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EDWIN L. MECHEM  
CHAIRMAN

State of New Mexico  
Oil Conservation Commission



LAND COMMISSIONER  
E. S. JOHNNY WALKER  
MEMBER

STATE GEOLOGIST  
A. L. PORTER, JR.  
SECRETARY - DIRECTOR

P. O. BOX 871  
SANTA FE

October 19, 1962

Mr. Jason Kellahin  
Kellahin & Fox  
Attorneys at Law  
P. O. Box 1713  
Santa Fe, New Mexico

Re: Case No. 2663  
Order No. N-2337  
Applicant:  
Arnold H. Bruner

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Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, Jr.  
Secretary-Director

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Carbon copy of order also sent to:

x  
Hobbs OCC \_\_\_\_\_  
Artesia OCC \_\_\_\_\_  
Aztec OCC Mr. Sim Christy  
OTHER Hervey, Dow & Hinkle  
P. O. Box 10  
Roswell, New Mexico

TEXACO  
INC.

PETROLEUM PRODUCTS



DOMESTIC PRODUCING DEPARTMENT  
MIDLAND DIVISION

R. M. BISCHOFF, ASSISTANT DIVISION MANAGER

P. O. BOX 3109  
MIDLAND, TEXAS

October 4, 1962

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

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

Gentlemen:

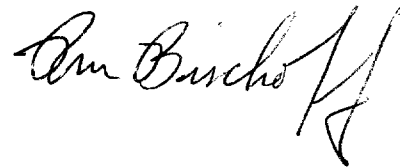
Reference is made to Case No. 2663, the application of Arnold H. Bruner for permission to directionally drill his Federal Intex Well No. 1, set for hearing October 10, 1962. It is our understanding that Mr. Bruner has drilled the subject well at a location in the center of the NW/4 SE/4 of Section 8, T-9-S, R-37-E, Allison (Pennsylvanian) Pool, Lea County, New Mexico. We further understand that the subject well was drilled as a straight hole and upon reaching total depth it was found that the prospective Pennsylvanian formation was not productive of oil or gas at this location. Mr. Bruner now plans to re-enter this well and directionally drill it such that the bottom of the hole through the producing formation will be 100' from the north and west lines of the NW/4 SE/4 of said Section 8.

Texaco Inc. at the present time does not operate any producing wells in the Allison (Pennsylvanian) Pool; however, we do own the working interest in a 320-acre lease located in Section 7, T-9-S, R-37-E which is approximately three-fourths mile west of the subject well. Texaco does not deny the fact that Mr. Bruner has the right to recover any oil or gas that may be located under his lease; however, we also believe that Mr. Bruner should not be allowed to recover more than his proportionate share of the oil from this reservoir. If the Commission approves Mr. Bruner's application, Texaco strongly recommends that the Commission give careful consideration to the amount of productive acreage which can be attributed to the subject well. If the well at the proposed location should prove to be productive, it is recommended that the allowable for the subject well be determined by multiplying the ratio of the productive acreage to a standard 80-acre proration

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unit by the normal unit allowable. It is believed that this type allowable treatment is necessary to protect the correlative rights of others offsetting Mr. Bruner's tract and to prevent the migration of oil by drainage from the offsetting tracts to Mr. Bruner's well.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Tom Birch", followed by a large, stylized flourish or initial.

CRB/JERjr.-MM