

Case No.

567

Application, Transcript,
Small Exhibits, Etc.

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

August 3, 1933

**Mr. R. S. Christie
Amesada Petroleum Corporation
Box 2040
TULSA, OKLAHOMA**

Dear Sir:

**Your application to drill your company's Hamilton Well A-2,
NE/4 SW/4 34-153-38E, N20W, as an exception to Knowles Pool
spacing rules has been set up as Case 567 and advertised for
the August 20, 1933, hearing of this Commission.**

Very truly yours,

**W. B. Hoey
Chief Engineer**

WBB:rar

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BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 204
ORDER NO. R-40

IN THE MATTER OF THE APPLICATION OF
AMERADA PETROLEUM CORPORATION FOR THE
ESTABLISHMENT OF PRORATION UNITS AND
UNIFORM SPACING OF WELLS IN THE KNOWLES
POOL IN LEA COUNTY, NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This matter came on for hearing at Santa Fe, New Mexico, on
December 20, 1950, pursuant to Order No. R-23, and

The Commission having considered the matters and evidence
presented; and, upon motion duly made:

FINDS:

1. That hearing was heretofore properly continued by order
duly entered, setting down this place and date for hearing.
2. That it is in the interests of conservation that a drill-
ing pattern of one well to an 80-acre tract be established.

IT IS THEREFORE ORDERED:

1. That the Order No. R-23 entered in Case No. 204 be and
the same is hereby made permanent with the following
amendments and deletions:
 - a. The provisions contained in Paragraph 2 of the
order portion thereof are amended to read as follows:
"2. Each well now producing or hereafter completed
as a producer in the common reservoir described above,
shall have a top unit allowable to be fixed by the
Commission, but not to exceed twice the top unit allow-
able for a 40-acre unit with deep well adaptation."
 - b. That Paragraphs 4, 5 and 6 of the order portion
are deleted from said Order R-23.

DONE the 20th day of December 1950 at Santa Fe, New Mexico.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

THOMAS J. MABRY, CHAIRMAN

(Signed) GUY SHEPARD, MEMBER

(Signed) R. R. SPURRIER, SECRETARY

(S E N L)

COPY

New Mexico
OIL CONSERVATION COMMISSION

GOVERNOR EDWIN L. MECHEM
CHAIRMAN
LAND COMMISSIONER E.S. WALKER
MEMBER
STATE GEOLOGIST R.R. SPURRIER
SECRETARY AND DIRECTOR



P. O. BOX 871
SANTA FE, NEW MEXICO

September 7, 1953

Memo to Commission

Case No. 567 - The application of Amerada Petroleum Corporation for Permission to drill an unorthodox location in the Knowles Pool, the well to be located 1980 feet from the south line and 660 feet from the east line of Section 34, Township 13 South, Range 38 East.

Recommendation:

It is recommended that the application be approved and an order be entered granting permission for Amerada to drill the well as requested and that the allowable assigned the well be limited to the allowable assigned a 40-acre unit in the Knowles Pool. (The allowable for this 80-acre spaced field under R-23 is two times the normal unit allowable.)

W. B. Macey

**BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO**

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF THE STATE OF NEW
MEXICO FOR THE PURPOSE OF CON-
SIDERING:**

CASE NO. 567
ORDER NO. R-361

**IN THE MATTER OF THE APPLICATION
OF AMERADA PETROLEUM CORPORATION
FOR AN EXCEPTION TO THE SPACING
PATTERN HERETOFORE ESTABLISHED IN
THE KNOWLES POOL.**

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing on August 20, 1953 at Santa Fe, New Mexico before the Oil Conservation Commission of New Mexico, and the Commission having heard the evidence and the argument of counsel, and being duly advised,

FINDS:

- (1) It has jurisdiction of this case and of the parties interested therein, due notice of this hearing having been given.
- (2) Pursuant to Orders R-23 and R-40, heretofore entered, an 80-acre spacing pattern has been established for the Knowles pool and proration units established therein. One of said proration units so established embraces the N/2 SE/4 Section 34, Township 16 South, Range 38 East, Lea County, New Mexico.
- (3) Amerada Petroleum Corporation has heretofore drilled and plugged on January 27, 1953 a dry hole drilled to the Devonian formation and located in the center of the NW/4 SE/4 Section 34, Township 16 South, Range 38 East.

Pool
- (4) The structure of the Knowles is such that a well drilled in the center of the NE/4 SE/4 of said section would likely be productive of oil from the common reservoir.
- (5) In order to meet changed conditions, preclude inequities, and preserve correlative rights, applicants should be granted an exception from Orders R-23 and R-40 so as to permit the drilling of a well in the NE/4 SE/4 of said Section 34, and if said well is productive applicants should be granted a normal 40-acre unit allowable with deep-pool adaptation.

IT IS THEREFORE ORDERED:

- (1) Amerada Petroleum Corporation is hereby granted permission to drill a well to the Devonian formation in the center of the NE/4 SE/4 Section 34, Township 16 South, Range 38 East.

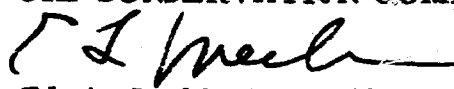
Case No. 567
Order R-361

(2) If said well be completed as a producing well, it shall have a normal 40-acre unit allowable with deep-pool adaptation.

(3) This order should be considered as an exception to Orders R-23 and R-40, but shall not otherwise affect said orders.

DONE at Santa Fe, New Mexico this 17th day of September, 1953.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


Edwin L. Mechem, Chairman


E. S. Walker, Member


R. R. Spurrier, Member and Secretary

SEAL

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF)
AMERADA PETROLEUM CORPORATION FOR)
THE ESTABLISHMENT OF PRORATION UNITS)
AND UNIFORM SPACING OF WELLS IN THE)
KNOWLES POOL IN LEA COUNTY, NEW MEXICO)

CASE NO. _____

A P P L I C A T I O N

COMES NOW Amerada Petroleum Corporation and alleges and states:

1. That this Commission has heretofore entered its Order No. R-40 establishing 80-acre proration units and uniform spacing of wells in the Knowles Pool, Lea County, New Mexico, wherein the N/2 SE/4 of Section 34, T-16-S, R-38-E, Lea County, New Mexico, constituted a single proration unit with the authorized well location to be in the center of the NW/4 SE/4 of said Section 34.

2. That Applicant has heretofore drilled, plugged and abandoned on January 27, 1953, a dry hole drilled to the Devonian formation in said pool at the location prescribed by the spacing order referred to.

3. That in order to prevent waste and protect the correlative rights of all parties in the Knowles Pool and so that all royalty owners may recover their just and equitable share of the oil and gas in said common reservoir, Applicant should be given an exception to said spacing order authorizing it to drill a well into said common source of supply located in the center of the NE/4 SE/4 of Section 34, T-16-S, R-38-E, and the allowable for said well be determined by the Commission.

4. Applicant believes and therefore alleges that a well drilled in the Knowles Pool at the location herein requested will produce oil and gas in commercial quantities.

WHEREFORE, Applicant respectfully requests that this application be set for hearing and that notice be given as required by law, and that upon the conclusion of said hearing the Commission enter its order granting an exception to the spacing order referred to above and authorizing Applicant to drill a well to the producing formation of the Knowles Pool in the center of the NE/4 SE/4 of Section 34, T-16-S, R-38-E, and determining the allowable for said well in the interest of the prevention of waste and the protection of the correlative rights of all interested parties, and for such further relief to which Applicant may be entitled.

Dated this 29th day of July, 1953.

AMERADA PETROLEUM CORPORATION

By R. S. Christie
R. S. Christie

GENERAL OFFICES
120 BROADWAY NEW YORK

AMERADA PETROLEUM CORPORATION

BEACON BUILDING
P. O. BOX 2040
TULSA 2, OKLA.

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO.

RECEIVED
JUL 31 1953

July 29, 1953

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

Attention: Mr. R. R. Spurrier, Secretary-Director

Gentlemen:

Attached is an Application to drill our Hamilton Well No. A-2 as an exception to the spacing pattern heretofore established in the Knowles Pool pursuant to Commission Order No. R-40.

Attached to the Application is a map of the Knowles Pool showing the development of the pool and the proposed location.

Will you please set this case for hearing at your earliest convenience.

Respectfully submitted,

AMERADA PETROLEUM CORPORATION

By

R. S. Christie
R. S. Christie

RSC:vd

attachments - 2

EX - 1

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 204
ORDER NO. R-23

IN THE MATTER OF THE APPLICATION OF
AMERADA PETROLEUM CORPORATION FOR THE
ESTABLISHMENT OF PRORATION UNITS AND
UNIFORM SPACING OF WELLS IN THE KNOWLES
POOL IN LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

This matter came on for hearing at Santa Fe, New Mexico, on March 21, 1950, pursuant to Order No. R-6, granting a rehearing, and pursuant to order of continuance entered in the minutes of the Commission on February 21, 1950. The applicant, Amerada Petroleum Corporation, was represented by its attorneys, Booth Kellough and Seth and Montgomery; Robert Childers, Alice L. Childers and other royalty owners were represented by U. M. Rose of Hobbs, New Mexico.

The Commission having considered the evidence introduced and the argument of counsel,

FINDS:

1. That ~~the~~ public notice having been given as required by law, the Commission has jurisdiction of the subject matter and of the interested parties.

2. The Amerada Petroleum Corporation drilled the discovery well in the Knowles Pool in Lea County, New Mexico, and has since completed two other wells, all of which produce from the Devonian formation at a depth of approximately 12,500 feet. The limits of the productive area surrounding said wells have not been determined, but will probably be greater than the area now officially designated as the Knowles Pool and will probably embrace all the following lands:

Sections 34, 35 and 36, Township 16
South, Range 38 East, and Sections
1, 2, and 3, Township 17 South, Range
38 East, Lea County, New Mexico.

3. The cost of drilling additional wells in the above area to the Devonian formation is approximately \$260,000.00 per well.

4. Due to the relatively short history of the wells in the Knowles Pool and the lack of adequate geological and engineering data, it is impossible for the Commission to determine at this time if a spacing pattern of one well to an 80-acre tract will economically drain the oil within the common reservoir. It is in the interests of conservation that a drilling pattern of one well to an 80-acre tract be adhered to temporarily and until other wells are completed which will furnish more complete data on the characteristics of the common reservoir.

IT IS THEREFORE ORDERED:

1. The drilling pattern proposed by Amerada Petroleum Corporation for the area described above is temporarily approved, and the following drilling pattern is hereby temporarily established;

- a. Only two wells shall be drilled to each quarter section of approximately 160 acres, the locations to be in the center of the northwest and in the center of the southeast 40-acre tracts of each quarter section with a tolerance of 150 feet in any direction to avoid surface obstructions.
- b. The Amerada-Hamilton No. 1 well located in the NE $\frac{1}{4}$ SW $\frac{1}{4}$, Section 35, Township 16 South, Range 38 East, being a completed well is hereby allowed as an exception to the drilling pattern.

2. Each well now producing or hereafter completed as a producer in the common reservoir described above shall have a top unit allowable equivalent to that of a well drilled on a 40-acre proration unit to the same depth.

3. No wells shall be drilled in the area described above except in conformity to said drilling pattern, until the further order of the Commission.

4. As to all wells drilled in said area following the issuance of this order, the operators of such wells shall, at their expense, gather as complete geological and engineering data as practicable, including cores, bottom hole pressure tests and other like data.

5. During the period this temporary order remains in effect no royalty owners or lease owners shall acquire any vested property rights to a continuance of the spacing pattern and this order shall be without prejudice to the right of the Commission to later change the spacing pattern to that of one well to 40 acres.

6. This case is hereby continued until December 20, 1950, at 10 a.m. at which time a further hearing will be held at the State Capitol Building, Santa Fe, New Mexico, to determine, on the basis of the evidence then submitted, a permanent spacing pattern.

DONE this 14th day of June, 1950

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

/s/ THOMAS J. MABRY, CHAIRMAN

GUY SHEPARD, MEMBER

R. R. SPURRIER, SECRETARY

LEA COUNTY OPERATORS COMMITTEE
HOBBS, NEW MEXICO
June 26, 1950

E# 8

DATA SHEET
Wellbore A-1
Whisper Field
Lee County, New Mexico

LOCATION: 1900' FEL & 1900' FEL, Sec. 34, T16S, R38E

DATE: 10-14-52

WELL NO.: 1-27-53

13 3/4" O.D. Casing Set @ 298' w/200 Sz.
8 5/8" O.D. Casing 4764' w/1500 Sz.

ELEVATION: 3710' D.F.

I.D. 12,590

Top Elev. 13,000 Est.

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

CASE NO. 1: In the matter of the application of Amerada Petroleum Corporation for approval of an application to drill its No. 2, Hamilton 'A', NE/4 SE/4 of Section 34, Township 16 South, Range 38 East, E.T.M., Lea County, New Mexico, said well being an exception to the spacing order for the Knowles Pool as set out in Order B-40, and to determine the allowable to be assigned said well.

TRANSCRIPT OF HEARING

August 20, 1953

BEFORE: Honorable M. L. Meehan, Governor
Honorable R. J. Walker, Land Commissioner
Honorable R. R. Spurrier, Director, OCC

STATE OF NEW MEXICO)
COUNTY OF LOS ALAMOS) ss.

I hereby certify that the within transcript of proceedings before the Oil Conservation Commission is a true record of the same to the best of my knowledge, skill and ability.

TRANSCRIBED at Los Alamos, New Mexico this 2nd day of September, 1953.


Andrew M. Hennrichsen
Notary Public

My commission expires September 22, 1955.

NEW MEXICO OIL CONSERVATION COMMISSION

Regular Hearing

9:00 a.m., August 20, 1953

MR. CHRISTIE: My name is R. S. Christie, engineer for the Amerada Petroleum Corporation, Tulsa, Oklahoma.

This is an application to drill in exception to the order for Kewles Pool - - drill a well in the Kewles Pool in exception to order No. E-23 and E-40, which applies to the Kewles field.

Order No. E-23 provides that wells shall be drilled on a uniform pattern on an 80-acre proration unit. As Exhibit No. 1, I present a copy of Order E-23.

MR. SPURRIER: It will be admitted.

MR. CHRISTIE: Order No. E-40 is a supplemental order for the Kewles field which provides for a double allowable on 80-acre tracts. As Exhibit No. 2, I would like to present a copy of Order No. 40.

MR. SPURRIER: It will be admitted.

MR. CHRISTIE: Under the present orders issued on the Kewles field, we drilled a well on pattern in the NW/4 SE/4, known as the Hamilton A No. 1 and the well was started on October 16, 1952 and completed January 27, 1953 as a dry hole. The well was drilled to a depth of 12,309 feet. The Devonian was never encountered. It is estimated that the top of the Devonian is at approximately 13,080 feet. As you know, the base of the present producing wells is below

the oil water contact.

As Exhibit No. 3, I would like to present data as to the Devonian in the field.

We would like to have an exception to the existing order with respect to our well in the NE/4 SE/4 of Township 16 South, Range 38 East. In order to meet changing conditions, to prevent inequity and to preserve correlative rights, we suggest that there should be granted an exception to Rules - - Order No. 223 and 40, which would permit the drilling of a well in the NE/4 SE/4 of Section 34.

MR. WHITE: Mr. Christie; in your application there is no mention made of exception to Order R-23.

MR. CHRISTIE: Are you reading the - - -

MR. WHITE: No, I'm reading the publication "In the matter of the application of Amerada Petroleum Corporation for approval of an application to drill its No. 2, Hamilton 'A', NE/4 SE/4 of Section 34, Township 16 South, Range 38 East, BFM, Lea County, New Mexico, said well being an exception to the spacing order for the Knowles Pool as set out in Order R-40, and to determine the allowable to be assigned said well."

MR. CHRISTIE: I believe that is an error because it should have cited the original order.

MR. SPURRIER: You mean R-23?

MR. CHRISTIE: R-23, that's right.

MR. GRAHAM: What unit well is in that particular 80?

MR. CHRISTIE: It was a dry hole on that particular unit which was drilled on pattern, and it was a direct offset No. 1.

MR. SPURRIER: Are there any further questions of the witness?

MR. WHITE: Have the adjoining owners been contacted on this?

MR. CHRISTIE: No, they haven't.

MR. WHITE: Who owns the 80 acres immediately to the east?

MR. CHRISTIE: The Amerasia Petroleum Company.

MR. SPURRIER: If there are no further questions, the witness may be excused.

Is there anyone else to be heard in this case? If not, we will take it under advisement and move on to case 588.