

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

August 6, 1963

**Losee and Stewart
Attorneys at Law
P. O. Drawer 239
Artesia, New Mexico**

Attention: Mr. A. J. Losee

Administrative Order CTB-109

Gentlemen:

Reference is made to your application dated July 11, 1963, for administrative approval of an exception to Rule 309-A of the Commission Rules and Regulations to permit the commingling of Queen-Grayburg production from State Lease 648 comprising the E/2 SW/4 and SW/4 SW/4 of Section 11, all of Section 14, the S/2 NE/4, E/2 SW/4, and SE/4 of Section 15, and the NE/4 of Section 22; State Lease E-5136 comprising the N/2 NW/4 and SW/4 NW/4 of Section 23; and State Lease E-5003 comprising the NE/4 NE/4 of Section 15, all in Township 19 South, Range 28 East, Eddy County, New Mexico.

It is our understanding that although the ownership of these three leases is not common throughout, they are covered by a lease consolidation and pooling agreement which provides for the allocation of production and the transfer of allowables within a waterflood project area. Further, that the Commissioner of Public Lands for the State of New Mexico has consented, in writing, to the pooling agreement and to the proposed commingling of production.

Under the authority granted me pursuant to Rule 309-B, International Oil & Gas Corporation as operator of the lands covered by said lease consolidation and pooling agreement is hereby authorized to commingle the production from the aforesaid separate State leases, allocating production in accordance with the agreement.

Very truly yours,

**A. L. PORTER, Jr.
Secretary-Director**

ALP/DSH/esr

**cc: Oil Conservation Commission - Artesia (Watt et al.)
Oil & Gas Engineering Committee - Hobbs
State Land Office - Santa Fe**