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nobbs, New Mexico
June 20, 1956

Oil Conservation Commission State of New Mexico Santa Fe, New Mexico

Subject: Application for Exception to "No-flare Order."

Centlemen:

Tidewater Oil Company hereby makes application for exception to the "No-flare Order", as set forth in Paragraph 10 of Order R-520 and amended by Order R-553, for the Tidewater Oil Company State "AG" No. 1. The applicant wishes to state the following in support of the exception.

- 1. Tidewater Oil Company is the sweer of the State Oil and das Lease No. B-2330, covering the NE/4 of Section 2-208-37E. On April 8, 1956 Tidewater completed as an oil well in the Eumont Pool their State "AG" Well No. 1 on said State Lease No. B-2330 and at a location 660' FEL and 1996' FEL. This is the only well that has been drilled on lease to date.
- 2. Attached is a plat showing the subject well and offset ownership. The approximate location of the nearest low pressure gas sales line is shown on the map in Section 1-208-37E.
- 3. Tidewater requests this exception because of the following reasons:

 a. The State "AQ" No. 1 lies in a new producing area of the Eumont Pool and the Gas Consumers have had to evaluate the production before extending their lines.
 - b. Warren Petroleum Company has the nearest gas sales line which is approximately 3/4 mile southeast of the State "AO" No. 1.
 - c. Warren Petroleum Company is now negotiating contracte with Tidewater for extending their line to the State "AG" Lease.
 - d. Connections should be completed by August 1, 1956.
 - e. The Tidewater State "AG" No. 1 produces 32 MCF of gas per day or 960 MCF per month. The producing gas-oil ratio is 804 cu. ft. per barrel.

Therefore, Tidewater Oil Company, respectfully requests that the Commission grant an exception to the "No-flare Order" for their State "AG" Well No. 1 until sufficient time for obtaining gas connections has elapsed.

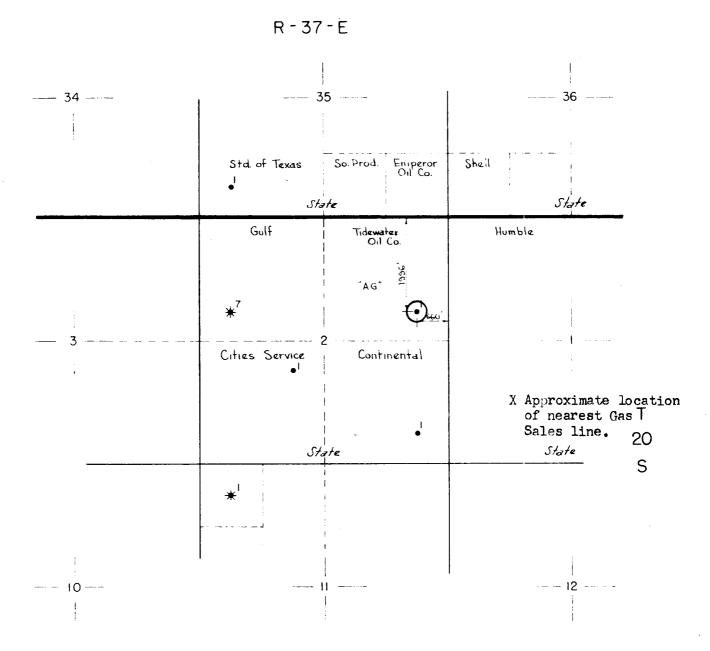
I hereby swear or affirm that the information given herewith is true and complete to the best of my knowledge.

Sworn and subscribed before me this the VV day of Line 1956.

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H. P. Shackelford

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NORTHEAST EUMONT POOL LEA CO., NEW MEXICO Scale: I"= 2000'