

*Well file*

GOVERNOR  
DAVID F. CARGO  
CHAIRMAN

State of New Mexico  
**Oil Conservation Commission**



LAND COMMISSIONER  
GUYTON B. HAYS  
MEMBER

STATE GEOLOGIST  
A. L. PORTER, JR.  
SECRETARY - DIRECTOR

1000 RIO BRAZOS ROAD  
AZTEC

February 16, 1968

→ Lewis C. Jameson  
Petroleum Consultants, Inc.  
2820 Central Avenue SE  
Albuquerque, New Mexico 87106

Re: Van Denburgh #1, M-11-23N-7W

Dear Lewis:

Your proposed off-lease storage appears to be compatable to rule 309 (c) provided that you comply with the following provisions:

1. Apply to Mr. Porter for off-lease storage. Your application would be in letter form with a plat showing ownership and well locations and the location of the proposed storage.
2. All production in this storage must originate at the same source of supply.
3. Commingling will not result.
4. No intercommunication with other storage.
5. All owners of the lease waive objection.
6. In lieu of waivers, proof of notification.
7. Where State or Federal lands are involved, consent of the appropriate commissioner or supervisor.

If there are further questions, please contact us.

Yours very truly,

A. R. Kendrick  
Engineer, District #3

ARK:mc

cc: Mr. Evan Norton  
Raw Materials Supply Dept.  
Shell Oil Co.  
P. O. Box 2099  
Houston, Texas 77001

February 8, 1968

Mr. A. R. Kendrick  
N. M. Oil Conservation Commission  
1000 Rio Brazos Road  
Aztec, New Mexico 87410

Dear Al:

Since March 1, 1967, oil from our VanDemburgh No. 1, Unit M, Section 11, T-23N, R-7W has been transported by truck to The Permian Corporation's delivery point in Bloomfield. The expense of trucking is 45¢ per barrel.

Prior to McWood Corporation being acquired by The Permian Corporation oil from this well was delivered by pipeline to the Lybrook Receiving Station. The transportation cost through the pipeline was 20¢ per barrel. In order to reduce the transportation expense on this oil we have acquired the pipeline formerly owned by McWood Corporation between the VanDemburgh Well and Shell's Lybrook Receiving Station. Shell is leasing Petroleum Consultants one of their 500 barrel tanks at the receiving station. Petroleum Consultants will transport the oil through the pipeline and Shell will purchase the oil out of their 500 barrel tank at their receiving station. A Form C-104 will be filed showing Petroleum Consultants as the authorized transporter of this oil.


The Transporter's and Storer's Monthly Report, Form C-112 will be filed monthly showing the oil in the 500 barrel tank at Shell's Receiving Station at the beginning of the month, the oil received from the VanDemburgh Well, the oil delivered to Shell out of the 500 barrel tank and the oil remaining in the 500 barrel tank at the end of the month.



Mr. Kendrick  
February 8, 1968  
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I would appreciate your advising me if these arrangements meet the requirements of the Commission.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Lewis C. Jameson", written in dark ink.

Lewis C. Jameson

LCJ:mk

cc: Mr. Evan Norton  
Raw Materials Supply Dept.  
Shell Oil Company  
P. O. Box 2099  
Houston, Texas 77001