



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

I. R. TRUJILLO
CHAIRMAN
LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER
STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

July 24, 1974

Twinlakes Oil Company
P. O. Box 1797
Santa Fe, New Mexico 87501

Attention: Mr. Donald G. Stevens

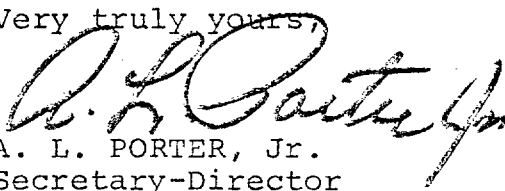
Administrative Order OLS-94

Gentlemen:

Reference is made to your application for an exception to Rule 309-A of the Commission Rules and Regulations to permit production from your Citgo-State "B" Lease located in Unit O of Section 36, Township 8 South, Range 28 East, Chaves County, New Mexico, to be transported prior to measurement to a separate tank battery on your O'Brien "C" Lease located in Unit D of Section 1, Township 9 South, Range 28 East.

Pursuant to the authority granted me by Rule 309-C, Twinlakes Oil Company is hereby authorized off-lease storage as described above, provided that there shall be no inter-communication of the handling, separating, treating or storage facilities designated to each lease.

Very truly yours,



A. L. PORTER, Jr.
Secretary-Director

ALP/DSN/dr

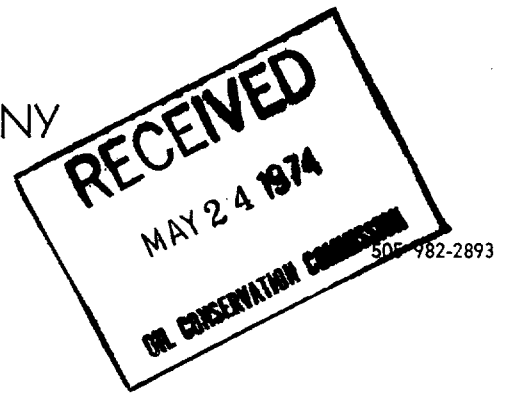
cc: State Land Office - Santa Fe
Oil Conservation Commission - Artesia

TWINLAKES OIL COMPANY

P. O. BOX 1797

SANTA FE, NEW MEXICO 87501

Donald G. Stevens
President



May 23, 1974

Secretary-Director
N. M. Oil Conservation Commission
State Land Office Building
Santa Fe, New Mexico 87501

Gentlemen:

Twinlakes Oil Company seeks an exception to Rule 309-A to permit the production from its Citgo-State "B" lease located in Unit O of Section 36, Township 8 South, Range 28 East, Chaves County, New Mexico, to be transported prior to measurement to its O'Brien "C" lease located in Unit D of Section 1, Township 9 South, Range 28 East, Chaves County, New Mexico for storage thereon. The ownership of the Citgo-State "B" lease is as follows:

1. Twinlakes Oil Company is the operator with no present ownership. Donald G. Stevens is the owner of a sub-lease amounting to 79.296875% working interest of the 87.5% total working interest.
2. Cities Service Oil Company is the owner of an overriding royalty interest amounting to 8.203125% of the 87.5% working interest.
3. The State of New Mexico is the owner of a 12.500% royalty interest.

The ownership of the NW/4 NW/4 of Section 1, Township 9 South, Range 28 East, Chaves County, New Mexico is as follows:


1. Twinlakes Oil Company is the owner of an 87.5% working interest lease (100% of the working interest).

Enclosed is a plat showing the wells on the leases and the formations in which completed and the proposed location of the tank battery. Application further states that:

Secretary-Director
N. M. Oil Conservation Commission
May 23, 1974
Page 2.

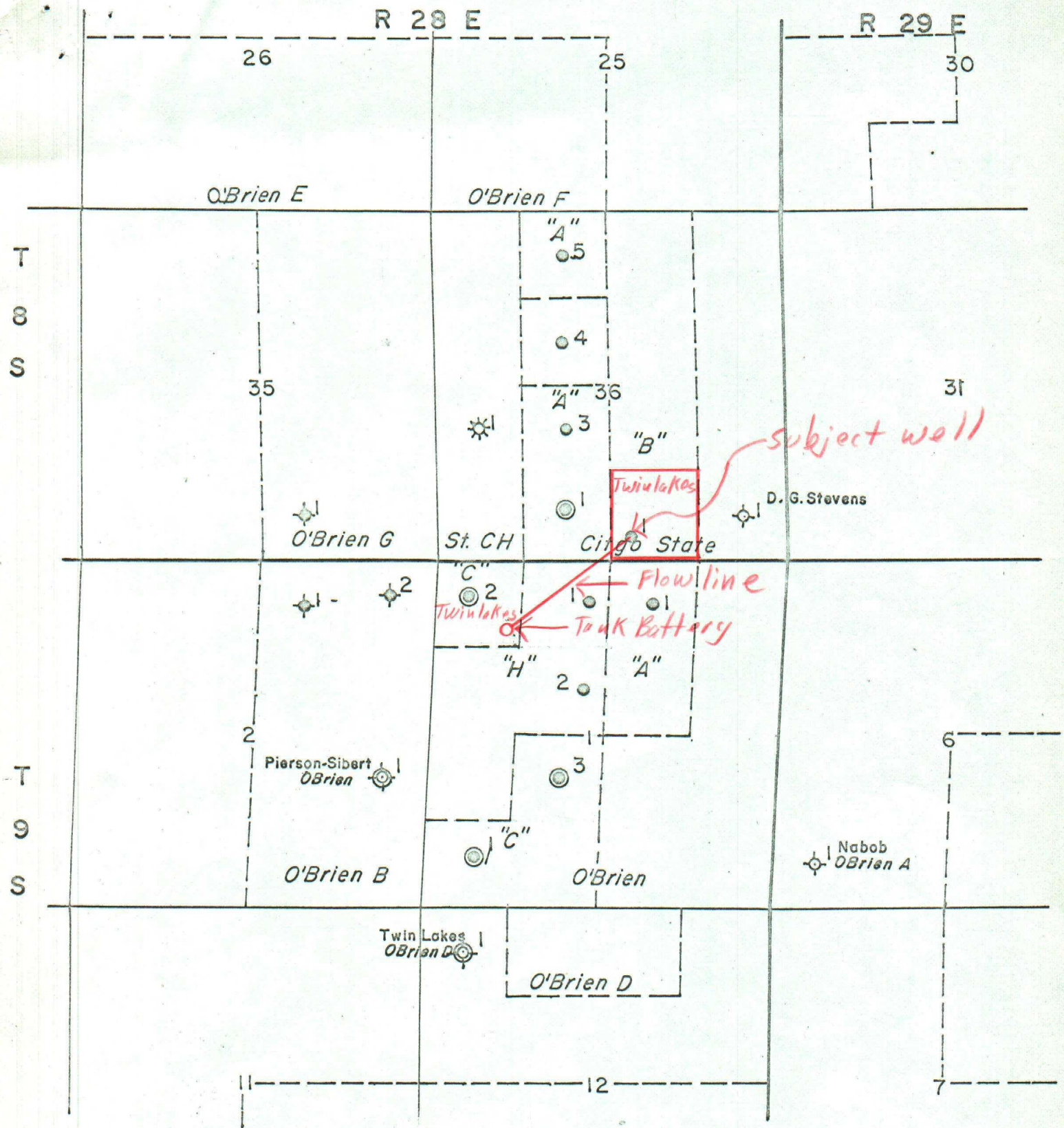
1. All production is from the same common source of supply.
2. Comingling of production from the two leases will not result.
3. There will be no intercommunication of the handling, separating, treating, or storage facilities designated to each lease.
4. All parties owning an interest in the leases have consented in writing to the off-lease storage or will consent in writing to the off-lease storage or have been mailed registered certified mail of the Twinlakes' intent to transport as set out herein. Evidence of the above will be furnished the Commission shortly.
5. State lands are involved and evidence will be furnished that the Commissioner of Public Land will consent to the proposed off-lease storage.

Yours very truly,


Donald G. Stevens
President

DGS:ala

Enclosures



TWIN LAKES OIL CO.

TWIN LAKES POOL

Chaves County, New Mexico

Well in SW1/4 SW1/4 Section 1
is Devonian, all others
are San Andres

Scale: 1" = 2000'

MAY 28 1974

TWINLAKES OIL COMPANY

P. O. BOX 1797

SANTA FE, NEW MEXICO 87501

505 982-2893

Cities Service Oil
Company, Inc.
Donald G. Stevens
President

May 23, 1974

Cities Service Oil Company
800 Vaughn Building
Midland, Texas 79701

Re: Off-Lease Storage:
Citgo State "B" #1
Unit O, Sec. 36, 8S, 28E
Chaves County, N.M.

Attention: J. Frank Riney


Gentlemen:

Enclosed are completion reports on the Twinlakes Oil Company Citgo-State "B" No. 1 well which is the second well drilled and completed under the terms of that certain farmout contract between Cities Service and Donald G. Stevens, dated August 27, 1973, and amended by letters of September 11, 1973 and January 31, 1974.

Under the terms of said farmout contract Donald G. Stevens is entitled to the assignment as set forth therein since the well has been completed as a producer of oil and gas under said terms. I would appreciate your forwarding to Donald G. Stevens said assignment at your earliest convenience.

Also enclosed is a copy of an application for off-lease storage directed to the New Mexico Oil Conservation Commission whereby production from this well will be transported to and stored in a presently existing tank one-quarter mile southwest. This tank is now empty, flow lines have been laid, and construction of a new battery for this relatively weak well would be prohibitively expensive. Inasmuch as a twenty day waiting period is required by the Commission unless you agree in writing to the off-lease storage, I would appreciate your immediate approval of said off-lease storage by executing in the lower left-hand corner and returning a copy to me immediately. Should it be necessary to wait the full twenty day period there is a possibility we will run out of storage and be forced to shut-in the well.

Yours very truly,


Donald G. Stevens
President

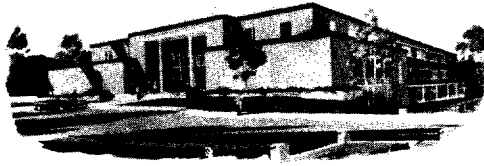
APPROVAL of off-lease storage on
Unit D, Section 1, T 9 S, R 28 E,
Chaves County, New Mexico,
ACCEPTED this 29th day of May, 1974.

CITIES SERVICE OIL COMPANY

By 

State of New Mexico

TELEPHONE
505-827-2748



Commissioner of Public Lands

June 6, 1974

ALEX J. ARMIJO
COMMISSIONER

P. O. Box 1148
SANTA FE, NEW MEXICO

Twinlakes Oil Company
P. O. Box 1797
Santa Fe, New Mexico 87501

Re: OG-4681-1

ATTENTION: Mr. Donald G. Stevens

Gentlemen:

Reference is made to your request to permit the production from your Citgo-State "B" lease located in Unit O of Section 36, Township 8 South, Range 28 East, Chaves County, New Mexico, to be transported prior to measurement to your O'Brien "C" lease located in Unit D of Section 1, Township 9 South, Range 28 East, Chaves County, New Mexico for storage thereon.

You are hereby given approval to the above request. This approval is subject to like approval by the New Mexico Oil Conservation Commission.

Please remit a Ten (\$10.00) Dollar filing fee.

Very truly yours,

A handwritten signature in cursive script that reads "Ray D. Graham".

RAY D. GRAHAM, Director
Oil and Gas Department

AJA/RDG/s
encls.

cc: New Mexico Oil Conservation Commission
New Mexico Oil & Gas Accounting Commission
State Lease No. OG-4681-1