

T. F. HODGE
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STATE OF NEW MEXICO
OFFICE OF THE COMMISSIONER OF LAND AND MINES

April 5, 1962

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New Mexico Oil Conservation Commission
Box 1871
State Land Office Building
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr. , Secretary & Director

Gentlemen:

This is the application of T. F. Hodge for a hearing to consider field rules for the area surrounding our recently completed, Humble-State Lease, Well No. 1, Lea County, New Mexico. This well is located in Unit N, Section 26, Township 10-S, Range 33-E, and was completed in the Bough "C" of the Pennsylvanian for an initial potential of 468 barrels of oil in 24 hours. The perforations in this well are from 9667' to 9671'. We are now in the process of applying for an offset location to this well and anticipate other drilling in the area in the near future.

We would like to propose that the Conservation Commission set the spacing in the field around this new discovery on an 80 acre temporary basis. It is our opinion that this is adequate density to thoroughly drain the Bough "C" pay zone. This zone has extremely high permeabilities and excellent flow characteristics which indicate 80 acre spacing would be proper.

Production history from other fields in the area with similar pay has indicated that the proposed spacing is adequate. If developed on a smaller spacing, it would reduce the profitability to the operator and might result in less oil being recovered due to lack of development. The temporary 80 acre spacing rules early in the life of the field would allow the present operators to develop their leases on an orderly basis. If information is developed later in the life of the development program which indicates the necessity for closer spacing, this could easily be accomplished at that time.

Yours very truly,

Walter L. Hahn

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WLH:mr

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