



OIL CONSERVATION DIVISION
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October 9, 1990

Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

Attention: Mr. William J. Lemay
Director

RE: REQUEST FOR OFF LEASE STORAGE
Cedar Canyon Lease
Sec. 9, T24S, R29E
Eddy County, New Mexico

Texaco Producing Inc. requests that administrative approval be granted for off lease storage of the oil produced from the referenced lease. There is one well completed in the Cedar Canyon Delaware pool on this fee lease.

The Pecos River must be crossed to get to this lease. The bridge crossing the river is not rated high enough for oil transports to cross the bridge (although it is common for oilfield traffic to use the bridge). We have not been able to get an oil transporter to haul the oil due to the bridge's rating. Numerous attempts to find a "back way" into the lease or a way from a higher rated bridge have been unsuccessful. Efforts to get the bridge rating increased have also been unsuccessful.

Rowland Trucking has indicated that they can haul the oil but they are not registered oil transporters with the State of New Mexico. We propose to let Rowland haul the oil from the lease to a tank which will be set up in their yard in Carlsbad. Texaco Trading & Transportation Inc. will then pick the oil up there.

Texaco owns an 85.46511% working interest in the lease and Rutter & Wilbanks Corp owns the remaining portion. Attached for your information are the following:

- 1) Road Map showing lease and bridge locations.
- 2) Lease Map.
- 3) Approval letter from working interest owner.

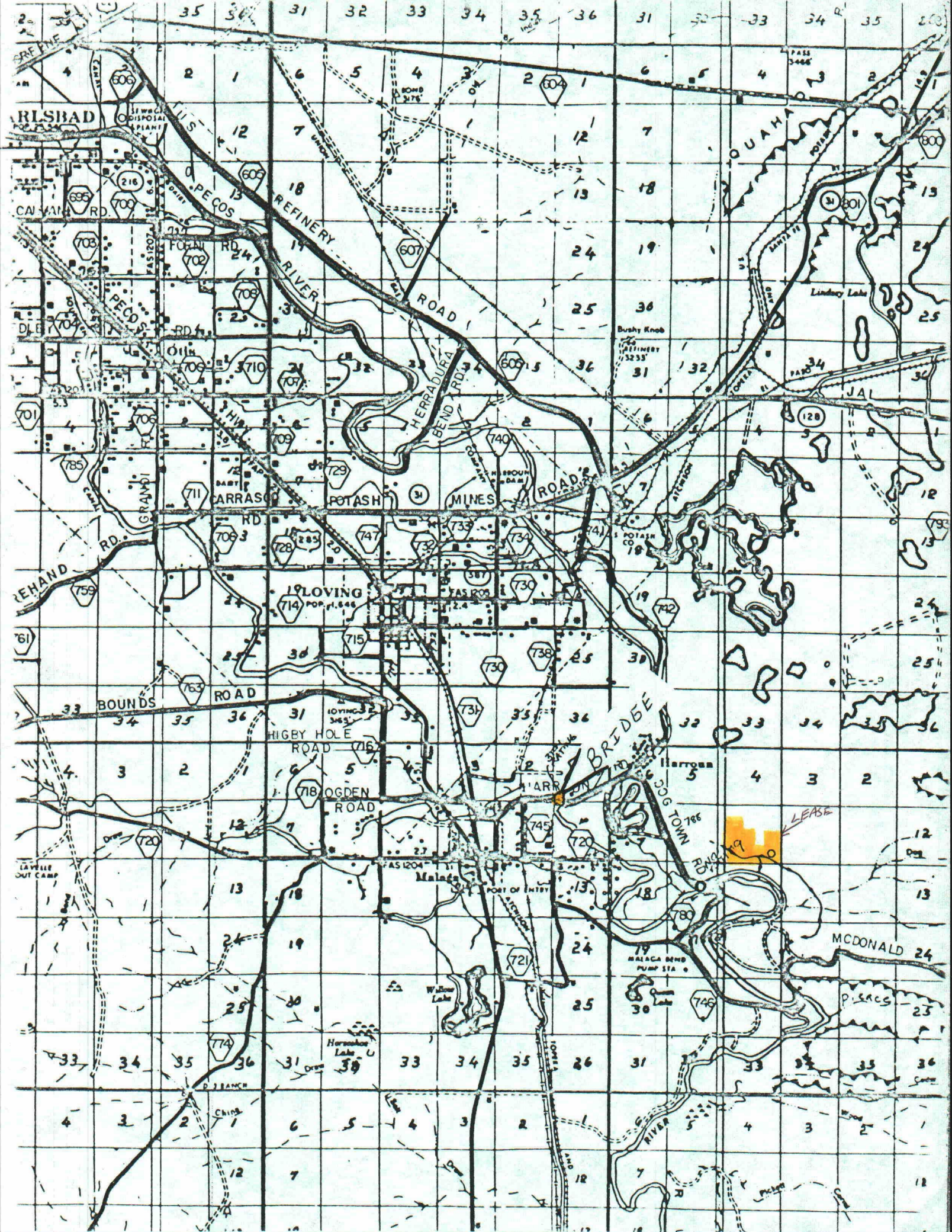
Sincerely,

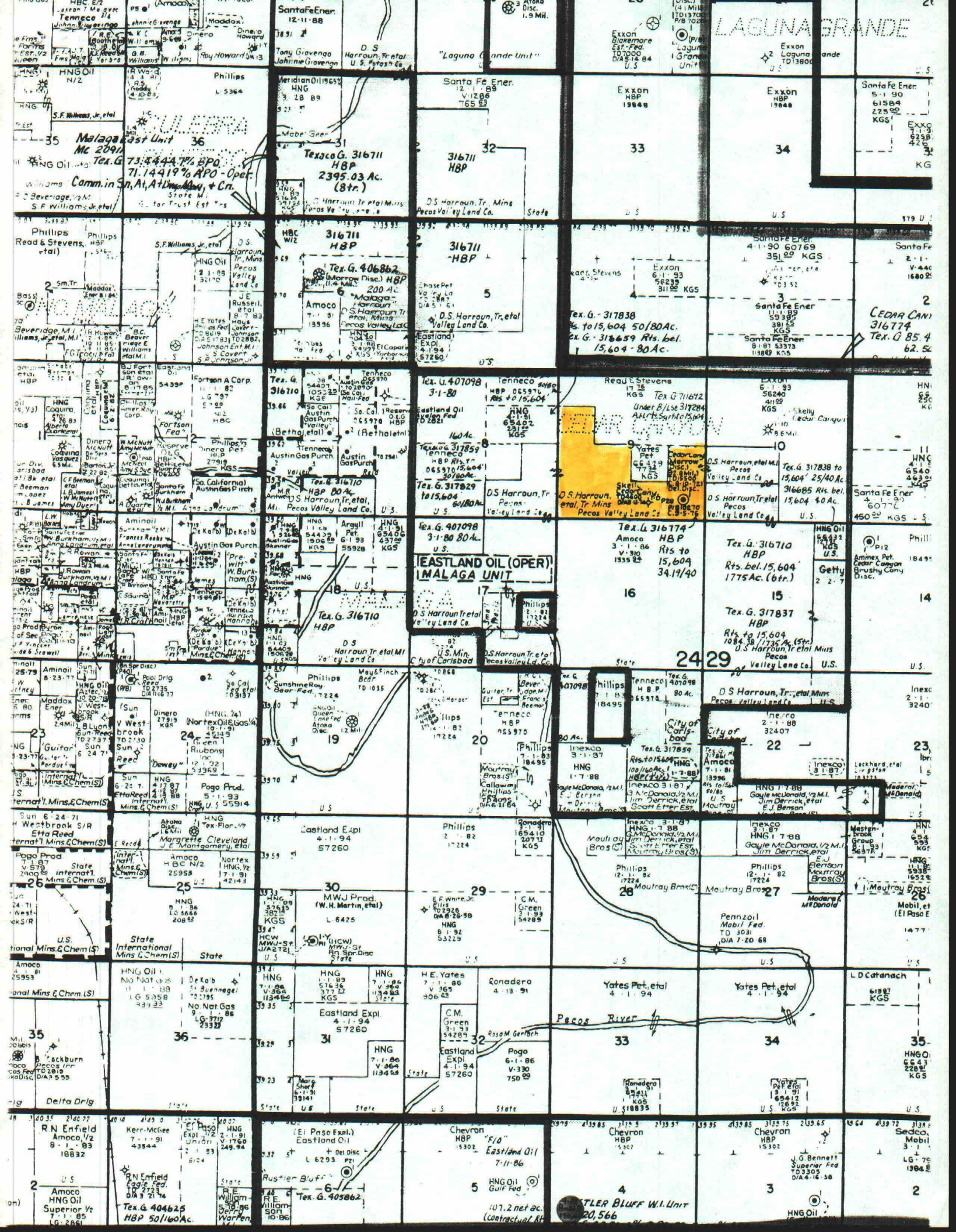
Larry D. Ridenour
Engineer's Assistant

LDR/s

chronos

cc: NMOCD - Artesia







Texaco USA

PO Box 730
Hobbs NM 88240
505 393 7191

October 2, 1990

Rutter & Wilbanks Corp.
P. O. Box 3186
Midland, Texas 79702

Attention: A. W. Rutter Jr.

RE: REQUEST FOR OFF-LEASE STORAGE
Cedar Canyon Well No. 1
Unit Ltr. P, Sec. 9, T24S, R29E
Eddy County, New Mexico

As part interest owner of the referenced well, this letter is to inform you that we are requesting the NMOCD administratively grant permission for off-lease storage of oil produced.

As you are probably aware, you must cross the Pecos River to get to the lease. The bridge is not rated high enough for oil transports to cross the bridge (although it is common for oilfield traffic to use the bridge) and we have not been able to get an oil transporter to haul the oil because of the bridge's rating. A search for a "back way" into the lease or a way in from a higher rated bridge has proven unsuccessful. Efforts to get the bridge rating increased have also been unsuccessful.

Rowland Trucking has indicated that they can haul the oil for us but they are not registered oil transporters with the State of New Mexico. It will entail them acquiring a special permit from the state each time they haul a load of oil. They will have to haul it to a tank that we set up in their Carlsbad yard and then Texaco Trading & Transportation Inc. (the authorized transporter) will pick up the oil from that tank.

Please indicate your approval by signing in the space provided at the bottom of this letter and returning one copy to us at your earliest convenience. If you have any questions please contact myself or Mr. Rick Ryan in this office at 505-393-7191. If you have objections they should be made to the NMOCD within 20 days of receipt of this letter.

Sincerely,

Larry D. Ridenour
Larry D. Ridenour
Engineer's Assistant

LDR/s
Chrono

Approved:

Date:

10-3-90