

PENNZOIL



COMPANY

ZAPATA DIVISION

1007 MIDLAND SAVINGS BUILDING

MIDLAND, TEXAS 79704

TELEPHONE 915 MUTUAL 2-7316

November 13, 1967

OLS-

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

11/13/67

Re: Federal Lease No. LC 02911
Maljamar Field
Lea County, New Mexico

Attention: Mr. Joe D. Ramey

Gentlemen:

As provided in Rule 309-C, Administrative Approval, Off-Lease Storage, of the Rules and Regulations of the New Mexico Oil Conservation Commission, an exception to Rule 309-A is hereby requested for Pennzoil Company's Federal Lease No. LC 02911, located in Section 33, T-17-S, R-33-E, Lea County, New Mexico. The Grayburg-San Andres Zone on this lease is under water-flood with Wells No. 2 and 3 on injection and Well No. 1 producing. The producer makes six barrels of oil and six barrels of water per day. The tank battery for this lease is located in the NE/4 of the NE/4 of Section 33. It is desired to establish a tank battery for this lease at the approximate center of Section 28. Federal Lease No. LC 02911 and our Phillips State Lease, No. B-2229-0 in Section 28 are served by a common water injection plant located at the center of Section 28. Also the tank battery for the Phillips State Lease is near the center of Section 28. Your approval of this request will enable us to consolidate all our major facilities for these leases at one location. This will facilitate the solution of several operating problems we face under the present arrangement such as more efficient use of field operating personnel, disposal of produced water, and more efficient use of the equipment on these leases.

Mr. Joe D. Ramey
Page 2
November 13, 1967

We plan to accomplish this transfer of storage facilities by moving the Federal Lease treater to Section 28 and converting two of the four existing 436-barrel tanks at the Phillips State Lease battery to storage for the Federal Lease production. A flow line will be layed from the Federal Lease well to the treater inlet. There will be no mixing or commingling of the production from these two leases. There will be no intercommunication of the handling, separating, treating or storage facilities designated to each lease. All production from the Federal Lease will be from the Grayburg-San Andres Zone.

The attached plat shows the leases involved and the planned change in facilities.


The working interest ownership in these leases is the same for both leases and is shown below. Attached is the written consent of these parties for off-lease storage for the Federal Lease.

Pennzoil Company	75.0000%
Bovaird Supply Company	12.5000%
Phillips Petroleum Company	6.2500%
Louis Polk	6.2500%
	<u>100.0000%</u>

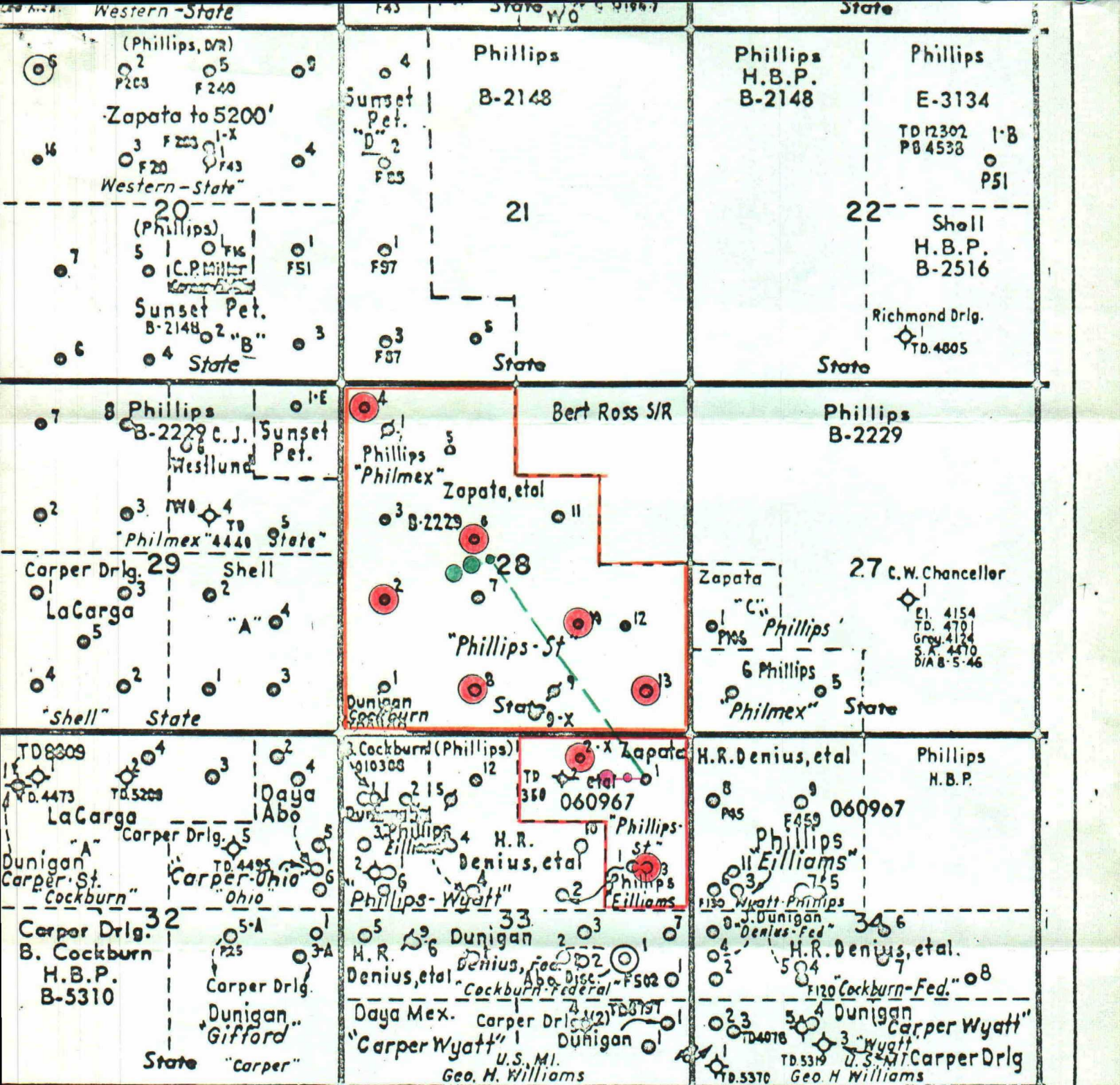
Also attached is a letter from Mr. John A. Anderson, Regional Oil and Gas Supervisor, United States Department of the Interior, Geological Survey which gives approval to our plans for off-lease storage of Grayburg-San Andres production from our Phillips Federal No. 1 Well.

Your early approval of this matter is respectfully requested.

Yours very truly,


B. C. Sinclair
Petroleum Engineer

BCS/pm



- Phillips Federal Lease (No. LC 02911)
- Phillips State Lease (No. B-2229-0)
- Producing Well - Grayburg - San Andres
- Injection Well - Grayburg - San Andres
- Present tank battery
- Proposed tank battery
- - - Proposed flow line

Pennzoil Company
Maljamar Field
Lea County, New Mexico



NOV 6 1967

MIDLAND

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201

November 3, 1967

Pennzoil Company
1007 Midland Savings Building
Midland, Texas 79704

Attention: Mr. B. C. Sinclair

Gentlemen:

Your letter of October 20 requests approval for off-lease storage of Grayburg San Andres oil production from your well No. 1 Phillips Federal in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ sec. 33, T. 17 S., R. 33 E., Lea County, New Mexico, lease NM 801. The oil produced will be stored in a separate tank battery on State land near the center of section 28, T. 17 S., R. 33 E.

The method of off-lease storage described in your letter is hereby approved. The proposed tank battery should be properly identified.

You are requested to notify our Hobbs office, P. O. Box 1157, when the installation is completed so that a field inspection of the facilities can be made.

Sincerely yours,

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

NOV 6 1967

MIDLAND

"Equipment and Services for the Petroleum Industry"

THE
Bovard

SUPPLY COMPANY
GENERAL OFFICES
TULSA, OKLAHOMA

November 6, 1967

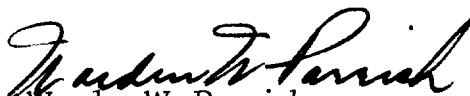
Mr. B. C. Sinclair
Petroleum Engineer
Pennzoil Company
1007 Midland Savings Bldg.
Midland, Texas 79704

Subject: Phillips Federal Lease
Federal Lease No. LC02911
Maljamar Field
Lea County, New Mexico

Dear Benny:

We concur with your proposal to change the location of the tank battery serving Federal Lease No. LC02911 from its present location to the approximate center of Section 28-T17S-R33E, Lea County, New Mexico. Should there be any additional information that you want please let us know.

Yours very truly,


Worden W. Parrish
Manager of Production

NOV 13 1967

MIDLAND



PHILLIPS PETROLEUM COMPANY

BARTLESVILLE, OKLAHOMA 74003

EXPLORATION AND PRODUCTION DEPARTMENT

November 10, 1967

Phillips Federal Lease
Federal Lease No. LC 02911
Maljamar Field
Lea County, New Mexico

Pennzoil Company
1007 Midland Savings Building
Midland, Texas 79704

Attention Mr. B. C. Sinclair

Gentlemen:

This is in reply to correspondence dated October 30, 1967, relative to off-lease storage of production from the Phillips Federal Lease, Lea County, New Mexico.

This is your approval insofar as Phillips Petroleum Company's interest is concerned, to establish off-lease oil storage for the Phillips Federal Lease.

Since you did not request any expenditure approval, it is presumed the total cost of this work is within your authority as provided in the Operating Agreement.

Yours very truly,

A handwritten signature in cursive script that reads "R. H. Jukes".

R. H. Jukes

TCD:jsg

100-100

LOUIS POLK

BOX 967

DAYTON, OHIO 45401

MIDLAND

November 3, 1967

Mr. B. C. Sinclair
Petroleum Engineer
Pennzoil Company
P. O. Drawer 1828
Midland, Texas 79701

Dear Mr. Sinclair:

In reply to your letter of October 30th with enclosed letter of October 20, 1967 to United States Department of the Interior, I approve the plan as outlined providing both Bovaird Supply Company and Phillips Petroleum Company give their written consent.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Louis Polk", with a horizontal line drawn underneath it.

Louis Polk



November 14, 1967

C
O
P
Y
New Mexico Oil Conservation
P. O. Box 2083
Santa Fe, New Mexico 87501


Re: Request for Off-Lease Storage
Federal Lease No. LC 02911
Maljamar Field
Lea County, New Mexico

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

Dear Mr. Porter:

Attached are two copies of a request for approval for off-lease storage for the above captioned lease.

Yours very truly,


B. C. Sinclair
Petroleum Engineer

BCS/pm

cc: Mr. Joe D. Ramey