

New Mexico Oil Conservation Commission,
Box 871,
Santa Fe, New Mexico.

Attention: R. R. Spurrier, Secretary

Gentlemen:

In connection with Case No. 135 set for hearing before the Commission on April 22, 1948 at 10:00 A.M., with reference to double zone production in the Empire - Red Lake area, the undersigned Paton Brothers respectfully request that any order made allowing production from separate zones on separate allowables, contain a provision that, on marginal wells approaching the economic limit and on leases where only a single allowable is sought for each proration unit, the operator be permitted to produce both zones into a single tank battery when the ownership is the same in the shallow zones as in the deeper zones; and, in support of the request, the undersigned petitioners respectfully show:

1. That petitioners have three leases in the Empire Field, one lease being known as the "Russell Lease", one being known as the "Wright Lease", and one being known as "State Lease". On the Russell Lease, there are 7 wells, 4 of which are producing from a shallow pay horizon at less than 500 feet, and 3 producing from deeper horizons. On the Wright Lease, there are 2 wells, one of which is producing from the shallow zone and one producing from deeper horizons. On the State Lease, there are 2 shallow wells and 2 producing from deeper horizons. That said shallow wells are producing from depths less than 500 feet and have been produced for many years, and said shallow wells, with the exception, do not produce in excess of 2 barrels per well per day.

That the shallow wells mentioned are producing into the same tankage as the deeper wells on the same lease, under a single allowable, and, on account of the small production from the shallow wells, it would be impractical and too expensive to produce the shallow wells into separate tankage.

2. That the ownership of the leasehold estate and all interests therein payable out of production is the same in both the shallow zone and the deeper zones, and the division of interest is the same in both the shallow zone and the deeper zone.

3. That some of the shallow wells have been producing for approximately twenty (20) years and, for the past several years, have been producing under a single allowable for each proration unit.

For the foregoing reasons, and in order to prevent premature abandonment of the marginal wells, the

petitioners respectfully request that any order entered in Case No. 135 by the Commission permit the continued production of these marginal wells into a single tank battery in order to prevent loss.

Yours very truly,

PATON BROTHERS

by E. A. Paton

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April 20, 1948