

Case No.

43

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Application, Transcript,  
Small Exhibits, Etc.

REDUCE OVER + ABOVE ALLOWABLE  
REF. CO. PETITION TO

OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

May 18, 1943

Walter P. Luck, Esquire  
New Mexico Asphalt & Refining Co.  
Artesia, New Mexico

Dear Mr. Luck:

Re: Application to extend Order No. 476.

Your petition submitted in your letter of  
May 15 will be brought to the attention of the  
Commission at its next meeting.

Very truly yours,

John M. Kelly  
Director

By

Chief Clerk & Legal Advisor

CEL:MS

Phone  
750 & 751

**New Mexico Asphalt & Refining Co.**  
Petroleum Products

Artesia, New Mexico

P. O. Box  
306

May 15, 1943.

Hon. Carl B. Livingston,  
Chief Clerk and Legal Advisor,  
Oil Conservation Commission,  
Santa Fe, N.M.

Dear Mr. Livingston:-

Enclosed please find application of  
our company for an extension of Order #476 for a  
three months period from June 1st, 1943, to September  
1st, 1943, and modification of said order so as to  
include the delivery of asphaltic materials to the  
New Mexico Highway Department on road paving pro-  
jects where Federal approval has been had.

I trust you will find this application  
in order and will be kind enough to present it to the  
commission, to the end that order #476 may be extend-  
ed and modified as requested.

I trust that when you have occasion to  
visit this part of the state in the near future you will  
not fail to visit us.

Kind regards.

Very truly yours,

NEW MEXICO ASPHALT & REFINING COMPANY

BY: Walter F. Luck, Vice-President.  
Walter F. Luck.

WPL:AW

IN THE MATTER

OF

APPLICATION OF NEW MEXICO ASPHALT &  
REFINING COMPANY TO AMEND ORDER #476  
OF THE OIL CONSERVATION COMMISSION OF  
THE STATE OF NEW MEXICO, ALLOWING THE  
WEST LUSK, EAST LUSK AND BARBER AREAS,  
EDDY COUNTY, NEW MEXICO, (BEING ASPHALTIC  
BASE CRUDE) TO PRODUCE 100 BARRELS PER DAY  
PER UNIT OF PRODUCTION IN ORDER TO FILL  
APPLICANT'S REQUIREMENTS FOR 1500 BARRELS  
DAILY OF THE TYPE OF CRUDE PRODUCED IN  
SAID AREAS FOR THE PURPOSE OF MAINTAINING  
DELIVERIES OF ASPHALT AND ROAD OILS TO U. S.  
ARMY ENGINEERS FOR AIR BASE PROJECTS THROUGH-  
OUT NEW MEXICO AND TEXAS, AND FOR THE PURPOSE  
OF MAINTAINING DELIVERIES OF ASPHALTIC  
MATERIALS TO NEW MEXICO HIGHWAY DEPARTMENT  
FOR PAVING OF ROADS WHERE FEDERAL APPROVAL  
FOR PAVING SUCH HAS BEEN GRANTED, SO THAT THE  
TIME LIMIT SET FORTH IN SAID ORDER #476 BE EXTEND-  
ED FOR A PERIOD OF NINETY DAYS FROM JUNE 1st,  
1943 TO SEPTEMBER 1, 1943.

CASE NO. \_\_\_\_\_

APPLICATION  
FOR  
EXTENSION AND  
MODIFICATION.

\* \* \* \* \*

TO THE HONORABLE  
NEW MEXICO OIL CONSERVATION COMMISSION:

I.

Now comes New Mexico Asphalt & Refining  
Company of Artesia, New Mexico, and respectfully requests that  
an emergency order be issued to extend the scope of Order #476  
heretofore issued by it, so that the time limit for the allow-  
able for asphaltic base crude production of 100 barrels per  
unit of production per day in the Barber, West Lusk and  
East Lusk areas, Eddy County, New Mexico, for the purpose  
of supplying essential asphaltic materials to the U. S.  
Army Engineers in the State of New Mexico and Texas, be  
extended for a period of ninety days from June 1st, 1943,  
to September 1st, 1943, and that said order be modified so  
as to include the delivery of asphalt and road oils to the  
New Mexico Highway Department for the paving of roads where  
Federal approval for such paving has been granted.

II.

That applicant is committed to make deliveries of asphalt and road oils to be manufactured from such asphaltic crude oil produced in the Barber, West Lusk and East Lusk areas, Eddy County, New Mexico, to the U. S. Army Engineers in the State of New Mexico and Texas, and to New Mexico State Highway Department for projects approved by the Federal Government and that unless said order #476 is extended and modified as herein requested, applicant will be unable to make delivery of sufficient quantities of such asphalt and road oils to said Governmental agencies, as it is committed to do, within the extended period of time herein requested.

Respectfully submitted:

NEW MEXICO ASPHALT & REFINING COMPANY,

BY: Walter P. Luck Vice-President.  
Walter P. Luck.

CASE NO. \_\_\_\_\_

APPLICATION FOR EXTENSION AND

MODIFICATION OF

ORDER #476

IN THE MATTER OF APPLICATION  
OF NEW MEXICO ASPHALT & REFINING  
COMPANY TO AMEND ORDER #476

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. 43

ORDER NO. 551

IN THE MATTER OF THE APPLICATION OF THE  
NEW MEXICO ASPHALT AND REFINING COMPANY  
FOR AN ORDER WHEREIN: THE RESPECTIVE  
UNITS OF PRODUCTION WITHIN THE WEST LUSK,  
BARBER, EAST LUSK FIELDS, AND THE NEWLY  
DISCOVERED HANSON AREA, ALL WITHIN EDDY  
COUNTY, PRODUCING ASPHALTIC BASE CRUDE  
OIL, SHALL BE ALLOWED TO PRODUCE OVER AND  
ABOVE THE CURRENT ALLOWABLE, INsofar AS SUCH  
UNITS ARE CAPABLE AND INsofar AS SUCH MAY BE  
DONE WITHOUT WASTE, UP TO ONE HUNDRED OF CRUDE  
OIL DAILY FOR PURCHASE BY THE APPLICANT FOR THE  
PURPOSE OF SUPPLYING THE UNITED STATES ARMY  
ENGINEERS WITH ASPHALT AND ROAD OILS TO BE  
USED IN THE CONSTRUCTION OF AIRBASE PROJECTS  
IN NEW MEXICO AND TEXAS, AND THE NEW MEXICO  
HIGHWAY DEPARTMENT FOR PAVING OF ROADS WHERE  
FEDERAL APPROVAL OF SUCH PAVING HAS BEEN GRANTED,  
AND WHEREIN SUCH PRODUCTION AND PURCHASE FOR SUCH  
PURPOSES ARE RATIFIED SINCE THE EXPIRATION OF A  
SIMILAR ORDER, NO. 476, WHICH EXPIRED DECEMBER 1, 1942.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This case came on for hearing at ten o'clock A.M., August 3, 1943,  
at Santa Fe, New Mexico, before the Oil Conservation Commission of the  
State of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 17<sup>th</sup> day of August, 1943, the Commission  
having before it for consideration the testimony adduced at the hearing of  
said case and being fully advised in the premises;

IT IS THEREFORE ORDERED:

That the respective units of production within the West Lusk, Barber,  
East Lusk Fields, and the newly discovered Hanson Area, all within Eddy  
County, producing asphaltic base crude oil, shall be allowed to produce  
over and above the current allowable, insofar as such units are capable  
and insofar as such may be done without waste, up to 100 barrels of crude  
oil daily for purchase by the applicant for the purpose of supplying the  
United States Army Engineers with asphalt and road oils to be used in the  
construction of airbase projects in New Mexico and Texas and the New Mexico  
Highway Department for paving of roads where Federal approval of such paving  
is granted; provided, however, as follows:

A. That the New Mexico Asphalt and Refining Company first purchase  
the current allowable of crude oil of similar types produced in southeastern  
New Mexico and tendered to such purchaser.

B. That the New Mexico Asphalt and Building Company make use of such common materials strictly for the purpose above stated.

C. That the New Mexico Asphalt and Building Company is a corporation organized under the laws of the State of New Mexico, and is a corporation organized under the laws of the State of New Mexico, and is a corporation organized under the laws of the State of New Mexico.

D. That the New Mexico Asphalt and Building Company is a corporation organized under the laws of the State of New Mexico, and is a corporation organized under the laws of the State of New Mexico, and is a corporation organized under the laws of the State of New Mexico.

#### OIL CONSERVATION COMMISSION

JOHN J. DUFFY, CHAIRMAN

H. A. EDWARDS, MEMBER

JOHN H. KELLY, MEMBER

SEAL



**OIL CONSERVATION COMMISSION**  
**SANTA FE, NEW MEXICO**

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**August 17, 1943**

**Mr. Glenn Stanley**  
**Presiding Officer**  
**Albuquerque, New Mexico**

**Re: Case No. 43, Order No. 551**

**Dear Sir:**

**Enclosed please find copy of Order No. 551 in the**  
**above captioned case.**

**Very truly yours,**

**John E. Kelly**  
**Director.**

**JMK:MS**

**SOIL CONSERVATION COMMISSION**  
**SANTA FE, NEW MEXICO**

**August 17, 1943**

**Mr. Walter P. Luck  
H. H. Asphalt & Refining Co.,  
Artesia, New Mexico**

**Re: G. W. No. 43, Order No. 551**

**Dear Mr. Luck:**

**Enclosed please find copy of Order No. 551 in the  
above captioned case.**

**Very truly yours,**

**John M. Kelly  
Director**

**JMK:MS**

**C  
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CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

July 8, 1943

The Santa Fe New Mexican  
Santa Fe, New Mexico

The Artesano Advocate  
Artesano, New Mexico

Re: Case No. 43, Notice for Publication

Gentlemen:

Please publish the enclosed notice once, immediately.  
Please proof read the notice carefully and send a copy of the  
paper carrying such notice.

UPON COMPLETION OF THE PUBLICATION, PLEASE SEND  
PUBLISHER'S AFFIDAVIT.

For payment please submit statement in duplicate  
accompanied by voucher executed in duplicate. The vouchers  
must be signed by a notary in the space provided on the back  
of the voucher. The necessary voucher blanks are enclosed.

Very truly yours,

John M. Kelly  
Director

By

Chief Clerk & Legal Advisor

CBL:MS

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# HEARING- AUG. 3, 1943

NAME	COMPANY	ADDRESS
Abdillig	The Texas Oil	Fort Worth, Tex
Ray Yarwood	oil cons com	Hobby
Harvey E. Yates	Harvey E. Yates	Artistic
Malter P. Ruck	N.M. Asphalt & Refs Co.	Artistic
C.H. Morales	Agua Negra Ranch	Santa Rosa, N.M.
A.M. McCorkle	Standard Oil & Gas Co.	Fort Worth Tex
J.H. Lillie	Agua Negra Ranch	Santa Rosa, N.M.
Geo. Fry	Standard Oil & Gas Co.	Hobbs, N.M.
L.F. Peterson	Standard Oil & Gas Co.	Fort Worth, Tex
Robert Frazier	Maryland Casualty Co.	Roswell
W. H. McNamee	West Lumber Co.	Fort Worth, Tex
W. H. McNamee	Flynn Helicopter	Artistic, N.M.
J.W. Bragance	Revan Drilling Co.	Fort Worth Texas
R.L. Hitting	Shell Oil Co., Inc.	Midland, Texas
H.J. Kender		
R.B.F. Hummer	Phillips Petroleum Co. (Guthrieville), Okla	
G.A. Daniels	Phillips Pet. Co.	Amarillo, Tex
G.D. Foster	" " "	" "
W.H. G. G. G.	Gulf Oil Corp	Tulsa Okla
Neville C. Penrose		Fort Worth
Rice Tilley		
HARVEY HARDISON	Sta of Texas	Houston
Edgar Kaus	Atlantic	Dallas Tex.
R.F. Windsohr	Nash Windsohr & Brown	Fort Worth
Ames W. Warrack	Mo-Tex Co's	Hobbs N.M.
J.C. Echlin	American Employers Ins Co.	El Paso Tex
Glenn Staley	Lea County Operator	Hobbs N.M.
K.M. Fagin	Magnolia Petroleum Co.	Dallas, Texas
S.P. Bannister		Roswell, N.M.
G.E. Campbell	J.P. & Co.	Midland Tex.
Leo R. Manning	State Land Office	Santa Fe
W.K. Davis	El Paso Natural Gas Co.	Fort Worth
Foster Morrell	U.S. Geological Survey	Roswell, N.M.
Harry Leonard	Leonard Oil Company	Roswell

Hugh L. Dawgers	N.M. Oil + Gas Assn	Reserve
John P. Morgan	Perm Oil Co	Dallas
J.O. Beck	Beck & Montgomery	Santa Fe
R.S. Henry	Humble Oil Co.	Midland
W.L. Harrison	Honolulu Oil Corp.	Tulsa

# New Mexico Asphalt & Refining Co.

## Petroleum Products

Artesia, New Mexico

P. O. Box  
306

Phone  
750 & 751

### ASPHALT CRUDE PURCHASES

1943

Month	Fields		
	Barber bbls.	Lusk bbls.	Total bbls.
January, 1943	21,006	6,042	27,048
February, 1943	19,036	6,083	25,119
March, 1943	20,964	10,758	31,722
April, 1943	18,913	7,794	26,712
May, 1943	19,375	7,089	26,464
June, 1943	17,167	7,448	24,615
Total	116,466	45,214	161,680 bbls.

# New Mexico Asphalt & Refining Co.

Petroleum Products

Artesia, New Mexico

Phone  
750 & 751

P. O. Box  
306

## ASPHALT CRUDE RECEIPTS

June 30th, 1942 to January 1st, 1943

Month	Barber	Fields		Total
		East & West	Lusk	
July, 1942	20,383			20,383
August, 1942	25,316	2,198		27,514
September, 1942	18,919	3,343		22,262
October, 1942	20,305	2,461		22,766
November, 1942	22,575	1,990		24,565
December, 1942	<u>24,932</u>	3,035		27,967
Total last 6 months, 1942	132,430 bbls.	13,027		145,457 bbls.

CASE NO. 43

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

IN THE MATTER OF: THE APPLICATION OF THE NEW MEXICO ASPHALT AND REFINING COMPANY FOR AN ORDER WHEREIN: THE RESPECTIVE UNITS OF PRORATION WITHIN THE WEST LUSK, BARBER, EAST LUSK FIELDS, AND THE NEWLY DISCOVERED BENSON AREA, ALL WITHIN EDDY COUNTY, PRODUCING ASPHALTIC BASE CRUDE OIL, SHALL BE ALLOWED TO PRODUCE OVER AND ABOVE THE CURRENT ALLOWABLE, INSOFAR AS SUCH UNITS ARE CAPABLE AND INSOFAR AS SUCH MAY BE DONE WITHOUT WASTE, UP TO 100 BARRELS OF CRUDE OIL DAILY FOR PURCHASE BY THE APPLICANT FOR THE PURPOSE OF SUPPLYING THE UNITED STATES ARMY ENGINEERS WITH ASPHALT AND ROAD OILS TO BE USED IN THE CONSTRUCTION OF AIRBASE PROJECTS IN NEW MEXICO AND TEXAS, AND THE NEW MEXICO HIGHWAY DEPARTMENT FOR PAVING OF ROADS WHERE FEDERAL APPROVAL OF SUCH PAVING HAS BEEN GRANTED, AND WHEREIN SUCH PRODUCTION AND PURCHASE FOR SUCH PURPOSES ARE RATIFIED SINCE THE EXPIRATION OF A SIMILAR ORDER, NO. 476, WHICH EXPIRED DECEMBER 1, 1942.

Pursuant to notice by the Commission, duly made and published, setting August 3, 1943, at ten o'clock, A. M., for hearing in the above entitled matter, said hearing was convened on said day, at said hour, in the Coronado Room, La Fonda, Santa Fe, New Mexico, the Commission sitting as follows:

HON. JOHN J. DEMPSEY, Governor of New Mexico, Chairman  
HON. JOHN M. KELLY, State Geologist, Secretary  
HON. H. R. RODGERS, Commissioner of Public Lands, Member  
HON. CARL B. LIVINGSTON, Chief Clerk and Legal Adviser.

APPEARANCES:

<u>Name</u>	<u>Company</u>	<u>Address</u>
A. S. Willig	The Texas Company	Ft. Worth, Texas
Harvey E. Yates	Harvey E. Yates	Artesia, N.M.
Roy Yarborough		Hobbs, N.M.
Walter P. Luck	N.M. Asphalt & Ref. Co.	Artesia, N.M.
C. H. Brooke	Agua Negra Ranch	Santa Rosa, N.M.
A. M. McCorkle	Stanolind Oil & Gas Co.	Ft. Worth, Texas
P. H. Lillie	Agua Negra Ranch	Santa Rosa, N.M.
Leo Fry	Stanolind Oil & Gas Co.	Hobbs, N.M.
L. F. Peterson	Stanolind Oil & Gas Co.	Ft. Worth, Texas
Lake J. Frazier	Maryland Casualty Co.	Roswell, N.M.
Geo. P. Livermore	Geo. P. Livermore, Inc.	Lubbock, Texas
U. S. Welch	Flynn, Welch & Yates	Artesia, N.M.
F. W. Brigance	Rowan Drilling Co.	Ft. Worth, Texas
R. U. Fitting	Shell Oil Co.	Midland, Texas
H. J. Kemler	Shell Oil Co.	Midland, Texas
R. B. F. Hummer	Phillips Petroleum Co.	Bartlesville, Okla.
G. A. Daniels	Phillips Petroleum Co.	Amarillo, Texas
E. H. Foster	Phillips Petroleum Co.	Amarillo, Texas
Lloyd L. Gray	Gulf Oil Corp.	Tulsa, Okla.
Neville G. Penrose		Ft. Worth, Texas
Rice Tilley		Ft. Worth, Texas
Harvey Hardison		Houston, Texas



Edgar Kraus  
R. F. Windjohr  
James M. Murray  
J. C. Echlin  
Glenn Staley  
K. M. Fagin  
S. P. Hennafin  
C. G. Campbell  
Leo R. Manning  
W. K. Davis  
Foster Morrell  
Harry Leonard  
Hugh L. Sawyers  
John P. Morgan  
J. O. Seth  
W. L. Morrison  
R. S. Dewey

Atlantic Oil & Ref. Co.  
Nash, Windjohr & Brown  
Me-Tex Co's  
American Employers Ins. Co.  
Lea County Operators  
Magnolia Petroleum Co.  
Magnolia Petroleum Co.  
Tex. Pac. Coal & Oil Co.  
State Land Office  
El Paso Nat. Gas Co.  
U. S. Geological Survey  
Leonard Oil Co.  
N.M. Oil & Gas Asso.  
Sun Oil Co.  
Seth & Montgomery  
Honolulu Oil Corp.  
Humble Oil Co.

Dallas, Texas  
Ft. Worth, Texas  
Hobbs, N. M.  
El Paso, Texas  
Hobbs, N. M.  
Dallas, Texas  
Roswell, N. M.  
Midland, Texas  
Santa Fe, N.M.  
Jal, N. M.  
Roswell, N. M.  
Roswell, N. M.  
Roswell, N. M.  
Dallas, Texas  
Santa Fe, N. M.  
Lubbock, Texas  
Midland, Texas

The meeting was called to order by the Chairman, and upon request of the Secretary, the Chief Clerk read the call of the meeting, as follows:

"NOTICE FOR PUBLICATION  
STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

The Oil Conservation Commission, by law invested with jurisdiction as the oil and gas regulatory body of the State of New Mexico, hereby gives notice of the following hearing to be held at Santa Fe, New Mexico:

Case No. 43

In the matter of the application of the New Mexico Asphalt and Refining Company for an order wherein; the respective units of proration within the West Lusk, Barber, East Lusk Fields, and the newly discovered Benson Area, all within Eddy County, producing asphaltic base crude oil, shall be allowed to produce over and above the current allowable, insofar as such units are capable and insofar as such may be done without waste, up to 100 barrels of crude oil daily for purchase by the applicant for the purpose of supplying the United States Army Engineers with asphalt and road oils to be used in the construction of airbase projects in New Mexico and Texas, and the New Mexico Highway Department for paving of roads where Federal approval of such paving has been granted, and wherein such production and purchase for such purposes are ratified since the expiration of a similar order, No. 476, which expired December 1, 1942. This case is set for 10 A. M., August 3, 1943.

Any person having any interest in the subject of said hearing is entitled to be heard.

The foregoing Notice of Publication was made pursuant to the direction of the Commission at its Executive Meeting June 22, 1943.

Given under the seal of said Commission at Santa Fe,

New Mexico, on July 8, 1943.

OIL CONSERVATION COMMISSION

(SEAL)

By (Sgd) John M. Kelly  
Secretary"

BY GOVERNOR DEMPSEY: I wonder if you don't want to amend that  
Application?

BY MR. LUCK: I ask leave to amend it to that extent.

WALTER P. LUCK

being first duly sworn, testified as follows:

BY MR. LUCK: We should like to enter into a stipulation with the  
counsel for the Commission whereby all testamentary and oral  
evidence heretofore introduced at a former hearing be used  
in support of this Application. I believe that has been filed  
with the Commission, and is now in your possession.

Particularly, the letter is from the U. S. Geological  
Survey, pertaining to waste, in which they--I will briefly  
outline the letter--in which they stated that if 100 barrels  
allowable of asphalt be permitted to be produced daily, that  
no damage or waste would result to the reservoir. Also, par-  
ticularly, the evidence of Neil Miller, Geologist of Carlsbad,  
to the effect that no waste would result in the production of  
100 barrels per day per producing unit, and to the effect that  
he has contracted to sell asphaltic oil to the New Mexico  
Asphalt and Refining Company, and that unless each producing  
unit be permitted to be increased to 100 barrels per day, we  
would not be able to supply the refineries. And the testimony  
of myself in that connection, stating that we have contracts  
with the United States Army Engineers, whereby we are obliged  
to deliver--to manufacture and deliver--asphalt for use in  
Army Airbases throughout New Mexico and Western Texas.

At this time I want to testify that we still have these  
contracts, and that the situation is not changed. That the  
demand is still present, and that we have been unable to  
supply the demands by, I would say, 25 per cent of their demands.

We have been running approximately 800 barrels of asphalt crude per day from all sources available where asphalt is produced in New Mexico. I am not prepared to say whether they could produce more, but we haven't heard anyone complaining that we have not been taking the oil. We have been taking it ratably, and as much as they could produce.

In this particular case, insofar as it affects the inclusion of the Benson Area in Eddy County, New Mexico, we have Mr. Harvey Yates, the owner of those leases producing that oil. I would like to have him on the stand.

(Witness excused)

HARVEY YATES

being first duly sworn, testifies as follows:

BY MR. KELLY: Will you make a statement as to whether or not your lease in the Benson Area could make 100 barrels per day without waste?

BY MR. YATES: This is my first experience with heavy asphalt oil, but I believe you could.

BY MR. KELLY: How much is one of your wells producing now?

BY MR. YATES: It could produce 200 barrels per day.

BY GOVERNOR DEMPSEY: He asked what one would produce?

BY MR. YATES: By pumping 500 barrels of fluid we produce 230 barrels.

We have pumped 700 barrels of fluid with 150 barrels of oil.

BY MR. LUCK: By continuous pumping could you increase that production?

BY MR. YATES: I believe by pumping more fluid we get more oil, by pumping less fluid, naturally, we get less oil.

BY MR. KELLY: What is the proportion?

BY MR. YATES: In pumping 50 barrels of fluid we get 5 barrels.

BY MR. LUCK: You have one producing well now?

BY MR. YATES: Yes sir.

BY MR. LUCK: And are drilling another?

BY MR. YATES: Yes sir.

BY MR. LUCK: What is your program with respect to development?

BY MR. YATES: I intend to keep the rig running as long as I can

sell the oil.

(Witness excused).

WALTER P. LUCK (Recalled)

BY MR. LUCK: I have contracted for and on behalf of New Mexico Asphalt and Refining Company, to purchase all the allowable produced that may be established for Mr. Yates, regardless. We expect to purchase this oil ratably with all other fields.

BY GOVERNOR DEMPSEY: What is the capacity of your refinery?

BY MR. LUCK: The capacity is about 2100 barrels of vacuum distillate, running about 800 barrels a day now. However, we have the facility to increase it to 2500 barrels per day.

BY MR. KELLY: In your opinion, or the opinion of your geologist, is any waste being taken out of your pools outside of the Benson pool?

BY MR. LUCK: Not more than normally incident to any other taking of oil.

BY MR. KELLY: The Commission orders the case be taken under advisement.

- - - - -  
CERTIFICATE.

I hereby certify that the foregoing and attached four and a fraction pages of typewritten matter constitute a true, correct and complete transcript of the shorthand notes taken by me in Case No. 43, on the 3rd day of August, 1943, and by me extended into typewriting.

Witness my hand this 14th day of August, 1943.

*Alice Stewart*

Alice Stewart.



NOTICE FOR PUBLICATION  
STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

The Oil Conservation Commission, by law invested with jurisdiction as the oil and gas regulatory body of the State of New Mexico, hereby gives notice of the following hearing to be held at Santa Fe, New Mexico:

Case No. 43

In the matter of the application of the New Mexico Asphalt and Refining Company for an order wherein: the respective units of production within the West Lusk, Eastern, West Lusk Fields, and the newly discovered Brown Ash, all within Albi County, producing asphaltic base grade oil, shall be allowed to produce over and above the current allotment, insofar as such units are capable and insofar as such may be done without waste, up to 100 barrels of crude oil daily for purchase by the applicant for the purpose of supplying the United States Army Engineers with asphalt and road oils to be used in the construction of airbase runways in New Mexico and Texas, and the New Mexico Highway Department for paving of roads where Federal approval of such paving has been granted, and wherein such production and purchase for such purposes are ratified since the expiration of a similar order, No. 476, which expired December 1, 1942. This case is set for 10 A.M., August 3, 1943.

Any person having any interest in the subject of said hearing is entitled to be heard.

The foregoing Notice of Publication was made pursuant to the direction of the Commission at its Executive Meeting June 22, 1943.

(Given under the seal of said Commission at Santa Fe, New Mexico, on July 6, 1943.

OIL CONSERVATION COMMISSION

BY (SGD) JOHN H. KELLY  
SECRETARY

(SEAL)

NEW MEXICO OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE PETITION OF THE  
THE OIL CONSERVATION COMMISSION OF THE  
STATE OF NEW MEXICO FOR THE PURPOSE OF  
CONSIDERING:

ORDER NO. 43

ORDER NO. 551

IN THE MATTER OF THE APPLICATION OF THE  
NEW MEXICO ASPHALT AND REFINING COMPANY  
FOR AN ORDER WHEREIN: THE RESPECTIVE  
UNITS OF PRODUCTION WITHIN THE WEST LUSH,  
BARBER, EAST LUSH FIELDS, AND THE NEWLY  
DISCOVERED BENSON AREA, ALL WITHIN EDDY  
COUNTY, PRODUCING ASPHALTIC BASE CRUDE  
OIL, SHALL BE ALLOWED TO PRODUCE OVER AND  
ABOVE THE CURRENT ALLOWABLE, INsofar AS SUCH  
UNITS ARE CAPABLE AND INsofar AS SUCH MAY BE  
DONE WITHOUT WASTE, UP TO 100 BARRELS OF CRUDE  
OIL DAILY FOR PURCHASE BY THE APPLICANT FOR THE  
PURPOSE OF SUPPLYING THE UNITED STATES ARMY  
ENGINEERS WITH ASPHALT AND ROAD OILS TO BE  
USED IN THE CONSTRUCTION OF AIRBASE PROJECTS  
IN NEW MEXICO AND TEXAS, AND THE NEW MEXICO  
HIGHWAY DEPARTMENT FOR PAVING OF ROADS WHERE  
FEDERAL APPROVAL OF SUCH PAVING HAS BEEN GRANTED,  
AND WHEREIN SUCH PRODUCTION AND PURCHASE FOR SUCH  
PURPOSES ARE RATIFIED SINCE THE EXPIRATION OF A  
SIMILAR ORDER, NO. 476, WHICH EXPIRED DECEMBER 1, 1942.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at ten o'clock A.M., August 3, 1943,  
at Santa Fe, New Mexico, before the Oil Conservation Commission of the  
State of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 17th day of August, 1943, the Commission  
having before it for consideration the testimony adduced at the hearing of  
said case and being fully advised in the premises;

IT IS THEREFORE ORDERED:

That the respective units of production within the West Lush, Barber,  
East Lush Fields, and the newly discovered Benson Area, all within Eddy  
County, producing asphaltic base crude oil, shall be allowed to produce  
over and above the current allowable, insofar as such units are capable  
and insofar as such may be done without waste, up to 100 barrels of crude  
oil daily for purchase by the applicant for the purpose of supplying the  
United States Army Engineers with asphalt and road oils to be used in the  
construction of airbase projects in New Mexico and Texas and the New Mexico  
Highway Department for paving of roads where Federal approval of such paving  
is granted; provided, however, as follows:

1. That the New Mexico Asphalt and Refining Company first purchase  
the current allowable of crude oil of similar types produced in southeastern  
New Mexico and tendered to such purchaser.

B. That the New Mexico Asphalt and Refining Company make use of such excess allowable strictly for the purpose above named.

2. That this order shall be effective retroactive beginning with December 1, 1942, and shall continue for the duration of the present War Emergency and for six months thereafter.

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

OIL CONSERVATION COMMISSION

*John J. Dempsey*  
JOHN J. DEMPSEY, CHAIRMAN

H. R. RODGERS, MEMBER

*John H. Kelly*  
JOHN H. KELLY, SECRETARY

SEAL



# PROOF OF PUBLICATION

STATE OF NEW MEXICO }  
County of Eddy } ss.

A. L. BERT, being duly sworn deposes and says that he is the editor of THE ARTESIA ADVOCATE, a newspaper published in Artesia, Eddy County, New Mexico, that the notice of publication in the matter of the application of the New Mexico Asphalt and Refining Company. Case No. 43

a copy of which is hereto attached was first published in said newspaper in its issue dated July 15, 1943 and was published in the weekly issue of said newspaper, and not in any supplement, thereafter for the full period of one consecutive weeks, the last publication thereof being in the issue dated July 15, 1943.

A. L. Bert

Subscribed and sworn to before me on 7-16-43

Leatrice L. Decker

Notary Public

Publishers Fees 6.20

Commission Expires December 24, 1945

NOTICE OF PUBLICATION  
The foregoing Notice of Publication has been granted, and where such protection and no more for such purposes are ratified since the expiration of a similar order, No. 476, which expired December 1, 1942. This case is set for 10 A. M. August 3, 1943.  
Any person having any interest in the subject of said hearing is entitled to be heard.  
The foregoing Notice of Publication was made pursuant to the direction of the Commission at its Executive Meeting June 22, 1943.  
Given under the seal of said Commission at Santa Fe, New Mexico, on July 8, 1943.  
OIL CONSERVATION COMMISSION,  
BY (SGD) JOHN P. [Signature]  
Secretary.  
(SEAL) 28-1t

The foregoing Notice of Publication was made pursuant to the direction of the Commission at its Executive Meeting June 22, 1943. Given under the seal of said Commission at Santa Fe, New Mexico, on July 8, 1943.  
 OIL CONSERVATION COMMISSION,  
 By (sgd.) JOHN M. KELLY, Secretary.  
 (SEAL)  
 Pub. July 13, 1943.  
 Received payment,

# Affidavit of Publication

State of New Mexico, }  
 County of State Fe } ss.

I, A. N. Morgan, being first duly sworn, declare and say that I am the (~~Business Manager~~) (Editor) of the Santa Fe New Mexican, a daily newspaper, published in the English Language, and having a general circulation in the City and County of Santa Fe, State of New Mexico, and being a newspaper duly qualified to publish legal notices and advertisements under the provisions of Chapter 167 of the Session Laws of 1937; that the publication, a copy which is hereto attached, was published in said paper once each week for one time ~~advertisement~~ in the regular issue of the paper during the time of publication, and that the notice was published in the newspaper proper, and not in any supplement, ~~advertisement~~ for one time ~~advertisement~~ publication being on the 13th day of July, 1943. ~~advertisement~~ XXXXX, that payment for said advertisement has been (duly made), or (assessed as court costs); that the undersigned has personal knowledge of the matters and things set forth in this affidavit.

A. N. Morgan  
 Editor ~~Business Manager~~

Subscribed and sworn to before me, this 13th day of July, A.D., 1943.

Anna K. Ormrod  
 Notary Public.

My Commission expires June 11, 1945

By.....

# New Mexico Asphalt & Refining Co.

Petroleum Products

Artesia, New Mexico

Phone  
750 & 751

P. O. Box  
306

June 17, 1943.

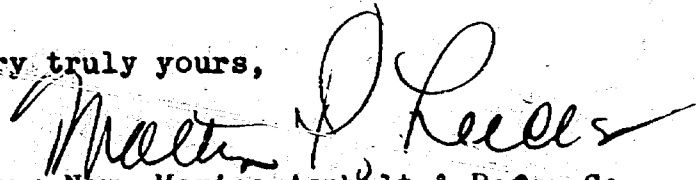
Hon. Carl B. Livingston,  
Chief Clerk and Legal Advisor,  
Oil Conservation Commission,  
Santa Fe, N.M.

Dear Mr. Livingston:

I am enclosing our application for a request to include the Benson Area, Township 19, Range 30 East, Eddy County, New Mexico in order #476. This new asphaltic well was brought in by Harvey Yates in Section 16, Township 19, Range 30 East. Will you be kind enough to present to to the Commission?

Kind regards.

Very truly yours,



For: New Mexico Asphalt & Refg. Co.

WPL:w  
Encl.

IN THE MATTER

OF

APPLICATION OF THE NEW MEXICO ASPHALT &  
REFINING COMPANY TO FURTHER AMEND ORDER  
NO. 476 OF THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO SO AS TO ALLOW  
THE NEWLY DISCOVERED BENSON AREA IN EDDY  
COUNTY NEW MEXICO (PRODUCING ASPHALTIC  
BASE CRUDE) TO PRODUCE 100 BARRELS PER  
DAY PER UNIT OF PRODUCTION IN ORDER TO  
FILL APPLICANT'S REQUIREMENTS FOR A TOTAL  
OF 1500 BARRELS DAILY OF ASPHALTIC BASE  
CRUDE, AND SO THAT SAID BENSON AREA  
MAY NOT BE DISCRIMINATED AGAINST IN THE  
MATTER OF DAILY ALLOWABLES BY OTHER  
ASPHALTIC AREAS FOR THE PURPOSE OF  
MAINTAINING THE DELIVERIES OF ASPHALT  
AND ROAD OILS TO THE U. S. ARMY ENGINEERS  
FOR AIR BASE PROJECTS THROUGHOUT THE  
STATE OF NEW MEXICO AND WEST TEXAS,  
AND FOR THE PURPOSE OF MAINTAINING THE  
DELIVERIES OF ASPHALTIC MATERIALS TO THE  
NEW MEXICO HIGHWAY DEPARTMENT FOR PAVING  
OF ROADS WHERE FEDERAL APPROVAL FOR PAV-  
ING SUCH HAS BEEN GRANTED, SAID AMENDED  
ORDER TO BE EFFECTIVE FROM JUNE 25th,  
1943, to SEPTEMBER 1st, 1943.

CASE NO. \_\_\_\_\_

APPLICATION  
FOR  
EXTENSION AND  
MODIFICATION.

\* \* \* \* \*

TO THE HONORABLE  
NEW MEXICO OIL CONSERVATION COMMISSION:

I.

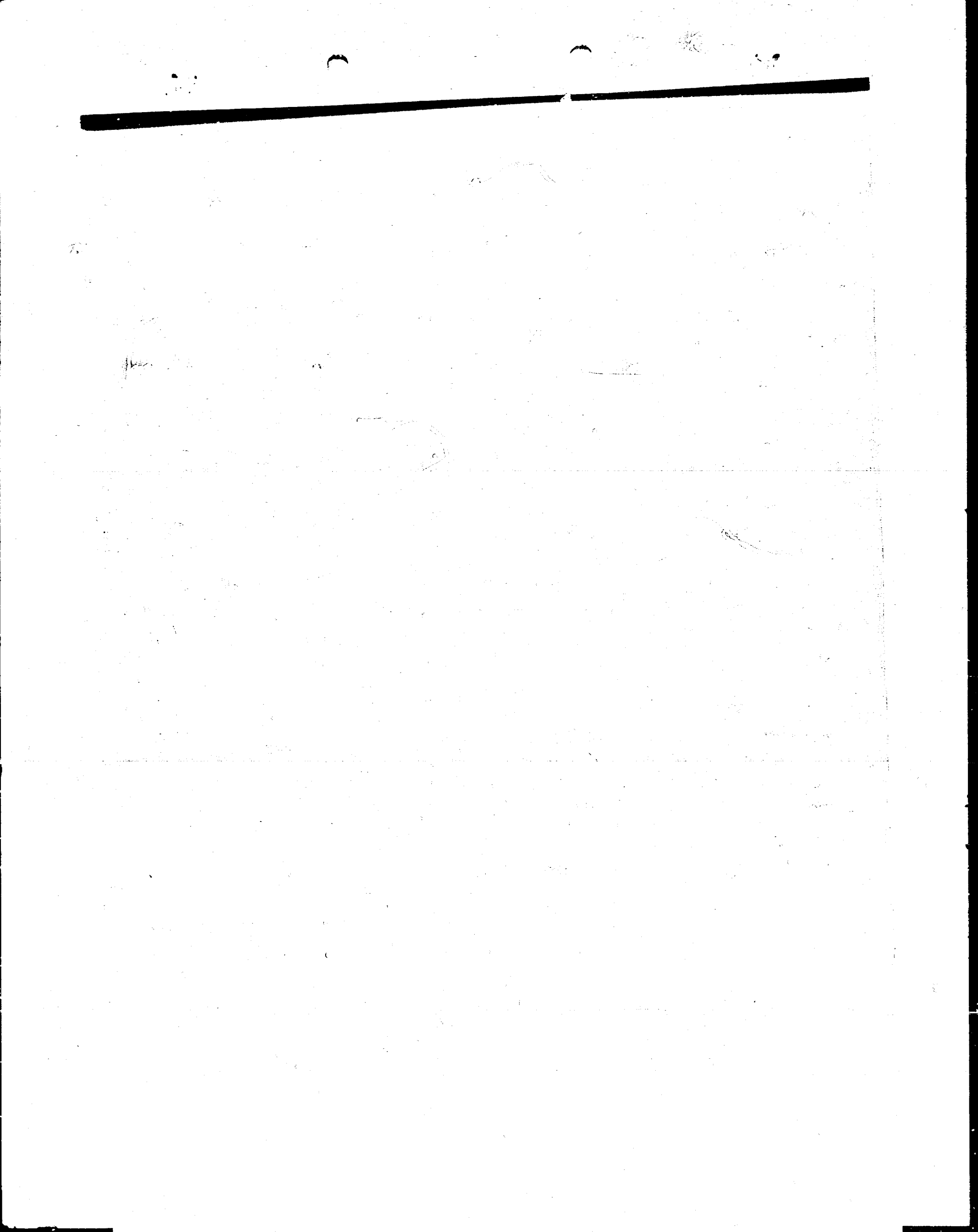
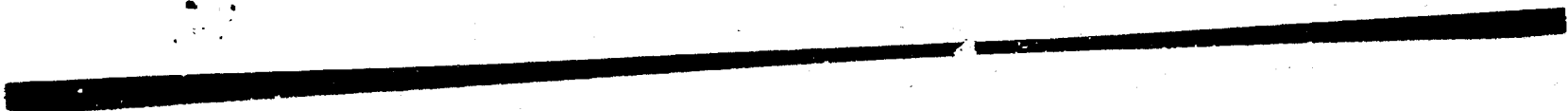
NOW COMES the NEW MEXICO ASPHALT & REFINING COMPANY of  
Artesia, New Mexico, and respectfully requests that an em-  
ergency order be issued to extend the scope of Order #476  
heretofore issued by it, so that the newly discovered Benson  
area (producing asphaltic crude ) may be included in said  
order, allowing said Benson area to produce 100 barrels  
of asphaltic base crude per unit of production per day,  
in order that applicant may supply essential asphaltic  
materials to the U. S. Army Engineers in the State of  
New Mexico and Texas, and to the New Mexico Highway  
Department for the paving of roads where Federal approval  
for such paving has been granted, and so as to prevent any

discrimination in the matter of daily allowables of asphaltic crude by other areas in the State of New Mexico, and that said order be effective from June 25, 1943, to September 1st, 1943.

Respectfully submitted:

NEW MEXICO ASPHALT & REFINING COMPANY

BY: Walter P. Luck, Vice-President.



# New Mexico Asphalt & Refining Co.

Petroleum Products

Artesia, New Mexico

Phone  
750 & 751

P. O. Box  
306

February 12, 1943.

Hon. Carl B. Livingston,  
Chief Clerk & Legal Advisor,  
Oil Conservation Commission,  
Santa Fe, N.M.

Dear Sir:

We are enclosing herewith, in triplicate,  
Petition for Ninety days extension to order #476  
which has been signed by the Secretary-Treasurer  
of the company.

Thanking you, we are,

Very truly yours,

NEW MEXICO ASPHALT & REFINING CO.

BY: W. J. Smith  
Secretary.

Encl.  
(3)

IN THE MATTER

OF

APPLICATION OF NEW MEXICO ASPHALT &  
REFINING COMPANY TO AMEND ORDER #476  
OF THE OIL CONSERVATION COMMISSION OF  
THE STATE OF NEW MEXICO ALLOWING THE  
WEST LUSK, EAST LUSK AND BARBER AREAS,  
EDDY COUNTY, NEW MEXICO, (BEING ASPHALTIC  
BASE PRODUCTION) TO PRODUCE 100 BARRELS  
PER DAY PER UNIT OF PRODUCTION IN ORDER  
TO FILL APPLICANT'S REQUIREMENT FOR 1500  
BARRELS DAILY OF THE TYPE OF CRUDE  
PRODUCED IN SAID AREAS FOR THE PURPOSE  
OF MAINTAINING DELIVERIES OF ASPHALT  
AND ROAD OILS TO THE U. S. ARMY ENGINEERS  
FOR AIR BASE PROJECTS THROUGHOUT THE  
STATE OF NEW MEXICO AND TEXAS, SO THAT  
THE TIME LIMIT SET FORTH IN SAID ORDER  
#476 BE EXTENDED FOR A PERIOD OF NINETY  
DAYS FROM MARCH 1st, 1943, VIZ; to  
JUNE 1st, 1943.

CASE NO. \_\_\_\_\_

APPLICATION  
FOR  
EXTENSION

\*\*\* \*\* \*\* \*\* \*\*

TO THE HONORABLE  
NEW MEXICO OIL CONSERVATION COMMISSION:

Now comes New Mexico Asphalt & Refining Company  
of Artesia, New Mexico, and respectfully request that an  
emergency order be issued to extend the scope of Order #476  
heretofore issued by it, so that the time limit for the allow-  
able for asphaltic base crude production of 100 barrels per  
unit of production per day in the Barber, West Lusk and East  
Lusk areas, Eddy County, New Mexico, for the purpose of supplying  
essential asphaltic materials to the U. S. Army Engineers in  
the State of New Mexico and Texas, be extended for a period  
of ninety days from March 1st, 1943, viz; to June 1st, 1943.

I.

That applicant is committed to make deliveries  
of asphalt and road oil to be manufactured from such asphaltic  
crude oil produced in the Barber, West Lusk and East Lusk



areas, Eddy County, New Mexico, to the U. S. Army Engineers in the State of New Mexico and Texas, and that the manufacture of such asphaltic materials and the delivery thereof will be continued at least to June 1st, 1943.

Respectfully Submitted:

NEW MEXICO ASPHALT & REFINING COMPANY

BY: M. W. Wainwright  
Secretary-Treasurer.

IN THE MATTER

OF

APPROPRIATION OF NEW ZEALAND ASSOCIATION  
& RETAINING JOINTLY TO BEAD  
ORDER #476.

OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

P. O. Box 871

December 11, 1942

C  
O  
P  
Y  
  
Mr. Walter P. Lusk  
H. M. Asphalt & Refining Co.,  
Artesia, New Mexico

Re: Order No. 476 - Petition for 90 day  
extension.

Dear Mr. Lusk:

In considering your petition in the above captioned matter in the light of new developments it is desired by the Commission that the East Lusk Field be included, in that said field is now producing oil of asphaltic base similar to the other fields that were included in Order No. 476 under which you have been operating. For that purpose your petition is returned.

Very truly yours,

Carl B. Livingston  
Chief Clerk & Legal Advisor

CEL:MS

**New Mexico Asphalt & Refining Co.**  
**Petroleum Products**

Phone  
750 & 751

Artesia, New Mexico

P. O. Box  
306

December 2, 1942.

Hon. Carl B. Livingston,  
Chief Clerk & Legal Advisor,  
Oil Conservation Commission,  
Santa Fe, N.M.

Dear Sir:

We are returning to you herewith Petition for  
90 days extension in order #476, which has been signed  
by our Mr. Walter P. Luck.

Thanking you, we are,

Very truly yours,

NEW MEXICO ASPHALT & REFINING CO.

BY: Alvin  
Secretary.

OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

P. O. Box 871

November 25, 1942

Mr. Walter P. Lusk  
M. H. Asphalt & Refining Co.,  
Artesia, New Mexico

Dear Mr. Lusk:

Re: Order No. 476 - Petition for 90 day  
extension

It has been discovered that your petition  
has not been signed, for which purpose it is herewith  
returned.

Mr. Kelly and I expect to be in Artesia early  
next week at which time we shall be happy to go into the  
matter with you.

Very truly yours,

Carl B. Livingston  
Chief Clerk & Legal Advisor

CBL:MS

C  
O  
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Y

OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

P. O. Box 871

November 21, 1942

C  
O  
P  
Y

Mr. Walter P. Luck  
New Mexico Asphalt & Refining Co.  
Artesia, New Mexico

Dear Mr. Luck:

Reference is made to your letter of November 19 enclosing petition for the extension of Order No. 476 to include the coming December, January and February proration months.

The petition will be brought to the attention of the Commission.

Very truly yours,

Carl R. Livingston  
Chief Clerk & Legal Advisor.

GBL:MS

**New Mexico Asphalt & Refining Co.**  
**Petroleum Products**

Phone  
750 & 751

Artesia, New Mexico

P. O. Box  
306

November 19, 1942.

Hon. Carl B. Livingston,  
Chief Clerk & Legal Advisor,  
Oil Conservation Commission,  
Santa Fe, N.M.

Dear Mr. Livingston:-

I am enclosing, in triplicate, application of this  
company to extend the time limit of Order #476 to  
March 1st, 1943.

I trust you will find the same in order, and with  
kindest personal regards, I am,

Sincerely yours,

WPL:w

*Walter P. Luck*  
Walter P. Luck.

**CONSERVATION COMMISSION**  
SANTA FE, NEW MEXICO

P. O. Box 871

December 19, 1942

Mr. Walter P. Lusk  
New Mexico Asphalt & Refining Co.  
Artesia, New Mexico

Re: H. M. Asphalt & Refining Company Petition to  
extend Order 476 for a three month period  
and to include an addition for the area the  
East Lusk Field.

Dear Mr. Lusk:

This is to acknowledge receipt of your letter  
of December 17 amending your petition so as to include in  
addition the East Lusk Area.

In behalf of the Commission please permit me  
to thank you for your prompt attention in the matter.

Very truly yours,

Carl S. Livingston  
Chief Clerk & Legal Advisor

CHL:MS



# New Mexico Asphalt & Refining Co.

Petroleum Products

Phone  
750 & 751

P. O. Box  
306

Artesia, New Mexico

December 17, 1942

Honorable Carl B. Livingston  
Chief Clerk & Legal Advisor  
New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

Dear Sir:

Enclosed herewith you will please find original and two copies of Application for Extension to amend Order #476, said Application having been made to cover production from the Barber, West Lusk, and East Lusk areas, Eddy County, New Mexico as per instructions of your letter of December 11th.

We wish to thank you for your assistance in this matter and hope that the enclosed meets with your approval. Please advise if there is anything further to be done by us.

Very truly yours,

NEW MEXICO ASPHALT & REFINING CO.

BY: A. Livingston

8

Encls.-3

IN THE MATTER

OF

APPLICATION OF NEW MEXICO ASPHALT & REFINING COMPANY TO AMEND ORDER #476 OF THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO ALLOWING THE WEST LUSK, EAST LUSK, AND BARBER AREAS, EDDY COUNTY NEW MEXICO, (BEING ASPHALTIC BASE PRODUCTION) TO PRODUCE 100 BARRELS PER DAY PER UNIT OF PRODUCTION IN ORDER TO FILL APPLICANT'S REQUIREMENT FOR 1500 BARRELS DAILY OF THE TYPE OF CRUDE PRODUCED IN SAID AREAS FOR THE PURPOSE OF MAINTAINING DELIVERIES OF ASPHALT AND ROAD OILS TO THE U. S. ARMY ENGINEERS FOR AIR BASE PROJECTS THROUGHOUT THE STATE OF NEW MEXICO AND TEXAS, SO THAT THE TIME LIMIT SET FORTH IN SAID ORDER #476 BE EXTENDED FOR A PERIOD OF NINETY DAYS FROM DECEMBER 1st, 1942, VIZ; TO MARCH 1st, 1943.

CASE NO. \_\_\_\_\_

APPLICATION

FOR

EXTENSION

-o-o-o-o-o-o-

TO THE HONORABLE  
NEW MEXICO OIL CONSERVATION COMMISSION:

Now comes NEW MEXICO ASPHALT & REFINING COMPANY of Artesia, New Mexico, and respectfully request that an emergency order be issued to extend the scope of Order #476 heretofore issued by it, so that the time limit for the allowable for asphaltic base crude production of 100 barrels per unit of production per day in the Barber, West Lusk, and East Lusk areas, Eddy County, New Mexico, for the purpose of supplying essential asphaltic materials to the U. S. Army Engineers in the State of New Mexico and Texas, be extended for a period of ninety days from December 1, 1942, viz: to March 1, 1943.

I.

That applicant is committed to make deliveries of asphalt and road oil to be manufactured from such asphaltic crude oil produced

in the Barber, West Lusk, and East Lusk areas, Eddy County, New Mexico, to the U. S. Army Engineers in the State Of New Mexico and Texas, and that the manufacture of such asphaltic materials and the delivery thereof will be continued at least to March 1st, 1943.

Respectfully submitted:

NEW MEXICO ASPHALT & REFINING COMPANY

BY: *Alfred W. Meyer*  
Sec.-Treas.

IN THE MATTER OF

APPLICATION OF NEW MEXICO  
ASPHALT & REFINING COMPANY  
TO AMEND ORDER #476 OF THE  
OIL CONSERVATION COMMISSION  
OF NEW MEXICO