

UNITED STATES DEPARTMENT OF THE INTERIOR GEOLOGICAL SURVEY Draver 1857

Roswell, New Mexico

February 8, 1963

Tenneco Oil Company P. O. Box 307 Hobbs, New Mexico

Attention: Mr. A. W. Lang

Gentlemen:

Your letter of January 18 requests our approval to commingle the Delaware oil production from lease Las Cruces 062269-E with that from a portion of lease Las Cruces 062269-A described as the $W_2NE_2^2$ and $E_2^2SE_2^2$ sec. 22, T. 24 S., R. 32 E., Lea County, New Mexico.

The method of measuring and commingling the oil production described by the diagram attached to your application, is hereby approved. You are requested to notify our Hobbs office when the installation is completed so that a field inspection of the system can be made.

Returned herewith, unapproved, are one original and four copies of the agreement entitled "Permit to Commingle Production". Approval of this agreement is unnecessary since the desired objective is achieved by your application and this approval letter.

Very truly yours,

United

LOHD A. ANDERSON Regional Oil and Gas Supervisor



PETROLEUM MARKETERS

306 V & J TOWER

MIDLAND TELAS



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M. A.W. Lang S. J. Do. Of Company Soft Office not 107 (1966) New Mexico

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JDM:nlk 11-5-62

FEB C: M 9 2 PERMIT TO COMMINGLE PRODUCTION

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WHEREAS, TENNECO CORPORATION, acting by and through its Managing Agent, TENNECO OIL COMPANY, hereinafter sometimes referred to as "Leusee" and/or Operator under those certain Oil, Gas and Mineral Leases more particularly described on Exhibit "A" attached hereto and made a part hereof for all purposes; and

WHEREAS, the other undersigned parties are the owners of lessehold interests, royalty, overriding royalty or other interests in production secured under said leases; and

WHEREAS, it is the desire of said Lessee to meter all of the production from wells located on said leases and then to store said production in a common tank or in common tanks in order to more efficiently operate said leases with a minimum amount of shrinkage occurring in production during such storage, as a result of vapor loss with the benefits to be derived therefrom:

NOW, THEREFORE, the undersigned parties, in consideration of the Pollar and no/100 (\$1.00) and other good and valuable considerations in hand paid, do hereby agree to the proposed method of measuring production from each well by means of positive displacement meters and the storing of such production in a common tank or tanks. It is further agreed that production from other leases in the vicinity of said leases may also be stored in said common tank or tanks under a similar arrangement with the parties interested in production from said other leases; provided accurate equipment is installed to meter such production prior to its entering such common tank or tanks.

As a part of the consideration for this agreement, Lessee agrees to keep accurate records of production from each lease, measured by positive displacement meters. Also, Lessee agrees to gauge production sold and take an inventory of production remaining in each tank after each sale and Koep accurate records of said quantities sold and remaining inventory.

For purposes of calculating the amount of production attributable to each respective lease from which production is being commingled into the common tank, each respective lease will be given credit for the proportion of the

total production sold from said common tank that the amount of production metered from said lease bears to the total production metered from all leases producing into the common tank or tanks subsequent to the date of the last sale. such amount to be adjusted by the production in the tank attributable to each such respective lease immediately after the last preceding sale. Any difference in the total amount metered and the total amount on hand at the time of sale as a result of shrinkage from vapor loss shall be deducted proportionately from the production otherwise attributable to each lease. In other words, production in the tank shall be credited to the respective leases in the proportion that the amount metered from each lease bears to the amount metered from all leases, and if, after a sale, production remains in the common tank or tanks, such production shall continue to be owned in the same manner and after calculating the amount of additional production from each lease added to the common tank or tanks, the ownership of the next production sold will be computed in such a manner as to give effect to the ownership of stock remaining on hand immediately after the last preceding sale.

This instrument may be executed in any number of counterparts with the same force and effect as if all parties hereto had executed one and the same instrument and shall be binding upon the parties who do execute said instrument regardless of whether all parties hereto execute the same.

This agreement shall constitute a covenant running with the aforesaid leases and shall be binding upon the parties hereto, their respective heirs, personal representatives, successors and assigns.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the <u>3/</u> day of <u>December</u>, 1962.

TENNECO CORPORATION, Acting by and Through its Managing Agent, TENNECO OIL COMPANY

By:

A. N. McDowell, Agent and Attorney-in-Fact for TENNECO CORPORATION and TENNECO OIL COMPANY arton Istorio Gapty

JEA READ

CHARLES B. READ

PEGGY JENNINGS

MILLIE BRADLEY

HOWARD W. JENNINGS

O. E. BRADLEY

NANCY SUE HANAGAN

ROBERT G. HANAGAN

THE FORT WORTH NATIONAL BANK, TRUSTEE UNDER THE WILL OF ROY S. MAGRUDER, DECEASED

HELEN M. KOLLIKER

PEGGY VENNINGS

MILLIE BRADLEY

NANCY SUE HANAGAN

CHARLES B. READ

O. E. BRADLEY

ROBERT G. HANAGAN

THE FORT WORTH NATIONAL BANK, TRUSTEE UNDER THE WILL OF ROY S. MAGRUDER, DECEASED

By:

Title:

HELEN M. KOLLIKER

CHARLES B. READ

PEGGY JENNINGS

Joulie Bradley

NANCY SUE HANAGAN

HOWARD W. JENNINGS

<u>CEBradley</u> O. E. BRADLEY

ROBERT G. HANAGAN

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HELEN M. KOLLIKER

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HOWARD W. JENNINGS

MILLIE BRADLEY

<u>Raney Sue Hanagan</u> NANCY SUE HANAGAN

O. E. BRADLEY

ROBERT HANAGAN

THE FORT WORTH NATIONAL BANK, TRUSTEE UNDER THE WILL OF ROY S. MAGRUDER, DECEASED

By:

Title:

HELEN M. KOLLIKER

CHARLES B. READ

PEGGY JENNINGS

HOWARD W. JENNINGS

MILLIE BRADLEY

O. E. BRADLEY

NANCY SUE HANAGAN

: .

ATTEST:

Assistant Cashier

ROBERT G. HANAGAN

THE FORT WORTH NATIONAL BANK, TRUSTEE UNDER THE WILL OF ROY S. MAGRUDER, DECEASED

By: Title:

Vice President and Trust Officer

HELEN M. KOLLIKER

PEGGY JENNINGS

MILLIE BRADLEY

NANCY SUE HANAGAN

CHARLES B. READ

HOWARD W. JENNINGS

O. E. BRADLEY

ROBERT G. HANAGAN

THE FORT WORTH NATIONAL BANK, TRUSTEE UNDER THE WILL OF ROY S. MAGRUDER, DECEASED

By: Title:

en U. Keleike, HELEN M. KOLLIKER

PEGGY JENNINGS

MILLIE BRADLEY

CHARLES B. READ

HOWARD W. JENNINGS

O. E. BRADLEY

NANCY SUE HANAGAN

ROBERT G. HANAGAN

THE FORT WORTH NATIONAL BANK, TRUSTEE UNDER THE WILL OF ROY S. MAGRUDER, DECEASED

By: Title:

HELEN M. KOLLIKER

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LLOYD E. LOCKHARI

THE STATE OF TEXAS

COUNTY OF MIDLAND

On this day of <u>day of</u> <u>1962</u>, before me appeared A. N. MCDOWELL, to me personally known, who, being by me duly sworn did say that he is the Agent and Attorney-in-Fact of TENNECO CORPORATION and that the scal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and scaled in behalf of said corporation by authority of its Board of Directors, and said A. N. McDowell acknowledged said instrument to be the free act and deed of said corporation.

My Commission Expires:	chi ng that the	s a state and and
<u>-)and 1964</u>	Notary Public in an Midland County, 1	
THE STATE OF NEW MEXICO		
COINTY OF		

On this day of ______, 1962, before me appeared _______, to me personally known, being by me duly sworn did say that he is Regional Supervisor of GEOLOGICAL SURVEY OF THE UNITED STATES OF AMERICA, and that said instrument was signed in behalf of said Survey and said _________ acknowledged said instrument to be the free act and deed of

said Survey.

My Coumission Expires:

Notary Public in and for Midland County, Texas

THE STATE OF New Mexico

The foregoing instrument was acknowledged before me this <u>12th</u> day of <u>December</u>, 1962, by CHARLES B. READ and JEAN READ, his wife.

My Connelssion Expires: 5/14/64

THE STATE OF

THE CTATE OF

ON. Public in Notary Public Chares and for County, State of New Mexico

The foregoing fustrument was acknowledged before me this _____ day of ______ 1962, by HOWARD W. JENNINGS and PERCY JENNINGS, his wite.

My Commission Explres:

		Court	l.v.	
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	f	f	f	f

COUNTY OF

COUNTY OF

The foregoing instrument was acknowledged before me this _____ day of ______ 1962, by O. E. BRADLEY and MILLIE BRADLEY, his wife.

My Committerior Replace,

Notary Public is and for County, State of

- 4 -

THE STATE OF TEXAS

Ň Ň COUNTY OF MIDLAND

On this day of ______, 1962, before me appeared A. N. MCDOWEIL, to me personally known, who, being by me duly sworn did say that he is the Agent and Attorney-in-Fact of TENNECO CORPORATION and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and scaled in behalf of said corporation by authority of its Board of Directors, and said A. N. McDowell acknowledged said instrument to be the free act and deed of said corporation.

My Commission Expires:	
	Notary Public in and for
	Midland County, Texas
THE STATE OF NEW MEXICO	
COUNTY OF	
On this day of	
ne is Regional Supervisor of GEOLOG and that said instrument was signed	ICAL SURVEY OF THE UNITED STATES OF AMERICA,
acknowledged sa	id instrument to be the free act and deed of
Ay Commission Expires:	
	Notary Public in and for Midland County, Texas
THE STATE OF	
COUNTY OF	
The foregoing instrument was ack 1962, by CHARLES B. READ and JEAN F	mowledged before me this day of READ, his wife.
Ay Commission Expires:	
	Notary Public in and for
	State of
THE STATE OF Julas	
THE STATE OF <u>Jevas</u>	
The foregoing instrument was ack 1962, by HOWARD W. JENNINGS and PEN	mowledged before me this Z day of Lecenher
My Pommission Expires:	Lou lana Crousen
(June 1, 1963	Notary Public in and for
	State of Lesa
THE STATE OF	
JOUNTY OF	
The foregoing instrument was ack 1962, by O. F. BRADLEY and MILLIE (cnowledged before me this day of RADLEY, his wife.
	Notary Public in and for County,
	State of
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THE STATE OF TEXAS

Ň Ň COUNTY OF MIDLAND

On this day of ______, 1962, before me appeared A. N. MCDOWELL, to me personally known, who, being by me duly sworn did say that he is the Agent and Attorney-in-Fact of TENNECO CORPORATION and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and sail A. N. McDowell acknowledged said instrument to be the free act and deed of said corporation.

My Commission Expires:

	Notary Public in and for
**************************************	Midland County, Texas
THE STATE OF NEW MEXICO	
COUNTY OF	
· On this day of	, 1962, before me appeared
to me personal	lly known, being by me duly sworn did say that
	GICAL SURVEY OF THE UNITED STATES OF AMERICA, d in behalf of said Survey and said
acknowledged sa	aid instrument to be the free act and deed of
said Survey.	
My Commission Expires:	
	Notary Public in and for
	Midland County, Texas
THE STATE OF	
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The Poregoing instrument was ac	knowledged before me this day of
1962, by CHARLES B. READ and JEAN 1	
My Commission Expires:	Notary Public in and for
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The foregoing instrument the pe	knowledged before me this day of
1962, by HOWARD W. JENNINGS and PE	
My Commission Expires:	Notary Public in and for
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THE STATE OF 1212535	
COUNTY OF <u>Sed Mich</u>	
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The foregoing instrument was ac 1962, by O. E. BRADLEY and MILLIE	knowledged before me this 11 day of December, BRADLEY, his wife.
My Commission Explores:	
	Notary Public in and for
	County,
	County, State of

L OF ROY S. MAGRUDE, DECEASED, and that the sea perate seal of said corporation and that said i alf of said corporation by authority of its Boa acknowledged said instrum I corporation in the capacity therein stated. Contrission Expires: WIX OF Che foregoing instrument was acknowledged befor 2, by HELEN M. KOLLIKER. Commission Expires: No States States S	is wife. Notary Public in and for <u>CHAVES</u> County, State of <u>New Mexico</u> re me appeared ng by me auly sworn did say that NATIONAL BANK, TRUSTEE UNDER THE affixed to said instrument is the strument was signed and sealed in d of Directors, and said nt to be the free act and deed of
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Phe foregoing instrument was acknowledged befor 2, by ROBERT G. HANACAN and NANCY SUE HANAGAN, Commission Expires: 	is wife. Notary Public in and for <u>CHAVES</u> County, State of <u>New Mexico</u> re me appeared ng by me auly sworn did say that NATIONAL BANK, TRUSTEE UNDER THE affixed to said instrument is the strument was signed and sealed in d of Directors, and said nt to be the free act and deed of
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STATE OF TEXAS	<u>CHAVES</u> County, State of <u>New Mexico</u> re me appeared ng by me âuly sworn did say that NATIONAL BANK, TRUSTEE UNDER THE affixed to said instrument is the strument was signed and sealed in d of Directors, and said nt to be the free act and deed of
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2, by HELEN M. KOLLIKER.	
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	ary Public in and for County,
	ary Public In and for

THE S	TATE	OF,	
COUNT	Y OF		

The foregoing instrument was acknowledged before me this _____ day of ______ 1962, by ROBERT G. HANAGAN and NANCY SUE HANAGAN, his wife.

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My Commission Expires:

	Maharma Dala J. a. Sur and Dala
an a	Notary Public in and for
	County,
	State of
THE STATE OF TEXAS	
COUNTY OF TARRANT	
On this 13 day of Movement	4, 1962, before me appeared 19 Jun C. Nohen
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	and that said instrument was signed and sealed in rity of its Board of Directors, and said
The C Privet acknowledge	ed said instrument to be the free act and deed of
said corporation in the capacity the	erein stated.
My Commission Expires:	Notary Public in and for
June 1, 1963	Notary Public in and for
	Tarrant County, Texas
THE STATE OF	
COUNTY OF	
The foregoing instrument was ack 1962, by HELEN M. KOLLIKER.	nowledged before me this day of
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My Commission Expires:	
	Notary Public in and for
	County,
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The foregoing instrument was ackn 1962, by LLOYD E. LOCKHART.	nowledged before me this day of
My Commission Expires:	
	Notary Public in and for
************	County,
	State of

THE STATE OF _____

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The foregoing instrument was acknowledged before me this _____ day of ______ 1962, by ROBERT C. HANAGAN and NANCY SUE HANAGAN, his wife.

My Commission Expires:

Notary	P	iblic	ĺn	and	for	
				Cour	ity,	
State	of					

THE STATE OF TEXAS

My Commission Expires:

Notary Public in and for Tarrant County, Texas

THE STATE OF

COUNTY OF

The foregoing instrument was acknowledged before me this be day of the light day of the lig

My Commission Expires:

THE STATE OF

COUNTY OF

Notary Public in and for County, State of JANE BROWNLOW, Retery Public in and for El Paso County, Texas My commission aspirat June 1, 1988

The foregoing instrument was acknowledged before me this _____ day of ______, 1962, by LLOYD E. LOCKHART.

My Commission Expires:

Notary	Public	in	and	for
			Coui	ity,
State of	of			

THE STATE OF _____

The foregoing instrument was acknowledged before me this _____ day of ______ 1962, by ROBERT G. HANAGAN and NANCY SUE HANAGAN, his wife.

My Commission Expires:

 Notary Public in and for

 County,

 State of

 COUNTY OF TARRANT

On this day of ______, 1962, before me appeared _______, to me personally known, who, being by me duly sworn did say that he is _______ of THE FORT WORTH NATIONAL BANK, TRUSTEE UNDER THE WILL OF ROY S. MAGRUDE, DECEASED, and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said ________ acknowledged said instrument to be the free act and deed of said corporation in the capacity therein stated.

My Commission Expires:

THE STATE OF _____

The foregoing instrument was acknowledged before me this _____ day of ______, 1962, by HELEN M. KOLLIKER.

My Commission Expires:

Notary Public in and for County, State of

Notary Public in and for Tarrant County, Texas

THE STATE OF Kulas COUNTY OF Sconlar

The foregoing instrument was acknowledged before me this 3 day of 2000 1962, by LLOYD E. LOCKHART.

My Commission Expires: Jane, 1962

-	Curry Hunch	~
	Notary Public in and for	
	County,	
	State of	

EXHIBIT "A"

Attached to and made a part of that certain instrument styled PERMIT TO COMMINGLE PRODUCTION dated by and between TENNECO CORPORATION, acting by and through its Managing Agent, TENNECO OIL COMPANY, and other parties owning interests in leases described below.

> Lease Nc. 1 Tenneco Corporation Lease Nc. NM 761 United States of America Lease No. LC-062269-E Lease Date: December 1, 1950 Description: Township 24 South, Range 32 East N.M.P.M., Lea County, New Mexico:

> > Section 23: NW/4 NW/4

Lease No. 2 United States of America Lease No. LC-062269-C Lease Date: December 1, 1950 Description: Township 24 South, Range 32 East N.M.P.M., Lea County, New Mexico:

Section 22: All