OIL CONSERVATION COMMISSION P. O. BOX 871

SANTA FE. NEW MEXICO

April 22, 1965

Aztec Oil & Gas Company P. O. Box 847 Hobbs, New Mexico

Attention: Mr. Lester L. Duke

Administrative Order OLS-36

Gentlemen:

Reference is made to your application dated February 22, 1965, wherein you request an exception to Rule 309-A of the Commission Rules and Regulations to permit off-lease storage for your State "B" Well No. 1 located in Unit I, Section 36, Township 22 South, Range 37 East, Lea County, New Mexico, which is a dual completion in the Blinebry Oil Pool and the Drinkard Pool. It is our understanding that the production from each some of this dual completion will be transported to separate tank batteries located on your State "BD-36" Lease located in Unit J of said Section 36. Further, that there will be no intercommunication of the handling, separating, treating, or storage facilities designated to each lease.

Pursuant to the provisions of Rule 309-C, Astec Oil & Gas Company is hereby authorised an exception to Rule 309-A.

Very truly yours,

A. L. Porter, Jr. Secretary-Director

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cc: Oil Conservation Commission - Hobbs (with enclosure)
Oil & Gas Engineering Committee - Hobbs
State Land Office - Santa Pe

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AZTEC OIL & GAS COMPANY

P. O. BOX 847

HOBBS, NEW MEXICO

February 22, 1965

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

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

Re: Application for "Off-Lease Storage" of production from Aztec Oil & Gas Company's State "B" Well No. 1.
Lease No. B-11410

Gentlemen:

Aztec Oil & Gas Company respectfully requests an exception to Rule 309-A and administrative approval to permit all the production from the State "B" well No. 1 located in Unit I, Section 36, Township 22 South, Range 37 East, Lea County, New Mexico, which is a dual completion in the Blinebry Oil Pool and Drinkard Pool, to be transported prior to measurement to the State "BD-36" Lease No. E-6143 located in Unit J, Section 36, Township 22 South, Range 37 East, Lea County, New Mexico, for storage thereon.

The following facts are pertinent to this request:

- 1. Production is from two common sources of supply, Blinebry Oil and Drinkard, but there will be no commingling of production from these two sources.
- 2. Commingling of production from these two leases will not result.
- 3. There will be no intercommunication of the handling, separating, treating, or storage facilities designated to each lease.
- 4. All parties, Western Oil Fields and Amerada Oil Corporation, have been notified of this intent to transport prior to measurement the Production from one lease to another lease for storage as varified by the attached certificates of registered mail.
- 5. These leases, State "BD-36" Lease No. E-6143 and State "B" Lease No. B-11410, involve State lands; therefore, evidence that the Commissioner of Public Lands for the State of New Mexico has consented to this proposed off-lease storage is attached to this application.

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