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August 3, 1971

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Oil Conservation Commission Box 2088 Santa Fe, New Mexico 87501

Gentlemen:

We enclose herewith in triplicate application of The Petroleum Corporation for the creation of a new pool temporary special field rules and a discovery allowable in connection with its Petco State Well No. 2 in the Parkway Wolfcamp Pool.

This matter has been docketed for the examiner's hearing on August 11 as Case No. 4577.

Yours very truly,

HINKLE, BONDURANT, COX & EATON

By Clarence 6. Kinkle

CEH:cs Enc. BEFORE THE OIL CONSERVATION COMMISSION COMMISSION

STATE OF NEW MEXICO

APPLICATION OF THE PETROLEUM CORPORATION FOR THE CREATION OF A NEW POOL TO BE DESIGNATED AS THE PARKWAY-WOLFCAMP POOL DUE TO A DISCOVERY IN THE PETCO STATE WELL NO. 2 LOCATED IN UNIT N, SECTION 26, TOWNSHIP 19 SOUTH, RANGE 29 EAST, EDDY COUNTY, NEW MEXICO, AND FOR TEMPORARY SPECIAL FIELD RULES INCLUDING 160 ACRE SPACING AND FOR A DISCOVERY ALLOWABLE.

Care 4577

Oil Conservation Commission Box 2088 Santa Fe, New Mexico 87501

Comes The Petroleum Corporation, whose address is 3303 Lee Parkway, Dallas, Texas 75219, acting by and through the undersigned attorneys, and hereby makes application for the creation of a new pool to be designated as the Parkway-Wolfcamp Pool due to a discovery in the Petco State Well No. 2 located in Unit N, Section 26, Township 19 South, Range 29 East, Eddy County, New Mexico, and for temporary special field rules, including 160 acre spacing, and for a discovery allowable, and in support thereof respectfully shows:

1. That on or about July 4, 1971 applicant completed its Petco State well No. 2 located in Unit N, Section 26, Township 19 South, Range 29 East, Eddy County, at a total depth of 10,685 feet. The well was completed in the Wolfcamp zone or formation and was perforated from 9,622 feet to 9,646 feet with 48 holes. The well was potentialed for 810 barrels of new oil in 24 hours on a 24/64" choke with a tubing pressure of 320 psi, and a gas/oil ratio of 1485 to 1, the gravity of the oil being 49 deg. API at 60 deg. F.

2. There is attached hereto, made a part hereof and for purposes of identification marked Exhibit "A", a plat showing the location of said well and all wells which have been drilled within a radius of 2 miles and the depths and formations from which they are producing, as well as the lease ownership within said area.

3. The well above referred to was drilled as a development well in the Parkway-Strawn Pool heretofore designated under Order R-4093 on January 25, 1971, but failed to encounter production in paying quantities in the Strawn formation and the well was completed in the Wolfcamp formation which is believed to be a separate pool or formation. Because of the porosity and permeability which has been encountered, it is believed that one well will effectively and efficiently drain 160 acres or more. Applicant further believes that the establishment of temporary special field rules, including 160 acre spacing, would prevent the economic loss caused by the drilling of unnecessary wells and would otherwise prevent waste and protect correlative rights.

4. Due to the fact that said well is a discovery in the Wolfcamp formation, applicant desires that a discovery allowable be assigned to said well in accordance with Rule 509 and in connection therewith applicant is filing with the Commission Form C-109.

5. Applicant requests that this matter be set down for hearing on the examiners docket for August 11, 1971.

Respectfully submitted,

THE BETROLEUM CORPORATION Ву

Member of the Firm of HINKLE, BONDURANT, COX & EATON P.O. Box 10 Roswell, New Mexico 88201