

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

August 21, 1963

**Union Oil Company of California
619 West Texas Avenue
Union Oil Building
Midland, Texas**

Attention: Mr. G. W. Coombs

Administrative Order OLS-16

Gentlemen:

Reference is made to your letter of August 8, 1963, wherein you request administrative approval for an exception to Rule 309 to permit the North Anderson Ranch Wolfcamp production from your State "A" Lease to be transported prior to measurement to off-lease storage facilities located at the tank battery site serving your State "B" Lease in the SW/4 SE/4 of Section 28, Township 15 South, Range 32 East, Lea County, New Mexico.

Pursuant to the authority granted me by the provisions of Rule 309-C you are hereby authorized the off-lease storage as outlined above, provided however, that there shall be no intercommunication of separating, handling, treating, or storage facilities designated to each of these leases.

Very truly yours,

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

ALP/DSM/og

**cc: Oil Conservation Commission - Hobbs
Oil & Gas Engineering Committee - Hobbs
State Land Office - Santa Fe**

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1. The first step in the process is to identify the problem or issue that needs to be addressed. This involves gathering information and understanding the context of the problem.

Journal of Management Studies, 19(1), 67-80.

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Union Oil Company of California

M I D L A N D T E X A S

August 8, 1963

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

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

Gentlemen:

Union Oil Company of California requests administrative approval for an exception of Rule 309 to permit the production from our State "A" No. 2-28 well to be transported prior to measurement to off-lease storage facilities located at the tank battery site serving our State "B" lease.

The State "A" No. 2-28 well is located 1650 feet from the south line and 660 feet from the east line of Section 28, T-15-S, R-32-E, Lea County, New Mexico. The tank battery serving the State "B" lease is located in the southwest quarter of the southeast (SW/4 SE/4) of Section 28, T-15-S, R-32-E, Lea County, New Mexico. The State "A" No. 2-28 well and Wells Nos. 1-28 and 2-33 on the State "B" lease produce from the Wolfcamp zone in North Anderson Ranch Pool.

The following data are furnished in support of our request:

1. All production involved is from the same source of supply.
2. Union owns the full working interest in the State "A" No. 2-28 well. Texas Pacific Coal and Oil Company, the only other interest owner in the State "B" lease has been advised by registered letter of our proposed off-lease storage plans. A copy of this letter is attached.
3. Commingling of production will not result from the proposed off-lease storage facilities.
4. There will be no inter-communication of the handling, separating, treating, or storage facilities designated to the State "A" No. 2-28 well and the State "B" lease.

An off-lease storage arrangement is the only manner by which we can obtain a pipe line connection and thereby eliminate the current trucking gathering charge of \$0.25 per barrel. Gulf Refining Company, crude oil pipe line gatherer in this area, has advised that it is not economically feasible to extend their facilities to connect to the battery presently serving the State "A" No. 2-28 well. They have agreed to an off-lease storage connection as requested herein. A copy of their letter agreeing to this is attached.