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August 13, 1968

TELEPHONE (505) 622-6510
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Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

We enclose in triplicate application of Coastal States Gas Producing Company for the adoption of temporary special field rules for the area in which is located Coastal States' new discovery made in its State "26" No. 1 well located 660 feet from the North and West lines of Section 26, Township 14 South, Range 32 East, Lea County.

Please set this matter down for hearing for the first examiner's hearing in September.

Yours sincerely,

HINKLE, BONDURANT & CHRISTY

By 

CEH:cs

Enc.

cc: Jack McGraw

cc: Bill Elliott

*Mr Hinkle Called 8-14-68
and will send corrected first
page of application.*

sh

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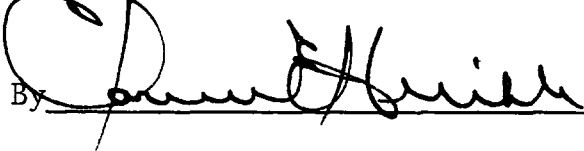
Gentlemen:

Yesterday, August 13, we forwarded to you in triplicate application of Coastal States for the adoption of special field rules for the area in which is located Coastal States' new discovery made in its State "26" No. 1 located in Section 26, Township 14 South, Range 32 East.

Coastal States has called our attention to the fact that the first page of the application should have referred to the Pennsylvanian formation rather than the Permo-Penn formation. Accordingly, we have rewritten the first page of the application and enclose the same in triplicate and we would appreciate your substituting this first page for the one forwarded to you yesterday.

Yours sincerely,

HINKLE, BONDURANT & CHRISTY

By 

CEH:cs

Enc.

cc: Jack McGraw

cc: Bill Elliott

1968 AUG 15 PM 2 11

DOCKET MAILED

Date 8/22/68

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

APPLICATION OF COASTAL STATES GAS)
PRODUCING COMPANY FOR THE ADOPTION)
OF TEMPORARY SPECIAL FIELD RULES)
BECAUSE OF THE DISCOVERY MADE IN THE)
PENNSYLVANIAN FORMATION BY COASTAL)
STATES IN ITS STATE "26" NO. 1 WELL)
LOCATED 660 FEET FROM THE NORTH AND)
WEST LINES OF SECTION 26, TOWNSHIP)
14 SOUTH, RANGE 32 EAST, N.M.P.M.)
WHICH HAS BEEN DESIGNATED BY THE)
COMMISSION AS A TULK PENNSYLVANIAN)
EXTENSION, INCLUDING 160 ACRE SPACING)
AND PRORATION UNITS WITH THE ASSIGN-)
MENT OF 80 ACRE ALLOWABLE)

Case 3857

FILED IN THE

Oil Conservation Commission
Box 2088
Santa Fe, New Mexico

Comes Coastal States Gas Producing Company with offices at Midland, Texas, acting by and through the undersigned attorneys, and hereby makes application for the adoption of temporary special field rules because of the discovery made in the Pennsylvanian formation by Coastal States in its State "26" No. 1 well located 660 feet from the North and West lines of Section 26, Township 14 South, Range 32 East, N.M.P.M., which has been designated by the Commission as a Tulk Pennsylvanian extension, including 160 acre spacing and proration units with the assignment of an 80 acre allowable, and in support thereof respectfully shows:

1. That applicant has completed a well capable of producing oil and gas in paying quantities from the Pennsylvanian formation in its State "26" No. 1 well located 660 feet from the North and West lines of Section 26, Township 14 South, Range 32 East, N.M.P.M. Said well was completed through perforations from 9,830 feet to 9,844 feet with a potential for 282 barrels of oil per day with no water, flowing through a 20/64" choke with 350 pounds FTP.

2. That applicant has started a second well designated as Coastal States "22" No. 1 well located 1980 feet from the South line and 660 feet from the East line of Section 22, Township 14 South, Range 32 East, and it is anticipated that Coastal States will, upon completion of its second well, drill a third well to be located 1980 feet from the South and West lines of Section 23, Township 14 South, Range 32 East, said wells to be drilled to a depth sufficient to test the ~~Penn~~-Penn formation encountered in the discovery well. There is attached hereto, made a part hereof and for purposes of identification marked Exhibit "A", a plat showing the location of the discovery well and the location of the 2 proposed additional wells.

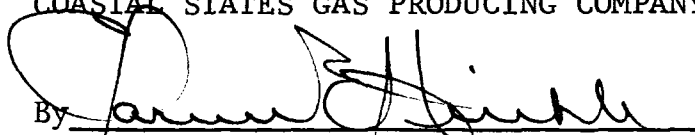
3. That due to the characteristics of the discovery well, the area in which the well and the above mentioned proposed wells are located could well be an extension of the Baum-Upper Pennsylvanian Pool rather than an extension of the Tulk Pennsylvanian Pool, and it is anticipated that it will be necessary to produce large quantities of water in connection with the production of oil from said area and that it would not be economically feasible to develop the area on less than 160 acre spacing.

4. That to the best of applicant's knowledge and belief the establishment of temporary special field rules for the area herein referred to will prevent the economic loss caused by the drilling of unnecessary wells and will otherwise prevent waste and protect correlative rights and will be in the interest of conservation and the prevention of waste.

5. That applicant requests that this matter be set down for hearing at the first examiner's hearing in September, 1968.

Respectfully submitted,

COASTAL STATES GAS PRODUCING COMPANY

By 

Member of the Firm of
HINKLE, BONDURANT & CHRISTY
Attorneys for Applicant
Box 10
Roswell, New Mexico

