OIL CONSERVATION COMMISSION P. O. BOX 2088 SANTA FE, NEW MEXICO

March 1, 1965

Tenneco Oil Company P. O. Box 1031 Midland, Texas

Attention: Mr. A. W. Lang

Administrative Order OLS-34

Gentlemen:

Reference is made to your letter of December 30, 1964, wherein you request offlease storage for the Lusk Strawn production from your Sweeney Federal Lease comprising the SW/4 of Section 13, Township 19 South, Range 31 East, Eddy County, New Mexico. It is our understanding that the tank battery for said lease would be located on your Jones Federal "C" Lease in the SW/4 of Section 24, same Township.

Incomech as there will be no commingling of production from the two leases and all handling, separating, treating, and storage facilities for each lease will be separate, the above-described off-lease storage is hereby approved.

Very truly yours,

A. L. Porter, Jr. Secretary-Director

ALP:DSN:sg

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Attention: Mr. A. . Lang

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TENNECO OIL COMPANY • P. O. BOX 1031 • 1800 WILCO BUILDING • MIDLAND, TEXAS 79701

December 30, 1964

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

Attention: Mr. Dan Nutter

Gentlemen:

Tenneco respectfully requests your approval of off-lease storage for our Sweeney Federal Lease, SW/4 of Section 13, in a tank battery located on our Jones Federal "C" Lease, SW/4 of Section 24, both in T-19-S, R-31-E, Eddy County, New Mexico.

Production from the Sweeney Federal Lease will be trucked out of the field. The location of the tank battery on a better road, closer to other tank batteries, will hold down the cost of road maintenance. By locating this tank battery closer to one with a gas pipeline connection, it will facilitate getting a gas connection for this well, thereby cutting down on the amount of gas to be vented and preventing economic waste.

It is planned to erect a central LACT Facility for the various Tenneco operated Jones Federal and surrounding leases in the near future at or near the site of the Sweeney Federal tank battery. By constructing this tank battery at its proposed location it can be utilized in the LACT thus eliminating separate construction costs for a battery that would shortly be abandoned.

All requirements of the New Mexico Oil Conservation Commission's Rule 309-C will be adhered to. There will be no commingling of production from the Sweeney Federal Lease and the Jones Federal "C" Lease. All production from the two leases is from the Lusk Strawn Pool. Handling, separating, treating and storage facilities will be separate. TENNECO OIL COMPANY

New Mexico Oil Conservation Commission December 30, 1964 Page 2

Attached are plats of the leases involved and a table of division of interest of revenue. Also attached are copies of letters and proof of mailing to each party owning an interest in the production and to the Regional Supervisor of the USGS, asking for their consent to the off-lease storage.

We respectfully request that you approve this application for offlease storage.

Yours very truly,

TENNECO OIL COMPANY

an

A. W. Lang \ ' \ District Production Superintendent

LMR:j Attachments

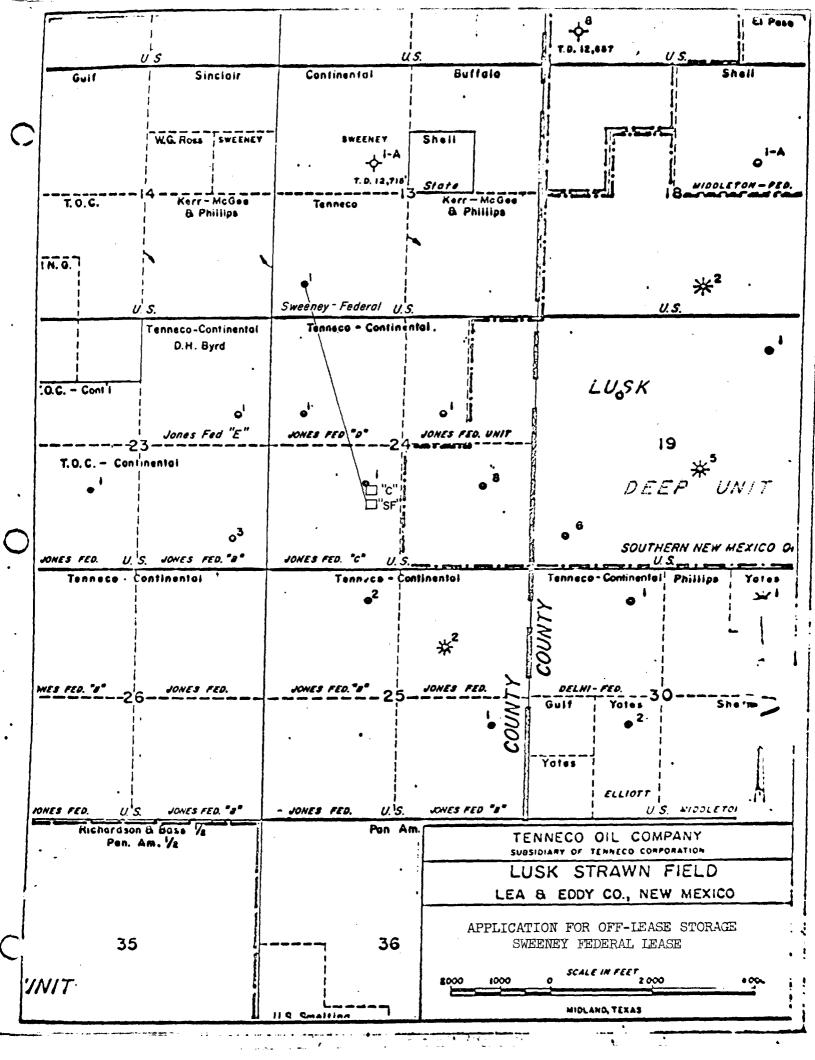


TABLE OF DIVISION OF LEASE OWNERSHIP

Sweeney Federal Lease, SW/4 of Section 13, T-19-S, R-31-E, Eddy County, New Mexico

Tenneco Oil Company	•543750	WI
Continental Oil Company	.103125	WI
Pan American Petroleum Corporation	.103125	WI
United States Geological Survey	.125000	RI
H. N. Sweeney and Barbara B. Sweeney	.012500	ORRI
Don Engle and Homer E. Dickes	.037500	ORRI
Elsie G. Gorman	.025000	ORRI
H. N. Sweeney and Barbara B. Sweeney	.025000 *	ORRI
Elsie G. Gorman	•025000 #	ORRI

* Production payment of \$80,000 reverting to Tenneco Oil Company upon final payment.

Production payment of \$40,000 reverting 1/2 to Tenneco Oil Company, 1/4 to Continental Oil Company and 1/4 to Pan American Petroleum Corporation upon final payment.

Jones Federal "C" Lease, SW/4 of Section 24, T-19-S, R-31-E, Eddy County, New Mexico

Tenneco Oil Company	.420664*	WI
Continental Oil Company	.420664*	WI
Unites States Geological Survey	·125000*	RI
Martin Yates III & S. P. Yates	.020000	ORRI
Ruby English	.008544	ORRI
Leroy English	.001709	ORRI
Paul Baker English, Jr.	.001709	ORRI
Stanley G. English & mother, Juretta L. English	.000570	ORRI
William B. English & mother, Juretta L. English	.000570	ORRI
J. Kathleen English & mother, Juretta L. English	.000570	ORRI

* Subject to sliding-scale royalty of 12.5% to 32%



TENNECO OIL COMPANY · P. O. BOX 1031 · 1800 WILCO BUILDING · MIDLAND, TEXAS 79701

December 30, 1964

United States Geological Survey P. O. Drawer 1857 Roswell, New Mexico

Attention: Mr. John A. Anderson

Gentlemen:

Tenneco respectfully requests your approval of off-lease storage for our Sweeney Federal Lease, SW/4 of Section 13, in a tank battery located on our Jones Federal "C" Lease, SW/4 of Section 24, both in T-19-S, R-31-E, Eddy County, New Mexico.

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TENNECO OIL COMPANY

United States Geological Survey December 30, 1964 Page 2

Your approval of this request will be appreciated. Please send your approval to New Mexico Oil Conservation Commission, P. O. Box 2088, Santa Fe, New Mexico, Attention: Mr. Dan Nutter, with a copy to us at P. O. Box 1031, Midland, Texas.

Yours very truly,

TENNECO OIL COMPANY

ORIGINAL SIGNED BY A. W. LANG

A. W. Lang District Production Superintendent

LMR: j

cc: NMOCC - Santa Fe