

NEW YORK OFFICE
630 FIFTH AVENUE
NEW YORK 20, N. Y.

AUSTRAL OIL EXPLORATION COMPANY

INCORPORATED

NEW YORK OFFICE 000

SAN JACINTO BUILDING

HOUSTON 2, TEXAS

NOV 20 AM 8:13 November 28, 1956

TELEPHONE
CA 8-9461

NSL-76

recd 12/20/56

New Mexico Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico

Attention: Mr. A. L. Porter
Secretary Director

Re: State Lease B Well #3
State of New Mexico Lease #E-9116
Lea County, New Mexico
(DB 56-4)

Gentlemen:

Under the provisions of Paragraph F, Rule 104, application is hereby made for administrative exception to Paragraph C, Rule 104 "Well Spacing", as revised by Order R-855. Attached is a certified plat of location for the State B#3 well. Also attached is a plat of the surrounding area which shows the location of the well with respect to the runway of the Lea County, New Mexico Airport. Austral Oil Exploration Company Incorporated leases are shown in yellow. It is further stated that -

Let 9

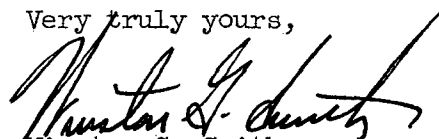
1-165-35E

- "1. The necessity for the unorthodox location is based on topographic conditions of the airport runway.
2. Austral Oil Exploration Company Incorporated owns all oil and gas leases within a radius of 660 feet of the well location with the exception of the lease on the east. This lease is owned by the Texas Pacific Coal and Oil Company and the State B-3 well is 160 feet from the Texas Pacific Coal and Oil Company lease."

We are today advising the Texas Pacific Coal and Oil Company in Fort Worth, Texas of our intentions of drilling an unorthodox location. A copy of this letter is attached for your information.

If there is any further information which you require, please let us hear from you.

Very truly yours,


Winston G. Smith
Division Engineer

WGS/is
cc: New Mexico Oil Conservation Commission
Hobbs, New Mexico
AIR MAIL SPECIAL DELIVERY

NEW YORK OFFICE
630 FIFTH AVENUE
NEW YORK 20, N. Y.

AUSTRAL OIL EXPLORATION COMPANY

INCORPORATED

TELEPHONE
CA 8-9461

MAIN OFFICE 003
SAN JACINTO BUILDING
HOUSTON 2, TEXAS

RECEIVED DEC 31 AM 8:34
December 28, 1956

New Mexico Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico

Attention: Mr. A. L. Porter
Secretary Director

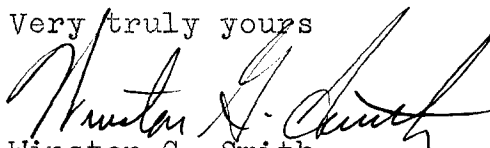
Re: State Lease "B" Well #3
State of New Mexico Lease #-E-9116
Lea County, New Mexico

Gentlemen:

This is to refer to your letter of December 20, 1956 in which you approved an unorthodox well location for our State "B" Well #3 location under administrative order NSL-76. The third paragraph of this letter advises that we must also obtain a like approval from the U. S. Geological Survey for this location.

This letter is written to confirm our telephone conversation of today in which you advised that your assistant was under the opinion that some federal land was involved in this lease. Since no federal land is involved in this lease it is now understood that no approval from the U. S. Geological Survey is necessary.

Very truly yours


Winston G. Smith
Division Engineer

WGS/bb

NEW YORK OFFICE
630 FIFTH AVENUE
NEW YORK 20, N. Y.

AUSTRAL OIL EXPLORATION COMPANY

INCORPORATED

SAN JACINTO BUILDING

HOUSTON 2, TEXAS

TELEPHONE
CA 8-9461

RECEIVED DEC 27 1956
8:34
December 27, 1956

The New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Attn: Mr. H. L. Porter
Secretary-Director

Re: Location Exception
State B#3 Well, Lease #03.26
East Townsend Prospect (DB 56-4)
Lea County, New Mexico

Gentlemen:

Accompanying this letter is an original executed Waiver of Location instrument dated December 17, 1956, addressed to you from Texas Pacific Coal and Oil Company with space provided at the bottom thereof for acceptance and execution by Austral Oil Exploration Company Incorporated. A copy of said instrument, with a copy of this letter, is returned to the Texas Pacific Coal and Oil Company which reflects the qualifying acceptance statement as executed by Austral under date of December 27, 1956.

The enclosed instrument is in compliance with the requirements under our request for an administrative exception to the spacing rule as reported to you in our letter dated November 28, 1956 from Mr. Winston G. Smith.

I trust with the receipt of the enclosed Waiver that Commission approval will be forwarded to our Mr. Winston G. Smith as requested.

Sincerely yours,

AUSTRAL OIL EXPLORATION COMPANY
INCORPORATED

By 

G. E. Faust
Manager Land Department

GEF:lhb
Enc.

cc (W/Enc.): Texas Pacific Coal and Oil Company
Box 2110
Fort Worth National Bank Building
Fort Worth, Texas
Attn: Mr. M. M. Slagle

TEXAS PACIFIC COAL AND OIL COMPANY

GENERAL OFFICES
FORT WORTH 1
TEXAS

December 17, 1956

Re: Location exception
Austral Oil Exploration Co., Inc.
East Townsend Prospect
Lea County, New Mexico
Austral No. 3 State "B"

*Read one copy
direct from
T&P
on 12/22/56
of letter
by WRM*

New Mexico Oil Conservation Commission
Santa Fe
New Mexico

Attention Mr. H. L. Porter
Secretary-Director

Gentlemen:

Reference is made to letter dated November 28, 1956, from Mr. Winston G. Smith, Division Engineer for Austral Oil Exploration Company, Incorporated, a copy of which was forwarded you, and pertaining to their request for an administrative exception to the spacing rule for the drilling of their No. 3 State "B" well at a location 4290 feet from the south line and 160 feet from the east line of Section No. 1 in Township 16 South, Range 35 East in Lea County, New Mexico.

Texas Pacific Coal and Oil Company, as offset operator, has no objection to this well being drilled at the above location provided it is given the right to acquire, at its election, a waiver from Austral and an administrative exception from the Commission's spacing rule for drilling on our State of New Mexico Lease No. NM-382 at the same distance from our most westerly lease line, being at a distance not less than 160 feet east of the west line of Lots 12 and 13 of Section No. 6, in Township 16 South, Range 36 East in Lea County, New Mexico.

By copy of this letter we ask Austral to agree to and accept these provisions, returning our signed copy to this office and forwarding the other copy to you.

Yours very truly,

TEXAS PACIFIC COAL AND OIL COMPANY

By

R. I. Dickey
R. I. Dickey, Vice President

APPROVED
AS TO FORM

[Signature]
AS TO CONTENT
Rew

RID:JM:KLW

EX

CC: W. A. Creswell

Billy J. Moore

Subject to the understanding that Austral's waiver shall relate to only one (1) well this is:

AGREED TO AND APPROVED THIS 27th DAY OF December, 1956.

AUSTRAL OIL EXPLORATION COMPANY, INCORPORATED

By

[Signature]

[Signature]
df

2060

TEXAS PACIFIC COAL AND OIL COMPANY

GENERAL OFFICES

1957 JAN 14 AM 8:49
FORT WORTH 1
TEXAS

January 10, 1957

Re: Location Exception
Austral Oil Exploration Co., Inc.
East Townsend Prospect
Lea County, New Mexico
Austral No. 3 State "B"
TP Lease No. NM-382

New Mexico Oil Conservation Commission
Post Office Box 871
Santa Fe, New Mexico

Attention Mr. A. L. Porter, Jr.

Gentlemen:

Reference is made to NSL Order No. 76 granted December 20, 1956, pertaining to Austral Oil Company request for an administrative exception to the spacing rule for the spacing of their No. 3 State "B" well in Section No. 1, Township 16 South, Range 33 East in Lea County, New Mexico.

Texas Pacific Coal and Oil Company considered their letter of December 17, 1956, as a restricted objection to the location subject to our receiving like consideration should we request approval of a non-standard location offsetting Austral's well.

Yours very truly,

Kenneth L. Webb

Kenneth L. Webb:JM
CC: W. A. Creswell
Billy J. Moore

NEW YORK OFFICE
630 FIFTH AVENUE
NEW YORK 20, N. Y.

AUSTRAL OIL EXPLORATION COMPANY

INCORPORATED
SAN JACINTO BUILDING
HOUSTON 2, TEXAS

TELEPHONE
CA 8-9461

November 28, 1956

REGISTERED - RRR

Texas Pacific Coal and Oil Company
Box 2116
Fort Worth National Bank Building
Fort Worth, Texas

Attention: Mr. M. M. Slagle

Re: State D#3 Well
Lea County, New Mexico

Gentlemen:

This letter is written to advise that Austral Oil Exploration Company Incorporated is intending to drill an unorthodox location to be known as our State D#3 well and located 4290' from the south line and 160' from the east line of Section 1, T-16-S, R-35-E, Lea County, New Mexico. Due to the topographic conditions of the airport runway, it is necessary to place this well within 160 feet of the east line of Section 1, and we are asking the New Mexico Oil Conservation Commission to grant an administrative exception to their spacing rule.

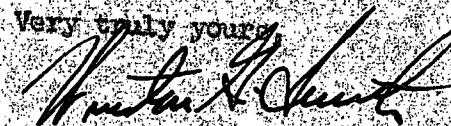
The New Mexico Oil Conservation Commission requires that in order for an administrative exception to their spacing rule be granted, the Texas Pacific Coal and Oil Company consent to the proposed location.

It is my understanding that our Mr. Gerald Faust talked with your Mr. Slagle today in regard to the location of this well with respect to the boundary line of the lease, and it was suggested that Texas Pacific Coal and Oil Company would consent to the drilling of the well in this location if Austral Oil Exploration Company Incorporated would upon request at some later date also agree to one location for a Texas Pacific Coal and Oil Company well which would offset our east lease line the distance of 160 feet. Please be advised that accordingly Austral Oil Exploration Company Incorporated will consent to the drilling of one well 160 feet from the east boundary of Section 1, to be located in either of the two forty acre blocks which have a common boundary line.

Enclosed for your information is a vicinity map showing Austral Oil Exploration Company Incorporated's leases in yellow and also showing the location of the well with respect to the runway of the Lea County Airport.

If you have no objection to the drilling of the well as shown, would you please advise the New Mexico Oil Conservation Commission, Santa Fe, New Mexico, of your consent for drilling of this well, with a carbon copy to this office.

Very truly yours,



Winston G. Smith
Division Engineer

WGS/jg

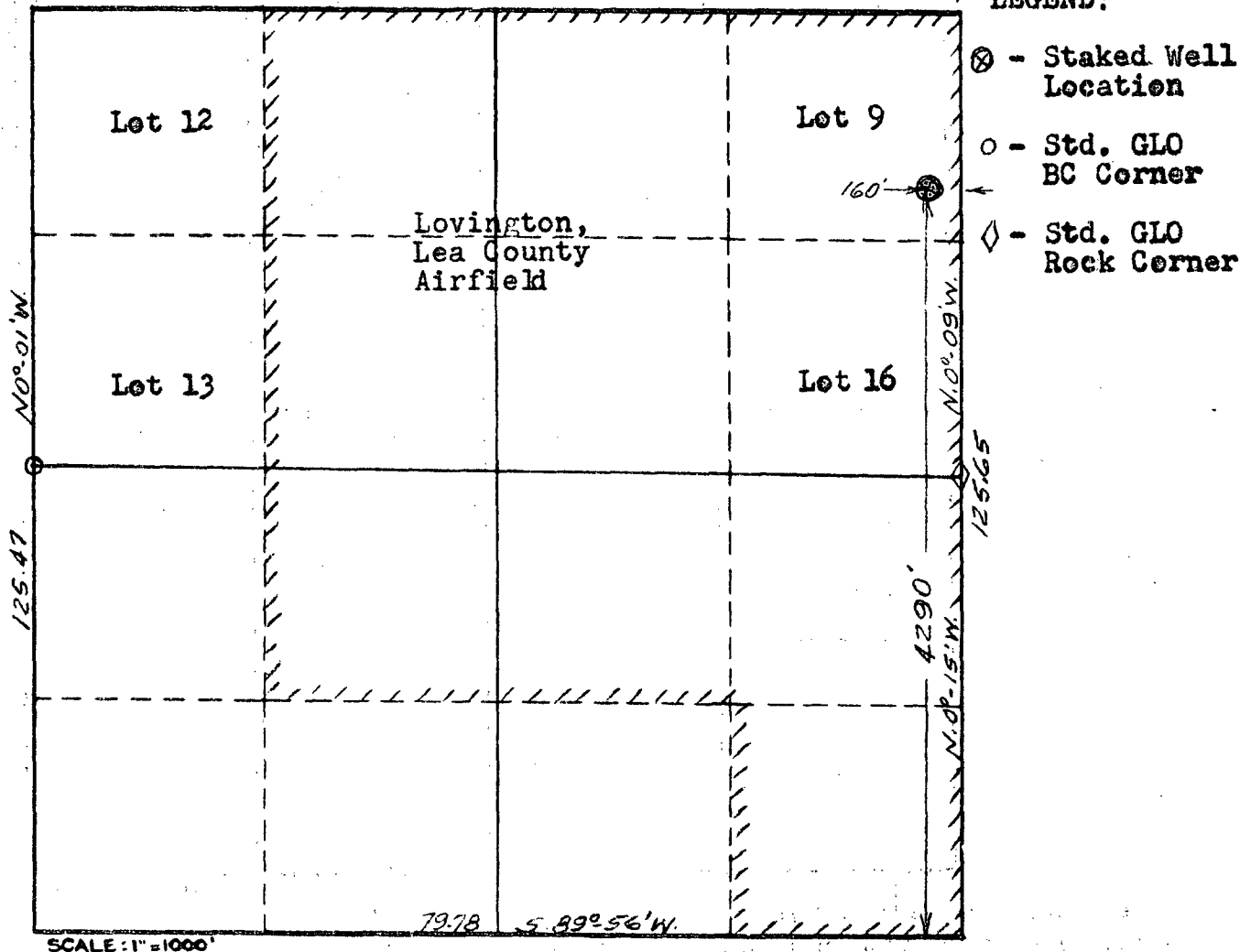
cc: GEF New Mexico Oil Conservation Commission, Santa Fe, New Mexico

Form C-128

Date **November 23, 1956**

Name of Producing Formation	Pool	Dedicated Acreage
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LEGEND:



1. Is this Well a Dual Comp. ? Yes ___ No ___ .
2. If the answer to Question 1 is yes, are there any other dually completed wells within the dedicated acreage ? Yes No .

This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

Name _____
Position _____
Representing _____
Address _____

Date Surveyed: November 23, 1956
John W. Starnes
 Registered Professional Engineer and/or
 Land Surveyor License No. 1559