

CASE 5237: Appli. of GENERAL
AMERICAN OF TEXAS FOR 16 UNORTH.
OIL WELL LOCS. & ADMIN. PROCEDURE,

CASE No.

5237

Application,
Transcripts,
Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
May 8, 1974

EXAMINER HEARING

IN THE MATTER OF:

Application of General American Oil
Company of Texas for sixteen unortho-
dox oil well locations and an admin-
istrative procedure, Eddy County,
New Mexico.

Case No.
5237

BEFORE: Richard L. Stamets, Examiner.

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil
Conservation Commission:

Thomas Derryberry, Esq.
Legal Counsel for the
Commission
State Land Office Bldg.
Santa Fe, New Mexico

For the Applicant:

Clarence Hinkle, Esq.
HINKLE, BONDURANT, COX
& EATON
Hinkle Building
Roswell, New Mexico

CASE 5237

Page.....2.....

I N D E X

PAGE

ROY CROW

Direct Examination by Mr. Hinkle
Cross Examination by Mr. Stamets

3
11

E X H I B I T S

Marked

Admitted

Applicant's Exhibits Nos. 2,
3 and 4 were marked

10

--

Applicant's Exhibit No. 1

--

11

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TEL. (505) 982-0386

CROW-DIRECT

CASE 5237

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MR. STAMETS: Call the next case, Case 5237.

MR. DERRYBERRY: Case 5237. Application of General American Oil Company of Texas for sixteen unorthodox oil well locations and an administrative procedure, Eddy County, New Mexico.

MR. HINKLE: Clarence Hinkle, Hinkle, Bondurant, Cox & Eaton, appearing on behalf the Applicant, General American. We have one witness, Mr. Roy Crow, and one exhibit.

MR. STAMETS: The Witness will stand and be sworn, please.

(Witness sworn.)

ROY CROW

called as a witness, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. HINKLE:

Q State your name, your residence, and by whom you are employed?

A My name is Roy Crow, I live in Loco Hills, New Mexico, I'm employed by General American Oil Company of Texas as District Superintendent for the New Mexico area.

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Q Are you a Petroleum Engineer?

A I am a graduate Geologist and Engineer by trade.

Q Have you previously testified before this Commission?

A I have.

Q And you have qualified as a Geologist and Engineer?

A I have.

Q Have you made a study of the area that is involved in this Application?

A I have.

MR. HINKLE: Are the Witness' qualifications sufficient?

MR. STAMETS: They are.

BY MR. HINKLE:

Q What is General American seeking to accomplish by this Application?

A General American is seeking the approval of sixteen unorthodox locations located in the Grayburg-Jackson Field of Eddy County, New Mexico. The wells involved are located in the Township, Range, and Sections, and located from the lease lines as follows: In Section 13, 17 South, 29 East, located on Keely A Lease --

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Q (Interrupting) Do you have a map?

A It's on the map.

MR. HINKLE: Attached to the Application is a list of these that he is reading from, Exhibit A, I think.

(Whereupon, a discussion was held off the record.)

BY MR. HINKLE:

A (Continuing) Located 1295 from the South line and 1345 from the East line in Section 23, 17-29 on the Birch B Lease, located 1345 from the North and 25 feet from the East line; Section 23, 17-29 on the Birch B, a well located 1295 from the North and 2615 from the East; also in 23 on the Birch B Lease a well located 1295 from the North and 1295 from the East line; also in 23 on the Birch B Lease a well 1295 from the South and 2615 from the West; in Section 23, 17-29 on the Birch C Lease a well 1345 from the South and 25 feet from the East line; also in 23 on the Birch C Lease, a well 2615 from the South and 1345 from the East line; in Section 24, 17 South 29 East, located on the Dexter Lease, a well 1345 from the North and 1345 from the West line; in Section 24, 17-29 on the Keely A Lease, a well located 2615 from the South and 25 feet from the West line; in Section 24, Keely A

Lease, a well 2615 from the South and 1295 from the West line; in Section 24 on the Keely A Lease a well 2615 from the South and 2615 from the West line; also in Section 24 on the Keely A Lease, a well 1345 from the South line and 2615 from the East line; in Section 24, 17-29 on the Keely B Lease, a well 1295 from the South and 1345 from the West line; in Section 26, 17-29, a well on the Keely B Lease located 25 feet from the North line and 2615 from the East line; in Section 30, 17-30, on the Birch B Lease, a well 1295 from the North and 2665 from the East line; also in Section 30 on the Birch C Lease, a well 25 feet from the North line and 2615 from the East line.

Also, General American seeks to provide administrative procedure for approval of additional unorthodox-infill wells in these same Township, Range and locations.

Q Now, all these wells that you refer to are to be drilled in the Grayburg-Jackson Pool?

A This is correct.

Q Have any of these well locations heretofore been approved by the Commission?

A Yes. Of the current sixteen wells we seek approval on, I believe three were approved under a previous order, of which there were two orders, R 7 and 791, and I'm not for

sure right now which one -- the three that they had been approved --

Q (Interrupting) There were back in --

A (Interrupting) '48 and 1950.

Q 1950, but you've included them here due to the fact that these were old orders, is that right?

A This is correct.

Q Now refer to what has been marked as Exhibit 1 and explain what this is and what it shows?

A Exhibit 1 is a map or a plat of the area involved as stated, all located in the Grayburg-Jackson Field in Eddy County. The colors on the map indicate the leases, with the red being the Keely C Lease, the green being the Keely B, orange being the Birch C, brown being the Birch B, and yellow being the Keely A, and blue being the Birch A. Also, you will note that these are all Federal leases, and the coloring of the circles indicate -- the brown circles indicate previous unorthodox locations approved by the two previously-mentioned orders which have been drilled; the red circles indicate the sixteen unorthodox locations which we now seek; the green circles are the contingent future-proposed-unorthodox wells which we will seek to receive the administrative approval on, and

possibly not at these exact locations.

Q In other words, you may desire to change some of these locations from those that you obtain administrative approval on, is that right?

A This is possible, and also, in this administrative approval, no well would be drilled closer than 330 feet to the outside boundaries of General American Leases.

Q Now, have you head up with the USGS, that these are all Federal lands, the matter of the drilling of these infill wells and the plan that you propose to follow?

A A Plan of Development was filed with the USGS which stated the sixteen proposed unorthodox locations and the Plan of Development has been approved by the USGS.

Q What additional recovery do you anticipate will be obtained by the drilling of these infill wells?

A We feel that a reasonable estimate on these shallow wells would be a recovery of 30 to 35 thousand additional barrels that will otherwise not be recovered.

Q For each well?

A Per well.

Q Now, approximately how many of the additional wells, other than the sixteen, do you anticipate might be drilled in the future?

A At this time there would be a possibility of 25 additional wells which would be listed as contingent upon the success of these sixteen wells.

Q Did you or anyone for you give notice of this Application, furnish copies of the Application to all off-set owners?

A Yes, all off-set operators were sent copies of the Application.

Q Have you any, know of any protests which have been filed?

A None that I know of, except some indicated that they thought that administrative approval should be questioned and that possibly we didn't make it clear that no well would be drilled closer than a standard location to the outside boundaries, which possibly would have been their only objection.

Q Do you have any objection to that requirement?

A No. We have no intention of drilling any well closer to the outside boundary than 330 feet.

MR. HINKLE: I would like to file, as part of the record -- these came addressed to us because we sent the copies of the Application to them -- this letter from the Petroleum Corporation of Texas, a letter from

Shallot Oil Corporation, a letter from Franklin, Aston and Fair, all of whom waive any objection to the drilling of the proposed well.

MR. DERRYBERRY: Do you want to submit these as an Exhibit?

MR. HINKLE: It doesn't make any difference, however you want them. We could have them marked as exhibits.

MR. DERRYBERRY: We could have 2, 3 and 4.

(Whereupon, Applicant's Exhibits Nos.

2, 3 and 4 were marked for identification.)

MR. HINKLE: And then, I think, several letters were addressed to the Commission, I have a copy of one of them with respect to there being no protest. Outside of this one, we know of no protest that has been made to the drilling of these wells by off-set operators.

MR. CROW: I know of none. One other thing I might point out. As you note on the map, the brown wells which were previously approved unorthodox wells, we are just at this time carrying out the same pattern approved by the previous two orders. It would just be a continuation of the original infill pattern.

BY MR. HINKLE:

Q In your opinion, if this Application is approved, will it be in the interest of conservation, the prevention of waste and protect correlative rights?

A Yes.

Q Was Exhibit 1 prepared by you or under your direction?

A It was prepared under my direction.

MR. HINKLE: I would like to offer Exhibit 1.

MR. STAMETS: Without objection Exhibit 1 will be admitted.

(Whereupon, Applicant's Exhibit No.

1 was admitted into evidence.)

MR. HINKLE: That is all we have.

CROSS EXAMINATION

BY MR. STAMETS:

Q Roy, I wish you would go slowly through that Lease color code one more time so I can get that written down here.

A Okay. The Leases actually involved in this particular --

Q (Interrupting) Oh, I'm sorry, we have an Exhibit with that color-code on there so that will be fine.

(Whereupon, a discussion was
held off the record.)

BY MR. STAMETS:

Q These wells will all be producing wells?

A Yes, at this particular time we have no plans
of injection.

Q None of them, and none of the ones that you would
propose, would be located closer than 330 feet to the
outer boundary to this block of leases which you show
here?

A This is correct.

Q And they would all be located at least 10 feet
away from any section line or quarter quarter section line?

A That is correct.

MR. STAMETS: Are there any other questions of
the Witness? He may be excused. Anything further in
this Case? We do have the letters.

MR. HINKLE: Some that came to you.

(Whereupon, a discussion was held
off the record.)

MR. STAMETS: We will take these three letters
which you have handed to us, all in support of the
Application, and put those in our Case file. If there

CASE 5237

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is nothing further in this Case, we will take the Case
under advisement.

THE NYE REPORTING SERVICE
STATE-WIDE DEPOSITION NOTARIES
225 JOHNSON STREET
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TEL. (505) 982-0386

STATE OF NEW MEXICO)
COUNTY OF SANTA FE) SS.

I, RICHARD L. NYE, Court Reporter, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.

Richard L. Nye
RICHARD L. NYE, Court Reporter

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 5237, heard by me on 5-8, 1974.

Richard L. Nye
Richard L. Nye, Examiner
New Mexico Oil Conservation Commission

THE NYE REPORTING SERVICE
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TEL. (505) 982-0386



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

July 30, 1974

I. R. TRUJILLO
CHAIRMAN

**LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER**

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

Mr. Clarence Hinkle
Hinkle, Bondurant, Cox & Eaton
Attorneys at Law
Post Office Box 10
Roswell, New Mexico 88201

Re: CASE NO. 5237
ORDER NO. R-4798-A
Applicant:
General American Oil Co., of Texas

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. Porter, Jr.

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC	<u>x</u>
Artesia OCC	<u>x</u>
Aztec OCC	

Other _____

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

APPLICATION OF GENERAL AMERICAN OIL
COMPANY OF TEXAS FOR SIXTEEN UNORTHODOX
OIL WELL LOCATIONS AND AN ADMINISTRATIVE
PROCEDURE, EDDY COUNTY, NEW MEXICO.

CASE NO. 5237
Order No. R-4798-A

NUNC PRO TUNC

BY THE COMMISSION:

It appearing to the Commission that due to clerical error and inadvertence, Order No. R-4798, dated June 4, 1974, does not correctly state the intended order of the Commission,

IT IS THEREFORE ORDERED:

(1) That Finding (3) of Order No. R-4798 be amended to read in its entirety as follows:

"(3) Applicant further seeks the adoption of an administrative procedure whereby additional infill wells at unorthodox locations on the Keely "A", Keely "B", Keely "C", Burch "A", Burch "B", Burch "C", and Dexter leases may be approved without the necessity of notice and hearing, Grayburg-Jackson Pool, Eddy County, New Mexico, in the following described area:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
Section 12: SE/4 SE/4
Section 13: All
Sections 23 through 26: All

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM
Sections 18 and 19: All
Section 30: All"

(2) That Order (2) of Order No. R-4798 be amended to read as follows:

"(2) That the Secretary-Director of the Commission may approve additional unorthodox locations for wells to be drilled on applicant's Keely "A", Keely "B", Keely "C", Burch "A", Burch "B", Burch "C", and Dexter leases, Grayburg-Jackson Pool, Eddy County, New Mexico, in the following described area:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
Section 12: SE/4 SE/4
Section 13: All
Sections 23 through 26: All

-2-
Case No. 5237
Order No. R-4798-A

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM
Sections 18 and 19: All
Section 30: All"

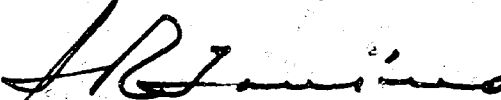
(3) That the Section designation for the last described well location in Township 17 South, Range 29 East, NMPM, in Appendix A of Order No. R-4798 be amended to read "26."

(4) That the lease designation set forth in the last line of Appendix A of Order No. R-4798 be amended to read "Burch 'C'."


(5) That this order shall be effective nunc pro tunc as of June 4, 1974.

DONE at Santa Fe, New Mexico, this 30th day of July, 1974.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member


A. L. PORTER, Jr., Member & Secretary

SEAL

dr/



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

I. R. TRUJILLO
CHAIRMAN

**LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER**

**STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR**

June 4, 1974

**Mr. Clarence Hinkle
Hinkle, Bondurant, Cox & Eaton
Attorneys at Law
Post Office Box 10
Roswell, New Mexico 88201**

Re: CASE NO. 5237
ORDER NO. R-4798

Applicant:
General American Oil Co. of Texas

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. Porter, Jr.

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC	<u>X</u>
Artesia OCC	<u>X</u>
Aztec OCC	

Other

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 5237
Order No. R-4798

APPLICATION OF GENERAL AMERICAN OIL
COMPANY OF TEXAS FOR SIXTEEN UNORTHODOX
OIL WELL LOCATIONS AND AN ADMINISTRATIVE
PROCEDURE, EDDY COUNTY, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 8, 1974,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 4th day of June, 1974, the Commission,
a quorum being present, having considered the testimony, the
record, and the recommendations of the Examiner, and being
fully advised in the premises,

FINDS:

(1) That due public notice having been given as required
by law, the Commission has jurisdiction of this cause and the
subject matter thereof.

(2) That the applicant, General American Oil Company of
Texas, seeks approval for the unorthodox location of sixteen
oil wells in the Grayburg-Jackson Pool, Eddy County, New Mexico,
to be drilled at the locations shown on Appendix A to this order.

(3) Applicant further seeks the adoption of an administra-
tive procedure whereby additional infill wells at unorthodox
locations on the Keely, Keely "A", Keely "B", Burch "A", Burch
"B", Burch "C", and Dexter leases in the following described
area may be approved without the necessity of notice and hearing,
Grayburg-Jackson Pool, Eddy County, New Mexico:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
Section 12: SE/4 SE/4
Section 13: All
Sections 23 through 26: All

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM
Sections 18 and 19: All
Section 30: All

-2-

CASE NO. 5237
Order No. R-4798

(4) That the subject unorthodox locations are proposed for the purpose of infill drilling in the Grayburg-Jackson Pool.

(5) That wells drilled at the proposed unorthodox locations will better enable the applicant to recover oil which might not otherwise be recovered from the Grayburg-Jackson Pool, will prevent waste, and will not violate correlative rights.

(6) That an administrative procedure should be established whereby additional wells in unorthodox locations on the leases in the area described in finding (3) above may be approved without the necessity of notice and hearing.

IT IS THEREFORE ORDERED:

(1) That the applicant, General American Oil Company of Texas, is hereby authorized to drill oil wells at sixteen unorthodox locations in the Grayburg-Jackson Pool, Eddy County, New Mexico, as shown on Appendix A to this order.

(2) That the Secretary-Director of the Commission may approve additional unorthodox locations for wells to be drilled on applicant's Keely, Keely "A", Keely "B", Burch "A", Burch "B", Burch "C", and Dexter leases, Grayburg-Jackson Pool, Eddy County, New Mexico, in the following described area:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
Section 12: SE/4 SE/4
Section 13: All
Section 23 through 26: All

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM
Sections 18 and 19: All
Section 30: All

*Keely A
Keely B
Keely C
also see
Attachment A*

PROVIDED HOWEVER, that applications for administrative approval of unorthodox locations shall be filed in triplicate and shall be accompanied by plats showing the ownership of all leases offsetting the proration or spacing unit for which the unorthodox location is sought, and also all wells completed thereon. All operators of proration or spacing unit offsetting the unit for which the unorthodox location is sought shall be notified of the application by certified or registered mail, and the application shall state that such notification has been given. The Secretary-Director may approve the unorthodox location upon receipt of waivers from all offset operators or if no offset operator has entered an objection to the unorthodox location within 20 days after the Secretary-Director has received the application.

PROVIDED FURTHER, that no unorthodox location shall be administratively approved which is nearer than 330 feet to the outer boundary of the above-described area or nearer than 10 feet

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CASE NO. 5237
Order No. R-4798

to any quarter-quarter section line or subdivision inner boundary in said area.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



I. R. Trujillo
I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member

A. L. Porter, Jr.
A. L. PORTER, JR., Member & Secretary

S E A L

jr/

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM

Lease	Location Feet From North-South Line	Location Feet From East-West Line	Section
Keely "A"	1295' FSL	1345' FEL	13
Burch "B"	1345' FNL	25' FEL	23
" "	1295' FNL	2615' FEL	23
" "	1295' FNL	1295' FEL	23
" "	1295' FSL	2615' FWL	23
" "C"	1345' FSL	25' FEL	23
" "	2615' FSL	1345' FEL	23
Dexter	1345' FNL	1345' FWL	24
Keely "A"	2615' FSL	25' FWL	24
" "	2615' FSL	1295' FWL	24
" "	2615' FSL	2615' FWL	24
" "	1345' FSL	2615' FEL	24
" "B"	1295' FSL	1345' FWL	24
" "	25' FNL	2615' FEL	24 26

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM

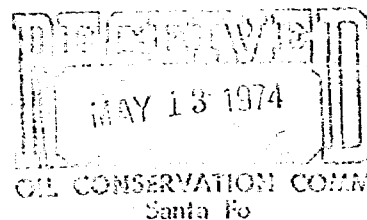
Lease	Location Feet From North-South Line	Location Feet From East-West Line	Section
Burch "B"	1295' FNL	2665' FEL	30
" "C"	25' FNL	2615' FEL	30

Appendix A
Order No. R-4798

WINDFOHR OIL COMPANY
1202 FIRST NATIONAL BANK BUILDING
FORT WORTH, TEXAS 76102

May 7, 1974

332-5108



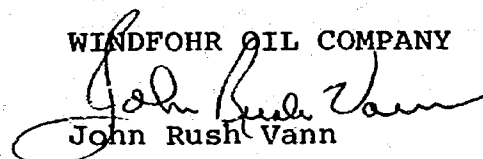
Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 88201

Gentlemen:

With reference to the application of General American Oil Company of Texas for approval of unorthodox well locations in the Grayburg-Jackson Field, Eddy County, New Mexico in Sections 13, 23, 24 and 26, T-17S, Range 29E, and Section 30, Township 17S, Range 30E, please be advised that Windfohr Oil Company, as offset operator, has no objection to the approval of this application by the Oil Conservation Commission.

Yours very truly,

WINDFOHR OIL COMPANY


John Rush Vann

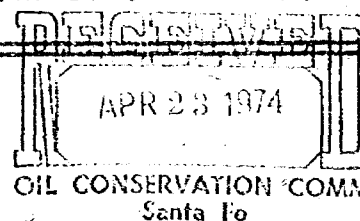
JRV/mf

GENERAL OFFICE
P. O. BOX 9317
FORT WORTH, TEXAS 76107



ANADARKO PRODUCTION COMPANY
TWO GREENWAY PLAZA EAST, SUITE 410, HOUSTON, TEXAS 77046, (713) 626-7610

April 19, 1974



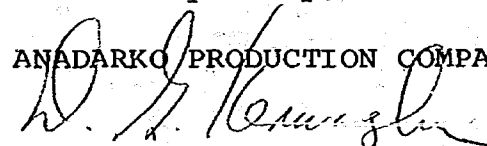
State of New Mexico
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 88201

Gentlemen:

Anadarko Production Company, as offset operator, has no objection to the granting of the application of General American Oil Company of Texas of approval to drill 16 in-fill wells at unorthodox locations in Sections 13, 23, 24 and 26, T17S-R29E, and in Section 30, T17S-R30, or for the approval of administrative procedures for the drilling of additional wells at unorthodox locations within these sections.

Yours very truly,

ANADARKO PRODUCTION COMPANY


D. G. Kernaghan
Division Evaluation Engineer

DGK/aw

cc: General American Oil Company of Texas
Hinkle, Bondurant, Cox & Eaton

FRANKLIN, ASTON & FAIR, INC.
OIL PRODUCERS

P. O. BOX 1090
101 N. MISSOURI AVE.
ROSWELL, NEW MEXICO 88201

TELEPHONE:
AREA CODE 505 622-2040

R. R. ASTON
PRESIDENT

TOM P. STEPHENS
EXECUTIVE VICE PRESIDENT
TREASURER

LADORA LUDAS
VICE PRESIDENT

MARY ANN MORRISON
SECRETARY

May 1, 1974

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MAY 2 1974

Hinkle, Bondurant, Cox & Eaton
P. O. Box 10
Roswell, New Mexico 88201

HINKLE, BONDURANT, COX & EATON
ROSWELL, NEW MEXICO

Attention: Mr. Clarence E. Hinkle

Gentlemen:

This letter is to advise you that Franklin, Aston & Fair, Inc. has no objections to the approval by the Oil Conservation Commission of the request made by Genral American Oil Company of Texas for 16 in-fill wells to be drilled at unorthodox locations in the Grayburg-Jackson Field, Eddy County, New Mexico.

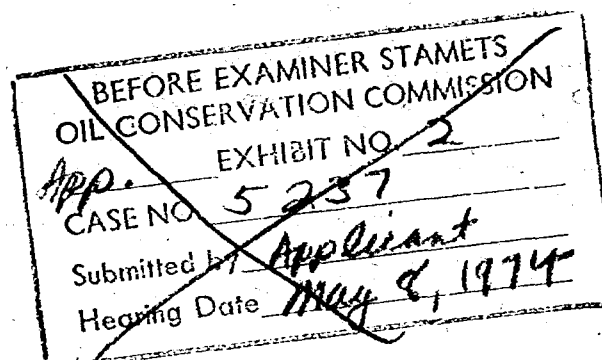
Yours very truly,

FRANKLIN, ASTON & FAIR, INC.

By:

Tom P. Stephens
Tom P. Stephens

TPS:cbj





RECEIVED

APR 22 1974

S. J. KELLENBERGER
PRESIDENT

SHENANDOAH OIL CORPORATION

HINKLE, BONDURANT, COX & EATON
ROSWELL, NEW MEXICO

1500 COMMERCE BUILDING
FORT WORTH, TEXAS 76102
817/332-7381
TWX: 910 690 5023

April 19, 1974

Re: General American Oil Com-
pany's Application for Drill-
ing 16 in-fill wells in the
Grayburg-Jackson Field

Hinkle, Bondurant, Cox
and Eaton
Post Office Box 10
Roswell, New Mexico - 88201

Gentlemen:

As an offset operator in the above field, Shenan-
doah Oil Corporation has no objection to General
American drilling the aforementioned wells.

Yours very truly,

SHENANDOAH OIL CORPORATION

T. P. Bates
Vice President

TPB:ah

BEFORE EXAMINER STAMETS	
OIL CONSERVATION COMMISSION	
App. EXHIBIT NO.	3
CASE NO.	5237
Submitted by	Applicant
Hearing Date	May 8, 1974

PETROLEUM CORPORATION OF TEXAS

P. O. BOX 911

BRECKENRIDGE, TEXAS 76024

April 19, 1974

RECEIVED

APR 22 1974

HINKLE, BONDURANT, COX & EATON
ROSWELL, NEW MEXICO

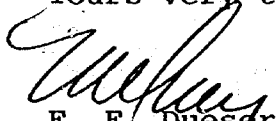
Mr. Clarence Hinkle
Hinkle, Bondurant, Cox & Eaton
P. O. Box 10
Roswell, New Mexico 88201

Application - General American
Oil Company for Approval of
Unorthodox Well Locations -
Grayburg-Jackson Field,
Eddy County, New Mexico

Gentlemen:

This is to advise that Petroleum Corporation
of Texas has no objection to your application for
unorthodox well locations as stated in your letter
to the Oil Conservation Commission.

Yours very truly,


F. F. Dueser
Production Manager

PCT:
FFD/mbt



BEFORE EXAMINER STAMETS	
OIL CONSERVATION COMMISSION	
APP	EXHIBIT NO. 4
CASE NO.	5237
Submitted by	Applicant
Hearing Date	May 8, 1974



Case 5237-
5/8/74

NORTH AMERICAN EXPLORATION AND PRODUCTION GROUP
Dallas Production Region

SUN OIL COMPANY HILLCREST 635 OFFICE PARK, 12850 HILLCREST ROAD, DALLAS, TEXAS 75230 (214) 744-4411

May 3, 1974

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

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

Re: Grayburg-Jackson Field
Eddy County, New Mexico

Gentlemen:

We have received a copy of the application filed by General American Oil Company requesting approval of certain infill wells at unorthodox locations in the referenced field.

Sun Oil Company has no objection to the application. However, we would strongly urge that if the Commission approves the application that there should be a requirement made that lease line wells at distances less than regular locations should require notice and hearing.

Yours very truly,

SUN OIL COMPANY

H. R. Huey
H. R. Huey *HRH*

HRH/cs

cc: Mr. Clarence E. Hinkle
Hinkle, Bondurant, Cox & Eaton
P. O. Box 10
Roswell, New Mexico 88201

Mr. Jason Kellahin w/Attachment
P. O. Box 1769
Santa Fe, New Mexico 87501

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 8, 1974

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 4790: (Reopened) (Continued from April 10, 1974, Examiner Hearing)

In the matter of Case No. 4790 being reopened pursuant to the provisions of Order No. R-4370, which order established temporary rules for the Dublin-Eilenburger Gas Pool, Lea County, New Mexico, including a provision for 640-acre spacing. All interested parties may appear and show cause why said pool should not be developed on 320-acre spacing units.

CASE 5220: (Continued from the April 25, 1974, Examiner Hearing)

Application of Atlantic Richfield Company for an unorthodox gas well location and non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its McDonald State WN Well No. 24 located 1780 feet from the North line and 660 feet from the West line of Section 25, Township 22 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, to be dedicated to a 320-acre non-standard gas proration unit comprising the N/2 of said Section 25.

CASE 5229: Application of Texas International Petroleum Corporation for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Lowe-Federal Well No. 1 located in Unit H of Section 31, Township 20 South, Range 30 East, Golden Lane Field, Eddy County, New Mexico, in such a manner as to produce Strawn and Morrow gas through parallel strings of tubing.

CASE 5230: Application of Gulf Oil Corporation for the amendment of Order No. R-4079, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-4079 which authorized the commingling of Hobbs Grayburg-San Andres and Hobbs-Blinbry production from its W. D. Grimes "A" and "B" leases in Sections 32 and 33, Township 18 South, Range 38 East, Lea County, New Mexico, to include in said commingling authority Bowers-Seven Rivers production.

CASE 5231: Application of Mesa Petroleum Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Nash Unit Area comprising 5,124 acres, more or less, of State, Federal and fee lands in Township 23 South, Ranges 29 and 30 East, Eddy County, New Mexico.

CASE 5232: Application of Texas Pacific Oil Company, Inc. for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Phantom Draw Unit Area comprising 8,465 acres, more or less, of Federal, State and fee lands in Township 26 South, Range 31 East, Eddy County, New Mexico.

CASE 5233: Application of Burleson & Huff for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down to and including the Queen formation underlying the SW/4 of Section 29, Township 25 South, Range 37 East, Langlie-Mattix Pool, Lea County, New Mexico, to be dedicated to its Jenkins Well No. 3 located 760 feet from the South line and 1980 feet from the West line of said Section 29. Also to be considered will be the cost of recompleting and equipping said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and a charge for risk involved in recompleting and equipping said well.

CASE 5234: Application of Atlantic Richfield for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 320-acre non-standard gas proration unit comprising the S/2 of Section 14, Township 22 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to its McDonald WN State Wells Nos. 1 and 27 located in Units L and O, respectively, of said Section 14.

CASE 5235: Application of Atlantic Richfield Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the N/2 of Section 9, Township 21 South, Range 26 East, Eddy County, New Mexico, to form a standard 320-acre unit to be dedicated to a well to be drilled at a standard location for said unit, and pooling all mineral interests in the Pennsylvanian formation underlying the S/2 of said Section 9 to form a standard 320-acre unit to be dedicated to a well to be drilled at a standard location for said unit, if it is determined that said Section 9 should be developed on 320-acre spacing. Applicant further seeks a provision in said order that would pool all mineral interests in the Pennsylvanian formation underlying all of said Section 9 to form a standard 640-acre unit to be dedicated to a well to be drilled at a standard location for said unit if it is determined that said Section 9 should be developed on 640-acre spacing. Also to be considered will be the cost of drilling and completing said well, or wells, and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well, or wells, and a charge for risk involved in drilling said well, or wells.

CASE 5236: Application of Atlantic Richfield Company for five unorthodox oil well locations and an administrative procedure, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of five oil wells in the Horseshoe-Gallup Oil Pool in Township 31 North, Range 16 West, San Juan County, New Mexico, to be drilled at the following points:

(Case 5236 continued from Page 1)

1975 feet from the North line and 890 feet from the West line of Section 28; 150 feet from the North line and 1375 feet from the East line of Section 33; 2580 feet from the South line and 295 feet from the West line of Section 35; 2605 feet from the North line and 2580 feet from the East line of Section 32; and 2540 feet from the South line and 2570 feet from the East line of Section 30.

Applicant further seeks an administrative procedure for the approval without notice and hearing of additional unorthodox locations for infill wells to be drilled within the Atlantic Horseshoe-Gallup Unit Area.

CASE 5237: Application of General American Oil Company of Texas for sixteen unorthodox oil well locations and an administrative procedure, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of sixteen oil wells in the Grayburg-Jackson Pool, Eddy County, New Mexico, to be drilled at the following points: 1295 feet from the South line and 1345 feet from the East line of Section 13; 1345 feet from the North line and 25 feet from the East line, 1295 feet from the North line and 2615 feet from the East line, 1295 feet from the North and East lines, 1295 feet from the South line and 2615 feet from the West line, 1345 feet from the South line and 25 feet from the East line, and 2615 feet from the South line and 1345 feet from the East line of Section 23; 1345 feet from the North and West lines, 2615 feet from the South line and 25 feet from the West line, 2615 feet from the South line and 1295 feet from the West line, 2615 feet from the South and West lines, 1345 feet from the South line and 2615 feet from the East line, and 1295 feet from the South line and 1345 feet from the West line of Section 24; and 25 feet from the North line and 2615 feet from the East line of Section 26, all in Township 17 South, Range 29 East, and 1295 feet from the North line and 2665 feet from the East line and 25 feet from the North line and 2615 feet from the East line of Section 30, Township 17 South, Range 30 East.

Applicant further seeks the adoption of an administrative procedure whereby additional infill wells at unorthodox locations could be drilled on its leases in this area without notice and hearing.

CASE 5238: Application of Yates Petroleum Corporation for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation through the indicated perforated interval of the following wells in Township 17 South, Range 25 East, Eagle Creek-San Andres Pool, Eddy County, New Mexico: from 1286 feet to 1456 feet in its Federal BZ Well No. 6 located in Unit N of Section 21; from 1270 feet to 1440 feet in its Ingram Jackson BV Well No. 2 located in Unit D of Section 26; and from 1295 feet to 1372 feet in its Gissler AV Well No. 1 located in Unit C of Section 23. Applicant further seeks an administrative procedure for approval of additional salt water disposal into the San Andres formation in the subject pool without notice and hearing.

CASE 5239: Southeastern nomenclature case calling for the creation and extension of certain pools in Lea and Eddy Counties, New Mexico.

(a) Create a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Ojo Chiso-Morrow Gas Pool. The discovery well is the Brunson & McKnight, Inc. Ojo Chiso Unit Well No. 1 located in Unit E of Section 23, Township 22 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM
Section 23: W/2

(b) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Delaware production and designated as the Washington Ranch-Delaware Gas Pool. The discovery well is the Black River Corporation BR 4 Federal Well No. 3 located in Unit H of Section 4, Township 26 South, Range 24 East, NMPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 24 EAST, NMPM
Section 4: NE/4

(c) Extend the West Atoka-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM
Section 1: All
Section 2: E/2
Section 12: All

(d) Extend the Atoka-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
Section 12: W/2

(e) Extend the Burton Flat-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM
Section 27: S/2
Section 35: W/2

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 7: All
Section 11: All

(f) Extend the Burton Flat-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM
Section 35: W/2

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 11: All

- (g) Extend the Cabin Lake-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 30 EAST, NMPM
Section 11: N/2

- (h) Extend the Crossroads-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 36 EAST, NMPM
Section 26: NE/4

- (i) Extend the Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 6: SE/4

- (j) Extend the Fowler-Devonian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM
Section 10: NE/4

- (k) Extend the Indian Basin-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM
Section 31: All
Section 32: All

- (l) Extend the Penasco Draw San Andres-Yeso Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM
Section 12: NW/4

- (m) Extend the Quail Ridge-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
Section 17: E/2

- (n) Extend the Rocky Arroyo-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 22 EAST, NMPM
Section 7: E/2
Section 8: SW/4

- (o) Extend the Sand Dunes-Cherry Canyon Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM
Section 26: NW/4 SE/4

- (p) Extend the North Vacuum-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
Section 1: NE/4

- (q) Extend the Vada-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM
Section 13: NE/4

- (r) Extend the Wantz-Granite Wash Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 26: NE/4

- (s) Extend the Washington Ranch-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 24 EAST, NMPM
Section 12: N/2

- (t) Extend the White City-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM
Section 17: All

- (u) Extend the Wilson-Pennsylvanian Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM
Section 13: E/2

- (v) Extend the Winchester-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 35: S/2

Examiner Hearing - Wednesday - May 8, 1974

Dockets Nos. 12-74 and 13-74

-7-

(w) Extend the Winchester-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMFM
Section 35: S/2

CASE 5208: (Continued from the April 25, 1974, Examiner Hearing)

Application of S. P. Yates for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks, as an exception to Order No. R-3221, as amended, authority to dispose of produced salt water in an unlined surface pit on its Federal LC 065598 lease in the SW/4 SW/4 of Section 4, and the NE/4 of Section 5, Township 17 South, Range 30 East, Square Lake Pool, Eddy County, New Mexico.

Docket No. 13-74

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 15, 1974

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner or Richard L. Stamets, Alternate Examiner:

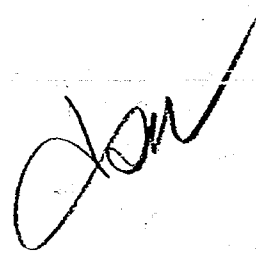
- ALLOWABLE:
- (1) Consideration of the allowable production of gas from seventeen prorated pools in Lea, Eddy, Roosevelt, and Chaves Counties, New Mexico, for June, 1974;
 - (2) Consideration of the allowable production of gas from five prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, for June, 1974.

April 16, 1974


Dear Dan:

Please substitute the enclosed first pages for the first pages of the application which we forwarded to you yesterday on behalf of General American.

Thank you.



From the desk of

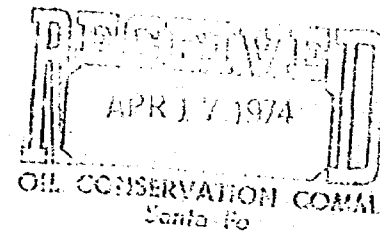


CLARENCE HINKLE

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

APPLICATION OF GENERAL AMERICAN OIL COMPANY OF TEXAS FOR APPROVAL OF UNORTHODOX WELL LOCATIONS IN THE GRAYBURG-JACKSON FIELD, EDDY COUNTY, NEW MEXICO. APPLICANT SEEKS APPROVAL OF THE DRILLING OF 16 IN-FILL WELLS AT UNORTHODOX WELL LOCATIONS ON OIL AND GAS LEASEHOLD INTERESTS OF APPLICANT IN SECTIONS 13, 23, 24 AND 26, TOWNSHIP 17 SOUTH, RANGE 29 EAST AND SECTION 30, TOWNSHIP 17 SOUTH, RANGE 30 EAST. APPLICANT ALSO DESIRES TO PROVIDE AN ADMINISTRATIVE PROCEDURE FOR THE APPROVAL OF ADDITIONAL UNORTHODOX WELL LOCATIONS FOR THE DRILLING OF IN-FILL WELLS WITHIN THE TOWNSHIP AND RANGES ABOVE REFERRED TO.



Case 5237

Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 88201

Comes General American Oil Company of Texas, acting by and through the undersigned attorneys, and hereby makes application for approval of unorthodox well locations in the Grayburg-Jackson Field, Eddy County, New Mexico. Applicant seeks approval of the drilling of 16 in-fill wells at unorthodox well locations on oil and gas leasehold interests of applicant in Sections 13, 23, 24 and 26, Township 17 South, Range 29 East, and Section 30, Township 17 South, Range 30 East. Applicant also desires to provide an administrative procedure for the approval of additional unorthodox well locations for the drilling of in-fill wells within the township and ranges above referred to, and in support thereof respectfully shows:

1. There is attached hereto, made a part hereof, and for purposes of identification marked Exhibit "A", a description of the 16 in-fill wells which applicant proposes to drill at unorthodox locations, said exhibit showing the exact location of the same, together with the leasehold interest upon which the wells are to be located.

CLARENCE E. HINKLE
W. E. BONDURANT, JR.
LEWIS C. COX, JR.
PAUL W. EATON, JR.
CONRAD E. COFFIELD
HAROLD L. HENSLEY, JR.
STUART D. SHANOR
C. D. MARTIN
PAUL J. KELLY, JR.
ANDREW ALLEN

LAW OFFICES
HINKLE, BONDURANT, COX & EATON

600 HINKLE BUILDING

POST OFFICE BOX 10

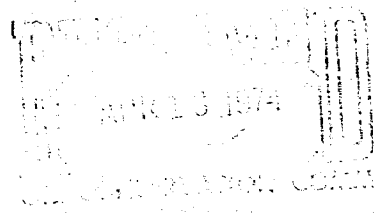
ROSWELL, NEW MEXICO 88201

April 15, 1974

TELEPHONE (505) 622-6510

MIDLAND, TEXAS OFFICE
621 MIDLAND TOWER
(915) 683-4891

Case 5237



Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

We enclose herewith in triplicate application of General American Oil Company of Texas for approval of 16 unorthodox well locations in the Grayburg-Jackson Field, Eddy County. We would appreciate it if this could be placed on the examiner's docket for the hearing on May 8.

Yours very truly,

HINKLE, BONDURANT, COX & EATON

By *Clarence E. Hinkle*

CEH:cs
Enc.

DOCKET MAILED

Date 4-25-74

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

APPLICATION OF GENERAL AMERICAN OIL COMPANY OF TEXAS FOR APPROVAL OF UNORTHODOX WELL LOCATIONS IN THE GRAYBURG-JACKSON FIELD, EDDY COUNTY, NEW MEXICO. APPLICANT SEEKS APPROVAL OF THE DRILLING OF 16 IN-FILL WELLS AT UNORTHODOX WELL LOCATIONS ON OIL AND GAS LEASEHOLD INTERESTS OF APPLICANT IN SECTIONS 13, 23, 24, ~~25~~ AND 26, TOWNSHIP 17 SOUTH, RANGE 29 EAST AND SECTIONS ~~27, 28, 29~~ 30 IN TOWNSHIP 17 SOUTH, RANGE 30 EAST. APPLICANT ALSO DESIRES TO PROVIDE AN ADMINISTRATIVE PROCEDURE FOR THE APPROVAL OF ADDITIONAL UNORTHODOX WELL LOCATIONS FOR THE DRILLING OF IN-FILL WELLS WITHIN THE SECTIONS AND TOWNSHIPS ABOVE REFERRED TO.

Case 5737

Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 88201

Comes General American Oil Company of Texas, acting by and through the undersigned attorneys, and hereby makes application for approval of unorthodox well locations in the Grayburg-Jackson Field, Eddy County, New Mexico. Applicant seeks approval of the drilling of 16 in-fill wells at unorthodox well locations on oil and gas leasehold interests of applicant in Sections 13, 23, 24, ~~25~~ and 26, Township 17 South, Range 29 East, Section ~~27, 28, 29~~ 30 in Township 17 South, Range 30 East. Applicant also desires to provide an administrative procedure for the approval of additional unorthodox well locations for the drilling of in-fill wells within the sections and townships above referred to, and in support thereof respectfully shows:

1. There is attached hereto, made a part hereof and for purposes of identification marked Exhibit "A", a description of the 16 in-fill wells which applicant proposes to drill at unorthodox locations, said exhibit showing the exact location of the same, together with the leasehold interest upon which the wells are to be located.

2. There is attached hereto, made a part hereof and for purposes of identification marked Exhibit "B", a plat showing all of the leasehold interests of applicant on which the proposed in-fill wells are to be drilled at unorthodox locations. Exhibit "B" also shows all of the producing wells located on said oil and gas leases and in the surrounding area.

3. It is anticipated that the drilling of the proposed wells at the unorthodox locations indicated will result in the recovery of an appreciable amount of oil which would not otherwise be recovered. Furthermore, if the drilling of the proposed wells proves successful it is contemplated that some 25 additional in-fill wells at unorthodox locations will be drilled on the leasehold interests of applicant shown on Exhibit "B" and it is believed that the drilling of said wells will be in the interest of conservation, the prevention of waste, the protection of correlative rights and will result in the greatest ultimate recovery of oil and gas from said area.

4. Applicant also desires that the order approving the drilling of the proposed in-fill wells at unorthodox locations indicated provide for an administrative procedure for the approval of the drilling of additional in-fill wells at unorthodox locations on said leasehold interests without the necessity of additional hearings before the Commission.

5. Applicant requests that this matter be included on the examiner's docket for May 8, 1974.

Respectfully submitted,

GENERAL AMERICAN OIL COMPANY OF TEXAS

BY

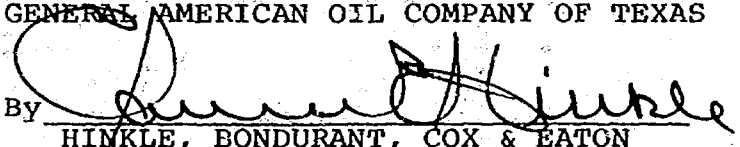

HINKLE, BONDURANT, COX & EATON
P.O. Box 10
Roswell, New Mexico 88201
Attorneys for Applicant

EXHIBIT "A"

Sec.-Twp.-Rge.			Lease	Location Feet From North-South Line	Location Feet From East-West Line
13	17S	29E	Keely "A"	1295' FSL	1345' FEL ✓
23	17S	29E	Burch "B"	1345' FNL	25' FEL ✓
			" "	1295' FNL	2615' FEL ✓
			" "	1295' FNL	1295' FEL ✓
			" "	1295' FSL	2615' FWL ✓
			" "C"	1345' FSL	25' FEL ✓
			" "	2615' FSL	1345' FEL ✓
24	17S	29E	Dexter	1345' FNL	1345' FWL ✓
			Keely "A"	2615' FSL	25' FWL ✓
			" "	2615' FSL	1295' FWL ✓
			" "	2615' FSL	2615' FWL ✓
			" "	1345' FSL	2615' FEL ✓
			" "B"	1295' FSL	1345' FWL
26	17S	29E	" "	25' FNL	2615' FEL
30	17S	30E	Burch "B"	1295' FNL	2665' FEL •
			" "C"	25' FNL	2615' FEL •

DRAFT

jr/ *jr*

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

RS
IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 5237

Order No. R- 4798

APPLICATION OF GENERAL AMERICAN
OIL COMPANY OF TEXAS FOR SIXTEEN
UNORTHODOX OIL WELL LOCATIONS AND
AN ADMINISTRATIVE PROCEDURE,
EDDY COUNTY, NEW MEXICO.

JSu *Two* *AKP*
ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 8, 1974,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this day of May, 1974, the Commission,
a quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, and being fully advised
in the premises,

FINDS:

(1) That due public notice having been given as required by
law, the Commission has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, General American Oil Company of
Texas, seeks approval for the unorthodox location of sixteen
oil wells in the Grayburg-Jackson Pool, Eddy County, New Mexico,
to be drilled at the locations shown on Appendix A to this order.

-2-
CASE NO. 5237
Order No. R-

Burch
(3) Applicant further seeks the adoption of an administrative procedure whereby additional infill wells at unorthodox locations on the Keely, Keely "A", Keely "B", Burch "A", Burch "B", "C", and Dexter leases in the following described area may be approved without the necessity of notice and hearing, Grayburg-Jackson Pool, Eddy County, New Mexico:

(4) TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
Section 12: SE/4 SE/4
Section 13: All
Sections 23 ~~and 24~~ *through 26*: All
~~Sections 27 and 28~~
TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM
Section 18 and 19: All
Section 30: All

(4) That the subject unorthodox locations are proposed for the purpose of infill drilling in the Grayburg-Jackson Pool.

(5) That wells drilled at the proposed unorthodox locations will better enable the applicant to recover oil which might not otherwise be recovered from the Grayburg-Jackson Pool, will prevent waste, and will not violate correlative rights.

(6) That an administrative procedure should be established whereby additional wells in unorthodox locations on the leases in the area described in finding (3) above may be approved without the necessity of notice and hearing.

IT IS THEREFORE ORDERED:

(1) That the applicant, General American Oil Company of Texas, is hereby authorized to drill oil wells at 16 unorthodox locations in the Grayburg-Jackson Pool, Eddy County, New Mexico, as shown on Appendix "A" to this order.

-3-
CASE NO. 5237
Order No. R-

(2) That the Secretary-Director of the Commission may approve additional unorthodox locations for wells to be drilled on applicant's Keely, Keely "A", Keely "B", Burch "A", Burch "B", Burch "C", and Dexter leases, Grayburg-Jackson Pool, Eddy County, New Mexico, in the following described area:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
Section 12: SE/4 SE/4
Section 13: All
Sections 23 ~~and 24~~ *All through 26*: All
~~Section 26: All~~

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM
Section 18 and 19: All
Section 30: All

PROVIDED HOWEVER, that applications for administrative approval of unorthodox locations shall be filed in triplicate and shall be accompanied by plats showing the ownership of all leases offsetting the proration or spacing unit for which the unorthodox location is sought, and also all wells completed thereon. All operators of proration or spacing unit offsetting the unit for which the unorthodox location is sought shall be notified of the application by certified or registered mail, and the application shall state that such notification has been given. The Secretary-Director may approve the unorthodox location upon receipt of waivers from all offset operators or if no offset operator has entered an objection to the unorthodox location within 20 days after the Secretary-Director has received the application.

PROVIDED FURTHER, that no unorthodox location shall be administratively approved ^{*which is*} nearer than 330 feet to the outer boundary of the above-described area or nearer than 10 feet to any quarter-quarter section line or subdivision inner boundary in said area.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM

Lease	Location Feet From North-South Line	Location Feet From East-West Line	Section
Keely "A"	1295' FSL	1345' FEL	13
Burch "B"	1345' FNL	25' FEL	23
" "	1295' FNL	2615' FEL	23
" "	1295' FNL	1295' FEL	23
" "	1295' FSL	2615' FWL	23
" "C"	1345' FSL	25' FEL	23
" "	2615' FSL	1345' FEL	23
Dexter	1345' FNL	1345' FWL	24
Keely "A"	2615' FSL	25' FWL	24
" "	2615' FSL	1295' FWL	24
" "	2615' FSL	2615' FWL	24
" "	1345' FSL	2615' FEL	24
" "B"	1295' FSL	1345' FWL	24
" "	25' FNL	2615' FEL	24

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM

Lease	Location Feet From North-South Line	Location Feet From East-West Line	Section
Burch "B"	1295' FNL	2565' FEL	30
" "	25' FNL	2615' FEL	30

Appendix "A"
Order No. R- 4798

DRAFT

dr/

2 Note

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

APPLICATION OF GENERAL AMERICAN OIL
COMPANY OF TEXAS FOR SIXTEEN UNORTHODOX
OIL WELL LOCATIONS AND AN ADMINISTRATIVE
PROCEDURE, EDDY COUNTY, NEW MEXICO.

CASE NO. 5237
Order No. R-4798-A

NUNC PRO TUNC

BY THE COMMISSION:

It appearing to the Commission that due to clerical error and inadvertence, Order No. R-4798, dated June 4, 1974, does not correctly state the intended order of the Commission,

IT IS THEREFORE ORDERED:

(1) That finding (3) of Order No. R-4798 be amended to read in its entirety as follows:

"(3) Applicant further seeks the adoption of an administrative procedure whereby additional infill wells at unorthodox locations on the Keely "A", Keely "B", Keely "C", Burch "A", Burch "B", Burch "C", and Dexter leases ~~in the following described area~~ may be approved without the necessity of notice and hearing, Grayburg-Jackson Pool, Eddy County, New Mexico; *in the following described area*

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
Section 12: SE/4 SE/4
Section 13: All
Sections 23 through 26: All

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM
Sections 18 and 19: All
Section 30: All"

(2) That Order (2) of Order No. R-4798 be amended to read as follows:

"(2) That the Secretary-Director of the Commission may approve additional unorthodox locations for wells to be drilled on applicant's Keely "A", Keely "B", Keely "C", Burch "A", Burch "B", Burch "C", and Dexter leases, Grayburg-Jackson Pool, Eddy County, New Mexico, in the following described area:

-2-
Case No. 5237
Order No. R-4798-A

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM

Section 12: SE/4 SE/4

Section 13: All

Sections 23 through 26: All

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM

Sections 18 and 19: All

Section 30: All"

~~(3) That the section designation for the last described well location~~

~~in Township 17 South, Range 29 East, NMPM, in Appendix A of Order No. R-4798~~

(3) That the Section designation for the last described well location
in Township 17 South, Range 29 East, NMPM, in Appendix A of Order No. R-4798
be amended to read "26."

(4) That the lease designation set forth in the last line of Appendix A
of Order No. R-4798 be amended to read "Burch 'C'."

(5) That this order shall be effective nunc pro tunc as of June 4,
1974.

DONE at Santa Fe, New Mexico, this _____ day of July, 1974.