

THE TEXAS COMPANY

TEXACO PETROLEUM PRODUCTS



PRODUCING DEPARTMENT
WEST TEXAS DIVISION
C. B. WILLIAMS, DIVISION MANAGER

October 8, 1951

P. O. BOX 1720
FORT WORTH 1, TEXAS

134781-THE TEXAS COMPANY'S STATE
OF NEW MEXICO "AR" WELL NO. 1
LEA COUNTY, NEW MEXICO

Mr. R. R. Spurrier
New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Dear Sir:

Recently Mr. A. L. Porter, Proration Manager of the Conservation Office in Hobbs, telephoned our Midland Office concerning the location of our State of New Mexico "AR" Well No. 1, which is 660' from the North line and 1980' from the West line of Section 2, T-2-S, R-37-E, Lea County, New Mexico. We had intended this to be a regular location, and in a normal section that would have been the case. On March 30, 1951, Form C-101, Notice of Intention to Drill, was received and approved by Mr. Roy Yarbrough, and on September 7, 1951, we received a letter from Mr. A. L. Porter setting an allowable of 301 barrels per day for the well, effective September 1, 1951. The well has therefore been legally approved, and its allowable has been granted. However, Mr. Porter questions the location inasmuch as it is less than 660' from a regular subdivision of a section.

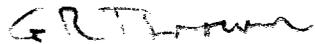
Attached are two plats of the area, one of which shows the section in detail while the other shows the general surrounding area. You will note that there is a row of odd sized sections extending across Lea County at this point. Each section consists of a full South half, but the North half is only some 613' wide. Therefore, a well located 660' from the North line of the section will actually be 47' South of the regular subdivision marking the South half of the section. The Texas Company's State of New Mexico "AR" Lease consists of 117 acres in the form of a rectangle. Two regular sized 40-acre units (N/2 of SW/4 of Section 2) make up the southern portion of the lease, whereas an additional 37 acres makes the northern portion of the lease. In order to avoid the necessity for special hearings to drill on the narrow 37-acre portion of our lease, it is recommended that the 37 acres be evenly divided and, for proration purposes, considered a portion of the two regular 40-acre units in the southern portion of the lease. Therefore, The Texas Company's State of New Mexico "AR" Lease would consist of two 58.5-acre tracts for proration purposes.

If you concur that the narrow lots in this portion of the county be attached to the regular 40-acre units to the South, please so advise us and set the allowable for our State of New Mexico "AR" Well No. 1 at $\frac{58}{40} \times 301 = 436$ barrels per day. It is our plan in the future to drill in the center of the regular 40-acre units and to request that any small lots adjacent to the unit be included for proration purposes.

If there are any other questions that you have concerning the location of our State of New Mexico "AR" Well No. 1, please feel free to call upon me.

Yours very truly,

THE TEXAS COMPANY



G. R. Brown
Assist. Division Petroleum
Engineer

GRB-ECH

Attachments

cc- Mr. A. L. Porter
Hobbs, New Mexico

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

October 9, 1951

C
O
P
Y
The Texas Company
Box 1720
Ft. Worth, Texas

Attention: Mr. L. P. Shiplet

Gentlemen:

In checking our records, we find that approval was inadvertently given without reference to the government survey of your State No. 1 "AR" well located NE NW Sec. 2, Township 11 South, Range 37 East, NMPM.

Since this is a short section and the location on our C-101 (Notice of Intention to Drill) was given as 660' south of the north line and 1980' east of the west line in Section 2, an unorthodox location resulted.

Since Southern Production Co., Inc., has applied for a similar location 660' south of the north line and 1980' west of the east line of said Section 2, a hearing will be held on this application - probably on November 8, 1951, here in Santa Fe. We request that the Texas Company make immediate application for approval of their location, and suggest the company will also probably wish to unitize in connection with the same application the short quarter in the north part of the section.

Yours very truly,

Jason Kellahin, Attorney

JK:nr

cc: The Texas Company
Midland, Texas

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

October 11, 1951

Mr. G. R. Brown
Assistant Division Petroleum Engineer
The Texas Company
P. O. Box 1720
Fort Worth 1, Texas

Re: 134701-The Texas Company's
State of New Mexico "AR"
Well No. 1 Lea County, New
Mexico.

Dear Mr. Brown:

Prior to receipt of your letter of October 6th, in regard to the above matter, we had written the Texas Company in Fort Worth, attention of Mr. L. F. Shiplet, requesting that your company make immediate application for an approval for the unorthodox location of your State No. 1 A1, N2W Section 2, T-2-S, R-27-E, NPM. We also suggested that you would wish to unitize the small lot to the north for production purposes.

If application is submitted to us immediately it will be possible for us to hold an early hearing. Otherwise it will have to go over to the regular hearing on November 20.

Since we have an application from Southern Production Company, Inc., for a similar location on adjacent land, the Commission desires to pass on both matters at the same time and we are of the opinion approval of unitization as you suggest will not be possible without a hearing.

Yours very truly

S. R.

Jason Kellabin, Attorney

C
O
P
Y

STATE OF NEW MEXICO
OFFICE OF STATE GEOLOGIST
SANTA FE, NEW MEXICO

December 19, 1951

C
O
P
Y

The Texas Company
Attention: Mr. G. R. Brown
Assistant Division Petroleum Engineer
Box 1720
Ft. Worth, Texas

Gentlemen:

Enclosed is a signed copy of Order R-122, issued on December 18 by the Oil Conservation Commission in relation to Case 324.

Very truly yours,

Jason Kellahin, Attorney

JK:nr

CORRECTION

ORDER NO. R-122

CASE NO. 324

All interested parties are asked to make the following correction in mimeographed copy of the above-designated order of the New Mexico Oil Conservation Commission as issued on December 18, 1951:

Under IT IS THEREFORE ORDERED, Paragraph 2 (Page 2) the reference should be to Lot 3 instead of Lot 2.

The original order as signed by the Commission recites the correct description, and this informal correction is necessary only on the mimeographed copies as distributed to the general mailing list.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

February 25, 1952
Santa Fe, New Mexico