

Case
1977
Hondo Oil & Gas Company

Box 660
Roswell, New Mexico

May 3, 1960

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

Re: Application for Approval of LACT System, and for permission to produce more than 16 wells into a common tank battery, for production from Empire Abo pool on Hondo-Western-Yates State 647 Lease in Sections 25; 26; $N\frac{1}{2}SE\frac{1}{4}$ Section 34; $NE\frac{1}{4}$, $E\frac{1}{2}NW\frac{1}{4}$ and $N\frac{1}{2}S\frac{1}{2}$ Section 35; and $N\frac{1}{2}$, $N\frac{1}{2}S\frac{1}{2}$ Section 36, all in Township 17 South, Range 28 East, N.M.P.M., 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, and for permission to produce more than 16 wells into a common tank battery as an exception to Rule 309(a).

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

1. Hondo-Western-Yates is the owner and Hondo Oil & Gas Company is the 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 Sections 25; 26; $N\frac{1}{2}SE\frac{1}{4}$ Section 34; $NE\frac{1}{4}$, $E\frac{1}{2}NW\frac{1}{4}$ and $N\frac{1}{2}S\frac{1}{2}$ Section 35; and $N\frac{1}{2}$, $N\frac{1}{2}S\frac{1}{2}$ Section 36, all in Township 17 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, among other lands.
2. There is no diversity of royalty ownership underlying the above described lease.

*Checked
D. P. [unclear]*

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.
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 any early date.

Respectfully submitted:

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

By 
S. H. Cavin, Resident Attorney