

Case No.

9

Application, Transcript,
Small Exhibits, Etc.

October 5, 1937

New Mexico Examiner
Santa Fe, New Mexico

Re: Application of Two States
Oil Company for Special
Spacing upon SE¹ SE¹ of
Sec. 21-18S-56E, because
of surface conditions.
Case No. 9.

Dear Larry:

You have overlooked sending the Commission your affidavit of publication of the notice in the above matter, for the publication of September 24, 1937. It is imperative that the Commission have this affidavit as proof of service by publication.

There was, however, a publication previous to the date mentioned, which notice, as forwarded to you, contained a typographical error. The affidavit desired will only be on the publication for the date named above.

Very truly yours,

OIL CONSERVATION COMMISSION

By

Carl B. Livingston
Attorney

CBL:m

October 5, 1937

Hobbs Daily News Sun
Hobbs, New Mexico

Gentlemen:

Re: Application of Two States
Oil Company for Special
Spacing upon SE $\frac{1}{4}$ SE $\frac{1}{4}$ of
Sec. 21-18S-36E, because
of surface conditions.
Case No. 9

You have overlooked sending the Commission your
affidavit of publication of the notice in the above
matter, for the publication of September 23, 1937.
It is imperative that the Commission have this
affidavit as proof of service by publication.

There was, however, a publication previous to the
date mentioned, which notice, as forwarded to you,
contained a typographical error. The affidavit
desired will only be on the publication for the
date named above.

Very truly yours,

OIL CONSERVATION COMMISSION

By Carl B. Livingston
Attorney

CBL:m

October 5, 1937

Oil Conservation Commission
Hobbs, New Mexico

Re: Application of Two States
Oil Company for special
spacing upon SE $\frac{1}{4}$ SE $\frac{1}{4}$ of
Sec. 21-18S-38E, because
of surface conditions.
Case No. 9.

Gentlemen:

Enclosed please find a copy of the Commission's
order in the above matter.

Very truly yours,

OIL CONSERVATION COMMISSION

By _____

Attorney

CEL:m
encl-1

October 5, 1937

Mr. Joseph B. Headley,
Southern Petroleum Corp.
Hobbs, New Mexico

Dear Mr. Headley:

Re: Application of Two States
Oil Company for special
spacing upon SE $\frac{1}{4}$ SE $\frac{1}{4}$ Sec.
21-18S-38E, because of
surface conditions.
Case No. 9.

Enclosed please find a copy of the Commission's
order in the above matter.

Very truly yours,

OIL CONSERVATION COMMISSION

By Carl B. Livingston
Attorney

CBL:m
enc:1

October 5, 1937

Oil Well Drilling Company
Hobbs, New Mexico

Re: Application of Two States
Oil Company for special
spacing upon SH Sec.
21-188-382, because of sur-
face conditions.

Gentlemen:

Enclosed please find a copy of the Commission's
order in the above matter.

Very truly yours,

OIL CONSERVATION COMMISSION

By Carl B. Livingston
Attorney

CBL:m
encl.

CLASS OF SERVICE DESIRED	
DOMESTIC	CABLE
TELEGRAM /	FULL RATE
DAY LETTER	DEFERRED
NIGHT MESSAGE	NIGHT LETTER
NIGHT LETTER	SHIP RADIOGRAM

Patrons should check class of service desired; otherwise message will be transmitted as a full-rate communication.

COPY OF WESTERN UNION TELEGRAM

SANTA FE NEW MEXICO
OCTOBER 4, 1937

OIL WELL DRILLING COMPANY
DOBBS NEW MEXICO

TWO STATES OIL COMPANY ASKED PETITION FOR SPECIAL SPACING AMENDED
SO AS TO BE TWO HUNDRED THIRTY FEET FROM WEST LINE AND TWO HUNDRED
THIRTY FEET FROM SOUTH LINE OF FORTY ACRE TRACT INVOLVED STOP
GARDEN COPY OF LETTER IN REPLY TO THEM SENT YOU SEPTEMBER TWENTY
EIGHTH

FRANK WORDEN
SECRETARY
OIL CONSERVATION COMMISSION

COLLECT
DAY LETTER

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

1201-S

CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a symbol above or preceding the address.

(25)

WESTERN UNION

R. E. WHITE
PRESIDENT

NEWCOMB CARLTON
CHAIRMAN OF THE BOARD

J. C. WILLEVER
FIRST VICE-PRESIDENT

SYMBOLS

DL = Day Letter
NM = Night Message
NL = Night Letter
LC = Deferred Cable
NLT = Cable Night Letter
Ship Radiogram

The filing time shown by the date line on telegrams and day letters is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination.

Received at 52 Lincoln Avenue (On the Plaza), Santa Fe, N. Mex.

VC156 21 XC=HOBBS NMEX 4 355P

OIL CONSERVATION COMMISSION=

SANTAFE NMEX=

PLEASE WIRE COLLECT TODAY ADVISING CHANGED FOOTAGES IN
APPLICATION OF TWO STATES DRILLING COMPANY FOR LOCATION IN

21-18-38 LEA COUNTY=

OIL WELL DRLG CO.

21-18-38 DRLG.

THERE IS NO DEPENDABLE SUBSTITUTE FOR WESTERN UNION TIME

September 28, 1937

Hon. Norman R. Grilo
Attorney for Two States Oil Co.,
Roswell, New Mexico

Re: Application of Two States
Oil Company for special
spacing. SWS - 21 - 18 -
30. Lea County

My Dear Norman:

This is to acknowledge the receipt of your letter of
September 24, wherein you state, in connection with the
above captioned matter, that your company can make a
location 230 feet from the West line and 230 feet from
the South line of the forty-acre tract in question.

It is noted that you state that you will, at the time
of the hearing, modify your application and request a
230 foot location as just indicated.

Very truly yours,

OIL CONSERVATION COMMISSION

By Carl B. Livingston
Attorney

B.L.M.

cc: Oil Conservation Commission,
Hobbs, N. M.
Oil Well Drilling Company,
Hobbs, N. M.

September 24, 1937.

Oil Well Drilling Company,
Hobbs, New Mexico.

Re: SM-SM Sec. 21-
189-38E. Lea
County.

Gentlemen:

Relative to your telegram of September 17th,
in connection with the above captioned matter, the
Commission has called a Hearing at Santa Fe, New
Mexico, October 5, 1937, at 9:00 A.M. A copy of
the Notice is inclosed herewith, for your information.

Very truly yours,

OIL CONSERVATION COMMISSION

By Carl E. Livingston
Attorney

CH:an

Inc..

P.S.

The Formal Application and the Notice of
Intention to Drill requesting special location,
both state, that the location is to be 1220 Ft.,
West of the East line of Section 21, instead of
1260.

CHL.

NEW MEXICO OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

COPY

September 24, 1937

Oil Well Drilling Company,
Hobbs, New Mexico.

Re: SEC. 21-
18S-38E. Lea
County.

Gentlemen:

Relative to your telegram of September 17th,
in connection with the above captioned matter, the
Commission has called a Hearing at Santa Fe, New
Mexico, October 5, 1937, at 9:00 A.M. A copy of
the Notice is inclosed herewith, for your information.

Very truly yours,

OIL CONSERVATION COMMISSION

By Carl B. Livingston
Attorney

CHL:am

Incl.

P.S.

The Formal Application and the Notice of
Intention to Drill requesting special location,
both state, that the location is to be 1220 Ft.,
West of the East line of Section 21, instead of
1260.

GEL.

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

1201-S

CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable symbol above or preceding the address.

(22)

WESTERN UNION

R. B. WHITE
PRESIDENT

NEWCOMB CARLTON
CHAIRMAN OF THE BOARD

J. C. WILLEVER
FIRST VICE-PRESIDENT

SYMBOLS

DL = Day Letter
NM = Night Message
NL = Night Letter
LC = Deferred Cable
NLT = Cable Night Letter
Ship Radiogram

The filing time shown in the date line on telegrams and day letters is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination.
Received at 52 Lincoln Avenue (On the Plaza), Santa Fe, N. Mex. SEP 17 PM 1 28

VC135 62 XC=HOBBS NMEX 17 1252P

FRANK WARDEN=

STATE LAND DIRECTOR STATE LAND OFFICE

WE ARE INFORMED APPLICATION HAS BEEN MADE FOR PERMIT TO
DRILL LOCATION 1120 FEET WEST OF EAST LINE AND 200 FEET
NORTH OF SOUTH LINE OF SECTION 21 TOWNSHIP 18 RANGE 38 LEA
COUNTY AND THIS IS TO ADVISE THE COMMISSION OF OUR PROTEST
AND REQUEST SPECIAL HEARING BE HELD AND INTERESTED PARTIES
NOTIFIED BEFORE GRANTING PERMISSION TO DRILL IN SAID LOCATION
OIL WELL DRILLING CO CUNNINGHAM.

1120 200 21 18 38. NO DEPENDABLE SUBSTITUTE FOR WESTERN UNION TIME

HAROLD HURD
HERMAN R. CRILE

LAW OFFICES
HURD & CRILE
J. P. WHITE BUILDING
ROSWELL, NEW MEXICO

September 16th

1937

New Mexico Oil Conservation Commission
Attention-Hon. Carl B. Livingston
Santa Fe, New Mexico

Dear Mr. Livingston:

Herewith, in duplicate, the Two States Oil Company request for hearing and notice thereof upon their application for a special location in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 21, Twp. 18 S. Rge. 38 E.

I appreciate the extreme courtesy that you extended Mr. Hines while he was in Santa Fe.

Hastily and with best regards, I am

Yours very truly,


Herman R. Crile

HRC/p

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

1201-S

CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable symbol above or preceding the address.

WESTERN UNION

R. B. WHITTY
PRESIDENT

NEWCOMB CARLTON
CHAIRMAN OF THE BOARD

J. C. WILLEVER
FIRST VICE-PRESIDENT

SYMBOLS

DL - Day Letter
NM - Night Message
NL - Night Letter
LC - Deferred Cable
NLT - Cable Night Letter
Ship Radiogram

The filing time shown in the date line on telegrams and day letters is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination.

Received at 52 Lincoln Avenue (On the Plaza), Santa Fe, N. Mex.

VC58 33 DL 1 EXTRA=HOBBS NMEX 16 928A

SEP 16 AM 10 19

G D MACEY=

STATE GEOLOGIST

WE OWN ONE HALF INTEREST WITH OIL WELL IN SOUTHWEST
SOUTHEAST TWENTY ONE EIGHTEEN THIRTY EIGHT WE APPROVE TWO
STATES LOCATION IN SOUTHEAST SOUTHEAST SAME SECTION ONE
HUNDRED FEET FROM OUR LINE=
SOUTHERN PETROLEUM EXPLORATION BY J B HEADLEY

THERE IS NO DEPENDABLE SUBSTITUTE FOR WESTERN UNION TIME

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

1201-S

CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable symbol above or preceding the address.

WESTERN UNION (12)

R. B. WHITE
PRESIDENT

NEWCOMB CAMLTON
CHAIRMAN OF THE BOARD

J. C. WILLEVER
FIRST VICE-PRESIDENT

SYMBOLS

DL = Day Letter

NM = Night Message

NL = Night Letter

LC = Deferred Cable

NLT = Cable Night Letter

Ship Radiogram

The filing time shown in the date line on telegrams and day letters is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination.

Received at 52 Lincoln Avenue (On the Plaza), Santa Fe, N. Mex.

VC55 33 XC=HOBBS NMEX 16 947A

SEP 16 AM 10 17

G D MACEY, STATE GEOLOGIST=

STATE LAND OFFICE

SAMEDAN OIL CO AND J P CUSACK HAVE NO OBJECTIONS
TO LOCATION AS MADE IN SEC TWENTY ONE TOWNSHIP EIGHTEEN
SOUTH RANGE THIRTY EIGHT EAST IN HOBBS FIELD BY TWO
STATES DRILLING COMPANY=

A A KEMNITZ,

SAMEDAN SEC,

THERE IS NO DEPENDABLE SUBSTITUTE FOR WESTERN UNION TIME

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

1201-S

CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable symbol above or preceding the address.

WESTERN UNION

R. B. WHITE
PRESIDENT

NEWCOMB CARLTON
CHAIRMAN OF THE BOARD

J. C. WILSON
FIRST VICE-PRESIDENT

SYMBOLS

DL = Day Letter

NM = Night Message

NL = Night Letter

LC = Deferred Cable

NLT = Cable Night Letter

Ship Radiogram

The time shown in the date line on telegrams and day letters is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination.
Received at 52 Lincoln Avenue (On the Plaza), Santa Fe, N. Mex.

VC72 51 DL XC=ROSWELL NMEX 16 1012A

G D MACY=

STATE GEOLOGIST SF=

I AM OWNER THREE SIXTEENTHS WORKING INTEREST OIL WELL
DRILLING COMPANY MORRIS NUMBER ONE SOUTHWEST QUARTER OF THE
SOUTHEAST QUARTER SECTION TWENTY ONE TOWNSHIP EIGHTEEN SOUTH
RANGE THIRTY EIGHT EAST AND HAVE NO OBJECTION TO PROPOSED
LOCATION OF TWO STATES OIL COMPANY IN SOUTHEAST QUARTER
SOUTHEAST QUARTER SAID SECTION TWENTY ONE=

HERMAN R CRILE,

THERE IS NO DEPENDABLE SUBSTITUTE FOR WESTERN UNION TIME

September 16, 1937

Honorable Herman Grile,
Roswell, New Mexico.

My dear Herman:

The Two States Oil Company desires a special location in the SE SE, Sec. 21-188-38E, which special location is closer than 330 ft. to the line, and in order for the Commission to grant an exception to that rule, a Formal Petition before the Commission is necessary in order that the Commission may have something upon which to act. There should be filed with the Commission an Application for such special spacing with the statement of the necessity, therefor.

Informally, it is understood that the necessity for this special location is due to the right-of-way of the T & P Railroad, and the right-of-way of a Federal Highway. The Commission is in session today, so date your Formal Application, Santa Fe, New Mexico, September 16th. The Summons for Hearing, at 9:00 A.M., October 5, at Santa Fe, is being drawn today, September 16th. This is to be published both in Lea County and Santa Fe, the means of service provided for by law.

At the hearing you will present your testimony in support of this Petition. Anyone having any objection to your Petition has opportunity to be heard. The Commission then enters its order, based upon the evidence.

With best good wishes,

CBL:am

Carl E. Livingston,
Attorney

September 16, 1937

New Mexico Examiner,
Santa Fe, New Mexico.

Gentlemen:

There is inclosed herewith a Notice for Publication, which you are kindly requested to publish once immediately. You are also requested to furnish this Commission with a copy containing this publication.

Immediately upon completion of the publication be sure to transmit to the Oil Conservation Commission your affidavit of publication.

Upon sending to the Commission your affidavit of publication please send your statement in duplicate and inclosed purchase voucher, also in duplicate.

Very truly yours,

OIL CONSERVATION COMMISSION

By Carl B. Livingston
Attorney

CEL:am

Incls: (2)

September 16, 1937

Hobbs Daily News-Sun,
Hobbs, New Mexico.

Gentlemen:

There is inclosed herewith a Notice for Publication, which you are kindly requested to publish once immediately. You are also requested to furnish this Commission with a copy containing this publication.

Immediately upon completion of the publication be sure to transmit to the Oil Conservation Commission your affidavit of publication.

Upon sending to the Commission your affidavit of publication please send your statement in duplicate and inclosed purchase voucher, also in duplicate.

Very truly yours,

OIL CONSERVATION COMMISSION,

By

Carl B. Livingston
Attorney

CBL:am

Incls: (2)

September 16, 1937

Oil Conservation Commission,
Hobbs, New Mexico.

Attention: Guy Shepherd.

Gentlemen:

I have just sent the inclosed Notice of Publication to the Hobbs Daily News-Sun. We have requested them to publish this notice at once. Please call at their office and see that there is no delay in publication, because we have got to have the required number of days publication before the hearing. The paper might overlook publishing this in the required time and then the Commission would not have jurisdiction for the hearing.

Best good wishes,

Yours very truly,

OIL CONSERVATION COMMISSION

By Carl E. Livingston
Attorney

OBL:am
Incl.

BEFORE THE OIL CONSERVATION
COMMISSION OF THE STATE
OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO FOR THE
PURPOSE OF CONSIDERING:

THE APPLICATION OF TWO STATES OIL
COMPANY TO HAVE A CLOSER SPACING
THAN IS AT PRESENT PROVIDED BY THE
RULES OF THE COMMISSION, UPON THE
SE $\frac{1}{4}$ OF THE SE $\frac{1}{4}$, SECTION 21, TOWN-
SHIP 18 SOUTH, RANGE 38 EAST, N.M.
P.M., WHICH SAID LOCATION IS 1090
FEET WEST FROM THE EAST LINE OF
SECTION 21, TOWNSHIP 18 SOUTH, RANGE
38 EAST, N.M.P.M., AND 830 FEET NORTH
OF THE SOUTH LINE OF SAID SECTION 21,
NECESSITATED BY REASON OF THE RIGHTS
OF WAY OF TEXAS & NEW MEXICO RAILROAD
AND STATE HIGHWAY NO. 18.

CASE NO. 9

ORDER NO. 83

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:00 A. M. on the
5th day of October, 1937, in the office of the Oil Conservation
Commission at the State Capitol, Santa Fe, New Mexico, upon
the call of the Commission in the above designated matter.

NOW, on this 5th day of October, 1937, the Commission
having before it for consideration the evidence adduced at
the hearing in said case and being fully advised in the premises,
now therefore, FINDS:

1.

That the rights of way of Texas & New Mexico Railroad
and State Highway No. 18, cut diagonally across the Southwest
Quarter of the Southeast quarter of the Southeast quarter of
Section 21, Township 18 South, Range 38 East.

2.

That such rights of way are surface conditions,
rendering it impracticable for location in compliance with

the existing rule.

3.

That the location granted hereinbelow will create neither waste nor hazards conducive to waste.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED that the Two States Oil Company, the applicant herein, be allowed to locate its well 1090 feet West of the East line of Section 21, Township 18 South, Range 38 East, N.M.P.M., and 230 feet North of the South line of said section, which irregular location is granted with the following understanding:

That if in the future the spacing rules governing the Lea County field and this particular area are changed so that one or more additional wells could be drilled to a forty-acre tract, then the offsets to this location in the Southwest quarter of the Southeast quarter of Section 21, and the Northwest quarter of the Northeast quarter of Section 28, and the Northeast quarter of the Northeast quarter of Section 28, Township 18 South, Range 38 East, N.M.P.M., be spaced at the same distances as are set out in this location.

OIL CONSERVATION COMMISSION

Clyde Tingley, Governor
Chairman

Frank Worden, Commissioner
of Public Lands
Secretary

G. D. Naoy, State Geologist

NEW MEXICO OIL CONSERVATION COMMISSION

Santa Fe, New Mexico

NOTICE OF INTENTION TO DRILL

Notice must be given to the Oil Conservation Commission or its proper agent and approval obtained before drilling begins. If changes in the proposed plan are considered advisable, a copy of this notice showing such changes will be returned to the sender. Submit this notice in triplicate. One copy will be returned following approval. See additional instructions in Rules and Regulations of the Commission.

Roswell, New Mex.

Sept 11, 1937

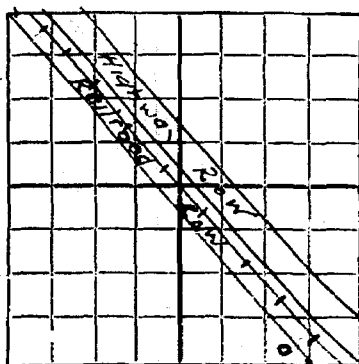
OIL CONSERVATION COMMISSION,
Santa Fe, New Mexico.
Gentlemen:

You are hereby notified that it is our intention to commence the drilling of a well to be known as _____

Two States Oil Co., J.W. Morris

Well No. 1 in ~~XXXXX~~ SESE

Company or Operator Lease
of Sec. 21, T. 18S, R. 38E, N. M. P. M., Hobbs Field, Lea County.



AREA 640 ACRES
LOCATE WELL CORRECTLY

The well is 200 feet (N.) (E.) of the S line and 1220 feet (E.) (W.) of the E line of Section 21

(Give location from section or other legal subdivision lines. Cross out wrong directions.)

If state land the oil and gas lease is No. _____, Assignment No. _____

If patented land the owner is J.W. Morris

Address Capitán New Mex.

If government land the permittee is _____

Address _____

The lessee is Two States Oil Company

Address 1301 Tower Petroleum Bldg, Dallas Tex.

We propose to drill well with drilling equipment as follows: _____

Rotary Tools top to bottom.

The status of a bond for this well in conformance with Rule 39 of the General Rules and Regulations of the Commission is as follows: Applied for.

We propose to use the following strings of casing and to land or cement them as indicated:

Size of Hole	Size of Casing	Weight Per Foot	New or Second Hand	Depth	Landed or Cemented	Feet of Cement
	12 1/2"	42	SH	250	Cemented	150
	7"	24	New Seamless	4100	Cemented	400

If changes in the above plan become advisable we will notify you before cementing or landing casing. We estimate that the first productive oil or gas sand should occur at a depth of about 4220 feet.

Additional information:

Location made 200ft north and east of the SW corner of the 40 acre tract due to railway and highway right of ways to the north and east prohibiting a longer location.

Approved _____, 19____
except as follows:

Sincerely yours,

Two States Oil Company

Company or Operator

By Herman R. Crile

Position Agent

Send communication regarding well to

Name Herman R. Crile

Address 2 Hurd & Crile, Roswell New Mex

OIL CONSERVATION COMMISSION,

By _____

Title _____

NEW MEXICO OIL CONSERVATION COMMISSION

Santa Fe, New Mexico

NOTICE OF INTENTION TO DRILL

Notice must be given to the Oil Conservation Commission or its proper agent and approval obtained before drilling begins. If changes in the proposed plan are considered advisable, a copy of this notice showing such changes will be returned to the sender. Submit this notice in triplicate. One copy will be returned following approval. See additional instructions in Rules and Regulations of the Commission.

Roswell, New Mex.

Sept 11, 1937

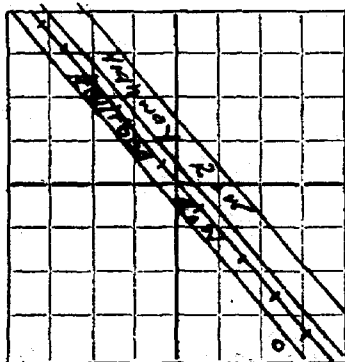
OIL CONSERVATION COMMISSION,
Santa Fe, New Mexico.
Gentlemen:

You are hereby notified that it is our intention to commence the drilling of a well to be known as _____

Two States Oil Co., J.W. Morris

Well No. 1 in Roswell, N.M.

Company or Operator of Sec. 21, T. 18S, R. 38E, N. M. P.M., Hobbs Field, Lea County.



AREA 640 ACRES
LOCATE WELL CORRECTLY

The well is 200 feet (N.) (E) of the S line and 1220 feet

(W.) (W.) of the T line of Section 21

(Give location from section or other legal subdivision lines. Cross out wrong directions.)

If state land the oil and gas lease is No. _____, Assignment No. _____

If patented land the owner is J.W. Morris

Address Capitan New Mex.

If government land the permittee is _____

Address _____

The lessee is Two States Oil Company

Address 1301 Tower Petroleum Bldg, Dallas Tex.

We propose to drill well with drilling equipment as follows:

Rotary Tools top to bottom.

The status of a bond for this well in conformance with Rule 39 of the General Rules and Regulations of the Commission is as follows: Applied for.

We propose to use the following strings of casing and to land or cement them as indicated:

Size of Hole	Size of Casing	Weight Per Foot	New or Second Hand	Depth	Landed or Cemented	Sacks Cement
	12 1/2"	42	SH	250	Cemented	150
	7"	24	New Seamless	4100	Cemented	400

If changes in the above plan become advisable we will notify you before cementing or landing casing. We estimate that the first productive oil or gas sand should occur at a depth of about 4220 feet.

Additional information:

Location made 200ft north and 100 ft. east of the SW corner of the 40 acre tract due to railway and highway right of ways to the north and east prohibiting a longer location.

Approved SEP 13 1937, 19_____
except as follows:

Sincerely yours,

Two States Oil Company
Company or Operator

By Herman R. Grile

Position Agent

Send communication regarding well to

OIL CONSERVATION COMMISSION,

By _____

Title _____

Name Herman R. Grile

Address Hard & Grile, Roswell New Mex

NEW MEXICO OIL CONSERVATION COMMISSION

Santa Fe, New Mexico

NOTICE OF INTENTION TO DRILL

Notice must be given to the Oil Conservation Commission or its proper agent and approval obtained before drilling begins. If changes in the proposed plan are considered advisable, a copy of this notice showing such changes will be returned to the sender. Submit this notice in triplicate. One copy will be returned following approval. See additional instructions in Rules and Regulations of the Commission.

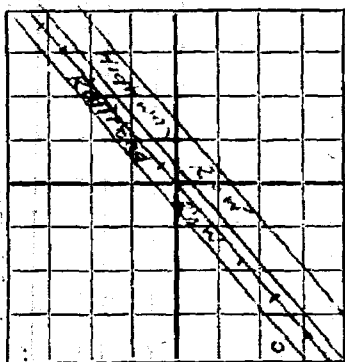
Roswell, New Mex.

Sept 11, 1937

OIL CONSERVATION COMMISSION,
Santa Fe, New Mexico.
Gentlemen:

You are hereby notified that it is our intention to commence the drilling of a well to be known as
Two States Oil Co., J.W. Morris

Company or Operator of Sec. **21**, T. **18S**, R. **38E**, N. M. P.M., **Hobbs** Field, **Lea** County.
The well is **200** feet (N.) (~~S~~) of the **8** line and **1220** feet



(E.) (W.) of the **8** line of **Section 21**
(Give location from section or other legal subdivision lines. Cross out wrong directions.)

If state land the oil and gas lease is No. _____, Assignment No. _____

If patented land the owner is **J.W. Morris**

Address **Capitan New Mex.**

If government land the permittee is _____

Address _____

The lessee is **Two States Oil Company**

Address **1301 Tower Petroleum Bldg, Dallas Tex.**

AREA 640 ACRES
LOCATE WELL CORRECTLY

We propose to drill well with drilling equipment as follows:

Rotary Tools top to bottom.

The status of a bond for this well in conformance with Rule 39 of the General Rules and Regulations of the Commission is as follows: **Applied for.**

We propose to use the following strings of casing and to land or cement them as indicated:

Size of Hole	Size of Casing	Weight Per Foot	New or Second Hand	Depth	Landed or Cemented	Sacks Cement
	12 1/2"	42	SH	250	Cemented	150
	7"	24	New Seamless	4100	Cemented	400

If changes in the above plan become advisable we will notify you before cementing or landing casing. We estimate that the first productive oil or gas sand should occur at a depth of about **4220** feet.

Additional information:

Location made 200ft north and east of the SW corner of the 40 acre tract due to railway and highway right of ways to the north and east prohibiting a longer location.

Approved _____, 19____
except as follows:

Sincerely yours,

Two States Oil Company

Company or Operator

By

Herman R. Crile

Position **Agent**

Send communication regarding well to

Name **Herman R. Crile**

Address **Hurd & Crile, Roswell New Mex**

OIL CONSERVATION COMMISSION,

By _____

Title _____

AFFIDAVIT OF PUBLICATION

State of New Mexico, }
County of Lea }

I, EJ KURRE
Publisher

Of the Hobbs Daily News-Sun, a daily newspaper published at Hobbs, New Mexico, do solemnly swear that the clipping attached hereto was published once a week in the regular and entire issue of said paper, and not in a supplement thereof for a period of _____

ONE ISSUE weeks,

beginning with the issue dated _____

Sept. 23, 1937

and ending with the issue dated _____

June, 1937

Publisher.

Sworn and subscribed to before me

this 9th day of _____

October, 1937

John L. Emerson, Jr.

Notary Public.

My commission expires _____

12-17, 1940

(Seal)

Run Sept. 28 NOTICE FOR PUBLICATION STATE OF NEW MEXICO OIL CONSERVATION COM- MISSION

Pursuant to Chapter 72, Ses-
sion Laws of 1935, State of New
Mexico, by which Act the Oil
Conservation Commission of
New Mexico was created, invest-
ing said Commission with the
jurisdiction and authority over
all matters relating to the con-
servation of oil and gas in this
State and of the enforcement of
all provisions of said Act, notice
is hereby given that a public

hearing will be held at the Cap-
itol, Santa Fe, New Mexico, on
the 5th day of October, 1937, at
9:00 A. M., for the purpose of
considering the following:

Case No. 9.

The Application of the Two
States Oil Company to have
a closer spacing than is at
present provided by the
rules of the Commission, up-
on the SE of the SE, Sec-

tion 21, township 18 South,
Range 38 East, N. M. P. M.,
which said location is 1220
Ft. from the East line of
said Sec. 21, and 20 Ft.
from the South line of said
Sec. 21. The reason for such
location being due to the
right-of-way of the T. & N.
M. Railroad, and State High-
way No. 18.

Any person having any inter-
est in the subject of the said
hearing shall be entitled to be
heard.

Given under the seal of said
Commission at Santa Fe, New
Mexico, on September 16, 1937.
OIL CONSERVATION
COMMISSION

(Seal)

(Signed) by CLYDE TINGLEY,
Governor.

(Signed) by FRANK WORDEN,
Commissioner of Public Lands.

(Signed) by G. D. MACY,
State Geologist.



OCT 11 1937 PM

H E A R I N G
BEFORE THE OIL CONSERVATION
COMMISSION OF THE STATE
OF NEW MEXICO

Held in the Office of Frank
Worden, Commissioner of Public
Lands at the Capitol Building,
October 5, 1937, at nine o'clock,
A. M.

PRESENT: Frank Worden, State Land Commissioner, Secretary;
G. D. Macy, State Geologist;
Herman Crille,
Joseph B. Headley,
A. Andreas
Carl B. Livingston, Attorney for Oil Conservation
Commission.

ABSENT: Governor Tingley, Chairman,

The Hearing was opened by Mr. Worden.

Thereupon, the notice for publication for the Hearing
was read by Mr. Macy, as follows:

" NOTICE FOR PUBLICATION

STATE OF NEW MEXICO

OIL CONSERVATION COMMISSION

"Pursuant to Chapter 72, Session Laws of 1935, State
of New Mexico, by which Act the Oil Conservation Commission of
New Mexico was created, investing said Commission with the
jurisdiction and authority over all matters relating to the
conservation of oil and gas in this State and of the enforce-
ment of all provisions of said Act, notice is hereby given
that a public hearing will be held at the Capitol, Santa Fe,
New Mexico, on the 5th day of October, 1937, at 9:00 A. M.,
for the purpose of considering the following:

"Case No. 9.

The application of the Two States Oil Company

to have a closer spacing than is at present provided by the rules of the Commission, upon the SE of the SE, Section 21, township 18 South, Range 38 East, N.M.P.M., which said location is 1260 Ft. from the East line of said Sec. 21, and 200 Ft. from the South line of said Sec. 21.

The reason for such location being due to the right of way of the T. & N. M. Railroad, and State Highway No. 18.

Any person having any interest in the subject of the said hearing shall be entitled to be heard.

Given under the seal of said Commission at Santa Fe, New Mexico, on September 16, 1937.

OIL CONSERVATION COMMISSION

By Clyde Tingley
Governor

By Frank Worden
Commissioner of Public Lands

By G. D. Macy
State Geologist.

(SEAL)

BY MR. WORDEN: The purpose of this hearing is to consider the request of Two States Oil Company for a closer spacing than is at present provided by the rules of the Commission.

Entry of appearance and waiver of Samadan Oil Company duly filed with the Commission.

BY MR. CRILE: I hereby enter my appearance personally and as attorney for Harold Hurd as owners of a one-quarter interest in the well located in the SW $\frac{1}{4}$ of the SE $\frac{1}{4}$ of Section 21, Township 18 South, Range 38 East, which is designated as Oil Well Drilling Company Morris No. 1, and for myself

and as attorney for Harold Hurd, make no objection whatsoever to the requested location of Two States Oil Company, and join in the request that it be granted.

MR. HEADLEY: I hereby enter my appearance as a representative of the Southern Petroleum Exploration Company, which is the owner of a one-half interest in the well drilled in the SW $\frac{1}{4}$ of the SE $\frac{1}{4}$ of Section 21, Township 18 South, Range 38 East, and approve the location as requested by Two States Oil Company in the SE $\frac{1}{4}$ of the SE $\frac{1}{4}$ of Section 21, Township 18 South, Range 38 East.

MR. MACY: Enter in evidence letter dated September 24, addressed to Oil Conservation Commission, Santa Fe, New Mexico, and signed by Herman R. Crile, Attorney Two States Oil Co., Exhibit A.

MR. LIVINGSTON: I introduce in evidence telegram dated September 17, 1937, directed to G. D. Macy, State Geologist, ElCortez Hotel, El Paso, Texas, signed Oil Well Drilling Co. Cunningham, Exhibit B; telegram dated September 17, 1937, directed to Oil Well Drilling Co. Cunningham, Hobbs, New Mexico, signed by G. D. Macy, Exhibit C; telegram dated October 4, 1937, directed to Oil Conservation Commission and signed by Oil Well Drilling Co. Cunningham, Exhibit D.

Thereupon, Joseph B. Headley was called and having been duly sworn by the Land Commissioner, testified as follows.

EXAMINATION BY MR. CRILE.

Q. State your name.

A. Joseph B. Headley.

Q. Mr. Headley, you are the geologist for the Southern Petroleum Exploration Company?

A. Yes, sir.

Q. You are also in charge of their general business in the State of New Mexico, with principal office at Roswell, within the State of New Mexico?

A. Yes.

Q. For how long a time have you represented the Southern Petroleum Company in that capacity in New Mexico?

A. Approximately 12 years in New Mexico.

Q. Have you made any geological investigation relative to the location requested by the Two States Oil Company in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ S.21, T. 18 S., R. 38 E.?

A. I have.

Q. Have you also had any discussion with Mr. Ben Bowers of Hobbs regarding this matter and regarding the survey he made?

A. I have.

Q. I hand you a plat, and ask you what it is.

A. This is a plat made by Mr. Ben Bowers after he had made a survey locating the Southeast corner of Section 21, and measured over to the highway right of way and the railroad right of way, and locating the Southwest corner of the Southeast corner of the Southeast corner.

MR. MACY. How did he locate the Southwest corner of the Southeast of the Southeast? Did he locate it by a subdivision?

MR. HEADLEY: I just couldn't say, Mr. Macy. From the conversation I had with him, he located what he calls here on the map the Northwest corner of Section 27, which would be the Southeast corner of Section 21, and I think he measured from that corner to the other.

MR. MACY: Technically, he is wrong if he did that.

MR. HEADLEY: I could not say as to his method.

(Plat introduced in evidence, Exhibit E)

Q. Mr. Headley, I hand you a tracing which is designated as a sketch of a portion of Hobbs Field, New Mexico, showing the structural position of SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Sec. 21, T. 18 S., R. 38 E., and ask you if this is your work?

A. It is.

Q. Upon what information did you base your work?

A. This is a structural map of a portion of the Hobbs Field surrounding the forty acres in question, and the contours are drawn on what is known as the Hobbs Crystalline Lime Dotum. The map also shows the location of the surrounding wells and also shows the wells making water in the general vicinity. The purpose of the contour map is to show that the last contour which is designated as -560 is the contour limiting present known production, and also shows that there is water encroachment above this contour to the northwest, and, in one instance to the southeast, the point being that to get too far away from this contour there is a hazard of drilling into water.

MR. MACY: May I ask you, insofar as the adjoining property owners are concerned, in your opinion, is it a benefit to the property owners to have a 230-foot rather than a 500-foot location?

MR. HEADLEY: I would say that it would be better for them to have the 230-foot rather than the 500-foot location.

Q. From the standpoint of the neighboring lessees, the Southern Petroleum Company Well, and the Samadan well, it would be better to have a 230 foot location rather than a 500 foot location?

A. Yes.

Q. Why?

A. By drilling on a 230 foot location, you are further up-structure and therefore there is less hazard of getting water than you would be by drilling the location across the railroad and highway, which would be a considerable distance down-structure, thereby making the hazard of water greater.

MR. MACY: In your opinion, the location such as is proposed would not be unfair to the lessee on the West or on the East?

MR. HEADLEY: No.

MR. MACY: There would be no drainage there?

MR. HEADLEY: That is a problem we do not definitely know about, but the location makes the well proposed to be drilled approximately the same distance from well to well as the other wells, that is, approximately one quarter of a mile.

Q. You yourself have paced that, measured the distance from your car, and viewed the entire situation from a physical standpoint?

A. Yes.

Q. In that area, in the immediate vicinity, are there other irregular locations?

A. Yes. Do you want the names?

Q. Give the names and locations.

A. Shell Sanger No. 1, 287 feet from the west line and 300 feet from the South line of Section 27; Shell Sanger No. 2, 330 feet from the South line, and 1325 feet from the West line of Section 27; Samadan Moon No. 2, 1315 feet from the North line, 2310 feet from the East line of Section 28; Samadan Moon B-1, 2310 feet from the North line, 1120 feet from the East line of Section 28; Samadan Moon B-2, 1315 feet from the North line and 1120 feet from the East line of Section 28.

MR. MACY: Those are all that you checked?

MR. HEADLEY: Yes, those are all that I checked--all that are in the immediate vicinity. The one I particularly had in mind was Shell Sanger No. 1, which is 287 feet from the west line, and infringes on Continental Oil property. The others do not infringe on other peoples' property.

Q. Mr. Headley, do you know whether irregular locations of the other wells were brought about because of the same situation that exists here, namely, the rights of way of the Texas & New Mexico Railroad and the Highway?

A. Yes.

Q. Do you know why the Samadan made those locations so far from the section lines?

A. Mostly physical reasons. They were trying to keep up-structure.

Q. And those Samadan wells were located after the present spacing rules were put into effect?

A. I could not say as to that, because I do not know the effective date.

MR. ANDREAS: October 1, 1935.

MR. HEADLEY: That would be after, yes, likewise the Shell.

(Plat introduced in evidence, Exhibit F.)

MR. LIVINGSTON: Mr. Headley, the contour map which was introduced into evidence as an exhibit and which you have made shows certain contours. Those contours are based not on surface conditions, but data obtained from surface conditions, and it is, in effect a sub-surface contour map?

MR. HEADLEY: Yes.

MR. LIVINGSTON: That is all.

Thereupon A. ANDREAS was called and having been duly sworn by the Land Commissioner, testified as follows:

EXAMINATION BY MR. LIVINGSTON

Q. State your name.

A. A. Andreas

Q. What is your profession, and your official position with the State?

A. I am employed as State oil and gas inspector, and Assistant State Geologist.

Q. What experience have you had in connection with oil fields as a petroleum geologist?

A. I have been doing geological work with various companies and also for the U. S. G. S., for 19 years.

Q. Are you familiar with New Mexico oil fields?

A. Yes.

Q. And, in particular, with the Hobbs field in Lea County?

A. I am familiar with conditions there.

Q. Mr. Andreas, have you examined the particular tract upon the applicants now request a special spacing?

A. Yes, I have.

Q. What physical surface conditions, if any, are evident that would necessitate such a spacing as the applicant petitions the Commission for?

A. The railroad track and the right of way to the East of the Railroad track, the State Highway.

MR. MACY: Mr. Andreas, we are going to present this map as a part of the record. This is a plane table survey which you yourself made of the field?

MR. ANDREAS: Yes, on September 27th.

MR. MACY: You made this map yourself?

MR. ANDREAS: Yes.

MR. MACY: You feel certain that the information you have on it is correct?

MR. ANDREAS: Yes.

MR. MACY: You were assisted by Mr. Pettitt, Assistant Geologist for the Conservation Commission.

MR. ANDREAS: Yes, sir.

MR. MACY: I want to ask you certain questions about this map. In the NE $\frac{1}{4}$ of the NE $\frac{1}{4}$ of Section 28, Township 18 South, Range 38 East, you found the Samadan Moon B-2 well located 1315 feet South of the North line and 1110 feet West of the East Line?

MR. ANDREAS: Yes.

MR. MACY: You also found Samadan Well A-2 located in the Northwest quarter of the Northeast quarter of the same section, township and range located 1315 feet south of the north line, and 2310 feet west of the east line of this section?

MR. ANDREAS: Yes, sir.

MR. MACY: You also found Samadan Moon well 1-B located 1120 feet west of the east line of section 28 and 2310 feet south of the north line of said section?

MR. ANDREAS: Yes, sir.

MR. MACY: You also found the well on the NE $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Section 21, same township and range to be located 1350 feet east of the west line and 1355 feet north of the south line, North Grimes No. 4.

MR. ANDREAS: Yes, Sir.

MR. MACY: You also found the Atlantic, W. D. Grimes No. 1, located 1320 feet west of the east line of Section 20 and 330 feet north of the south line of section 20.

MR. ANDREAS: Yes.

MR. MACY: Mr. Andreas, these locations that we have just asked about, which are part of the record, are probably all of them locations in violation of our present spacing regulations. Is that not true?

MR. ANDREAS: Yes, they were spudded in after our new regulations went into effect.

(Map introduced in evidence, Exhibit G)

MR. LIVINGSTON: Mr. Andreas, the questions which have been propounded to you are with reference to what township and range?

A. Township 18 South, Range 38 East.

MR. LIVINGSTON: You heard the questions propounded to Mr. Headley, did you not?

A. Yes, sir.

Q. With reference to what township and range were those questions propounded?

Township 18 South, Range 38 East.

MR. LIVINGSTON: That is all.

There being no further business to come before the hearing, the hearing adjourned.

STATE OF NEW MEXICO)
COUNTY OF SANTA FE) ss.

I, M. S. Master, hereby certify that the above and foregoing seven and a fraction pages of typewritten matter constitute a true, correct and complete transcript of the shorthand notes taken by me at the hearing before the Oil Conservation Commission held in the office of the Oil Conservation Commission at the State Capitol Bldg., on Tuesday, October 5, 1937.

M. S. Master

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF
NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF TWO STATE DRILLING COMPANY,
A CORPORATION, TO DRILL AN OIL
WELL 200 FEET FROM THE SOUTH
LINE OF THE SOUTH EAST QUARTER
OF THE SOUTH EAST QUARTER OF
SECTION TWENTY ONE TOWNSHIP
EIGHTEEN SOUTH RANGE THIRTY
EIGHT EAST N. M. P. M. LEA COUNTY
STATE OF NEW MEXICO.

NO _____

ENTRY OF APPEARANCE AND WAIVER

Comes now the Samadan Oil Company, a corporation and
enters its appearance in the above styled matter and waives
further notice or its rights to appear in the above cause
and protest the application of applicant and shows to the
Commission:

That Samadan Oil Company, a corporation is the owner
of an oil and gas lease upon the north east quarter (NE $\frac{1}{4}$) of
section twenty-eight (28) Township Eighteen (18) South
Range thirty-eight (38) East N. M. P. M. Lea County, New Mexico
and that they do not desire to protest the application of
the applicant and waive their right so to do.

WHEREFORE SAMADAN OIL COMPANY, a corporation prays that
the application of applicant be granted.

SAMADAN OIL COMPANY
BY A. A. Kemnitz

STATE OF NEW MEXICO

COUNTY OF LEA

ON this the 4 day of October 1937 before the undersigned
authority personally appeared A. A. Kemnitz who being by me
first duly sworn on his oath stated that he is the agent
of Samadan Oil Company, a corporation, and acknowledged to me
that he executed the foregoing instrument for the Samadan
Oil Company, a corporation; and that the said instrument was
his free act and deed and the free act and deed of Samadan
Oil Company, a corporation; and was executed by authority of
the board of directors of Samadan Oil Company, a corporation.
I, Patricia Mahoney, have hereunto set my hand and affixed
my official seal this 4th day of October 1937.

Patricia Mahoney
County Clerk

My commission expires:

(Oct 24 - 1939)

**NOTICE FOR PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION
COMMISSION**

Pursuant to Chapter 72, Session Laws of 1935, State of New Mexico, by which Act the Oil Conservation Commission of New Mexico was created, investing said Commission with the jurisdiction and authority over all matters relating to the conservation of oil and gas in this State and of the enforcement of all provisions of said Act, notice is hereby given that a public hearing will be held at the Capitol, Santa Fe, New Mexico, on the 5th day of October, 1937, at 9:00 A. M., for the purpose of considering the following:

Case No. 9.

The Application of the Two States Oil Company to have a closer spacing than is at present provided by the rules of the Commission, upon The SE of the SE, Section 21, township 18 South, Range 38 East, N. M. P. M., which said location is 1260 Ft. from the East line of said Sec. 21, and 200 Ft. from the South line of said Sec. 21. The reason for such location being due to the right-of-way of the T. & N. M. Railroad, and State Highway No. 18.

Any person having any interest in the subject of the said hearing shall be entitled to be heard.

Given under the seal of said Commission at Santa Fe, New Mexico, on September 16, 1937.

OIL CONSERVATION

COMMISSION,

By (Signed) CLYDE TINGLEY,

Notary Public

(SEAL) 9-24-37

By (Signed) FRANK WORDEN,

Commissioner of Public Lands.

By (Signed) G. D. MACY,

State Geologist.

Pub. Sept. 24, 1937.

NEW MEXICO EXAMINER
Friday, Sept. 24, 1937.

Run Sept. 23

**NOTICE FOR PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COM-
MISSION**

Pursuant to Chapter 72, Session Laws of 1935, State of New Mexico, by which Act the Oil Conservation Commission of New Mexico was created, investing said Commission with the jurisdiction and authority over all matters relating to the conservation of oil and gas in this State and of the enforcement of all provisions of said Act, notice is hereby given that a public hearing will be held at the Capitol, Santa Fe, New Mexico, on the 5th day of October, 1937, at 9:00 A. M., for the purpose of considering the following:

Case No. 8.

The Application of the Two States Oil Company to have a closer spacing than is at present provided by the rules of the Commission, upon the SE of the SE, Section 21, township 18 South, Range 38 East, N. M. P. M., which said location is 1220 Ft. from the East line of said Sec. 21, and 20 Ft. from the South line of said Sec. 21. The reason for such location being due to the right-of-way of the T. & N. M. Railroad, and State Highway No. 18.

Any person having any interest in the subject of the said hearing shall be entitled to be heard.

Given under the seal of said Commission at Santa Fe, New Mexico, on September 16, 1937.

OIL CONSERVATION

COMMISSION

Hobbs Daily News-Sun 9-23-37

(Signed) by CLYDE TINGLEY,

Governor.

(Signed) by FRANK WORDEN,

Commissioner of Public Lands.

(Signed) by G. D. MACY,

State Geologist.

HOBBS DAILY NEWS-SUN
Thursday, Sept. 23, 1937.

NOTICE FOR PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Pursuant to Chapter 72, Session Laws of 1935, State of New Mexico, by which Act the Oil Conservation Commission of New Mexico was created, investing said Commission with the jurisdiction and authority over all matters relating to the conservation of oil and gas in this State and of the enforcement of all provisions of said Act, notice is hereby given that a public hearing will be held at the Capitol, Santa Fe, New Mexico, on the 5th day of October, 1937, at 9:00 A. M., for the purpose of considering the following:

Case No. 9.

The Application of the Two States Oil Company to have a closer spacing than is at present provided by the rules of the Commission, upon The SE of the SE, Section 24, township 18 South, Range 38 East, N.M.P.M., which said location is 1260 Ft. from the East line of said Sec. 24 and 200 Ft. from the South line of said Sec. 24.

The reason for such location being due to the right-of-way of the T & N. M. Railroad, and State Highway No. 18.

Any person having any interest in the subject of the said hearing shall be entitled to be heard.

Given under the seal of said Commission at
Santa Fe, New Mexico, on September 16, 1937.

OIL CONSERVATION COMMISSION



By _____
Governor

By *Frank Worden*
Commissioner of Public Lands

By *L. O. Macey*
State Geologist

BEFORE the OIL CONSERVATION COMMISSION
of the STATE OF NEW MEXICO

Comes now the TWO STATES OIL COMPANY, a Texas Corporation, authorized to do business within the State of New Mexico and states:

That heretofore on September 11, 1935, it transmitted Notice of Intention to Drill a well to be known as Two States Oil Company, J. W. Morris No. 1, in Section 21, Township 18 South of Range 38 East, N. M. P. M., Hobbs Field, Lea County, New Mexico, at a location 200 feet north of the south line and 1220 feet west of the east line of said Section 21, said notice having been filed with this Commission on September 13, 1937.

The location set forth in said notice of intention to drill is closer than 330 feet to the lease or property line adjoining the lease of the Two States Oil Company, which said lease is described as the SE $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 21, Twp. 18 S., Rge. 38 E., N.M.P.M., and by reason thereof your petitioner requests the Honorable Oil Conservation Commission of the State of New Mexico to set a date for hearing upon said application in accordance with the rules and regulations in force in the State of New Mexico.

In support of this petition for such hearing, your petitioner, the said Two States Oil Company, respectfully shows:

That a necessity exists for this special location due to the right-of-way of the Texas and New Mexico Railroad, which is a division of the Texas and Pacific Railroad and the right-of-way of State Highway No. 18, the two aforesaid

right-of-ways extending across the forty acre lease of your petitioner in a northwest, southeast direction so that the location requested is the farthest location accessible from the lease adjoining the Two States Oil Company lease to the west and south.

WHEREFORE, your petitioner prays that a hearing be set at an early date and that due notice of this application and petition for the granting of an irregular location and a hearing thereon be published in accordance with the rules and regulations of this Honorable body.

Dated at Santa Fe, New Mexico, this 16th day of September, 1937.

Respectfully submitted,

TWO STATES OIL COMPANY

By

Herman R. Gule
Attorney and Agent.
Roswell, N. Mexico.