

MAIN OFFICE 600

OIL CONSERVATION COMMISSION

203 AUG 1 1956

BOX 2045

HOBBS, NEW MEXICO

Date August 27, 1956

Ans 9/19/56

OIL CONSERVATION COMMISSION
BOX 871
SANTA FE, NEW MEXICO

Re: Application for exception to Rule 309 in
Townsend-Wolfcamp
~~XXXXXXXXXX~~
~~XXXXXXXXXX~~

Gentlemen:

I have examined the application dated August 17, 1956

for the Austral Oil Expl. Co. Inc. State "B" & State "E"
Operator Lease and Well No. S-T-R

and my recommendations are as follows:

OK CR AND JWR

Yours very truly,

OIL CONSERVATION COMMISSION

C. M. Luedy
Engineer

NEW YORK OFFICE
630 FIFTH AVENUE
NEW YORK 20, N. Y.

AUSTRAL OIL EXPLORATION COMPANY

INCORPORATED

SAN JACINTO BUILDING
HOUSTON 2, TEXAS

TELEPHONE
C 8-9461

10:10 AM 8:10

August 17, 1956

EX-1 Rule 309(a)
by Rule 309(b)
due 9/19/56

New Mexico Oil Conservation Commission
125 Mabry Hall, Capitol Building
Santa Fe, New Mexico

approved by
NMSCO on 8/21/56
(attached)

Re: Application for Central Tank Battery
State #1 Well and State B #1 Well
~~East Townsend Field~~ (DB 56-4)
Lea County, New Mexico

Gentlemen:

Townsend W.C. Bond

Application is hereby made for exception to New Mexico Oil Conservation Commission Rule No. 309 (a) to permit the production of oil from two separate State oil and gas leases, all acreage therein being contiguous, into a common tank battery.

1-165-35E

During the latter part of July 1956, Austral Oil Exploration Company Incorporated completed the State #1 well which is located in Section 1, T16S, R35E, on the east side of the Townsend Field, Lea County, New Mexico. This well is located on State of New Mexico Lease No. E-9117. This well was drilled on the site of the Lea County (Lovington) Airport, which is now being constructed. We have erected a tank battery and are producing the well. At the present time we are drilling our State B #1 well, also in Section 1, on the adjoining State Lease No. E-9116 and desire to use the existing oil storage facility as a common tank battery for both State owned leases. We in particular make this application for a common tank battery in order to eliminate the necessity of erecting an additional tank battery on the airport site and thereby eliminating one hazard to airport traffic.

We are by copy of this letter advising the New Mexico State Land Commissioner, of our request for a common tank battery and are requesting that the State Land Commissioner advise your office by letter of their approval to comingle oil from these two leases. Attached is a photostatic print of a wire received from the State Land Commission which states that the two leases are dedicated to a common beneficiary.

The State #1 Well is producing from casing perforations 10,546-10,576 feet and 10,600-10,630 feet in the Wolfcamp formation and it is anticipated that our State B #1 well will also be completed in the Wolfcamp formation. No more than eight wells will be produced into the common tank battery and adequate facilities will be provided for accurately determining the production from each well at reasonable intervals. This we intend to accomplish by erecting a test separator.

Page 2 -

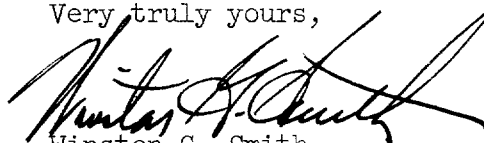
We are notifying the following offset operators by registered mail of our application and intent to comingle oil from separate leases. Copies of each of these letters are enclosed.

- a. Cabot Carbon Company, Pampa Texas
- b. Texas Pacific Coal and Oil Company, Fort Worth, Texas
- c. American Liberty Oil Company, Dallas, Texas

Attached is a plat of location for these two leases and wells. Austral Oil Exploration Company Incorporated leases are shown in yellow.

I hereby certify that the facts herein stated are true and correct to the best of my knowledge and belief.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Winston G. Smith", written over the typed name.

Winston G. Smith
Division Engineer

WGS/m
Enclosures

cc: State Land Commissioner
P. O. Box 791
Santa Fe, New Mexico
Attn: Mr. E. S. Walker

T. J. J.

~~SECRET~~

L 2004 146 14 COLLECT-SANTA FE MEX 15 257MM-

[illegible]

CENTRAL OIL EXPLORATION CO INC 300 SAN JACINTO

THE

REVEL BEARDED E-9116 AND E-9117 HAVE COMMON BENEFICIARY
OF CHARITABLE PENAL AND REFORMATORY
-E S WRITER COMMISSIONER OF PUBLIC LANDS: ¹⁹³⁵ FEB 13 PM 4 DE

OF CHAMPAGNE PENAL AND REFORMATORY

U.S. DEPT. OF AGRICULTURE BUREAU OF LAND MANAGEMENT OFFICE OF PUBLIC LANDS

20

Phillips
"A"
T.D. 10,620'
P.F. 10,523-533'

Phillips
"A"

Stanolind
5-23-56

Stanolind
8-10-61

U.S.
Hamilton

W.M. Snyder

State

Julia Culp et al

G-31-62
H.H. Baer

American Liberty
2-20-60

Roy G. Barton
11-15-65

F.J. Dangle
12-31-65

Cabot Carbon
T.D. 10,652'

AUSTRAL
6-21-65
03.26
342.42 AC.

Georgia Lusk et al

W. M. Snyder

AUSTRAL
03.31
7-20-61
170.81 AC.
W. M. Snyder

Tex.-Pac. Coal & Oil
9-22-65

SECTION I 10

State B-2

Cabot Carbon

3-B
T.D. 10,615'
P.F. 10,546-598'

Cabot Carbon
2-B
T.D. 10,645'
P.F. 10,571-605'

Cabot Carbon

"B"

Cabot Carbon
1-B
T.D. 10,637'

State B "E-916"
State No. 1
T.D. 10,634'
P.F. 10,600-36

AUSTRAL
6-21-65
03.27
160 AC.

AUSTRAL
03.29
7-16-61
73.12 AC.

AUSTRAL
03.28
7-16-61
320 AC.

State Highway 85

Stanolind
"AL"

American Liberty
T.D. 13,300'

American Liberty
"Sun"
Carper Drig.
2-16-64

State

Phillips
11-14-56

AUSTRAL OIL EXPLORATION COMPANY

INCORPORATED

HOUSTON

TEXAS

EAST TOWNSEND PROSPECT

LEA COUNTY, NEW MEXICO

DRILLING BLOCK 56-4



SCALE IN FEET

August 17, 1956

State Land Commissioner
State of New Mexico
P. O. Box 791
Santa Fe, New Mexico

Re: Application for Central Tank Battery
State #1 Well (State Lease E-9117)
State B #1 Well (State Lease E-9116)
Section 1, T16S, R35E
Lea County, New Mexico

Attention: Mr. E. S. Walker

Gentlemen:

Austral Oil Exploration Company Incorporated is making application to the New Mexico Oil Conservation Commission for an exception to Rule 309 (a) "Central Tank Battery" in order to comingle in a common tank battery production from our State #1 well (State lease E-9117) and our State B #1 well (State Lease E-9116). These two wells are located on the site of the Lea County Airport. We have erected one tank battery to serve our State #1 well which is now producing. Use of this one tank battery for both leases will eliminate the necessity of an additional tank battery and thereby eliminate one hazard to airport traffic.

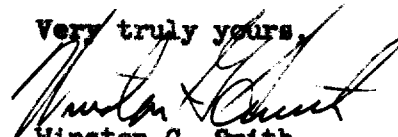
Adequate facilities will be provided for accurately determining the production from each well at reasonable intervals.

We are enclosing a copy of our letter of application to the New Mexico Oil Conservation Commission for your information.

Attached is a photostatic print of a wire received from your office which states that the two leases are dedicated to a common beneficiary. Also attached is a plat which shows the location of these two leases and wells. Austral Oil Exploration Company Incorporated leases are shown in yellow.

We respectfully request that your office approve our proposed comingling of oil from these separate state owned leases. Also may we request that your office advise the New Mexico Oil Conservation Commission of your approval by letter with a copy to our office.

Very truly yours,


Winston G. Smith
Division Engineer

WGS/m

Enclosures

August 17, 1956

REGISTERED RHR

Texas-Pacific Coal & Oil Company
Box 2110
Fort Worth National Bank Building
Fort Worth, Texas

Re: Application for Central Tank Battery
State #1 Well and State B #1 Well
East Townsend Field (DB 56-4)
Lea County, New Mexico

Gentlemen:

This letter is written to advise your company, an offset operator, that Austral Oil Exploration Company Incorporated is making application for exception to New Mexico Oil Conservation Commission Rule No. 309 (a), "Central Tank Battery" in order to commingle production from our State #1 well and State B #1 well, each located on a separate State owned lease in Section 1, T16S, R35E, Lea County, New Mexico. These two wells are located on the site of the Lea County Airport and we desire to use a common tank battery for both leases and thereby eliminate one hazard to airport traffic.

Very truly yours,



Winston G. Smith
Division Engineer

WGS/m

August 17, 1956

REGISTERED RRR

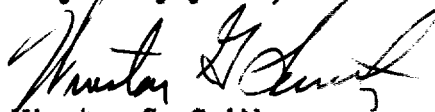
American Liberty Oil Company
Box 8105
Dallas, Texas

Re: Application for Central Tank Battery
State #1 Well and State B #1 Well
East Townsend Field (DB 56-4)
Lea County, New Mexico

Gentlemen:

This letter is written to advise your company, an offset operator, that Austral Oil Exploration Company Incorporated is making application for exception to New Mexico Oil Conservation Commission Rule No. 309 (e), "Central Tank Battery" in order to commingle production from our State #1 well and State B #1 well, each located on a separate State owned lease in Section 1, T16S, R35E, Lea County, New Mexico. These two wells are located on the site of the Lea County Airport and we desire to use a common tank battery for both leases and thereby eliminate one hazard to airport traffic.

Very truly yours,



Winston G. Smith
Division Engineer

WGS/m

August 17, 1956

REGISTERED MAIL

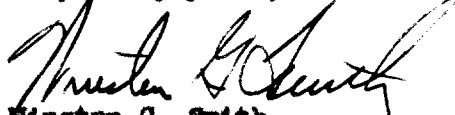
Cabot Carbon Company
Box 1101
Pampa, Texas

Re: Application for Central Tank Battery
State #1 Well and State B #1 Well
East Townsend Field (DB 56-4)
Lea County, New Mexico

Gentlemen:

This letter is written to advise your company, an offset operator, that Austral Oil Exploration Company Incorporated is making application for exception to New Mexico Oil Conservation Commission Rule No. 309 (a), "Central Tank Battery" in order to commingle production from our State #1 well and State B #1 well, each located on a separate State owned lease in Section 1, T16S, R35E, Lea County, New Mexico. These two wells are located on the site of the Lea County Airport and we desire to use a common tank battery for both leases and thereby eliminate one hazard to airport traffic.

Very truly yours,



Winston G. Smith
Division Engineer

WGS/m

Refer Reply to:
Oil & Gas Royalty Div.

August 21, 1956

C
O
P
Y

Austral Oil Exploration Company
San Jacinto Building
Houston 2, Texas

Gentlemen:

Permission is hereby granted to commingle oil produced from State #1 Well (State Lease E-9117) and State B #1 Well (State Lease E-9116) located in Section 1, T-16S, R-35E, Lea County, New Mexico. This acreage in both leases will be credited to C. P. & R.

When reporting production on our Production and Royalty Statements Form SLO-111-A please combine production on the SLO showing both lease numbers.

Very sincerely yours,

E. S. WALKER
COMMISSIONER OF PUBLIC LANDS

LC:ESW:mb

cc: Oil Conservation Commission