

CASE 1141: Boyd & Plemons application for per-
mission to commingle oil in exception to Rule
303, Grayburg-Jackson & Grayburg-Keeley Pools.

Case No.

1141

Application, Transcript,
Small Exhibits, Etc.

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

October 2, 1956

C
O
P
Y

Mr. Neil B. Watson
Attorney-at-Law
Carper Building
Artesia, New Mexico

Dear Sir:

On behalf of your clients, Tom Boyd and Jack Plemons, we enclose two copies of Order R-884 issued September 27, 1956, by the Oil Conservation Commission in Case 1141, which was heard on September 6th at Hobbs.

The above order indicates that the application of Tom Boyd and Jack Plemons to produce wells from two different pools into the same tank battery was denied due to the fact that the applicant failed to prove there was an economic necessity for the commingling. The applicants' Continental State 27 Well No. 4 was completed as a top allowable well in the Grayburg Kesley Pool, as have all other wells been completed in this pool. It is the feeling of this Commission that unless economic conditions make commingling necessary that each pool should be measured separately.

Yours very truly,

A. L. Porter, Jr.
Secretary - Director

WWM-ALP:brp
Encls.

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. 1141
Order No. R-884

APPLICATION OF TOM BOYD AND JACK
PLEMONS FOR AN ORDER GRANTING
PERMISSION TO COMMINGLE OIL FROM
THE GRAYBURG-JACKSON AND THE
GRAYBURG-KEELEY POOLS IN EXCEPTION
TO RULE 303 OF THE NEW MEXICO OIL
CONSERVATION COMMISSION RULES AND
REGULATIONS.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 10:00 o'clock a.m.
on September 6, 1956, at Hobbs, New Mexico, before Warren W.
Mankin, Examiner duly appointed by the New Mexico Oil Conservation
Commission, hereinafter referred to as the "Commission," in accord-
ance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 27th day of September, 1956, the Com-
mission, a quorum being present, having considered the application,
the evidence adduced and the recommendations of the Examiner,
Warren W. Mankin, 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 case and the
subject matter thereof.
- (2) That applicant failed, by evidence adduced, to
prove the necessity for granting an exception to Rule 303.
- (3) That the application should therefore be denied.

IT IS THEREFORE ORDERED:

That the application of Tom Boyd and Jack Plemons
for an order granting permission to commingle oil production
from the Grayburg-Jackson and the Grayburg-Keeley Pools be and
the same is hereby denied.

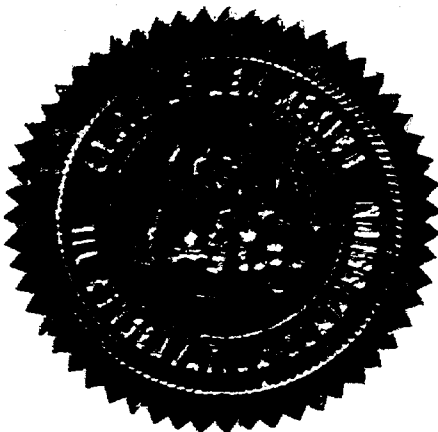
DONE at Santa Fe, New Mexico, on the day and year
hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John F. Simms
JOHN F. SIMMS, Chairman

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

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



BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE NO. 1141

TRANSCRIPT OF PROCEEDINGS

September 6, 1956

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

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
HOBBS, NEW MEXICO
September 6, 1956

IN THE MATTER OF:

CASE NO. 1141: Application of Tom Boyd and Jack Plemons
for an order granting permission to
commingle oil in exception to Rule 303 of
the New Mexico Oil Conservation
Commission Rules and Regulations.
Applicant, in the above-styled cause,
seeks an order granting permission to
commingle oil from the Grayburg-Jackson
and the Grayburg-Keeley Pools; said oil
to be produced from applicant's
Continental State 27 Well No. 4 located
in the NW/4 NW/4 of Section 27, Township
17 South, Range 29 East, Grayburg-Keeley
Pool, Eddy County, New Mexico, with oil
production from applicant's Wells No. 1,
2 and 3 in the Grayburg-Jackson Pool.

BEFORE:

Warren W. Mankin, Examiner.

TRANSCRIPT OF PROCEEDINGS

MR. MANKIN: The next case is Case No. 1141.

MR. GURLEY: Application of Tom Boyd and Jack Plemons
for an order granting permission to commingle oil in exception
to Rule 303 of the New Mexico Oil Conservation Commission Rules
and Regulations.

MR. WATSON: Neil B. Watson, Artesia, New Mexico,
attorney for Tom Boyd and Jack Plemons.

MR. GURLEY: Two witnesses or one?

MR. WATSON: Just one.

(Witness is sworn.)

T O M B O Y D

called as a witness on behalf of the applicant, having been first duly sworn on oath, testified as follows:

DIRECT EXAMINATION

BY MR. WATSON:

If the Examiner please, at the outset I would like to introduce, with permission to withdraw the same, and withdraw the same, an abstract, 3849, being an abstract of the record in the State Lands Office of the State of New Mexico, with reference to mineral interest for the purpose of showing, on page 8, that lands involved here, the NW/4 NW/4 of Section 27, Township 17 South, Range 29 East, belongs to the State of New Mexico, are common school land and that both forty acre tracts are under the same institutional fund. I would like to introduce that as Exhibit A for that purpose, with permission to withdraw the abstract.

MR. MANKIN: That will be adequate. It won't be necessary to retain that as an exhibit.

MR. WATSON: All right, sir.

Q State your name and address, please.

A Tom Boyd, 1202 West Main, Artesia, New Mexico.

Q You are the Tom Boyd that, with Jack Plemons, owns an interest in the State oil and gas lease covering the west half quarter, west quarter of Section 27, Township 17 South, Range 29 East?

A Yes, sir.

Q What interest do you and Mr. Plemons have in the State oil and gas lease?

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A Well, we own, we have the lease. It is a farm out from the Continental Oil Company.

Q To what depth, do you remember?

A 3500 feet.

Q And Continental Oil Company owns the legal title to the lease and you own interest under the farm out agreement?

A Yes, sir.

Q What wells do you have on that lease that have heretofore been drilled and that heretofore produced oil?

A No. 1, 2, 3 and 4 -- no 4 is now complete well, wells no. 1, 2 and 3.

Q Where are those wells located?

A No. 1 is located in the center of the SW of the NW/4, No. 2 is in the center of the NW of the NW.

Q And where is the No. 3 well? Not the exact location.

A Well, it is located in the south 40 or SW of NW.

Q In the same 40 acres with the No. 1 well?

A Yes.

Q Now, for that 40 acres described as the SW/4 of the NW/4 of Section 27, you have one top allowable for that 40?

A We have a top allowable for the south 40 acres.

Q For the two wells?

A Yes, sir.

Q For those wells, 1, 2 and 3, how many tank batteries do you have there on that lease?

A One tank battery.

Q And where is that located with reference to these wells?

A It is right on our property line, just about the center.

Q Just about the center of the 80 acres?

A Yes, east and west and north and south.

Q Well No. 2 which you testified is located in the NW/4, NW/4 of Section 27. What is the average daily production of that well at this time?

A We took a ten day test on it, and it made just about $4\frac{1}{2}$ barrels.

Q Wells No. 1, 2 and 3, do you know the formation from which they are producing, Mr. Boyd?

A It is known as the Grayburg-Jackson.

Q As a matter of fact, did you drill those wells or part of the wells?

A Continental drilled No. 1 and we drilled 2 and 3.

Q Now, your No. 4 well, when was that completed?

A I believe drilling operations were completed as of the 10th of August. We were shutdown several days waiting on pipe, however.

Q That is the 10th of August of this year?

A Yes, sir.

Q And at what depth was that well completed?

A 3,225.

Q And from what formation is that well producing?

A It is known as the Grayburg-Keeley.

Q Is your application here on behalf of you and Mr. Plemons to commingle the oil from No. 4 well, Grayburg-Keeley Pool, by placing the oil in the same tank battery that now exists on this lease, is that correct?

A Yes, sir.

Q Now, is the ownership of the oil that is being produced from that lease, is that the same throughout as to those two formations?

A Yes, sir.

Q Do you own the rights down to 3,500?

A Yes, sir.

Q And Continental Oil Company has an overriding royalty or some interest down to that depth?

A Yes, sir.

Q Is the interest that it has, that Continental Oil Company retains under the farm out, is it the same from the surface all the way down to the 3,500 foot depth that you have?

A No.

Q What I mean, there is no depth given, their interest is the same?

A It is the same.

Q Now, are you asking an additional allowable for this No. 4 well, or do you expect to ask for one allowable for the 40 acres described as the NW/4 NW/4 of Section 27 to be made up from the No. 2 and No. 4 wells?

A We are only asking for the allowable for the wells No. 2 and 4, the allowables for the 40 acres.

MR. WATSON: Does the Commission have any questions?

MR. MANKIN: Yes.

BY MR. MANKIN:

Q Mr. Boyd, I noticed from the plat that was included with the original application that you indicated the producing formation, that you said the San Raving, you mean the San Andres?

A Yes, sir.

Q But is not the production in the Grayburg-Jackson and the Grayburg-Keeley Pool from the Grayburg rather than from the San Andres?

A No, sir.

Q That the Grayburg has nothing to do with the formation?

A It is commonly known as the Grayburg section and then the San Andres; however, the Grayburg is in the San Andres formation, isn't it?

Q No, they are separate and distinct formations. The reason I asked the question is because I believe the Grayburg-Jackson pool is below the Queen, the Grayburg and the San Andres, and you indicated that your wells were in the San Andres -- whether it is the Grayburg-Keeley or the San Andres only. So I was wondering if your three wells that were recently completed, are they completed entirely within the San Andres or are they in the Grayburg and the San Andres?

A I will tell you, there is a difference of opinion of that thing.

MR. WATSON: At what depth approximately -- let's see that statement. I didn't prepare that.

MR. MANKIN: My question is this. You are asking for a commingling of the Grayburg-Jackson and the Keeley. My question is this. Are the wells 1, 2 and 3 producing from different horizons than No. 4 will produce?

A Yes.

Q In all cases is it the San Andres or is it only the No. 4 in the San Andres?

A 1, 2 and 3 is in the Grayburg and No. 4 is in the San Andres.

MR. MANKIN: I wanted to bring that out because actually the Grayburg-Jackson is made up of three main locations.

MR. WATSON: With the Commission's permission, I would like to have Mr. Boyd refer to the log.

MR. MANKIN: I think the answer is sufficient that the first three wells are producing from the Grayburg, the 1, 2 and 3, and the No. 4 is producing from the San Andres, which is proper, according to the Pool designations, but I wanted to be sure since your plat said San Andres, for the two different pools.

A Yes. I tell you that in my application there the attorney was supposed to have handled this for me was on vacation, and I wanted to get this hearing -- I found some pipe and wanted to complete the well and that is mine. I fixed that up myself.

MR. GURLEY: There is an error on the application.

MR. MANKIN: Not in the application, just the plat.

MR. GURLEY: You would like to move the application be amended as to conform with the testimony included in the plat?

MR. WATSON: All right. The applicants will move, then, that the letter of application of August 4, 1956, as signed by Tom Boyd on behalf of Tom Boyd and Jack Plemons, Operators, and with a plat attached, be amended on the plat to correctly describe the producing formation in accordance with the testimony of this witness.

MR. MANKIN: Is there any objection to correcting the application to conform with the testimony? If not, it will be so corrected. Mr. Boyd, then Wells No. 1, 2 and 3, have you been producing from the Grayburg-Jackson pools for some time?

A Yes, sir.

Q You have recently completed your Well No. 4 from the San Andres?

A Yes, sir.

Q What capacity is the well?

A Well, sir, since about the only test we have had a chance to make -- average test, is a treating tank we had set there and we ran tubing as of about the second or third. We closed the well in. And about the only test that we have had a chance to make is in this treating tank. We got a test on it through the casing after we got our treating oil back and our flush oil. It made -- well, it was between -- $64\frac{1}{2}$ barrels. If you want to get --

MR. MANKIN: So the well would be a top allowable well?

A Yes, sir.

Q Is it not true that all wells surrounding your lease that have been drilled on the San Andres in the Grayburg-Keeley Pool are likewise top allowable wells?

A No, sir.

Q It is not true of the St. Clair's and the other offset wells to the northeast and west; that they are not top allowable wells?

A Some are not, no, sir. If you would like -- the St. Clair No. 27 is the old, the original Keeley well. And it isn't a top allowable well. Some of the other wells have been drilled recently into the Keeley zone. Some of them are making the allowable.

MR. MANKIN: Do you anticipate that you will drill another

well in the same Unit, that well No. 3 is in at the present time on the San Andres, on the Grayburg-Keeley Pool?

A Let me state this; we drilled the No. 3 well to 3,263 feet, I believe. But we didn't -- we tried to complete this well in 1954 with a formation packer and we couldn't get a packer to hold. It is drilled to the Keeley zone, but it isn't producing. Maybe it will.

MR. MANKIN: The well is carried as a Grayburg zone well?

A Yes, sir.

Q No. 1, 2 and 3?

A And No. 4 will be a Keeley. Does that answer your question?

Q Drilled there before and have not been able to make a commercial well in the three wells so you don't anticipate another well in your lease on the Grayburg-Keeley?

A If pipe ever gets available, it is possible that we might go back and run pipe in the No. 3 well and try to complete it, maybe in the Keeley zone; it depends on what we want to get, a test on this well.

Q The reason I am asking the question is that it is my impression that the wells surrounding your well were either top allowables or approaching top allowable wells and for your request to commingle the oil from a well which would be a top allowable from another well, from another pay, might not be in the interest of proper conservation, particularly if another well were drilled. And I was wondering, really, why it was necessary that it be commingled. Did you anticipate it could be a top allowable well?

A I don't think it would be a top allowable well within thirty days. And that is my observation. It is making three to four percent water and I don't think it would be profitable. I don't think it would be an allowable well within thirty days.

Q You feel that it is a question of economics. Your request here today is that even though the wells may be top allowables now for the Grayburg-Keeley, they don't stand up very long and therefore you could not develop the lease without having this permission?

A Yes, sir.

MR. WATSON: With reference to the No. 1 and No. 3 wells, Mr. Boyd, those wells are the south 40, the SW/4 of the NW/4?

A No, 1 and 3, yes.

Q Are those two wells, are they capable of making top allowable for the forty acre proration unit?

A Yes, sir.

Q But the No. 2 well has not had a top allowable in the past and is not capable of making it?

A No, sir.

Q So in order to make the top allowable there on the north 40 acres you cannot make it unless you do produce this No. 4 well?

A Yes, sir.

MR. MANKIN: On that same question, Mr. Boyd, you do understand, do you not, that well No. 2 will not be carried together with well No. 4? They will be separate and distinct pools. Is that your understanding?

A Yes, sir, it is a separate and distinct pool.

Q And it will not be reported together. They will be reported

separately. Is that your interpretation?

A If that is the requirement of the Commission, and I take it that it is.

Q One separate and distinct pool, regardless of whether this application is granted or not?

A Yes, sir.

Q I just wanted to be sure that those are not put together with wells 1 and 3 because they are in the same pools where 2 and 4 would be separate and distinct pools and the top allowables would have no significance. They would be each on their own. Is that your understanding?

A Yes, sir. Let me ask you a question right there. If we commingle this oil, the only way that, so far as we getting down specifically stating to you that we are on it there is to take a test on the wells every thirty days or ten days or whatever the Commission requires?

MR. MANKIN: That is true if this application is granted, they, of course, would be run together in the same tankage but they would be reported separately on an estimate basis and with tests appropriately taken according to what the wells' capacities were.

A Yes, sir.

MR. MANKIN: Are there any further questions of the witness in this case?

BY MR. REIDER:

Q I was concerned, Mr. Boyd, what provisions are going to be made in the battery of this testing that will be performed

monthly? In other words, how many separators?

A Well, just have a set -- a test tank.

Q In other words, you will have a test tank?

A Yes, that we can test the wells separately.

Q You will have provisions then that the battery can be split and at any time any single well will be able to be tested through this test tank?

A Yes, sir.

MR. MANKIN: Any further questions of the witness? If not, the witness may be excused and we will take the case under advisement.

(Witness is excused.)

REPORTER'S CERTIFICATE

I, LOUIS R. GUEVARA, do hereby certify that the foregoing and attached Transcript of Proceedings, pages numbered 2 through 13, were reported by me in Stenograph at the time and place aforesaid; that the same was reduced to typewritten transcript by me and contains a true and correct record of said proceedings to the best of my knowledge, skill and ability.

DATED this 17th day of September, 1956, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Louis R. Guevara
LOUIS R. GUEVARA, COURT REPORTER

INVESTIBLE

NEW MEXICO OIL CONSERVATION COMMISSION

1000 West Broadway

Hobbs, NEW MEXICO

REGISTER

HEARING DATE Sept. 6, 1956 TIME: 10:00 a.m.

NAME:	REPRESENTING:	LOCATION:
R. Murphy	St. Ignace	Roswell
Helmut W.	"	"
A. P. Hamman	✓	✓
J. M. McCague	Shell Oil Co.	Hobbs.
JACK L. WARD	SHELL OIL CO.	HOBBS
C. L. Kelley	Standard Oil & Gas	Roswell
Frank Newman	Atwood & Malone - for Standard	Roswell
J. W. Dick	STANDARD OIL & GAS CO.	ROS WELL N.M.
Tom Boyd	Tom Boyd & Jack Plemons	Artesia N.M.
Neil B. Watson	attorney for Tom Boyd & Jack Plemons	Artesia, N.M.
W. G. Abbott	Amorada	Monument
J. C. Blackwood	✓	Midland
R. S. Christie	✓	Tulsa, OKla
R. J. Montgomery	OCC	Hobbs
Mrs. C. D. Biggs	✓	Hobbs
Geo. Hirschfeld	N. Mex. Oil & Gas Engr Comm	✓
H. C. Heald	Humble	Hobbs. -

NEIL B. WATSON

ARTESIA OFFICE 000 ATTORNEY AT LAW
ARTESIA, NEW MEXICO

September 7, 1956

Mr. A. L. Porter, State Geologist,
Oil Conservation Commission,
P. O. Box 871,
Santa Fe, New Mexico.

Attention: Mr. John W. Gurley, Attorney

Gentlemen:

Re: Case No. 1141, Application of Tom Boyd and
Jack Plemons, operators, to produce Continental
State 27, Well No. 4, in existing tank battery
with oil from Wells 1, 2 and 3.

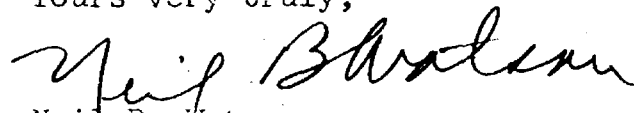
At the hearing held in Hobbs, New Mexico yesterday, before Mr. Warren W. Mankin, Examiner, I represented the applicants, Tom Boyd and Jack Plemons, who are requesting an order as an exception to Rule 303, to permit applicants to produce Well No. 4 from the Grayburg - Keeley Pool, and to commingle the oil with Wells 1, 2 and 3 producing from the Grayburg - Jackson Pool, on State Lease No. B-7596 which covers the W $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 27, Township 17 South, Range 29 East, N.M.P.M.

At the hearing, it was brought out that this Well No. 4 was completed August 30, 1956 and has been producing into a test tank, and it was then suggested that we write and request immediate permission from you, by letter, to produce this No. 4 well into the common tank battery, pending the decision on the Application and the issuance of a formal Order.

Accordingly, please consider this letter as a request for an immediate permission, by letter, to produce the said Well No. 4 into the common tank battery with Wells 1, 2 and 3 and commingle the oil. We understand that this request will be subject to the decision of the Commission and the issuance of the formal Order, but permission is requested by reason of the emergency so that we will be able to produce the well.

For your information, I am enclosing a copy of the C-110 Form, which is being filed with the Artesia office, and this shows that the transporter is the Texas - New Mexico Pipe Line Company and the purchaser is the Sinclair Crude Oil Company.

Yours very truly,


Neil B. Watson.

NBW:lve

NEW MEXICO OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Form C-110
Revised 7/1/55

(File the original and 4 copies with the appropriate district office)

CERTIFICATE OF COMPLIANCE AND AUTHORIZATION
TO TRANSPORT OIL AND NATURAL GAS

Company or Operator Don Boyd - Jack Clements Lease Continental State Oil

Well No. 4 Unit Letter F S 27 T 17 R 20 Pool Rayburg-Ceeley

County Goj Kind of Lease (State, Fed. or Patented) State

If well produces oil or condensate, give location of tanks: Unit F S 27 T 17 R 20

Authorized Transporter of Oil or Condensate Texas-New Mexico Pipe Line Co.

Address Box 1510, Midland, Texas
(Give address to which approved copy of this form is to be sent)

Authorized Transporter of Gas _____
Address _____
(Give address to which approved copy of this form is to be sent)

If Gas is not being sold, give reasons and also explain its present disposition:

Reasons for Filing: (Please check proper box) New Well new well ()

Change in Transporter of (Check One): Oil () Dry Gas () C'head () Condensate ()

Change in Ownership () Other ()

Remarks: Texas-New Mexico Pipe Line Co. will take the oil for delivery to Sinclair Crude Oil Co. (Give explanation below)

The undersigned certifies that the Rules and Regulations of the Oil Conservation Commission have been complied with.

Executed this the 31st day of September 19 56

By [Signature]

Approved _____ 19 _____

Title Agent

OIL CONSERVATION COMMISSION

Company Don Boyd - Jack Clements

By _____

Address Box 300

Title _____

Artesia, N. M.

DOCKET EXAMINER HEARING SEPTEMBER 5, 1956

Oil Conservation Commission 9:00 a.m. Mabry Hall, State Capitol, Santa Fe

The following cases will be heard before Warren W. Mankin, Examiner

CASE 1085: (Readvertisement)

Application of Shell Oil Company for an order amending the Carson Unit Agreement as established by Commission Order R-828. Applicant, in the above-styled cause, seeks an order amending the Carson Unit Agreement in the following particulars:

- (a) To eliminate from the Unit Area All of Sections 3, 4, 9, 10, 15, 16, 21, 22, 27, 28, 33 and 34 of Township 25 North, Range 12 West, San Juan County, New Mexico.
- (b) To reduce the number of wells to be drilled under the agreement from five to four.
- (c) To consider any well commenced subsequent to July 15, 1956, within the amended area to have been drilled in accordance with the requirements of the Unit Agreement and as fulfilling part of the drilling requirements.

CASE 1138:

Application of R. E. Jackson for an order pooling all oil and gas interests in certain acreage in the Aztec-Pictured Cliffs Gas Pool, San Juan County, New Mexico, in accordance with Section 65-3-14 (c) New Mexico Statutes Annotated (1953). Applicant, in the above-styled cause, seeks an order pooling the rights and interests of all persons having the right to drill for, produce, or share production of oil, gas and liquid hydrocarbons, or any of them, underlying the SW/4 of Section 28, Township 29 North, Range 10 West, Aztec-Pictured Cliffs Gas Pool, San Juan County, New Mexico. The above-described quarter section is presently dedicated to the Bruington Pooled Unit Well No. 1 which is operated by Frances L. Harvey and located in the SW/4 SW/4 of said Section 28.

CASE 1139:

Application of Lowry, et al, Operating Account, for an order granting approval of a non-standard drilling and gas spacing unit in the South Blanco-Dakota Gas Pool, Rio Arriba County, New Mexico, in exception to Rule 104 (d) of the New Mexico Oil Conservation Commission Rules and Regulations. Applicant, in the above-styled cause, seeks an order granting approval of a 160 acre non-standard drilling and gas spacing unit in the South Blanco-Dakota Gas Pool consisting of the S/2 of the NE/4 and the N/2 of the SE/4 of Section 16, Township 26 North, Range 6 West, Rio Arriba County, New Mexico; said unit to be assigned to applicant's State Well No. D-268 located 1980 feet from the North line and 660 feet from the East line of said Section 16.

DOCKET EXAMINER HEARING SEPTEMBER 6, 1956

New Mexico Oil Conservation Commission 10 00 a.m. Hobbs, New Mexico

Oil Conservation Commission Office 1000 W. Broadway, Hobbs, New Mexico

The following cases will be heard before Warren W. Mankin, Examiner:

CASE 1140: Application of Magnolia Petroleum Company for an order granting approval of its proposed Tres Ranchos Unit Agreement embracing 1200 acres, more or less, in Eddy County, New Mexico, in accordance with Rule 507 of the New Mexico Oil Conservation Commission Rules and Regulations. Applicant, in the above-styled cause, seeks an order granting approval of its proposed Tres Ranchos Unit Agreement embracing 1200 acres, more or less, of State lands described as:

Township 19 South, Range 23 East
All Section 10
W/2 W/2 Section 11
W/2 NW/4 Section 14
N/2 Section 15 (All in Eddy County, New Mexico)

CASE 1141: Application of Tom Boyd and Jack Plemons for an order granting permission to commingle oil in exception to Rule 303 of the New Mexico Oil Conservation Commission Rules and Regulations. Applicant, in the above-styled cause, seeks an order granting permission to commingle oil from the Grayburg-Jackson and the Grayburg-Keeley Pools; said oil to be produced from applicant's Continental State 27 Well No. 4 located in the NW/4 NW/4 of Section 27, Township 17 South, Range 29 East, Grayburg-Keeley Pool, Eddy County, New Mexico, with oil production from applicant's Wells No. 1, 2 and 3 in the Grayburg-Jackson Pool.

CASE 1142: Application of Amerada Petroleum Corporation for an order granting permission to convert its non-productive H. C. Posey "A" No. 2 Well in the East Caprock Devonian Pool, Lea County, New Mexico, into a salt water disposal well in compliance with Rule 701 of the New Mexico Oil Conservation Commission Rules and Regulations. Applicant, in the above-styled cause, seeks an order granting permission to recomplete as a salt water disposal well its H. C. Posey "A" No. 2 Well located in the NE/4 of the SE/4 of Section 11, Township 12 South, Range 32 East, Lea County, New Mexico. Said well is located 1980 feet from the South line and 660 feet from the East line of said Section 11. Applicant proposes to inject salt water into the Dewey Lake formation at an interval between 1300 and 1450 feet through casing perforations.

Artesia, New Mexico,
September 1, 1956.

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

Gentlemen:

Re: Application of Tom Boyd and Jack Plemons,
Operators, to commingle oil.

Supplementing the request made by Tom Boyd and Jack Plemons, Operators, by letter of August 4, 1956, for permission to commingle oil from the Grayburg - Jackson and Grayburg - Keeley Pools, on the Continental Oil Company State No. 27 Lease, the following information is furnished to the Commission, to wit:

1. That applicants request an exception to Rule 303 of the New Mexico Oil Conservation Commission, and request the Commission to enter its Order permitting the applicants to produce Well No. 4 from the Grayburg - Keeley Pool and commingle the oil into a common tank battery with Wells 1, 2 and 3, which are producing from the Grayburg - Jackson Zone.

2. That the lands involved are described as:

The $W\frac{1}{2}NW\frac{1}{4}$ of Section 27, Township 17 South,
Range 29 East, N.M.P.M.,

included in Oil and Gas Lease B-7596 issued by the State of New Mexico under date of May 10, 1938; and the $NW\frac{1}{4}NW\frac{1}{4}$ and $SW\frac{1}{4}NW\frac{1}{4}$ of said Section 27 are each included in the Common School Lands of the State of New Mexico.

3. That the ownership of the lease and interest in the production from each forty acre tract above described is the same.

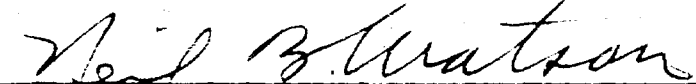
4. That Wells 1 and 3 are in the $SW\frac{1}{4}NW\frac{1}{4}$ of said Section 27, and Well No. 2 is in the $NW\frac{1}{4}NW\frac{1}{4}$ of said Section 27, and said Wells 1, 2 and 3 are producing from the Grayburg - Jackson Pool. That Well No. 4 has been completed at 3225 feet and is located in the $NW\frac{1}{4}NW\frac{1}{4}$ of said Section 27, and this well is producing from the Grayburg - Keeley Pool.

5. That applicants request permission to commingle oil from Wells 1, 2 and 3 in the Grayburg - Jackson Pool with oil from Well No. 4 in the Grayburg - Keeley Pool, in the same tank battery, as an exception to Rule No. 303 of the New Mexico Oil Conservation Commission.

Yours very truly,

TOM BOYD AND JACK PLEMONS (OPERATORS)

by



Neil B. Watson,
Attorney at Law,
Artesia, New Mexico.

NBW:lve
cc :Mr. Warren W. Mankin,
Oil Conservation Commission,
Hobbs, New Mexico.

San Jo
Case # 1141
Send 1 copy
to Tom
Aug 11
or 8/21/56

Artesia, New Mexico
P. O. Box 692

New Mexico Oil Conservation Commission
P. O. Box 2045
Hobbs, New Mexico

Attention: Randell Montgomery

Dear Mr. Montgomery:

Permission is hereby requested to co-mingle oil from the Greyburg - Jackson and the Greyburg - Keeley pools from the Continental State No. 27 Lease, Well # 4, located in the W $\frac{1}{2}$ of NW $\frac{1}{4}$ of Section 27, Township 17South, Range 29 East.

We are enclosing plat showing location of wells, tank battery and direct offsets.

It is our understanding that we may obtain a hearing on this matter in Hobbs, New Mexico. If this is correct we request hearing at the earliest possible date, as well is now being drilled at 2,930 feet.

At this time the only offset well producing from the Greyburg - Keeley Pool is Sinclair Well No. 27 on the Robinson Lease, which we have circled on the plat.

We hope this is the information needed to obtain this request.

Yours very truly,

Tom Boyd - Jack Plemons Operators

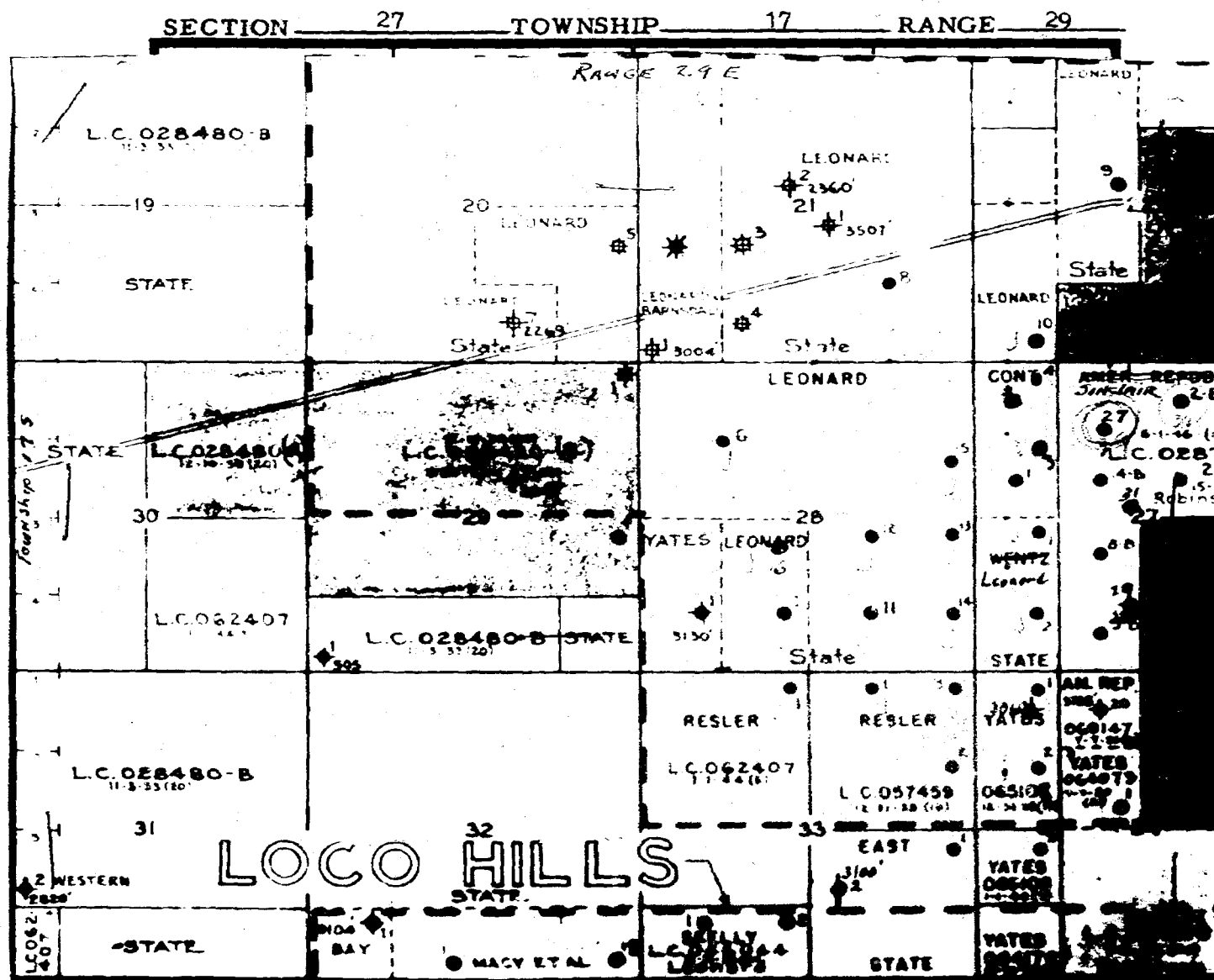
By: *Tom Boyd*

TB:rdh

Enclosure

August 4, 1956

Tom Boyd and Jack Flemons	Continental State No. 27	4
Operator	Lease	Well No.
Name of Producing Formation	San Andrews ¹⁹⁴⁹ Pool	Greyburg - Jackson and Greyburg- Kelly
No. Acres Dedicated to the Well	40	



Name _____
Position Operator
Representing Tom Boyd - Jack Plemons
Address Box 692 - Artesia, New Mexico

(over)

INSTRUCTIONS

1. Is this gas well a dual completion? Yes _____ No _____
2. If the answer to Question 1 is Yes, are there any other dually completed wells within the dedicated acreage? Yes _____ No _____

A separate plat must be filed for each gas well, outlining the area dedicated to such well and showing the location of all other wells (oil and gas) within the outlined area.

Mail in duplicate to the district office for the district in which the well is located.

■ Tom Boyd - Jack Plemons Continental State No. 27 Lease
• Tank Battery

○ Sinclair Well No. 27, Robinson Lease, producing from Grayburg Keeley Pool.