

Case 1413

NEW YORK OFFICE
630 FIFTH AVENUE
NEW YORK 20, N. Y.

AUSTRAL OIL EXPLORATION COMPANY
INCORPORATED
SAN JACINTO BUILDING
HOUSTON 2, TEXAS

TELEPHONE
CA 8-9461

March 20, 1958

New Mexico Oil Conservation Commission
125 Mabry Hall, Capitol Building
Santa Fe, New Mexico

Attention: Mr. William J. Cooley, General Counsel

Re: Application for Central Tank Battery
W. M. Snyder "B" and "C" Leases
Townsend Field, Lea County, New Mexico

Gentlemen:

Please correct our letter of March 17, 1958, as follows:

Paragraph (1) (a) 4th line should read, "Quarter (SE/4) of
Section 6, Township 16 South, Range..."

Thank you for calling this error to our attention.

Yours very truly,

W. G. Smith
Winston G. Smith
Chief Engineer *WGS*

CRG:en

cc: New Mexico Oil Conservation Commission
Hobbs, New Mexico

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AUSTRAL OIL EXPLORATION COMPANY
INCORPORATED
SAN JACINTO BUILDING
HOUSTON 2, TEXAS

TELEPHONE
CA 8-8461

March 17, 1958

New Mexico Oil Conservation Commission
125 Mabry Hall, Capitol Building
Santa Fe, New Mexico

Attention: Mr. William J. Cooley, General Counsel

Gentlemen:

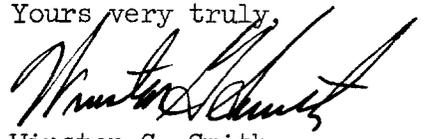
We enclose herewith in triplicate application for Austral Oil Exploration Company Incorporated for an exception to New Mexico Oil Conservation Commission Rule 309 (a).

This application was discussed with Mr. William J. Cooley, by the writer and Mr. Howard Bratton of Harvey, Dow & Hinkle, attorneys, Roswell, New Mexico.

We trust the application is in good form and that the application may be set for the Public Hearing of April 9, 1958.

Should you have any questions or require further information, please telephone the writer, and we will be happy to try and furnish same to you.

Yours very truly,



Winston G. Smith
Chief Engineer

CRG:en

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Attention: Mr. William J. Cooley, General Counsel

Re: Application for Central Tank Battery
W. M. Snyder "B" and "C" Leases
Townsend Field, Lea County, New Mexico

Gentlemen:

The purpose of this letter is to request permission to set forth before Examiner's Public Hearing application of Austral Oil Exploration Company Incorporated for an exception to New Mexico Oil Conservation Commission Rule 309 (a), as follows:

3-20-58 telephoned Mr. J. Cooley, this date Houston, this date I will send letter of connection. B P

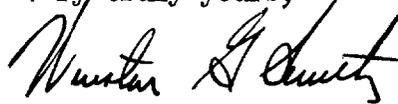
- (1) (a) Austral Oil Exploration Company Incorporated is the Operator of the W. M. Snyder "B" No. 1 Well and "B" lease comprising Lots 9, 10, 15, 16 and the Southeast Quarter (SE/4) of Section 16, Township 16 South, Range 36 East, Lea County, New Mexico. Austral is also the Operator of the W. M. Snyder "C" No. 1 Well and "C" lease comprising Lots 1, 7 and 8 in Section 6, and Lot 5, Section 5, all in Township 16 South, Range 36 East, Lea County, New Mexico.
- (b) The "B" No. 1 Well located 3,656.4' from the North line and 660' from the East line of Section 6, Township 16 South, Range 36 East, Lea County, New Mexico, was drilled to a total depth of 10,770' and is producing from perforations 10,675-700' in the Wolfcamp formation.
- (c) The "C" No. 1 Well located 2,336.4' from the North line and 660' from the East line of Section 6, Township 16 South, Range 36 East, Lea County, New Mexico, was drilled to a total depth of 10,717' and is completed from perforations 10,674-694' in the Wolfcamp formation.
- (2) The "B" No. 1 and "C" No. 1 wells are both completed in the Townsend-Wolfcamp Pool.
- (3) Austral Oil Exploration Company Incorporated is Operator of the subject wells and the leases which were granted by Mr. W. M. Snyder of Lovington, New Mexico. The working interest ownership and royalty interest ownership under these separate leases are identical.

- (4) Austral Oil Exploration Company Incorporated requests that authorization be granted as an exception to Rule 309 (a) for the commingling of production from all wells which have been or may be drilled in the Townsend-Wolfcamp Pool underlying the W. M. Snyder "B" and "C" leases.
- (5) Mr. W. M. Snyder, Lovington, New Mexico, sole lessor and royalty owner under the "B" and "C" leases, has advised that he has no objection to this commingling. We offer to show at the proposed Examiner's Public Hearing that the working interest owner (Oil Participations Incorporated, 300 San Jacinto Building, Houston, Texas) and the lessor and royalty interest owner (Mr. W. M. Snyder, Lovington, New Mexico) consent to this application.

Attached to this triplicate application for exception is a plat showing the location of the Snyder "B" and "C" leases and the present wells thereon, and the location of the tank battery.

I hereby certify that the facts herein stated are true and correct to the best of my information, knowledge and belief.

Very truly yours,



Winston G. Smith
Chief Engineer

CRG:en

cc: New Mexico Conservation Commission
Hobbs, New Mexico