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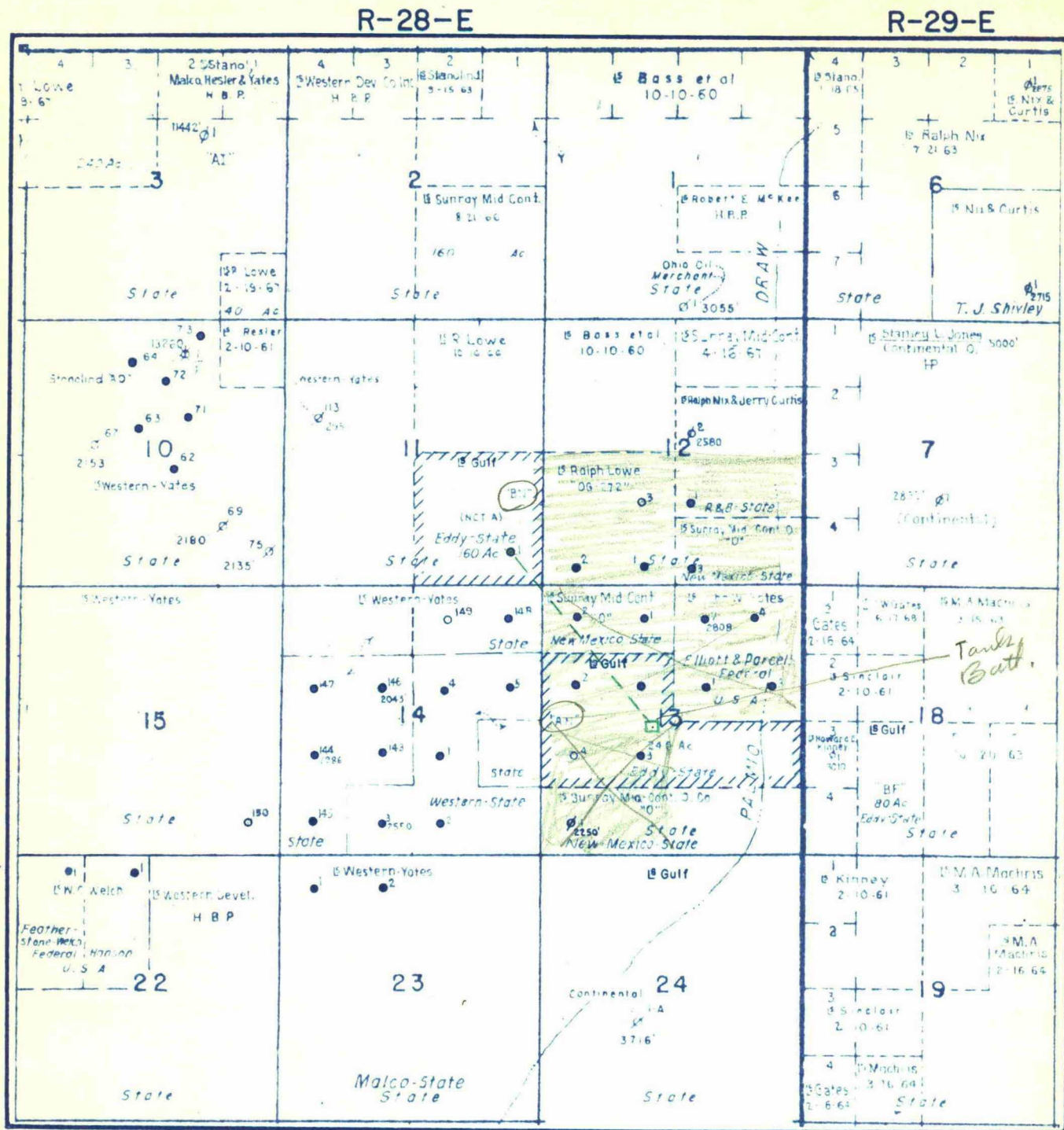
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BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
Gulf EXHIBIT NO. 2
CASE NO. 1700

Case No. 1700

Exhibit No. 2



LEASE PLAT

E. Millman - Queen

EDDY STATE "AN" & "BN"

EDDY COUNTY, NEW MEXICO

BEFORE EXAMINER UTZ

- LEGEND -

Pertinent Gulf Leases

OIL CONSERVATION COMMISSION

Gulf EXHIBIT NO. 1

CASE NO. 1700

Gulf Oil Corporation
Petroleum Engineering

Ft. Worth Prod. Div.
June 24, 1959

Case No. 1700

Exhibit No. 1



PETROLEUM AND ITS PRODUCTS

GULF OIL CORPORATION

P. O. DRAWER 1290 · FORT WORTH 1, TEXAS

E. HOSFORD
DIVISION PRODUCTION COORDINATOR

FORT WORTH
PRODUCTION DIVISION

May 19, 1959

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

Re: Application of Gulf Oil Corporation for Exception to
Rule 309 for their Eddy-State "AN" and Eddy-State
"BN" (NCT-A) Leases, located in the Millman, East
(Queen-Grayburg) Pool, Eddy County, New Mexico

Gentlemen:

Gulf Oil Corporation herewith makes application for exception to Rule 309 of the Rules and Regulations of the New Mexico Oil Conservation Commission to allow the use of storage and test facilities existing on Gulf's Eddy-State "AN" Lease, comprising the S/2 of the NW/4 and the N/2 of the S/2 of Section 13, T-19-S, R-38-E, to handle the production from Gulf's Eddy-State "BN" (NCT-A) Lease, comprising the SE/4 of Section 11, T-19-S, R-38-E, Eddy County, New Mexico. Applicant seeks exception to that portion of Rule 309 which requires that leases be contiguous in order to use common tankage to receive production from the wells. The wells located on these leases are producing oil from the Millman, East (Queen-Grayburg) Pool. In support of this request, applicant states the following:

- (1) There is no diversity of royalty or working interests underlying the above described leases.
- (2) All wells are producing from the Millman, East (Queen-Grayburg) Pool.
- (3) The existing storage facilities on the Eddy-State "AN" Lease are adequate to handle production from all wells on the two leases. The "AN" Lease contains three completed wells and the "BN" Lease has one well which is in the process of being completed.
- (4) There are adequate facilities available at the central battery to take all required tests.

May 19, 1959

- (5) The approval of this application will result in substantial savings in steel, reduce the cost of operation and maintenance, prevent waste and will protect correlative rights.

Gulf Oil Corporation respectfully requests that this matter be set for hearing at an early date.

Respectfully submitted,

GULF OIL CORPORATION

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Division Production Coordinator

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Oil Conservation Commission
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