

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

December 17, 1954

Mr. J. O. Terrell Couch
Legal Department
The Ohio Oil Company
Box 3128
HOUSTON, TEXAS

Dear Sir:

We enclose Order R-556 issued by the Oil Conservation
Commission in Case 785 under date of December 16, 1954.

Very truly yours,

W. B. Macey
Secretary - Director

WBM:nr

The Ohio Oil Co.

Case 785

MAIN OFFICE OCC

RECEIVED SEP 24 AM 11:33

P. O. BOX 552

MIDLAND, TEXAS

September 23, 1954

Re: Consolidation of Tank Batteries
SE/4 Section 32, T-18S, R-38E
Lea County, New Mexico

Oil Conservation Commission of New Mexico
P. O. Box 871
Santa Fe, New Mexico

Attention: Mr. W. B. Macey, Secretary-Director

Gentlemen:

It is respectfully requested that The Ohio Oil Company be granted permission to consolidate into one battery the two tank batteries presently used by Ohio for lease storage of crude oil on its designated State Section 32 wells producing from the Hobbs Pool.

The Ohio Oil Company operates jointly with Atlantic Refining Company two tracts consisting of the W/2 and E/2, respectively, of the SE/4 Section 32, T-18S, R-38E. These tracts are held under separate state leases which are contiguous and lie wholly within a legal quarter section and have identical ownership both of the royalty and working interest.

The present two tank batteries have been constructed and operated by Ohio for the tracts in question by reason of the Commission's Rule 309 which requires the receiving and measuring of crude oil in tanks located on the leases producing the crude prior to transportation of the crude. These tank batteries now require replacement and Ohio respectfully seeks exception to the Commission's Rule 309 so that it may construct one battery where two now exist.

Yours very truly,



C. S. Mills
District Manager

DKS:CSM:rs

THE ATLANTIC REFINING COMPANY

PETROLEUM PRODUCTS

McCLINTIC BUILDING

MIDLAND, TEXAS

October 28, 1954

BEFORE THE
OIL CONS. DIVISION
SANTA FE, NEW MEXICO
Office
CASE 785
EXHIBIT No. 1

RECEIVED
OCT 29 1954

MAILING ADDRESS
P. O. BOX 871
MIDLAND, TEXAS

THE OHIO OIL CO.
MIDLAND ENG. DEPT.

The Ohio Oil Company
Post Office Box 552
Midland, Texas

ATTENTION: Mr. D. K. Spellman, Jr.

Gentlemen:

This is to advise that we are in agreement with your proposal to combine the tank batteries on the two Northrup leases in the Hobbs Pool which comprise the West 1/2 and East 1/2 of the SE 1/4 of Section 32, T-18-S, R-38-E. Since both of these tank batteries need replacing and the leases have common royalty and working interest, it is felt that there would not only be an initial saving of some \$5,000 on the installation but subsequent savings in operating expense as well.

Yours very truly

THE ATLANTIC REFINING COMPANY

R. E. Howard

R. E. Howard
Regional Petroleum Engineer

NM/mw

cc: Mr. P. E. Fletcher

State of New Mexico
OFFICE OF THE
Commissioner of Public Lands



E. S. WALKER
COMMISSIONER

Santa Fe

Refer reply to
Oil & Gas Royalty

November 10, 1954

BEFORE THE
OIL COMMISSION
SANTA FE, NEW MEXICO
CASE 782

Mr. J. O. Terrell Couch
Legal Department
The Ohio Oil Co.
P. O. Box 3128
Houston, Texas

Dear Mr. Couch:

This is in reply to your letter of October 21, 1954 regarding construction of a common tank battery for two state leases.

This case is on the docket for the next Oil Commission Hearing which will be held on November 17. We shall take your request under advisement pending the outcome of this Hearing.

Very sincerely yours,

E. S. Walker
Commissioner of Public Lands

cc: Mr. D. K. Spellman
The Ohio Oil Company
Midland, Texas

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

September 30, 1954

C
O
P
Y

Mr. C. S. Mills
Ohio Oil Company
P. O. Box 552
Midland, Texas

Dear Sir:

Reference is made to your letter of September 28, pertaining to the consolidation of tank batteries on two State leases located in the SE/4 of Section 32, Township 18 South, Range 38 East, Hobbs Pool.

This Commission can only approve this consolidation after notice and hearing. You must, of course, obtain consent to the consolidation from Land Commissioner Walker.

If you desire to have this matter advertised for hearing on November 17th, please advise.

Very truly yours,

W. B. Macey
Secretary - Director

WBM:jh