



**STATE OF NEW MEXICO COMPANY**

*Leases not contiguous*

*set for Egan hearing*

1958 SEP 25 AM 8:25

P. O. Box 845  
Roswell, New Mexico

September 23, 1958

*Case 1536*

Subject: Request for Authority to Centralize Tankage, State WM, State WN, State WO and State WL Leases, Sections 8 and 9, T-16-S, R-34-E, Hume Queen Field, Lea County, New Mexico

Mr. A. L. Porter Jr.  
Secretary Director  
New Mexico Oil Conservation Commission  
P. O. Box 871  
Santa Fe, New Mexico

Dear Mr. Porter:

We have recently begun development on the 80-acre State WM Lease (State of New Mexico E-8265) and the 80-acre State WO Lease (State of New Mexico E-1079). We are now initiating plans for the development of the 80-acre State WN Lease (also State of New Mexico E-1079) and the 640-acre State WL Lease (State of New Mexico OG-512). As shown on the attached plat, the State WM, State WO, State WN, and State WL Leases are located in Sections 8 and 9, T-16-S, R-34-E, N.M.P.M., Lea County, New Mexico.

We propose to centralize oil treating and storage facilities for all wells drilled on the above leases. The unitized battery will be located as shown on the attached plat, at the southwest corner of the NW/4 of Section 9. Initial tankage costs will be substantially less if centralized facilities are installed. Reduced battery maintenance would permit us to produce these wells at a lower economic limit thereby increasing the amount of oil recovered from the reservoir.

We have obtained permission to install central tank facilities from the Commissioner of Public Lands and from the offset operators. Copies of their endorsements are included with this letter.

With preliminary work complete, we are hereby making formal application for administrative approval to commingle the oil produced from our State WM, State WO, State WN, and State WL Leases into a common tank battery. If administrative approval cannot be given to a case of this type, we respectfully request a hearing be scheduled at your earliest convenience.

Very truly yours,

P. A. Dennie  
Division Production Manager

*Docket Mailed  
12-8-58 B P*

Attachments