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NFO-301
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THE TEXAS COMPANY

November 2, 1956

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

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

Gentlemen:

By letter dated October 1, 1956, The Texas Company was notified by Mr. R. F. Montgomery that, in order to comply with Order R-553, it must obtain a connection for sale of casing-head gas or secure a no-flare order from the Commission for its Saunders-Federal Well No. 2, located in Section 4, T-19S, R-37E, Eumont Pool, Lea County, New Mexico. This action must be taken not later than November 15, 1956.

30 days
11/2/56
H. N. Wade

The Saunders-Federal Lease contains 85.21 acres and is comprised of the N/2 of the NE/4 of Section 4, T-19S, R-37E, Lea County, New Mexico. The attached plat was prepared to show the location of Well No. 2, offset ownership, and the location of the tank battery. The Texas Company has negotiated a contract with Phillips Petroleum Company to take the 42.1 MCF of casing-head gas per day now being flared by Well No. 2, a top allowable well which produces with a gas-oil ratio of 1,002 cubic feet per barrel. It is our understanding that Phillips Petroleum Company will complete its gathering system sometime within the next two months. Therefore, a temporary no-flare order for a period of two months, commencing November 15, 1956, is respectfully requested for the Saunders-Federal Lease, Well No. 2.

Yours very truly,

H. N. Wade
Petroleum Engineer

HNW-JEB

Att.