

Case No.

576

Application, Transcript,
Small Exhibits, Etc.

Chas E 70

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

July 9, 1953

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Trebel Oil Company
Odessa, Texas

Attention: Mr. M. T. Johnson

Dear Sir:

Reference is made to your letter of July 2, 1953 pertaining to the drilling of your #1-Y, Federal Danciger in Section 5, Township 23 South, Range 36 East, Lea County, New Mexico.

Since your request is an exception to Rule 104 (a) of the Commission's Rules, it is necessary for you to present a formal application in triplicate and have the application put up for hearing. If you will supply this office with the necessary application before July 20th, the hearing can be held on August 20th, the regular monthly hearing for the month of August.

Yours very truly,

W. B. Macey
Chief Engineer

WBM/c

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NFW MEXICO

September 25, 1953

**Mr. H. T. Johnson
Tribal Oil Company
CHENNA, TEXAS**

Dear Sir:

**We enclose two signed copies of Order E-364 issued by
the Commission in Case 570, heard August 20, 1953, on
your company's application.**

Very truly yours,

**W. B. Hasey
Chief Engineer**

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W. D. NOEL, PRESIDENT

J. B. TUBE, VICE-PRESIDENT

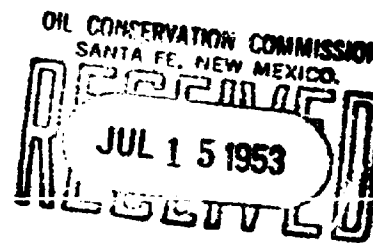
Case 570
M. H. MCWHIRTER, SEC.-TREAS.

Trebol Oil Company

Odessa, Texas



July 13, 1953



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

Attention: Mr. R. R. Spurrier

Dear Sir:

Attached hereto are Formal Applications to drill Trebol Oil Company's Federal Danciger No. 1-Y which requires a hearing inasmuch as it is an unorthodox location. We would appreciate having this application set for hearing at the earliest possible date.

Yours very truly,

M. T. Johnson
M. T. Johnson,
Engineer,

Enc:

MTJ/lg

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

August 3, 1953

**Mr. M. T. Johnson
Trebol Oil Company
ODessa, TEXAS**

Dear Sir:

The application submitted by your company for permission to drill in an unorthodox location your Fed. Danciger No. 1-Y well has been set up as Case 570 and advertised for hearing before the Commission at 9 a.m. on August 20, 1953, Mabry Hall, State Capitol, Santa Fe, N. M.

Yours very truly,

**W. B. Macey
Chief Engineer**

WHE:mr

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Cher 570

BEFORE THE OIL CONSERVATION COMMISSION
OF THE
STATE OF NEW MEXICO

In the matter of the Application of Trebol Oil Company for an order granting it permission to drill Federal Danciger No. 1-Y and complete as a gas well in the Yates Formation at a location 890 feet from the North line and 330' from the East line of the NW/4 of Section 5, Township 23 South, Range 36 East, Lea County, New Mexico.

APPLICATION

Trebol Oil Company, hereinafter called "Applicant", respectfully requests the Oil Conservation Commission of the State of New Mexico to issue an order authorizing Applicant to drill its Federal Danciger No. 1-Y and complete as a gas well in the Yates Formation.

The specific location for the proposed well is 890 feet from the North line and 330 feet from the East line of the NW/4 of Section 5, T-23-S, R-36-E which according to rules of the Oil Conservation Commission of the State of New Mexico is an unorthodox location and an exception to Rule 104. (a) of said Commission's Rules.

Attached to this Application is a plat showing the location of the subject well and surrounding wells and leaseholds.

Other wells in the NW/4 of Section 5, T-23-S, R-36-E are owned and operated by Trebol Oil Company and produce from the Seven Rivers formation at a depth 3800 to 3850 feet. The Yates formation occurs above the Seven Rivers at a depth of approximately 3400 to 3700 feet.

Attached to this application is a photostatic copy of a letter from Continental Oil Company, owner of the surrounding leasehold, wherein they have stated that they have no objection to the proposed location.

Wherefore, Applicant respectfully requests that this matter be set for hearing and that upon final hearing the Oil Conservation Commission of the State of New Mexico enter its order authorizing Applicant to drill and complete said well in accordance with the foregoing rules and regulations of the Oil Conservation Commission.

Done at Odessa, Texas this 13th. Day of July, 1953.

TREBOL OIL COMPANY

By M. T. Johnson
Engineer

State of Texas }

County of Ector }

Before Me, A Notary Public in and for said County and State, on this Day personally appeared M. T. Johnson known to me to be the person whose name is subscribed to the above instrument, who being by me duly sworn on oath states that he is authorized to make this application and has knowledge of the facts stated herein and that said application is true and correct.

Subscribed and sworn to before me, this the 13th day of July, 1953.

Notary Public in and for Ector County, Texas Louise Gibson

State 'A-32'

32 33

Trebol Oil Co.

Continental Oil Co.

5 4

2310'

880'

100'

330'

Federal Danciger

Federal Farney

Continental Oil Co

Federal Farney

N

Plat showing Trebol Oil Co Federal Danciger lease
being NW/4 Section 5, T-23-S, R-36-E, Lea County, N. M.

To accompany application Trebol Oil Co. to drill
its Federal Danciger 1-Y 880' from North line and 330' from East
line Section 5, T-23-S, R-36-E, Lea County, N. M.

I, M. T. Johnston, Engineer Certify that this plat
is true and correct to the best of my knowledge and belief

Scale 1" = 660'

CONTINENTAL OIL COMPANY

FAIR BUILDING
FORT WORTH 2, TEXAS

H. L. JOHNSON
REGIONAL MANAGER OF PROMOTION
SOUTHWESTERN REGION

July 9, 1953

Trebol Oil Company
Odessa, Texas

Attention: Mr. W. D. Noel

Gentlemen:

Re: NW/4 Sec. 5, T. 23 S., R. 37 E.,
Lea County, New Mexico

Please refer to your letter dated July 2, 1953, regarding a proposed Yates gas well on subject tract which was contracted for development to Trebol by the New Mexico Federal Unit.

Our records show that both the oil and gas rights to 4,000 feet are covered by the contract for development; therefore we have no contractual objections to the gas well proposed in your letter.

The New Mexico Federal Unit has developed the east offset to this location for gas; therefore we will not object to your proposed unorthodox gas location when the matter is called for a public hearing before the New Mexico Oil Conservation Commission. Under the circumstances, we do not believe that it will be necessary for you to obtain written waivers of objections from all of the members of the New Mexico Federal Unit.

Yours very truly,



HLJ-LP

W. D. NOEL, PRESIDENT

J. B. TUBB, VICE PRESIDENT

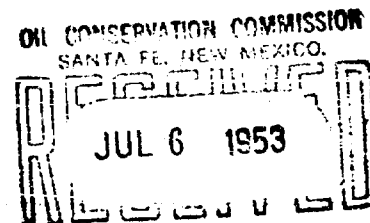
Case 370
M. H. MCWHIRTER, SEC. TREAS.

Trebol Oil Company

Odessa, Texas



July 2, 1953



New Mexico
Oil Conservation Commission
Santa Fe, New Mexico
Mr. R. Spurrier, Director,

Dear Sir:

Trebol Oil Company is the operator of an oil and gas lease covering the Northwest one-quarter of Section 5, T-23-S, R-36-E, Lea County, New Mexico. The lease is a sub-lease from Continental Oil Company to a depth of 4000 feet and contains two oil wells, producing from the Seven Rivers formation in the interval 3800 to 3850 feet.

During the drilling of the aforementioned wells, gas was encountered in the Yates formation in the interval 3400 to 3700 feet, in quantities which we consider commercial.

Trebol Oil Company now desires to drill a well to the Yates formation and complete as a gas well at a location 890 feet from the North line and 330 feet from the East line of the NW/4 of Section 5, T-23-S, R-36-E. According to the spacing rules of the New Mexico Oil Conservation Commission, the location as set out above is unorthodox. Because of structural complications, we feel that an orthodox location on this tract would be too hazardous; therefore, we desire to make application for exception to the requirements of the Oil Conservation Commission.

On this date we received approval from the U.S.G.S. of the proposed location. Also Continental Oil Company, operator for the New Mexico Federal Unit who hold offset leases has verbally waived objection to the proposed location and has informed us that their waiver will be sent to us in writing within a few days.

Flat showing the proposed location and the surrounding lease situation is attached.

Your early consideration of this matter will be appreciated.

Yours very truly,

Subscribed and sworn to before me, A Notary Public in and for Ector County, Texas, this 2nd. day of July, 1953.

LOUISE GIBSON
NOTARY PUBLIC IN AND
FOR ECTOR COUNTY, TEXAS

Plat Showing Proposed Location
 Trebol Oil Company Federal 1-Y
 890' from North Line
 330' from East Line of NW/4 Section 5, T-23-S, R-36-E
 Lea County, New Mexico

T-22-S

T-23-S

Continental Oil Company

6

3

State of New Mexico "A-32"

32 33

5 4

Trebol Oil Company

Continental Oil Company

2310'

1-Y

330'

100'

2

5

Federal - Danciger

Federal - Farney "A"

Continental Oil Company

Continental Oil Company

2

Federal - Danciger

Federal - Farney "A"

R-36-E

I, M. T. Johnson, have knowledge of the facts and certify that the above is true and correct.

THE STATE OF TEXAS
 COUNTY OF ECTOR

Before Me, A Notary Public in and for said County and State,

on this day personally appeared M. T. Johnson known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes therein expressed.

Given under my hand and seal of office, this 2nd. day of July, 1953.

LOUISE GIBSON
 NOTARY PUBLIC IN AND
 FOR ECTOR COUNTY, TEXAS

Louise Gibson

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

CASE 570: In the matter of the application of Trebol Oil Company for an order permitting the drilling in an unorthodox location of its Fed. Danciger Well No. 1-E as a gas well to the Yates formation 890 feet from the north line and 330 feet from the east line of the NW/4 of Section 5, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico.

TRANSCRIPT OF HEARING

August 20, 1953

BEFORE: Honorable Ed. L. Mechem, Governor
Honorable E. S. 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.


Audrey M. Harrison
Notary Public

My commission expires September 22, 1955.

NEW MEXICO OIL CONSERVATION COMMISSION

Regular Hearing

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

MR. RODMAN: I'm Earl Rodman of Trebol Oil Company.

Application of Trebol Oil Company for permission to drill Federal Denciger No. 1-Y in Section 5, Township 23 South, Range 36 East, Lea County, New Mexico.

Trebol Oil Company, at the present time, has two oil wells producing from the Seven Rivers formation on their 160 acre Federal Denciger lease, located in the NW/4 of Section 5, Township 23 South, Range 36 East, Lea County, New Mexico. They produce from 3,800 to 3,850. While these wells were being drilled, the Yates formation was tested for gas production. A Drill stem test taken on No. 1 from 3,400 to 3,500 feet produced gas at the rate of 1,300,000 cubic feet per day and showed a shut-in bottom hole pressure of 1,080 PSI after minute build up. A second drill stem test on this well taken from 3,500 feet to 3,575 feet produced 350,000 cubic feet per day.

Tests on Well No. 2 from 3,400 to 3,500 feet showed 650,000 cubic feet per day and a shut-in bottom hole pressure of 1,100 PSI. The Yates section in this area is approximately 265 feet thick and the entire area is believed to be productive; however, on the basis of these promising tests, we wish to locate this gas well 890 feet

from the North line and 330 feet from the east line of the NW/4 of Section 5.

We have obtained a waiver from Continental Oil Company, owner of the surrounding leasehold, stating that they have no objection to the proposed location. This letter is included with this application. Also included is a plat showing the location of the proposed gas well and the existing wells.

Trebel Oil Company respectfully requests the Oil Conservation Commission of the State of New Mexico to issue an order granting permission to drill and complete this proposed gas well in the Yates formation.

MR. SPURRIER: Is there a question of the witness?

MR. WHITE: Have you contacted the adjoining land owners?

MR. ROEMAN: Yes, sir.

I would like to introduce this as Exhibit A, this statement and also this letter from Continental.

MR. SPURRIER: Without objection, it will be admitted.

If there are no further questions, the witness may be excused. We will take the case under advisement and move on to case 571.

Before the CCC

M.R.C. Hearing Court

Case 570
Order R-364

104

IN RE Application of TREBOL.
ETC. UNORTHODOX location

ORDER of The Commission

By The Commission

Now. A QUORUM -

FINDS

(1) Jurisdiction

(2) - That TREBOL Oil Company is the
operator of ^{General} Oil & Gas Lease covering NW^{1/4} Section
5 - Twp 23 S. R. 36 E N1/4 PM (South Eocene oil pool - JALCO Gas pool) - Lea
County, New Mexico to a depth of 4000 ft, upon which
are two oil wells producing from the Seven Rivers formation.

(3) That in drilling the ~~foregoing~~ ^{IN COMMERCIAL QUANTITIES} wells, GAS WAS
ENCOUNTERED ~~blowout~~ ^{in the} overlying YATES formation.

(4) That the objections have been filed to the
Application for Authority to DRILL AN UNORTHODOX GAS
WELL to the YATES formation in the near vicinity of
the TREBOL OIL WELLS.

IT IS THEREFORE ORDERED

That the Application of TREBOL OIL COMPANY for Authority
to DRILL AND PRODUCE A GAS ^{UNORTHODOX LOCATION} WELL to the YATES formation at the GENERAL DANGER
No 1-Y, 890 ft from the north line, and 2310 feet from the east line of Section 5
in Twp 23 S. R. 36 E N1/4 PM, Lea County, New Mexico, in the JALCO GAS POOL,
LE, AND if HEREBY IS APPROVED, PROVIDED HOWEVER, SAID GAS WELL SHALL BE
SUBJECT IN ALL THINGS, to the Rules, Regulations, Orders or Resolutions in force and
applicable to the JALCO GAS POOL.

DONE AT STATE ETC.

State of New Mexico

New Mexico
OIL CONSERVATION COMMISSION

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



P. O. BOX 571
SANTA FE, NEW MEXICO

September 7, 1953

Memo to Commission

**Case 570 - The Application of Trebol Oil
Company for Permission to drill an unorthodox
location on its Federal Danciger Lease in
Section 5, Township 23 South, Range 36 East.**

Recommendation: It is recommended that the application be approved and that an Order be written granting Trebol Oil Company permission to drill this well to be known as the Federal Danciger No. 1-Y, to be located 890 feet from the north line and 2310 feet from the ^{west} east line of Section 5, Township 23 South, Range 36 East. The well is an unorthodox location due to the fact that it is an exception to our Rule 104.

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 NEW MEXICO FOR THE
PURPOSE OF CONSIDERING:**

**CASE NO. 570
ORDER NO. R-364**

**THE MATTER OF THE APPLICATION OF
TREBOL OIL COMPANY FOR PERMISSION TO
DRILL IN AN UNORTHODOX LOCATION ITS
FED. DANCIGER WELL NO. 1-Y AS A GAS
WELL TO THE YATES FORMATION 890 FEET
FROM THE NORTH LINE AND 330 FEET FROM
THE EAST LINE OF THE NW/4 OF SECTION 5,
TOWNSHIP 23 SOUTH, RANGE 36 EAST, NMPM,
LEA COUNTY, NEW MEXICO**

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m., on August 20, 1953 at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 17th day of September, 1953, the Commission, a quorum being present, having considered the testimony adduced and exhibits received at said hearing, and being fully advised in the premises,

FINDS:

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

(2) That Trebol Oil Company is the operator of federal oil and gas leases covering the NW/4 Section 5, Township 23 South, Range 36 East, NMPM (South Eunice Oil Pool - Jalco Gas Pool), Lea County, New Mexico, to a depth of 4,000 feet, upon which are two oil wells producing from the Seven Rivers formation.

(3) That in drilling the aforesaid wells gas in commercial quantities was encountered and cased off in the overlying Yates formation.

(4) That no objections have been filed to the application for authority to drill an unorthodox gas well to the Yates formation in the near vicinity of the deeper oil wells.

IT IS THEREFORE ORDERED:

That the application of Trebol Oil Company for authority to drill and produce a gas well at an unorthodox location to be known as the Federal Danciger No. 1-Y, 890 feet from the north line and 2310 feet from the west line of Section 5 in Township 23 South, Range 36 East, NMPM, Lea County, New Mexico, in the Jalco Gas Pool, be, and it hereby is approved; provided,

Case No. 570
Order No. R-364

however, that said gas well shall be subject in all things to the Rules and Regulations now or hereafter in force and applicable to the Jalco Gas Pool.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



Edwin L. Mechem, Chairman



E. S. Walker, Member



R. R. Spurrier, Secretary

SEAL

APPLICATION OF TREBOL OIL CO.
FOR PERMISSION TO DRILL FEDERAL
DANCIGER NO. 1-Y IN SEC. 5, T23S,
R36E, LEA COUNTY, NEW MEXICO

Aug. 20, 1953

APPLICATION OF TREBOL OIL CO. FOR PERMISSION TO DRILL

FEDERAL DANCIGER NO. 1-Y IN SEC. 5, T23S, R36E LEA COUNTY,

NEW MEXICO

Trebol Oil Co., at the present time, has two oil wells producing from the Seven Rivers formation on their 160 acre Federal Danciger lease, located in the NW/4 of Sec. 5, T23S, R36E, Lea County, New Mexico. They produce from 3800 to 3850. While these wells were being drilled the Yates formation was tested for gas production. A drill stem test taken on No. 1 from 3400 to 3500 ft. produced gas at the rate of 1,300,000 cu.ft. per day and showed a shut in bottom hole pressure of 1080 PSI after minute build up. A second drill stem test on this well taken from 3500' to 3575' produced 350,000 cu. ft. day.

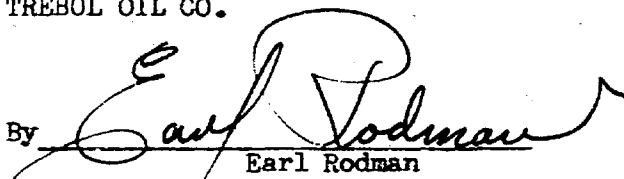
Tests on Well No. 2 from 3400 to 3500 ft. showed 650,000 cu. ft per day and a shut in bottom hole pressure of 1100 PSI. The Yates section in this area is approximately 265' thick and the entire area is believed to be productive; however, on the basis of these promising tests, we wish to locate this gas well 890 ft. from the North line and 330 ft. from the east line of the NW/4 of Section 5.

We have obtained a waiver from Continental Oil Co., owner of the surrounding leasehold, stating they have no objection to the proposed location. This letter is included with this application. Also included is a plat showing the location of the proposed gas well and the existing wells.

Trebol Oil Co. respectfully requests the Oil Conservation Commission of the State of New Mexico to issue an order granting permission to drill and complete this proposed gas well in the Yates formation.

TREBOL OIL CO.

By


Earl Rodman



CONTINENTAL OIL COMPANY

FAIR BUILDING
FORT WORTH 2, TEXAS

H. L. JOHNSTON
REGIONAL MANAGER OF PRODUCTION
SOUTHWESTERN REGION

July 9, 1953

Trebol Oil Company
Odessa, Texas

Attention: Mr. W. D. Noel

Gentlemen:

Re: NW/4 Sec. 5, T. 23 S., R. 37 E.,
Lea County, New Mexico

Please refer to your letter dated July 2, 1953, regarding a proposed Yates gas well on subject tract which was contracted for development to Trebol by the New Mexico Federal Unit.

Our records show that both the oil and gas rights to 4,000 feet are covered by the contract for development; therefore we have no contractual objections to the gas well proposed in your letter.

The New Mexico Federal Unit has developed the east offset to this location for gas; therefore we will not object to your proposed unorthodox gas location when the matter is called for a public hearing before the New Mexico Oil Conservation Commission. Under the circumstances, we do not believe that it will be necessary for you to obtain written waivers of objections from all of the members of the New Mexico Federal Unit.

Yours very truly,

A handwritten signature in cursive script, appearing to read "H. L. Johnston".

HLJ-LP

Trebol Oil Co.

Continental Oil Co.

2310'

890'

137 330'

100'

Federal Danciger

Federal Farney

Continental Oil Co

2
✱

Federal Farney

N
↑

Plat showing Trebol Oil Co. Federal Danciger lease
being NW/4 Section 5, T-23-S, R-36-E, Lea County N.M.

To accompany application Trebol Oil Co. to drill
its Federal Danciger 1-Y 890' from North line and 330' from East
line Section 5, T-23-S, R-36-E, Lea County, N.M.

I, *M. T. [Signature]*, Engineer Certify that this plat
is true and correct to the best of my knowledge and belief

Scale 1" = 660'