

APPENDIX A

Homer Luttrell, applicant named in the foregoing "Notice of Intention to Drill" (Form C-101) is the present lessee of the Southwest Quarter (SW $\frac{1}{4}$) of said section 25, which leasehold now is off-set by Texas Company "B" Frisbie wells numbered 2 and 3 situated respectively in the Northeast Quarter (NE $\frac{1}{4}$) of the Southeast Quarter (SE $\frac{1}{4}$) and the Southeast Quarter (SE $\frac{1}{4}$) of the Southeast Quarter (SE $\frac{1}{4}$) of Section 26, Township 24 South and Range 37 East of the New Mexico Principal Meridian in Lea County, New Mexico.

Each of said Texas Company wells is situated in the Langlie-Mattix Pool as such pool is presently defined by the Commission. (Appendix A, Rules and Regulations, effective January 1, 1950). Said well numbered 3 was completed on or about March 15, 1950, and said well numbered 2 was completed shortly anterior thereto, but after the effective date of the Rules and Regulations of this honorable Commission defining said Langlie-Mattix Pool.

Applicant, upon his best information, knowledge, and belief, represents that each said Texas Company well last herein described is producing petroleum from the Seven Rivers Limestone and/or Queen Sandstone at the approximate depth of 3500 feet below surface.

Your applicant proposes to drill to and into the same stratum, or strata, aforesaid and when petroleum is recovered by such drilling the recovery will be had from the common source or reservoir with said Texas Company wells, and each thereof, and from the same "pool" as said term now is defined by law. (Section 26(b), Chapter 168, Laws of 1949, S. B. No. 163, approved March 17, 1949).

A subsurface plat of the subject leaseholds based upon the correlation of well logs in the subject vicinity manifests a rapid dip of the producing formation to the east. The failures of Fullerton Oil Company et al., in the Southwest Quarter (SW $\frac{1}{4}$) of the Northwest Quarter (NW $\frac{1}{4}$) of said section 25, and Texas Company in the Southwest Quarter (SW $\frac{1}{4}$) of the Southeast Quarter (SE $\frac{1}{4}$) of section 24, Township 24 South, Range 37 East, evidence the fact that any well attempted east of said Texas Company wells hereinbefore described is near to or beyond the easter edge of the producing zone of said Langlie-Mattix Pool.

Because of these facts a well drilled for petroleum in said section 25 must of necessity be located as near to the west and south boundry lines of said section as is permissible.

The approval of the proposed location herein will not result in hardship, injury, or detriment to any adjacent lessee or operator, but the disapproval thereof will result in extreme hardship and injury to this applicant and will result in the confiscation of his property.

Wherefore, premises considered, applicant prays that the location of the projected well be approved as by him proposed.

Applicant