OIL CONSERVATION COMMISSION P. O. BOX 871 SANTA FE, NEW MEXICO

September 22, 1959

Santiago Oil & Gas Company Box 1205 Midland, Texas

Attention: Mr. R. L. Redline, Jr.

Gentlemen:

Reference is made to your request for administrative approval to commingle the production from State Lease E-2229 and State Lease B-2148.

It is necessary that a description of the two leases be furnished. Eligibility for administrative approval is contingent upon the two leases being contiguous.

We also need to know the pool which is producing the oil to be commingled, i.e., whether the Roberts Pool or Maljamar Pool. As you know, authority to commingle the production from two separate pools can be granted only after a hearing.

Very truly yours,

OLIVER E. PAYNE General Counsel

OEP/og

O'L CONSERVITION COMMISSION PLOLEOX 877 SANTA PE, NEW METICO

Yushilas (a) (arts Gerage**ny** Pok i203 ⊂stad, _{sina}e

All She A MARKEN

the second second

leter to star to is where to your tequest for you whistaine approved to any annew the partduction from these leave N-1287 and state bese to <u>214</u>.

We see constant that a description of the set interest in furnes of a style-inty for a training could be approved is continger: in the fore we tensor being could be a

ANTI THE

ONIVERS. PATTER

SANTIAGO OIL & GAS COMPANY

BOX 1205 MU 2-7971 2205 WILCO BUILDING MIDLAND, TEXAS A) September 19, 1959

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

Gentlemen:

In compliance with Rule 309 of the Rules and Regulations of the New Mexico Oil Conservation Commission, we wish to request that an administrative order be issued to Santiago Oil and Gas Company granting us the right to produce oil from State leases E-2229 and B-2148 into a common tank battery.

We have checked with the State Land office and were informed by them in a letter dated September 10, 1959, that these leases have a common beneficiary and insofar as the State Land Office is concerned, it would be permissable to have a common tank battery for the leases in question. When fully developed, there will be sixteen (16) wells producing into this battery, and all of the wells will be completed from the Grayburg-San Andres pay zone, which is the producing zone of the Roberts and Maljamar Fields.

We have notified the Shell Oil Company and the Murphy Baxter Oil Company, offsetting operators, of our intentions to comingle the oil from these leases. Upon receiving their permission in writing, we will forward a copy of the letter to you. Should additional data be necessary, regarding this request, we ask that you advise us immediately in order that we may comply as soon as possible.

Very truly yours,

President

RLR: jb

Annakin Of Cours