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STANDARD OIL COMPANY OF TEXAS

A DIVISION OF CHEVRON OIL COMPANY

P. O. BOX 1249 HOUSTON TEXAS 77001

October 20, 1966

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

Attention: Mr. A. L. Porter, Jr.
Secretary-Director

Gentlemen:

Standard Oil Company of Texas, a Division of Chevron Oil Company, respectfully requests administrative approval to commingle production from the A. C. Taylor et al "B" lease located in Unit A, Section 9, T-17-S, R-32-E, with production from the A. C. Taylor et al lease located in Units G, H, I, and J, Section 9, T-17-S, R-32-E, Maljamar Pool, Lea County, New Mexico.

Presently, there are three producing wells on the A. C. Taylor et al lease and one producing well on the A. C. Taylor "B" lease. All wells produce from the Grayburg-San Andres formation. Storage facilities are located on each lease to accommodate the respective lease production. The Permian Corporation is purchasing the crude from the A. C. Taylor "B" lease and Sinclair Refining Company is purchasing the crude from the A. C. Taylor et al lease.

The present battery site on the A. C. Taylor "B" lease is located within the townsite of Maljamar. Standard feels that a commingling permit to move this crude to the battery site on the A. C. Taylor et al lease will remove a potential fire and operational hazard.

The proposed commingling installation will utilize separate metering facilities for measurement of production from each lease. Storage and metering facilities are to be physically located in Unit J, Section 9, T-17-S, R-32-E, Lea County, New Mexico. Attached are a plat of the area showing the producing wells and present battery locations on each lease and a schematic diagram of the proposed commingling facilities.

Also, attached are a letter from Texas-New Mexico Pipeline Company stating that the shipper of the production, Sinclair Refining Company, is agreeable to purchasing the commingled production and a letter from The Permian Corporation stating that they are agreeable to relinquishing the purchase of oil production from the A. C. Taylor "B" lease.

By copy of this letter, all known parties owning an interest in this proposal have been notified by registered mail. It is assumed that if no objections have been registered after a period of twenty days following receipt of the application, the proposal will be approved administratively under Statewide Rule 309-B(4).

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Please contact this office if you desire additional information.

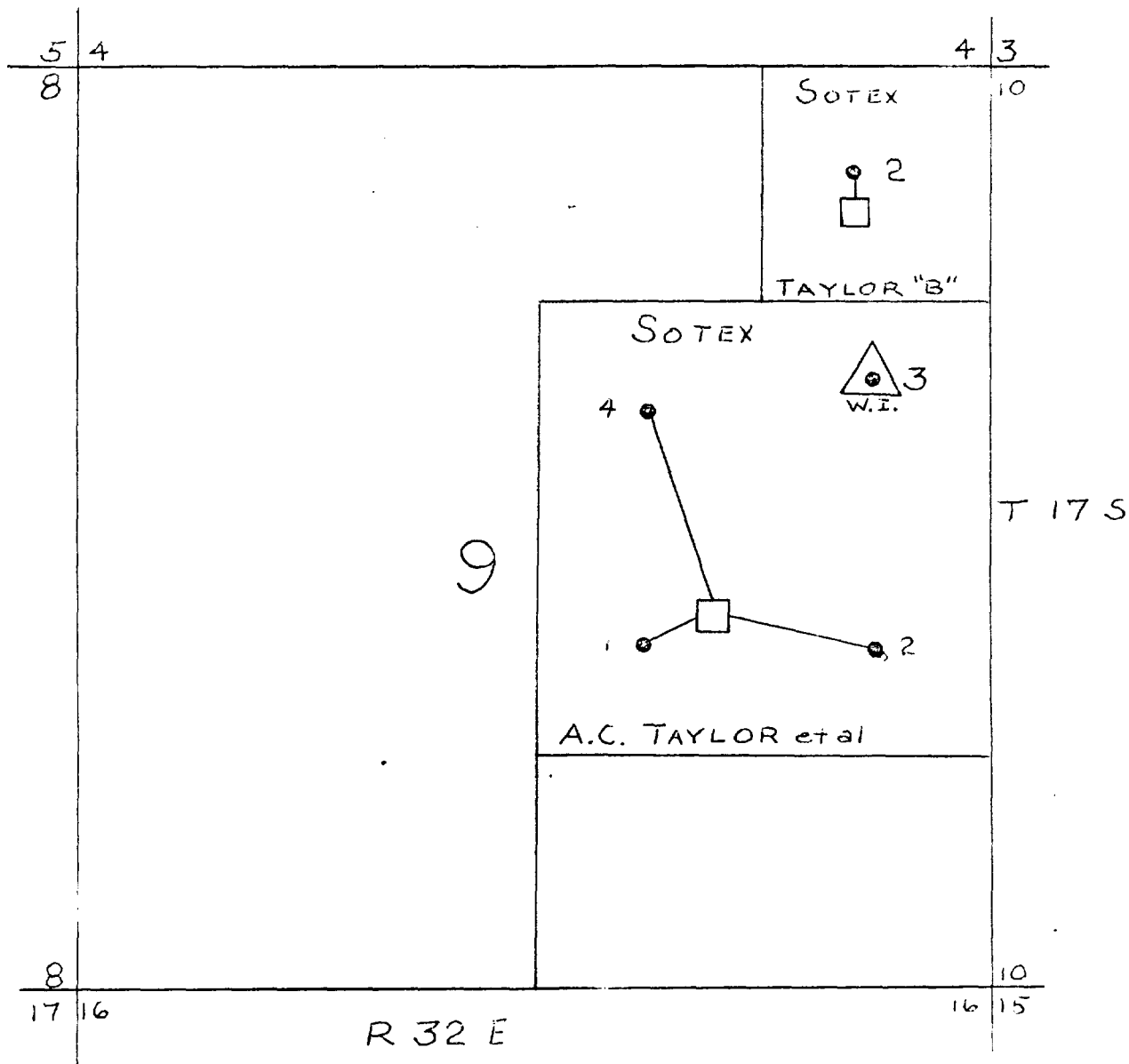
Yours very truly,

C. N. Segnar/jor
C. N. Segnar
Chief Engineer

JDR:mkf
Attachments

cc: Via Registered Mail

Zachary L. Taylor, Box 205, Tatum, New Mexico
Ella Belle Holman, Box 1295, Maljamar, New Mexico
Bette Taylor, Box 1328, Maljamar, New Mexico
Albuquerque National Bank, Tr. u/W Frank A. Andrews, P. O. Box 1344,
Albuquerque, New Mexico
Selma E. Andrews, c/o Republic National Bank, P. O. Box 241, Dallas,
Texas
Bank of California, Tr., P. O. Box 3511, San Francisco, California
David Bond Kyte, c/o Bartlett & Pringle, 26 West Figuero St.,
Santa Barbara, California
Mariee I. Kyte, P. O. Box 817, Los Altos, California
Mary Ann Miller, c/o First National Bank of Artesia, Artesia, New Mexico
Frank William Yates, 1815 Feather St., Artesia, New Mexico
Julia Miller Burnham, 19 Washington St., Hornell, New York
Constance E. Byers, 2 Niles Road, Austin, Texas
Dorothy Dell Graeber, 1355 East 21st St., Tulsa, Oklahoma
Goff Oil Company, 1300 Thompson Bldg., Tulsa, Oklahoma
Kiska Oil Company, 523 National Bank of Tulsa Bldg., Tulsa, Oklahoma

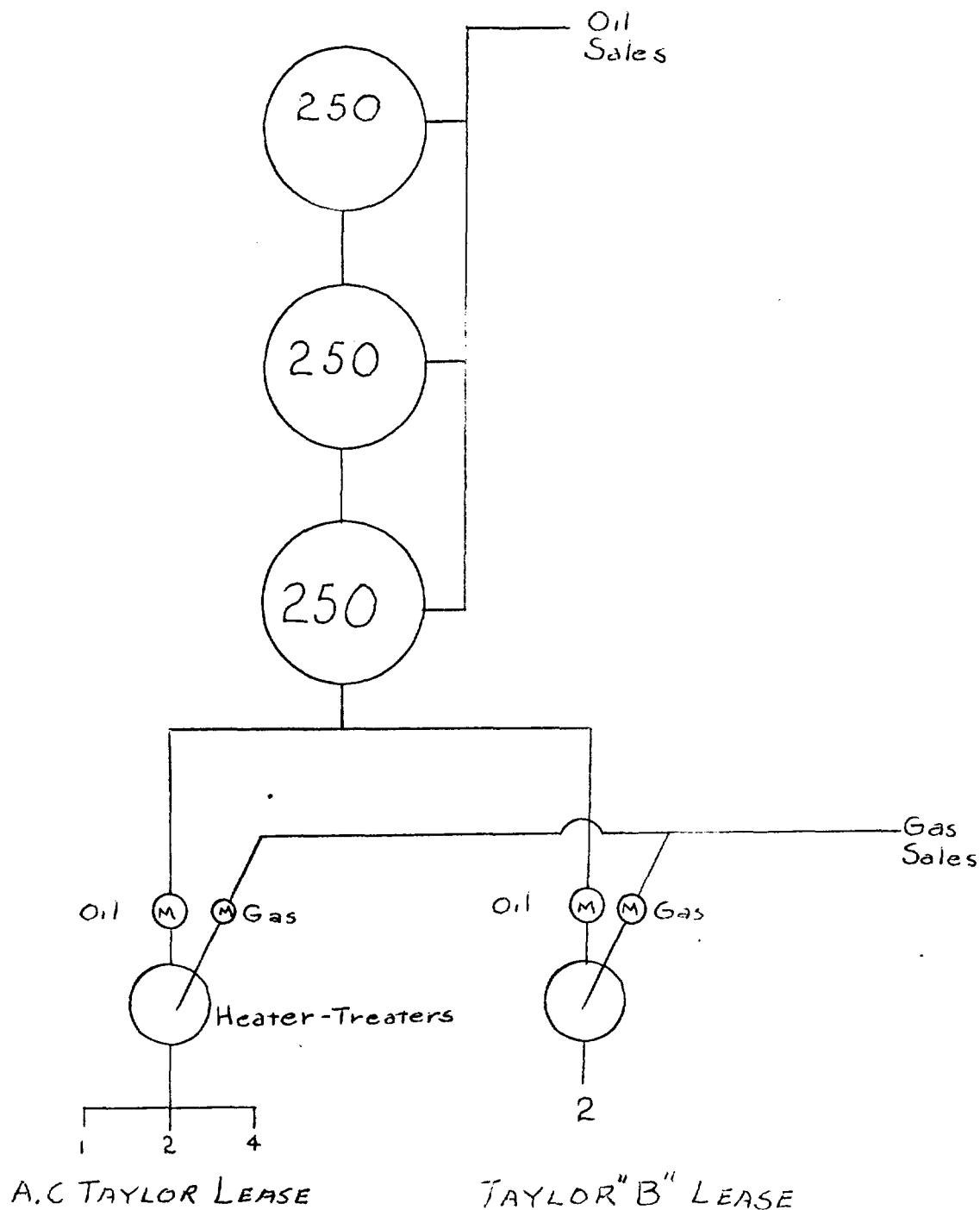


PLAT OF WELLS AND EXISTING PRODUCING FACILITIES

SOTEX - TAYLOR "B" AND SOTEX-A. C. TAYLOR ET AL
LEASES, SECTION 9, T-17-S, R-32-E
MALJAMAR FIELD, LEA COUNTY, NEW MEXICO

ALL WELLS COMPLETED IN GRAYBURG-SAN ANDRES
FORMATIO.

Scale 1" = 1000'



STANDARD OIL CO. OF TEXAS
 SOTEX-A.C. TAYLOR et al AND
 SOTEX-TAYLOR "B" LEASES
 UNIT J, SECTION 9, T17S, R32E
 MALJAMAR FIELD, LEA COUNTY, N.M.
 PROPOSED COMMINGLED PRODUCTION
 FACILITIES—SCHEMATIC DIAGRAM

RUSSON	
ELD	
RLM	
RGJ	
NCD	
FILE	

TEXAS-NEW MEXICO PIPE LINE COMPANY

P. A. LYONS
DIVISION MANAGER

October 11, 1966

P. O. BOX 1510
MIDLAND, TEXAS 79701

Standard Oil Company of Texas
Box 1249
Houston, Texas 77001

Attention: Mr. E. L. Dildine

Gentlemen:

We understand you desire to commingle production from your A. C. Taylor et al Lease, S/2 of NE/4 and N/2 of SE/4, Section 19-17S-32E, Maljamar Pool, Lea County, New Mexico, with production from your Taylor "B" Lease, NE/4 of NE/4, Section 19-17S-32E, Maljamar Pool, Lea County, New Mexico, utilizing the A. C. Taylor et al battery to which we are connected for the commingled production.

Texas-New Mexico Pipe Line Company will run the oil from the commingled battery providing (1) the New Mexico Oil Conservation Commission issues an Administrative Order authorizing the commingling and (2) the shipper of the production which would be run from the battery will purchase the commingled production. The shipper of the production from the A. C. Taylor et al Lease is Sinclair Refining Company, Crude Oil Purchasing Department, and its representative has advised verbally that Sinclair is agreeable to purchasing the commingled production, as proposed.

Yours very truly,



WESjr.-DRM

COP & S DIV. HOUSTON	
ELD	
RLM	1
KCJ	
NCD	
FILE	



THE PERMIAN CORPORATION

1509 W. WALL

P. O. BOX 3119

MIDLAND, TEXAS 79701

MU 3-4711

October 7, 1966

Standard Oil Company of Texas
Crude Oil Purchase Division
P. O. Box 1249
Houston, Texas

Attention: Mr. E. L. Dildine, Manager

Re: Standard Oil Company of Texas
A. C. Taylor Lease
Maljamar Field
Permian Lease No. 462040
NE/NE Section 9-17S-32E
Lea County, New Mexico

Gentlemen:

This will confirm our conversation concerning the possibility of your company consolidating the production from the above captioned lease into facilities located in the vicinity of this lease. As you know, The Permian Corporation is presently purchasing this oil and we will be very happy to continue doing it. Should it be necessary in the consolidation that another purchaser handle this oil we will certainly work with you and will be agreeable to relinquishing the purchase of this oil.

We appreciate very much the opportunity to purchase the above captioned oil and look forward to continuing our pleasant relationship in this area.

Yours very truly,

THE PERMIAN CORPORATION

W. D. Kleine
W. D. Kleine

WDK/pt