

Apr 59

Ex 3
1634

RESERVOIR DATA
SOUTH VACUUM (DEVONIAN) POOL
LEA COUNTY, NEW MEXICO

1. PHYSICAL PROPERTIES OF RESERVOIR ROCK

(Based on Core Analysis)

2-35: ave md 171 (2-1200)

3-35: ave md 202

- 6.5
- a. Average Porosity - 7.1%
- b. Average Permeability - 226 Millidarcys
- c. Average Interstitial Water Saturation - 32.5%
- 105 d. Net Thickness - 75 feet (Maximum)

2. LITHOLOGY

Grey dense to finely crystalline dolomite with pin-point to large vugs, inter-crystalline porosity, and fracturing.

3. STRUCTURAL FEATURES OF RESERVOIR

Northwest-southeast trending anticline bounded on the northeast flank by steep dip or possible faulting. No original gas cap. Oil-water contact 7880' Sub-sea.

not defined

4. CHARACTERISTICS OF RESERVOIR FLUIDS

- 48.6
- a. Gravity of Stock Tank Oil - 49° API
- b. Saturation Pressure - 382 PSIG
- c. Formation Volume Factor - Barrels Reservoir Oil per Barrel Stock Tank Oil
- At Original Pressure - 1.051
- At Saturation Pressure - 1.088
- d. Viscosity of Reservoir Oil - Centipoise
- At Original Pressure - .884
- At Saturation Pressure - .588
- e. Dissolved Gas-Oil Ratio - Cubic Feet per Barrel Stock Tank Oil
- At Saturation Pressure - 96

Apr 59

5. RESERVOIR PRESSURES AND TEMPERATURE

a. Datum Depth - 7750' Sub-sea

4826
DST
2-1-58
4766 → b. Original Reservoir Pressure - 4895 PSI ✓

(From drill stem test South Vacuum #1-35 on 1-11-58)

4693
3-9-58
→ c. Estimated Average Reservoir Pressure 4-15-59 4758 PSI ..

d. Reservoir Temperature - 118° F

e. Productivity Index - Barrels per Day per PSI Pressure Drop - 4.4

prod cap ac from press buildup data 4230 md ft.

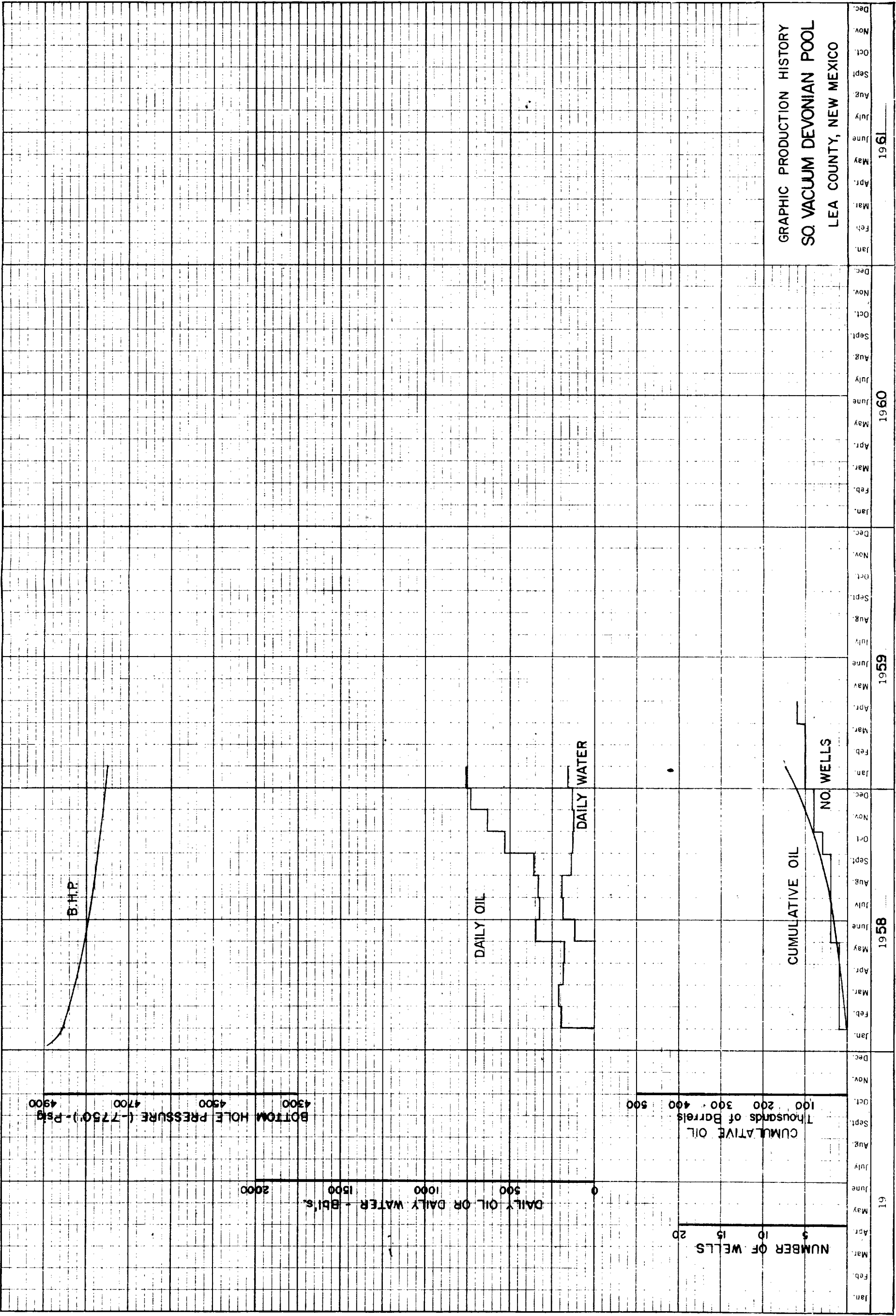
Ex 4
1634

SOUTH VACUUM-DEVONIAN POOL PRODUCTION HISTORY
LEA COUNTY, NEW MEXICO
(EXCLUDING SINCLAIR 401 #2)

MONTHLY PRODUCTION

<u>Year</u>	<u>Month</u>	<u>No. Wells</u>	<u>Oil-Bbls.</u>	<u>Water-Bbls.</u>	<u>Gas-MCF</u>	<u>GOR CF/B</u>	<u>BHP(-7750) Psig.</u>
1958	January	1	862	0	69	80	4895
	February	1	5,953	0	476		4838
	March	1	6,182	0	495		
	April	1	5,748	0	460		
	May	1	5,654	0	452		4802
	June	2	10,499	3,510	840		
	July	2	9,715	5,580	777		
	August	2	9,873	5,890	790		4788
	September	2	10,621	4,200	850		
	October	3	15,863	4,092	1,269		
	November	4	19,028	3,900	1,282		4776
	December	4	<u>22,064</u>	<u>4,030</u>	<u>1,755</u>		
	Total		122,062	31,202	9,525		
	Cumulative		122,062	31,202	9,525		
1959	January	5	22,865	4,526	1,829		
	February	5					4766

4



Ex 5
1634

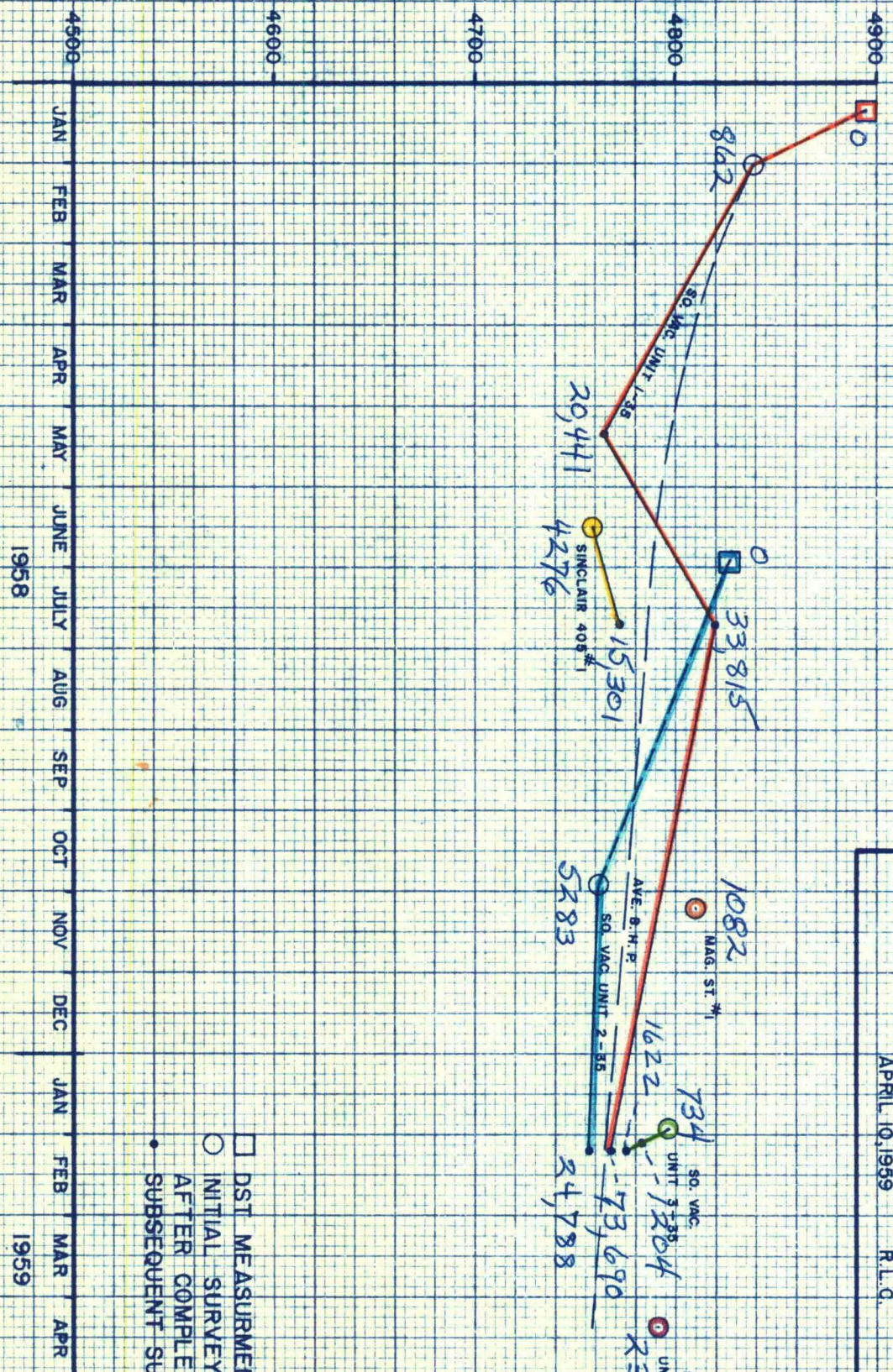
INDIVIDUAL WELL BOTTOM HOLE PRESSURES
SOUTH VACUUM - DEVONIAN POOL

LEA COUNTY, NEW MEXICO

APRIL 10, 1959

R.L.C.

BOTTOM HOLE PRESSURE (-7750') - Psig



- ☐ DST MEASUREMENT
- ☐ INITIAL SURVEY
- ☐ AFTER COMPLETION
- ☐ SUBSEQUENT SURVEYS

INDIVIDUAL WELL BOTTOM HOLE PRESSURES @ 7750' SUB-SEA
SOUTH VACUUM-DEVONIAN POOL
LEA COUNTY, NEW MEXICO

DATE	SO VAC UNIT 1-35		SINCLAIR 405 #1		SO VAC UNIT 2-35		MAGNOLIA STATE #1		SO VAC UNIT 3-35		SO VAC UNIT 1-26	
	BHP	BBLS	BHP	BBLS	BHP	BBLS	BHP	BBLS	BHP	BBLS	BHP	BBLS
1-11-58	4895*	0										
2-1-58	4838	862										
5-9-58	4765	20,441										
6-15-58			4759	4,276								
6-27-58					4828*	0						
7-21-58	4819	33,815	4773	15,301								
10-27-58					4762	5,283						
11-7-58							4810	1,082				
1-28-59									4796	734		
2-3-59									4783	1,204		
2-6-59	4767	73,690			4757	24,788			4775	1,622		
4-13-59											4792	235

* DST Measurements

Note: BBL figures represent cumulative oil and water production from well to date of survey

CLASS OF SERVICE

This is a fast message unless its deferred character is indicated by the proper symbol.

WESTERN UNION TELEGRAM

W. P. MARSHALL, PRESIDENT

1201 (4-60)

SYMBOLS

DL=Day Letter

NL=Night Letter

LT=International Letter Telegram

The filing time shown in the date line on domestic telegrams is LOCAL TIME at point of origin. Time of receipt is LOCAL TIME at point of destination

LA125 DB234

1960 AUG 15 PM 1 2A

MDA158 PD=MIDLAND TEX 15 145P CST=

A L PORTER JR, SECRETARY-DIRECTOR OIL CONSERVATION COMM
107 MABRY HAWL CAPITOL BLDG SANTA FE NMEX=

UNION OIL COMPANY OF CALIFORNIA, THE OWNER OF A WORKING
INTEREST IN THE SOUTH VACUUM UNIT, SOUTH VACUUM-DEVONIAN
POOL, LEA COUNTY, NEW MEXICO, CONCURS WITH THE APPLICATION
OF THE PURE OIL COMPANY IN CASE NUMBER ONE SIX THREE FOUR=

UNION OIL COMPANY OF CALIFORNIA
DIVISION SUPERINTENDENT

MAIN OFFICE OGC

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

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

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

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

Gulf Oil Corporation
Case No. 1622
Exhibit No. 3
March 25, 1959

WELEX



RADIOACTIVITY LOG

COMPANY GULF OIL CORPORATION WELL SCARBOROUGH ESTATE #1 FIELD SOUTHEAST EUNICE COUNTY LEA STATE NEW MEXICO	COMPANY <u>GULF OIL CORPORATION</u>																																									
	WELL <u>SCARBOROUGH ESTATE #1</u>																																									
	FIELD <u>SOUTHEAST EUNICE</u>																																									
	COUNTY <u>LEA</u> STATE <u>NEW MEXICO</u>																																									
Location 1980' FMI 1980' FWL		Other Logs CONTACT CALIFER																																								
Sec. <u>31</u> Twp. <u>22 S</u> Rge. <u>38 E</u>		Elevation KB <u>3339</u> DF <u>3331</u> GL <u>3321</u>																																								
Permanent Datum <u>GROUND LEVEL</u> Elev. <u>3321</u>																																										
Log Measured From <u>TOP KELLY BUSHING</u>																																										
Drilling Measured From <u>TOP KELLY BUSHING</u>																																										
Type Log	G. R.	N. G.																																								
Run No.	ONE	ONE																																								
Date	11 27 58	11 27 58																																								
Total Depth Driller	7085	7085																																								
Present Depth Driller	7085	7085																																								
Total Depth Welox	7085	7085																																								
Survey Begins	7075	7085																																								
Survey Ends	0	0																																								
Mud Data	WATER BASE																																									
Type Fluid in Hole	MUD																																									
Salinity PPM Cl																																										
Weight lb/gal																																										
Fluid Level																																										
Max Hole Temp	115 F																																									
Recorded By	J. L. GLENN																																									
Witnessed By	MR. BOB EVANS																																									
<table border="1"><thead><tr><th colspan="4">BORE HOLE RECORD</th><th colspan="4">CASING RECORD</th></tr><tr><th>Run</th><th>Bit</th><th>From</th><th>To</th><th>Size</th><th>Wgt</th><th>From</th><th>To</th></tr></thead><tbody><tr><td>1</td><td>17"</td><td>SURE</td><td>100</td><td>13 3/8"</td><td></td><td>SURE</td><td>100</td></tr><tr><td>2</td><td>1"</td><td>100</td><td>3200</td><td>8 1/8"</td><td></td><td>100</td><td>3200</td></tr><tr><td>3</td><td>8"</td><td>3200</td><td>7085</td><td></td><td></td><td></td><td></td></tr></tbody></table>			BORE HOLE RECORD				CASING RECORD				Run	Bit	From	To	Size	Wgt	From	To	1	17"	SURE	100	13 3/8"		SURE	100	2	1"	100	3200	8 1/8"		100	3200	3	8"	3200	7085				
BORE HOLE RECORD				CASING RECORD																																						
Run	Bit	From	To	Size	Wgt	From	To																																			
1	17"	SURE	100	13 3/8"		SURE	100																																			
2	1"	100	3200	8 1/8"		100	3200																																			
3	8"	3200	7085																																							

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. _____
CASE NO. _____

LOGGING TOOL - A-A		
Tool No. <u>22 1001</u>	Ins. Tool No. <u>1001</u>	Tool Serial No. <u>2052</u>
GAMMA RAY		NEUTRON
Tool Model No. <u>2000</u>	Dia. <u>3 5/8"</u>	Log Type <u>G R N G</u>
Detector Model No. <u>1 E-11</u>	Length <u>28"</u>	Tool Model No. <u>2000</u>
Type <u>GM</u>		Detector Model No. <u>C-R</u>
Distance to N. Source <u>10"</u>		Type <u>GM</u>
Reference Literature <u>WELEX RADIOACTIVITY LOGGING</u>		Source Model No. <u>400</u>
<u>BULLETIN A-126</u>		Spacing <u>12</u>
		Type <u>RaB</u>

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

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

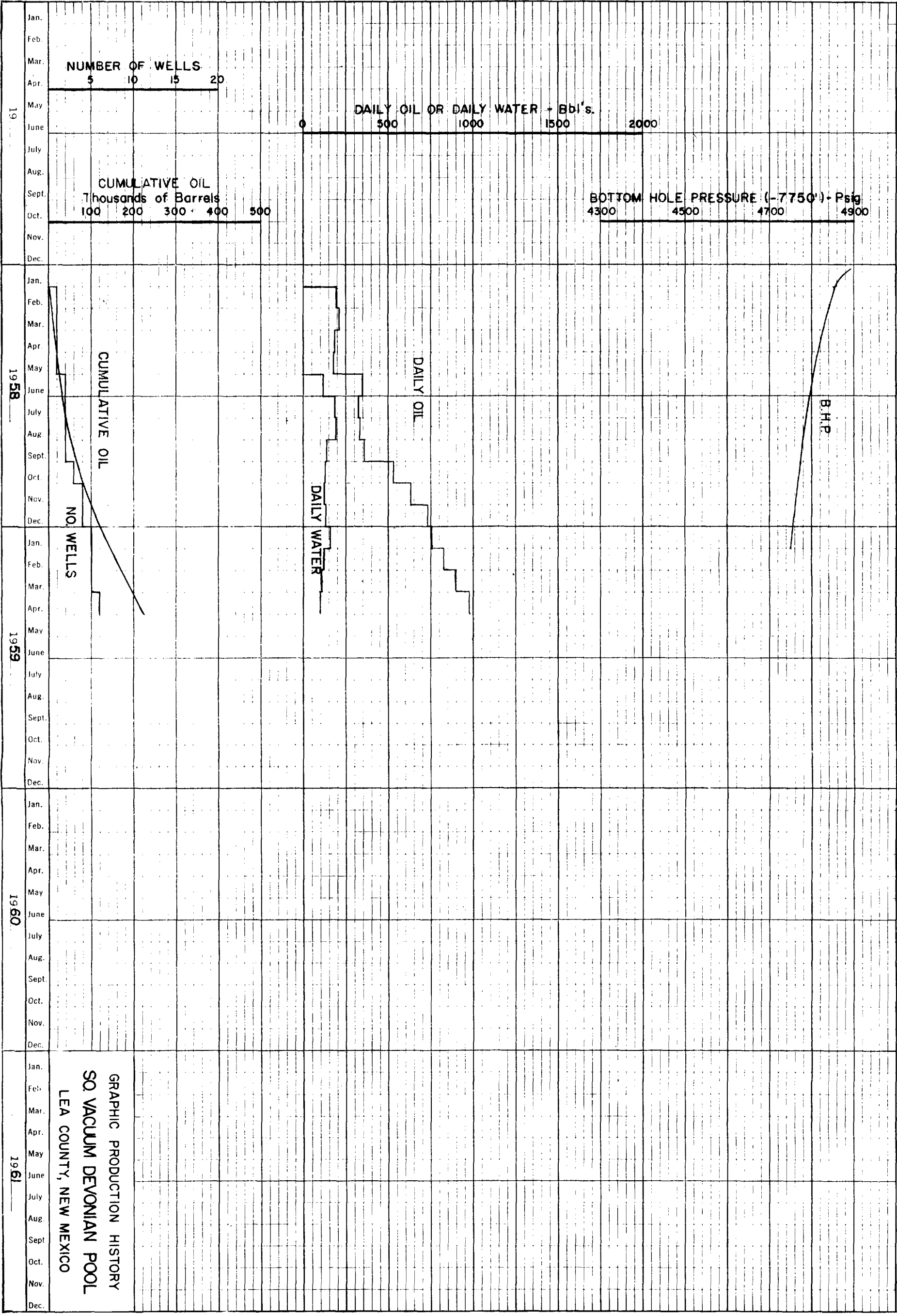
SOUTH VACUUM-DEVONIAN POOL PRODUCTION HISTORY
LEA COUNTY, NEW MEXICO
(EXCLUDING SINCLAIR 401 #2)

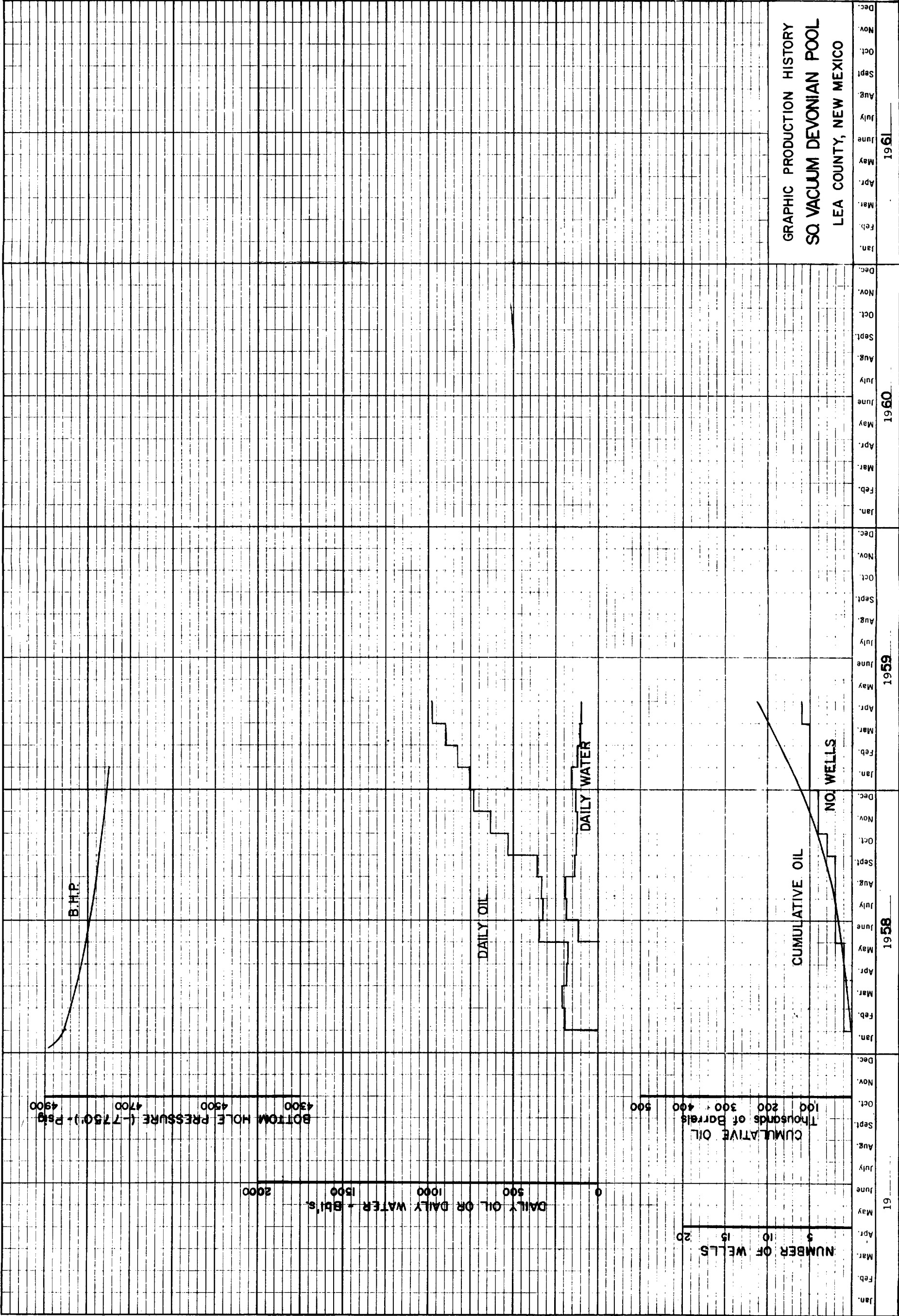
MONTHLY PRODUCTION

<u>Year</u>	<u>Month</u>	<u>No. Wells</u>	<u>Oil-Bbls.</u>	<u>Water-Bbls.</u>	<u>Gas-MCF</u>	<u>GOR CF/B</u>	<u>BHP(-7750) Psig.</u>
1958	January	1	862	0	69	80	4895
	February	1	5,953	0	476		4838
	March	1	6,182	0	495		
	April	1	5,748	0	460		
	May	1	5,654	0	452		4802
	June	2	10,499	3,510	840		
	July	2	9,715	5,580	777		
	August	2	9,873	5,890	790		4788
	September	2	10,621	4,200	850		
	October	3	15,863	4,092	1,269		
	November	4	19,028	3,900	1,282		4776
	December	4	<u>22,064</u>	<u>4,030</u>	<u>1,755</u>		
	Total		122,062	31,202	9,525		
	Cumulative		122,062	31,202	9,525		
1959	January	5	22,865	4,526	1,829		
	February	5	23,129	3,472	1,850		4766
	March	5	28,037	3,413	2,243		
	April	6	29,243	3,049	2,339		

BEFORE THE
OIL CONSERVATION COMMISSION
SALT LAKE, NEW MEXICO
Pure March 10 *3R*
CASE 7634

Page 1634





Case 1634 3A

INDIVIDUAL WELL BOTTOM HOLE PRESSURES @ 7750' SUB-SEA
SOUTH VACUUM-DEVONIAN POOL
LEA COUNTY, NEW MEXICO

DATE	SO VAC UNIT 1-35 BHP	BBIS	SINGLAIH 405 #1 BHP	BHIS	SO VAC UNIT 2-35 BHP	BBIS	MAGNOLIA STATE #1 BHP	BBIS	SO VAC. UNIT 3-35 BHP	BBIS	SO VAC UNIT 1-26 BHP	BBIS
1-11-58	4895*	0										
2-1-58	4838	862										
5-9-58	4765	20,441										
6-15-58			4759	4,276								
6-27-58					4828*	0						
7-21-58	4819	33,815	4773	15,301								
10-27-58					4762	5,283						
11-7-58							4810	1,082				
1-28-59									4796	734		
2-3-59									4783	1,204		
2-6-59	4767	73,690			4757	24,788			4775	1,622		
4-13-59											4792	235

* DST Measurements

Note: BBL figures represent cumulative oil and water production from well to date of survey

SOUTH VACUUM-DEVONIAN POOL PRODUCTION HISTORY
LEA COUNTY, NEW MEXICO
(EXCLUDING SINCLAIR 401 #2)

MONTHLY PRODUCTION

<u>Year</u>	<u>Month</u>	<u>No. Wells</u>	<u>Oil-Bbls.</u>	<u>Water-Bbls.</u>	<u>Gas-MCF</u>	<u>GOR CF/B</u>	<u>BHP(-7750) Psig.</u>
1958	January	1	862	0	69	80	4895
	February	1	5,953	0	476		4838
	March	1	6,182	0	495		
	April	1	5,748	0	460		
	May	1	5,654	0	452		4802
	June	2	10,499	3,510	840		
	July	2	9,715	5,580	777		
	August	2	9,873	5,890	790		4788
	September	2	10,621	4,200	850		
	October	3	15,863	4,092	1,269		
	November	4	19,028	3,900	1,282		4776
	December	4	<u>22,064</u>	<u>4,030</u>	<u>1,765</u>		
	Total		122,062	31,202	9,525		
	Cumulative		122,062	31,202	9,525		
1959	January	5	22,865	4,526	1,829		
	February	5					4766

55.41 -
1634

SOUTH VACUUM UNIT - WELL DATA

LEA COUNTY, NEW MEXICO

South Vacuum Unit

	<u>Well No.</u> <u>1-35</u>	<u>Well No.</u> <u>2-35</u>	<u>Well No.</u> <u>3-35</u>	<u>Well No.</u> <u>1-26</u>
1. Gross Feet of Pay	214	166	203 *	256
2. Net Feet of Pay (Log)	68	43	73	76
3. Avg. Wt'd Porosity Above O/W Contact (Log); Percent	8.0	6.6	6.7	7.7
4. Avg. Wt'd Permeability (Core Analysis); md.	388	178	184	Not Cored
5. From Cored Section Footage w/Greater Than 4% Porosity & 0.1 md.	60	14	26	

1637
1638
P.I. 4.4

devonian

1. Top of ~~pay~~ to water oil contact @ -7880'.
- * Did not penetrate to water oil contact - 58'
from TD to WOC - 2' net pay credited below TD.
- 2.&3. Picked from Neutron derived or Sonic Log derived
porosity curve - 4% or greater porosity.
4. From available core analysis.
5. Net feet from core analysis.

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
EXHIBIT No. 4
CASE 1634

4R

RESERVOIR DATA
SOUTH VACUUM (DEVONIAN) POOL
LEA COUNTY, NEW MEXICO

1. PHYSICAL PROPERTIES OF RESERVOIR ROCK

(Based on Core Analysis)

- a. Average Porosity - 7.1%
- b. Average Permeability - 226 Millidarcys
- c. Average Interstitial Water Saturation - 32.5%
- d. Net Thickness - 75 feet (Maximum)

2. LITHOLOGY

Grey dense to finely crystalline dolomite with pin-point to large vugs, inter-crystalline porosity, and fracturing.

3. STRUCTURAL FEATURES OF RESERVOIR

Northwest-southeast trending anticline bounded on the northeast flank by steep dip or possible faulting. No original gas cap. Oil-water contact 7880' Sub-sea.

4. CHARACTERISTICS OF RESERVOIR FLUIDS

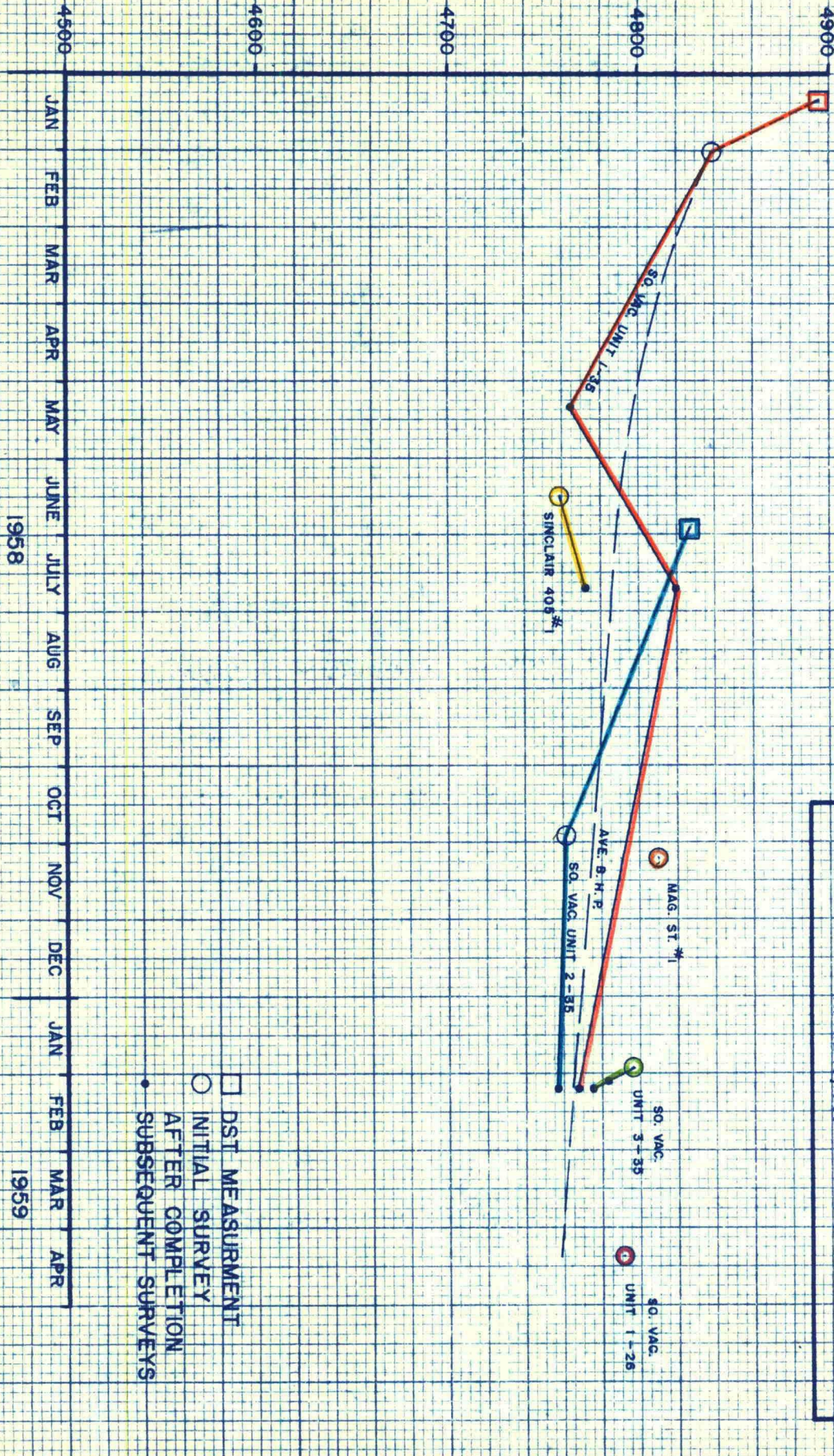
- a. Gravity of Stock Tank Oil - 49° API
- b. Saturation Pressure - 382 PSIG
- c. Formation Volume Factor - Barrels Reservoir Oil per Barrel Stock Tank Oil
 - At Original Pressure - 1.051
 - At Saturation Pressure - 1.088
- d. Viscosity of Reservoir Oil - Centipoise
 - At Original Pressure - .884
 - At Saturation Pressure - .588
- e. Dissolved Gas-Oil Ratio - Cubic Feet per Barrel Stock Tank Oil
 - At Saturation Pressure - 96

5. RESERVOIR PRESSURES AND TEMPERATURE

- a. Datum Depth - 7750' Sub-sea
- b. Original Reservoir Pressure - 4895 PSI
(From drill stem test South Vacuum #1-35 on 1-11-58)
- c. Estimated Average Reservoir Pressure 4-15-59 4758 PSI
- d. Reservoir Temperature - 118° F
- e. Productivity Index - Barrels per Day per PSI Pressure Drop - 4.4

BOTTOM HOLE PRESSURE (-7750') - Psig

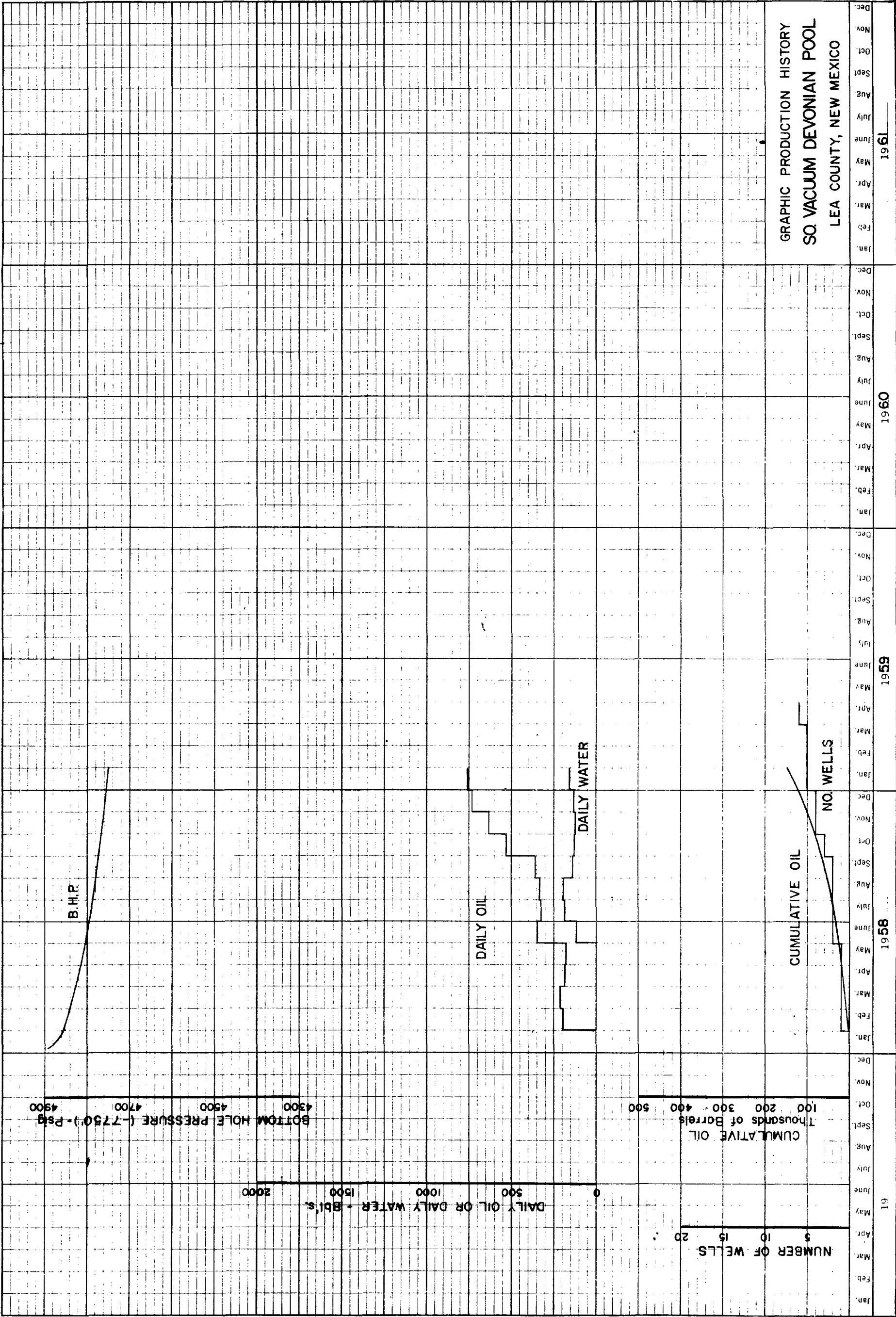
INDIVIDUAL WELL BOTTOM HOLE PRESSURES
SOUTH VACUUM - DEVONIAN POOL
LEA COUNTY, NEW MEXICO
APRIL 10, 1959 R.L.C.



□ DST MEASUREMENT
○ INITIAL SURVEY
• AFTER COMPLETION
• SUBSEQUENT SURVEYS

Case 1634

5



PROCEDURE

SOUTH VACUUM UNIT INTERFERENCE TEST

SOUTH VACUUM-DEVONIAN POOL

1. Run 48 hour shut-in bottom hole pressure survey on all wells.
2. Open all wells on normal producing rate except for following:
 - a. South Vacuum Unit #2-35 - Leave shut-in.
 - b. South Vacuum Unit #1-35 - Produce at twice the normal allowable.
3. Record daily bottom hole pressure on #2-35 for several days.
4. Run static bottom hole pressure survey on all wells at monthly intervals for approximately three months. Run subsequent surveys at three month intervals for remainder of year.

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
EXHIBIT No. _____
CASE _____

CASE 1634 NO. _____

5R

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

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

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

DOMESTIC SERVICE	
Check the class of service desired; otherwise this message will be sent as a full rate telegram	
FULL RATE TELEGRAM	<input checked="" type="checkbox"/>
DAY LETTER	<input type="checkbox"/>
NIGHT LETTER	<input type="checkbox"/>

WESTERN UNION

1206 10-51

W. P. MARSHALL, PRESIDENT

INTERNATIONAL SERVICE	
Check the class of service desired; otherwise the message will be sent at the full rate	
FULL RATE	<input type="checkbox"/>
LETTER TELEGRAM	<input type="checkbox"/>
SHIP RADIOGRAM	<input type="checkbox"/>

NO. WDS.-CL. OF SVC.	PD. OR COLL.	CASH NO.	CHARGE TO THE ACCOUNT OF	TIME FILED
			Oil Conservation Commission	3 P.M.

Send the following message, subject to the terms on back hereof, which are hereby agreed to

APRIL 30, 1959

**MR. HOWARD BRATTON
HERVEY, DOW & HINKLE
HINKLE BUILDING
ROSWELL, NEW MEXICO**

APPLICATION OF PURE OIL COMPANY FOR 80-ACRE SPACING IN SOUTH VACUUM-DEVONIAN POOL AND FOR PERMISSION TO TRANSFER ALLOWABLES DENIED THIS DATE BY THE COMMISSION.

**A. L. PORTER, Jr.
Secretary-Director**

Please send this same telegram to Mr. Melvin Neal 116 N. Turner, Hobbs, New Mexico.



Magnolia Petroleum Company

A Socony Mobil Company

Legal Department

P. O. BOX 900 • DALLAS 21, TEXAS

CHARLES B. WALLACE
GENERAL COUNSEL

R. T. WILKINSON, JR.
ASSOCIATE GENERAL COUNSEL

FRANK C. BOLTON, JR.
GENERAL ATTORNEY

WENDELL J. DOGGETT

JACK E. EARNEST

SAM H. FIELD

JAMES T. FITZPATRICK

JAMES E. HORIGAN

ROSS MADOLE

WALLACE G. MALONE

ROY L. MERRILL

FLOYD B. PITTS

WILLIAM S. RICHARDSON

W. FORREST SMITH

WILLIAM H. TABB

JACK VICKREY
ASSISTANTS

April 10, 1959

Re: Application of Pure Oil Company for the
Adoption of Temporary Field Rules for the
South Vacuum-Devonian Field, Lea County,
New Mexico (Case No. 1634)

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

Gentlemen:

Magnolia Petroleum Company has reviewed the application of the Pure Oil Company for the adoption of temporary field rules for the South Vacuum-Devonian Pool (Case No. 1634) to be heard on April 15th, 1959, and wants to support Pure Oil Company in its proposals, which we understand will consist briefly of the following:

1. That proration units of 80 acres be established, consisting of two continuous and contiguous 40-acre tracts with units running in either direction.
2. That all wells be located in the center of either 40-acre tract within the 80-acre proration unit with a tolerance of 150' to avoid surface obstructions.
3. That any well to which is dedicated less than 79 acres or more than 81 acres be granted an allowable in the proportion that the total

April 10, 1959

number of acres assigned to the well bears to 80 acres.

4. That the proportional depth factor for 40 acre well spacing be continued for determining per well allowables.

Please enter this letter as an exhibit in Case No. 1634 as evidence of Magnolia Petroleum Company's support of the Pure Oil Company's application.

Yours very truly,

A handwritten signature in cursive script that reads "Ross Madole". The signature is written in dark ink and is positioned above the typed name.

Ross Madole

RM:md

C. MELVIN NEAL
J. W. NEAL

NEAL & NEAL
LAWYERS
NEAL BUILDING
HOBBS, NEW MEXICO

75
STATE LAND OFFICE
SANTA FE, N.M.

TELEPHONE:
EXPRESS 3-5171
P. O. BOX 278

March 17, 1959

1959 MAR 17 AM 8

State Land Office,
Santa Fe, New Mexico.

Gentlemen:

I will appreciate it very much if you
will forward to me a copy of the Petition for the
80 acres spacing in the South Vacuum Unit which was
filed on March 16, 1959, and your bill for making the
copy.

Thank you.

Very truly yours,

C. M. Neal
C. M. NEAL

N/ls

*Mailed 3-19-59
TSF*

Case 16 34

THE PURE OIL COMPANY

GENERAL OFFICES, 35 EAST WACKER DRIVE, CHICAGO.

TEXAS PRODUCING DIVISION

P. O. BOX 2107

FORT WORTH 1, TEXAS

February 26, 1959

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

Attention: Mr. A. L. Porter, Jr.

Dear Mr. Porter:

The Pure Oil Company, as operator of the South Vacuum Unit, respectfully requests that a hearing be scheduled to consider our request to shut in the South Vacuum Unit Well #3-35 located in the South Vacuum - Devonian Pool, and to transfer the allowable of this well to Well #1-35. We will further request at the hearing that temporary pool rules be adopted for a one year period. (see 80 acre spacing)

The South Vacuum Unit Well #3-35, located 660 feet from the north line and 1980 feet from the west line of Section 35, T-18-S, R-35-E, was completed in the South Vacuum - Devonian Pool on January 27, 1959. This well was the third Devonian producer in the South Vacuum Unit and the sixth well completed in the pool. Initial bottom hole pressure surveys conducted in this well and the other Devonian completions, have indicated a consistent decline in reservoir pressure with time from the initial pressure measured in the discovery well. In order to determine whether this preliminary data can be substantiated by pressure interference tests, we propose to shut in Well #3-35 and transfer the allowable of this well to Well #1-35, located 1980 feet from the north line and 1980 feet from the east line of Section 35. We intend to use the data obtained from this test with other reservoir data, in order to determine the optimum spacing pattern for this pool.

We propose that temporary rules for the South Vacuum - Devonian Pool be adopted to govern the orderly development and operation of the pool. These rules would remain in effect for a period of one year, during which the interference tests will be conducted and the results evaluated. We will recommend:

1. That proration units of 80 acres each be established, consisting of two continuous and contiguous 40 acre tracts elongate in either direction.
2. That all wells be located in the center of either 40 acre tract within the 80 acre proration unit, with a tolerance of 150' to avoid surface obstructions.
3. That any well to which is dedicated less than 79 acres or more than 81 acres be granted an allowable in the proportion that the total number of acres assigned to the well bears to 80 acres.
4. That the proportional depth factor for 40 acre well spacing be continued for determining per-well allowables.

ALL QUOTATIONS SUBJECT TO CHANGE WITHOUT NOTICE.

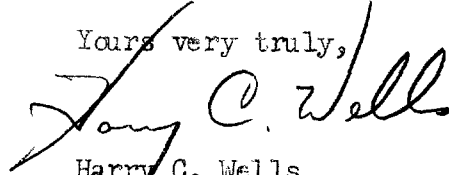
ALL AGREEMENTS CONTINGENT UPON STRIKES, FIRES, ACTS OF THE GOVERNMENT AND CARRIERS, AND ALL OTHER CAUSES BEYOND OUR CONTROL.

Page 2

Attached is a list of the names and addresses of all operators offsetting the South Vacuum Unit or offsetting wells completed in the South Vacuum - Devonian Pool. A copy of this application has been forwarded to each of these parties.

We understand that the docket for the regular March hearing is rather heavy; therefore, if this hearing cannot be scheduled at that time, we would appreciate your setting it for the first examiner hearing or for the regular hearing in April.

Yours very truly,

A handwritten signature in cursive script, appearing to read "Harry C. Wells".

Harry C. Wells
Ass't. Div. Prod. Engr.

HCW:n

Att.

The Atlantic Refining Company
P. O. Box 871
Midland, Texas

Champlin Refining Company
P. O. Box 1440
Midland, Texas

Cities Service Oil Company
P. O. Box 97
Hobbs, New Mexico

Jake L. Hamon
102 Western Building
Midland, Texas

J. Don Hudgens, Inc.
P. O. Box 1898
Hobbs, New Mexico

Humble Oil & Refining Company
P. O. Box 1600
Midland, Texas

Magnolia Petroleum Company
P. O. Box 633
Midland, Texas

The Ohio Oil Company
P. O. Box 552
Midland, Texas

The Pure Oil Company
P. O. Box 2107
Fort Worth 1, Texas

Richardson & Bass
Ft. Worth Nat'l. Bank Bldg.
Fort Worth, Texas

Shell Oil Company
P. O. Box 854
Roswell, New Mexico

Sinclair Oil & Gas Company
P. O. Box 1470
Midland, Texas

Skelly Oil Company
P. O. Box 993
Midland, Texas

The Superior Oil Company
Andrews Highway
Midland, Texas

Texas Gulf Producing Company
P. O. Box 1764
Midland, Texas

Union Oil Company of California
Union Oil Building
619 West Texas, Midland, Texas