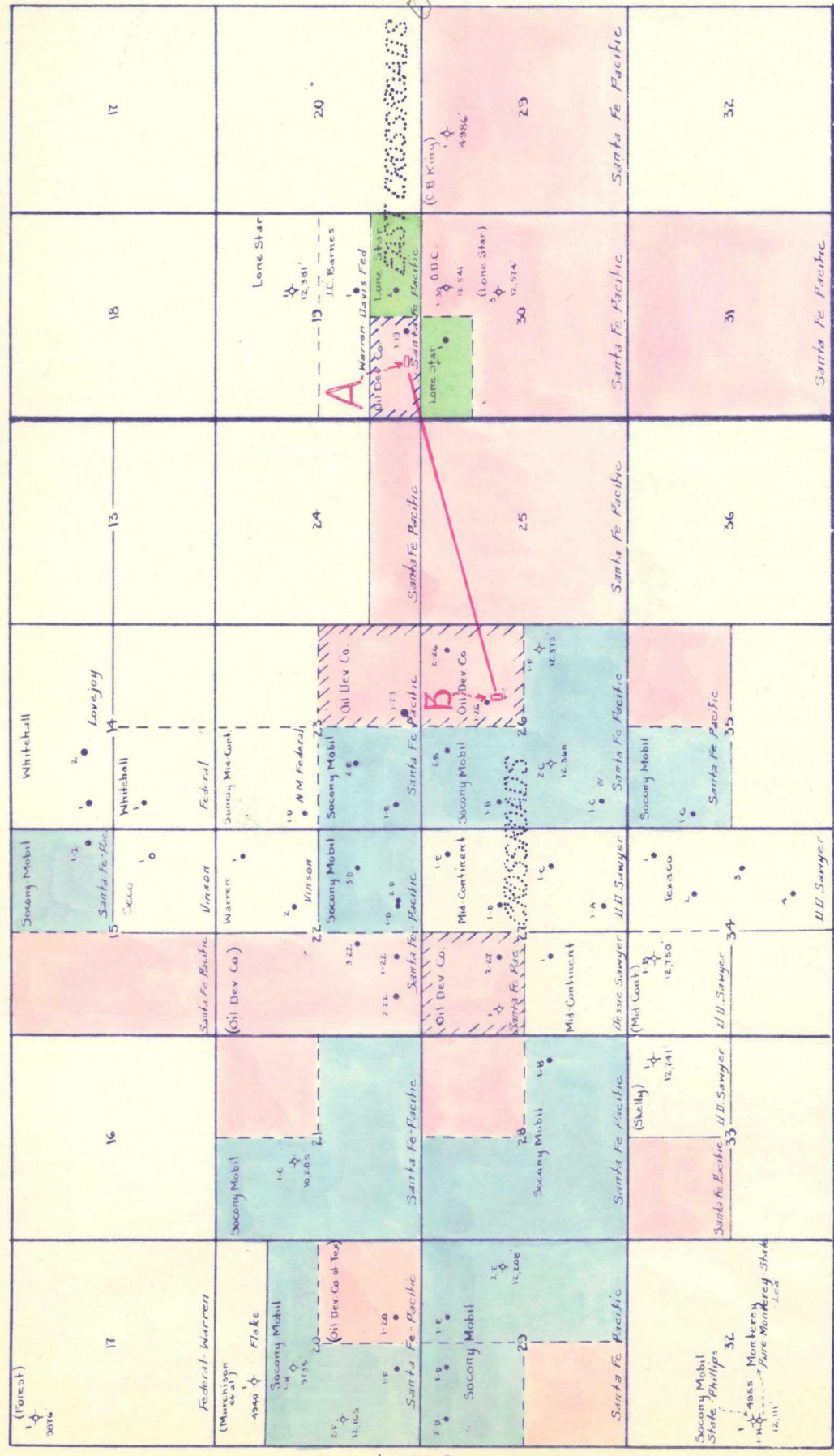


R 37E

R 36E



SCALE: 1" = 4000'

LEGEND:

- Santa Fe-Pacific Mineral-Unleased
- Santa Fe-Pacific Mineral - Socomey Mobil Lease
- Santa Fe-Pacific Mineral - O.I.C. Lease
- Santa Fe-Pacific Mineral - Lone Star Lease

CROSSROADS - EAST CROSSROADS AREA
LEA COUNTY, NEW MEXICO
OIL DEVELOPMENT CO. OF TEXAS
NEW MEXICO OIL AND GAS COMMISSION

CASE NO. 2145
EXHIBIT NO. 1

Oil Conservation Commission of New Mexico

STATEMENT

In connection with its producing activities in the East Crossroads Field, Lea County, New Mexico, Oil Development Company of Texas asks permission of the New Mexico Oil Conservation Commission to receive and measure crude oil off the lease premises from which it is produced to facilitate the disposal of oil field brine.

We now submit a map of the leases as an Exhibit.

Point "A" on the map is the present tank battery serving Oil Development Company of Texas Well SFPRR 1-19. It is located in the S/2 SW/4 of Section 19, T-9-S, R-36-E NMPM, on a lease from Santa Fe Pacific Railroad Company. The well currently pumps approximately 80 barrels of oil and 250 barrels of salt water daily from the open hole interval of 12,223 to 12,233 feet, Devonian Formation, East Crossroads Field. It is the desire of Oil Development Company of Texas to dispose of this water through available disposal wells in the Crossroads Field.

Point "B" on the map is the Oil Development Company of Texas lease on the NE/4 of Section 26, T-9-S, R-36-E NMPM, Crossroads Field. There are two Devonian producing wells on this lease which produce salt water incident to the oil production, and they are connected to the Crossroads Salt Water Disposal System, of which Oil Development Company of Texas is a member company. This water is disposed of underground through two disposal wells in the Field. Permission has been obtained from the operator of this disposal system to handle the East Crossroads Field water production of well SFPRR No. 1-19, pending approval of other disposal system member companies.

The point of tie-in on the salt water disposal system is approximately 18 feet higher in elevation than the elevation of SFPRR Well 1-19 and it will be necessary to pump the brine from the well to the disposal system.

This brine can be pumped from the present tank battery on Section 19. To do this it will be necessary to either install additional tankage

or a cement lined pit in which to accumulate the water, then with automatic controls, establish a pumping system to pump the water to the disposal system. For a dependable automatically controlled system it will be necessary to bring in electricity from about $1\frac{1}{2}$ miles away.

We here ask permission to move this tank battery off this lease to the vicinity of the salt water disposal system from Point "A" to Point "B" on the Exhibit. We can then pump the total well effluent to the newly located battery with the production pump on the well. The oil and water will be separated with the water going directly to the Crossroads disposal system.

There will be no commingling of oil from the lease in Section 19 with the oil from Section 26, even though the royalty owner is common under both leases. Both the oil-water separation facilities and the receiving tanks will be entirely separate for the two leases, and there will be no physical connection between the two batteries.