HOBBS, NEW MEXICO

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

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

Re: Texas Pacific Coal & Oil Company application for 160 acre non-standard proration unit for its State of New Mexico "A" A/c-1, Well #39 in Section 17, Township 23 South, Range 36 East, Jalmat Pool, Lea County, New Mexico

Gentlemen:

Now comes Texas Pacific Coal and Oil Company and requests to set a hearing before an examiner and grant an exception to Rule 5(a) of that part of the New Mexico Oil Conservation Commission Order Number R-520 pertaining to the Jalmat Gas Pool, Lea County, New Mexico, for its State of New Mexico "A" A/c-1, Well #39 and for its grounds therefore states:

- 1. That Texas Facific Coal and Oil Company State of New Mexico "A" A/c-1, Well #39 is located 1980 fest from the South and East lines of Section 17, Township 23 South, Range 36 East NMFM. The said well was completed November 7, 1957 at a T.D. of 3808 feet and plugged back to 3692 feet, perforated in the Yates formation, and is now producing from the Jalmat Gas Pool. On November 19, 1957, the well tested 1624 MCF per day through a 2" open choke by a 2" well prover.
- 2. The proposed non-standard unit will consist of the SE/4 Section 17, Township 23 South, Range 36 East.
- 3. That the proposed Non-Standard Gas Proration Unit consists of contiguous quarterquarter sections.
- 4. That the entire proposed Non-Standard Gas Proration Unit may reasonably be presumed to be productive of gas.
- 5. That the length and width of the Non-Standard Gas Proration Unit does not exceed 5280 feet.
- 6. That there is attached hereto a plat showing the acreage to be dedicated to the proposed Non-Standard Gas Proration Unit, the location of the well, and the offset ownership.

- 7. That the granting of the exception requested herein will not adversely affect the correlative rights of any offset owner and will protect the correlative rights of Applicant, will prevent waste, will avoid the drilling of unnecessary wells, and is in the interest of conservation.
- 8. That by copy of this Application all of the other operators owning an interest in the section in which the proposed Non-Standard Gas Proration Unit is situated and all operators owning an interest within 1930 feet of the well have been notified by registered mail of this Application.

Wherefore, Applicant requests that this matter be set down for hearing before an Examiner at Santa Fe, New Mexico office of the New Mexico Oil Conservation Commission, that proper notice as required by law be published, and that the Commission issue its granting Applicant an exception to Rule 5(a) of Order No. R-520 in order to form a Non-Standard Proration Unit in the Jalmat Gas Pool consisting of the SE/4 of Section 17, Township 23 South, Range 36 East NMPM.

Texas Pacific Coal & Oil Company

District Engineer

Copies by Registered Mail:

Sinclair Oil & Gas Company 520 E. Broadway Hobbs, New Mexico

Continental Oil Company P. O. Box 427 Hobbs, New Mexico

Texas Company P. O. Box 1270 Midland, Texas

Ralph Lowe P. O. Box 832 Midland, Texas

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

New Mexico Oil Conservation Commission P. O. Box 2045 Hobbs, New Mexico STATE OF NEW MEXICO)) SS COUNTY OF LEA)

Arthur M. Smith, upon duly sworn, desposes and says that he is the District Engineer for Texas Pacific Coal and Gil Company, and as such is authorized to file the foregoing application, that he has read said application and knows the content thereof, and that statements made therein are true, as he is credily informed and believes.

Subscribed and sworn to before me this 25th day of November, 1957.

NOTARY PUBLIC

My Commission Expires

MY COMMISSION EXPLASS JUNE 3, 959