

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION)	
OF WORTH DRILLING COMPANY, INC.,)	
FOR PERMISSION TO DRILL THREE)	
UNORTHODOX LOCATIONS:)	
NO. 8-A, 1,345 FT. NORTH OF THE)	
SOUTH LINE AND 1,295 FT. EAST OF)	
THE WEST LINE (SW $\frac{1}{4}$) SECTION 12;)	
NO. 9-A, 1,345 FT. NORTH OF THE)	
SOUTH LINE AND 2,615 FT. EAST OF)	CASE NO. 211
THE WEST LINE (SW $\frac{1}{4}$) SECTION 12;)	
NO. 10-A, 25 FT. NORTH OF THE)	
SOUTH LINE AND 2,615 FT. EAST OF)	
THE WEST LINE (SW $\frac{1}{4}$) SECTION 12,)	
ALL IN T. 18 S., R. 31 E., N.M.P.M.,)	
UPON THE A. C. TAYLOR "A" LEASE)	
IN THE NORTH SHUGART POOL, EDDY)	
COUNTY, NEW MEXICO.)	

AMENDED APPLICATION FOR APPROVAL
OF UNORTHODOX DRILLING LOCATION

Comes the undersigned, Worth Drilling Company, Inc.,
Whaley Company, Inc., and J. C. Maxwell, and respectfully
show:

1. That the Worth Drilling Company, Inc., as
operator of the leases hereinafter referred to, has heretofore
made application to the New Mexico Oil Conservation Commission
for the drilling of three wells for oil and gas at unorthodox
locations referred to in the caption hereof as Wells 8-A, 9-A
and 10-A, and the Conservation Commission has called a public
hearing to be held on said applications at 10:00 A. M., on
February 7, 1950, at Santa Fe, New Mexico.

2. That the proposed locations for Wells 9-A and
10-A are within 200 feet of the boundary lines of the A. C.
Taylor Federal Oil and Gas Lease bearing Las Cruces Serial No. .
058709-A, and that because thereof it has been learned by the
undersigned applicants that the drilling of said wells will not
be approved by the Supervisor of the U. S. Geological Survey

until such time as said lease has been consolidated with the adjoining lease covering the SE $\frac{1}{4}$ Sec. 12 and N $\frac{1}{2}$ NE $\frac{1}{4}$ Sec. 13, T. 18 S., R. 31 E., N.M.P.M., and because thereof the undersigned applicants desire to eliminate said wells from consideration in connection with this application without prejudice to filing an application for the approval of the drilling of said wells at a later date and after said leases have been consolidated.

3. That the undersigned applicants are the owners and holders of Oil and Gas Lease bearing Las Cruces Serial No. 058709-A, issued by the United States under the provisions of the Federal Mineral Leasing Act, covering the SW $\frac{1}{4}$ Sec. 12; N $\frac{1}{2}$ NW $\frac{1}{4}$ Sec. 13, T. 18 S., R. 31 E., N.M.P.M.; that applicants have heretofore caused to be drilled wells located in approximately the center of each of the forty acre legal subdivisions contained in the said SW $\frac{1}{4}$ Sec. 12; N $\frac{1}{2}$ NW $\frac{1}{4}$ Sec. 13, and that said wells are producing oil and gas in paying quantities from what is known as the "Red Sand" formation at a depth of approximately 3,500 feet.

4. That heretofore the Commission by Order No. 848, Case No. 200, approved the unitization for proration and allowable purposes of the S $\frac{1}{2}$ SW $\frac{1}{4}$ Sec. 12; N $\frac{1}{2}$ NW $\frac{1}{4}$ Sec. 13, T. 18 S., R. 31 E., N.M.P.M., containing 160 acres, more or less.

5. That the formation from which said wells are producing is such that applicants do not believe that one well located in the center of each forty acre legal subdivision contained in the said SW $\frac{1}{4}$ Section 12 will be sufficient to obtain all of the recoverable oil under said forty acre tracts, or that the same will adequately drain said ~~160~~ acres or permit the recovery of all of the oil and gas therefrom which may economically be recovered, and that the drilling of the well referred to herein as Well 8-A to be located 1,295 feet from the West boundary and 1,345 feet from the South boundary of the said SW $\frac{1}{4}$ Section 12 is

necessary to obtain the greatest ultimate recovery of oil and gas from said 160 acres, and that the drilling of the same would be in the interest of conservation and the prevention of waste in that it will enable applicants to recover substantial quantities of oil which would otherwise not be produced from the four wells heretofore drilled.

6. That heretofore applicants have caused to be drilled their A. C. Taylor Well 7-A upon the S $\frac{1}{2}$ SW $\frac{1}{4}$ Sec. 12, T. 18 S., R. 31 E., N.M.P.M., and that said well has been drilled to a total depth of 3,567 feet and is in the process of being completed and that applicants now desire that the SW $\frac{1}{4}$ Sec. 12; N $\frac{1}{2}$ NW $\frac{1}{4}$ Sec. 13, T. 18 S., R. 31 E., N.M.P.M., containing 240 acres, more or less, be unitized for proration and allowable purposes, and that applicants be authorized to produce from said unitized tract the total allowable production as fixed by the Commission for the total number of developed forty acre proration units comprising such unitized tract with the proviso that no well located upon said unitized tract shall be permitted to produce at a rate in excess of the top allowable as fixed by the Commission.

7. That a copy of this amended application is being furnished to the Supervisor of the U. S. Geological Survey with the request that the Supervisor advise the Conservation Commission as to whether or not he has any objections to the approval by the Commission of the drilling of said Well 8-A.

WHEREFORE, the undersigned applicants respectfully request that the New Mexico Oil Conservation Commission approve the unorthodox location of Well 8-A herein referred to which is to be drilled in approximately the center of SW $\frac{1}{4}$ Sec. 12, T. 18 S., R. 31 E., N.M.P.M., and that said order of approval provide for the unitization of said ~~240~~ acre tract for proration and allowable purposes, and that applicants be authorized to produce from said unitized tract the total allowable production as fixed by the Commission for the total number of developed forty acre proration units comprising such unitized tract on

condition that no well located upon said unitized tract shall be permitted to produce at a rate in excess of the top allowable as fixed by the Commission.

Respectfully submitted,

WORTH DRILLING COMPANY, INC.

By J. C. Maxwell
J. C. Maxwell, Its President.

ATTEST:

William D. Morris
Secretary

WHALEY COMPANY, INC.

By William D. Morris
William D. Morris, Its President.

ATTEST:

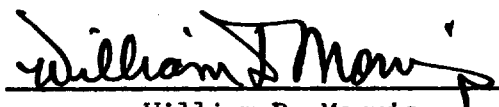
McRae
Secretary

J. C. Maxwell
J. C. Maxwell

STATE OF TEXAS)
) SS
COUNTY OF Tarrant)

William D. Morris, being first duly sworn upon his oath, states:

That he is the Secretary of the Worth Drilling Company, Inc., one of the applicants named in the above and foregoing application, and that he has read the same and from personal knowledge knows the statements therein contained to be true and correct, except such statements as are made upon information and belief, and as to those he believes them to be true and correct.


William D. Morris

SUBSCRIBED AND SWORN TO BEFORE ME, this the 4th
day of February, 1950.

Fred E. Bell,


Notary Public

My Commission Expires:

June 1, 1951.

until such time as said lease has been consolidated with the adjoining lease covering the SE $\frac{1}{4}$ Sec. 12 and N $\frac{1}{2}$ NE $\frac{1}{4}$ Sec. 13, T. 18 S., R. 31 E., N.M.P.M., and because thereof the undersigned applicants desire to eliminate said wells from consideration in connection with this application without prejudice to filing an application for the approval of the drilling of said wells at a later date and after said leases have been consolidated.

3. That the undersigned applicants are the owners and holders of Oil and Gas Lease bearing Las Cruces Serial No. 058709-A, issued by the United States under the provisions of the Federal Mineral Leasing Act, covering the SW $\frac{1}{4}$ Sec. 12, T. 18 S., R. 31 E., N.M.P.M.; that applicants have heretofore caused to be drilled wells located in approximately the center of each of the forty acre legal subdivisions contained in the said SW $\frac{1}{4}$ Section 12, and that said wells are producing oil and gas in paying quantities from what is known as the "Red Sand" formation at a depth of approximately 3,500 feet.

4. That the formation from which said wells are producing is such that applicants do not believe that one well located in the center of each forty acre legal subdivision contained in the said SW $\frac{1}{4}$ Section 12 will be sufficient to obtain all of the recoverable oil under said forty acre tracts, or that the same will adequately drain said 160 acres or permit the recovery of all of the oil and gas therefrom which may economically be recovered, and that the drilling of the well referred to herein as Well 8-A to be located 1,295 feet from the West boundary and 1,345 feet from the South boundary of the said SW $\frac{1}{4}$ Section 12 is necessary to obtain the greatest ultimate recovery of oil and gas from said 160 acres, and that the drilling of the same would be in the interest of conservation

and the prevention of waste in that it will enable applicants to recover substantial quantities of oil which would otherwise not be produced from the four wells heretofore drilled.

5. That applicants desire that the said SW $\frac{1}{4}$ Sec. 12 be unitized for proration and allowable purposes and that applicants be authorized to produce from said unitized tract the total allowable production as fixed by the Commission for the total number of developed forty acre proration units comprising such unitized tract with the proviso that no well located upon said unitized tract shall be permitted to produce at a rate in excess of the top allowable as fixed by the Commission.

6. That a copy of this amended application is being furnished to the Supervisor of the U. S. Geological Survey with the request that the Supervisor advise the Conservation Commission as to whether or not he has any objections to the approval by the Commission of the drilling of said Well 8-A.

WHEREFORE, the undersigned applicants respectfully request that the New Mexico Oil Conservation Commission approve the unorthodox location of Well 8-A herein referred to which is to be drilled in approximately the center of SW $\frac{1}{4}$ Sec. 12, T. 18 S., R. 31 E., N.M.P.M., and that said order of approval provide for the unitization of said ²⁴⁰160 acre tract for proration and allowable purposes, and that applicants be authorized to produce from said unitized tract the total allowable production as fixed by the Commission for the total number of developed forty acre proration units comprising such unitized tract on

FIELD ADDRESS:

P. O. BOX 667
KERMIT, TEXAS

WORTH DRILLING COMPANY, INC.

FORT WORTH NATIONAL BANK BUILDING

FORT WORTH, TEXAS

January 13, 1950

RE: L.C. 058709 (a)

Mr. R. R. Spurrier, Director
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Mr. Spurrier:

Herewith, Worth Drilling Company, Incorporated, applications for special permits to drill A. C. Taylor "A" Lease, wells Nos. 8, 9 and 10. These are all "five spot" locations and a special hearing is requested on same just as promptly as possible.

We also enclose you a general map showing these proposed locations circled in red along with the other producing and drilling wells in the area. All wells on the A. C. Taylor "A" and "B" Leases are owned by us.

Thanking you, we are

Yours respectfully,

William D. Morris
William D. Morris,
Secretary

WDM:m
Encl.-

Notice of Intention to Drill

General Map, showing proposed
locations.

cc: Mr. John A. Frost, District Engineer
U. S. Department of The Interior
Geological Survey
P. O. Box 187
Artesia, New Mexico

cc: Mr. Clarence E. Hinkle, Attorney
Hervey, Dow & Hinkle
Roswell, New Mexico

cc: Mr. Roy Charlesworth
P. O. Box 667
Kermit, Texas.

NEW MEXICO OIL CONSERVATION COMMISSION
JAN 17 1950
SANTA FE, N.M.
16 99

NEW MEXICO OIL CONSERVATION COMMISSION

Santa Fe, New Mexico

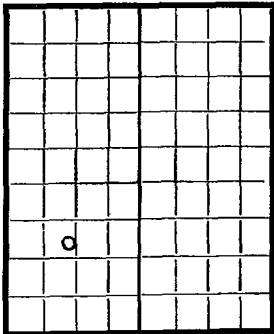
NOTICE OF INTENTION TO DRILL

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.

Fort Worth 2, Texas. January 9, 1950
2006 Ft. Worth National Bank Bldg.,
OIL CONSERVATION COMMISSION, Santa Fe, New Mexico, Date

Gentlemen:

You are hereby notified that it is our intention to commence the drilling of a well to be known as
Worth Drilling Company, Inc. A.C. Taylor "A" Well No. 8-A in SW/4
Company or Operator Lease
of Sec. 12, T. 18-S, R. 31-E, N. M., P. M., N. Shugart Field, Eddy County.



AREA 640 ACRES

LOCATE WELL CORRECTLY

The well is 1345 feet (N.) (X) of the South line and 1295 feet (E.) (X) of the West line of SW/4 of Section 12

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

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

If patented land the owner is X

Address X

If government land the permittee is A.C. Taylor L.C. 058709-A

Address Lovington, New Mexico

The lessee is Worth Drilling Company, Inc.

Address 2006 Ft. Worth Nat'l Bank Bldg., Ft. Worth 2, Texas.

We propose to drill well with drilling equipment as follows: Cable Tools, using No. 3 National Drilling Machine powered with Waukesha Drilling Engine.

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: No Bond filed. We have operations on Federal Lands only. All Federal Bonds in good standing. 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
10"	8-5/8"	24#	New	1100	Cemented	50
8-1/2"	7"	20#	New	3475	Cemented	100

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 3550 feet.

Additional information: Plat attached showing proposed location circled in red. Field address: c/o Roy Charlesworth, P. O. Box 667, Kermit, Texas.

Approved _____, 19____
except as follows:

Sincerely yours,

WORTH DRILLING COMPANY, INC.

Company or Operator

By William D. Morris

Position Secretary-Treasurer

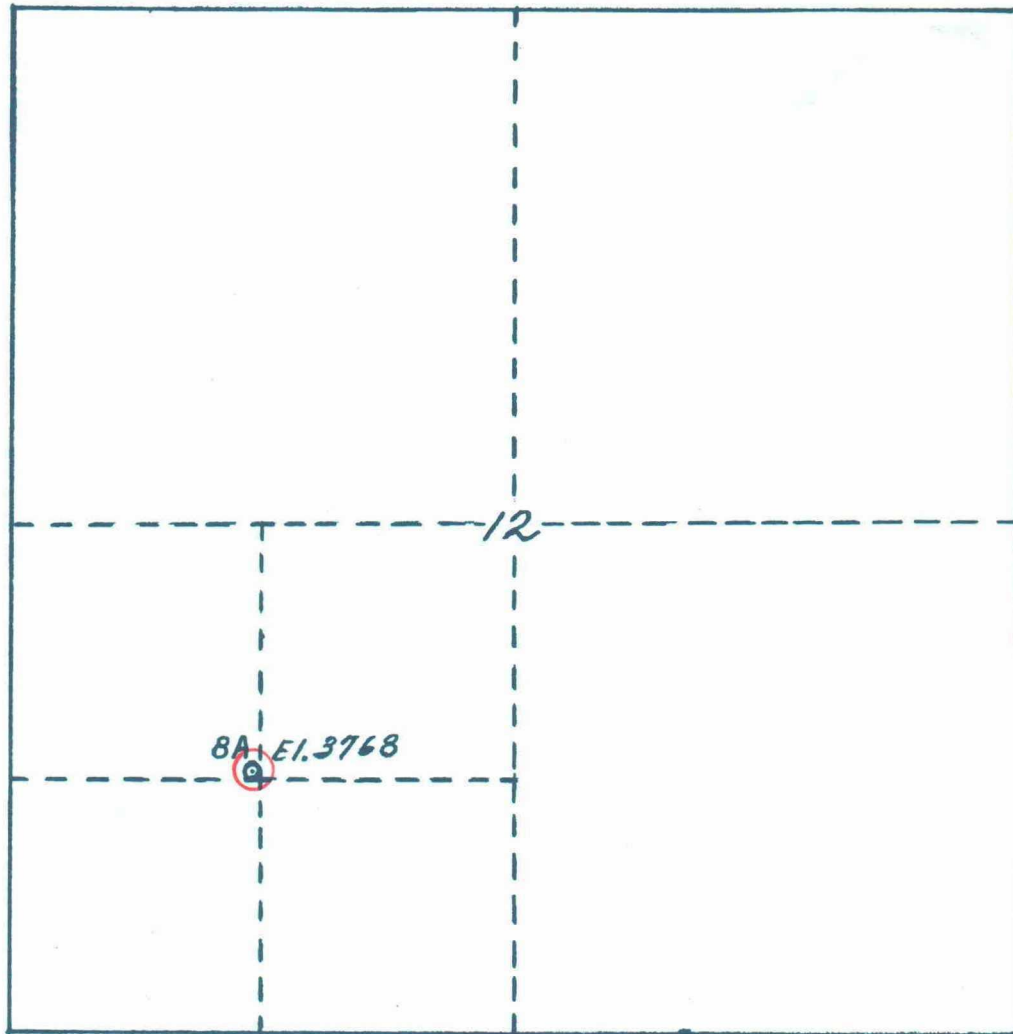
Send communications regarding well to

OIL CONSERVATION COMMISSION,
By _____
Title _____

Name WORTH DRILLING COMPANY, INC.
2006 Fort Worth National Bank Bldg.,
Address Fort Worth 2, Texas.

R31E

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Scale: 1"=1000'

I hereby certify that this plat was made from notes taken in field is an actual bona fide survey and that the same is true and correct to the best of my belief.

James H. Brown
James H. Brown
N.M.L.S. #542

A PLAT OF THE
WORTH DRUG CO., - A.C. TAYLOR #8A
INC. ET AL
LOCATION

1345' North of the South line
1295' East of the West line

Section 12, T18S, R31E
Eddy County, New Mexico

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.

Fort Worth 2, Texas.

January 9, 1950

2006 Ft. Worth National Bank Bldg.,

Date

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

Worth Drilling Company, Inc.

A. C. Taylor "A"

Well No. 9-A in SW/4

Company or Operator

Lease

of Sec. 12, T 18-S, R 31-E, N. M., P. M., N. Shugart Field, Eddy County.

N

The well is 1345 feet (N.) (NE) of the South line and 2615 feet (E.) (SE) of the West line of SW/4 of Section 12

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

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

If patented land the owner is X

Address X

If government land the permittee is A.C. Taylor L.C. 058709-A

Address Lovington, New Mexico

The lessee is Worth Drilling Company, Inc.

Address 2006 Ft. Worth National Bank Bldg., Ft. Worth 2, Texas.

AREA 640 ACRES

LOCATE WELL CORRECTLY

We propose to drill well with drilling equipment as follows: Cable Tools, using

No. 3 National Drilling Machine powered with Waukesha Drilling Engine.

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: No Bond filed. We have operations on Federal Lands only. All Federal Bonds in good standing.

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
10"	8-5/8"	24#	New	1100	Cemented	50
8-1/2"	7"	20#	New	3475	Cemented	100

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 3550 feet.

Additional information: Plat attached showing proposed location circled in red. Field address: c/o Roy Charlesworth, P. O. Box 667, Kermit, Texas.

Approved _____, 19____

except as follows:

Sincerely yours,

WORTH DRILLING COMPANY, INC.

Company or Operator

By

William D. Morris

Position Secretary-Treasurer

Send communications regarding well to

OIL CONSERVATION COMMISSION,

By _____

Name WORTH DRILLING COMPANY, INC.

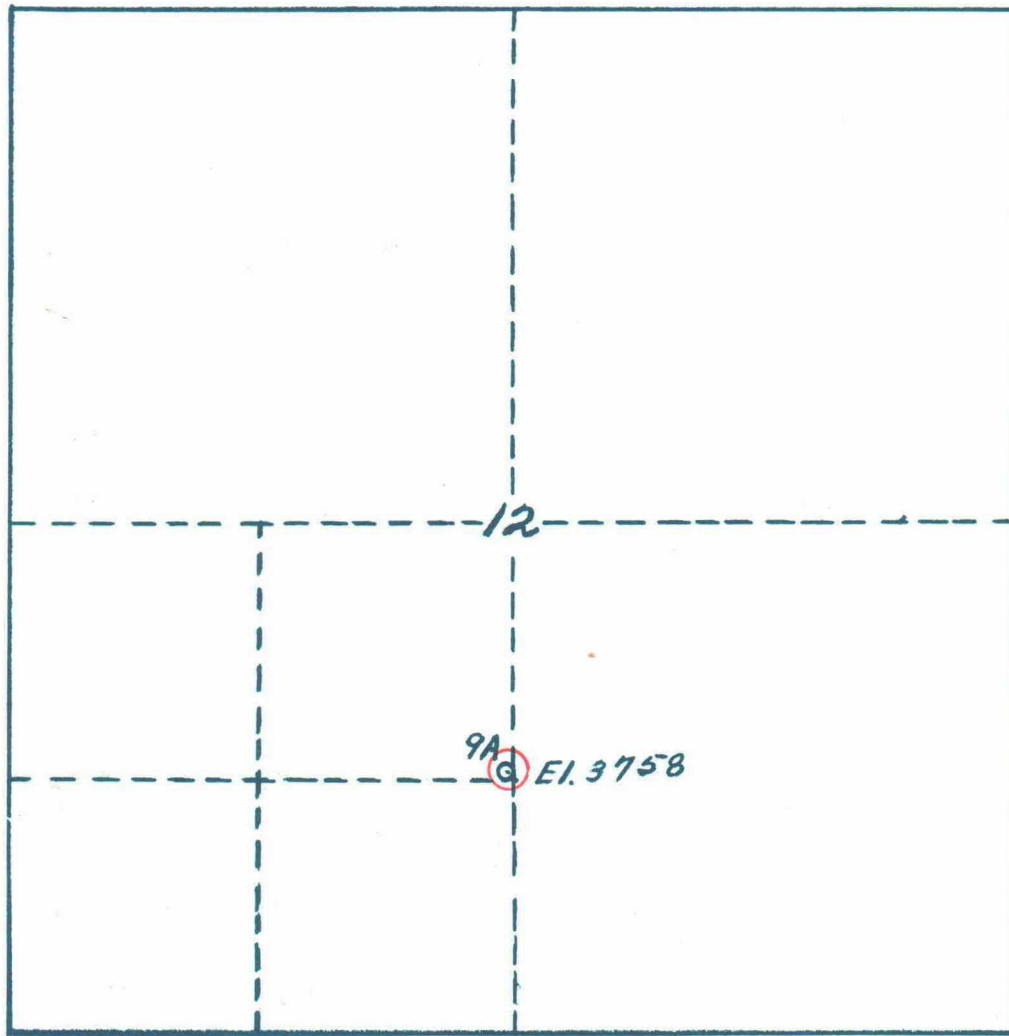
2006 Ft. Worth National Bank Bldg.,

Title _____

Address Fort Worth 2, Texas.

R31E

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Scale: 1" = 1000'

I hereby certify that this plat was
made from notes taken in the field
in an actual bona fide survey and
that the same is true and correct
to the best of my belief.

James H. Brown
James H. Brown
N.M.L.S. #542

A PLAT OF THE
WORTH DRUG CO. - A.C. TAYLOR #9A
INC. ET AL.

LOCATION

1345' North of the South line
2615' East of the West line

Section 12, T18S, R31E
Eddy County, New Mexico

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.

Fort Worth 2, Texas.

January 9, 1950

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 _____

Worth Drilling Company, Inc.

A.C. Taylor "A" Well No. 10-A in SW/4

Company or Operator

Lease

of Sec. 12, T 18-S, R 31-E, N. M., P. M., N. Shugart Field, Eddy County.

N

The well is 25 feet (N.) (XX) of the South line and 2615 feet

(E.) (XX) of the West line of SW/4 of Section 12

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

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

If patented land the owner is X

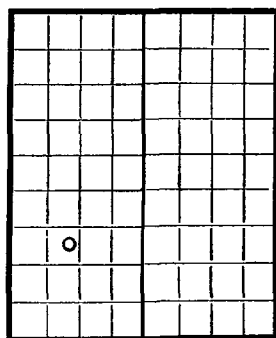
Address X

If government land the permittee is A.C. Taylor L.C. 058709-A

Address Lovington, New Mexico

The lessee is Worth Drilling Company, Inc.

Address 2006 Ft. Worth National Bank Bldg., Ft. Worth 2, Texas.



AREA 640 ACRES

LOCATE WELL CORRECTLY

We propose to drill well with drilling equipment as follows: Cable Tools, using

No. 3 National Drilling Machine powered with Waukesha Drilling Engine.

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: No Bond filed. We have operations on Federal Lands only. All Federal Bonds in good standing.

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	Backs Cement
10"	8-5/8"	24#	New	1100	Cemented	50
8-1/2"	7"	20#	New	3475	Cemented	100

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 3550 feet.

Additional information: Plat attached showing proposed location circled in red. Field address: c/o Roy Charlesworth, P. O. Box 667, Kermit, Texas.

Approved _____, 19 _____

except as follows:

Sincerely yours,

WORTH DRILLING COMPANY, INC.

Company or Operator

By

William D. Morris

Position

Secretary-Treasurer

OIL CONSERVATION COMMISSION,

Send communications regarding well to

By _____

Name WORTH DRILLING COMPANY, INC.

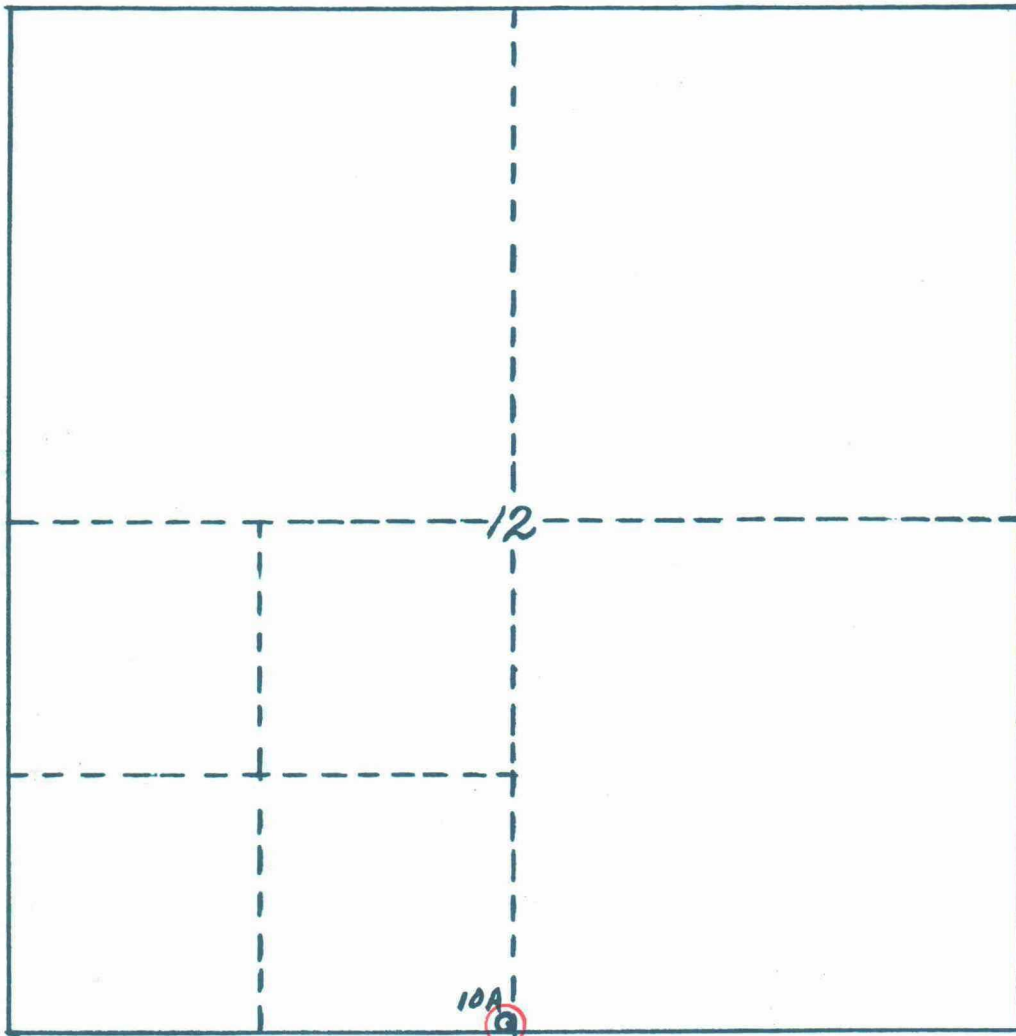
2006 Ft. Worth National Bank Bldg.,

Title _____

Address Fort Worth 2, Texas.

R31E

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E1.3752

Scale: 1" = 1000'

I hereby certify that this plat was made from notes taken in the field in an actual bona fide survey and that the same is true and correct to the best of my belief.

James H. Brown
James H. Brown
N.M.L.S. #542

A PLAT OF THE
WORTH DRUG. CO., A.C. TAYLOR #102
INC. ET AL
LOCATION

25' North of the South line
2615' East of the West line
Section 12, T18S R31E
Eddy County, New Mexico

FIELD ADDRESS:

P. O. BOX 667
KERMIT, TEXAS

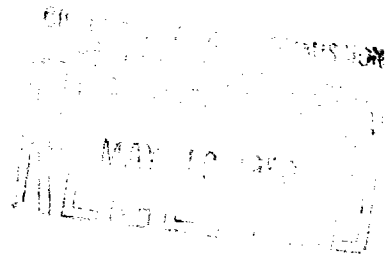
WORTH DRILLING COMPANY, INC.

FORT WORTH NATIONAL BANK BUILDING

FORT WORTH, TEXAS

May 16, 1950

Case 211
Order R-9
2-8-50



New Mexico Oil Conservation Commission
Santa Fe, New Mexico.

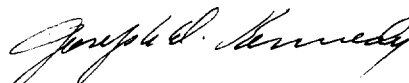
Gentlemen:

Enclosed, herewith, are Forms C-104 and C-105
on the Worth Drilling Company A. C. Taylor No. 8-A.

Since having drilled a dry hole (this well No. 8-A) as a five spot location, we have decided to abandon pending locations for No. 9-A and 10-A. Notices of intention to drill were filed with your office in January of this year. These wells were subject to approval by the U.S.E.S.

If any type of report concerning the abandonment of these two locations is required by the State, will you please notify us.

Yours very truly,


Joseph D. Kennedy,

JDK:m
Enclosures

cc: Mr. Roy Charlesworth
P. O. Box 667
Kermit, Texas

cc: Mr. Pat Ranspot
P. O. Box 452
Loco Hills, New Mexico

FIELD ADDRESS:
P. O. BOX 667
KERMIT, TEXAS

WORTH DRILLING COMPANY, INC.
FORT WORTH NATIONAL BANK BUILDING
FORT WORTH 2, TEXAS
January 31, 1950

Re: 058709 (a)

Mr. Foster Morrell
Oil & Gas Supervisor - Southwestern Region
Department of The Interior
Geological Survey
P. O. Box 997
Roswell, New Mexico.

Dear Mr. Morrell:

Our attorney, Mr. Clarence E. Hinkle, has just advised me that you have not received a copy of our application to the New Mexico Conservation Commission for special permits to drill "five spot" locations to be known as our A. C. Taylor wells Nos. 8, 9 and 10. We are pleased to enclose you, herewith, complete copies of these applications as they were filed with the New Mexico Conservation Commission on January 9, 1950.

We are also pleased to enclose you, herewith, an area map showing our A. C. Taylor Federal "A" and "B" Leases, which are described as the W/2's of Sections 1, 12 and 13, Twp. 18 S., Rge. 31 E., Eddy County, New Mexico. On this map we have outlined this entire lease in red. The "A" portion is crossed with diagonal red lines.

We have likewise outlined our A. C. Taylor (Malco "A" and "B") Leases described as the E/2 of Section 1, E/2 of Section 12 and E/2 of Section 13, Twp. 18 S., Rge. 31 E., Eddy County, New Mexico, in blue. We have drawn diagonal blue lines across the "A" portion of this Federal Lease.

Please bear in mind that all three of these Sections are now owned by Worth Drilling Company, Incorporated (the operator) as to a 1/2 interest; by J. C. Maxwell, Incorporated as to a 1/4th interest; and Whaley Company, Incorporated as to a 1/4th interest. The 7-1/2% additional royalty on the A. C. Taylor "A" Lease and A. C. Taylor (Malco "A") Lease is also owned in exactly the same manner. Of course, both "A" Leases carry 5% royalty to the Federal Government. You will note we are sending copies of these applications and maps to all parties at interest, including our attorney, Mr. Clarence E. Hinkle. We are of the opinion that if he has not already done so, he will call and discuss this matter again with you prior to the hearing granted by the State of New Mexico.

For your information, in case you do not already have it, these three applications are known as Case No. 211 and are to be heard in the office of the New Mexico Conservation Commission at Santa Fe, New Mexico, at 10:00 A.M., February 7, 1950. If you have any suggestions to make with reference to any of these matters, we would certainly appreciate your passing them on to our attorney, Mr. Clarence E. Hinkle.

Yours respectfully,

WDM:m
Carbon Copies on Page No. 2

William D. Morris
Secretary

January 31, 1950.

Mr. Foster Morrell

Page No. 2

- cc: Mr. John A. Frost, District Engineer
U. S. Department of The Interior
Geological Survey
P. O. Box 187
Artesia, New Mexico.
- cc: Mr. Clarence E. Hinkle,
Attorney,
c/o Hervey, Dow & Hinkle,
Roswell, New Mexico
- cc: Mr. Roy Charlesworth
P. O. Box 667
Kernit, Texas.
- cc: Mr. R. R. Spurrier, Director ✓
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

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.

Fort Worth 2, Texas.

January 9, 1950

Date

OIL CONSERVATION COMMISSION,
Santa Fe, New Mexico,

2006 Ft. Worth National Bank Bldg.,

Gentlemen:

You are hereby notified that it is our intention to commence the drilling of a well to be known as
Worth Drilling Company, Inc. **A.C. Taylor "A"** Well No. **8-A** in **SW/4**

Company or Operator

Lease

of Sec. **12**, T. **18-S**, R. **31-E**, N. M. P. M., **H. Sugart** Field, **Eddy** County.

N

The well is **1345** feet (N.) (~~SW~~ of the **South** line and **1295** feet (E.) (~~NE~~ of the **West** line of **SW/4 of Section 12**

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

If state land the oil and gas lease is No. **X** Assignment No. **X**

If patented land the owner is **X**

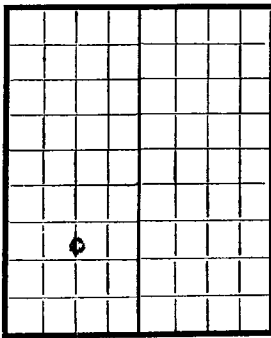
Address **X**

If government land the permittee is **A.C. Taylor L.C. 058709-A**

Address **Lovington, New Mexico**

The lessee is **Worth Drilling Company, Inc.**

Address **2006 Ft. Worth Nat'l Bank Bldg., Ft. Worth 2, Texas.**



AREA 640 ACRES

LOCATE WELL CORRECTLY

We propose to drill well with drilling equipment as follows: **Cable Tools, using**

No. 3 National Drilling Machine powered with Waukesha Drilling Engine.

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: **No bond filed. We have operations on Federal Lands only. All Federal Bonds in good standing.**

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
10"	8-5/8"	24 1/2	New	1100	Cemented	50
8-1/2"	7"	20 1/2	New	3475	Cemented	100

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 **3550** feet.

Additional information: **Flat attached showing proposed location circled in red. Field address: c/o Roy Charlesworth, P. O. Box 667, Kermit, Texas.**

Approved _____, 19____

except as follows:

OIL CONSERVATION COMMISSION,

By _____

Title _____

Sincerely yours,

WORTH DRILLING COMPANY, INC.

Company or Operator

By

William D. Morris

Position **Secretary-Treasurer**

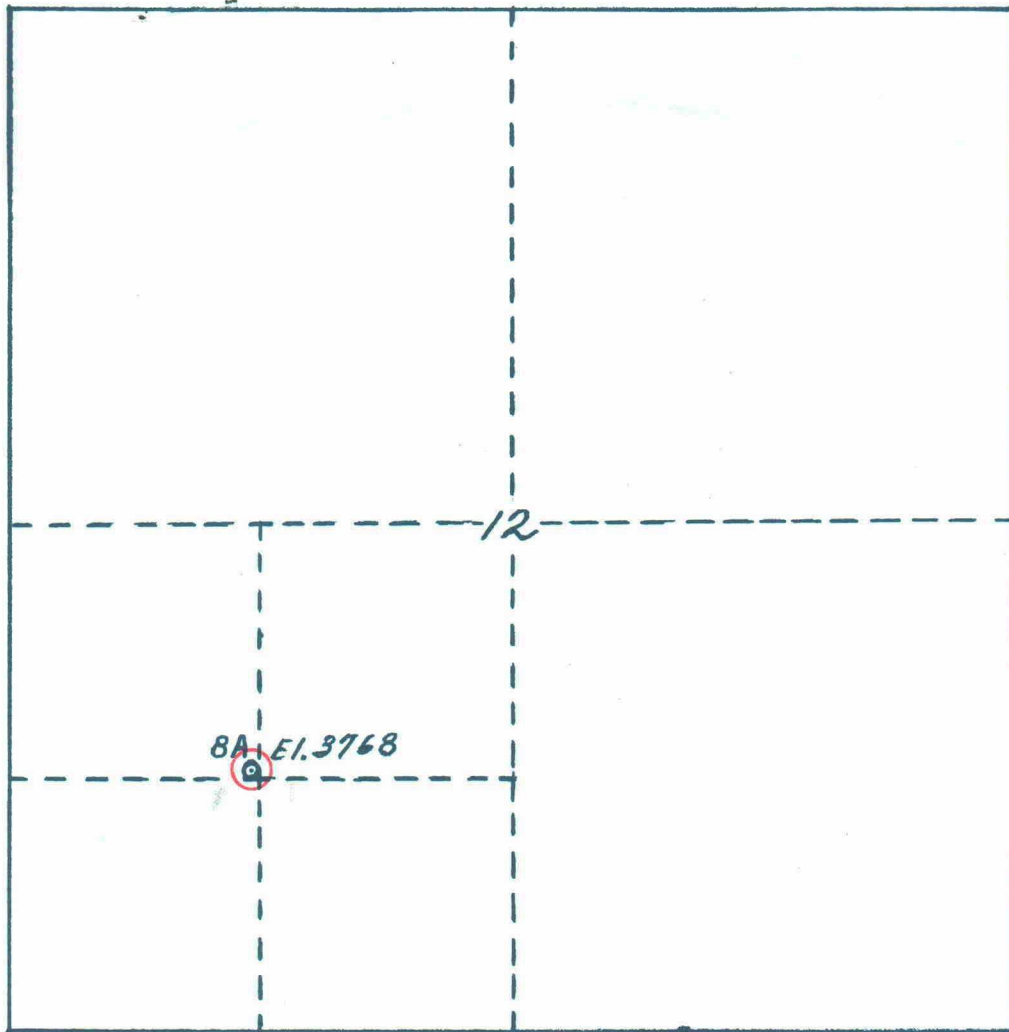
Send communications regarding well to

Name **WORTH DRILLING COMPANY, INC.**

2006 Fort Worth National Bank Bldg.,
Address **Fort Worth 2, Texas.**

R31E

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18
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Scale: 1"=1000'

I hereby certify that this plat was
made from notes taken in field
is an actual bona fide survey and
that the same is true and correct
to the best of my belief.

James E. Brown
James E. Brown
N.M.L.S. #542

A PLAT OF THE
WORTH DRUG CO., - A.C. TAYLOR #8A
INC. ET AL
LOCATION

1345' North of the South line
1295' East of the West line

Section 12, T18S, R31E
Eddy County, New Mexico

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.

Fort Worth 2, Texas.January 9, 19502006 Ft. Worth National Bank Bldg.,

Date

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

Worth Drilling Company, Inc.A.C. Taylor "A"Well No. 9-A in SW/4

Company or Operator

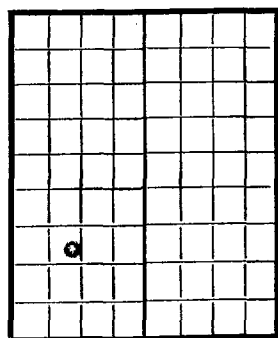
Lease

of Sec. 12, T. 18-S, R. 31-E, N. M. P. M., N. Shugart Field, Eddy County.

N

The well is 1345 feet (N.) NE of the South line and 2615 feet(E.) NE of the West line of SW/4 of Section 12

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

If state land the oil and gas lease is No. X Assignment No. XIf patented land the owner is XAddress XIf government land the permittee is A.C. Taylor L.C. 058709-AAddress Lovington, New MexicoThe lessee is Worth Drilling Company, Inc.Address 2006 Ft. Worth National Bank Bldg., Ft. Worth 2, Texas.

AREA 640 ACRES

LOCATE WELL CORRECTLY

We propose to drill well with drilling equipment as follows: Cable Tools, usingNo. 3 National Drilling Machine powered with Waukegan Drilling Engine..

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: No bond filed. We have operations on Federal Lands only. All

Federal Bonds in good standing.

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	Bars Cement
10"	8-5/8"	24 1/2	New	1100	Cemented	50
8-1/2"	7"	20 1/2	New	3475	Cemented	100

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 3550 feet.

Additional information:

Plat attached showing proposed location circled in red. Fieldaddress: c/o Roy Charlesworth, P. O. Box 667, Kermit, Texas.

Approved _____, 19____

except as follows:

Sincerely yours,

WORTH DRILLING COMPANY, INC.

Company or Operator

By William D. MorrisPosition Secretary-Treasurer

Send communications regarding well to

Name WORTH DRILLING COMPANY, INC.2006 Ft. Worth National Bank Bldg.,Address Fort Worth 2, Texas.

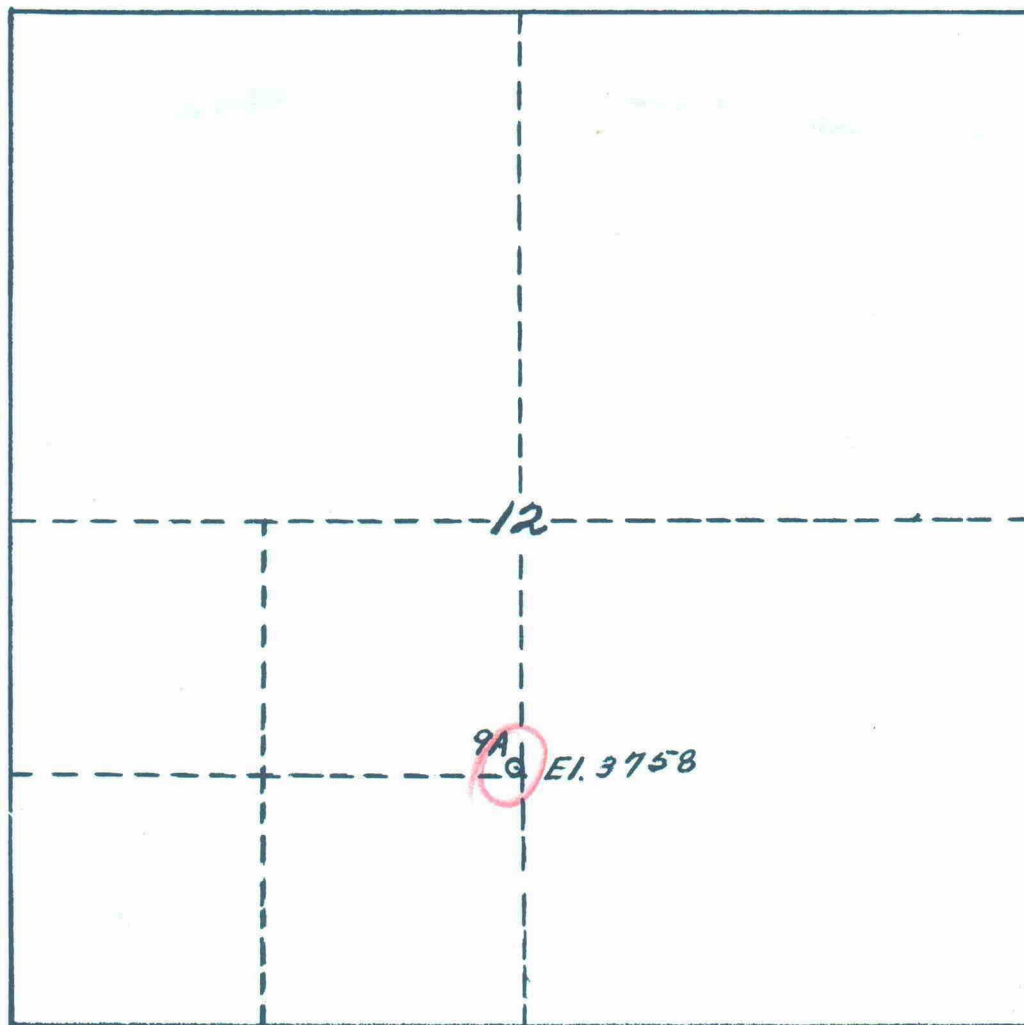
OIL CONSERVATION COMMISSION,

By _____

Title _____

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Scale: 1" = 1000'

I hereby certify that this plat was made from notes taken in the field in an actual bona fide survey and that the same is true and correct to the best of my belief.

James H. Brown
James H. Brown
N.M.L.S. #542

A PLAT OF THE
NORTH DRUG CO. - A.C. TAYLOR #9A
INC. ET AL.

LOCATION

1345' North of the South line
2615' East of the West line

Section 12, T18S, R31E
Eddy County, New Mexico

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.

Port Worth 2, Texas.January 9, 1950

OIL CONSERVATION COMMISSION,
Santa Fe, New Mexico,

2006 Ft. Worth National Bank Bldg.,

Date

Gentlemen:

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

Worth Drilling Company, Inc.A.C. Taylor "A" Well No. 10-A in SW/4

Company or Operator

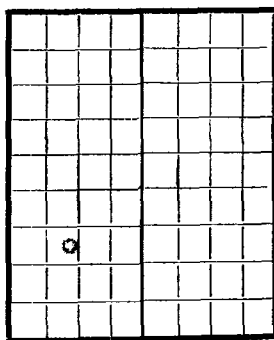
Lease

of Sec. 12, T. 18-S, R. 31-E, N. M., P. M., H. Shugart Field, Eddy County.

N

The well is 25 feet (N.) (X of the South line and 2615 feet
(E.) X of the West line of SW/4 of Section 12

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

If state land the oil and gas lease is No. X Assignment No. XIf patented land the owner is XAddress XIf government land the permittee is A.C. Taylor L.C. 058709-AAddress Lovington, New MexicoThe lessee is Worth Drilling Company, Inc.Address 2006 Ft. Worth National Bank Bldg., Ft. Worth 2, Texas.

AREA 640 ACRES

LOCATE WELL CORRECTLY

We propose to drill well with drilling equipment as follows: Cable Tools, usingNo. 3 National Drilling Machine powered with Haukeasha Drilling Engine.

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: No Bond filed. We have operations on Federal Lands only. All Federal Bonds in good standing.

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
10"	8-5/8"	24#	New	1100	Cemented	50
8-1/2"	7"	20#	New	3475	Cemented	100

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 3550 feet.

Additional information: Plat attached showing proposed location circled in red. Field address: c/o Roy Charlesworth, P. O. Box 667, Kermit, Texas.

Approved _____, 19____

except as follows:

Sincerely yours,

WORTH DRILLING COMPANY, INC.

Company or Operator

By William D. MorrisWilliam D. MorrisPosition Secretary-Treasurer

OIL CONSERVATION COMMISSION,

Send communications regarding well to

By _____

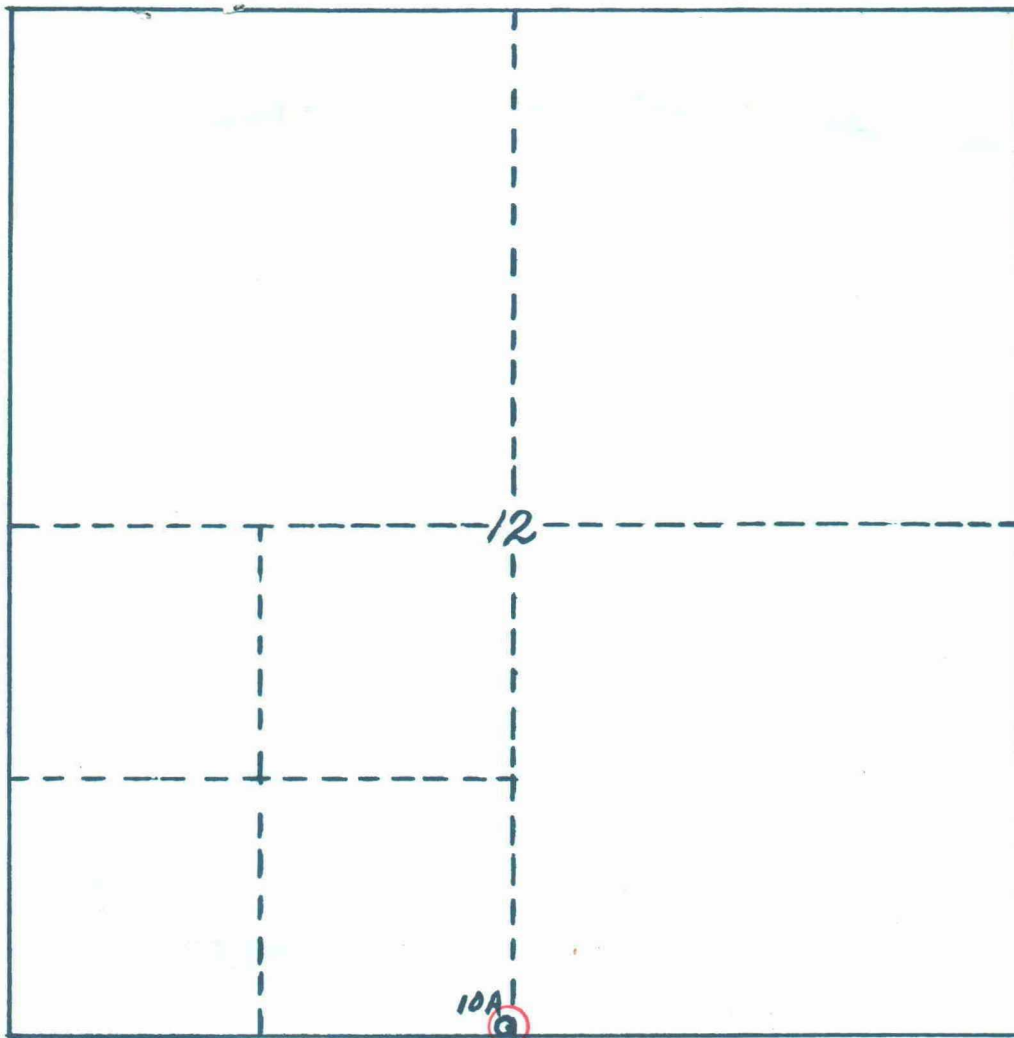
Name WORTH DRILLING COMPANY, INC.2006 Ft. Worth National Bank Bldg.,

Title _____

Address Port Worth 2, Texas.

R31E

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E1.3752

Scale: 1" = 1000'

A PLAT OF THE
WORTH DRG. CO., A.C. TAYLOR #10
INC. ET AL
LOCATION

I hereby certify that this plat was
made from notes taken in the field
in an actual bona fide survey and
that the same is true and correct
to the best of my belief.

25' North of the South line
2615' East of the West line
Section 12, T18S R31E
Eddy County, New Mexico

James H. Brown
James H. Brown
N.M.L.S. #542

ILLEGIBLE

February 13, 1950

REGISTERED MAIL

Mr. Glenn Staley
Lea County Operators Committee
Drawer I
Hobbs, New Mexico

Dear Mr. Staley:

We enclose herewith, signed copies of the following:

Case No. 211, Order No. R-9
Case No. 191, Order No. R-3.

Very truly yours,

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

R. R. Spurrier
Secretary-Director

RRS:bw
encls.

February 13, 1950

Oil Conservation Commission
205 Booker Building
Artesia, New Mexico

Gentlemen:

Enclosed please find copy of Case No.211, Order No. R-9, in connection with the hearing held on February 7, 1950.

This copy is for your files.

Very truly yours,

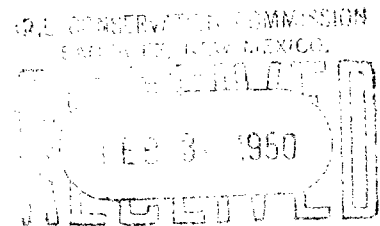
R. R. Spurrier
Secretary-Director

RRS:bw
encl.

ILLEGIBLE

FIELD ADDRESS:
P. O. BOX 667
KERMIT, TEXAS

WORTH DRILLING COMPANY, INC.
FORT WORTH NATIONAL BANK BUILDING
FORT WORTH 2, TEXAS



January 13, 1950.

RE: L.C. 058709 (a)

Mr. John A. Frost
District Engineer
U. S. Department of The Interior
Geological Survey
P. O. Box 187
Artesia, New Mexico.

Enc 211

Dear Mr. Frost:

Herewith, Worth Drilling Company, Inc. applications to drill A. C. Taylor "A" Lease, wells Nos. 8, 9 and 10. These are all "five spot" locations. Proper application has been filed with the New Mexico Oil Conservation Commission for a hearing on the granting of these permits.

We also enclose you a sketch map showing these proposed locations circled in red and also the other wells in the area, all of which belong to us.

Will you please expedite the granting of these permits just as much as possible.

Yours respectfully,

William D. Morris
Secretary

WDM:m

Encl.-

Applications to Drill
A.C.Taylor "A" Lse.
Wells Nos. 8, 9, & 10.

Sketch Map

cc: Mr. Clarence E. Hinkle,
Attorney
c/o Hervey, Dow & Hinkle
Roswell, New Mexico

cc: Mr. R. R. Spurrier, Director ✓
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

cc: Mr. Roy Charlesworth
P. O. Box 667
Kermit, Texas.

(SUBMIT IN TRIPLICATE)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Land Office Las Cruces
Lease No. 058709-A
Unit L

SUNDRY NOTICES AND REPORTS ON WELLS

NOTICE OF INTENTION TO DRILL.....	<input checked="" type="checkbox"/>	SUBSEQUENT REPORT OF WATER SHUT-OFF.....	
NOTICE OF INTENTION TO CHANGE PLANS.....		SUBSEQUENT REPORT OF SHOOTING OR ACIDIZING.....	
NOTICE OF INTENTION TO TEST WATER SHUT-OFF.....		SUBSEQUENT REPORT OF ALTERING CASING.....	
NOTICE OF INTENTION TO RE-DRILL OR REPAIR WELL.....		SUBSEQUENT REPORT OF REDRILLING OR REPAIR.....	
NOTICE OF INTENTION TO SHOOT OR ACIDIZE.....		SUBSEQUENT REPORT OF ABANDONMENT.....	
NOTICE OF INTENTION TO PULL OR ALTER CASING.....		SUPPLEMENTARY WELL HISTORY.....	
NOTICE OF INTENTION TO ABANDON WELL.....			

(INDICATE ABOVE BY CHECK MARK NATURE OF REPORT, NOTICE, OR OTHER DATA)

January 9, 19 50

Well No. 8-A is located 1345 ft. from N line and 1295 ft. from W line of sec. 12
SW/4, Section 12 18-6 31-E N.M.P.M.
 (1/4 Sec. and Sec. No.) (Twp.) (Range) (Meridian)
North Shugart Eddy New Mexico
 (Field) (County or Subdivision) (State or Territory)

The elevation of the derrick floor above sea level is 3768 ft.

DETAILS OF WORK

(State names of and expected depths to objective sands; show sizes, weights, and lengths of proposed casings; indicate mudding jobs, cementing points, and all other important proposed work)

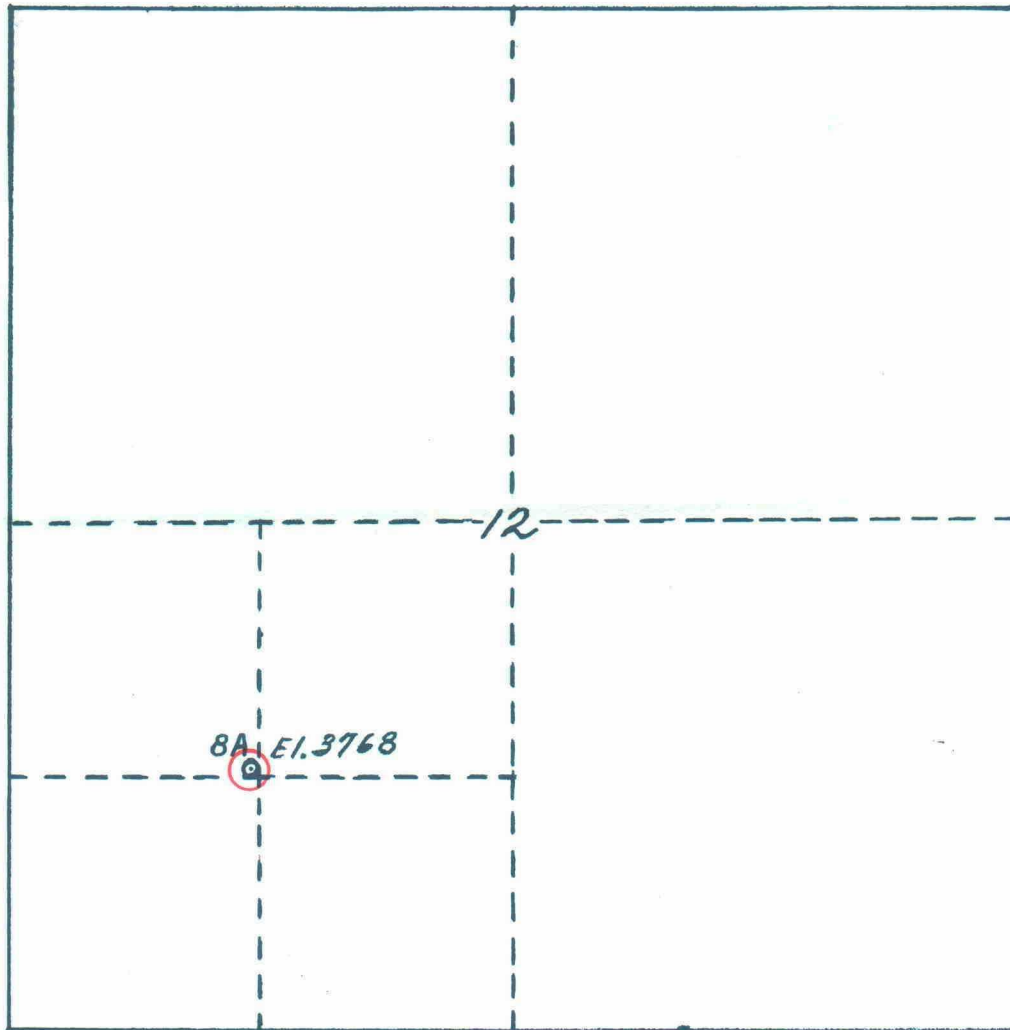
Will drill well with cable tools, using No. 3 National Drilling Machine powered with Waukesha Drilling Engine. Will set approximately 1100' of 8-5/8" 24# casing on top of the salt and cement with 50 sacks and allow cement to set 72 hours. Will also run approximately 3475' of 7" 20# above pay zone, circulate with mud and cement with 100 sacks, and allow cement to set 72 hours. If productive will shoot well with Nitroglycerine, clean out, run tubing and install pumping equipment. Formation samples will be saved from base of salt to total depth and a percentage sample log will be made upon completion. Proper notices will be given on operations as work progresses.

I understand that this plan of work must receive approval in writing by the Geological Survey before operations may be commenced.

Company NORTH DRILLING COMPANY, INC.
 Main Office: 2006 Ft. Worth National Bank Bldg.,
 Address Fort Worth 2, Texas - Ph. 2-8374
 Field Address: c/o Roy Charlesworth
P. O. Box 667
Hernit, Texas.
Phone #3
 By William D. Morris
 Title Secretary-Treasurer

R31E

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Scale: -1"=1000'

I hereby certify that this plat was
made from notes taken in field
is an actual bona fide survey and
that the same is true and correct
to the best of my belief.

A PLAT OF THE

WORTH DRUG CO., - A.C. TAYLOR #8A
INC. ET AL

LOCATION

1345' North of the South line
1295' East of the West line

Section 12, T18S, R31E
Eddy County, New Mexico

James E. Brown
N.M.L.S. #542

(SUBMIT IN TRIPLICATE)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Land Office Las Cruces
Lease No. 058709-A
Unit K

SUNDRY NOTICES AND REPORTS ON WELLS

NOTICE OF INTENTION TO DRILL.....	<input checked="" type="checkbox"/>	SUBSEQUENT REPORT OF WATER SHUT-OFF.....	
NOTICE OF INTENTION TO CHANGE PLANS.....		SUBSEQUENT REPORT OF SHOOTING OR ACIDIZING.....	
NOTICE OF INTENTION TO TEST WATER SHUT-OFF.....		SUBSEQUENT REPORT OF ALTERING CASING.....	
NOTICE OF INTENTION TO RE-DRILL OR REPAIR WELL.....		SUBSEQUENT REPORT OF REDRILLING OR REPAIR.....	
NOTICE OF INTENTION TO SHOOT OR ACIDIZE.....		SUBSEQUENT REPORT OF ABANDONMENT.....	
NOTICE OF INTENTION TO PULL OR ALTER CASING.....		SUPPLEMENTARY WELL HISTORY.....	
NOTICE OF INTENTION TO ABANDON WELL.....			

(INDICATE ABOVE BY CHECK MARK NATURE OF REPORT, NOTICE, OR OTHER DATA)

January 9, 1950

Well No. 9-A is located 1345 ft. from SW line and 2615 ft. from W line of sec. 12

SW/4, Section 12
(1/4 Sec. and Sec. No.)

18-S
(Twp.)

31-E
(Range)

N.M.P.M.
(Meridian)

North Shugart
(Field)

Bddy
(County or Subdivision)

New Mexico
(State or Territory)

The elevation of the derrick floor above sea level is 3758 ft.

DETAILS OF WORK

(State names of and expected depths to objective sands; show sizes, weights, and lengths of proposed casings; indicate mudding jobs, cementing points, and all other important proposed work)

Will drill well with cable tools, using No. 3 National Drilling Machine powered with Waukesha Drilling Engine. Will set approximately 1100' of 8-5/8" 24# casing on top of the salt and cement with 50 sacks and allow cement to set 72 hours. Will also run approximately 3475' of 7" 20# above pay zone, circulate with mud and cement with 100 sacks, and allow cement to set 72 hours. If productive will shoot well with Nitroglycerine, clean out, run tubing and install pumping equipment. Formation samples will be saved from base of salt to total depth and a percentage sample log will be made upon completion. Proper notices will be given on operations as work progresses.

I understand that this plan of work must receive approval in writing by the Geological Survey before operations may be commenced.

Company WORTH DRILLING COMPANY, INC.

Main Office: 2006 Ft. Worth National Bank Bldg.,

Address Fort Worth 2, Texas - Ph. 2-8374

Field Address: c/o Roy Charlesworth

P. O. Box 667

Kermit, Texas.

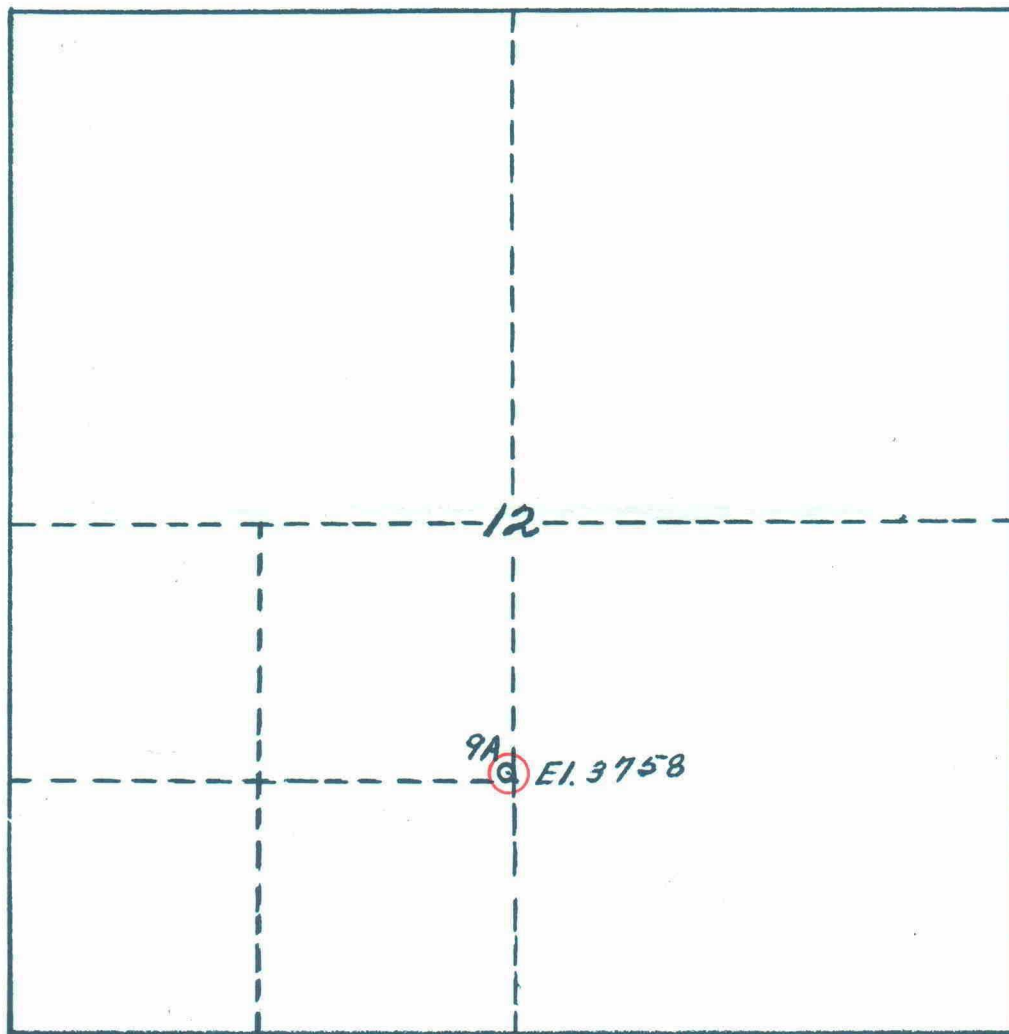
Phone #3

By William D. Morris

Title Secretary-Treasurer

R31E

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Scale: 1" = 1000'

I hereby certify that this plat was made from notes taken in the field in an actual bona fide survey and that the same is true and correct to the best of my belief.

James H. Brown
James H. Brown
N.M.L.S. #542

A PLAT OF THE

WORTH DRUG CO. - A.C. TAYLOR #9A
INC. ET AL.

LOCATION

1345' North of the South line
2615' East of the West line

Section 12, T18S, R31E
Eddy County, New Mexico

(SUBMIT IN TRIPLICATE)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Land Office Las Cruces
Lease No. 058709-A
Unit H

SUNDRY NOTICES AND REPORTS ON WELLS

NOTICE OF INTENTION TO DRILL.....	<input checked="" type="checkbox"/>	SUBSEQUENT REPORT OF WATER SHUT-OFF.....	
NOTICE OF INTENTION TO CHANGE PLANS.....		SUBSEQUENT REPORT OF SHOOTING OR ACIDIZING.....	
NOTICE OF INTENTION TO TEST WATER SHUT-OFF.....		SUBSEQUENT REPORT OF ALTERING CASING.....	
NOTICE OF INTENTION TO RE-DRILL OR REPAIR WELL.....		SUBSEQUENT REPORT OF REDRILLING OR REPAIR.....	
NOTICE OF INTENTION TO SHOOT OR ACIDIZE.....		SUBSEQUENT REPORT OF ABANDONMENT.....	
NOTICE OF INTENTION TO PULL OR ALTER CASING.....		SUPPLEMENTARY WELL HISTORY.....	
NOTICE OF INTENTION TO ABANDON WELL.....			

(INDICATE ABOVE BY CHECK MARK NATURE OF REPORT, NOTICE, OR OTHER DATA)

January 9, 1950

Well No. 10-A is located 25 ft. from N line and 2615 ft. from W line of sec. 12

SW/4, Section 12 18-S 31-E H.M.P.M.
(1/4 Sec. and Sec. No.) (Twp.) (Range) (Meridian)
North Shugart Eddy New Mexico
(Field) (County or Subdivision) (State or Territory)

The elevation of the derrick floor above sea level is 3752 ft.

DETAILS OF WORK

(State names of and expected depths to objective sands; show sizes, weights, and lengths of proposed casings; indicate mudding jobs, cementing points, and all other important proposed work)

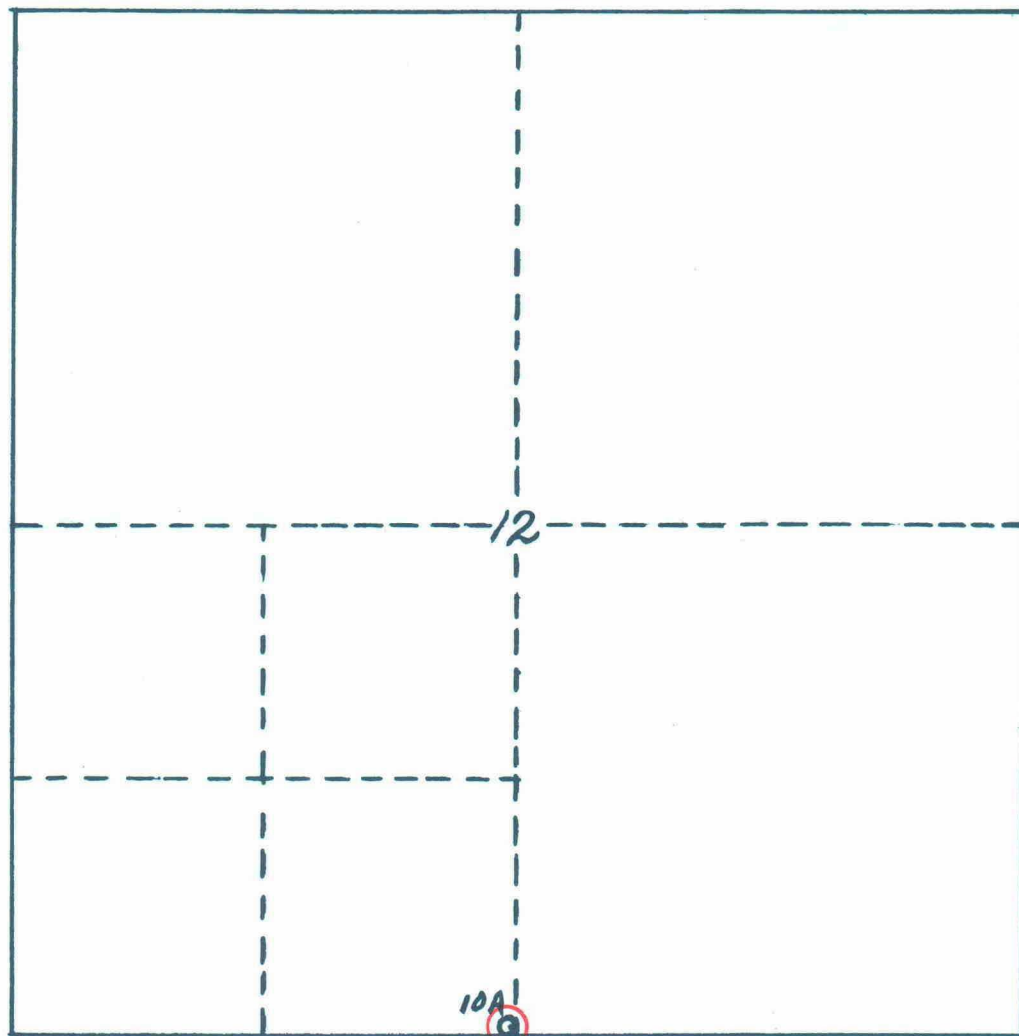
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I understand that this plan of work must receive approval in writing by the Geological Survey before operations may be commenced.

Company WORTH DRILLING COMPANY, INC.
Main Office: 2006 Ft. Worth National Bank Bldg.,
Address Fort Worth 2, Texas. - Ph. 2-8374
Field Address: c/o Roy Charlesworth
P. O. Box 667
Kermit, Texas.
Phone #3
By William D. Morris
Title Secretary-Treasurer

R31E

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E1.3752

Scale: 1" = 1000'

A PLAT OF THE

WORTH DRUG. CO., A.C. TAYLOR #10
INC. ET AL

LOCATION

I hereby certify that this plat was
made from notes taken in the field
in an actual bona fide survey and
that the same is true and correct
to the best of my belief.

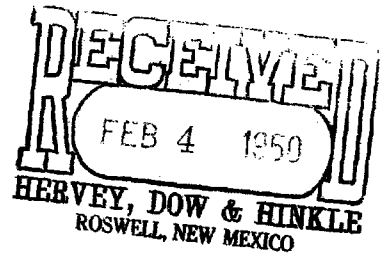
25' North of the South line
2615' East of the West line
Section 12, T18S R31E
Eddy County, New Mexico

James H. Brown
James H. Brown
N.M.L.S. #542

Exhibit A

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY
P. O. Box 997
Roswell, New Mexico
February 3, 1950



Mr. William D. Morris
Secretary
Worth Drilling Company
Fort Worth National Bank Building
Fort Worth, Texas

Subject: Las Cruces 058709(a)

Dear Mr. Morris:

Reference is made to the amended application for approval of drilling of unorthodox well location filed with the New Mexico Oil Conservation Commission by North Drilling Company, Inc., Whaley Company, Inc., and J. C. Maxwell, which has been set for hearing by the Oil Conservation Commission at Santa Fe, New Mexico, on February 7, 1950, as Case No. 211.

The amended application requests approval of the unorthodox location of well No. 8-A, 25 feet north and west of the center of the SW $\frac{1}{4}$ sec. 12, T. 18 S., R. 31 E., and for the unitization for proration and allowable purposes of the SW $\frac{1}{4}$ sec. 12 and NE $\frac{1}{4}$ sec. 13, T. 18 S., R. 31 E.

The 240 acres proposed to be unitized for allowable and proration purposes are embraced in Federal oil and gas lease Las Cruces 058709(a), title to which is held by the applicants on the subject amended application. The proposed unorthodox location for well No. 8-A is 1295 feet from the outer boundaries of said lease and, in the opinion of this office, no drainage or adverse effect will be occasioned to property of others.

The amended application withdraws from a previous application request to drill unorthodox locations for wells 9-A and 10-A which were proposed to be located 25 feet from the outer boundary lines of lease Las Cruces 058709(a). The lease provides specifically that the lessee agrees not to drill any well within 200 feet of any of the outer boundaries of the lease unless the adjoining lands have been patented or the title thereto vested in private owners. Approval to drill wells within 200 feet of the outer boundary of such leases can be obtained only after prior approval from the Secretary of the Interior upon receipt of appropriate application.

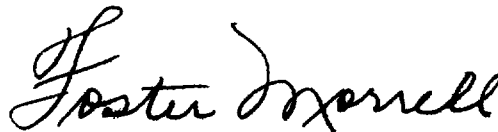
No objection is offered by this office to the drilling of well 8-A at the location specified in the amended application or to the unitization



of lease Las Cruces 058709(a) for proration and allowable purposes. It is the opinion of this office that the drilling of the additional well on the leasehold should be encouraged to increase the ultimate recovery of oil and gas and to obtain otherwise unrecoverable oil from the North Shugart pool.

Approval to drill the proposed well No. 8-A at the unorthodox location will be contingent upon (1) the prior approval of such location by the Oil Conservation Commission of the State of New Mexico for proration purposes, and (2) the filing of a stipulation in triplicate executed by the lessees of record wherein they agree that none of the 40-acre tracts comprising the SW $\frac{1}{4}$ section 12 shall be segregated by assignment or otherwise until well No. 8-A has been properly plugged and abandoned.

Very truly yours,



Foster Merrell
Oil and Gas Supervisor
Southwestern Region

cc: Mr. Clarence E. Hinkle
Hervey, Dow and Hinkle, Attorneys
Roswell, New Mexico

LARGE FORMAT
EXHIBIT HAS
BEEN REMOVED
AND IS LOCATED
IN THE NEXT FILE