



TIDE WATER ASSOCIATED OIL COMPANY

POST OFFICE BOX 1404
HOUSTON 1, TEXAS

December 23, 1954

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Attention: Mr. W. D. Macey, Secretary

Gentlemen:

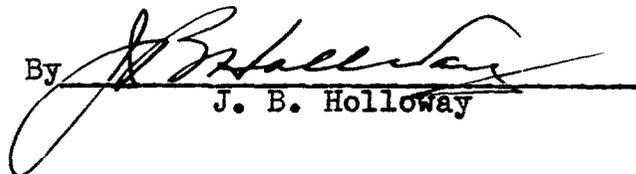
We are enclosing three copies of application of Tide Water Associated Oil Company for the formation of a 160-acre non-standard gas proration unit in the Justis Gas Pool, Lea County, New Mexico, and for the assignment of the acreage in the unit to Tide Water Associated Oil Company's A. B. Coates Well #1-C for proration purposes. This well is located in the ~~SE 1/4 NE 1/4~~ of Section 24, T-25-S, R-37E. *SE 1/4 NW*

If time and your docket will permit we will appreciate it if this application could be set down for consideration at the regular January 1955 hearing.

Yours very truly,

TIDE WATER ASSOCIATED OIL COMPANY

By



J. B. Holloway

JBH:vh
Encls.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE
STATE OF NEW MEXICO

Re: Application of Tide Water Associated Oil Company for formation of a 160-acre Non-Standard Gas Proration Unit in the Justis Gas Pool, Lea County, New Mexico, and for the assignment of the acreage in the Unit to Tide Water Associated Oil Company's A. B. Coates Well No. 1-C for proration purposes.

COMES NOW Tide Water Associated Oil Company, and hereby applies for exceptions to Rules 2 and 7 of Order No. 375-A for the formation of a non-standard gas proration unit consisting of the SE/4 of the NW/4, the W/2 of the NE/4 and the NE/4 of the NE/4, Section 24, Township 25 South, Range 37 East, containing 160 acres, and the assignment of such acreage to Tide Water Associated Oil Company's A. B. Coates Well No. 1-C in the Justis Gas Pool, Lea County, New Mexico, and in support of such application states:

1. Tide Water Associated Oil Company is the owner of Federal Lease No. (Las Cruces 032650(b)) comprised of the E/2, SE/4 NW/4 and NE/4 SW/4 Section 24, T-25-S, R-37-E, N.M.P.M. containing 400 acres, all of which land is located within the designated limits of the Justis Gas Pool and reasonably considered to be productive in that pool.
2. That prior to the issuance of Order No. 356 and the amending Order No. 375-A, applicant had drilled and completed its A. B. Coates Well No. C-1 at a location in the center of the SE/4 NW/4 of Section 24, T-25-S, R-37-E, and acting on the authority granted by Order No. 378 dually completed the well in such manner that gas was produced through the tubing from the Glorietta formation of the Justis Gas Pool and gas through the casing annulus from the Langlie-Mattix Pool.
3. That in the year 1952 applicant succeeded in forming a voluntary gas production unit comprised of two separate Federal Leases, each of which provided for payment of royalty in a different manner and to different parties in those Federal Lands described as the E/2 SW/4 and the W/2 SE/4 of Section 24, T-25-S, R-37-E. That in 1952 applicant drilled and completed a gas well on this voluntary unit in the Langlie-Mattix Pool, the royalty from which is being paid proportionately to the several royalty owners. That now it would be impracticable, if not impossible, to dissolve or rearrange this unit, the agreement for which has been placed of record, or to include such lands in any other proration unit.
4. The attached plat indicates the location of the proposed unit, the producing well, the voluntary, recorded unit, and the surrounding tracts.
5. Tide Water Associated Oil Company will be deprived of a fair opportunity to recover its just and equitable share of the natural gas in the Justis Gas Pool unless the proposed non-standard proration

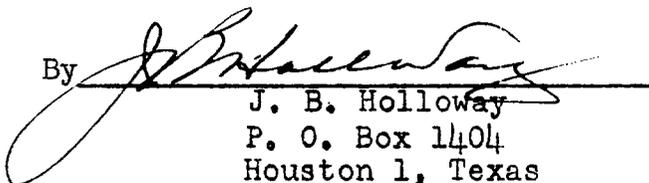
unit is formed and unless the acreage therein is assigned to Tide Water's A. B. Coates "C" No. 1 Well.

6. The creation of the proposed non-standard proration unit and the assignment of the acreage therein to the above identified well will not cause waste but will prevent waste and will protect correlative rights.

Tide Water Associated Oil Company therefore respectfully requests that this matter be set down for hearing and that upon due notice and hearing, the Commission enter its order granting applicant permission to increase the size of the gas unit for the subject well as proposed in this application.

TIDE WATER ASSOCIATED OIL COMPANY

By



J. B. Holloway
P. O. Box 1404
Houston 1, Texas

cc - Amerada Petroleum Corporation
Attention: Mr. R. S. Christie
P. O. Box 2040, Tulsa, Okla.

The Atlantic Refining Company
P. O. Box 871, Midland, Texas

Gulf Oil Corporation
P. O. Box 2167, Hobbs, New Mexico

R. Olsen Oil Company
Drawer Z, Jal, New Mexico

Western Natural Gas Company
Midland Tower Building
Midland, Texas

U. S. Department of the Interior
Geological Survey
Hobbs, New Mexico



TIDE WATER ASSOCIATED OIL COMPANY

POST OFFICE BOX 1404

HOUSTON 1, TEXAS

December 29, 1954

Mr. W. B. Macey, Secretary
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Mr. Macey:

I wish to thank you for telephoning me yesterday that you had received our application for the formation of a 160-acre non-standard gas proration unit in the Justis Gas Pool, Lea County, New Mexico, and also for informing me that your office would soon be authorized to approve such applications administratively, and that no hearing would be necessary.

We have found that the location of the well was shown erroneously in our transmittal letter as being located in the SE/4 NE/4 of Section 24, T-25-S, R-37-E. The application itself and the plat correctly show the location of the well as being in the SE/4 NW/4. We suggest that your copy of the letter either be changed or destroyed so no one will be led into again making the same error.

With kindest personal regards and Season's Greetings,
I remain

Sincerely,

J. B. Holloway

JBH:vh