

RAYMOND A. LYNCH
ATTORNEY AT LAW
MIDLAND NATIONAL BANK BUILDING
MIDLAND, TEXAS

1958 SEP 2 11 31 AM
August 19, 1958

MUTUAL 2-1142

Oil Conservation Commission
State of New Mexico
Capitol Building
Santa Fe, New Mexico

Re: Application for Permit to Commingle
Production from Two Separate State
Oil and Gas Leases - Maljamar Field,
Lea County, New Mexico.

Gentlemen:

This application is made under the provisions of Rule 309, as revised, of the Commission's Rules and Regulations, by and on behalf of Murphy H. Baxter, Operator, and R. W. Baxter, Jesse A. Sanders, III, Rex Beasley, Theo P. Beasley, Jack Henry, Homer Wilcox, J. A. LaFortune, Sr., J. A. LaFortune, Jr., and R. J. LaFortune, Non-Operators, being the working interest owners under the following New Mexico State Leases insofar as same cover the formations and tracts hereinafter described, to-wit:

State Lease No. B-2148 covering SW/4 of
Section 18, T-17-S, R-33-E, Lea County,
New Mexico.

State Lease No. B-2229 covering SE/4 of
Section 13, T-17-S, R-32-E, Lea County,
New Mexico.

Application is hereby made for an exception to Rule 309 (a) to permit the commingling of production from the Grayburg San Andres Formation in and under the two tracts above described in a common tank battery. In support of this application, applicants state:

1. The two leases are contiguous.
2. All production is from the same common source of supply, namely, the Grayburg San Andres Formation.

3. No more than sixteen units will be produced into a common tank battery, and adequate facilities will be provided for accurately determining production from each well at reasonable intervals. These two tracts include only eight units. No wells have yet been drilled, but applicants plan to commence drilling within the near future and desire to obtain permission to commingle production at this time in order that tank batteries may be installed accordingly.

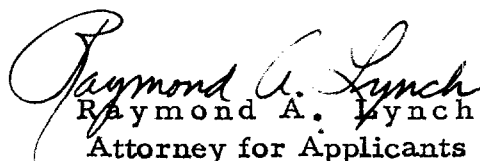
4. The ownership of the two leases as to the Grayburg San Andres Formation underlying the two tracts described above is common throughout. The royalty interest is owned by the State of New Mexico, the overriding royalty interest is owned by Phillips Petroleum Company, and the working interest is owned by the applicants.

5. All persons owning an interest in the leases, as to the formation and tracts above mentioned, have consented in writing to the commingling of production from the separate leases. The consents of the State Land Commissioner and of Phillips Petroleum Company are attached hereto.

6. All owners of oil and gas leases adjoining the two tracts above described have consented in writing to the commingling of production from the separate leases or tracts. The owners of adjoining leases are Phillips Petroleum Company, Drilling and Exploration Co., Inc., and Zapata Petroleum Corporation, whose consents are attached hereto.

Applicants request that this application be granted by the Secretary-Director without notice and hearing under the provisions of Rule 309.

Respectfully submitted,


Raymond A. Lynch
Attorney for Applicants

STATE LAND OFFICE

Santa Fe, New Mexico

Refer Reply to:
Oil & Gas Royalty Div.



MURRAY E. MORGAN
COMMISSIONER OF PUBLIC LANDS

August 19, 1958

Murphy H. Baxter
507 Midland National Bank Building
Midland, Texas

Dear Mr. Baxter:

Permission is hereby granted to commingle oil produced from State Lease No. B-2148, covering the SW $\frac{1}{4}$ of Section 15, T-17-S, R-22-E, and State Lease No. B-2229, covering the SE $\frac{1}{4}$ of Section 13, T-17-S, R-22-E, Lea County, New Mexico. The acreage in both leases shall be credited to Common Schools. When reporting on our Form SLO-111-B please show both lease numbers.

Permission also has to be obtained from the Oil Conservation Commission.

Very truly yours,

MURRAY E. MORGAN
Commissioner of Public Lands
By:

Ted Bilberry, Supervisor
Oil & Gas Division

TB:BTmh

August 19, 1958

RECEIVED
OIL FIELD OFFICE
AUG 22 1958

Mr. Murphy H. Baxter
507 Midland National Bank Building
Midland, Texas

Re: Application for Permit to Commingle
Production from Two Separate State
Oil and Gas Leases - Maljamar Field,
Lea County, New Mexico.

Dear Sir:

We understand that you are applying to the New Mexico Oil Conservation Commission for permit to commingle production from the Grayburg San Andres Formation in and under the following state leases insofar as they cover the tracts described, to-wit:

State Lease No. B-2148 covering SW/4 of
Section 18, T-17-S, R-33-E, Lea County,
New Mexico.

State Lease No. B-2229 covering SE/4 of
Section 13, T-17-S, R-32-E, Lea County,
New Mexico.

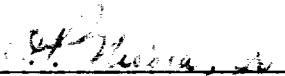
We own an overriding royalty interest in the above leases and also own leases adjoining the two tracts above described.

We hereby consent to the commingling of production from the Grayburg San Andres Formation in and under the two tracts described above in accordance with the rules and regulations of the New Mexico Oil Conservation Commission.

Yours very truly,

PHILLIPS PETROLEUM COMPANY

By


O. P. Nicola, Jr.
Director of Proration
Production Department

MAIN OFFICE OCC
1958 SEP 2 AM 3:29
August 19, 1958

Mr. Murphy H. Baxter
507 Midland National Bank Building
Midland, Texas

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Section 13, T-17-S, R-32-E, Lea County,
New Mexico.

We own a lease adjoining the two tracts above described.

We hereby consent to the commingling of production from
the Grayburg San Andres Formation in and under the two tracts
described above in accordance with the rules and regulations of
the New Mexico Oil Conservation Commission.

Yours very truly,

DRILLING AND EXPLORATION CO., INC.

By W. D. Sutherland
W. D. Sutherland, Chief Engineer

2008 SEP 2 AM 8:29

By J. H. Smith, President