

*Texas Crude Oil Company*

*6100 Camp Bowie Boulevard*

*P. O. Box 9846*

*Fort Worth 7, Texas*

REPLY TO  
1206 V & J TOWER BUILDING  
MIDLAND, TEXAS

July 8, 1959

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

Gentlemen:

Texas Crude Oil Company and McAlester Fuel Company have completed and received an allowable for a wildcat well located 660' FS and 1982.5 FWL of Section 16, T-11-S, R-33-E, Lea County, New Mexico. This well is carried as our State HN-1. The well flowed naturally from the Atoka Formation from casing perforations 10,744-70'.

*no* We are requesting that the Oil Conservation Commission allow us to drill these wells on 80 acres instead of the customary 40 acres. Due to the high cost of drilling a 10,750' well, as compared with the small amount of reserves expected to be recovered, it would be uneconomical to drill these wells on 40-acre spacing.

Attached you will find productive index tests and pressure build-up curves. You will note that in approximately 12 hours after being shut-in the well reached its maximum build-up. This would indicate that the formation has a good permeability and porosity; therefore, the ability to drain 80 acres. The relatively low productivity index indicates the well has a low flow capacity. Another indication of good permeability and porosity is shown by the attached Microlaterolog.

Using an average of 12 feet of effective pay and the average values for porosity and water saturation as calculated from the attached Sonic and Laterolog, the expected recovery from a well drilled on a 40-acre lease is 53,500 barrels, while recovery from an 80-acre lease would be 107,000 barrels. A drilled, completed well costs approximately \$150,000 to \$175,000 which at \$2.00/barrel, after royalty and operating expenses, would require 75,000 to 87,500 barrels for a payout.

*Reckels  
Miles  
8-3-59  
JH*

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MAIL OFFICE OCC

Oil Conservation Commission  
Santa Fe, New Mexico  
July 8, 1959  
Page Two

Texas Crude Oil Company requests that the Commission grant 80-acre spacing on our State HN-1 Well. We request that this be made on a temporary basis pending outcome of a hearing for which engineering data is now being obtained to substantiate the information we already have.

Yours very truly,

TEXAS CRUDE OIL COMPANY



Joe R. Howard

pf

enclosures

2 cc: Oil Conservation Commission  
P. O. Box 2045  
Hobbs, New Mexico

*Texas Crude Oil Company*  
6100 Camp Bowie Boulevard  
P. O. Box 9846  
Fort Worth 7, Texas

REPLY TO  
1206 V & J TOWER BUILDING  
MIDLAND, TEXAS

August 7, 1959

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

Gentlemen:

We requested in a letter dated July 8, 1959, that the Commission grant 80-acre spacing for our State HN-1 Well located in Section 16, T-11-S, R-33-E, Lea County, New Mexico. Since that time, production and bottom hole pressures have declined so rapidly, that it would be uneconomical to drill the wells on 80 acres.

We request that the Commission postpone our hearing on Case 1736 scheduled for August 13, 1959, indefinitely.

Yours very truly,

TEXAS CRUDE OIL COMPANY

*Joe R. Howard*

Joe R. Howard

pf

cc: Oil Conservation Commission  
P. O. Box 2045  
Hobbs, New Mexico

*Copied to Hobbs  
+ Mr. Howard  
[unclear]*