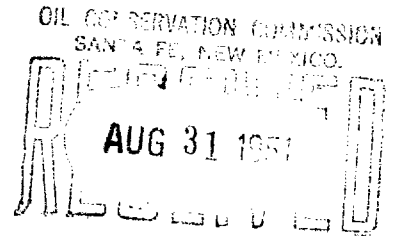


W. B. OSBORN, JR.  
FROST NATIONAL BANK BUILDING  
SAN ANTONIO 5, TEXAS

August 29, 1951



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

Gentlemen:

Will you please send us a copy of the findings and orders issued by the Oil Conservation Commission as a result of hearing in Case 285 "Application of Tide Water Associated Oil Company, for an order designating a new pool and for a temporary order establishing proration units and uniform spacing of wells drilled to the same common source of supply in Section 32 and 33, T.16S, R. 37 E, and Sections 4 and 5, T. 17 S, R. 37 E, Lea County, New Mexico" June 21, 1951.

We have lease and royalty interest in the Tide Water unit and consequently having working interest in Tide Water State "P" Well No. 1-D.

Very sincerely yours,

W. B. OSBORN, JR.

By

A handwritten signature in cursive script, appearing to read "E. D. Smith".

EOSJr:md

# TIDE WATER ASSOCIATED OIL COMPANY

MID-CONTINENT DIVISION

May 18, 1951

New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

Attention: Mr. R. R. Spurrier, Secretary

Gentlemen:

We are enclosing three copies of application for an order designating a new pool and for a temporary order establishing proration units and uniform spacing of wells drilled to the same common source of supply in that area comprising Sections 32 and 33. Township 16 South, and Sections 4 and 5. Township 17 South, all in Range 37 East, Lea County, New Mexico, in which area Tide Water Associated Oil Company recently completed its State "F" well No. 1-D.

It would be appreciated if hearing covering this matter could be held at your regular scheduled June 21st session.

Yours very truly,

TIDE WATER ASSOCIATED OIL COMPANY

By: \_\_\_\_\_  
J. B. Holloway

JRH/pb  
Encls.

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF TIDE WATER ASSOCIATED OIL COMPANY FOR AN ORDER DESIGNATING A NEW POOL, AND FOR A TEMPORARY ORDER ESTABLISHING PRORATION UNITS AND UNIFORM SPACING OF WELLS DRILLED TO THE SAME COMMON SOURCE OF SUPPLY IN THAT AREA COMPRISING SECTIONS 32 AND 33, TOWNSHIP 16 SOUTH AND SECTIONS 4 AND 5, TOWNSHIP 17 SOUTH, ALL IN RANGE 37 EAST, LEA COUNTY, NEW MEXICO.

Comes now, Tide Water Associated Oil Company, a Delaware Corporation, operating in New Mexico from a field office in Hobbs, New Mexico, and respectfully represents to the Oil Conservation Commission of the State of New Mexico that it has completed the State "P" No. 1-D, an exploratory well, at a location in the approximate center of SE/4 SE/4 Section 32, Township 16 South, Range 37 East, Lea County, New Mexico. This well, drilled to a total depth of 12,572 feet was plugged back and completed in the Strawn lime of the Pennsylvanian formation, through perforations 11,080-11,100 and 11,130-11,150 feet. The well was acidized with 6,000 gallons and commenced producing March 30, 1951. On initial test the well produced 766.87 barrels of 43.5 gravity oil in 24 hours through a 1/2 inch choke, tubing pressure 390 pounds, gas-oil ratio 1147 to 1.

Applicant's State "P" No. 1-D Well, above referred to, is the only well now producing in what is generally referred to as the East Lovington Pool. A diagonal offset has been commenced at a location in the approximate center of the NW/4 NW/4 Section 4, Township 17 South, Range 37 East, known as State "U" No. 1. It is estimated that State "U" No. 1 and subsequent wells will cost approximately \$200,000 and that 208 tons of pipe will be required to complete each producing well. In view of the critical shortage of pipe, especially of the grade and weight necessary to drill these deep wells, and the great expenditure of capital required, two factors are presented that make it desirable to develop the Pool on 80-acre units until and unless it is later found that such wells are not capable of efficiently and economically draining 80 acres. Further, 80-acre units will make it possible to more rapidly define the extent of the reservoir with fewer wells and determine ultimate recoverable oil reserves.

Applicant believes and respectfully submits unto the Commission that 80-acre proration units would be in the interest of conservation, which in turn would be in the interest of the general public, the State, and would preserve correlative rights and equities.

The following owners of mineral working interests in the above mentioned four sections have pooled their interests and are participating proportionately in the development:

Tide Water Associated Oil Company, Operator  
The Atlantic Refining Company  
Mid-Continent Petroleum Corporation  
Shell Oil Company  
Sinclair Oil and Gas Company  
Texas Pacific Coal and Oil Company  
Mr. Geo. H. Coats, San Antonio, Texas  
Mr. W. B. Osborn, Jr., San Antonio, Texas

On the basis of the existing conditions, your applicant respectfully requests that the Strawn lime of the Pennsylvanian formation as found to be productive in Tide Water Associated Oil

Company, et al's, State "P" No. 1-D be designated as the East Lovington Pool; that a temporary order be promulgated, to be effective for a period of not less than one year, establishing proration units to be comprised of either the west and east halves or the north and south halves of each Governmental quarter section, and ordering that wells hereafter drilled in Sections 32 and 33, Township 16 South and Sections 4 and 5, Township 17 South, Range 37 East, Lea County, New Mexico, be located in the Southeast Quarter and the Northwest Quarter of each Governmental quarter section. It is further suggested to the Commission that the allowable production of each well located on such 80-acre unit be limited to the normal top allowable times the proportional depth factor of 5.67, this allowable to remain in effect until more production history and reservoir performance data becomes available, which, in the opinion of the Commission, justifies such change as it may deem to be necessary.

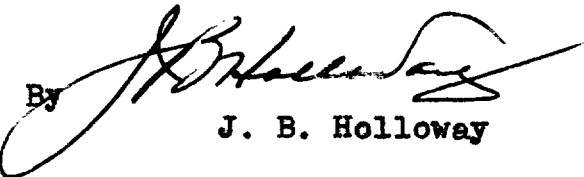
Attached hereto is a plat illustrating the lease conditions existing and the proposed plan of development.

Done at Houston, Texas, on this 18th day of May, 1951.

Respectfully submitted,

TIDE WATER ASSOCIATED OIL COMPANY

By



J. B. Holloway