

Case 5571

ROBERT G. COX

CERTIFIED PROFESSIONAL GEOLOGIST

Petroleum Consultant

4230 LBJ Freeway

Suite 409

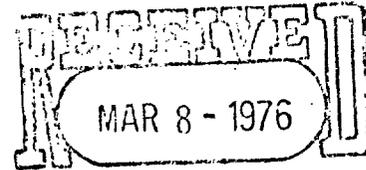
PHONE: 214-387-3385

DALLAS, TEXAS 75234

EXPLORATION
EVALUATION

PRODUCTION
APPRAISALS

March 4, 1976



OIL CONSERVATION COMM.
Santa Fe

Joe Ramey, Commissioner
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: R. G. Cox, et al
#1 Federal "EA" Well
Sec. 12, T-18-S, R-27-E
Eddy County, New Mexico

Dear Mr. Ramey:

This is to advise you that the subject well has been shut-in due to the absence of an authorized allowable from the New Mexico Oil Conservation Commission.

Since October 8, 1975, I have been accused of many violations by the opposition to my application for relief from the 1973 New Mexico Oil Conservation Commission Order. I don't want the stigma of running "hot oil" to be an issue in future deliberations and/or litigation.

According to our pumper, we have approximately 365-400 bbls. in storage. As this oil is highly corrosive, we would like to move it to minimize the possibility of deterioration of our limited storage facilities and forestall a tank leak, which could cause pollution. We would appreciate permission to move this oil.

With kindest personal regards.

Sincerely yours,

Robert G. Cox
Designated Operator NM 6852

cc: Applicants
U.S.G.S., Artesia, New Mexico
Department of the Interior, Washington, D.C.

Bill:

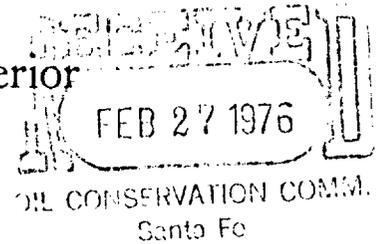
*Issue one more
testing allowable for
this well for 400 bbls.*



United States Department of the Interior

GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201



February 26, 1976

Mr. Joe Ramey, Director
New Mexico Oil Conservation Commission
P. O. Box 1148
Santa Fe, New Mexico 87501

Dear Mr. Ramey:

- This is to confirm our telephone conversation of February 25, 1976, to the extent that if the Commission decides to withhold an allowable allocation for Robert G. Cox's Federal EA well No. 1 in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ sec. 12, T. 18 S., R. 27 E., Eddy County, New Mexico (case 5571), such action will not cause the Federal lease (NM 6852) on which the well is located, to expire. Title 43 of the Code of Federal Regulations, Part 3107.3-2 provides "No lease for lands on which there is a well capable of producing oil or gas in paying quantities shall expire because the lessee fails to produce the same, unless the lessee fails to place the well on a producing status within 60 days after receipt of notice by registered mail from the Regional Oil and Gas Supervisor to do so: Provided, that after such status is established production shall continue on the leased premises unless and until suspension of production is allowed by the Secretary of the Interior under the provisions of the act."

We appreciate your concern and cooperation in this matter.

Sincerely yours,

CARL C. TRAYWICK
Acting Area Oil and Gas Supervisor

