

Case No.

324

Application, Transcript,
Small Exhibits, Etc.

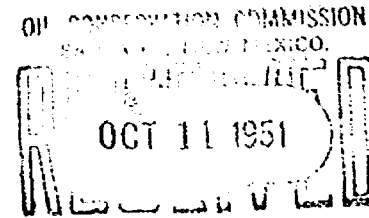
THE TEXAS COMPANY

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.

Mr. R. R. Spurrier

-2-

10-8-51

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 11, 1951

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

Re: 134781-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 8th, 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 AR, NENE Section 2, T-2-S, R-27-E, NEPM. We also suggested that you would wish to unitize the small lot to the north for proration 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

B. R.

Jason Kellahin, Attorney

JK-ga

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BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

TRANSCRIPT OF HEARING
Case No. 324

November 20, 1951

E. E. GREESON
ADA DEARNLEY
COURT REPORTERS
BOX 1303
PHONES 5-9422 AND 5-9546
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

- - -

In Re:

In the Matter of the application of)
The Texas Company for an order approv-)
ing an unorthodox location for its)
State "AR" Well No. 1, 660 feet south)
of the north line and 1980 feet east)
of the west line of Section 2, Town-)
ship 11 South, Range 37 East, NMPM,)
Lea County, New Mexico, and for uni-)
tization for proration purposes of Lot)
3, Section 2, Township 11 South, Range)
37 East, NMPM, Lea County, New Mexico,)
comprising 18.52 acres, more or less.)

Case No. 324

- - - - -
TRANSCRIPT OF HEARING

November 20, 1951

(Notice of publication read by Mr. Kellahin.)

MR. Brown. G. R. Brown of the Texas Company.

MR. WHITE: Do you wish to be sworn?

MR. BROWN: Yes.

MR. BROWN: The location of The Texas Company's State of New Mexico "AR" Well No. 1 was staked 660 feet from the north line and 1980 feet from the west line of Section 2, T-11-S, R-37-E, Lea County, New Mexico. This was intended to be a regular location and would have been had a full section existed. On March 30, 1951, Form C-101, Notice of Intention to Drill, was received and approved by Mr. Roy Yarborough, Oil and Gas Inspector. On September 7, 1951, following the potential test, The Texas Company 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 had been producing subsequent to that date in accordance with the allowable granted effective September 1.

When other operators became active offsetting this lease, the location was further investigated and found to not be in conformance with Rule 104, which states that "any well classified as a wildcat shall be located on a tract of not less than 40 surface contiguous acres substantially in the form of a square which is a quarter section or lot being a legal subdivision of the U. S. Public Land Survey." Mr. A. L. Porter brought this fact to the attention of The Texas

Company's Midland Office and as a result this hearing was requested.

As shown in Exhibits A and B, there is a row of odd size sections extending across Lea County, including Section 2, T-11-S, R-37-E, upon which the well in question was drilled. Each section consists of a full south half but the north half is only approximately 600 feet wide. Therefore, a well located 660 feet from the north line of the section will actually be some 47 feet south of the regular subdivision marking the south half of the section. The Texas Company's State of New Mexico "AR" Lease consists of 117.1 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, be 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 58.6-acre tracts for proration purposes.

In order to avoid drilling more than two wells upon the 117.1 acres included in this portion of The Texas Company's State of New Mexico "AR" Lease, it is requested that the portion be divided into two proration units containing 58.6

acres each and that the allowable for any well drilled on either of the two proration units be given an allowable equal to $58.6/40 \times 5.67 \times$ normal unit allowable for The Texas Company's State of New Mexico "AR" Well No. 1. The 18.5 acres lying in the lot north of the NE/4 of the SW/4 of Section 2, T-11-S, R-37-E, will be included for proration purposes and thus the allowable for the well will be calculated as requested above.

Then there are two plats attached as exhibits.

Q (by Mr. Kellahin): Do you offer that exhibit in evidence?

MR. BROWN: Yes.

CHAIRMAN SPURRIER: Without objection, it will be received. With 117 acres is it conceivable that you had about three wells, if you had three wells you would have 40 acres per each well.

MR. BROWN: Yes, Mr. Spurrier, almost. There would be a three-acre penalty on one well. If you notice on Exhibit Two the lots across the north are extremely narrow and would have to be a triangular location. That is, two wells to the north and one somewhat in the south central portion at least to gain an even distribution. Also if we started drilling on the narrow lots the persons to the north consider themselves under offset or possibly non-offset. Depending on whether the well, where it fell. We plan in the future, if we drill

that well to the west on the "AR" Lease, to drop it down in the center of the 40 acres so it will be a regular location.

CHAIRMAN SPURRIER: Do you have any reaction from the offset leaseholders?

MR. BROWN: Southern Union production to the east was the one that brought it to our attention that it was an irregular spacing. It is my understanding that they located their well in the center of the 40-acre from a geological standpoint. Apparently either location would be the same.

CHAIRMAN SPURRIER: Does anyone have a question of the witness?

MR. WHITE: What is the correct description of the location of this well as to Section, Township and Range?

MR. BROWN: The plat I submitted to you marked Exhibit One was incorrect. It should be Township 11 South. I believe it was submitted as Township 2 South.

MR. WHITE: In your petition, which was filed with the Commission, you also designated it as Township 2 South.

MR. BROWN: That is 11 SE. The notice of hearing was correct. The application was incorrect.

MR. WHITE: That is all I have.

CHAIRMAN SPURRIER: Any further questions?

MR. SANDERS: Continental. I would like to ask one question. Would you repeat how you propose to figure your allowable?

MR. BROWN: Strictly on a per acreage basis. It would be the area of the 40-acre unit plus that of the lot to the north of it, divided by 40 times the normal unit allowable. The factor I read of 5.67 is the depth factor for that particular depth.

MR. SANDERS: That is all, thank you.

CHAIRMAN SPURRIER: Any further questions? If not, the witness may be excused. The case will be taken under advisement and we will proceed to Case No. 325.

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) ss

I HEREBY CERTIFY that the foregoing and attached Transcript of Proceedings in Case No. 324, before the Oil Conservation Commission, taken on November 20, 1951, is a true and correct record of the same to the best of my knowledge, skill and ability.

DATED at Albuquerque, New Mexico, Dec. 5th
1951.

Ada Dearnley
REPORTER

207
Ex # 182 (T. Co)

CASE 324
NEW MEXICO OIL CONSERVATION COMMISSION HEARING
NOVEMBER 20, 1951

"Case 324:

In the matter of the application of The Texas Company for an order approving an unorthodox location for its State AR Well No. 1, 660 feet south of the north line and 1980 feet east of the west line of Section 2, Township 11 South, Range 37 East, NMPM, Lea County, New Mexico, and for unitization for proration purposes of Lot 3, Section 2, Township 11 South, Range 37 East, NMPM, Lea County, New Mexico comprising 18.52 acres, more or less."

The location of The Texas Company's State of New Mexico "AR" Well No. 1 was staked 660 feet from the north line and 1980 feet from the west line of Section 2, T-11-S, R-37-E, Lea County, New Mexico. This was intended to be a regular location and would have been had a full section existed. On March 30, 1951, Form C-101, Notice of Intention to Drill, was received and approved by Mr. Roy Yarborough, Oil and Gas Inspector. On September 7, 1951, following the potential test, The Texas Company 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 had been producing subsequent to that date in accordance with the allowable granted effective September 1.

When other operators became active offsetting this lease, the location was further investigated and found to not be in conformance with Rule 104 which states that "any well classified as a wildcat shall be located on a tract of not less than 40 surface contiguous acres substantially in the form of a square which is a quarter section or lot being a legal subdivision of the U. S. Public Land Survey." Mr. A. L. Porter brought this fact to the attention of The Texas Company's Midland Office and as a result this hearing was requested.

As shown in Exhibits A and B, there is a row of odd size sections extending across Lea County including Section 2, T-11-S, R-37-E, upon which the well in question was drilled. Each section consists of a full south half but the north half is only approximately 600 feet wide. Therefore a well located 660 feet from the north line of the section will actually be some 47 feet south of the regular subdivision marking the south half of the section. The Texas Company's State of New Mexico "AR" Lease consists of 117.1 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, be 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 58.6-acre tracts for proration purposes.

In order to avoid drilling more than two wells upon the 117.1 acres included in this portion of The Texas Company's State of New Mexico "AR" Lease, it is requested that the portion be divided into two proration units containing 58.6 acres each and that the allowable for any well drilled on either of the two proration units be given an allowable equal to $58.6/40 \times 5.67 \times$ normal unit allowable for The Texas Company's State of New Mexico "AR" Well No. 1. The 18.5 acres lying in the lot north of the

NE/4 of the SW/4 of Section 2, T-11-S, R-37-E, will be included for proration purposes and thus the allowable for the well will be calculated as requested above.



STATE OF NEW MEXICO.
THE TEXAS COMPANY-AR-LEASE
SECTION 2 - TWP. 11S: RNG. 37-E.
LEA COUNTY, NEW MEXICO

<p>T.T.Co(S) No 89086 2.30.54 A</p> <p>159.98 Ac 3.30.54 A 10.49</p> <p>Ohio Danciger T.T.Co</p> <p>79.98 Ac State</p>	<p>Ohio Danciger</p> <p>E.M. Saltzman Amerada</p>	<p>Phillips Danciger Rowan & Nichols Phillips</p> <p>40 Ac 7.10.47 Amerada</p> <p>29</p> <p>B.R. Platt Amerada</p> <p>P.12.9.47 T.T.Co(S) Patterson No 89086 Danciger 40 Ac State</p>	<p>Rowan & Nichols Gulf 7.10.54</p> <p>28</p> <p>Ohio Vickers 7.10.54</p> <p>T.T.Co(S) No 89086 State 160 Ac.</p>
<p>P.12.9.48 B1</p> <p>T.T.Co(S) No 89086</p> <p>31</p> <p>State</p>	<p>P.2.9.49 (54) T.T.Co(S) No 9-208</p> <p>160 Ac 9.10.52 Amerada R. Platt 9.10.52</p> <p>State</p>	<p>Magnolia Olsen et al 1.10.59</p> <p>32</p> <p>Gulf 2.10.59</p> <p>Vickers 7.10.54</p> <p>State</p>	<p>Rowan & Nichols 3-00-00</p> <p>Santa Fe Ry</p> <p>33</p> <p>P.12.9.48 S1 T.T.Co(S) No 89086 320 Ac State</p> <p>R3</p>
<p>R3</p> <p>Tide Water 11-10-44</p> <p>State</p>	<p>4-10-51 3-10-54 2-10-53 1-10-59 P.10.10.44 T.T.Co(S) No 62221</p> <p>197.15 Ac</p>	<p>4-10-56 3-10-55 2-10-48 1-10-42 "AR" T.T.Co. 134781 117.1 Ac AD-10-9-57</p> <p>Southern Prod T.10.57</p> <p>(T.T.Co. 62222-Rel.10.10.44) Shell State 6.11.55 160 Ac</p>	<p>4-10-59 3-10-57 2-10-55 1-10-51 T.T.Co. 134782 (S) 36.74 Ac AD-10-9-57</p> <p>(T.T.Co. 62222-Rel.10.10.44) Southern Prod State 393.4</p>
<p>more Sheppard</p>	<p>Leigh Talliaferro 11-10-44</p> <p>10 P.2.9.44 Amerada T.T.Co(S) No 60070</p> <p>2.1.44 State 320 Ac</p>	<p>W.G. McCormick</p> <p>Humble 6.10.50</p> <p>Union</p> <p>11</p> <p>State</p>	<p>Gulf 1.10.55</p> <p>12</p> <p>Cities Service 9.12.10.55</p> <p>Danciger 5.10.55</p> <p>State</p>
<p>Humble 9.10.50</p>	<p>Phillips Cities Service 3.10.55</p> <p>15</p> <p>Amerada 9.10.52</p> <p>Mid Cont 4.10.55</p>	<p>Ohio Devonian 11.10.57</p> <p>Mid Cont 4.10.55</p>	<p>EXHIBIT II</p> <p>STATE OF NEW MEXICO VICINITY - THE TEXAS CO. "AR" LEASE SECTION 2 - TWP. 11-S - RNG-37-E LEA COUNTY, NEW MEXICO</p>

CASE 324

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

November 6, 1951

C
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P
Y

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

Dear Mr. Brown:

RE: Texas Co.'s State of New Mexico "AR"
Well No. 1, Lea County, New Mexico

We have advertised the above matter for hearing November 20. In making up the advertisement, however, we find that your application gives the description of the well as Section 2, Township 2 S, Range 37 E, the attached plat gives the description 2-28-37E, but our well file shows the location as Section 2, Township 11 S, Range 37 E, and the large plat which you attach shows the same location as our well file.

For that reason, we have advertised the case giving the location as being in Township 11 S, Range 37 E. If this is not the correct description, would you please notify us immediately so that the advertisement may be corrected prior to the November 20 hearing.

Very truly yours,

Jason Kellahin, Attorney

JK:nr

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

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. F. 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 unite in connection with the same application the short quarter in the north part of the section.

Yours very truly,

Jason Kellahin, Attorney

JK:ny

cc: The Texas Company
Midland, Texas

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:

CASE NO. 324
ORDER NO. R-122

THE APPLICATION OF THE TEXAS COMPANY
FOR AN ORDER APPROVING AN UNORTHODOX
LOCATION FOR ITS STATE AR WELL NO. 1,
660 FEET SOUTH OF THE NORTH LINE AND 1980 FEET
EAST OF THE WEST LINE OF SECTION 2, TOWNSHIP
11 SOUTH, RANGE 37 EAST, NMPM, LEA COUNTY,
NEW MEXICO, AND FOR UNITIZATION OF LOT 3,
SECTION 2, TOWNSHIP 11 SOUTH, RANGE 37 EAST,
NMPM, WITH SAID DRILLING UNIT.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 10 a.m. on November 20, 1951, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," all members being present.

NOW, this 18th day of December, 1951, the Commission, a quorum being present, having considered the testimony adduced and the exhibits received at said hearing, and being fully advised in the premises,

FINDS: (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause, the persons interested, and the subject matter thereof.

(2) That the location of the Texas Company's State of New Mexico AR Well No. 1 was staked 660 feet from the north line and 1980 feet from the west line of Section 2, Township 11 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That said Section 2, Township 11 South, Range 37 East, NMPM, is a short section, and said location resulted in an unorthodox well location for said well, which fact, as a result of inadvertence and a surveyor's error, was overlooked.

(4) That said well has been completed as a producing well.

(5) That the unorthodox location of said well should be approved, to prevent waste and to avoid unnecessary drilling, and that such approval will not interfere with or impair correlative rights of adjoining lessees.

(6) That Lot 3, Section 2, Township 11 South, Range 37 East, NMPM, lying to the north of the Texas Company's State AR Well No. 1, is of less than normal size, containing 18.52 acres, more or less, and said lot, because of its small size, should be unitized, for purposes of production and proration of oil, with the normal drilling unit to the south, being the NE/4 SW/4 Section 2, Township 11 South, Range 37 East, NMPM, for the prevention of waste, and that the ownership of the NE/4 SW/4, and Lot 3, in Section 2, Township 11 South, Range 37 East, NMPM, is the same.

(7) That the ownership of Lot 4, and the NW/4 SW/4 Section 2, Township 11 South, Range 37 East, NMPM, is the same; that said Lot 4 contains 18.58 acres, more or less, and said Lot 4 should be unitized for production and proration purposes with the said NW/4 SW/4, for the prevention of waste and to avoid unnecessary drilling.

IT IS THEREFORE ORDERED:

(1) That the location of the Texas Company State AR Well No. 1, 660 feet south of the north line and 1980 feet east of the west line of Section 2, Township 11 South, Range 37 East, NMPM, Lea County, New Mexico, be and the same hereby is approved.

(2) That Lot 3 be unitized with the NE/4 SW/4 Section 2, Township 11 South, Range 37 East, NMPM, for production and proration purposes.

(3) That Lot 4 be unitized with the NW/4 SW/4 Section 2, Township 11 South, Range 37 East, NMPM, for production and proration purposes.

IT IS FURTHER ORDERED:

That nothing contained in this order shall be construed as approving an unorthodox well location in the NW/4 SW/4 of Section 2, Township 11 South, Range 37 East, NMPM, or in any other part of said section or adjacent or adjoining sections.

DONE at Santa Fe, New Mexico, on the day and year hereinabove written.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Edwin L. Hechem
EDWIN L. HECHER, Chairman

Guy Shepard
GUY SHEPARD, Member

R. R. Spurrer
R. R. SPURRER, Secretary

S E A L

CORRECTION

ORDER NO. R-122

CASE NO. 324

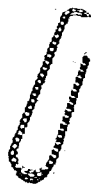
All interested parties are asked to make the following correction in mimeographed copy of the above-designated order of the New Mexico Oil Conservation Commission as issued on December 18, 1951:

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



THE TEXAS COMPANY

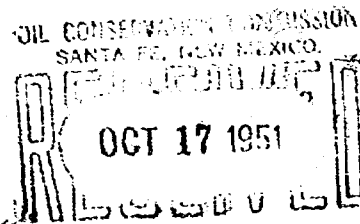
TEXACO PETROLEUM PRODUCTS



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

October 15, 1951

P. O. BOX 1720
FORT WORTH 1, TEXAS



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

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

Gentlemen:

In accord with Mr. Jason Kellahin's letter of October 11, 1951, The Texas Company herewith requests hearing concerning the location of its State of New Mexico "AR" Well No. 1 in Section 2, T-2-S, R-27-E, Lea County, New Mexico. At this same time we will request unitization with the small lot north of the 40-acre unit. This small lot is under lease by The Texas Company and is to be unitized for proration purposes.

Please set this case for hearing as early as possible and advise us concerning the date.

Yours very truly,

THE TEXAS COMPANY

G. R. Brown

G. R. Brown
Assist. Division Petroleum
Engineer

GRB-ECH