

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO

April 23, 1965

Mr. Hugh L. Johnston, Sr.
8th Floor, Petroleum Building
Room 831
Roswell, New Mexico

Administrative Order CTB-144

Dear Sir:

Reference is made to your application dated March 19, 1965, for administrative approval of an exception to Rule 309-A of the Commission Rules and Regulations to permit the commingling of oil and gas produced from an undesignated pool underlying your State E-4201 Lease comprising Lots 1, 2 and 3 and the E/2 NW/4 of Section 30, Township 17 South, Range 29 East, Eddy County, New Mexico, and your State B-7596 Lease comprising Lot 4 and the SE/4 SW/4 of said Section 30. It is our understanding that each of these leases has a common working interest and that the royalty interest is also common throughout, and that you therefore propose to allocate the production to each of the leases on the basis of periodic well tests.

Under the authority granted me pursuant to Rule 309-B, you are hereby authorized to commingle the above-described production as proposed, subject to the provisions of the Commission Manual for the Installation and Operation of Commingling Facilities.

Very truly yours,

A. L. Porter, Jr.
Secretary-Director

ALPDSN:ag

cc: Oil Conservation Commission - Artesia
Oil & Gas Engineering Committee - Hobbs
State Land Office - Santa Fe
Oil & Gas Accounting Commission - Santa Fe

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March 30, 1965

Mr. Aug. L. Johnston, Sr.
Tower Suite-Petroleum Building
Roswell, New Mexico/88201

In RE: Commingling of
State of New Mexico
Leases B-7596 & E-4201

Dear Mr. Johnston:

We have received your schematic drawing showing the location of wells and tank batteries upon the SW $\frac{1}{4}$ of Section 30-178-29K, and we hereby give approval to commingle the oil and gas production from the three wells located upon this tract.

We may, at various times, call for metering and testing of the well on the NW $\frac{1}{4}$ SW $\frac{1}{4}$, or Lot 3, in order to determine the production upon the leases separately; however, we note that you are equipped to do this in order to maintain your allowables for each well.

We are notifying the Oil Conservation Commission today that this approval is being given. However, this approval is granted with the understanding that the Commissioner of Public Lands reserves the right to amend or withdraw this approval at any time should a loss of revenue occur to the State through this operation.

Very truly yours,

CUTTON B. HAYS,
Commissioner of Public Lands

By

TED BILMERRY, Director,
Oil and Gas Department

GB/TB/kcl