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LPG-6
May 18
CC-H

GULF OIL CORPORATION
FORT WORTH PRODUCTION DIVISION

P. O. BOX 2167
Hobbs, New Mexico
MAY 10 AM 7:45

May 4, 1954

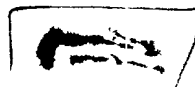
Re: Application to Drill LPG Storage
Well No. 2, Lea County, New Mexico

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

Gentlemen:

By this letter of application, Gulf Oil Corporation wishes to state the following:

- (a) That proposed well will be located 1887' from the north line and 1320' from the east line of Section 3, T-22-S, R-37-E. The attached certified plat shows the location of this well on the Gulf Oil Corporation's Mark Lease, together with the location of all offset wells and operators.
- (b) That Gulf Oil Corporation owns the surface in fee of the NE/4 of Section 3-22S-37E, as well as the oil and gas leasehold rights therein.
- (c) That the applicant proposes to drill the well in the following manner:
 1. 10-3/4" surface casing will be set at 300' and cemented to the surface.
 2. 7" casing will be set at 1450' (approximately 150' below top of salt) and cemented to the surface.
 3. The well will be drilled to a total depth of 2000', approximately 350' above the base of the salt.
 4. A string of 4" OD tubing will be installed and the well will be equipped with a 4000# test casinghead and christmas tree.
 5. Upon completion, fresh water will be circulated to wash out a cavity that will be adequate to store approximately 25,000 barrels of propane.

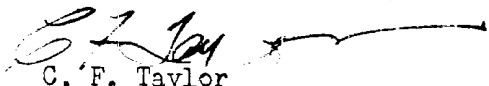


New Mexico Oil Conservation Commission
Application to Drill Storage Well
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- (d) That the granting of this application for permission to drill this LPG Storage Well for storage of propane during the summer months when market demand is low is in the interest of conservation and the protection of correlative rights.
- (e) That the applicant will comply with all rules and regulations of the New Mexico Oil Conservation Commission for drilling a well of this type.
- (f) That the manner and method of the proposed well is mechanically feasible and practical.
- (g) That by copy of this letter of application all operators within a half-mile radius are notified of the proposed well.

Therefore, Gulf Oil Corporation requests that the Oil Conservation Commission grant permission to the applicant to drill the subject well as proposed in this application and approve the attached Form C-101, Intention to Drill.

Respectfully submitted,


C. F. Taylor
Area Production Superintendent

BB/ae

Attach (2)

cc: Humble Oil and Refining Company
Box 2347
Hobbs, New Mexico

Cities Service Oil Company
Box 97
Hobbs, New Mexico

Mid Continent Oil Company
Box 308
Tulsa, Oklahoma

Stanolind Oil and Gas Company
Box 68
Hobbs, New Mexico

Sinclair Oil and Gas Company
Box 1927
Hobbs, New Mexico

4-21-54

Sec. 3 Township 22-S Range 37-E



B. W. Miner
B. W. Miner