

SHENANDOAH OIL CORPORATION

1500 COMMERCE BUILDING
FORT WORTH, TEXAS 76102

B. J. KELLENBERGER
PRESIDENT

March 31, 1970

TELEPHONE
ED 2-7381

Mr. Guyton B. Hayes
Commissioner of Public Lands
State of New Mexico
P. O. Box 1148
Santa Fe, New Mexico 87501

Mr. A. L. Porter, Jr.
Secretary-Director
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Mr. J. D. Ramey
Oil Conservation Commission
P. O. Box 1980
Hobbs, New Mexico 88240

Re: Shenandoah Flood No. 1
Request for Amendment of
CTB 185 to Include S/2 NE/4
Section 7, T-17-S, R-33-E
Lea County, New Mexico

Gentlemen:

This is to advise you that effective March 1, 1970, Shenandoah purchased from Getty Oil Company the above captioned lease. The above CTB 185 designation is in accordance with your letter of May 20, 1968. Attached hereto is up to date plat that shows all property connected to the commingled battery of this date, and which you will note also includes the 80 acres, S/2 NE/4 Section 7, T-17-S, R-33-E, which is the subject of this amendment request.

In connection with our request for commingling permit CTB 185 to include the S/2 NE/4 Section 7, T-17-S, R-33-E, we wish to advise you as follows:

- (1) Attached hereto as Exhibit "A" is a plat which shows the location of said leases, well, flow lines and common tankage.
- (2) Attached hereto as Exhibit "B" is a list of the lease area by State Lease number and legal description, representing that all royalties therefrom are paid to the State of New Mexico, and there is no difference in ownership between said leases as to royalty or working interest thereunder, with the exception of an overriding royalty in the SW/4 NE/4 Section 8, T-17S, R-33E; and relative to this overriding royalty you have heretofore been furnished a telegram from the Trust Department of the Fort Worth National Bank of Fort Worth, Texas, waiving any objection to the commingling of production from such 40-acre tract.

- (3) All wells currently being produced by Shenandoah on these leases produce from a single common reservoir, being the Grayburg-San Andres formation.
- (4) The purpose for this request for commingling is to achieve a reduction in the cost of operation.
- (5) The State "A" producing wells, 1, 5, 7, and 8, along with Aztec-State 1, 2, 3, and 4 and the State "C" 1-Y, State D-2 wells are being produced into the one common tank battery that is located approximately 660' north of the State "A" 6-W injection well (see plat).
- (6) The 80 acres currently has one producing well that is located 1980' from the NL and 660' from the EL Section 7, T-17-S, R-33-E and is producing into a tank battery located some 600' west of this well. Enclosed herewith is a copy of the Acreage Dedication Plat, covering this operation.

The royalty payable to the State of New Mexico will not be changed in any manner as a result of your approval of this application.

It is therefore requested that Commingling Permit CTB 185 be amended so as to include the 80 acres described in paragraph (6) above, so that Commingling Permit CTB 185 will now include the following acreage; as to State of New Mexico Lease E-881, W/2 SW/4 in SE/2 SW/4 Section 8; as to State of New Mexico Lease B-2516, N/2 NW/4 and NW/4 NE/4 Sec. 7; and S/2 NW/4, SW/4 NE/4 and N/2 NW/4 Section 8; and S/2 NW/4 Section 9; and as to State of New Mexico Lease K-5636, NE/4 NE/4 Section 7; and as to State of New Mexico Lease B-1565, S/2 NE/4 Section 7; all of which are located in T-17-S, R-33-E, Lea County, New Mexico.

Very truly yours,

SHENANDOAH OIL CORPORATION



T. P. Bates

Vice President - Secondary Recovery

TPB/db

Attachments

cc: C. W. Downey
Land Dept.

LARGE FORMAT
EXHIBIT HAS
BEEN REMOVED
AND IS LOCATED
IN THE NEXT FILE

EXHIBIT "B"

Lease	Description	Interest Covered by Lease	Acres		Burdens	Entire Royalty Payable to
			Gross	Net		
St. of New Mexico E-881	Insofar as said lease covers: T-17-S, R-33-E Sec. 8: W/2 SW/4 & SE/4 SW/4 Down to depth of 4600'	Full	120.00	120.00	*	St. of New Mexico
St. of New Mexico B-2516	Insofar as said lease covers: T-17-S, R-33-E Sec. 7: NW/4 NW/4, NW/4 NE/4 & NE/4 NW/4 Down to depth of 5000'	Full	121.33	121.33	*	St. of New Mexico
	Sec. 8: SW/4 NE/4, down to depth of 4600'	Full	80.00	80.00	None	St. of New Mexico
	Sec. 8: S/2 NW/4, down to depth of 5000'	Full	80.00	80.00	*	St. of New Mexico
	Sec. 8: N/2 NW/4, down to depth of 4600'	Full	80.00	80.00	None	St. of New Mexico
	Sec. 9: S/2 NW/4, down to depth of 5000'	Full	80.00	80.00	None	St. of New Mexico
St. of New Mexico K-5636	Insofar as said lease covers: T-17-S, R-33-E Sec. 7: NE/4 NE/4	Full	40.00	40.00	*	St. of New Mexico
St. of New Mexico B-1565	Insofar as said lease covers: T-17-S, R-33-E Sec. 7: S/2 NE/4	Full	80.00	80.00	None	St. of New Mexico

NEW MEXICO OIL CONSERVATION COMMISSION
Well Location and Acreage Dedication Plat

Section A.

Date March 16, 1959

Operator Tidewater Oil Company Lease State "J"
Well No. 1 Unit Letter H Section 7 Township 17S Range 33E NMPN
Located 1980 Feet From North Line, 660 Feet From East Line
County Lea G. L. Elevation _____ Dedicated Acreage 1.0 Acres
Name of Producing Formation San Andres Pool Roberts

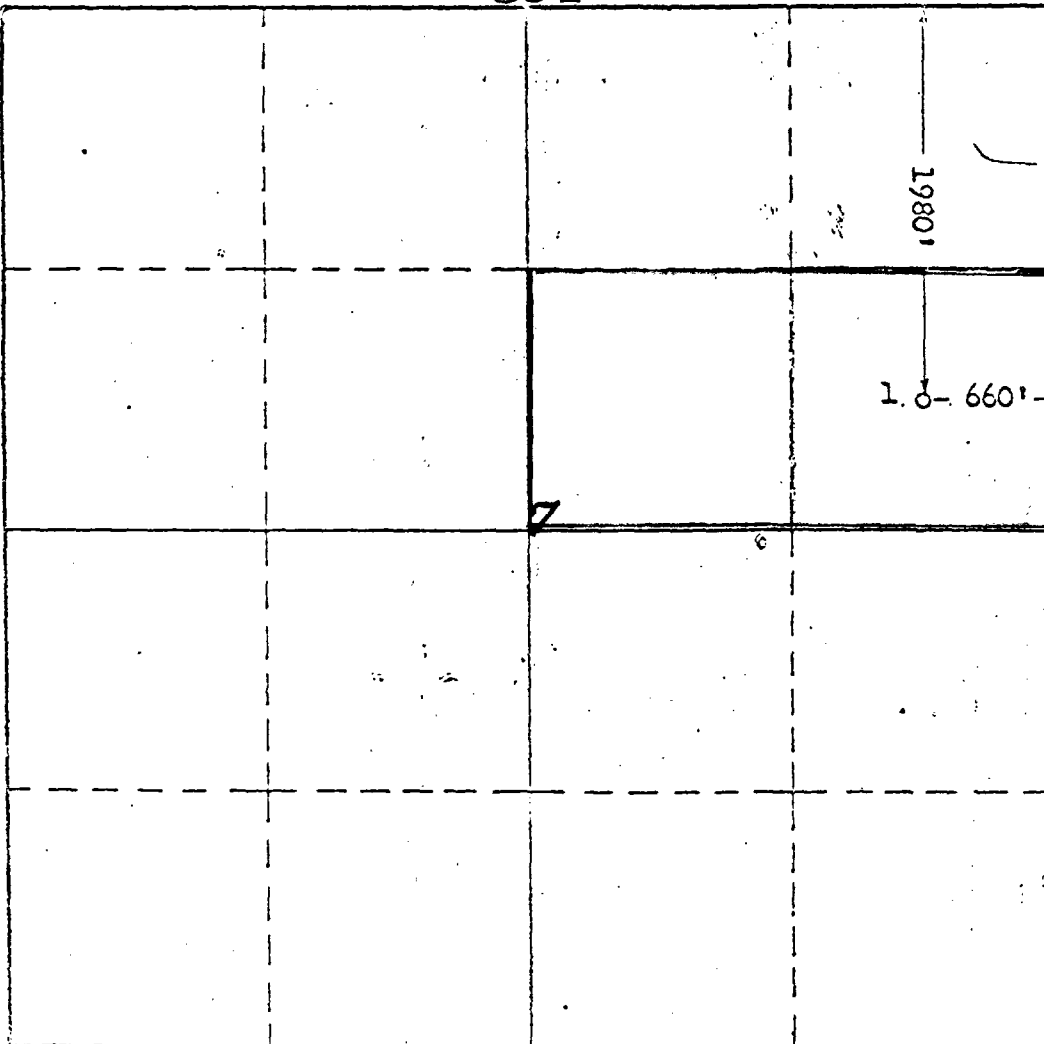
1. Is the Operator the only owner* in the dedicated acreage outlined on the plat below?
Yes X No _____.
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes _____ No _____. If answer is "yes," Type of Consolidation _____
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner

Land Description

Section B

33E



This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

Tidewater Oil Company
(Operator)

J. M. Amis
(Representative)

J. M. Amis

P.O. Box 1231 Midland, Texas
Address

This is to certify that the well location shown on the plat in Section B was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed March 16, 1959

J. M. Amis (Company Employee)
Registered Professional
Engineer and/or Land Surveyor

Certificate No. 5129 and 465
Texas

(See instructions for completing this form on the reverse side)