

Case No.

792

Application, Transcript,
Small Exhibits, Etc.

CASE 792: Creation of North Mason -
Delaware Pool and adoption of temporary
rules re allowables, etc.

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. 792
Order No. R-571-A

THE APPLICATION OF THE NEW MEXICO
OIL CONSERVATION COMMISSION UPON
ITS OWN MOTION FOR AN ORDER CALLING
FOR THE ESTABLISHMENT OF A TEMPORARY
OIL ALLOWABLE FOR THE NORTH MASON-
DELAWARE POOL IN EDDY COUNTY, NEW
MEXICO, SUCH ALLOWABLE TO BE
COMMENSURATE WITH THE ALLOWABLE
PRESENTLY ASSIGNED WELLS IN THAT
PORTION OF THE POOL LYING WITHIN THE
STATE OF TEXAS.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This matter came on for hearing at 9 o'clock a.m.
on November 17, 1954, and at 9 o'clock a.m. on August 15, 1956,
at Santa Fe, New Mexico, pursuant to public notice, before the
Oil Conservation Commission, hereinafter referred to as the "Com-
mission."

NOW, on this 15th day of September, 1956, the Com-
mission, a quorum being present, having fully considered the
record and the testimony adduced at said hearing, and being fully
advised in the premises,

FINDS:

(1) That due public notice having been given
pursuant to law, the Commission has jurisdiction of this case.

(2) That the Commission did, by Order R-571 dated
January 13, 1955, create and define the North Mason-Delaware
Pool in Eddy County, New Mexico, said pool being classified as
an oil pool for the production of oil from the Delaware sand;
further that the Commission did by Order No. R-842 and by Order
No. R-853 dated July 9, 1956 and August 10, 1956, respectively,
extend the aforesaid North Mason-Delaware Pool into Lea County,
New Mexico, and that the present horizontal limits of said pool
are as follows:

TOWNSHIP 26 SOUTH, RANGE 31 EAST, NMPM
All Section 25
All Section 26
All Section 35
All Section 36

TOWNSHIP 26 SOUTH, RANGE 32 EAST, NMPM
W/2 Section 19
W/2 Section 30

(3) That the North Mason-Delaware Pool in Eddy and Lea Counties, New Mexico, is contiguous with the North Mason (Delaware Sand) Field in Loving County, Texas, and that drainage across the state line will result if the production allowables in that portion of the common source of supply lying within the State of New Mexico are not commensurate with the production allowables in that portion of the common source of supply lying within the State of Texas.

(4) That the Commission did, by Order No. R-571, establish a temporary production allowable for that portion of the common source of supply lying within the State of New Mexico, said allowable being fixed at 48 barrels of oil per day beginning at 7 o'clock a.m., Mountain Standard Time, February 1, 1956, and continuing until 7 o'clock a.m., Mountain Standard Time, February 1, 1957.

(5) That the aforesaid temporary allowable of 48 BOPD should be extended from 7 o'clock a.m., Mountain Standard Time, February 1, 1956 to 7 o'clock a.m., Mountain Standard Time, September 1, 1956, and that the production allowable for the North Mason-Delaware Pool in Eddy and Lea Counties, New Mexico should be fixed at 48 BOPD beginning at 7 o'clock a.m., Mountain Standard Time, September 1, 1956, and continuing until 7 o'clock a.m., Mountain Standard Time, February 1, 1957.

(6) That the establishment of such temporary production allowable for the aforesaid North Mason-Delaware Pool in Eddy and Lea Counties, New Mexico, would be commensurate with the average production allowable assigned oil wells in that portion of the common source of supply lying within the State of Texas, and that it would be in the best interests of conservation, will provide for the recovery of oil in an efficient manner, and will prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

That the application of the Commission on its own motion be and the same is hereby approved as hereinafter set out:

(1) That the North Mason-Delaware Pool as heretofore classified, created and extended, be and the same is hereby defined as follows:

TOWNSHIP 26 SOUTH, RANGE 31 EAST, NMPM
All Section 25
All Section 26
All Section 35
All Section 36

TOWNSHIP 26 SOUTH, RANGE 32 EAST, NMPM
W/2 Section 19
W/2 Section 30

situated in Eddy and Lea Counties, New Mexico.

-3-
Order No. R-571-A

(2) That a temporary production allowable for said pool within the State of New Mexico, be and the same is hereby fixed at 40 BOPD beginning at 7 o'clock a.m., Mountain Standard Time, February 1, 1956 and continuing to 7 o'clock a.m., Mountain Standard Time, September 1, 1956.

IT IS FURTHER ORDERED:

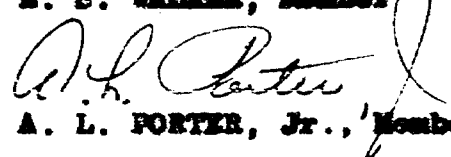
That a temporary production allowable for said North Mesa-Belmont Pool within the State of New Mexico, be and the same is hereby fixed at 40 BOPD beginning at 7 o'clock a.m., Mountain Standard Time, September 1, 1956, and continuing to 7 o'clock a.m., Mountain Standard Time, February 1, 1957.

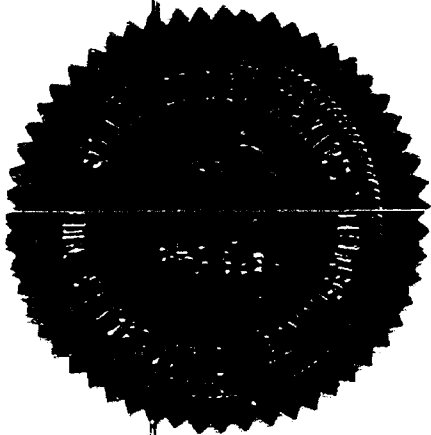
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN F. SIKES, Chairman


E. E. WALKER, Member


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



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BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO

August 15, 1956

IN THE MATTER OF:

CASE NO. 792 (Readvertisement)

TRANSCRIPT OF PROCEEDINGS

DEARNLEY-MEIER AND ASSOCIATES
COURT REPORTERS
605 SIMMS BUILDING
TELEPHONE 3-6691
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
August 15, 1956

IN THE MATTER OF:

Application of the New Mexico Oil Conservation Commission on its own motion for the establishment of an oil allowable for the North Mason-Delaware Pool, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order establishing an oil allowable for the North Mason-Delaware Pool described as:

Case 792
(Readvertisement)

TOWNSHIP 26 SOUTH, RANGE 31 EAST, NMPM
All of Sections 25, 26 35 & 36

TOWNSHIP 26 SOUTH, RANGE 32 EAST, NMPM
SW/4 Section 19
NW/4 Section 30

The common source of supply for said pool lies in both the State of Texas and the State of New Mexico.

BEFORE: Honorable John F. Simms, Jr.
Mr. E. S. (Johnny) Walker
Mr. A. L. Porter, Jr.

TRANSCRIPT OF HEARING

MR. PORTER: We will take up next Case 792, a readvertisement.

(Mr. Jack Gurley, attorney for the Oil Conservation Commission read the title of the within case.)

(The witness, Dan Nutter, was sworn by Mr. Walker.)

D A N N U T T E R,

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

DIRECT EXAMINATION

By MR. GURLEY:

DEARNLEY-MEIER & ASSOCIATES
INCORPORATED
GENERAL LAW REPORTERS
ALBUQUERQUE - SANTA FE
3-6691 2-1869

Q Will you state your name and position, please?

A Dan. Nutter, engineer for the Oil Conservation Commission.

Q Are you the same Dan Nutter who has testified before the Commission on numerous occasions?

A Yes, sir.

Q. Mr. Nutter, have you had an opportunity in your official capacity to study the proposed application for the establishment of an oil allowable for the North Mason-Delaware Pool in Eddy County, New Mexico?

A Yes sir, I have.

Q Would you state the results of that study and your recommendations thereon?

A Case 792 was first heard by the Commission at 9 o'clock on November 17, 1954. As a result of that hearing the Commission's Order R-571 was entered on January 13, 1955, establishing a temporary rate of production for a normal 40 acre proration unit in the North Mason-Delaware Pool, said allowable to consist of 48 barrels per day commencing at 7 o'clock A.M., February 1, 1955, to run until 7 o'clock A.M. Mountain Standard Time, February 1, 1956. Due to an oversight this was allowed to expire and we wish to have a new allowable set up for this pool. I have made a study, the crux of the problem here is that one-half of the pool is in Texas and one-half of it is in New Mexico and the rate of production according to the Texas allowable on this chart which I will enter as an exhibit, for the last 20 months the average allowable in the Texas portion of the field has been at the rate of 49.3 barrels per day. The pool was prorated in Texas on the 37 Amended Yardstick and the number of productive days times the Yardstick gives 49.3 as an

average. The New Mexico allowable for the same period for a well of equal depth has only been 39.7 barrels per day. This 48 special allowable came closer to approximating the Texas rate, but it is still 1 barrel and .3 short. Therefore, I recommend a temporary allowable be established for the North Mason-Delaware pool, I suppose retro-active from February 1956, and to run for six months from the date of this order.

Q You want it to run including the first of February?

A I would say establish a temporary allowable from February 1, 1956, to February 1, 1957, and negotiate with the Texas Railroad Commission to establish the pool allowable on both sides of the State line down there.

MR. PORTER: Mr. Nutter, to your knowledge, has development extended to the State line in both directions?

A As far as I know, there is development on both sides, yes, sir.

Q Have you anything further to offer, Mr. Nutter?

A No, sir. I offer the tabulation as Exhibit 1.

MR. GURLEY: I move the Commission that Exhibit 1 be entered into evidence. First I would like to ask the witness if the exhibit was prepared by you?

A Yes, sir.

MR. GURLEY: I would like to move the admittance of that exhibit.

MR. PORTER: Without exception, it will be admitted. Just one second--do you recommend 49 barrels?

A Yes, sir.

MR. PORTER: Mr. Bailey, do you have a question?

MR. BAILEY: No, I just didn't understand how many he was recommending.

CROSS EXAMINATION

By MR. MANKIN:

Q I take it that you suggest this go back to February 1st, that 1 barrel per day increase, and to be from that time, six months from the date of the order?

A I think 49 barrels a month may be better, but have two portions in the order, 48 barrels retroactive from February 1, 1956 until September 1, 1956, and from that point on until February 1, 1957, it should be 49 barrels.

MR. PORTER: Is that all, Mr. Mankin?

(Mr. Mankin indicated that was all he had.)

MR. PORTER: Mr. Malone, do you have a question?

MR. MALONE: Ross Malone, appearing for the Ohio Oil Company, we are perfectly satisfied with the testimony.

MR. PORTER: Does anyone else have anything to say? If not, Mr. Nutter will be excused and we will take the case under advisement.

* * * * *

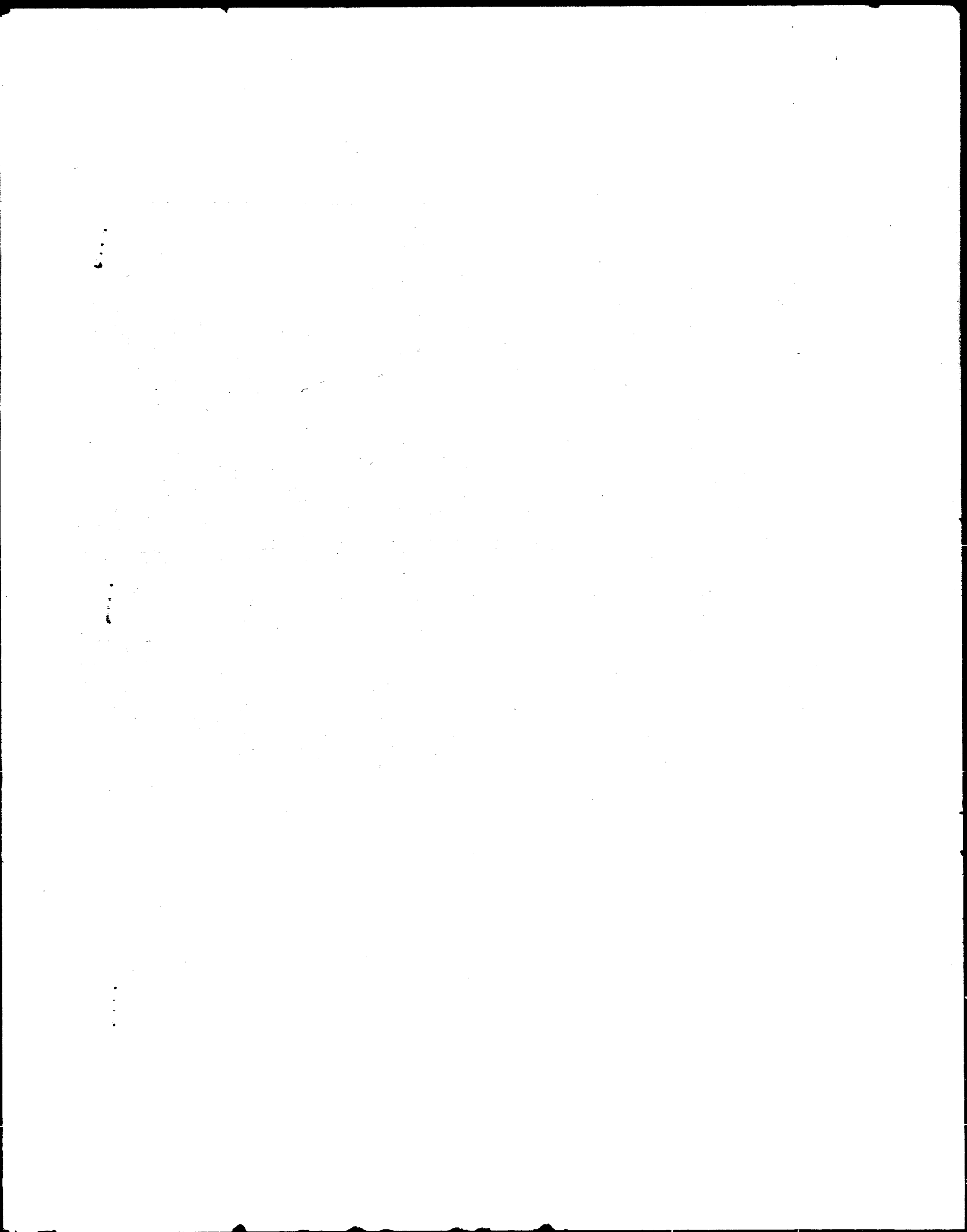
STATE OF NEW MEXICO)
COUNTY OF SANTA FE) SS

I, Dorothy B. Myers, Court Reporter, do hereby certify the foregoing and attached transcript of proceedings before the Oil Conservation Commission for the State of New Mexico was reported by me in shorthand and reduced to typewritten transcript by me and/or under my personal supervision, and that same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my hand and seal this 12th day of September, 1956.

Dorothy B. Myers
Court Reporter

DEARNLEY-MEIER & ASSOCIATES
INCORPORATED
GENERAL LAW REPORTERS
ALBUQUERQUE - SANTA FE
3-6691 2-1869



BEFORE THE

Oil Conservation Commission

SANTA FE, NEW MEXICO
November 17, 1954

IN THE MATTER OF:

CASE NO. 792 - Regular Hearing

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES

COURT REPORTERS

ROOMS 105, 106, 107 EL CORTEZ BUILDING

TELEPHONE 7-9546

ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
November 17, 1954

IN THE MATTER OF:

Application of the Commission for an order
creating the North Mason-Delaware Pool in
Eddy County, New Mexico, for production of
oil from the Delaware, described as
follows:

Township 26 South, Range 31 East
All of Sections 25, 26, 35 and 36;

and establishing a temporary allowable for
a period not to exceed one year commensur-
ate with the allowable presently assigned
wells in the portion of the pool lying
within the State of Texas.

Case No. 792

BEFORE:

Honorable Edwin L. Mechem
Mr. E. S. (Johnny) Walker
Mr. William B. Macey

TRANSCRIPT OF HEARING

MR. MACEY: The next case on the docket is Case 792.

E R N E S T A. H A N S O N ,

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

DIRECT EXAMINATION

By MR. KITTS:

Q State your name and position, please.

A Ernest A. Hanson, independent operator, appearing on behalf
of the Ibex Company in this case.

Q Mr. Hanson, have you made a study of the area in question
in this case and have you prepared two exhibits in connection there-

with?

A I have.

Q Would you turn your attention first to what we will mark as Exhibit 1, and explain that exhibit?

(Marked Exhibits Nos. 1 and 2, for identification.)

A Exhibit 1 is a map of the southeastern part of the State. Roswell being here and southeast corner of the State here, showing the exact location of the map which will be offered as Exhibit 2. The Texas-New Mexico boundary comes through the southeastern one-third of the red square and the small red portion is the area that will probably be included within the limits of the North Mason-Delaware Pool. You will note that about two-thirds of the pool is shown on the Texas side of the boundary and apparently one-third might extend into New Mexico.

The map that is offered as Exhibit 2, or will be offered as Exhibit 2, it is a structure contour map based on the top of the Delaware sand, and shows that the apparent extension on the New Mexico side, which is known as Ibex-Hanson No. 1, is located in the southwest corner of Section 25, Township 26 South, Range 31 East.

The surface contours are based on the top of the Delaware sand, which also is the producing formation of this pool and other pools in the area. The contouring indicates that the apparent extension is on a strike due north of the northern part of the North Mason Pool, as developed in Texas. The oil accumulation, we believe, as other pools of the area, is due mainly to changes in porosity and permeability, and to changes in the regional dip, which is in this area to the east.

The contours are drawn on a 50 foot interval and the datum is mean sea level. The farthest west contour is a minus 700, the farthest east shown on the map is minus 1200. The nearest production on the New Mexico side is about 20 miles to the northwest in the Maljamar Pool. I believe that is all I have to offer on the geological side.

Q For the record, what is the closest well on the Texas side?

A It is nearly an even mile due south.

Q How far is your well north of the New Mexico line?

A The well is, not exactly, one-half mile due north of the boundary line.

Q Is it your conclusion that the pool does extend across the line as indicated on that map?

A Yes.

MR. KITTS: That is all.

MR. MACEY: You feel, Mr. Hanson, that it is probably the same common source of supply that produces on the Texas side of the line, and also that you feel that the withdrawals on an acreage basis should be the same?

A Yes. Mr. Reaugh will testify as to the petroleum engineering factors, pressures, and so forth.

MR. MACEY: Are there any questions of the witness? If not the witness may be excused.

(Witness excused.)

O. H. REAUGH,

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

DIRECT EXAMINATION

By MR. KITTS:

Q Will you state your name, please?

A O. H. Reaugh.

Q By whom are you employed, Mr. Reaugh, and in what capacity?

A I am a production superintendent for the Ibex Company.

Q Have you ever testified before this Commission before as a petroleum engineer?

A No.

Q Will you state your educational and professional qualifications?

A I was graduated with a Bachelor of Science Degree in chemistry from Washington State in 1933, employed by the Gypsy Oil Company, which subsequently became the Gulf Oil Corporation, for about 15 years, being district engineer in Seminole for four years, and Illinois for two years and a half, and after Army Service another two years and a half in southern Oklahoma. After that I was production superintendent for McElroy Ranch Company at Breckenridge, and have been production superintendent for Ibex for three years.

Q Are you familiar with the area in question here?

A I am.

MR. KITTS: Are the witness's qualifications accepted?

MR. MACEY: They are.

(Marked Exhibits Nos. 3, 4, 5 and 6,
for identification.)

Q You have prepared, I believe, four exhibits, the first of which is Exhibit Number 3. Will you explain what that is to the

Commission?

A Exhibit Number 3 is a tabulation of the bottom hole pressure tests which have been submitted to the Railroad Commission of Texas in the North Mason Field, which indicates that although the original discovery well had a low pressure, the second well bottom hole pressure was 1,841 pounds at the same datum, which is mean, using 900 feet as the pressure taken on the Hanson Number 1 in New Mexico. Pressure on this was 1,861, and wells drilled as late as June 1954 have shown pressures as high as 1,834, where they have been in an area where there is some withdrawals, indicating that the bottom hole pressure is the same throughout the area.

Q What conclusion have you reached, if any, from your study of that exhibit?

A Well, it appears from this that the oil is probably from a common source of supply, due to the same initial potential bottom hole pressures within the area.

Q I believe you also have certain other exhibits. Will you explain what they are?

A I have here electrical logs on three wells, Ibex-Hanson Number 1, the well in question; Ibex North TXI 1 and 2, the two closest wells on the Texas side. And, from the subsea points on these, and the comparison of the intervals between the base of the lower salt and the top of the Delaware lime indicates that it is a very uniform section between the two wells, between the wells on the Texas side and the Hanson Number 1.

Q As a result of your study, it is your conclusion, is it, that the well in question produces from the same source of supply?

A Yes.

Q Common source of supply as well as the wells in the North Mason in Texas?

A Yes, that is right.

MR. KITTS: I believe that is all.

MR. MACEY: What is the present allowable on the wells in the Texas portion of the pool?

A It is 93 barrels a day on allowable days. This month it is 15 days, next month it is published at 16 days.

MR. MACEY: The MER is 96,000 barrels?

A Yes.

MR. MACEY: What does that amount to?

A 15 days, on a 30 day month it is forty-six and a half barrels. Next month on 16 days at a 31 day month it is 48 barrels.

MR. MACEY: Do you feel it would be advisable to set the pool up on a temporary allowable basis, say, 48 barrels or 47 barrels, whatever the Commission deems advisable, for a period of about a year, until we see what actually is going to happen across the line?

A That would be very satisfactory with us.

MR. MACEY: Any questions of the witness? If not the witness may be excused.

(Witness excused.)

MR. KITTS: We offer Exhibits 1 through 6 in evidence.

MR. MACEY: Is there objection to the introduction of the Exhibits 1 through 6? If not they will be received. Does anyone have anything further in this case? Mr. Walker?

MR. WALKER: Don Walker, with Gulf. It is anticipated that the allowable will change monthly.

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MR. MACEY: No, sir, I think we would set a fixed allowable, even though the Texas allowable would vary somewhat. We felt it would be advisable to set a fixed allowable equal to what they would be producing on the Texas side, until we found out definitely whether or not the field was continuous, and then we would have to call a joint hearing and set up pool rules for both sides.

Anyone else? If not, we will take the case under advisement.

STATE OF NEW MEXICO)
 : SS.
COUNTY OF BERNALILLO)

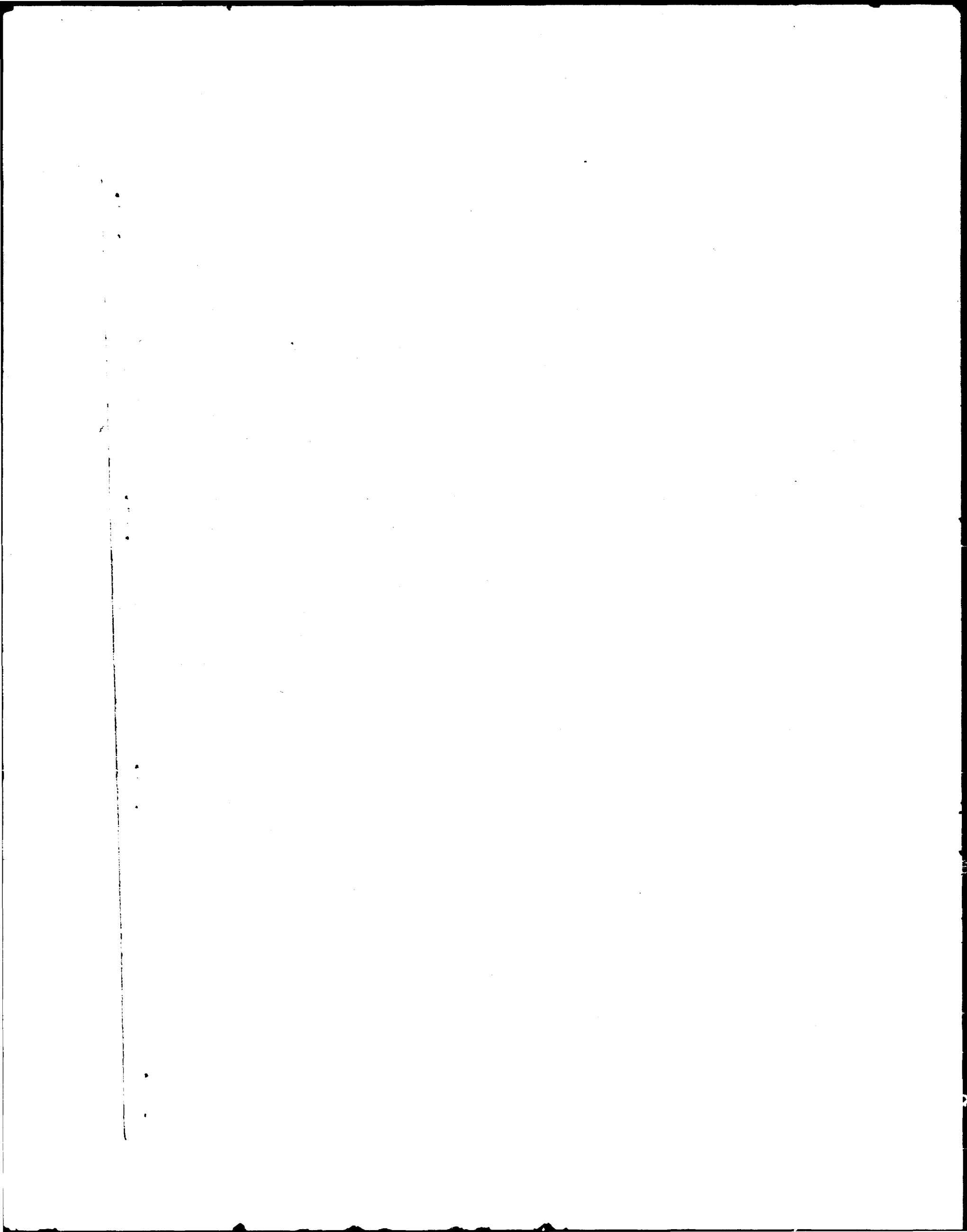
I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF, I have affixed my hand and notarial seal this 19th day of November, 1954.


Notary Public, Court Reporter

My Commission Expires:
June 19, 1955

ADA DEARNLEY & ASSOCIATES
STENOGRAPHIC REPORTERS
ALBUQUERQUE, NEW MEXICO
TELEPHONE 3-6691



DOCKET: REGULAR HEARING AUGUST 15, 1956

Oil Conservation Commission 9 a.m., Mabry Hall, State Capitol, Santa Fe

- ALLOWABLE:
- (1) Consideration of the oil allowable for September, 1956.
 - (2) Consideration of the allowable production of gas from the six prorated pools in Lea County, New Mexico, for September, 1956, also consideration of the gas allowable for September, 1956, for the Blanco-Mesaverde, Aztec-Pictured Cliffs, Fulcher Kutz-Pictured Cliffs, South Blanco-Pictured Cliffs and the West Kutz Pictured Cliffs Gas Pools in San Juan and Rio Arriba Counties, New Mexico, and also presentation of purchasers' nominations for the ten-month proration period beginning October 1, 1956, for the Ballard-Pictured Cliffs Pool in San Juan County, New Mexico.

NEW CASES

CASE 792: (Readvertisement) Application of the New Mexico Oil Conservation Commission on its own motion for the establishment of an oil allowable for the North Mason-Delaware Pool, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order establishing an oil allowable for the North Mason-Delaware Pool described as:

Township 26 South, Range 31 East, NMPM
All of Sections 25, 26, 35 & 36

Township 26 South, Range 32 East, NMPM
SW/4 Section 19
NW/4 Section 30

The common source of supply for said pool lies in both the State of Texas and the State of New Mexico.

CASE 1125: Application of Sunray Mid-Continent Oil Company for an order extending the Lane-Wolfcamp Pool and establishing the Lane-Pennsylvanian Pool in Lea County, New Mexico, and providing for uniform 80 acre spacing for said pools and providing further for a blanket authorization of oil-oil dual completions in said pools in accordance with Rule 112 (a) of the New Mexico Oil Conservation Commission Statewide Rules and Regulations. Applicant, in the above-styled cause, seeks an order extending the Lane-Wolfcamp Pool and establishing the Lane-Pennsylvanian Pool, Lea County, New Mexico, both to be delineated as follows:

Township 9 South, Range 33 East, NMPM

Section 26: SE/4
Section 25: S/2
Section 35: E/2
Section 36: All

Township 9 South, Range 34 East, NMPM

Section 30: SW/4
Section 31: W/2

Township 10 South, Range 33 East, NMPM

Section 2: E/2
Section 1: All
Section 11: NE/4
Section 12: N/2

Township 10 South, Range 34 East, NMPM

Section 6: W/2
Section 7: NW/4

Applicant also seeks the establishment of uniform 80 acre spacing in both of the above-described pools and suggests that each quarter section be divided into two north-south rectangles and that the approved well locations be in the area within a 150 foot radius of the center of the north-west and southeast 40 acre sub-divisions of each quarter section. Applicant further seeks blanket authorization, subject to objection by the Oil Conservation Commission or offset operators, for parallel tubing string oil-oil dual completions in the above-delineated pools.

CASE 1126: Application of Rowan Oil Company for an order granting permission to make an oil-oil dual completion in the Blinebry Oil Pool and the Drinkard Oil Pool in compliance with Rule 112 A of the New Mexico Oil Conservation Commission Statewide Rules and Regulations. Applicant, in the above-styled cause, seeks an order authorizing an oil-oil dual completion in the Blinebry Oil Pool and Drinkard Oil Pool for its Cary No. 7 Well located 1874 feet from the North line and 2086 feet from the West line of Section 22, Township 22 South, Range 37 East, Lea County, New Mexico; applicant proposes to run only one string of tubing to produce the Drinkard Oil through the tubing and the Blinebry Oil through the casing-tubing annulus.

CASE 1127: Southeastern New Mexico nomenclature case calling for the creation of new pools and the extension of and deletion of certain areas from existing pools in Lea, Chaves, and Eddy Counties, New Mexico.

- (a) Creation of a new oil pool for Wolfcamp production, designated as the Caudill-Wolfcamp pool, and described as:

Township 15 South, Range 36 East, NMPM
Section 9: NW/4

- (b) Creation of a new oil pool for Devonian production, designated as the Gross Devonian pool, and described as:

Township 13 South, Range 32 East, NMPM
Section 34: NW/4

- (c) Creation of a new oil pool for Delaware production, designated as the Jennings Delaware pool, and described as:

Township 25 South, Range 32 East, NMPM
Section 33: SE/4

- (d) Creation of a new oil pool for Tubb production, designated as the Tubb Oil Pool, and described as:

Township 21 South, Range 37 East, NMPM
Section 10: SE/4 SW/4

- (e) Creation of a new oil pool for San Andres production, designated as the Young San Andres Pool, and described as:

Township 18 South, Range 32 East, NMPM
Section 29: NE/4

- (f) Extension of the Blinebry Gas Pool to include:

Township 21 South, Range 37 East, NMPM
Section 29: E/2

- (g) Extension of the Caprock-Queen Pool to include:

Township 14 South, Range 31 East, NMPM
Section 17: W/2 E/2
Section 34: SE/4

- (h) Extension of the Cave Pool to include:

Township 17 South, Range 29 East, NMPM
Section 8: W/2

- (i) Extension of the Eumont Pool to include:

Township 21 South, Range 36 East, NMPM
Section 34: N/2, SE/4

- (j) Delete from the Eunice Monument Pool the following:

Township 21 South, Range 36 East, NMPM
Section 34: W/2

- (k) Delete from the Jalmat Pool the following:
Township 21 South, Range 36 East, NMPM
Section 34: N/2, SE/4
- (l) Extension of the South Eunice Pool to include:
Township 22 South, Range 36 East, NMPM
Section 3: NE/4
- (m) Extension of the North Gladiola Devonian Pool to include:
Township 11 South, Range 38 East, NMPM
Section 31: E/2
Section 32: SW/4
- (n) Extension of the Grayburg-Jackson Pool to include:
Township 17 South, Range 29 East, NMPM
Section 15: E/2 SE/4
- (o) Extension of the Grayburg Keely Pool to include:
Township 17 South, Range 29 East, NMPM
Section 15: S/2 SE/4
- (p) Extension of the Hardy Pool to include:
Township 20 South, Range 37 East, NMPM
Section 25: S/2, S/2 NW/4
- (q) Extension of the Roberts Pool to include:
Township 17 South, Range 33 East, NMPM
Section 8: W/2
- (r) Extension of the Skaggs Pool to include:
Township 20 South, Range 38 East, NMPM
Section 8: W/2 W/2
- (s) Extension of the Townsend-Wolfcamp Pool to include:
Township 15 South, Range 35 East, NMPM
Section 32: S/2 S/2
Township 16 South, Range 35 East, NMPM
Section 8: SE/4 SW/4
Section 17: NW/4 NE/4

- (t) Delete from the Eidson-Pennsylvanian Pool the following:

Township 16 South, Range 35 East, NMPM
Section 8: SW/4

CASE 1128: Application of the New Mexico Oil Conservation Commission on its own motion for the establishment of six non-standard drilling and proration units in the Aztec-Pictured Cliffs Gas Pool, San Juan County, New Mexico, in exception to Rules 2, 3 and 6 (A) of the Special Rules and Regulations for said pool as set out in Order R-565-C. Applicant, in the above-styled cause, seeks an order authorizing the creation of the following non-standard drilling and proration units in the Aztec-Pictured Cliffs Gas Pool, San Juan County, New Mexico.

- (1) Township 28 North, Range 9 West, NMPM
Section 9: W/2 E/2 and W/2
Containing 204.04 acres
- (2) Township 28 North, Range 9 West, NMPM
Section 9: E/2 E/2
Section 10: W/2
Containing 203.67 acres
- (3) Township 28 North, Range 9 West, NMPM
Section 10: E/2
Section 11: W/2 W/2
Containing 201.82 acres
- (4) Township 28 North, Range 9 West, NMPM
Section 11: E/2 W/2 and E/2
Containing 200.63 acres
- (5) Township 28 North, Range 9 West, NMPM
Section 12: W/2 and W/2 E/2
Containing 201.64 acres
- (6) Township 28 North, Range 9 West, NMPM
Section 12: E/2 E/2

Township 28 North, Range 8 West, NMPM
Section 7: W/2
Containing 214.32 acres

Subject application is made to compensate for the variations in the legal sub-divisions of the U. S. Public Lands Survey in said Township 28.

CASE 1129: **Northwestern New Mexico nomenclature case calling for the extension of existing pools in San Juan and Rio Arriba Counties, New Mexico:**

- (a) Extension of the Aztec-Pictured Cliffs Pool to include:

Township 28 North, Range 9 West, NMPM

Section 21: W/2

Section 28: W/2

- (b) Extension of the Ballard-Pictured Cliffs pool to include:

Township 25 North, Range 7 West, NMPM

Section 6: All

Township 25 North, Range 8 West, NMPM

Section 1: All

Section 14: SW/4

Township 26 North, Range 7 West, NMPM

Section 31: All

Township 26 North, Range 8 West, NMPM

Section 25: All

Section 36: All

Township 26 North, Range 9 West, NMPM

Section 25: E/2

Township 27 North, Range 8 West, NMPM

Section 31: S/2

Township 27 North, Range 9 West, NMPM

Section 36: SE/4

- (c) Extension of the Fulcher Kutz-Pictured Cliffs pool to include:

Township 28 North, Range 10 West, NMPM

Section 23: N/2

Section 24: SE/4

- (d) Extension of the South Blanco-Pictured Cliffs Pool to include:

Township 25 North, Range 4 West, NMPM

Section 19: All

Section 20: All

Section 21: W/2

Section 28: W/2

Section 29: N/2

Section 30: N/2

Township 25 North, Range 5 West, NMPM
Section 24: E/2
Section 25: NE/4

Township 27 North, Range 9 West, NMPM
Section 2: N/2
Section 3: NW/4
Section 4: N/2 and SW/4
Section 15: S/2

- (e) Extension of the Otero-Pictured Cliffs pool to include:

Township 24 North, Range 5 West, NMPM
Section 19: SW/4
Section 29: SW/4
Section 30: S/2 & NW/4

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

January 17, 1955

Mr. Ernest A. Hanson
Box 852
ROSWELL, NEW MEXICO

Dear Sir:

We attach a copy of Order R-571 issued under date of January 13, 1955 in Case 792, relating to creation and definition of the North Mason-Delaware Pool.

Very truly yours,

W. B. Hacey
Secretary - Director

WBM:mr

C
O
P
Y

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. 792
Order No. R-571

THE MATTER OF THE APPLICATION OF
THE OIL CONSERVATION COMMISSION
ON ITS OWN MOTION FOR AN ORDER
CREATING AND DESIGNATING A NEW POOL,
TO BE KNOWN AS THE NORTH MASON-DELA-
WARE POOL, FOR THE PRODUCTION OF OIL
FROM THE DELAWARE SAND, SUCH POOL TO
CONSIST OF ALL OF SECTIONS 25, 26 35 AND
36 OF TOWNSHIP 26 SOUTH, RANGE 31 EAST,
NMPM, EDDY COUNTY, NEW MEXICO; AND FOR
THE ESTABLISHMENT OF A TEMPORARY ALLOW-
ABLE FOR A PERIOD NOT TO EXCEED ONE YEAR,
SUCH ALLOWABLE TO BE COMMENSURATE WITH
THE ALLOWABLE PRESENTLY ASSIGNED WELLS
IN THAT PORTION OF THE POOL LYING WITHIN
THE STATE OF TEXAS.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This matter came on for hearing at 9 o'clock a.m. on November 17, 1954, at Santa Fe, New Mexico, pursuant to public notice, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 13th day of January, 1955, the Commission, a quorum being present, having fully considered the record and the testimony adduced at said hearing, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given pursuant to law, the Commission has jurisdiction of this case.
- (2) That the Ibex Company did complete its Ibex-Ranson No. 1 discovery well in the SW/4 SW/4 of Section 25, Township 26 South, Range 31 East, NMPM, Eddy County, New Mexico, on or about September 18, 1954.
- (3) That said well produced initially in excess of 40 barrels of oil in 24 hours through a 1/4-inch choke from open hole in the depth interval 4139 to 4147 feet.
- (4) That production has been obtained from the Delaware Sand of the Permian series.
- (5) That said well discovered a new common source of supply in this area of New Mexico.

-2-

Case No. 792
Order No. R-571

(6) That sufficient evidence was presented to the Commission as to the probable areal extent and directional trend of the newly discovered common source of supply to justify the creation of the new pool as contemplated.

(7) That in conformity with previous practices of the Commission, a pool should be created, defined and classified, including such surface acreage as appears to cover the newly discovered common source of supply.

(8) That such a pool should be designated as the North Mason-Delaware pool, classified as an oil pool, and described as:

TOWNSHIP 26 SOUTH, RANGE 31 EAST, NMPM

Section 25: All
Section 26: All
Section 35: All
Section 36: All;

such pool, as described above, to be subject to additions or deletions after notice and hearing as development and further information may direct or indicate.

(9) That the establishment of a temporary allowable for a period not to exceed one year, such allowable to be commensurate with that allowable presently assigned oil wells in that portion of the common source of supply lying within the State of Texas, is in the best interests of conservation, will provide for the recovery of oil in an efficient manner, will prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

That the application of the Commission on its own motion be, and the same hereby is approved as hereinafter set out:

1. There is hereby created an oil pool, designated as the North Mason-Delaware pool, and described as:

TOWNSHIP 26 SOUTH, RANGE 31 EAST, NMPM

Section 25: all
Section 26: all
Section 35: all
Section 36: all

(2) The production allowable for said pool within the State of New Mexico shall be, and the same is fixed at 48 barrels of oil per day beginning at 7 o'clock a.m., M.S. T. on February 1, 1955, and continuing

-3-
Case No. 792
Order No. R-571

until 7 o'clock a.m., M.S.T. on February 1, 1956.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John F. Simms
JOHN F. SIMMS, Chairman

E. S. Walker
E. S. WALKER, Member

W. B. Macey
W. B. MACET, Member and Secretary



OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

February 11, 1955

Mr. George Singletary
Railroad Commission of Texas
Oil and Gas Division
Tribune Building
AUSTIN, TEXAS

Dear George:

I enclose copies of orders and transcripts with which this Commission has recently been concerned in matters involving 'borderline' pool areas. These include our Order R-571 in Case 792, and Order R-572 in Case 798.

Sincerely,

W. B. Macey

WBM:nr

C
O
P
Y

Memo

From

To Attn. of Mr. Macey

MAIN OFFICE CCC

1934 NOV 10 PM 1:12

Nancy:
File this
in N. Mason
nonmanulative
case

FORM C-124
(Rev. 9-53)

Not Named (Wildcat) POOL

LEASE	WELL NO.	UNIT	S-T-R	DATE	TIME	D.F.	GAUGE	GRADIENT	B.H.P. @	B.H.P. @	PREVIOUS TEST	DATE
				PRESS.	S.I.						ELEV.	
068282B anson	1		25-26S-31E	1954 10-28	240 Hrs.	3150	4050DF	0.327#/ft.	1861	1861	New Well	NOV 8 1954 COUNTY OFFICE

NOV 8 1954

Chief, Control
Office

C
C
P
Y

Case 192

October 22, 1954

Mr. Ernest A. Hanson
P. O. Box 852
Roswell, New Mexico

Re: Ibex Company's No. 1 Hanson,
SW/4 Sec. 25-26S-31E, Eddy
County, New Mexico.

Dear Mr. Hanson:

Reference is made to your letter of October 16th
and our personal conversation, pertaining to the above captioned
well.

We are going to advertise the creation of the North
Mason-Delaware Pool for the regular November 17th hearing. This
case will be separate from the other nomenclature cases and will
include the establishment of a basic allowable and possibly other
pool rules in accordance with our Commission. I believe it would be
advisable for some representative of the Ibex Company to be present
at the hearing to support the creation of the pool as an extension
to the presently producing North Mason Field in Texas and to support
the establishment of an allowable greater than our present standard
unit.

If we can help you or anyone connected with the Ibex
Company on this matter, please do not hesitate to contact us.

Very truly yours,

W. B. Macey
Secretary - Director

WBM:gh

cc: S. J. Stanley
Hobbs, New Mexico

ROSWELL PETROLEUM BUILDING
PHONE 4630 OR 4631

67 RIVERSIDE
PHONE 8645

MAIN OFFICE 000 ERNEST A. HANSON
OIL OPERATOR

P. O. BOX 832

ROSWELL, NEW MEXICO

October 16, 1954

Mr. W. B. Macey, Director,
Oil Conservation Commission,
P. O. Box 871,
Santa Fe, New Mexico.

Re: The Ibex Company-#1 Hanson,
SW $\frac{1}{4}$ Sec. 25-26S-31E, NMPM,
Eddy County, New Mexico.

Dear Mr. Macey:

You will no doubt recall my informal visit to your Santa Fe office on the morning of October 14 in connection with whatever proceedings or hearings may be required before the Commission in connection with a new oil discovery from Upper Delaware Sand by the subject well which would appear to be a North extension of oil production a distance of one mile North of similar production in the North Mason Pool, Loving County, Texas.

It is my recollection of your decision at that time that the Commission would at its regular meeting on November 17, on its own motion set an allowable for this well and area equal to the usual, basic well allowable for all wells, and for a period of six months from that date.

After thinking over our discussion, I wonder if it would not be in order for the Ibex Company as operator, to supply at that time all essential information developed to date for the purpose of showing that it would be reasonable to include the new discovery area as a North extension to the known producing North Mason Field. I mention it at this time because considerable basic data should now be available for evidence and testimony but no doubt it would have to be compiled, mapped and interpreted in usable form, and sometime would of course be required to get the job done.

I realize of course, that there is about a mile of area where no wells have been drilled between these two producing parts. This intervention does allow some chance that dry holes might be drilled in between the two parts and thus in effect set up two separate fields. I thought I might remind you of the need sooner or later for more data or information on the field areas, besides the brief factual statement that you suggested I might supply to support a temporary order of the Commission.

I will try to call you next Tuesday morning and I thought that you might have a chance to give the matter some additional review with this letter as a reminder.

Yours very truly,


ERNEST A. HANSON

EAH:js

CC: The Ibex Company
Graham, Texas.

BOTTOM HOLE PRESSURE TESTS
North Mason Pool
Loving County, Texas

3
Case 792

COMPANY	WELL NO. & NAME	DATE	BHP	DATE	BHP	DATE	BHP	DATE	BHP	
Ohio	Milam Co. KY10 "A"	1	6-26-52	1513	6-19-53	1606*	6-7-54	1445		
	Milam Co. KY10 "A"	2			2-25-53	1838	6-11-54	1634		
	Milam Co. KY10 "A"	3			5-7-53	1835	6-10-54	1604		
	Milam Co. KY10 "A"	4			5-7-53	1836	6-10-54	1507		
	Milam Co. KY10 "A"	5			6-19-53	1730	6-10-54	1526		
	Milam Co. KY10 "A"	6					1-8-54	1657		
	Milam Co. KY10 "A"	7					1-8-54	1726		
	Milam Co. KY10 "A"	8					6-10-54	1349		
	Milam Co. KY10 "A"	9					6-12-54	1617		
	Milam Co. KY10 "A"	10					6-10-54	1593		
	Milam Co. KY10 "A"	11								
	Milam Co. KY10 "A"	12								
Ohio	Milam Co. KY10 "B"	1	9-10-52	1842***			6-21-54	1604	6-7-54	572*
	Milam Co. KY10 "B"	2			6-18-53	1745	6-9-54	1620	6-11-54	1563
	Milam Co. KY10 "B"	3					6-9-54	1660		
	Milam Co. KY10 "B"	1			6-19-53	1705	6-21-54	1552		
Ohio	Milam Co. KY10 "C"	2					6-22-54	1496	6-12-54	1384
	Milam Co. KY10 "C"	3					1-8-54	1754		
	Milam Co. KY10 "C"	4					1-12-54	1574		
	Milam Co. KY10 "C"	1			7-14-53	1800	6-9-54	1673		
Ohio	Milam Co. KY10 "D"	4					6-9-54	1647		
	Milam Co. KY10 "D"	1					8-4-54	1785		
	Milam Co. KY10 "D"	2					9-4-54	1678		
	Milam Co. KY10 "D"	1					6-11-54	1638		
Ohio	Milam Co. KY10 "F"	2			2-24-53	1806	6-19-53	1745	6-11-54	1610
	TIL Asct. 2	1					1-8-54	1757		
	TIL Asct. 2	2					6-12-54	1645		
	TIL Asct. 2	3					6-11-54	1634		
Northern Pump The Ibex Co. The Ibex Co.	KY10	1			7-27-53	1693**	6-25-54	1542**		
	North TIL	1					9-4-54	1643		
	North TIL	2					9-4-54	1755		
	North TIL	1					10-28-54	1861		

Bottom Hole Pressure Tests, North Mason Pool, continued

COMPANY	WELL NAME & NO.	DATE	BHP	DATE	BHP	DATE	BHP	DATE	BHP
Gulf	TTL BG	1		3-19-53	1806	6-22-53	1722	5-13-54	1545
	TTL BG	2		5-12-53	1808			5-13-54	1569
	TTL BG	3		9-1-53	1821			5-14-54	1665
	TTL BG	4						5-14-54	1608
	TTL BG	5						5-10-54	1725
	TTL BG	6						5-12-54	1813
	TTL BG	7						6-3-54	1834
	TTL BG	8						6-22-54	1824
	TTL BG	9						6-30-54	1828

* Sonolog Pressure
 ** Datum not available
 *** Information from Ohio Oil Co.-Not reported to R&C.

ROSWELL PETROLEUM BUILDING
PHONE 4686 OR 4681

67 EXCHANGE
PHONE 3645

ERNEST A. HANSON

OIL OPERATOR

P. O. BOX 852

ROSWELL, NEW MEXICO

November 6, 1954

MAIN OFFICE CCC

1954 NOV 8 AM 8:55

Mr. M. Boyd Street,
The Ibox Company,
P. O. Box 809,
Graham, Texas.

Re: Ibox Company's #1 Hanson,
SW 1/4 Sec. 25-26S-11E,
Eddy County, New Mexico.

Dear Boyds:

With further reference to letter dated October 22, 1954, from the New Mexico Commission to me, I have not been able to reach that office by phone to ask whether the Commission wanted us to follow any special procedure or to furnish any particular information on the North Mason-Delaware Pool for the regular November 17th hearing.

I am therefore assuming that an attorney for this Commission will ask the questions, and that we might check on it when in Santa Fe the preceding day. As agreed, I plan to furnish a contour map either on the Delaware Lime or Sand showing local structural relations, and would suggest that your superintendent make available completion information including geological markers, on the Hanson No. 1 field extension into New Mexico, and on a producing well or two, on the Texas side nearest to said well. The Commission might also ask for market information and recommended field area.

See you in Santa Fe on the 16th.

Sincerely,

ERNEST A. HANSON

EAH:js

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

Woom

(Form C-122)
(Revised 7/1/52)

for
Official

REQUEST FOR THE EXTENSION OF AN EXISTING POOL
OR
THE CREATION OF A NEW POOL

Date October 5, 1954

TO: The Oil Conservation Commission
State of New Mexico

The The Ibox Company
Name of Operator
Name of Lease Hanson
Well No. 1 Located 330 feet from the South line and 330 feet
from the West line of SW 1/4 Section 25 26 S 31 E
Township Range

is outside the boundaries of any pool producing from the same formation. On the basis of the information submitted here-
with on form C-105, we hereby request that the North Mason Pool (Loving County, Texas)
pool be extended to include the following described area Sections 22, 23, 24, 25, 26, 27, 34, 35, and 36.
or that a new pool be created to include the following described area _____

Suggested name: North Mason Pool The Ibox Company
Operator

Name of Producing Formation: Upper Delaware Sand

[Signature]
Representative