

Case No.

47

Application, Transcript,
Small Exhibits, Etc.

SECTION 10
LOCATION TO DEEP POOLS + FIELD
RELEASE

Case 47

STANOLIND STATEMENT FOR CASE NUMBER 47 PRESENTED
AT THE HEARING BEFORE THE NEW MEXICO OIL CONSER-
VATION COMMISSION IN SANTA FE ON AUGUST 3rd,
AT 10 A. M.

1. Stanolind would favor a plan whereby the allowable for wells at depths below the present producing horizons would be proportional to depth and/or cost of development. Deeper wells in Southeastern New Mexico will cost amounts greatly exceeding the cost of present wells and up to \$250,000.00 or more. This depends upon the nature of the geological formations to be drilled. The expense of drilling and completing wells in the lower formations increases in a greater proportion than the depth due to the harder formations to be penetrated, greater mechanical difficulties, and increased hazards. For instance, we would favor an allowable based on a sliding scale whereby a 10,000' producer would realize an allowable of approximately four times that of a 5,000' producer, and with wells in between these depths receiving allowables commensurate with their respective depths.

We feel that the increased allowables for deeper development are necessary to stimulate and encourage such development and to increase the known reserves for the State. Encouraging deeper productions prevents waste since the deeper reserves would likely not be developed otherwise. An extension into New Mexico of the present drilling campaign in West Texas for Ordovician production should be encouraged.

2. Regarding the establishment of a definite size of drilling unit for deeper production, it is difficult to assign a certain number of

1.

acres to each well prior to the accumulation of pertinent subsurface data. However, Stanolind favors a relatively wider spacing of wells. For Ordovician production, we favor 160 acre drilling units. With this size of unit, the productive limits of the field and general characteristics of the reservoir rock-- such as permeability, porosity, fluid content, and type of reservoir energy or control-- can be determined with a minimum number of wells. If these facts indicate the need for a closer spacing pattern to insure maximum ultimate recovery from the pool, more wells may be drilled at a later date on fractional parts of the basic 160 acre units.

The Commission should require the drilling of each well on the 160 acre unit in the center of some 40 acre tract. This would preclude the establishment of a non-uniform spacing pattern for later drilling.

**THE ATLANTIC REFINING COMPANY
PETROLEUM PRODUCTS**

**MAGNOLIA BUILDING
DALLAS, TEXAS**

July 13, 1943

**E. H. BLUM
VICE PRESIDENT AND GENERAL MANAGER
DOMESTIC PRODUCTION**

Mr. John Kelley,
State Geologist
New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Dear John:

Thank you for your letter of July 9th with reference to the hearing on allocation of production to deep pools.

I will make every effort to attend the hearing on August 3rd, and though I have no reluctance to give my ideas concerning this matter I am sure that others would be in a far better position to present data on costs of deep wells, etc. than I would, and I would suggest that that sort of testimony be arranged for.

There is little of that sort of information available on New Mexico wells, but as you know, considerable deep drilling is being done in Andrews, Winkler, Ward, Reagan and Pecos Counties, Texas, and costs in some of the areas involved would be comparable to those that might be expected in Southeast New Mexico. If you have any specific types of information you think you will need, please inform me and I will try to gather it for you.

Yours very truly,


EDGAR KRAUS

EK:hc

GENERAL OFFICES, PHILADELPHIA, PA.

SUN OIL COMPANY

SOUTHWEST DIVISION

FIRST NAT. BANK BUILDING

DALLAS, TEXAS

August 2nd, 1943

J. H. PRESSLEY
MAN. OF LAND DEPT.

JOHN A. RITTER
SUPT. PRODUCTION DEPT.

J. EDGAR PETT... VICE PRES.
GENERAL DIRECTOR
PHILADELPHIA, PA.

JNO. G. FEW
ASST. TO VICE PRESIDENT AND DIRECTOR
DALLAS, TEXAS

Hon. John M. Kelly,
New Mexico Oil Conservation Comm.,
Santa Fe, N. Mexico,

Subject: Case No. 47

Dear Sir:

Sun Oil Co. is very sorry to be unable to have a representative present at your hearing (Case No. 47) on Aug. the 3rd to place its views before your body. We would like to have this letter made a part of the record of the hearing, if possible.

We favor an increase in the size of the proration unit for deeper wells. We suggest that wells between 5000 and 7000 feet be assigned 80 acres, and deeper wells be considered as developing on 160 acre units. (The shape of the unit should conform with the P. A. W. Order No. 11 requirements, we believe.)

Allowables should also be increased, we believe, with depth and size of the unit. If it were practicable to have the acreage unit 50 - 60, etc., acres as depths from 5000 - 5500', etc., were reached, we believe that the same per-acre allotment now given normal 40 acre units would suffice. We suggest as a substitute that wells from 5000 to 7000' be given twice the normal 40 acre allowable and deeper wells on 160 acres be given 4 times the normal 40 acre allowable.

We believe that spacing of wells 660' from property lines, and 1320' from wells on adjacent properties, except in the case of 160 acre units when 2640' between wells, will suffice.

Yours truly,

F. E. Heath

F. E. Heath

FEH:sg

per my letter to you

TELEPHONE 107

CARPER

OIL PRODUCTION & DRILLING

DRILLING COMPANY, IN THE CARPER BUILDING, ARTESIA, NEW MEXICO

July 26, 1943

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Attention Mr. John Kelly

Dear Mr. Kelly:

In reply to your letter of July 9th regarding ideas as to methods of figuring allocation I am quite sure that you are already familiar with my ideas in this particular area which is the only one that I feel we should have anything to say about. As you know, I am in favor of a twenty-five barrel allowable in the Loco pool and thirty-four in the Mal'amar on account of gas conservation. As to the other pools in which my company is interested we hope that the allowable will not go any higher than it now is as we figure that it would mean a waste of gas which would much sooner bring us to the pumping stage.

I do not think I will be able to attend the meeting of August 3rd as there is nothing coming up in which I am vitally interested other than that already stated.

With best regards, I am,

Yours very truly,

CARPER DRILLING COMPANY

By

Ernest Carper

EC:TC

HUMBLE OIL & REFINING COMPANY

MIDLAND, TEXAS

J. W. HOUSE

July 28, 1943

Mr. C. G. Staley
Hobbs, New Mexico

Dear Sir:

Mr. Ralph Fitting has collaborated with me in gathering and analysing the data presented on the accompanying plat entitled "Relationship Between Drilling Depth and Well Cost". As drilling costs were obtained from a number of operators and are considered confidential information, no identity or weight has been assigned to the data points on the graph. The material has been divided into three classes, dry wildcat wells, wells encountering substantial amounts of chert, and producing field wells. The data on dry wildcat wells is presented to supplement and substantiate the material on producing wells. The data on wells encountering chert is shown to indicate the increased cost attendant upon drilling substantial amounts of this material. As the thickness of the chert, depth of its occurrence, and areal extent are all unknown factors prior to exploratory drilling, any discussion of compensatory allowable arising therefrom is premature at this time.

A straight solid line has been projected through the data points for producing wells to a depth of eleven thousand feet. This line is assumed to represent the present drilling cost for producing wells below five thousand feet. As lead lines, tankage and other lease facilities are constant factors not materially effected by drilling depth, their cost is not included in the straight line relationship. Based upon this drilling cost, it may be noted that the costs to drill to 7000, 9000, and 11,000 feet are integer multiples of the cost to drill to 5000 feet. In order that an operator may be assured his fair share of the Lea County allowable throughout the productive life of his property commensurate with the relative drilling cost, an allocation of two, three or four times the top allowable for a well drilled to 5000 feet or less would need to be assigned respectively to wells drilled to 7000, 9000, and 11000 feet.

In order to conform with the land subdivisions in New Mexico and to use a minimum of critical war materials, the well spacing pattern could be made progressively wider with depth of drilling such that the drilling unit would be 80, 120, and 160 acres for 7000, 9000, and 11000 feet respectively. Drilling units comprising a lesser number of acres than those proposed above would obtain a fractional part of a unit allowable. An effort should be made to restrict drilling to the center

of 40 acre tracts in a staggered pattern to insure as much uniformity as possible in reservoir withdrawal.

It is believed that such a field development program would tend to promote exploratory drilling during the initial development of the field, would encourage unitization of properties up to the size of the drilling unit for the field prior to their development, and would afford sufficient flexibility to permit of closer and more uniform drilling at some later date should that become advisable.

Should it be deemed advisable to encourage wildcat drilling, the discovery well in any field might receive twice the allowable assigned to a field well for the same drilling depth and unit acreage for a period of eighteen months.

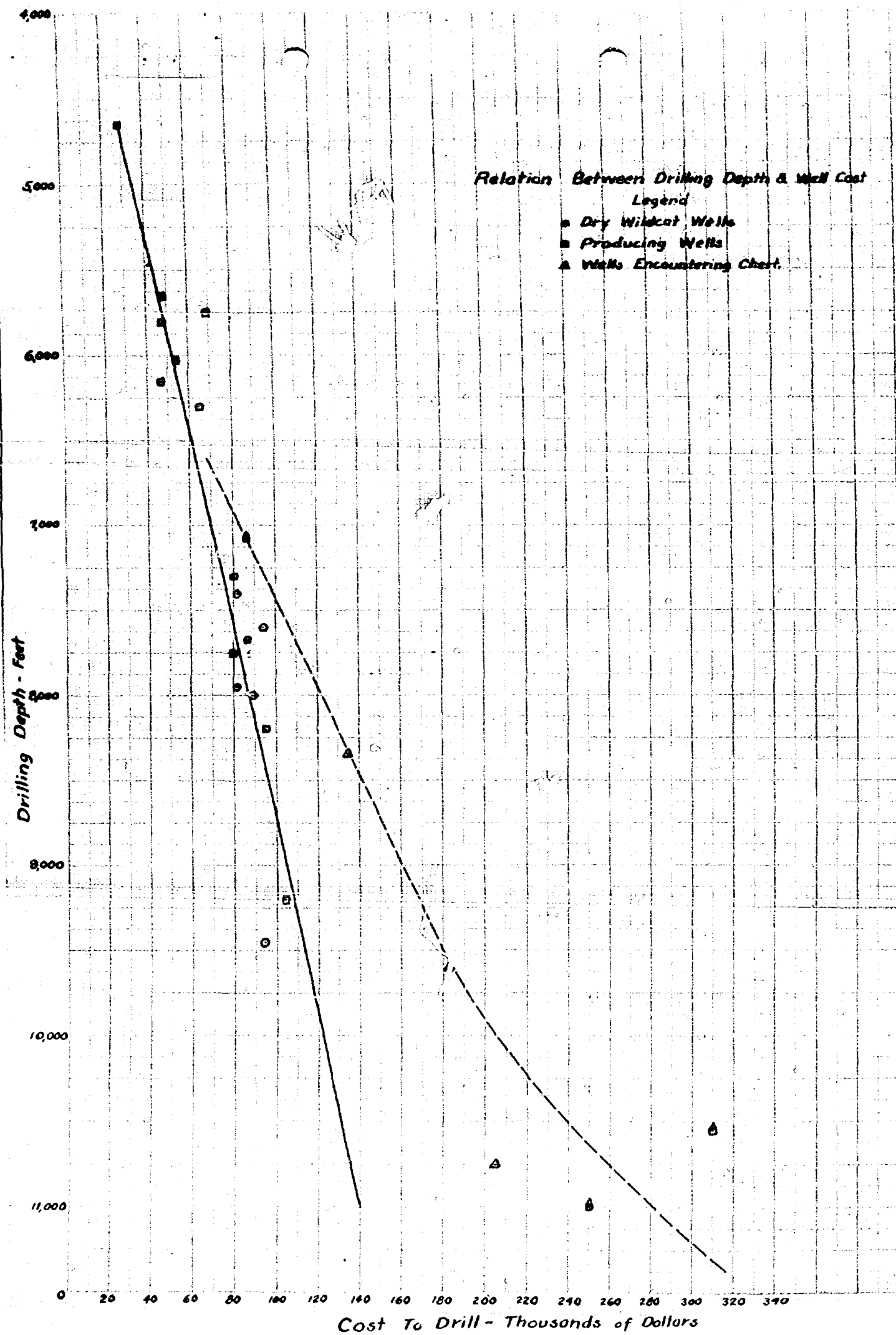
Trusting that the above analysis may be of help, I am

Very truly yours,

J. W. HOUSE

By R. S. Dewey
R. S. Dewey

RSD/ob



HUMBLE OIL & REFINING COMPANY
HOUSTON, TEXAS

July 28, 1943

File: 6-1
Hearing - 8/3/43

Mr. John M. Kelly, Director
New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Dear Sir:

Your letter addressed to Mr. Suman with reference to the hearing in case No. 47 scheduled for August 3, 1943, has been referred to me for reply. In this connection I wish to advise Mr. J. P. Ruckman and Mr. R. S. Dewey will be present to represent the Humble Oil and Refining Company.

Very truly yours,



W. E. HUBBARD

A. M. McCORKLE, CHAIRMAN
OPERATORS COMMITTEE

GLENN STALEY, CHAIRMAN
ENGINEERING COMMITTEE

LEA COUNTY OPERATORS COMMITTEE
HOBBS, NEW MEXICO

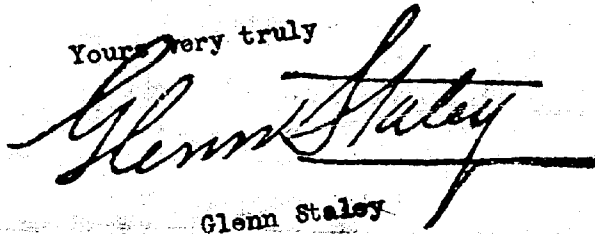
January 29, 1945

Mr. Carl E. Livingston
Oil Conservation Commission
Santa Fe, New Mexico.

Dear Carl:

Please find enclosed the transcript of Case No. 47
which you so kindly loaned me and for which I thank you
very much.

Yours very truly



Glenn Staley

NEVILLE G. PENROSE
FAIR BUILDING
FORT WORTH, TEXAS

Thu 2nd

John - I will be there to attend your
meeting on Aug 3rd with a guest.
H. B. Fiquera of The Gulf. In case
you don't know him well. you will
have an opportunity to become better
acquainted - He is well worth
knowing - We have reservations at
The La Fonda for Thu 2nd

Sincerely,

Neville

V. S. Welch
Oil Producer and Operator
Artesia, N. M.

July 13, 1943.

John M. Kelly,
Director
Oil Conservation Commission
Santa Fe, New Mexico

Dear John:

I have yours of July 9th together with Notice of
Publication for hearing to be held on August 3rd.
Thanks for same. If I can be helpful in any way
in connection with this hearing I will be glad
to attend.

With kindest personal regards, I am,

Sincerely yours,

V. S. Welch

V. S. Welch

VSW:LS

GEORGE P. LIVERMORE, INC.
DRILLING CONTRACTORS—DIESEL EQUIPMENT

816 LUBBOCK NATIONAL BUILDING

LUBBOCK, TEXAS

July 21, 1943

Mr. John M. Kelley, Director
New Mexico Oil & Gas Conservation Commission
Santa Fe, New Mexico

Dear John:

I am in receipt of your letter of July 9th, relative
to the meeting to be held at Santa Fe on August 3rd.

Wish to advise I will make my plans to be there and
will give you what little information and personal experience I
have relative to deeper drilling in New Mexico.

With kindest personal regards, I am,

Yours very truly,

GEORGE P. LIVERMORE, INC.

George P. Livermore
President

GPL/h

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

August 4, 1943

Mr. F. E. Heath
Sun Oil Company
First Nat. Bank Building
Dallas, Texas

Re: Case No. 47

Dear Mr. Heath:

This will acknowledge receipt of your letter
of August 2 with regard to the above captioned case.
Your letter will be placed in the file of the hearing
of that case.

Very truly yours,

John M. Kelly
Director

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OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

July 9, 1943

Mr. Emory Carper
Carper Drilling Company
Artesia, New Mexico

Dear Mr. Carper:

I am enclosing a copy of our Notice of Publication for a hearing to be held August 3rd 1943 in order authorizing an increase of daily allowances for deep pools and fields with, of course, the corresponding increase of allowance to production units; the fixing of the size of the production and drilling units and regulating the well spacing therein; also defining the depth or depths of deep pools or fields.

This order naturally must be based on testimony presented before the Commission and we would appreciate it if you would give testimony on your ideas as to the method of figuring this allocation, taking into consideration economic and other factors involved.

Would you please notify us as soon as possible in regard to the above matter?

With kindest personal regards, I remain

Very truly yours,

John M. Kelly
Director

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OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

July 9, 1943

Mr. Wm. P. Walsh
Rosen, Walsh & Bates
Albuquerque, New Mexico

Dear Mr. Walsh:

I am enclosing a copy of our Notice of Publication for a hearing to be held August 3rd for an order authorizing an increase of daily allocations for deep pools and fields with, of course, the corresponding increase of allocations to production units the fixing of the size of the production and drilling units and regulating the well spacing therein; also defining the depth or depths of deep pools or fields.

This order naturally must be based on testimony presented before the Commission and we would appreciate it if you would give testimony on your views as to the method of figuring this allocation, taking into consideration economics and other factors involved.

Would you please notify us as soon as possible in regard to the above matter?

With kindest personal regards, I remain

Very truly yours,

John M. Kelly
Director

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OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

July 9, 1943

Mr. Neville G. Fennell
1814 Main Building
Ft. Worth, Texas

Dear Mr. Fennell:

I am enclosing a copy of our Notice of Publication for a hearing to be held August 1st for an order authorizing an issuance of fully allocated for deep pools and shallow wells. Of course, the corresponding issuance of allocation to production units the fixing of the size of the production and drilling units and regulating the well spacing therein; also defining the depth or depths of deep pools or fields.

This order naturally must be based on testimony presented before the Commission and we would appreciate it if you would give testimony on your ideas as to the method of allocating this allocation, taking into consideration economic and other factors involved.

Would you please notify us as soon as possible in regard to the above matter?

With kindest personal regards, I remain
Very truly yours,

John H. Kelly
Director

JHK:MS

COPY

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

July 9, 1943

Mr. Steve Hunsiffler
Hunsiffler Petroleum Company
Roswell, New Mexico

Dear Mr. Hunsiffler:

I am enclosing a copy of our Notice of Publication for a hearing to be held August 3rd for an order authorizing an increase of daily allocation for deep pools and fields with, of course, the corresponding increase of allocation to production units the fixing of the size of the production and drilling units and regulating the well spacing; therefore also defining the depth or depths of deep pools or fields.

This order naturally must be based on testimony presented before the Commission and we would appreciate it if you or a representative of your company would give testimony on your ideas as to the method of figuring this allocation, taking into consideration economics and other factors involved.

Would you please notify us as soon as possible in regard to the above matter?

With kindest personal regards, I remain

Very truly yours,

John M. Kelly
Director

JMK:MS

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OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

July 9, 1943

Mr. John Suman, Vice-President
Humble Oil Company
Houston, Texas

Dear Mr. Suman:

I am enclosing a copy of our Notice of Publication for a hearing to be held August 3rd for an order authorizing an increase of daily allowances for deep pools and fields with, of course, the corresponding increase of allowance to production units; the fixing of the size of the production and drilling units and regulating the well spacing therein; also defining the depth or depths of deep pools or fields.

This order naturally must be based on testimony presented before the Commission and we would appreciate it if your company would have a representative appear to give testimony on your ideas as to the method of figuring this allocation, taking into consideration economics and other factors involved.

Would you please notify us as soon as possible in regard to the above matter?

With kindest personal regards, I remain

Very truly yours,

John M. Kelly
Director

JMK:MS

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OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

July 9, 1943

Mr. George P. Livernore
Labbock, Texas

Dear Mr. Livernore:

I am enclosing a copy of our Notice of Publication for a hearing to be held August 3rd for an order authorizing an increase of daily allocation for deep pools and fields with, of course, the corresponding increase of allocation to production units; the fixing of the size of the production and drilling units and regulating the well spacing therein; also defining the depth or depths of deep pools or fields.

This order naturally must be based on testimony presented before the Commission and we would appreciate it if you or a representative of your company would give testimony on your ideas as to the method of figuring this allocation, taking into consideration economics and other factors involved.

Would you please notify us as soon as possible in regard to the above matter?

With kindest personal regards, I remain

Very truly yours,

John H. Kelly
Director

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OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

July 9, 1943

Mr. E. Olsen
R. Olsen Oil Company
2311 Ramsey Tower
Oklahoma City, Oklahoma

Dear Mr. Olsen:

I am enclosing a copy of our Notice of Publication for a hearing to be held August 3rd for an order authorizing an increase of daily allowances for deep pools and fields with, of course, the corresponding increase of allowable to production units; the fixing of the size of the production and drilling units and regulating the well spacing therein; also defining the depth or depths of deep pools or fields.

This order naturally must be based on testimony presented before the Commission and we would appreciate it if you or a representative of your company would give testimony on your ideas as to the method of figuring this allocation, taking into consideration economics and other factors involved.

Would you please notify us as soon as possible in regard to the above matter?

With kindest personal regards, I remain

Very truly yours,

John M. Kelly
Director

JMK:MS

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OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

July 9, 1943

Mr. Edgar Kneass
Atlantic Refining Company
Dallas, Texas

Dear Sir:

I am enclosing a copy of our Notice of Publication for a hearing to be held August 3rd for an order authorizing an increase of daily allowables for deep pools and fields with, of course, the corresponding increase of allowable to production units; the fixing of the size of the production and drilling units and regulating the well spacing therein; also defining the depth or depths of deep pools or fields.

This order naturally must be based on testimony presented before the Commission and we would appreciate it if your company would allow you permission to give testimony on your ideas as to the method of figuring this allocation, taking into consideration economics and other factors involved.

Would you please notify us as soon as possible in regard to the above matter?

With kindest personal regards, I remain

Very truly yours,

John M. Kelly
Director.

JMK:HS

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NATIONAL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

July 8, 1943

The Santa Fe New Mexican
Santa Fe, New Mexico

The Artesian Advocate
Artesia, New Mexico

The El Paso Daily News Sun
El Paso, New Mexico

Re: Case No. 47, 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 H. Kelly,
Director

By

Chief Clerk & Legal Advisor

CEL:MS

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CASE NO. 47

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

IN THE MATTER OF: THE APPLICATION OF THE NEW MEXICO
OIL CONSERVATION COMMISSION, UPON ITS OWN MOTION, FOR
AN ORDER, APPLICABLE TO DEEP POOLS AND DEEP FIELDS IN
EDDY AND LEA COUNTIES, AUTHORIZING UPON A REASONABLE
BASIS THE INCREASE OF DAILY ALLOCATION OF CRUDE PETRO-
LEUM OIL TO SUCH DEEP POOLS OR FIELDS AND THE CORRES-
PONDING INCREASE OF ALLOWABLE TO THE PRORATION UNITS
THEREIN; FIXING THE SIZE OF SUCH PRORATION AND DRILL-
ING UNITS AND REGULATING THE WELL SPACING THEREIN; DE-
FINING THE DEPTH OR DEPTHS OF DEEP POOLS OR FIELDS;
FOR THE PURPOSE OF SUCH ORDER AMENDING THE STATEWIDE
PRORATION ORDER OR OTHER ORDER IN CONFLICT.

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. V. Fitting	Shell Oil Co., Inc.	Midland, Texas
H. J. Kemler	Shell Oil Co., Inc.	Midland, Texas
R. B. F. Hummer	Phillips Petroleum Co.	Bartlesville, Okla.
C. 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	Atlantic Oil & Ref. Co.	Dallas, Texas
R. F. Windjohr	Nash, Windjohr & Brown	Ft. Worth, Texas
James M. Murray	Me-Tex Co's	Hobbs, N.M.
J. C. Echlin	American Employers Ins. Co.	El Paso, Texas
Glenn Staley	Lea County Operators	Hobbs, N.M.
K. M. Fagin	Magnolia Petroleum Co.	Dallas, Texas
S. P. Hannafin	Magnolia Petroleum Co.	Roswell, N.M.
C. G. Campbell	Texas Pacific Coal & Oil Co.	Midland, Texas

Leo R. Manning
W. K. Davis
Foster Morrell
Harry Leonard
Hugh L. Sawyers
John P. Morgan
J. O. Seth
R. S. Dewey
W. L. Morrison

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
Humble Oil Co.
Honolulu Oil Corp.

Santa Fe, N.M.
Jal, N.M.
Roswell, N.M.
Roswell, N.M.
Roswell, N.M.
Dallas, Texas
Santa Fe, N.M.
Midland, Texas
Lubbock, 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. 47

In the matter of the application of the New Mexico Oil Conservation Commission, upon its own motion, for an order, applicable to deep pools and deep fields in Eddy and Lea Counties, authorizing upon a reasonable basis the increase of daily allocation of crude petroleum oil to such deep pools or fields and the corresponding increase of allowable to the proration units therein; fixing the size of such proration and drilling units and regulating the well spacing therein; defining the depth of such deep pools or fields; for the purpose of such order amending the Statewide Proration Order or other order in conflict. 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"

BY MR. KELLY: The Commission has felt that deep drilling in New Mexico could be stimulated by changing somewhat our present proration plan, in order that we may take in the economic factor in figuring an allowable for deeper wells, and has,

therefore, called this hearing to obtain all information possible from its operators, as to what they believe is a reasonable proration plan for the deeper formations. The Commission would like to hear from Mr. Fitting, of the Shell Oil Company, at this time.

R. U. FITTING

being first duly sworn to tell the truth, the whole truth, and nothing but the truth, was asked to give his testimony in regard to the matter under consideration.

BY MR. FITTING: Mr. Dewey and I recognize that the Commission probably would need some cost data on deeper wells that had been drilled in the Permian Basin. We further recognize that very few deep wells had been drilled in the State of New Mexico, and therefore, we should probably have to borrow the information from the Permian Basin in Texas, in order to arrive at some cost data on which to base an allocation to deeper wells. From several operators we have obtained the costs of wells below 5000 feet to a maximum depth of 10,000 feet. This data is based on some 20 wells, and is, therefore, quite sketchy, because we don't yet know all of the facts as to what these wells will encounter. And furthermore, our data is not based on all the wells that have been drilled, but only the costs we have been able to procure.

We found, in general, the wells drilled to a depth of about 5500 feet would cost about \$45,000. That is, the normal drilling costs, it includes no unusual drilling problems, and is an average of several wells. We also found that the costs in a straight line relationship down to a depth of about 8000 feet cost around \$90,000. Below that depth, due to the fact that the wells drilled below the base of the Permian Basin formation, and then go into some other formation, depended on where located, encountered various formations, or various drilling hazards and costs. The costs

below that depth of 8000 feet were very erratic, although it might be said that a well to the depth of 10,000 feet would cost between \$220,000 and \$300,000.

We found that there was a very noticeable relation between the \$45,000 cost at 5500 feet and the \$90,000 cost at around 8000 feet, which would make it appear that in similar proportion to those depths they should have a double income for a well that cost \$90,000, as compared to the \$45,000 well. The reason that the costs below 8000 feet deep vary tremendously is that, in some cases, the Devonian Chert, or Montoya sections may or may not be encountered. Those sections are drilled with great difficulty and at an extremely high cost, and, obviously, some wells may go to a depth of 9000 feet, without encountering these formations, and the cost for such well would be less than a well of similar depth that encounters the hard Chert formations.

Our thought was that, since the proration unit in New Mexico is 40 acres, this could be limited to a depth of 5500 feet, and that a well could be granted 80 acres where the depth was 8000 feet, with each acre getting the same allocation as at present, but thereby a well between 5500 and 8000 feet in depth would secure 86 barrels, and would place the percentability on about the same basis as the shallow drilling is at the present time. And between 10,000 and 8000 feet in depth, that 160 acres be allocated to the well, and each 40 acre unit be allowed 43 barrels and the well lease, figure 172 barrels allowability.

In addition to these allowances, which we would suggest continue over the life of the well, also that development of the field will be made on the same basis as shallower drilling at the present time. We would suggest that a bonus be given to the first well so that this venture, which is usually a speculation, as contrasted with the later wells, will be induced, and we suggest that the allowability be doubled for

some sale. If for a period of three years the operator could expect his money back and 100% profit, or doubled for a period of 18 months, his pay-out would be shortened to about that period.

BY GOVERNOR DEMPSEY: What would happen in the event the off-set owner had only 80 acres?

BY MR. FITTING: In the case of those to which 160 acres had been ascribed.

BY GOVERNOR DEMPSEY: Yes?

BY MR. FITTING: As I read the statutes, it appears to me that the Commission can force that 80 acres to be grouped with another 80 acres, so as to arrive at the 160 acres to be ascribed to it.

BY GOVERNOR DEMPSEY: You mean under unitization?

BY MR. FITTING: Yes.

(Witness excused)

EDGAR KRAUS

being called as a witness, and being first duly sworn, was asked to give his testimony in regard to the matter under consideration.

BY MR. KRAUS: If the Commission please, I think we should clarify, really, what we are doing. Fundamentally, the State of New Mexico has been operating under a plan of proration whereby the allocation to the various pools in Eddy and Lea Counties, among the pools, I am talking about, is on a straight acreage basis, unit basis. Now I think we are talking about a change of that fundamental plan, and for the moment I would like to keep out of the talks any allowable within the pool itself, but merely among the pools, and we are saying now that, besides this factor of acreage or units, we should inject some other factors. One of those factors mentioned is cost, and we are saying that cost, in some measure, is reflected by the depth of the well. Recognizing that it is an inexact measure, of necessity, my own opinion is that it is a valid factor to

inject in any allocation plan. It has been recommended by such bodies as the Well Spacing and Allocation Committee of the American Petroleum Institute. But you will note that I say it is a factor, and by no means is it the only or most important factor.

I think we should not think about allocating to pools entirely on the basis of depth. We should still consider, as a very important factor, acreage, or productive units. We should also consider, in my opinion, reserves. It is true that in the past reserves have been reflected, in great measure, by the acreage. The larger the pool, the larger the reserves, in general.

Now, getting specific, and having allotted to a pool, if it is fully developed on the basis of these other factors, we then have other problems within the pool, itself. And they should be considered on a pool basis alone. Those problems, among others, well spacing, and I believe that should be considered only on a pool basis, when we have enough information to warrant it. That information would include knowing what formation we are producing from, and we should know something about the pressures, something about the viscosity of the oil, etc. Spacing is not nearly as important as the total allocation to the pool, which should never exceed some maximum rate. I believe we should never forget, in all talks, these figures are given to carry with them that caution that the rate for any pool should never automatically reach an inefficient high rate. That would mean that, after the first producing well is drilled in any new area, a hearing be called to determine what the most desirable spacing would be. Getting the testimony from the operators and using that and the Commission's discretion in determining what the proper spacing is for that particular pool.

I believe the allocation to the pool should remain automatic as it is now, so that every operator would always know

and be able to check a proration schedule. That can be done by making the allocation on the depth factor in some proportion to the top allocation as we now know it, or the top allowable. My own idea about what that percentage should be is purely guess work. I think anybody has a right to express their ideas, and with plenty of information, what those measures should be. I would like to give my ideas, for the purpose of the record, and let anybody else give theirs.

I would suggest that all wells up to 5000 feet, or all pools up to 5000 feet in depth, be given the present allowable. I mean by that, a top allowable. That, when the pool is producing from a depth between 5000 and 6000 feet, the basic allowable be multiplied by 1.25. If between 6000 and 7000 feet, it be multiplied by $1\frac{1}{2}$ times the normal allowable. From 7000 to 8000 feet, by 1.75. From 8000 to 9000 feet, twice the allowable. From then on, a more rapid increase. From 9000 to 10,000 feet, $2\frac{1}{2}$ times the allowable. And any field that is producing from a depth below 10,000 feet, by giving three times the normal allowable.

Remember, I am still talking about fields, so that this would actually be on our same 40 acre basis. If, after the first well is discovered, and the testimony warrants, and the conditions are proper, and the Commission sees fit to establish drilling units greater in size than 40 acres, I would see nothing wrong in giving those larger units proportionately larger allowables. The problem is within the pool, and should be handled purely as such. I think that expresses my ideas about as well as I can. I haven't given much thought to the idea of discovery allowable, because it wasn't specifically included in the call. I would suggest that, if the Commission wishes to institute bonuses for discovery wells, they make every effort to avoid some of the pitfalls that have resulted in other States. It encourages not only wildcatting, but also

inefficient high rates of production for the first few wells that are drilled, and probably cause danger to the reservoir.

BY MR. GRAY: In determining the particular point to take for the depth dimensions it would be averaged, but should we not have a definite point on which to base that average?

BY MR. KRAUS: Yes, I believe the simplest way to determine where the pool should come within these blankets, the one that would cause the least trouble would be to use the first well producing zone, the top of the producing zone of the first well. Now it is sometimes very difficult to determine exactly where the top of the pay is. It might be a question of opinion. Perhaps the method to use would be to say that the casing point would be the operator's idea of where his top of pay was. Or if the casing went completely through it, I believe the first perforation would be his idea as to the top of the pay, and that point would be used as the depth to which his allocation would be given.

BY MR. GRAY: I notice the intervals you recommend are about 1000 feet each, as compared to 2500 to 2000 feet, or more, in Mr. Fitting's testimony. Is there any particular advantage in having the smaller spacing, or intervals?

BY MR. KRAUS: Personally, I think it would work fewer hardships, fewer inequities, if the intervals chosen were even smaller than 1000 feet. A man who happens to be in a pool just shy of a 6000 foot interval, for example, and one just a little greater than 7000 feet, might have too much difference in their allocations; whereas, if the intervals taken were of lesser degree, the curve would be smoothed out, and there would be less likelihood of complaint.

BY MR. GRAY: Some several years ago I believe evidence was presented to the Commission regarding the creation of a 40 acre drilling unit. I believe at that time there was quite a bit of reservoir information available, and other information, on which

could be based whether the well could probably drain that particular area. I am wondering now if we have enough experience in these formations of greater depth to justify predicting what the allocation or unit size should be.

BY MR. KRAUS: I want to make it plain, before answering your question, that, in general, I am known as a wide-spacer, and my feelings are all toward wide spacing. Nevertheless, I feel that we would be inexpert in now attempting to set up what would be a proper allocation unit, for there are so many possible variations in these deeper formations. Most of the people in this room, I imagine, are thinking of Ellenberger's production in the deeper formations. There are parts of Lea and Eddy Counties, however, which at these greater depths will be producing from zones in the Permian, maybe even in the Pennsylvania, and if you want to include northwestern New Mexico, might even be producing from the Dakota, and I, as a geologist and engineer would not now wish to set up any allocation unit that would cover all those possible formations.

BY MR. GRAY: I believe Mr. Fitting testified that, in his opinion, if the cost of drilling was doubled, the allocation should be doubled. In your present discussion you mentioned that cost was one factor, while reserves, and possibly operating expenses are other factors. It is your opinion, is it, that the factor to be used should be a compromise between all these factors?

BY MR. KRAUS: I don't like the word "compromise". I think a combination of all of the factors.

BY MR. GRAY: And in making that recommendation, is it being assumed that the reserves of the deeper horizons will approximate the already developed reserves per acre?

BY MR. KRAUS: I wish I knew, Mr. Gray. That is why I insisted on saying I would like to leave that matter for the individual fields. Certainly the reserves in one formation will be different than in another, and they might even differ in the same formation in different fields, depending on thickness,

permeability, etc.

BY MR. DEWEY: Mr. Kraus, in your mind, wouldn't it be preferable to establish wide spacing as soon as possible in a newly discovered pool, with the thought in mind that, when the characteristics of the pool become established, it is much easier to go back and develop the density of the wells, at that time based on good information, than to try to be able to use unnecessary wells that might be drilled on too close spacing in the early life of the pool?

BY MR. KRAUS: I think you have answered your own question. I don't think there is any question but that the first well, and even subsequent wells, in a pool should be drilled in such a way that the spacing pattern should not be frozen either too large or too small. Further answering you, I might say that the proper spacing for the first well should be in the center of the 160 acres.

BY MR. DEWEY: No, I would rather keep in the center of the 40 acres.

BY MR. KRAUS: You might do that by drilling four wells.

BY MR. DEWEY: My thought was that in deeper wells with 160 acres spacing to first drill in the center of some 40, and in time it would be possible to come back and drill fields with a density of two wells to the 160 acres, and still keep the 40 acre pattern by using alternate acres.

BY MR. KRAUS: Would we object to that proceeding if we know there would be a determination of the spacing pattern soon after discovery? Otherwise we might have 40 acre spacing forced upon us by drilling offsets, and all operators in the field and the Commission would prefer to see 160 acre spacing.

BY MR. LIVERMORE: The purpose of that has been to encourage wildcatting in New Mexico, and in New Mexico we have lots of 40 acre units. We have so far talked about the idea of spacing for drilling purposes, and with little or no consideration of the economic interest that might be under these units, and personally, don't you think that without the establishment of wildcat units, in which the economic interests of all parties

are taken care of, will retard wildcatting in New Mexico, or even deep developments. Personally, I have quite a few 40 acre tracts, and if we go into 160 acre spacing, in some instances the whole 160 acres are owned by one party, and unless the interests of everyone in these units are taken care of by some program of the Commission, that is going to retard wildcatting.

BY MR. KRAUS: I don't believe it would retard wildcatting, it might retard development after the discovery had been made.

BY MR. LIVERMORE: If the State goes on to a program, which apparently it is going to have to do, if you don't take care of that economic interest at the time, when are you going to? That should be taken care of beforehand, because if you don't, you are going to end up with 40 acre units, and the whole program will be broken up. I think what we are very much interested in is under the conditions right now, where the Federal Government is telling you what you can do.

BY GOVERNOR DEMPSEY: But the State is not doing it, and is not going to do it. I think, so far as wildcatting is concerned, we needn't worry about that. There is not going to be wildcatting until oil gets to the price that would encourage it.

BY MR. LIVERMORE: I think if you go into some kind of a program like this, the power to regulate unites, you would also have to take into consideration the Federal regulations. Incidentally, on this particular well we asked no assistance for Government materials, except from the small drilling contractor's standpoint, bits, etc. The Company does the drilling and furnishes all the pipe, tubing, casing, and we asked no assistance. Yet when the well was 6000 feet deep they put out an order and made it retroactive, and that well today is setting there, a 9100 foot well, with no allowable because the Federal Government said we couldn't produce. In the State of Texas, in an area which they had already given them a unit. I think you should consider the economic interests of everybody under a

unit. If I buy from Mr. Rodgers 40 acres, and somebody owns the other 120 acres in that 160 acre unit, I think I have an interest in that 160 acres, even if I am only drilling 40 acres. I think New Mexico should protect the 40 acre units, they sold it that way. I think all of those interests should be taken care of in a program like this, every economic interest should be taken care of along with the rest of it.

BY MR. KEMLER: I was just wondering if there couldn't be some solution of the problem--both you and Mr. Fitting mentioned the difference in depth, but skipping from 1000 to 2000 feet. Couldn't you and Gray, or a couple of engineers, sit down and draw a curve where every well at its respective depth would have its respective amount, equitable and fair to everyone? Then you wouldn't need to hold a hearing every time they discovered a new field and a deeper well.

BY MR. KRAUS: There would be no objection to that, except it might complicate things for the proration office. Whereas, a table once prepared, even at 100 foot intervals, might be more applicable.

BY MR. KEMLER: I really think probably when you skip only 50 feet it would bring about some inequities.

BY MR. KRAUS: I wasn't sent up here as an expert on that. I am just answering your questions the best I can.

BY MR. KEMLER: I am going also to ask you whether perhaps we are not getting too technical about this spacing thing. I agree every well perhaps has different producing characteristics. There are many factors that can't be determined until the well is drilled, but we are trying to get the ball rolling, and therefore just looking at it from a practical standpoint, and recognizing there is a scarcity of materials, there is a war on, and a great man shortage, what we want to do is outline a plan. Couldn't we show Mr. Dewey, or suggest, a spacing plan that would permit lower density if it appeared both

economically and technically proper?

BY MR. KRAUS: I would like to divide your question into two parts.

I agree with you that at the moment we are in an emergency, and I am prayerfully hopeful that the war won't last forever, and what we are doing here now and for the next few months will be useful to the state, even after the emergency passes, as far as this allocation is concerned. If you look at it that way, I think we should be rather slow and careful in making decisions. We will have more man power, more materials, at a later time than we do now.

BY MR. KEMLER: And higher prices?

BY MR. KRAUS: Yes, and I agree with you that the larger drilling proration unit is desirable, if it can be worked out. It is a temporary experiment, which will be corrected after we get the necessary information. When we get a new field or producer, I think you know already I will be aligned on the side of those who want to space as wide as possible. I cannot but feel that spacing is relatively important, that the total pool characteristics are important, but the industry should be cautious that the spacing is meeting economic loss, and how far a well will drill in that formation, and I would hate to advise spacing in trying to get a system of allocation.

(Witness excused)

ELLIOTT PETERSON

being called as a witness, and being first duly sworn, was examined by Mr. J. O. Seth, and testified as follows:

BY MR. SETH: By whom are you employed?

BY MR. PETERSON: By the Stanolind Oil and Gas Company.

BY MR. SETH: In what capacity?

BY MR. PETERSON: Division Engineer.

BY MR. SETH: State briefly your training.

BY MR. PETERSON: I finished Texas A. & M. College in 1936, with a B. S. Degree in Petroleum Engineering. I have been with

Stanolind seven years in various engineering capacities. At the present time I am employed at the Fort Worth Division, which operates the New Mexico properties.

BY MR. SETH: Have you prepared a statement on this matter?

BY MR. PETERSON: Yes sir.

BY MR. SETH: Please read it to the Commission.

BY MR. PETERSON: (Reading) 1. Stanolind would favor a plan whereby the allowable for wells at depths below the present producing horizons would be proportional to depth and/or cost of development. Deeper wells in Southeastern New Mexico will cost amounts greatly exceeding the cost of present wells and up to \$250,000.00 or more. This depends upon the nature of the geological formations to be drilled. The expense of drilling and completing wells in the lower formations increases in a greater proportion than the depth due to the harder formations to be penetrated, greater mechanical difficulties, and increased hazards. For instance, we would favor an allowable based on a sliding scale whereby a 10,000' producer would realize an allowable of approximately four times that of a 5,000' producer, and with wells in between these depths receiving allowables commensurate with their respective depths.

We feel that the increased allowable for deeper development are necessary to stimulate and encourage such development and to increase the known reserves for the State. Encouraging deeper productions prevents waste since the deeper reserves would likely not be developed otherwise. An extension into New Mexico of the present drilling campaign in West Texas Ordovician production should be encouraged.

2. Regarding the establishment of a definite size of drilling unit for deeper production, it is difficult to assign a certain number of acres to each well prior to the accumulation of pertinent subsurface data. However, Stanolind favors a relatively wider spacing of wells. For Ordovician production, we favor 160 acre drilling units. With this size of units,

the productive limits of the field and general characteristics of the reservoir rock--such as permeability, porosity, fluid content, and type of reservoir energy or control-- can be determined with a minimum number of wells. If these facts indicate the need for a closer spacing pattern to insure maximum ultimate recovery from the pool, more wells may be drilled at a later date on fractional parts of the basic 160 acre units.

The Commission should require the drilling of each well on the 160 acre unit in the center of some 40 acre tract. This would preclude the establishment of a nonuniform spacing pattern for later drilling.

BY MR. LIVERMORE: As an independent operator in the State of New Mexico, I would advise you to be careful about your wording, so they could not force you into compulsory unitization. They tried it in Texas, but were unable to get it through the Legislature there. I don't think the independent operators in New Mexico, or elsewhere, want compulsory unitization.

(Witness excused).

A. E. WILLIG

being called as a witness, and being first duly sworn, testified as follows:

BY MR. WILLIG: The Texas Company is in agreement concerning the cost of drilling deeper wells with the other witnesses that have testified before the Commission. That apparently is about the only thing we know about the proposition of deeper production in New Mexico, at the present time. If the costs, as stated by Mr. Fitting are approximately in line with the figures he gave, that at least for the discovery allowable three chief brackets could be used. That is, the present allowable down to 6000 feet, and a slightly higher allowable from 6000 to 8000 feet, and the top or highest allowable for wells below 8000 feet. When consideration is given to spacing

I think, at the present time, the most important thing, as these other parties have brought out, is that a spacing pattern ought to be selected that is uniform, or can be made uniform when information develops later on about the characteristics of the pool. One suggestion which would result in uniform spacing would be to space wells not closer than 555 feet from 40 acre unit lines, and not nearer than 1700 feet together, with a minimum of 1700 feet apart. That is, assuming the eventual use of an 80 acre unit. Now in looking the situation over, we feel that complaints, such as Mr. Livermore has brought up, will arise in using a 160 acre unit. However the occasions that will arise by using an 80 acre unit will be less than one-third, probably, than if you use the 160 acre unit. It appears now, if comparable reserves in the deeper production are found to that in Texas, that it will probably be economical to drill one well to the 80 acres to the deeper pays. In maintaining a uniform pattern on such a unit, the wells would have to be spaced at diagonal forms over the 160 acre units, and in order to overcome certain cases where unitization is found to be impossible the operator could drill a well on 40 acres, but his allowable should be in proportion to the square of the acreage, rather than direct proportion to the acreage. That would not deny the operator the right to drill a well on which he could make a profit.

(Witness excused)

BY GOVERNOR DEMPSEY: The Commission will take the matter under advisement.

- - - - -
CERTIFICATE.

I hereby certify that the foregoing and attached sixteen and a fraction pages of typewritten matter constitute a true, correct and complete transcript of the shorthand notes taken by me in Case No. 47, on the 3rd day of August, 1943, and by me extended into typewriting; that the original of the statement read by the witness Peterson, is attached to the original of this transcript.

Witness my hand this 10th 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. 47

In the matter of the application of the New Mexico Oil Conservation Commission, upon its own motion, for an order, applicable to deep pools and deep fields in Bddy and Jan Counties, authorizing upon a reasonable basis the increase of daily allocation of crude petroleum oil to such deep pools or fields and the corresponding increase of allowable to the production wells therein; fixing the size of such production and drilling units and regulating the well spacing therein; defining the depth or depths of deep pools or fields; for the purpose of such order ~~amending the Statute~~ amending the Statute ~~Production~~ Order or other order in conflict. 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 M. 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 Oil Conservation Commission. Case No. 47

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 Becker

Notary Public

Publishers Fees \$5.10

My Commission Expires December 24, 1945

The Oil Conservation Commission
Notary Public
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) 28-1t

AFFIDAVIT OF PUBLICATION

State of New Mexico, }
County of Lea

Thomas H. Summers
Publisher

Of the Hobbs Daily News-Sun, a
daily newspaper published at Hobbs,
New Mexico, do solemnly swear that
the clipping attached hereto was
published once a week in the regular
and entire issue of said paper, and
not in a supplement thereof for a

period of _____

One issue weeks.

beginning with the issue dated _____

July 17, 1943

and ending with the issue dated _____

Thomas H. Summers
Publisher.

Sworn and subscribed to before me

this *17th* day of _____

Blanche Younger
Notary Public.

My commission expires _____

June 15, 1944
(Seal)

This newspaper is duly qualified
to publish legal notices or ad-
vertisements within the mean-
ing of Section 3, Chapter 167,
Laws of 1937, and payment of
fees for said publication has
been made.

(July 12)
NOTICE FOR PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION
COMMISSION

The Oil Conservation Commis-
sion, by law invested with juris-
diction as the oil and gas regu-
latory body of the State of New
Mexico, hereby gives notice of the
following hearing to be held at
Santa Fe, New Mexico:

Case No. 47

In the matter of the applica-
tion of the New Mexico Oil Con-
servation Commission, upon its
own motion, for an order, appli-
cable to deep pools and deep
fields in Eddy and Lea Counti-
es, authorizing upon a reason-
able basis the increase of daily
allocation of crude petroleum
oil to such deep pools or fields
and the corresponding increase
of allowable to the proration
units therein; fixing the size
of such proration and drill-
ing units; and regulating the well
spacing therein; defining the
depth or depths of deep pools
or fields; for the purpose of such
order amending the Statewide
Proration Order or other order
in conflict. 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 Publi-
cation 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)

Affidavit of Publication

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

I, A. N. Morgan, being first duly sworn,
declare and say that I am the 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 adver-
tisements 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 one time
for one time ~~on each week~~ ~~on each week~~ ~~on each week~~
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, ~~on each week~~
one time day of July, 1943; that payment
one time 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

Subscribed and sworn to before me, this 13th
day of July, A.D., 1943
Anna K. Ormsbee
Notary Public.

My Commission expires
June 11, 1945

BILL

Time at \$ 3.76

times, \$

Tax \$ 3.76

Total \$ 3.76

Received payment,

By

For an order, off limits
 to deep pools & deep fields
 in Enderby & Lee Cor, with
 authorizing after a reasonable
 basis the ~~allocation~~ ^{allocation} of
 monthly allocations of fuel
 hot oil to such pools & fields
 deep pools & fields and
 a corresponding amount
 of allowable & the
 provisions under the
 deep fixing the size of such
 provisions and ~~allowing~~ ^{allowing} units and
 the regulating the well
 spacing ~~stems~~ ^{stems} defining
 deep pools depths ~~and fields~~
 of deep pools ~~of~~ ^{of} the depth a depth
 of deep pools ~~the~~ ^{the} fields; and
 of the purpose of such order
 amending the State War Provisions
 Order or other order in
 conflict.

5. Daily Production.

6. Number of Men Employed.

7. List of defense contracts or which materials are supplied and percent of output attributable to defense order.

7 ~~size of spawning~~
~~size of spawning~~
~~units~~
well spawning
size of portion unit
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Proportion
depths
beginning deep fields or
pools,

"deep drilling" order
applicable to sea & Eddy
or deep pool order
deep pool order