



TENNECO OIL COMPANY • P. O. BOX 1031 • 1800 WILCO BUILDING • MIDLAND, TEXAS 79701

September 16, 1964

136

RECEIVED

OCT 2 PM 1 1964

New Mexico Oil Conservation Committee  
P. O. Box 2000  
Santa Fe, New Mexico

Attention: Mr. H. L. Ryker, Jr.

Re: Commingling Production - State E (CG-5364)  
State F (CG-5114) Leases, Sec 6, T-12S,  
R-36E, Lea County, New Mexico

CONCLUSION:

Tenneco Oil Company is preparing a well State "F" (CG-5114) No. 1. If the well is productive, we desire authorization to commingle oil production into one same battery with the State "E" (CG-5364), located on the State "E" lease. Working interest ownership under both leases is owned entirely by Tenneco Oil Company. The only royalty interest is to the State of New Mexico (12.5%). Production will be from a common source of supply, the Bough "C" reservoir of the Pennsylvanian formation, will be allocated between leases utilizing quarterly well tests. Prior approval for this commingling was secured from the Commissioner of Public Lands. Copies of their letter are attached. Also included are the required lease plans with a schematic diagram of the commingling facilities as stipulated in Rule 309-B.

Very truly,  
Sincerely,

TENNECO OIL COMPANY

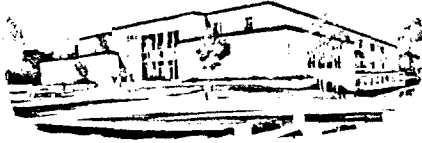
*Carl Lang*

C. A. Lang  
District Production Superintendent

CC: 100

*S. Lane Parson 124*

State of New Mexico



Commissioner of Public Lands

E. S. JOHNNY WALKER  
COMMISSIONER



P. O. BOX 791  
SANTA FE, NEW MEXICO

October 2, 1962

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

Re: Commingling of Bough "C" production from Leases K-2467, OG-5364, and OG-5114,  
Lea County, New Mexico.

Attention: A. W. Lang, Dist. Production Superintendent

Gentlemen:

We have no objection to your proposed operation to commingle the production from the Bough "C" reservoir if the Pennsylvanian formation from Leases OG-5364, OG-5114, and K-2467, Lea County, New Mexico, covering acreage in Section 6, Township 11S, Range 34E; that is, provided the commingling is done in accordance with the New Mexico Oil Conservation Commission rules, and the commingling of the production does not lessen the state's royalty. It is assumed that the production coming from the same reservoir will not change in gravity.

Thanks for your cooperation in this matter.

Very truly yours,

E. S. JOHNNY WALKER  
COMMISSIONER OF PUBLIC LANDS

By: *Ted Bilberry*  
TED BILBERRY, Supervisor  
Oil and Gas Department

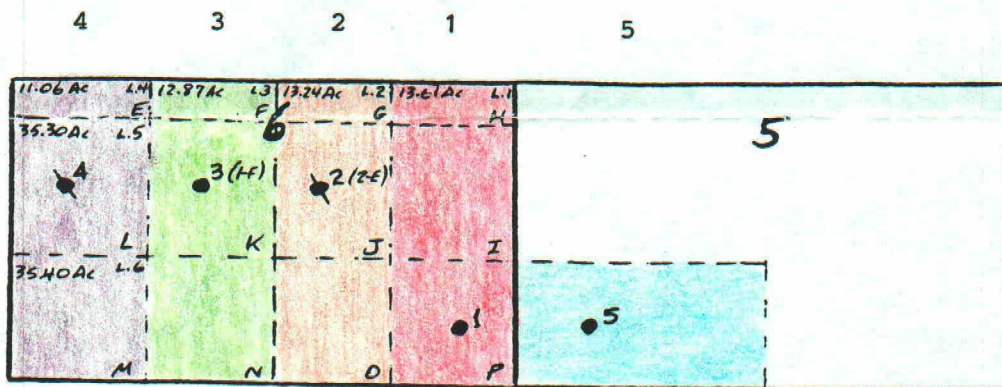
EW/TB/pb

(All Sec. 6 & S/2 SW/4 Sec. 5, T11S, R34E)

1/ 7/65 (approved 1/11/65) Communitization Agmt., 3 leases in Sec. 6; Tenneco.  
12/01/67 (approved 1/22/68) Amendment to Com. Agmt., lease in Sec. 5; Tenneco & L.C.Harris.  
12/15/78 Tenneco assignment to Layton. (working interest)  
1/03/95 L.C.Harris assignment to N.M. Oil Corp. (ORR interest)

Hand-drawn map of a 5x5 grid of colored squares. The grid is labeled with letters A-E across the top and K-O down the left side. The squares are colored: A (purple), B (green), C (red), D (orange), E (blue), F (green), G (red), H (orange), I (blue), J (green), K (red), L (orange), M (blue), N (green), O (red), P (orange), Q (blue), R (green), S (red), T (orange), U (blue). Handwritten numbers and letters are present: '4' in A, '3(1-F)' in B, '2(2G)' in C, '1' in D, '5' in E, 'K-2467' in K, 'OG-544' in L, 'OG-5364' in M, 'OG-5338' in Q, and '5' in R. A dashed line runs horizontally between rows D and E, and vertically between columns M and N.

**PRORATION UNITS:**



Proration						
Unit/ Well#	Comm.#	P.U.N.-Suffix	Lease #	% in PUN	Acres in PUN	
1	201272	1064684-S2550	K -2467-1 OG-5364-3	14.539045 85.460955	13.61 80.00	} 93.61
3	201273	1164088-S2550	K -2467-1 OG-5114-3	13.858080 86.141920	12.87 80.00	
5	N/A	1064670-S2550	OG-5338-3	100.000000	80.00	

LAYTON ENTERPRISES, INC.  
STATE EF  
COMMINGLING DATA SHEET

STATE LEASES: K-2467, OG-5364, OG-5114, OG-5338

LAND COVERED: All Sec. 6 & S/2 SW/4 Sec. 5, T11S, R34E, Lea County, N.M.

REVENUE INTERESTS (per Comm. Agreement 1/7/65 as amended 12/1/67):

.1250000	RI	State of New Mexico
.0169883	ORRI	New Mexico Oil Corporation
<u>.8580117</u>	WI	Donald R. Layton et ux Mary L. Layton
1.0000000		

OPERATOR: Layton Enterprises, Inc.

OIL PURCHASER/TRANSPORTER: Amoco Pipeline Co.

GAS PURCHASER/TRANSPORTER: Warren Petroleum Co.

FIELD: Inbe; Permo Penn

LOCATION OF TANK BATTERY: NW/4 SE/4 (Unit Letter J), Sec. 6, T11S, R34E

METHOD OF ALLOCATION: Monthly Well Tests

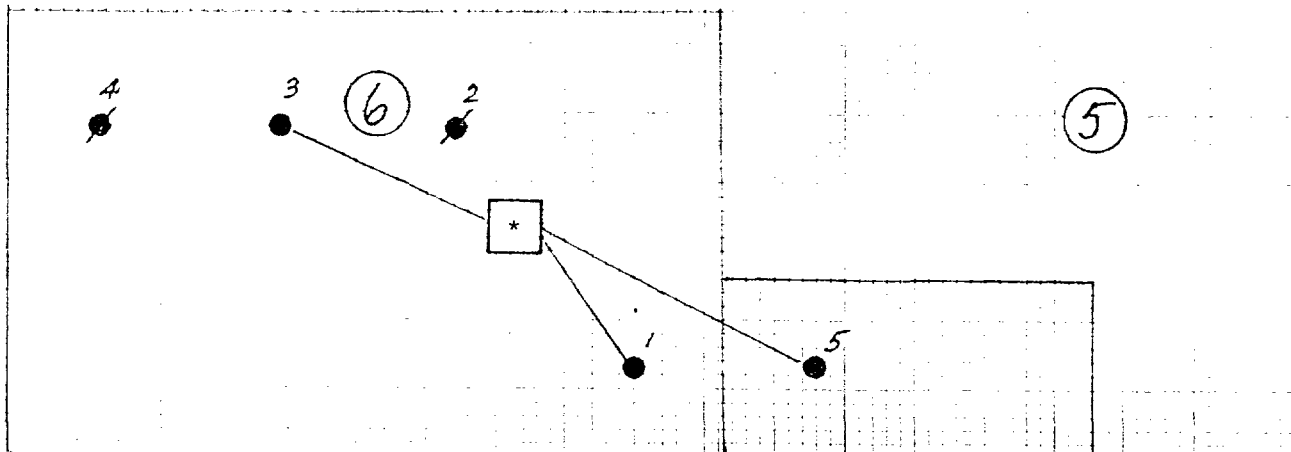
OPERATING SEQUENCE:

All wells will be operated individually using time clocks to provide necessary operating time dictated by fluid volumes. Oil, gas, and water produced will travel through the flow lines to the tank battery production manifold. From the manifold all production will pass through the separator which will separate oil, water, and gas. Oil will then go to one of the two oil storage tanks, and when the tank is full will be sold via Amoco Pipeline Co. Gas will go directly to the sales meter of Warren Petroleum Co. Produced water will go to the water storage tank, and is then periodically pumped into the salt water disposal system operated by Merit Energy Company.

ECONOMIC ANALYSIS:

Revenues to the State of New Mexico from this project have averaged, over the past five years, more than \$20,000.00 per year. The current commingling arrangement, which has been in operation for more than thirty years, provides an efficient and cost-effective gathering system which has provided a significant incentive for continued production and operation.

DIAGRAM OF ABOVE-GROUND FLOW LINES FROM WELLS TO TANK BATTERY(\*):





August 4, 1995

New Mexico Oil Corporation  
P. O. Box 1714  
Roswell, NM 88202

Re: State EF Com  
Lea County, New Mexico

Gentlemen:

We are the operator of the captioned producing oil and gas property in which you have an overriding royalty interest.

Attached is a copy of our letter to the New Mexico State Land Office requesting a commingling permit for the property. As explained in the letter, this is a formality necessitated by the implementation of the new ONGARD accounting system.

Interest ownership is unaffected. If we can provide further information, please advise.

Sincerely,

LAYTON ENTERPRISES, INC.

A handwritten signature in cursive script, appearing to read 'Brad W. Layton', is written over the typed name.

Brad W. Layton  
Vice President

/bwl

Encl.



3-11-1995

State of New Mexico  
Commissioner of Public Lands

RAY POWELL, M.S., D.V.M.  
COMMISSIONER

310 OLD SANTA FE TRAIL P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

(505) 827-5760  
FAX (505) 827-5766

August 15, 1995

Layton Enterprises, Inc.  
3103 - 79th Street  
Lubbock, Texas 79423

Attn: Mr. Brad W. Layton

Re: Surface Commingling Request  
State EF Com  
Lease Nos. K-2467, OG-5364, OG-5114, OG-5338  
All Sec. 6, S/2SW/4 Sec. 5-11S-34E  
Lea County, New Mexico

Dear Mr. Layton:

This office is in receipt of your letter of August 4, 1995, wherein you have requested our approval to commingle the Inbe; Permo Penn production from the State EF Com Well Nos. 1-P, 2-J, 3-K, 4-L in section 6 and the 5-L in section 5-11S-34E at the State EF tank battery located in the NW/4SE/4 of Section 6-11S-34E.

It is our understanding that the allocation of production from the above wells will be based upon monthly well tests.

Since it appears that there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, the above-mentioned request is hereby approved. Any deviation from the substance of your request will be sufficient grounds for rescinding our approval.

Please provide this office with an approval document (CTB-136) from the New Mexico Oil Conservation Division.


The filing fee for a commingling application is thirty (\$30.00) dollars. Please submit a thirty dollar filing fee.

Layton Enterprises  
August 15, 1995  
Page 2

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

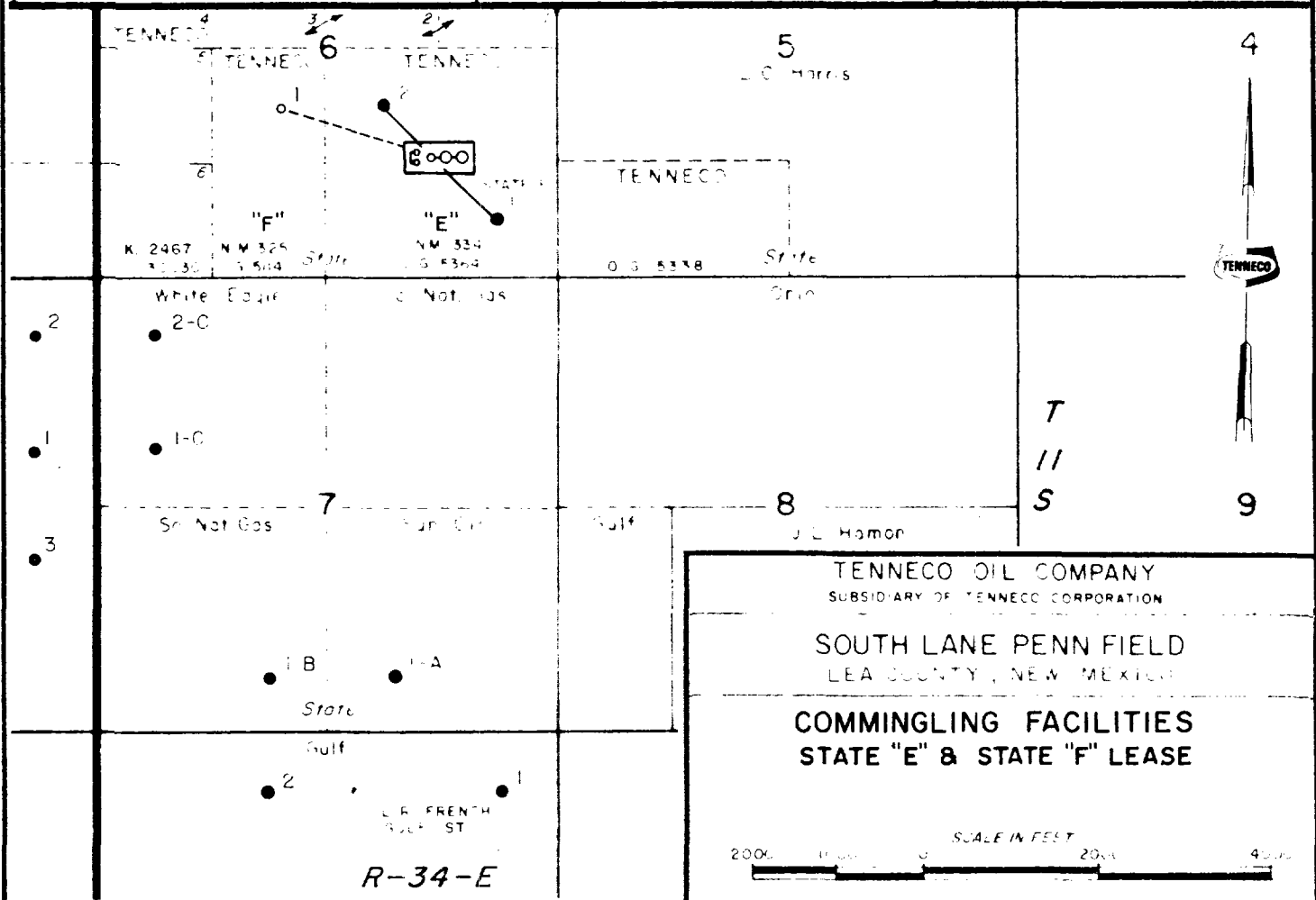
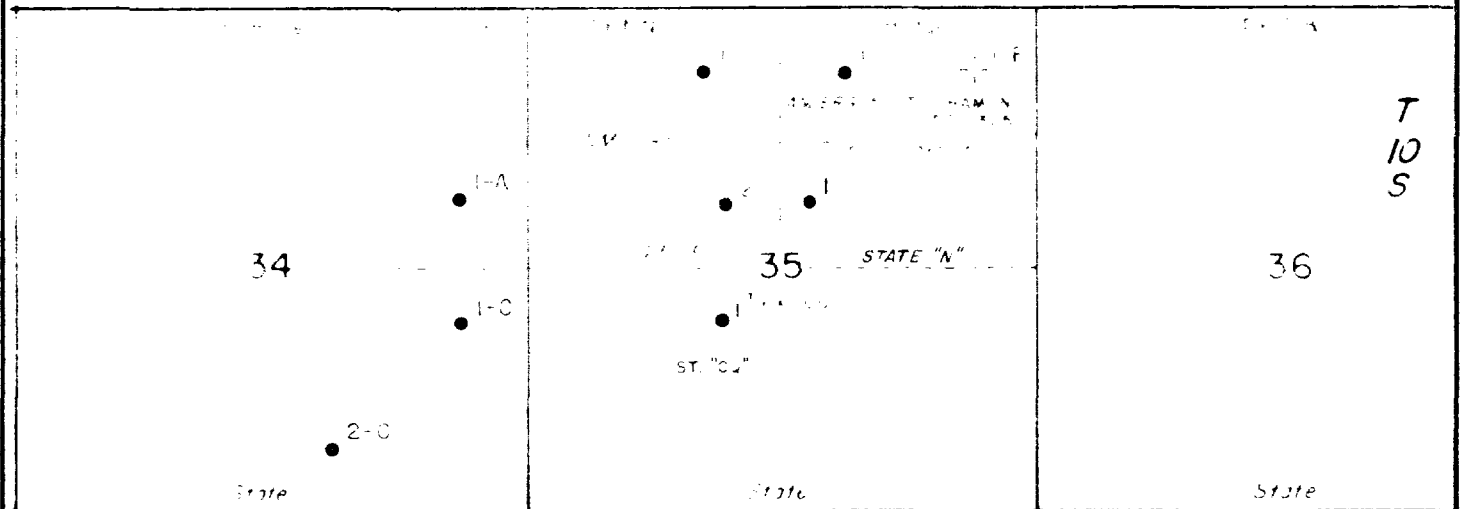
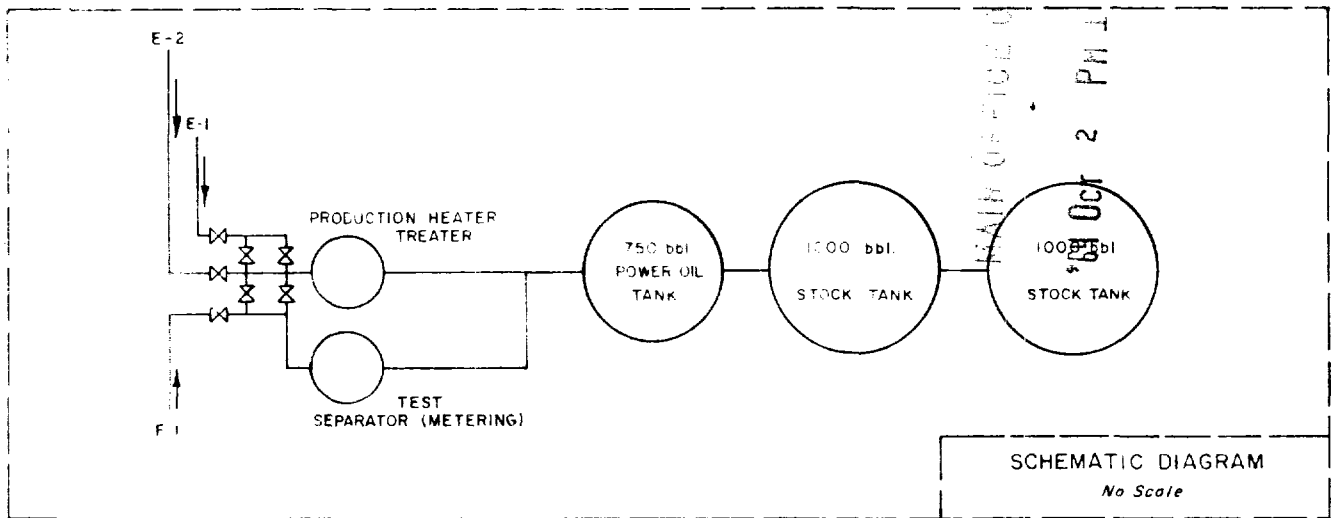
Very truly yours,

RAY POWELL, M.S., D.V.M.  
COMMISSIONER OF PUBLIC LANDS

BY:   
JAMI BAILEY, Deputy Director  
Oil, Gas and Minerals Division  
(505) 827-5745

RP/JB/pm

cc: Reader File  
OCD-Santa Fe Attn: Mr. David Catanach  
State EF Com File  
K-2467  
OG-5364  
OG-5114  
OG-5338





TENNECO OIL COMPANY

September 29, 1964

11-11-64 10:00 AM  
\*64 Oct 2 PM 1 16

C New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.

Re: Commingling Production - State E (OG-5364)  
State F (OG-5114) leases, Sec 6, T-11S,  
R-34E, Lea County, New Mexico

O Gentlemen:

P Tenneco Oil Company is preparing to drill State "F" (OG-5114) No. 1. If the well is productive, we desire authorization to commingle oil production into the same battery with the State "E" (OG-5346), located on the State "E" lease. Working interest ownership under both leases is owned entirely by Tenneco Oil Company. The only royalty interest is to the State of New Mexico (12 $\frac{1}{2}$ %). Production will be from a common source of supply, the Bough "C" reservoir of the Pennsylvanian formation, will be allocated between leases utilizing quarterly well tests. Prior approval for this commingling was secured from the Commissioner of Public Lands. Copies of their letter are attached. Also included are the required lease plats with a schematic diagram of the commingling facilities as stipulated in Rule 309-B.

Yours very truly,

Y TENNECO OIL COMPANY

  
A. W. Lang  
District Production Superintendent

ACT:bp

*S. Lane Pann 129*

State of New Mexico



Commissioner of Public Lands

E. S. JOHNNY WALKER  
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COMMISSIONER OF PUBLIC LANDS

By: *Ted Bilberry*  
TED BILBERRY, Supervisor  
Oil and Gas Department

EW/TB/pb

MAIN OFFICE OF

'64 OCT 2 PM 1

