

NEW MEXICO OIL CONSERVATION DIVISION
POST OFFICE BOX 2088
SANTA FE, NEW MEXICO 87501

OFF-LEASE STORAGE ORDER OLS- 122
CANCELLATION CTB-221

Company: Gil-Mc Oil Corp.
Address: c/o Oil Reports and Gas Services, Inc.
City, State, Zip: P. O. Box 763, Hobbs, New Mexico 88240

Attention: Mrs. Donna Holler

As an exception to the requirements of Rule 309-A of the Division Rules and Regulations, and pursuant to the provisions of Rule 309-C, the above-named company is hereby authorized off-lease storage for

pool production from the following lease:

Lease Name: NM86 State
Description: NW/4 Sec. 33, T-14-S, R-34-E

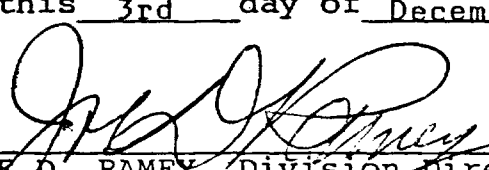
The aforesaid production is to be transported prior to measurement to its own tank battery to be located in

Unit Letter J Section 28 Township 14 South Range 34 East
on the NM 85 Lease.

Note: This installation shall be operated in accordance with the provisions of Rules 309-A and 309-B of the Division Rules and Regulations, and there shall be no intercommunication of the handling, separating, treating, or storage facilities designated to each of the above leases.

REMARKS: NM 86 State Lease production was formerly commingled with NM 80 State Lease production. NM 80 State Lease is now owned by another operator and commingling will no longer occur. Instead production from the 86 State will be handled at an old battery no longer needed for the 85 State Lease.

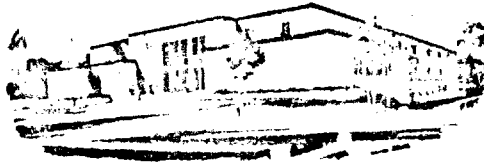
DONE at Santa Fe, New Mexico, on this 3rd day of December, 1980.



JOE D. RAMEY, Division Director

cc: Oil Conservation Division - Hobbs
Oil & Gas Engineering Committee - Hobbs
CTB-221 File

State of New Mexico



Commissioner of Public Lands

November 21, 1980

ALEX J. ARMIJO
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

Oil Reports and Gas Services, Inc.
P. O. Box 763
Hobbs, New Mexico 88240

Re: OFF-LEASE STORAGE
STATE LEASES K-3013-2 and
LG-1013-1

ATTENTION: Ms. Donna Holler

Gentlemen:

Reference is made to your request dated July 17, 1980, on behalf of Gil-Mc Oil Corporation to move the off-lease storage for the N.M. 86 State No. 1 from State Lease No. K-3013-2 to State lease LG-1013-1 and to delete the N.M.86 State No. 1 from commingle order CTB-221.

You are hereby given consent to the above request, this being subject to like consent by the New Mexico Oil Conservation Division.

The Assignment and Bill of Sale from Enserch Exploration, Inc. and Amerada Hess Corporation to Gil-Mc Oil Corporation dated August 21, 1980 with an effective date of August 1, 1980 will be filed as a Miscellaneous Instrument. Mr. Eloy Sanchez, Abstractor, has paid the filing of the above instruments and the filing fee of Ten (\$10.00), paid by you for the off-lease storage has been received.

For your information this office still considers Enserch Exploration, Inc as the record title owner of lease No. K-3013-2, until such time you file an Assignment of Oil and Gas Lease with this office. Enclosed is a supply of Oil and Gas Assignment forms. You must file three (3) copies together with a Ten Dollar filing fee in order for this office to recognize Gil-Mc Oil Corporation as the record title owner of lease K-3013-2.

Enclosed is one approved copy for your files of the off-lease storage.

Very truly yours,

ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS

BY:

FLOYD O. PRANDO, Assistant Director
Oil and Gas Division

AJA/RDG/s
cc:

Oil Conservation Division ✓
New Mexico Oil and Gas Accounting Commission
State of New Mexico Oil & Gas Leases K-3013-2 and LG-1013-1

Oil Reports and Gas Services, Inc.

P. O. BOX 763
HOBBS, NEW MEXICO 88401

STATE

July 17, 1980

PHONE NUMBERS
393-2727 - 393-2017

Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87501

Attention: Mr. Ray Graham

Gentlemen:

Reference is made to the recent purchase of the N. M. 86 State No. 1 by Gil-Mc Oil Corporation from Enserch Exploration, Inc. This is State Lease K-3013, with the well located 1980 feet from the North line and 1980 feet from the West line of Section 33, T14S, R34E.

By authority granted by Oil Conservation Division order CTB-221, production was commingled with N. M. 80 State No. 1 and N. M. 87 State No. 1 with the tank battery located in the NW/4, NE/4 of Section 33 on State Lease K-5024. As Enserch Exploration will continue to use this tank battery it will be necessary to construct storage facilities for the N. M. 86 State No. 1.

To locate this tank battery at the well site will require the construction of a battery pad. The original well location pad at the Gil-Mc Oil N. M. 85 State No. 1, a water disposal well, is still intact and the tank battery can be located in the southwest corner of this pad with no additional construction. As shown on the attached plat a flow line can be tied into the existing flow line at the Enserch tank battery and run northeast a distance of approximately 2100 feet.

When the N. M. 86 State No. 1 is returned to full production it is estimated that it will produce about 125 barrels water per day. This will require a water storage tank and the water will be trucked to the N. M. 85 State No. 1 for disposal. If the tank battery is located on the existing pad at the N. M. 85 State No. 1, the water can be dumped directly into the existing water storage tank.

The surface lessee of the N. M. 86 State is Mr. Troy Fort, who feels strongly about truck traffic through his pasture and construction of additional facilities.

Therefore application is hereby made for off-lease storage for the N. M. 86 State No. 1 to be located at the N. M. State 85 No. 1 well site. Such a location will

1. Avoid additional surface damage required by a new battery pad,
2. Conserve energy as the water production will not have to be trucked for disposal, and
3. Avoid unnecessary friction and ill-feeling with the surface lessee.

Attached is our filing fee in the amount of \$10.00.

Yours very truly,

OIL REPORTS & GAS SERVICES, INC.

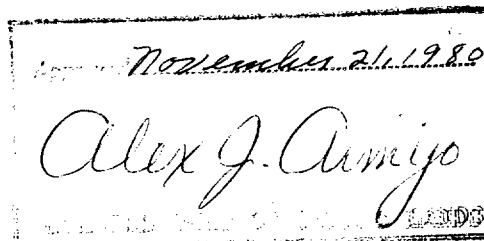
Donna Holler

Donna Holler

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

Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico 88240

Gil-Mc Oil Corp.
P. O. Box 1865
Lovington, New Mexico 88260



Oil Reports and Gas Services, Inc.

P. O. BOX 763

HOBBS, NEW MEXICO 88240

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PHONE NUMBERS
393-2727 - 393-2017

JUL 18 9 51 AM '80
July 17, 1980
STP

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

Gentlemen:

Application is hereby made on behalf of Gil-Mc Oil Corporation to move the off-lease storage for the N. M. 86 State No. 1 from State Lease No. K-5024 to State Lease LG-1012 and to delete the N. M. 86 State No. 1 from comingle order CTB-221.

The subject lease has been purchased from Enserch Exploration, Inc. by Gil-Mc Oil Corporation and production will no longer be commingled. The proposed tank battery location will be on the existing well location pad at the N. M. 85 State No. 1, a water disposal well, located 1830 feet from the South line and 1980 feet from the East line of Section 28, T14S, R34E. As there is no production from the N. M. 85 State No. 1 the proposed battery will contain only production from the N. M. State 86 No. 1.

The only parties in interest to this lease are the State of New Mexico and Gil-Mc Oil Corporation. Attached is a copy of our application to the Commissioner of Public Lands for this off-lease storage.

Yours very truly,

OIL REPORTS & GAS SERVICES, INC.

Donna Holler
Donna Holler

cc: Commissioner of Public Lands
✓ P. O. Box 1148
Santa Fe, New Mexico 87501

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Hobbs, New Mexico 88240

Gil-Mc Oil Corporation
P. O. Box 1865
Lovington, New Mexico 88260

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R 34 E

RECEIVED

JUL 18 9 51 AM '80



28

1 Gil-Mc Oil
NM 85 State

85-1013-1

← Proposed flow line

1
Elk Oil
State BK

CS

T
14
S

Gil-Mc Oil Corp

Enserch Exploration

Existing flow line →

1
Chevron
K-5024-1

K-3013-2
Long Star
NM 86 State

NM 80 State

Enserch Exploration

8-3691 *at fire*



Chevron
K-5450-1

NM 87 State

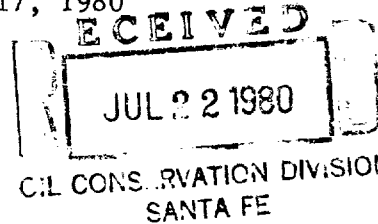
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Gil-Mc Oil Corporation
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Lovington, New Mexico 88260

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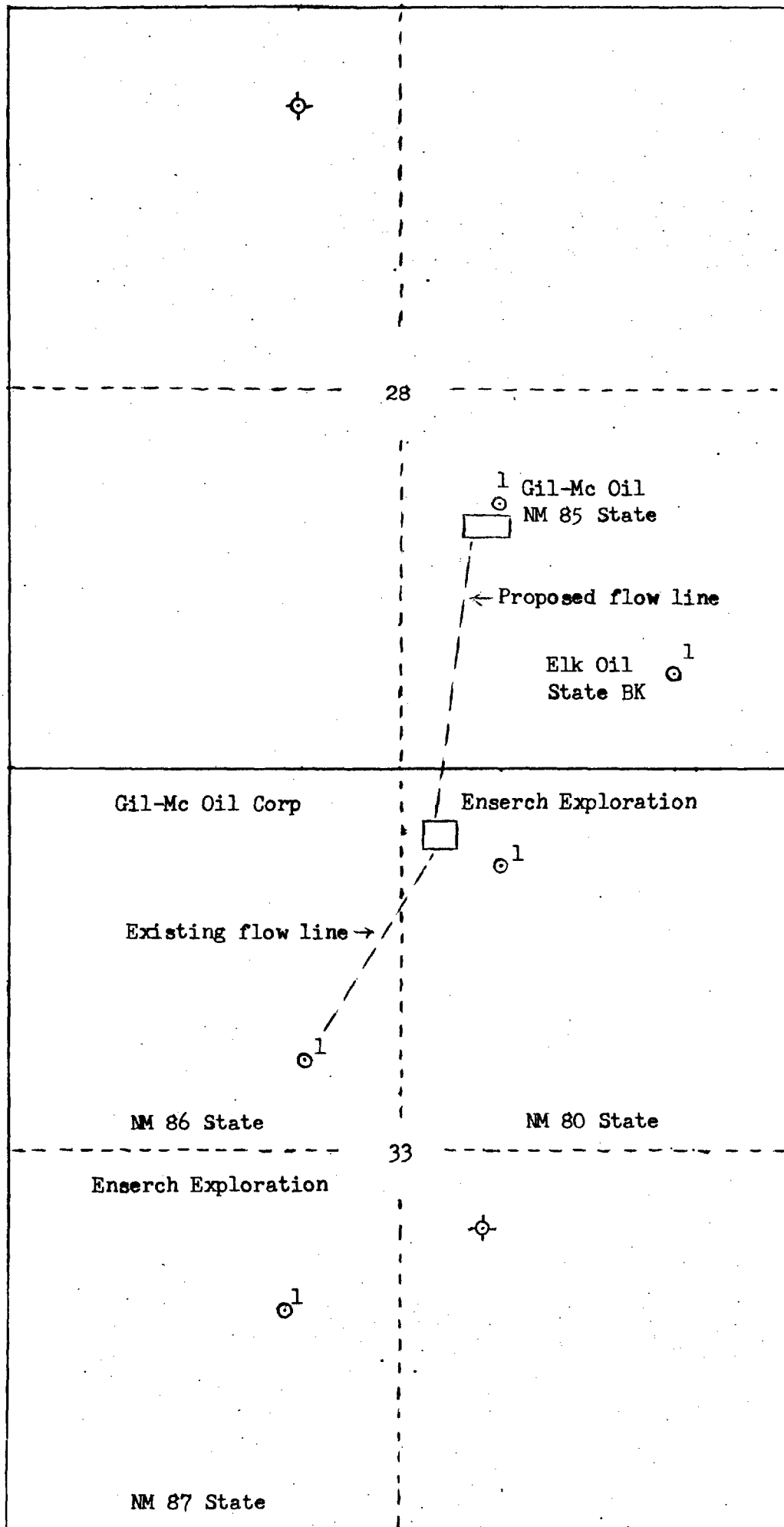

Donna Holler

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Lovington, New Mexico 88260

R 34 E



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