

RESERVE OIL AND GAS COMPANY

1700 FIDELITY UNION TOWER, DALLAS, TEXAS 75201
TELEPHONE: RIVERSIDE 8-0861, AREA CODE 214

June 30, 1972

PLEASE REPLY TO:
FIRST SAVINGS BUILDING
MIDLAND, TEXAS 79704

New Mexico Oil Conservation Commission
P. O. Box 1980
Hobbs, New Mexico 88240

Attention Mr. L. A. Clements

Re: Texas Pacific Oil Company, Inc.
Gutman 18 No. 1 Well
Unit O, Sec. 18, T-25-S, R-37-E
Lea County, New Mexico

Gentlemen:

Mr. Cecil Tilley, Texas Pacific Oil Company, Inc., has requested that I write to you to explain why Texas Pacific has not cleaned up the tank battery location on the Gutman 18 lease, being the W/2 SW/4 Section 18, Township 25-S, Range 37-E, Lea County.

On September 1, 1970, the South Langlie Jal Unit (which we operate) became effective. Among the leases going into the unit was the Texas Pacific Gutman 18 lease containing three wells. However, only two of Texas Pacific's wells on this lease were taken into the unit. Texas Pacific retained the Gutman 18 No. 1 well. It is my understanding that Texas Pacific has plugged and abandoned the Gutman 18 No. 1 well. The tank battery located on the Gutman 18 lease became unit property; therefore, the tank battery is no longer the responsibility of Texas Pacific.

The two remaining wells on what was formerly Texas Pacific Gutman 18 lease are operated by Reserve Oil and Gas Company as part of the South Langlie Jal Unit. These wells are South Langlie Jal Unit Nos. 20 and 24.

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It will be Reserve Oil and Gas Company's responsibility to clean up the tank battery site when the unit is no longer in operation.

Very truly yours,

RESERVE OIL AND GAS COMPANY



Erd M. Johnson

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cc: Mr. Cecil Tilley
Texas Pacific Oil Company, Inc.
P. O. Box 1069
Hobbs, New Mexico

*File in will file
Location has been inspected
and is OK JAL*