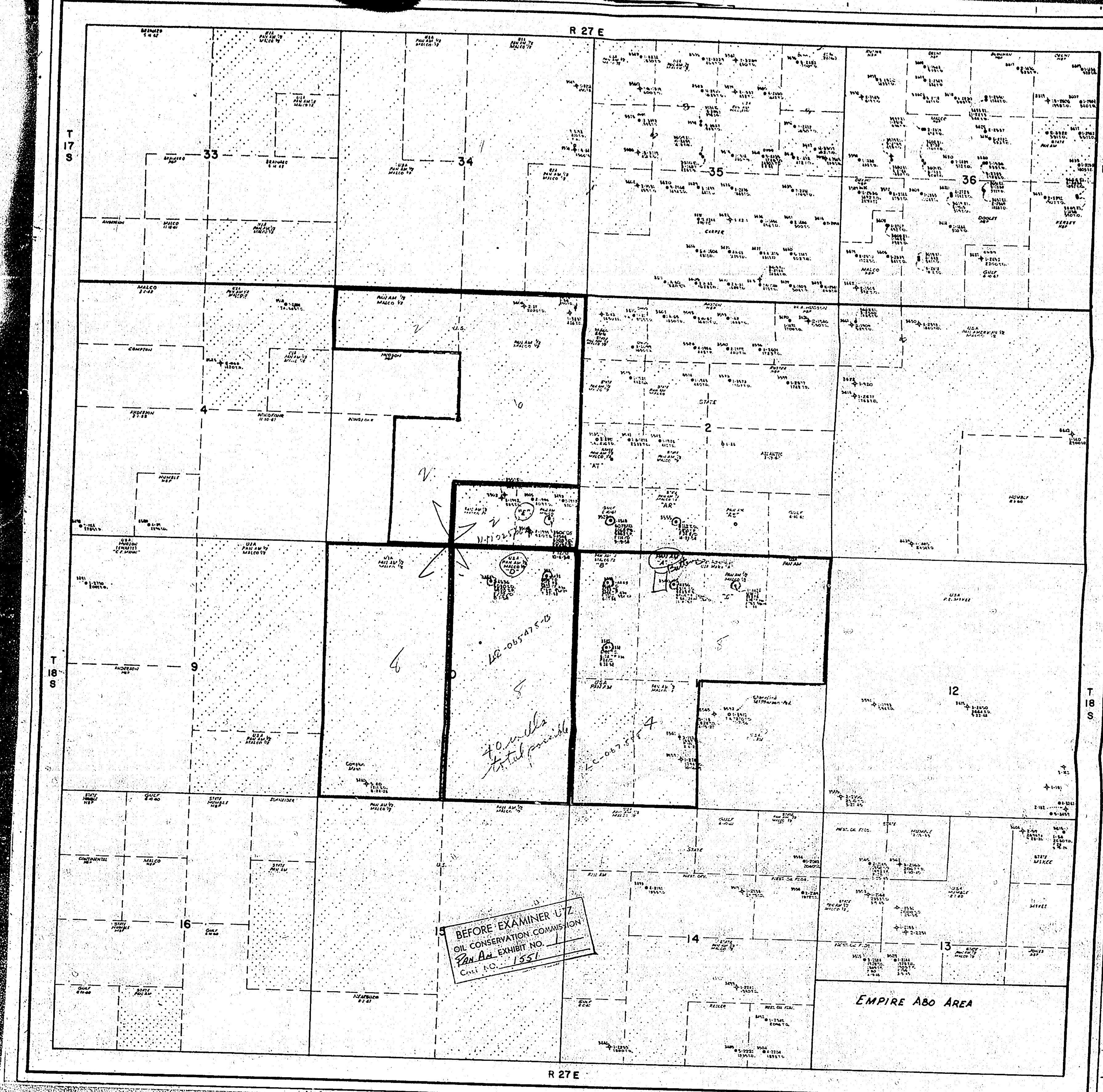
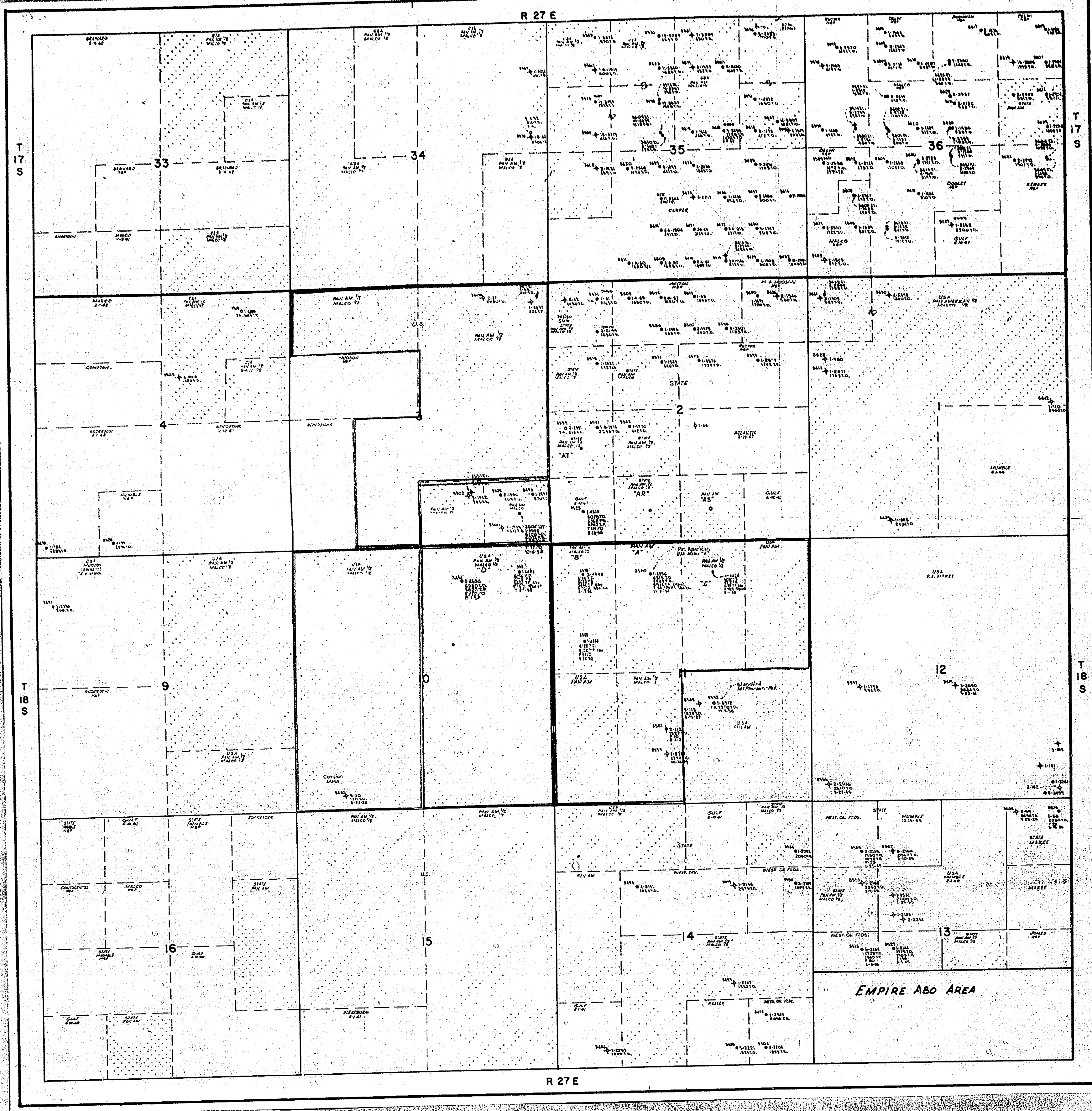


Case No.

1551

Large Exhibits



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P. O. Box 6721
Borwell, New Mexico

November 4, 1938

Mr. C. L. Kelley
Borwell, New Mexico

Gentlemen:

Your letter of July 17, 1938 requested approval of a single oil produced from the Abo formation by wells located on leases Las Cruces 055478(b) and 057858 in secs. 10 and 11, T. 18 S., R. 27 E., N.M.P.M., Lebo County, New Mexico.

Our letter of August 8, 1938 granted the approval requested subject to the condition that production from individual Abo wells would be metered separately before being run into common storage.

Your letter of October 13, 1938 advises that oil production from the Abo formation in this immediate area may be from a larger reservoir than heretofore anticipated and requests approval to commingle oil from the Abo formation produced by wells on the two Federal leases previously approved by our letter of August 8, 1938, on the portion of leasehold New Mexico 023604 described as the S1/4 sec. 3 and the N1/4 sec. 10, T. 18 S., R. 27 E., and on State leased extracting lands in sec. 2, T. 18 S., R. 27 E. The oil production from each lease would be separately metered before it is run into storage with production from other leases by positive meters which would be periodically calibrated and tested.

We have no authority to approve the commingling of oil produced from State lands and your application is denied as to the State lands. However, we offer no objection to the commingling of oil produced from the Abo formation by wells located on Federal leases Las Cruces 055478(b) and 057858, subject to the condition that adequate metering facilities shall be maintained and the oil produced from these leases shall be run into common storage with production from other leases by positive meters which would be periodically calibrated and tested.

BEFORE EXAMINER U.T.
OIL CONSERVATION COMMISSION
Case No. 1551

Your letter of October 13, 1938, supplements your letter of October 13 and requests our approval of your proposal to produce more than 10 wells into a common tank battery. These wells will be Abo wells located on Federal leases Las Cruces 055478(b), 057858 and New Mexico 023604 within secs. 3, 10 and 11, T. 18 S., R. 27 E., N.M.P.M.

This office offers no objection to your proposal of producing more than 10 wells on the above Federal leases into a common tank battery subject to the above requirements, provided that approval is obtained from the New Mexico Oil Conservation Commission.

Very truly yours,
EDWIN H. THOMASON
Acting Oil and Gas Supervisor