Replication, Transcript, Smill Exhibits, Etc. RIVERS POOL

### BEFORE THE OIL CONSERVATION COMMISSION

### SANTA FE, NEW MEXICO

### CASE NO. 69

IN THE MATTER OF THE APPLICATION OF OIL OPERATORS IN EDDY COUNTY BY CHUCK ASTON FOR AN ORDER TO DESIGNATE THE 1800' -2000' PRODUCING HORIZON IN THE FOLLOWING DESCRIBED TRACTS, LOCATED IN THE PREMIER FIELD EDDY COUNTY, NEW MEXICO, AS THE SEVEN RIVERS POOL OF THE PREMIER FIELD AND THAT THIS AFOREMENTIONED POOL HAVE DEFINED POOL STATUS IN ALL MATTERS CON-CERNING ALLOWABLE, ETC:  $S\frac{1}{2}$  Sec. 22,  $S\frac{1}{2}$ Sec. 23,  $W\frac{1}{2}$  Sec. 25, ALL SECTIONS 26 AND 27, T. 17s. R. 30E. ALL OIL PRODUCED FROM THE SEVEN RIVERS FORMATION TO BE MEASURED IN SEPARATE TANKS SO THAT PIPE-LINE RUNS CAN BE PROPERLY RECORDED AND REPORTED. THE MAJOR PRODUCING ZONES IN THE PREMIER FIELD ARE ZONES 5 AND 6 OF THE GRAYBURG FORMATION AND ENCOUNTERED AT DEPTHS FROM 3100 to 3300'.

Pursuant to notice by the Commission, duly made and published setting December 8, 1945 at 10:00 o'clock A. M., for hearing in the above entitled matter, said hearing was convened on said day, at said hour, in the New Mexican Room of the La Fonda, Santa Fe, New Mexico, the Commission sitting as follows:

HON. JOHN E. MILES, State Land Commissioner, Member HON. R. R. SPURRIER, State Geologist, Secretary HON. CARL B. LIVINGSTON, Chief Clerk and Legal Adviser

### REGISTER

COMPANY

### NAME

Glenn Staley

Lewis Finch

C. S. Rose

G. H. Gray

Chuck Aston

Lea County Operators Potash Company of America, Atty. Clarence Hinkle Geo. D. Riggs Geologist George W. Selinger Skelly Oil Company E. J. Gallagher Gulf Oil Corporation Paul C. Evans Gulf Oil Corporation Harry A. Aurand M. W. Phelan Potash Company of America Richfield Oil Corporation George K. Gibson Richfield Oil Corporation T. P. Ellsworth Richfield Oil Corporation Stanolind Oil & Gas Company J. O. Seth, Atty. Stanolind Oil & Gas Company John M. Keily Geologist Repollo Oil Company Repollo 011 Company Potash Company of America Robert A. Pierce L. W. Lodwick Independent Roy O. Yarbrough **Oil Conservation Commission** Foster Morrell U. S. Geological Survey Consulting Geologist Robert L. Bates State Bureau of Mines & Mineral Resources

### ADDRESS

Hobbs, N. M. Rosweil, N. M. Carlsbad, N. M. Tulsa, Okla. Hobbs, N. M. Hobbs, N. M. Carlsbad, N. M. Los Angeles, Cal. Los Angeles, Cal. Bakersfield, Cal. Ft. Worth, Texas Santa Fe, N. M. Roswell, N. M. Midland, Texas Midland, Texas Carlsbad, N. M. Roswell, N. M. Hobbs, N. M. Roswell, N. M. Artesia, N. M.

Socorro, N. M.

### "NOTICE FOR PUBLICATION STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

The Oil Conservation Commission as provided by law hereby gives notice of the following hearing to be held at Santa Fe, New Mexico, at 10 A. M., December 8, 1945:

> In the matter of the application of oil operators in Eddy County by Chuck Aston for an order to designate the 1800'-2000' producing horizon in the following described tracts, located in the Premier Field Eddy County, New Mexico, as the Seven Rivers Pool of the Premier Field and that this aforementioned pool have defined pool status in all matters concerning allowable, etc:  $S_2^{\pm}$  Sec. 22,  $S_2^{\pm}$  Sec. 23,  $W_2^{\pm}$  Sec. 25, all sections 26 and 27, T. 17S, R. 30E. All oil produced from the Seven Rivers formation to be measured in separate tanks so that pipeline runs can be properly recorded and reported. The major producing zones in the Premier Field are Zones 5 and 6 of the Grayburg formation and encountered at depths from 3100' to 3300'.

Given under the seal of said Commission at Santa Fe, New Mexico, on November 21, 1945.

OIL CONSERVATION COMMISSION BY: (Sgd) R. R. SPURRIER R. R. SPURRIER, SECRETARY

SEAL"

# <u>P R O C E E D I N G S</u>

MR. LIVINGSTON: As the Commission has announced, Mr. Foster Morrell's recommendation as to the Fren pool is to be considered in connection with this hearing.

MR. CHUCK ASTON: As petitioner for the operators requesting the designation of this so-called Seven Rivers Pool of the Premier Field, as set out in the petition, I wish to state these are recommendations for a pool name. This is merely terminology to define producing horizons. I would like to present myself as a witness.

(After being duly sworn, Mr. Aston testified as follows) MR. ASTON: To qualify myself as an expert witness, I wish to state I attended Oklahoma University and completed a major in petroleum geology and have been employed as geologist in

-2-

the area in question for the past  $6\frac{1}{2}$  years, the last  $2\frac{1}{2}$  years in the capacity of consultant.

It is my definite knowledge the well defined stratigraphic operation of approximately 1200' between the Seven Rivers producing horizon and the Grayburg producing horizons as shown on this Composite Type Log correlation which I would like to submit as Exhibit "A", in evidence.

As shown on this chart, the casing program as set out definitely prohibits co-mingling of the oil from the two producing horizons in the well bore. This procedure is not only to be followed by mutual agreement of the operators concerned in the future, but has been scrupulously followed to date. I would recommend to the Commission that they take such appropriate action as necessary to maintain this segregation by the above casing program. - And that, Gentlemen, is my case. MR. LIVINGSTON: Mr. Morrell will you now proceed with your Committee's application?

MR. MORRELL: The recommendation of the New Mexico Nomenclature Committee with respect to establishing a new pool to be called the Fren pool is for the purpose of segregating production from the Seven Rivers formation, from deeper production in the underlying Premier and Grayburg-Jackson pools. Production from the Seven Rivers formation in the Fren pool ranges from 1900 to 2300 feet. By comparison the common reservoir of the Premier pool is in the upper portion of the Grayburg formation with pay zones found within depths of 3000 to 3,300 The common reservoir of the majority of production of feet. the Grayburg-Jackson pool is from the Grayburg and San Andres formations. The pay zones range from 3,000 to 3300 feet in the general area of the Fren pool. You will note from the record you received, the acreage recommended to be included in the Fren pool is greater than that presented in the petition

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by Mr. Chuck Aston. The Nomenclature Committee Recommendation is to include all production producing from the Seven Rivers formation, whereas Mr. Aston's case involved operators in only a portion of that area. I would like to add for the benefit of the record that the outline of procedure as adopted by the New Mexico Nomenclature committee with respect to separation of pools includes recommendations that production from each separate pool designated by the Commission, the wells in those pools, be drilled and the wells cased and produced as a single common reservoir. The outline of procedure also provides recommendation to be made to the Commission at anytime. Production from each designated pool to be measured, reported and recorded separately from other production.

COMMISSIONER MILES: Any other witnesses?

MR. GEORGE SELLINGER (Skelly Oil Company)

Mr. Aston, as I remember your testimony, you are asking for a new pool designation for the Seven Rivers field. Is that the designation of the Seven Rivers production in the Premier field as a separate pool in so far as matters of pro-rating, etc., are concerned?

MR. ASTON: You mean wells producing from the 1,800 to 2,000 foot formation by giving a separate allowable from wells to the lower Grayburg-Jackson production?

MR. SELINGER: Yes sir. Are you familiar with production generally in this field?

MR. ASTON: Yes sir.

MR. SELINGER: Are there any 40-acre units now that have bored a well to the Grayburg-Jackson deeper pay zones and the Sever River pay zone? MR. ASTON: Not in the same well, there are 40 acres that have a well to each horizon.

MR. SELINGER: How are they handled by the

-4-

Commission at the present time with reference to the allowable?

MR. ASTON: At the present time they have one allowable for the 40 acre unit to be split between the two wells.

> MR. SELINGER: Were you here at the hearing last May when the question of deep allowables came up?

MR. ASTON: No sir.

MR. SELINGER: That is all.

MR. SPURRIER: Any further questions?

MR. SELINGER: I would like to make a statement. I just want to point out to the Commission, last May, I believe, the question of deeper allowables was before the Commission. It was the unanimous recommendation of operators that the deeper pay with respect to allowables to a depth of 5,000 feet. This application is at variance with the evidence presented at that hearing. I am neither opposing nor favoring Mr. Aston's application, but want to point out there is a variance in the evidence this morning and in the May hearing, with particular reference to the separate pool allowables.

> MR. ASTON: We are not attempting to obtain an allowable because of depth or in any manner - in other words, I cannot see any association between the two cases as mentioned. We are only asking to make it economically feasible for the operators to develop the two producing horizons as set out. It would be essential that they have an allowable for each pool and I cannot see where it conflicts in any way with the former testimony in May last.

> > -5-

MR. SELINGER: I might say, Mr. Aston, it reflects in this way - At the present time there are 40 acre units receiving unit allowables regardless of the pools from which it produces. You realize your application is a departure from the customary matter of proration in the state. That matter was touched on in the application before the Commission in May because it was a departure from the unit allowable to the 40 acres, regardless of the depth. The purpose of the application at that time was to give a greater allowables to pools in deeper horizons. Your application is from 5,000 feet coming back to the surface, in that way they are related as to pool allowables and the recommendation at that time was not related with this. You understand I am not opposing your application, but calling that to the attention of the Commission, because the matter of the hearing in May is still pending for consideration.

> MR. ASTON: In that, so far as the 40 acre unit is concerned, we would not be in variance with the exception of the fact that the 40 acre unit allowable would apply to specific pools.

MR. SELLINGER: In other words, with reference to this particular pay, the 40 acre unit allowable would still remain in effect.

MR. ASTON: So far as this specific pay, that is right.

MR. SPURRIER: Anymore comments from anyone?

(No Comments)

In consideration of the testimony just given, the Commission will take this Case No. 69 under advisement and an order will be promulgated when we have sufficient material to do so.

# <u>CERTIFICATE</u>

I, Vastie Fowler, Reporter for the Oil Conservation Commission, hereby certify that I took down the statements made at the hearing held before the Commission on December 8, 1945, in the matter of the application of Oil Operators in Eddy County by Chuck Aston for an order to designate the 1800'-2000' producing horizon in the following described tracts, located in the premier field Eddy County, New Mexico as the Seven Rivers Pool of the Premier field and that this aforementioned pool have defined pool status in all matters concerning allowable, etc., St Sec. 22, St Sec. 23,  $W_2^1$  Sec. 25, all sections 26 and 27, T. 17S. R. 30E. All oil produced from the Seven Rivers formation to be measured in separate tanks so that pipe line runs can be properly recorded and reported. The major producing zones in the premier field are zones 5 and 6 of the Grayburg-formation and encountered at depths from 3100 to 3300 feet, Case No. 69, and that the foregoing transcript constitutes, to the best of my knowledge and belief, a true and correct copy of all the oral statements and exhibits presented before the Commission.

Vastie Sourcen Vastie Fowler, Reporter

# OIL CONSERVATION COMMISS V SANTA FE, NEW MEXICO

November 26, 1945

Mr. Chuck Aston Artesia, New Mexico

> Re: Case 69 - Seven Rivers Pool Designation as separate pool.

Dear Chuck:

This is to acknowledge the receipt of your letter of November 23rd containing five copies of your original petition, each signed by separate operator. In that your original petition has already been amended not to hear a change of spacing as called for in such petition the five signed copies, I presume, will be proper to introduce in evidence since this is Government land and the spacing pattern a matter of agreement between the parties.

For your information the New Mexico Nomenclature Committee, the day the advertisements for the various pending cases were being prepared, submitted the following recommendation:

"All sections 22, 23, 24, 25, 26, 27, T. 17 S., R. 30 E.; all sections 19, 20, 21, 22, 29 and 30, T. 17 S., R. 31 E., to be known as the Fren poel, to include oil and gas production from the Seven Rivers formation of Permaian age found in the Friess well No. 1,  $SW_4^1SE_4^1$  sec. 19, T. 17 S., R. 31 E. at depths of 1920 to 1930 feet".

The Nomenclature Committee, as you will recall, can make such recommendations under Section 3, Order 558. You will note the quoted recommendation not only embraces all of your proposed Seven Rivers Pool but considerable lateral additions under the name of Fren Pool.

Very truly yours,

CBL:MS

Chief Clerk & Legal Adviser



November 23, 1945

New Mexico Oil Conservation Commission Santa Fe, New Mexico

Attention: Mr. Carl B. Livingston Chief Clerk And Legal Advisor

> Re: Case 69-Seven Rivers Pool Designation As Separate Pool

Dear Carl:

As per my letter of transmittal of May 21, 1945, enclosed you will find signed copies of the petition from five of the operators in question. This leaves three operators unsigned, two of whom have expressed their unwillingness to sign but state that they will not contest, the other operator has not honored us with an answer.

Please consider this letter as acknowledgement of your notice of the hearing on above case.

With kindest personal regards, I remain

Sincerely,

Chuck Aston Consulting Petroleum Geologist

CA:er

Gentlemen:

We, the undersigned oil operators in Eddy County, New Mexico, do respectfully request an open hearing before the New Mexico Oil Conservation Commission at the carliest possible date for the consideration of a written order of the Commission to designate the 1800'-2000' producing horizon in the following described tracts, located in the Premier Field Eddy County, New Mexico, as the Seven Rivers Pool of the Premier Field and that this aforementioned pool have defined poel status in all matters concerning allowable, etc:

52 Sec. 22, 52 Sec. 23, W2 Sec. 25, all sec-

tions 26 and 27, T. 175, R. 30E.

All oil produced from the Seven Rivers formation to be measured in separate tanks so that pipeline runs can be properly recorded and reported.

The major producing zones in the Premier Field are Zones 5 and 6 of the Grayburg formation and encountered at depths from 3100 to 3300'.

All wells to Grayburg producing horizon are and will be cased to a point not to exceed 100' above Zone 5. All wells to Seven Rivers producing horizon are and will be cased to a point not to exceed 100' above Seven Rivers Zone. This casing program effects a definite vertical separation of pools within this field.

The drilling procedure to obtain Seven Rivers production in the Premier Field will be as follows:

- 1. Confine 20-acre spacing program to a well in the center of the northeast 10 acres and the center of the southwest 10 acres of each 40acre tract.
- 2. The northeast 10-acre unit will be considered as the primary location on each 40-acre tract and the primary location will have to be drilled before the secondary location in the southwest 10 acres can be drilled.

3. All wells heretofore completed to the Seven

Rivers formation in the center of 40-acre tracts will be accepted as primary locations and these operators will be permitted to proceed with drilling in the secondary location in the southwest 10 acres. In the case of the Premier Arnold well No. 1-E, an oil producer from the Grayburg formation which falls in the northeast 10 acres of the SE SE Sec. 23, it is agreed that the primary location to the Seven Rivers formation for this 40-acro tract can be drilled in the center of the 40 acres. In the case of the Premior Maddron well No. 2-B, an oil producer from the Grayburg formation which falls in the SW 10 acres of the NW SW Sec. 27 it is agreed that the secondary location to the Seven Rivers formation for this 40-acre tract can be drilled in the center of the 40 acres.

Attached to and made a part hereof is a map of the area in question with all Grayburg producing wells shown as <u>black</u> dots, all primary Seven Rivers producing wells shown as <u>black</u> dots circled in <u>red</u>, all proposed primary Seven Rivers locations circled in <u>red</u> and all secondary Seven Rivers locations circled in <u>green</u>. Also attached are two type logs showing proposed completion methods to both Grayburg producing horizons and Seven Rivers producing horizons and the stratigraphic interval of approximately 1200' separating the two. Respectfully submitted this <u>23</u> day of May, 1945.

(Signed) Patri BAR & Surpent By & G. P. Son

Gentlement

We, the undersigned oil operators in Eddy County, New Mexico, do respectfully request an open hearing before the New Mexico Oil Conservation Commission at the carliest possible date for the consideration of a written order of the Commission to designate the 1800'-2000' producing horizon in the following described tracts, located in the Premier Field Eddy County, New Mexico, as the Seven Rivers Pool of the Premier Field and that this aforementioned pool have defined pool status in all matters concerning allowable, etc:

St Sec. 22, St Sec. 23, Wt Sec. 25, all sec-

tions 26 and 27, T. 178, R. 30E.

All oil produced from the Seven Rivers formation to be measured in separate tanks so that pipeline runs can be properly recorded and reported.

The major producing zones in the Premier Field are Zones 5 and 6 of the Grayburg formation and encountered at depths from 3100 to 3300'.

All wells to Grayburg producing horizon are and will be cased to a point not to exceed 100' above Zone 5. All wells to Seven Rivers producing horizon are and will be cased to a point not to exceed 100' above Seven Rivers Zone. This casing program effects a definite vertical separation of pools within this field.

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Respectfully submitted this 23 day of May, 1945.

(Signed) Acten & Tai by Oline & alan, feil Mgr.

Gentlement

We, the undersigned oil operators in Eddy County, New Mexico, do respectfully request an open hearing before the New Mexico Oil Conservation Commission at the earliest possible date for the consideration of a written order of the Commission to designate the 1800'-2000' producing horizon in the following described tracts, located in the Premier Field Eddy County, New Mexico, as the Seven Rivers Pool of the Premier Field and that this aforementioned pool have defined pool status in all matters concerning allowable, etc:

82 Sec. 22, 82 Sec. 23, W2 Sec. 25, all sec-

tions 26 and 27, T. 178, R. 30E.

All oil produced from the Seven Rivers formation to be neasured in separate tanks so that pipeline runs can be properly recorded and reported.

The major producing zones in the Premier Field are Zones 5 and 6 of the Grayburg formation and encountered at depths from 3100 to  $3300^{1}$ .

All wells to Grayburg producing horizon are and will be cased to a point not to exceed 100' above Zone 5. All wells to Seven Rivers producing horizon are and will be cased to a point not to exceed 100' above Seven Rivers Zone. This casing program effects a definite vertical separation of pools within this field.

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Respectfully submitted this 23 day of May, 1945.

(Signed) Paulo Surgent

Gentlement

We, the undersigned oil operators in Eddy County, New Mexico, do respectfully request an open hearing before the Now Mexico Oil Conservation Commission at the carliest possible date for the consideration of a written order of the Commission to designate the 1800'-2000' producing horizon in the following described tracts, located in the Premier Field Eddy County, New Mexico, as the Seven Rivers Pool of the Premier Field and that this aforementioned pool have defined pool status in all matters concerning allowable, etc:

82 Sec. 22, St Sec. 23, Wh Sec. 25, all sec-

tions 26 and 27, T. 175, R. 30E.

All oil produced from the Seven Rivers formation to be measured in separate tanks so that pipeline runs can be properly recorded and reported.

The major producing zones in the Premier Field are Zones 5 and 6 of the Grayburg formation and encountered at depths from 3100 to 3300'.

All wells to Grayburg producing horizon are and will be cased to a point not to exceed 100' above Zone 5. All wells to Seven Rivers producing horizon are and will be cased to a point not to exceed 100' above Seven Rivers Zone. This casing program effects a definite vertical separation of pools within this field.

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Respectfully submitted this <u>28</u> day of May, 1945.

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Gentlement

We, the undersigned oil operators in Eddy County, New Mexico, do respectfully request an open hearing before the New Mexico Oil Conservation Commission at the earliest possible date for the consideration of a written order of the Commission to designate the 1800'-2000' producing horizon in the following described tracts, located in the Premier Field Eddy County, New Mexico, as the Seven Rivers Pool of the Premier Field and that this aforementioned pool have defined pool status in all matters concerning allowable, etc:

St Sec. 22, St Sec. 23, Wt Sec. 25, all sec-

tions 26 and 27, T. 175, R. 30E.

All oil produced from the Seven Rivers formation to be measured in separate tanks so that pipeline runs can be properly recorded and reported.

The major producing zones in the Premier Field are Zones 5 and 6 of the Grayburg formation and encountered at depths from 3100 to 3300<sup>†</sup>.

All wells to Grayburg producing horizon are and will be cased to a point not to exceed 100' above Zone 5. All wells to Seven Rivers producing horizon are and will be cased to a point not to exceed 100' above Seven Rivers Zone. This casing program effects a definite vertical separation of pools within this field.

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(Signed) L. N. Maddien



November 21, 1945

Mr. Chuck Aston Artesia, New Mexico Re: Case 69 - Seven Rivers Pool designation as separate pool.

The Commission has set the above captioned case, with others, to be heard December 8 at 10 A.M., at Santa Fe. Please advise the operators involved of the bearing date Dear Chuck: the hearing date.

Please indicate that you have received this notice.

Kindest personal regards.

Very truly yours,

Chief Clerk & Legal Adviser

CBL:MS

### NOTICE FOR PUBLICATION STATE OF NEW BEXICO OIL CONSERVATION CONDISSION

The Gil Conservation Consistion as provided by law hereby gives notice of the following hearing to be held at Santa Fe, New Mexico, at 10 A.M., December 8, 1945:

### CASE 67.

In the matter of the application of the Potash Company of America for an order of approval of Rocky Arroye Unit Agreement whose unit area covers 23,040.29 acres situated in Townshipe 20, 20%, 21 and 22 South, Hanges 23 and 24 East, Eddy County, New Maxico.

#### CASE 68.

In the matter of the application of Richfield Gil Corporation for an order of approval of the Lake HeHillan Unit Agreement whose unit area lies in the Delaware structural Basin near the northern ris thereof in T. 20 S., R. 26 E., T. 20 S., R. 27 E., T. 21 S., R. 25 E., and T. 21 S. R. 26 E., N.K.P.M., Eddy County, New Nextso

### CASE 69.

In the matter of the application of oil operators in Eddy County by Chuck Aston for an order to designate the 1800'-2000' producing horison in the following described tracts, located in the Premier Field Eddy County, New Mexico, as the Seven Rivers Pool of the Premier Field and that this aforementioned pool have defined pool status in all matters concerning allowable, etc: 32 Sec. 22, 52 Sec. 23, W2 Sec. 25, all sections 26 and 27, T. 175, R. 30E. All oil produced from the Seven Rivers formation to be measured in separate tanks so that pipeline runs can be properly recorded and reported. The major producing zones in the Premier Field are Zones 5 and 6 of the Grayburg formation and encountered at depths from 3100 to 3300'. CASE 70

In the matter of the application of the New Mexico Homenclature Committee for an order revising Order 588 defining fields in these respects: To designate all socalled "fields" defined in said order and in all supplements issued thereunder as "pools". Delete from definition of Grayburg-Jackson pool all of secs. 13, 24 and 25, T. 17 S., R. 31 S., and add to definition of Faljamar pool the St sec. 13, all of secs. 24 and 25, T. 17 S., R. 31 E. Delete from Empire pool the SEL and 19, T. 17 S., R. 28 E., and add to Red Lake pool the SEL ec. 19, and NEL sec. 30, T. 17 S., R. 28 E. Delete from definition of Skaggs pool all of sec. 23, T. 20 S., R. 37 E, and make the following pool definition: All sec. 23, T. 20 S., R. 37 E., to be known as the Penoco pool, to include oil and gas production from the Pennsylvanian. formation found in the Skaggs B-23 well Ho. 2, SW2 HW2 sec. 23 at depths of 7700 to 7725 feet through casing perforations. Delete the word "Yeso" from the name Drinkard-Yeso Pool. Delete the word "Ellonburger" from the name Bublin-Ellenburger pool. Appropriate provision and procedure wherein the O11 Conservation Commission may in its discretion adopt in executive session changes of pool boundaries and designation of new pools upon the recommendation of the New Nextco Nomonalature Committee.

# CASE 71.

In the matter of the application of Gulf Gil Corporation for an order fixing an appropriate limiting gas-eil ratio for the Drimkard-Nose Poel and any extensions thereof.

Given under the seal of said Commission at Santa Fe, New Mexico,

en November 21, 1945.

### OIL CONSERVATION CONSISSION

BI: (SGD) R. R. SPURRIER

R. R. SPURRIER, SECRETARY

SEAL

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> Supplemental Petition for Clarification of Original Petition for Hearing to Establish Seven Rivers Pool, Premier Field, Eddy County, New Mexico.

#### Gentlemen:

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In paragraphs 1, 2, and 3 under paragraph 5 and all of paragraph 6 in the original petition, we have set out a twenty acre spacing program which is only a plan to govern the well pattern and is not to be construed as a request for any change in the established forty acre unit plan. In other words, as all the acreage in question is Federal land and the local Federal Regulatory body desired an establishment of a definite well pattern and the acceptance of this spacing plan by the operators concerned, it was made a part of the original petition. Insofar as the Oil Conservation Commission is concerned, the original and this supplemental petition are merely asking for a recognizance of the vertical separation of the two pools in question and the designation of same insofar as proration matters are concerned.

This supplemental petition is made for the operators concerned in the original petition.

Sincerely,

Chuck Aston Consulting Petroleum Geologist

CA:Oh

# UIL CONSERVATION COMMISSION SANTA FE, NEW MEXICO

May 24, 1945

#### MEMORANDUM TO GOVERNOR DEMPSEY:

Attached is petition requesting hearing to establish the Seven Rivers Pool as a separate pool in the Premier Field.

The production in the Seven Rivers Pool lies above the production in the Premier Field proper. Under our Conservation Law pools, even though they lie one above the other, are separate if in fact separate and under our law are entitled to an allowable if produced separately. The petitioner seeks to prove that the Seven Rivers Pool is a separate pool. The writer regards this as the safest procedure for the Commission in determining the fact that the two pools are separate.

The petition calls for a 20-acre spacing. This is a marked departure from the 40-acre spacing so long employed in New Nexico and in view of the breaking of a well established system of 40-acre spacing it can be expected that there will be some opposition from operators generally who would not wish to establish a precedent of a 20-acre spacing. For your information, in the early days of the Commission, ten years ago, the 20-acre and the 40-acre spacing matters were fought out before the Commission in a large hearing that lasted for two or three days. The 40-acre spacing was adopted. Our proration also is on the 40-acre basis. The petitioner seeks an early hearing; however, by phone I have told Mr. Chuck Aston, who presented the petition, that the Commission had only recently completed a hearing on all cases then pending and ordinarily did not call another hearing immediately.

#### OIL CONSERVATION COMMISSION

#### BY

Chief Clerk & Legal Adviser

CBL:NS



May 21, 1945

Mr. Carl Livington Attorney New Mexico Oil Conservation Commission

Dear Carl:

Enclosed you will find four copies of a request for an open hearing before the Commission to establish a defined Seven Rivers Pool in the Premier Field which I am sure you will find self-explanatory; however, if there are any questions, please call me collect so that we may have the hearing at the earliest possible date. As you will note, neither the copy for your files nor the copies for the Commission are signed. As I explained to you in our phone conversation of last week, individual signed copies will be forwarded to you as soon as received back from the operators interested. Please assign this case a number and notif; me of same so that I may refer to the number in forwarding you the signed copies.

As the operators concerned are interested in starting a drilling program as set out as soon as possible, they would all appreciate it if this hearing could be held at the earliest possible date.

Any further information you desire will be forwarded upon request. With kindest personal regards, I remain,

Sincerely, Non Chuck Aston

CA:ph Enc.