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4-015231E340003 12/06/78 ICS IPMBNGZ CSP ABQA
2 9156840100 MGM TDBN MIDLAND TX 12-06 1037A EST

DEC - 7 1978

▶ OIL CONSERVATION DIVN OF NEW MEXICO DEPT OF ENERGY AND MINERALS
PO BOX 2088
SANTA FE NM 87501

THIS IS A CONFIRMATION COPY OF A PREVIOUSLY PHONE-DELIVERED TELEGRAM
WITH THIS TELEGRAM THE ATLANTIC RICHFIELD CO. IS FILING AN OBJECTION
TO THE GRANTING OF AN UNORTHODOX LOCATION TO TEXAS OIL AND GAS CO.
WE ARE OBJECTING BECAUSE OF THE PROXIMITY OF THIS LOCATION TO OUR
LEASE LINE WHICH COULD RESULT IN POTENTIAL UNCOMPENSATED DRAINAGE.
THIS IS FOR CASE 6398 ON DECEMBER 7TH 1978 DOCKET.

G REDMOND
ATLANTIC RICHFIELD CO.
PO BOX 1610
MIDLAND TX 79702

1038 EST

MGMCOMP MGM

Telegram Phoned In December 6, 1978

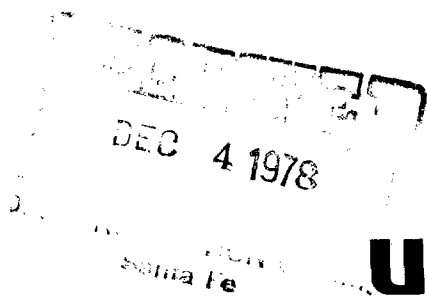
From: Atlantic Richfield Company
Midland, Texas

6398

With this telegram the Atlantic Richfield Company is filing an objection to the granting of an unorthodox location to Texas Oil & Gas Company. We are objecting because of the proximity of this location to our lease line which could result in potential uncompensated drainage. This is for Case 6398 on the December 7, 1978 docket.

Signed/ G. Redmond

Rec'd
12-6-78



Union Oil and Gas Division: Central Region

Union Oil Company of California
500 North Marienfeld, Midland, Texas 79701
Telephone (915) 682-9731
MAILING ADDRESS: P. O. Box 671
Midland, TX 79702

Midland District

December 1, 1978

Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87501

Gentlemen:

Examiner Hearing - December 7, 1978
Case 6398, Unorthodox Gas Well Location
Catclaw Draw Field, Eddy County, New Mexico

In the matter of the application of Texas Oil and Gas Corporation, requesting approval for an unorthodox location for its State Com Well No. 1, to be located 660 feet from the south and west lines of Section 18, T-21-S, R-26-E, Catclaw Draw Field, Eddy County; Union Oil Company of California supports Hanagan Petroleum Corporation's opposition to the granting of this application.

Union Oil Company of California is a Working Interest Owner in the Catclaw Draw No. 4 well operated by Hanagan Petroleum Corporation. The well is located in Section 24, T-21-S, R-25-E, a southwest offset to the proposed well.

Union Oil Company of California requests that the application for the unorthodox location be denied to protect our rights in Section 24. However, if the application is granted, we request the imposition of an allowable penalty. We recommend that the maximum allowable be limited to one fourth (1/4) of a standard allowable for the Catclaw Draw Field. We suggest that this penalty is reasonable in view of the apparently depleted well located at an approximately standard location out of the south and west corner of Section 18.

Respectfully submitted,

Lloyd F. Thompson
District Operations Manager
Midland District
Union Oil Company of California

LFT-rh

copy to: Hanagan Petroleum Corp.
Attn. Mr. Hugh Hanagan
P. O. Box 1737
Roswell, NM 88201



INEXCO OIL COMPANY

November 30, 1978

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Attn: Mr. Richard L. Stamets, Examiner
Mr. Daniel S. Nutter, Alternate Examiner

Re: Catclaw NM-115
Docket No. 39-78
Case No. 6398
T21S, R26E
Section 18
Eddy County, New Mexico

Gentlemen:

Please accept this letter as a formal protest by Inexco Oil Company against Texas Oil & Gas Corporation's application for an unorthodox gas well location 660 feet from the South and West lines of Section 18, Township 21 South, Range 26 East, Catclaw Draw Field, Eddy County, New Mexico, as further set out in the above referenced case.

Inexco Oil Company contends that the unorthodox location applied for by Texas Oil & Gas if granted will result in the waste of resources, the violation of the correlative rights of the offset lessees; i.e., Inexco Oil Company, et al; and may also result in the drilling of unnecessary wells by offset lessees to prevent drainage of zones that are not yet being produced in the offset wells due to the offset wells operators desire to conduct sound production practices and produce and deplete the deepest productive zones in the offset wells before the shallower productive zones are produced.

Inexco Oil Company contends that Texas Oil & Gas should be denied the unorthodox location and should be required to conduct operations at a legal location. Inexco Oil Company also contends that operations by Texas Oil & Gas at a legal location will result in the same benefits to Texas Oil & Gas as the unorthodox location applied for, yet will not cause the drilling of unnecessary wells by offset lessees and that the said legal location will promote the prevention of waste and the protection of the correlative rights of the area operators.

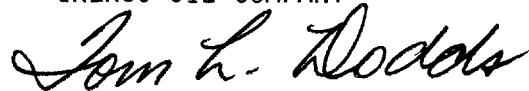
New Mexico Oil Conservation Commission
November 30, 1978
Page 2

The attached plat shows the offset gas wells in red and the unorthodox location applied for in green. The proximity of the producing wells and the unorthodox location further support the contentions set out above.

This letter is being furnished the Commission in quadruplicate for your files.

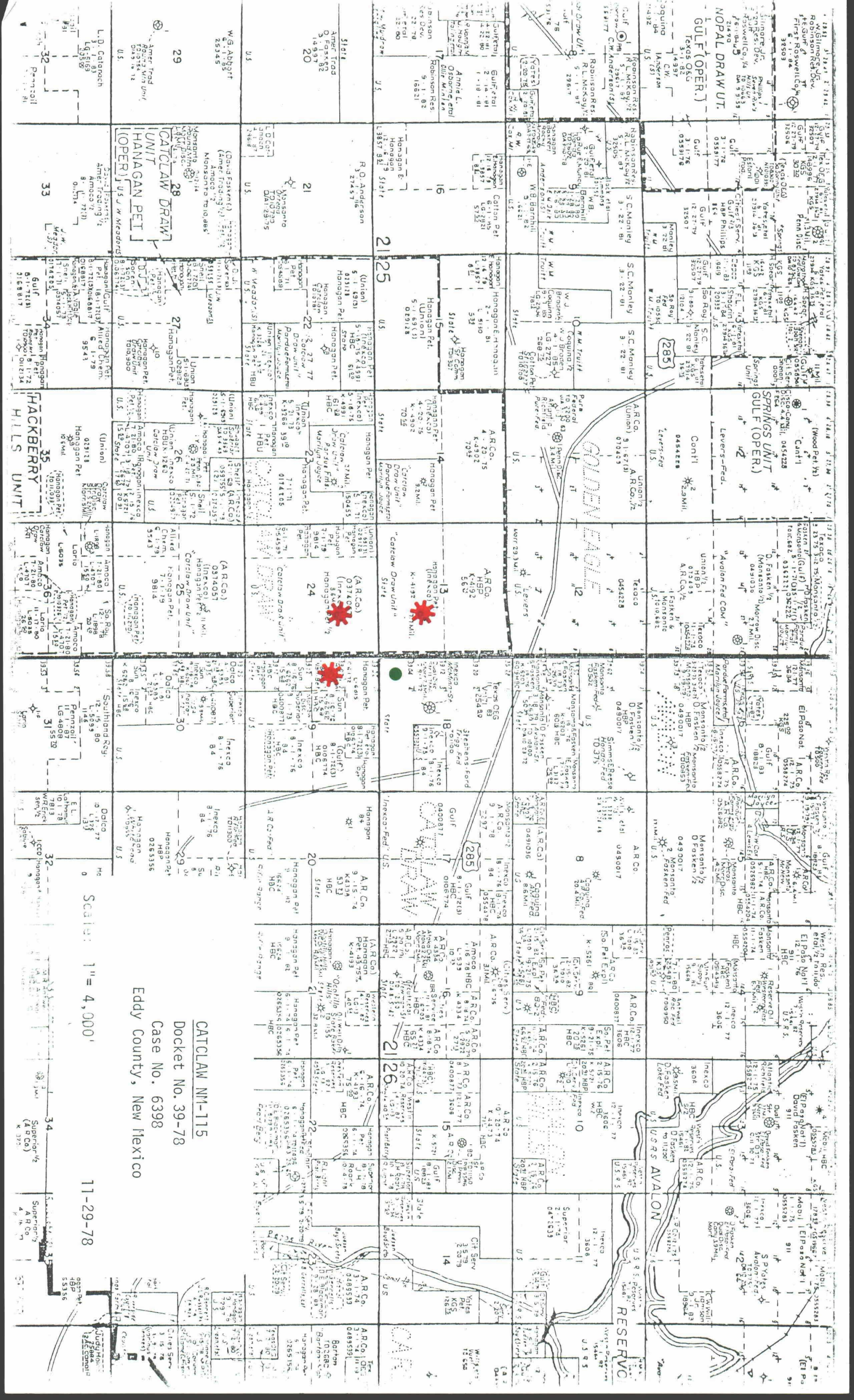
Very truly yours,

INEXCO OIL COMPANY

A handwritten signature in cursive script, reading "Tom L. Dodds".

Tom L. Dodds
Area Landman

TLD:jt
Attach.



Tele
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Telegram
western union
Telegram

RECEIVED
MAR 05 1979
OIL CONSERVATION DIVISION
SANTA FE

IPMFEKA SANA
4-868797E864 83/85/79
ICS IPMBNGZ CSP
7136513428 TDBN HOUSTON TX 158 83-85 8443P EST
PMS MR. JOE D. RAMEY, DIRECTOR, REPORT DELIVERY BY MAILGRAM, DLR
NEW MEXICO OIL CONSERVATION DIVISION

STATE LAND OFFICE BLDG ROOM 205
SANTA FE NM 87501
SUBJECT CAT CLAW - NM115
CASE NUMBER 6398 (DE NOV0)
TOWNSHIP 21 SOUTH RANGE 26 EAST SECTION 18 EDDY COUNTY NEW MEXICO

GENTLEMEN
THIS WILL SERVE AS A FORMAL PROTEST BY INEXCO OIL COMPANY AGAINST
TEXAS OIL AND GAS CORPORATION APPLICATION FOR AN UNORTHODOX GAS WELL
LOCATION 660 FEET FROM THE SOUTH AND WEST LINES OF SECTION 18
TOWNSHIP 21 SOUTH RANGE 26 EAST CAT CLAW DRAW FILLED EDDY COUNTY NEW
MEXICO WHICH IS SET FOR A SECOND HEARING AT 9AM MARCH 7 1979
THE INEXCO OIL COMPANY CONTINGENT ORIGINALLY SET OUT IN ITS LETTER
TO THE COMMISSION OF NOVEMBER 30TH 1978 WITH ATTACHED PLAT RELATIVE
TO THIS MATTER REMAIN PERTINENT INEXCO OIL COMPANY CONTENDS THAT IF
TEXAS OIL AND GAS COMPANY IS GRANTED THE UNORTHODOX LOCATION IT WILL
RESULT IN THE WASTE OF RESOURCES AND THE VIOLATION OF CORRELATIVE
RIGHTS OF OFFSET LESSEES INCLUDING INEXCO OIL COMPANY
THIS TELEGRAM IS BEING FURNISHED IN QUADRUPLICATE FOR YOUR FILES.

SAM S. REEVES, JR., AREA LAND MAN
INEXCO OIL COMPANY
1100 MILAM BUILDING
SUITE 1900
HOUSTON TEXAS 77002

CC MR. HUGH HANAGAN, HANAGAN AND HANAGAN, PO BOX 1737, ROSWELL
NEW MEXICO 88201

1647 EST

IPMFEKA SANA

IPMFKA SANA

4-060821E064 03/05/79

ICS IPMBNGZ CSP

7136513428 TDBN HOUSTON TX 158 03-05 0443P EST

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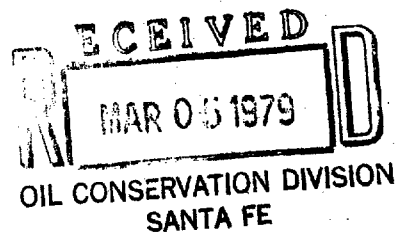
INEXCO OIL COMPANY
1100 MILAM BUILDING
SUITE 1900
HOUSTON TEXAS 77002

CC MR. HUGH HANAGAN, HANAGAN AND HANAGAN, PO BOX 1737, ROSWELL
NEW MEXICO 88201

1650 EST

IPMFKA SANA

IPMFEKA SANA



IPMFKA SANA

4-860884ED64 03/05/79

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NEW MEXICO 88201

1700 EST

IPMFKA SANA