

Hondo Oil & Gas Company

Box 660

Roswell, New Mexico

March 1, 1960

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Oil Conservation Commission
State of New Mexico
Post Office Box 871
Santa Fe, New Mexico

Re: Application for Approval of LACT
System for Production from Abo Pool
on Hondo-Western-Yates State 647
Lease in Section 6, T-18S, R-28E,
and Sections 31 and 32, T-17S,
R-28E, Eddy County, New Mexico

Gentlemen:

Hondo Oil & Gas Company, Operator for Hondo Oil & Gas Company, a corporation, Western Development Company of Delaware, a corporation, and Yates Brothers, a partnership, doing business as Hondo-Western-Yates, hereby makes application for permission to operate Lease Automatic Custody Transfer Equipment on the subject lease.

In support of this application, Hondo Oil & Gas Company states the following:

1. Hondo-Western-Yates is the owner and operator of all producing rights below 500 feet below the top of the San Andres formation on Hondo-Western-Yates State 647 Lease, which consists of the $NE\frac{1}{4}SE\frac{1}{4}$, $S\frac{1}{2}NE\frac{1}{4}$ and $NE\frac{1}{4}NE\frac{1}{4}$ Section 6, Township 18 South, Range 28 East, and the $E\frac{1}{2}E\frac{1}{2}$ Section 31 and the $SW\frac{1}{4}$ and $NE\frac{1}{4}$ Section 32, Township 17 South, Range 28 East, Eddy County, New Mexico, among other lands.
2. There is no diversity of royalty ownership underlying the above described lease.
3. The proposed installation will be adequate to accurately measure oil produced and result in efficient accounting of crude oil transferred to the pipe line gathering system.

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4. The pipe line company which purchases the crude oil from subject lease has indicated its approval of the design and equipment for the proposed LACT system.
5. The granting of applicant's request in this case is in the interest of conservation, and will protect correlative rights.
6. In view of proposed Fail Safe features and automatic well control and shut off provisions, the installation of this LACT system will not create any danger of waste.

It is respectfully requested that this matter be set for hearing at an early date.

Respectfully submitted,

HONDO-WESTERN-YATES
BY HONDO OIL & GAS COMPANY, OPERATOR

By 
S. H. Cavin, Resident Attorney