

For the purpose of oil production
units and for approval of unorthodox
oil well location. Lea County, N.M.

Case No.

1693

Application, Transcript,
Small Exhibits, Etc.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 1693
Order No. R-1453

APPLICATION OF AMERADA PETRO-
LEUM CORPORATION FOR THREE
43.69-ACRE NON-STANDARD OIL
PRORATION UNITS IN AN UNDES-
IGNATED MISSISSIPPIAN POOL,
LEA COUNTY, NEW MEXICO, AND
FOR ONE UNORTHODOX OIL WELL
LOCATION

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 8:00 o'clock a.m. on June 24, 1959, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 31st day of July, 1959, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Amerada Petroleum Corporation, is the owner and operator of the SE/4 of Section 11, Township 13 South, Range 38 East, NMPM, Lea County, New Mexico, which quarter section contains 131.07 acres.
- (3) That the applicant proposes to divide the SE/4 of said Section 11 into three 43.69-acre non-standard oil proration units in an undesignated Mississippian pool, the first of which would comprise the easternmost 43.69 acres of the SE/4 of said Section 11, with the other two units comprising the north 43.69 acres of the remaining acreage in the SE/4 of Section 11 and the south 43.69 acres of the remaining acreage in the SE/4 of said Section 11, respectively.

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Case No. 1693

Order No. R-1453

(4) That the applicant proposes to dedicate the first of the above-described non-standard oil proration units to a well to be drilled at an unorthodox location 1983 feet from the South line and 520 feet from the East line of said Section 11; further, that the applicant proposes to dedicate the two remaining non-standard oil proration units to wells to be located 1982 feet from the South line and 1515 feet from the East line of said Section 11 and 660 feet from the South line and 1479 feet from the East line of said Section 11, respectively.

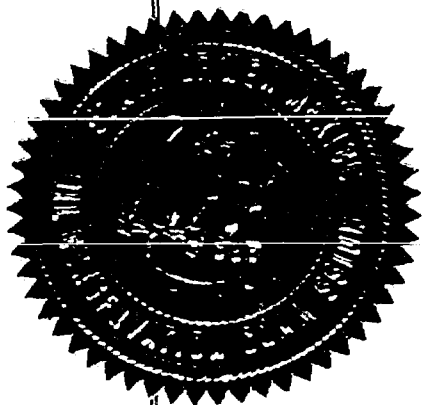
(5) That approval of the subject application will neither cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

(1) That three 43.69-acre non-standard oil proration units in an undesignated Mississippian pool be and the same are hereby established in the SE/4 of Section 11, Township 13 South, Range 38 East, NMPM, Lea County, New Mexico; the first such non-standard oil proration unit shall comprise the easternmost 43.69 acres of the SE/4 of said Section 11 and shall be dedicated to a well which is hereby authorized to be drilled at an unorthodox location 1983 feet from the South line and 520 feet from the East line of said Section 11; the second such non-standard oil proration unit shall comprise the N/2 of the remaining acreage in the SE/4 of said Section 11 and shall be dedicated to a well to be drilled 1982 feet from the South line and 1515 feet from the East line of said Section 11; the third such non-standard oil proration unit shall comprise the S/2 of the remaining acreage in the SE/4 of said Section 11 and shall be dedicated to a well to be drilled 660 feet from the South line and 1479 feet from the East line of said Section 11.

(2) That the allowable assigned to each of the above-described 43.69-acre non-standard oil proration units shall bear the same ratio to a standard allowable in the same common source of supply as the acreage in each of said units bears to the acreage in a standard unit in the same common source of supply.

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



STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John Burroughs
JOHN BURROUGHS, Chairman

Murray E. Morgan
MURRAY E. MORGAN, Member

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

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

(2)

Date _____

CASE NO. _____

HEARING DATE _____

My recommendations for an order in the above numbered case(s) are
as follows:

2. Non Std Location for Amerada Ward # 2
located 660/N, 520/E line sec. 11-135-39E,
3. Units #1 & 2 are not drilled,
4. Allowable to be assigned = $\frac{45.00}{40.0} = 1.10$

Thos. H. W. H.

Staff Member

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 6-29-59

CASE NO. 1693

HEARING DATE 6-24-59

My recommendations for an order in the above numbered case(s) are as follows:

1. Approve Amerada's request for 3 NSPs for Mississippiian oil production as follows:
 - (a) The #1 Mississippiian unit described as beginning at the ~~SW~~ northwest corner of the SE/4 sec. 11-135-38E hence 1320 ft. at bearing $50^{\circ}2'W$, hence East 1442 ft, hence north at bearing $NO^{\circ}2'E$, hence West ~~1320~~ 1442 ft. to the point of origin. Containing 43.69 Acres.
 - (b) The #2 Mississippiian unit beginning at SW corner of ~~sec. 11-135-38E~~ SE/4 of sec. 11-135-38E hence east at 1442 ft. hence north at a bearing of $NO^{\circ}2'E$ hence west ~~1320~~ 1442 ft, hence south at a bearing of $SO^{\circ}2'W$ to the point of origin. Containing 43.69 Acres.
 - (c) The #3 Mississippiian unit consists of the remaining 43.69 Acres in the SE/4 11-135-38E.

Staff Member

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE NO. 1693

TRANSCRIPT OF HEARING

June 24, 1959

DEARNLEY - MEIER & ASSOCIATES
GENERAL LAW REPORTERS
ALBUQUERQUE NEW MEXICO
Phone CHapel 3-6691

I N D E X

<u>WITNESS</u>	<u>DIRECT</u>	<u>CROSS</u>	<u>REDIRECT</u>
CARL M. HOUSER	4	12	

DEARNLEY - MEIER & ASSOCIATES
INCORPORATED
GENERAL LAW REPORTERS
ALBUQUERQUE, NEW MEXICO
3-6691 5-9546

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

IN THE MATTER OF:

Application of Amerada Petroleum
Corporation for three non-standard
oil proration units. Applicant,
in the above-styled cause, seeks
an order establishing three 43.7
acre non-standard oil proration
units for Mississippian production
in the SE/4 of Section 11, Township
13 South, Range 13 East, Lea County,
New Mexico. Applicant further seeks
approval of one unorthodox oil well
location.

CASE NO.
1693

BEFORE:

ELVIS A. UTZ, Examiner.

TRANSCRIPT OF PROCEEDINGS

MR. UTZ: Next case will be 1693.

MR. PAYNE: Case 1693. Application of Amerada
Petroleum Corporation for three non-standard oil proration units.

MR. FOX: Robert Fox of Kellahin and Fox representing
the applicant. We will have one witness, Mr. Examiner.

(Witness sworn.)

CARL M. HOUSER

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

DIRECT EXAMINATION

BY MR. FOX:

Q Would you state your name, please?

A Carl M. Houser.

MR. UTZ: Would you spell that, please?

A H-o-u-s-e-r.

MR. UTZ: And the first name is what?

A Carl M.

Q (By Mr. Fox) By whom are you employed, Mr. Houser?

A I am employed by Amerada Petroleum Corporation.

Q In what position?

A Gaines District, Seminole, Texas.

Q Have you previously testified for the Oil Conservation Commission, and had your qualifications as an expert engineer been accepted?

A I have.

Q Are the witness' qualifications acceptable?

MR. UTZ: Yes, they are.

Q (By Mr. Fox) Mr. Houser, are you familiar with the application in Case 1693?

A Yes, sir, I am.

Q Would you state briefly what is proposed?

A We seek to establish three non-standard proration units of 43.69 acres for Mississippian production in the southeast

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quarter of Section 11, Township 13, Range 38 East, Lea County, New Mexico. We also seek approval of one unorthodox well location.

Q Now, referring to what has been marked as Exhibit No. 1, would you state what that shows?

A Exhibit No. 1 shows the boundaries of the L. W. Ward lease. In this exhibit the red is the boundaries of the lease. The internal boundaries are shown in green of 43.69 acres.

Q Now, Mr. Houser, is the ownership under that lease common throughout?

A Yes, sir, it is.

Q And is Amerada the operator of the entire area?

A Yes, sir, they are operator of the unit there shown in the dash lines.

Q Do you know whether those units as outlined on Exhibit 1 have been approved for production from any other formations?

A Yes, sir, they have. They have been approved for production from the Devonian and also at Wolfcamp.

Q And the units are identical to the units previously approved by this commission?

A Yes, sir, they are.

Q Now, what is the status of the Well No. 2?

A Well No. 2 is presently a dual completion. It is producing in the Devonian and the Mississippian.

Q What is the status of the other well on the lease?

A Well 1 is a Devonian producer. Well No. 3 is also a Devonian producer. Wells 4 and 5 are also.

Q Do you have any indication that the other wells should be dedicated to Well No. 2?

A Yes, sir. From drill stem tests taken from the drilling of the 1 and 3 wells to the Devonian formation as of that data, it indicated that possible Mississippian production can be attained.

Q What is the present status of the acreage dedication to the Well No. 2?

A At the present time there is 25.89 acres dedicated to Well No. 2 given at a lap of 115 barrels per day.

Q Is it part of your application that you would want your allowable adjusted to the actual acreage dedicated to the wells in the event these units are approved, is that correct?

A That's correct.

Q Now, the application also includes approval of an unorthodox well location for your Well No. 2. Would it be possible to drill a well on that unit as an orthodox location?

A No, it would not, sir, because the adjustment of the acreage for the state lines.

Q Was the location approved for Devonian production?

A Yes, sir, it was.

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Q Do you have any information on drainage, Mr. Houser?

A We could possibly have drainage across the state line there. Our Weems No. 7 is producing from the Mississippian. From the Devonian, Weems 5, which is a twin to No. 7, the permeability is 19 million bores and the porosity is 7.1 per cent.

Q In your opinion have the wells located on the units as proposed in this application effectively and economically drained the area to be dedicated to them?

A That's correct, sir.

Q And in your opinion is the approval of this application in the interests of conservation and the prevention of waste?

A Yes, sir.

Q And would it protect the correlative rights of the owner involved?

A It would, sir.

Q Was Exhibit No. 1 prepared by you or under your direction and supervision?

A Yes, sir, it was.

MR. FOX: At this time we would like to offer in evidence Exhibit No. 1.

MR. UTZ: Without objection it will be admitted into evidence.

MR. FOX: That's all we have, Mr. Utz.

QUESTIONS BY MR. UTZ:

Q Nr. Houser, do you know -- well, first let me ask this. The three proposed units are not legal subdivisions, are they not?

A No, sir.

Q Do you know the actual dimensions of your three proposed units?

A The actual dimensions there would be approximately 1442 on the east -- I mean on the west units there. North and south units are 1320.

Q The unit in which your No. 3 well is located, what would be the dimensions of that unit?

A The run would be 1442, approximately, and 1322 north.

Q The north line would be 1442?

A No, sir, the east line would be 1442 and starting at the middle of the section and going south would be 1320 on the north unit. It would be 1442 running to the east.

Q Supposing I give you Exhibit No. 1 and you put the dimensions on it?

MR. PAYNE: And also the well locations, footage descriptions from the two closest boundary lines.

A I have a certified plat. It was drawn by John W. West July 2, 1953. It would help if you would care to see that?

Q (By Mr. Utz) It shows the dimensions?

A Yes, it does. It shows the dimensions from which this was taken.

Q In other words, your east unit, the one that borders the State of Texas, would be 866.58 feet wide at the north end?

A Yes.

Q 819.06 at the south end?

A That's for the standard location.

Q And 2640 long, that's the actual dimensions of your 43. odd acres that you want to dedicate?

A Yes, sir. Now, when you move over on your 1442 there that will cut down your dimensions shown on this certified plat, that 866, because you would have 1320 coming off of that. May I see the exhibit then, and I will mark it and show you what I am referring to.

Q We want the actual dimensions of the unit you are asking us for so that we can properly describe it.

A Okay.

Q And your actual, the east unit would be 741 wide?

A Yes, sir.

Q And 787 at the south end, 2640 long. That will contain 43. some odd acres?

A 43.69.

Q And your 1442 --

A 3.69 acres also in both the north and south units

of the west half of the four sections.

Q This is 1442 on this line also?

A No, that is 1320.

Q So each of these will be 1320 by 1442?

A That's correct. That is, to the nearest foot.

Q Do I have the proper locations for the No. 1 and No. 3 wells, north and west lines?

A Yes. The No. 1 well is located 660 feet from the south line and 660 feet from the west line of the southeast quarter of Section 11. Well No. 3 is located 1982.75 feet from the south line, 1544.70 feet from the east line of Section 11. 1514.7.

Q Say that again.

A Well No. 3, 1514.7.

Q Okay. On your No. 3 well, I believe your No. 1 well from the quarter section, did you not, as far as the east-west?

A Yes, 660 feet from the south line, 660 feet from the west.

Q How far is it from the east line?

Q I would just have to calculate that out there, sir, because that location there shows 660. The bottom of the east line there would be 2139.06 feet from the bottom; but as you throw up your section line there it will make a little bit of difference there because it's -- from the bottom of the section line, there

would be 2139.06.

Q I don't believe I have the dimensions. Is the dimensions of the South-west unit 1442 wide? You've got 1320 on this one.

A Well, you asked for the location of the well.

Q I know, but I'm trying to check your calculations at the moment. Is this dimension here 1442?

A Yes, for the unit, that's correct, sir.

Q And this dimension 787?

A Correct.

Q And that is the total width of this quarter section?

A That's correct, sir.

Q That's 2229 I get would be the width of the quarter section. The well is 660 to the east line of that quarter section, isn't it?

A That's correct.

Q Which would be 1569 from the east line of that section. Does that check with you?

A I got 1579.

Q The width of the quarter section on the south side is the 229, does that check with you? Are you trying to calculate now from the west line of the section or from the east line?

A I'm trying to calculate from the east line.

Q This base line from here to here is 1442?

A Yes, that would be 1442 as I have it calculated out. Now, on the standard unit that would be 818 feet. The correct figure is 1479.06.

MR. UTZ: Are there any other questions of the witness?

CROSS EXAMINATION

BY MR. PAYNE:

Q Is the location of the No. 2 well 1983 from the south and 520 from the east?

A Yes, that's correct.

MR. PAYNE: Thank you. That's all.

MR. UTZ: Are there any other questions of the witness?

MR. FOX: For the benefit of the Commission I would like to point out that these same units were heretofore approved by Orders R-471 and R-572 for Devonian and Wolfcamp production, with the well location approved for Devonian production for Well No. 2.

MR. UTZ: Your request at this time is only for Mississippian units?

MR. FOX: That's correct.

MR. UTZ: Any other statements to be made in this case? If there are none the case will be taken under advisement.

STATE OF NEW MEXICO)
) ss
 COUNTY OF BERNALILLO)

I, Ned A. Greenig, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached transcript of proceedings before the Oil Conservation Commission was reported by me in stenotype and reduced to typewritten transcript by me and/or under my personal supervision and that the same is a true and correct record to the best of my knowledge, skill and ability.

Witness my hand and seal this the 6th day of July, 1959, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Ned A. Greenig
 NOTARY PUBLIC

My Commission Expires:
 May 5, 1963

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 1693, heard by me on June 24, 1959.
[Signature], Examiner
 New Mexico Oil Conservation Commission

DEARNLEY - MEIER & ASSOCIATES
 INCORPORATED
 GENERAL LAW REPORTERS
 ALBUQUERQUE, NEW MEXICO
 3-6691 5-9546

OIL CONSERVATION COMMISSION

P. O. BOX 871
SANTA FE, NEW MEXICO

August 3, 1959

Mr. Jason Kellahin
Box 1713
Santa Fe, New Mexico

Dear Mr. Kellahin:

On behalf of your clients, Amerada, Continental and
Barnes Oil Corporation, we enclose two copies of
Order R-1453 in Case 1693, Order R-1448 in Case 1707,
Order R-1445 in Case 1708, Order R-1449 in Case 1709,
and Order R-1455 in Case 1718. All these orders were
issued on July 31, 1959 with exception of Order R-1455,
which was issued August 1, 1959, by the Oil Conservation
Commission.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

lr/

Enclosures

C
O
P
Y

Case No. 1693

Exhibit No. 1

Texas Co

R 38 E

NEW MEXICO

TEXAS

BEFORE EXAMINER UTZ

OIL CONSERVATION COMMISSION

Amerada EXHIBIT NO. 1

CASE NO. 1693

Amerada

Sinclair

Barnes

Amerada

U.S.A.

Sinclair

T
13
S

Barnes & Golden

Amerada

Linam

LEGEND

- WOLFCAMP WELL
- ▲ MISSISSIPPIAN WELL
- ⊙ DEVONIAN WELL
- ⊕ DUAL MISSISSIPPIAN-DEVONIAN

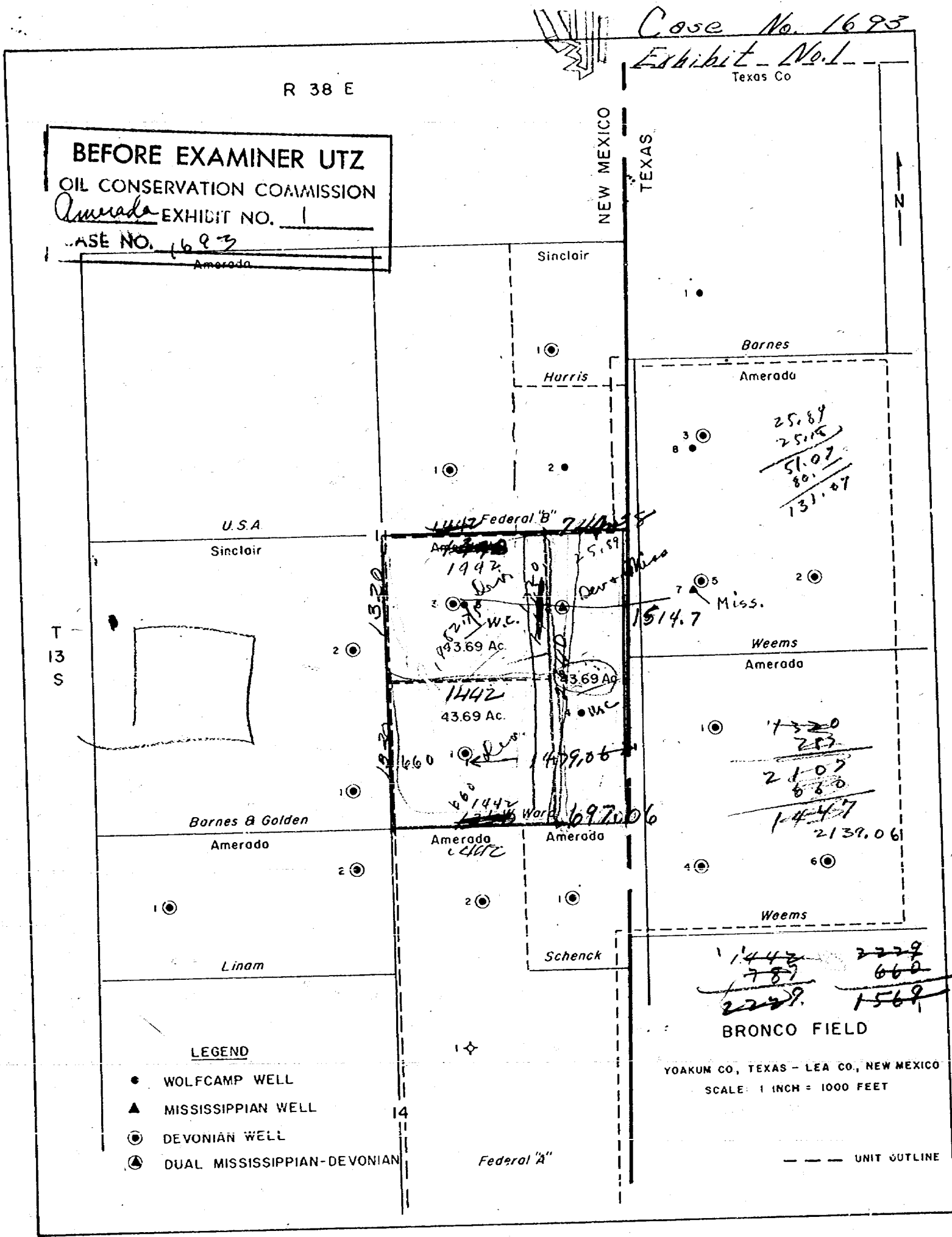
Federal "A"

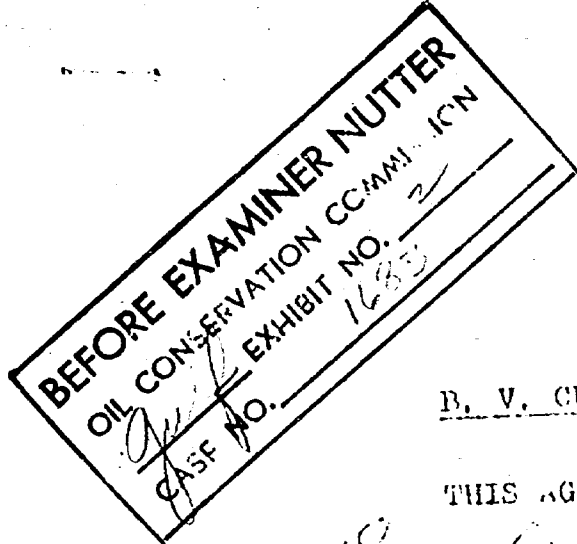
BRONCO FIELD

YOAKUM CO, TEXAS - LEA CO, NEW MEXICO

SCALE: 1 INCH = 1000 FEET

UNIT OUTLINE





GAS POOLING AGREEMENT

B. V. CULP (NCT-A) EUMONT GAS UNIT NO. 1

THIS AGREEMENT made and entered into this 21st day
of December, 1931, by and between GULF OIL CORPORATION,
hereinafter called "Gulf", SHELL OIL COMPANY, hereinafter
called "Shell", and PHILLIPS PETROLEUM COMPANY, hereinafter called
"Phillips",

WITNESSETH, that

WHEREAS, Gulf is the owner and holder of an oil and gas
lease dated May 6, 1920, from Laxter V. Culp, et al, as Lessor,
to Gypsy Oil Company, as Lessee, covering among other lands the
SW/4 NW/4, E/2 NW/4, and the NE/4 of Section 19, Township 19 South,
Range 37 East, N.M.P.M., Lea County, New Mexico; and

WHEREAS, Gulf is also the owner and holder of State of
New Mexico oil and gas lease No. A-1545 dated December 29, 1923,
from the State of New Mexico, as Lessor, to Gypsy Oil Company,
as Lessee, covering among other lands the S/2 SE/4 of Section 19,
Township 19 South, Range 37 East, N.M.P.M., Lea County, New Mexico;
and

WHEREAS, Shell is the owner and holder of State of New
Mexico oil and gas lease No. B-1107 dated September 6, 1932, from
the State of New Mexico, as Lessor, to Shell Petroleum Corporation,
as Lessee, covering among other lands the N/2 SE/4 of Section 19,
Township 19 South, Range 37 East, N.M.P.M., Lea County, New Mexico;
and

WHEREAS, Phillips is the owner and holder of an oil and
gas lease dated August 7, 1923, from Harvey Culp, et al, as Lessor,
to B. L. Thorne, as Lessee, covering the NW/4 NW/4 of Section 19,
Township 19 South, Range 37 East, N.M.P.M., Lea County, New Mexico;
and

WHEREAS, it is the desire of all of the parties hereto
that this agreement cover the N/2 and the SE/4 of Section 19,
Township 19 South, Range 37 East, N.M.P.M., Lea County, New Mexico

as to dry gas and associated liquid hydrocarbons produced from a gas well, as defined by the New Mexico Oil Conservation Commission within the vertical limits of the Rumont Gas Pool, as defined in said Commission's Order No. R-520, said area hereinafter being referred to as the "Pooled Proration Unit", and

WHEREAS, in order to comply with existing rules and regulations governing gas well spacing and gas proration units, and to acquire a gas allowable for the above described pooled proration unit, it is the desire of the parties hereto to pool all leasehold and royalty interests in order to form one tract or unit, and

WHEREAS, Gulf desires to operate the pooled proration unit as an entirety for the purpose of developing and producing dry gas and associated liquid hydrocarbons in accordance with the terms and provisions of this agreement.

NOW, THEREFORE, in consideration of the premises and the mutual advantages offered by this agreement, it is mutually covenanted and agreed by and between the parties hereto that the pooled proration unit shall be developed and operated by Gulf, its successors or assigns, for the production therefrom of dry gas and associated liquid hydrocarbons as an entirety, with the understanding and agreement that the dry gas and associated liquid hydrocarbons from the pooled proration unit shall be allocated among the separate tracts comprising said unit in the proportion that the acreage interest contained in each of the tracts bears to the entire surface acreage of said unit. There shall be no obligation on Gulf, or its successors or assigns, to offset any gas well or wells on separate component tracts into which such pooled proration unit is now or may hereafter be divided; nor shall Gulf, its successors or assigns be required to separately measure said dry gas or associated liquid hydrocarbons by reason of the diverse ownership of such production in and under said tract, but the lessee shall not be released from the obligation to protect said pooled proration unit from drainage by any gas

well or wells which may be drilled affecting the said tract. Payment of rentals under the terms of the leases hereinafore mentioned and described shall not be affected by this agreement except as may be herein otherwise provided.

It is further agreed that the commencement, completion, continued operation or production of a well or wells for dry gas and associated liquid hydrocarbons on the pooled proration unit shall be construed and considered as the commencement, completion, continued operation or production from each and all of the tracts within and comprising said pooled proration unit.

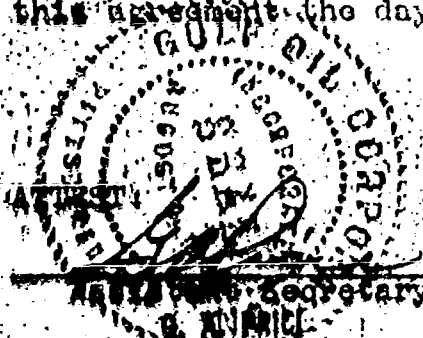
It is the intention of the parties hereto that this agreement shall include and affect only dry gas and associated liquid hydrocarbons produced through a gas well or gas wells as defined by the New Mexico Oil Conservation Commission located on the pooled proration unit and shall not include or affect in any manner whatsoever any of the production of hydrocarbons from any oil well located on the pooled tracts or any of the production of hydrocarbons from other than the Eumont Gas Pool as above defined.

It is further agreed that all production of dry gas and associated liquid hydrocarbons and disposal thereof shall be in conformity with allocations made or fixed by any duly authorized person or regulatory body under applicable Federal or State statute. The provisions of this agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations which affect the performance of any of the provisions of this agreement, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from compliance with any such law, order, rule or regulation.

This agreement shall be effective as of the date upon which an allowable production allocation to the entire pooled proration unit is first produced, and shall remain in full force and

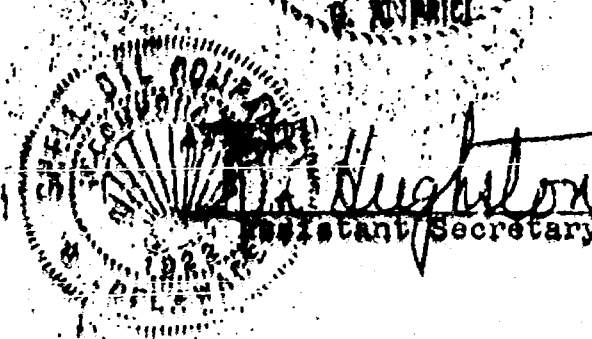
effect for a period of one (1) year and so long thereafter as dry gas, with or without associated liquid hydrocarbons, is produced from any part of said pooled proration unit in paying quantities. It is further provided that after the expiration of said one-year period, should the unit well or wells be reclassified by the New Mexico Oil Conservation Commission, or should the pooled proration unit cease to produce gas in paying quantities from any cause, this agreement shall not terminate, if within six (6) months after the date of any such reclassification or cessation of such production, Operator shall commence operations for the purpose of restoring gas production from the unit, in which event this agreement shall remain in full force and effect during the period such operations are being diligently prosecuted and so long thereafter as dry gas, with or without associated liquid hydrocarbons, is produced from said unit in paying quantities.

IN WITNESS WHEREOF, the parties hereto have executed this agreement the day and year herein first above written.


 Assistant Secretary

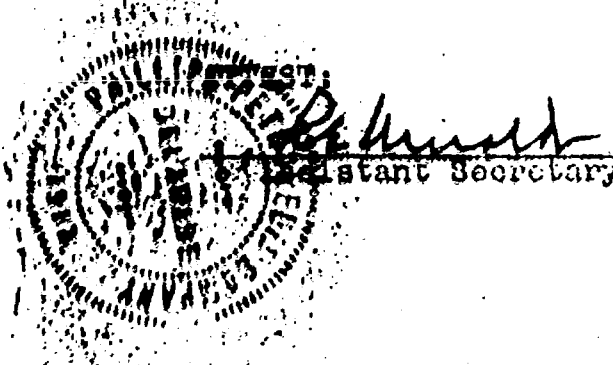
GULF OIL CORPORATION

By W. A. Shellshear
 W. A. SHELLSHEAR
 Secretary


 Assistant Secretary

SHELL OIL COMPANY

By J. V. Lindsay
 ATTORNEY-IN-FACT


 Assistant Secretary

PHILLIPS PETROLEUM COMPANY

By [Signature]
 VICE PRESIDENT
 OK
 8/1/33

NEW MEXICO
STATE OF TEXAS
CHAVEZ
COUNTY OF TARRANT

On this 21 day of March, 1958, before me personally appeared W. A. SHELLSHEAR, to me personally known, who being by me duly sworn did say that he is the Attorney in Fact of GULF OIL CORPORATION and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and the said W. A. SHELLSHEAR acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal on this, the day and year last above written.



L. B. Parker
Notary Public in and for Tarrant CHAVEZ
County, Texas NEW MEXICO

STATE OF TEXAS
COUNTY OF MIDLAND

Before me, the undersigned authority, on this day personally appeared J. V. Lindsay, known to me to be the person whose name is subscribed to the foregoing instrument as Attorney in Fact for Shell Oil Company and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and as the free act and deed of said Shell Oil Company in the capacity therein stated.

Given under my hand and seal of office this 26 day of December,



Jean Akins
Notary Public in and for
Midland County, Texas

Jean Akins
Notary Public in and for Midland
County, Texas

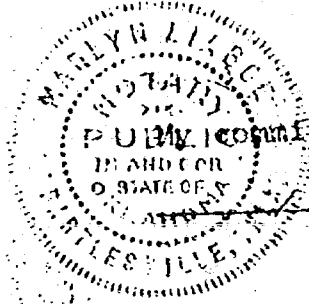
STATE OF OKLAHOMA

COUNTY OF WASHINGTON

On this 12th day of February, 1958, before me personally appeared W. D. Clark, to me personally known, who being by me duly sworn did say that he is the Vice President of PHILLIPS PETROLEUM COMPANY and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and the said W. D. Clark acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal on this, the day and year last above written.

Marlyn L. Lieke
Notary Public in and for Washington
County, Oklahoma



WVK:ej1
7-12-57
(9)

CERTIFICATE OF APPROVAL

BY COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

GULF'S B. V. CULP "A" NO. 3 WELL- COMMUNITIZATION

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, the attached Agreement for the development and operation of acreage which is described within the attached Agreement, dated December 26, 1957, which has been executed or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the state, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 7-11-39, 7-11-40, 7-11-41, 7-11-47, 7-11-48, New Mexico Statutes Annotated 1953 Compilation, I, the undersigned, Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 12th. day of August 19 58.



W. M. Morgan

Commissioner of Public Lands
of the State of New Mexico

DOCKET: EXAMINER HEARING JUNE 24, 1959

OIL CONSERVATION COMMISSION - 1120 CERRILLOS ROAD, HIGHWAY DEPARTMENT
AUDITORIUM, 8 a.m., SANTA FE, NEW MEXICO

The following cases will be heard before Elvis A. Utz, Examiner, or A. L. Porter, Jr., Secretary-Director.

CONTINUED CASE

CASE 1666: Application of Sunray Mid-Continent Oil Company for approval of a unit agreement. Applicant, in the above-styled cause, seeks an order approving its Central Bisti-Lower Gallup Sand Unit embracing approximately 7389 acres of federal, state, and allotted Indian lands in the Bisti-Lower Gallup Oil Pool, San Juan County, New Mexico.

NEW CASES

CASE 1692: Application of Continental Oil Company for the establishment of a non-standard gas proration unit in the Tubb Gas Pool. Applicant, in the above-styled cause, seeks the establishment of a 160-acre non-standard gas proration unit in the Tubb Gas Pool consisting of lot 15, the N/2 SE/4 and the SE/4 SE/4 of Section 3, Township 21 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to applicant's Hawk B-3 Well No. 2-T, located 1650 feet from the South and East lines of said Section 3.

CASE 1693: Application of Amerada Petroleum Corporation for three non-standard oil proration units. Applicant, in the above-styled cause, seeks an order establishing three 43.7 acre non-standard oil proration units for Mississippian production in the SE/4 of Section 11, Township 13 South, Range 38 East, Lea County, New Mexico. Applicant further seeks approval of one unorthodox oil well location.

CASE 1694: Application of Texas Crude Oil Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing it to dually complete its Big Eddy Unit 1-30 Well, located in the SE/4 SE/4 of Section 30, Township 20 South, Range 31 East, Eddy County, New Mexico, in such a manner as to produce oil from an undesignated Tansil pool and to produce oil from an undesignated Delaware pool through parallel strings of tubing.

CASE 1695: Application of Texaco, Inc. for a triple completion, for permission to commingle the production from three separate pools, and for the establishment of two non-standard gas proration units. Applicant, in the above-styled cause, seeks an order authorizing it to triple complete its A. H. Blinebry NCT-4 Well No. 1, located in the SE/4 SE/4 of Section 31, Township 22 South, Range 38 East, Lea County, New Mexico, in such a manner as to permit production from the Blinebry formation, production of gas from the Tubb Gas Pool, and production of oil from the Drinkard Pool through tubing, the annulus via cross-over, and tubing respectively. Applicant further seeks the establishment of a 160-acre non-standard gas proration unit in both the Tubb Gas Pool and Blinebry Gas Pool each consisting of the S/2 S/2 of said Section 31. Applicant further seeks permission to commingle the liquid production from the Blinebry, Tubb, and Drinkard formations underlying said acreage.

- CASE 1696: Application of Caulkins Oil Company for a triple completion. Applicant, in the above-styled cause, seeks an order authorizing it to triple complete its Breech "F" Well No. PMD-8, located in the NE/4 NE/4 of Section 34, Township 27 North, Range 5 West, Rio Arriba County, New Mexico, in such a manner as to produce gas from the South Blanco-Pictured Cliffs Pool, gas from the Mesaverde formation, and gas from the Dakota formation through parallel strings of tubing.
- CASE 1697: Application of Universal Oil Corporation for the creation of a new oil pool for Gallup production, and for an exception to Rules 104 and 107 for wells in said pool. Applicant, in the above-styled cause, seeks an order creating a new pool for Gallup production to be designated the Shiprock-Gallup Oil Pool and located in Sections 16 and 17, Township 29 North, Range 18 West, San Juan County, New Mexico. Applicant further seeks the promulgation of pool rules to permit wells in said pool to be located closer than 660 feet to the nearest producing well in exception to Rule 104, and to permit certain exceptions to the casing requirements of Rule 107 of the Commission Rules and Regulations.
- CASE 1698: Application of Shell Oil Company for an exception to Rule 502 I (a). Applicant, in the above-styled cause, seeks an order which would exempt all wells in the Carson Unit Area and all other Shell wells in Township 25 North, Ranges 11 and 12 West, Bisti-lower Gallup Oil Pool, San Juan County, New Mexico, from the daily tolerance provisions of Rule 502 I (a) of the Commission Rules and Regulations.
- CASE 1195: Application of Graridge Corporation for capacity allowables for certain wells in a water flood project. Applicant, in the above-styled cause, seeks an order authorizing capacity allowables for three wells in the project area of its water flood in the Caprock-Queen Pool in Lea and Chaves Counties, New Mexico.
- CASE 1196: Application of Graridge Corporation for an order amending Order No. R-966. Applicant, in the above-styled cause, seeks an order amending Order No. R-966 to establish administrative procedures for development of its Artesia Water Flood Projects No. 2 and 3, Artesia Pool, Eddy County, New Mexico, and for approval of unorthodox locations for 27 wells in said projects, for authority to convert six wells in said projects to water injection, and for capacity allowables for five wells in said projects.
- CASE 1185: Application of Graridge Corporation for an order amending Order No. R-952. Applicant, in the above-styled cause, seeks an order amending Order No. R-952 to establish administrative procedures for development of its Artesia Water Flood Project No. 1, Artesia Pool, Eddy County, New Mexico, and for approval of unorthodox locations for fifteen wells in said project, and for capacity allowables for five wells in said project.
- CASE 1699: Application of J. W. Brown for an order authorizing a pilot water flood project. Applicant, in the above-styled cause seeks an order authorizing it to institute a pilot water flood project in the Brown Pool, Chaves County, New Mexico, by the injection of water into the Queen formation through four wells located in the SE/4 NW/4 of Section 26, Township 10 South, Range 26 East, Chaves County, New Mexico.

- CASE 1337:** Application of Gulf Oil Corporation for an order amending Order No. R-1093-A. Applicant, in the above-styled cause, seeks an order amending Order No. R-1093-A to permit the commingling of Paddock production with the commingled Blinbry, Drinkard, and Langlie-Mattix production from its Learcy McBuffington lease consisting of the S/2 of Section 13, Township 25 South, Range 37 East, Justis Field, Lea County, New Mexico.
- CASE 1700:** Application of Gulf Oil Corporation for permission to commingle the production from two separate leases: Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the East Millman Queen-Grayburg Pool from two separate non-contiguous leases in Township 19 South, Range 28 East, Eddy County, New Mexico.
- CASE 1703:** Application of Tidewater Oil Company to commingle the production from several separate oil pools from two separate leases. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the intermediate grade crudes produced from its Coates "D" Lease comprising the SE/4 SW/4 of Section 24, Township 25 South, Range 37 East, Justis Field, Lea County, New Mexico, with the commingled production of all intermediate grade crudes produced from its Coates "C" Lease comprising the E/2, SE/4 NW/4, and the NE/4 SW/4 of said Section 24 and to pass such commingled production through its automatic custody transfer system.
- CASE 1704:** Application of Cities Service Oil Company for capacity allowables for nine wells in a water flood project and for establishment of administrative procedure for expansion of said project. Applicant, in the above-styled cause, seeks an order authorizing capacity allowable for nine wells in the project area of its water flood project in the Caprock-Queen Pool, Chaves County, New Mexico. Said capacity allowables would be in exception to Order R-1128-A. Applicant further seeks establishment of an administrative procedure to expand said water flood project.
- CASE 1705:** Application of Neville G. Penrose, Inc., for a capacity allowable for one well. Applicant, in the above-styled cause, seeks an order authorizing a capacity allowable for its Alston Well No. 2, located in the NW/4 NW/4 of Section 11, Township 14 South, Range 31 East, Caprock Queen Pool, Chaves County, New Mexico, due to a response from the adjoining Cities Service Oil Company water flood project. Said capacity allowable would be in exception to Order R-1128-A.

NEW MEXICO OIL CONSERVATION COMMISSION

Docket No. 23-59-a

In addition to the cases listed on Docket No. 23-59, the following cases will also be heard June 24, 1959, before Elvis A. Utz, Examiner, or A. L. Porter, Jr., Secretary-Director:

CASE 1701:

Application of Gulf Oil Corporation for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Learcy McBuffington Well No. 5, located in the NW/4 SE/4, Section 13, Township 25 South, Range 37 East, Lea County, New Mexico, in such a manner as to produce oil from an undesignated Paddock Pool and oil from the Justis-Ellenburger Pool through parallel strings of tubing.

CASE 1702:

Application of Humble Oil & Refining Company for an oil-gas dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its South Four Lakes Unit Well No. 6, located in the SW/4 SE/4, Section 2, Township 12 South, Range 34 East, Lea County, New Mexico, in such a manner as to produce oil from a Four Lakes-Pennsylvanian Pool extension and gas from a Four Lakes-Devonian Gas Pool extension through parallel strings of tubing.

CASE 1706:

Application of Sunray Mid-Continent Oil Company for an order amending Order No. R-1414. Applicant, in the above-styled cause, seeks an order amending Order No. R-1414 to include the following additional acreage: NW/4 NW/4 of Section 6, Township 25 North, Range 12 West, and the SW/4 SW/4 of Section 31, Township 26 North, Range 12 West, San Juan County, New Mexico.

Place of hearing will be Highway Department Auditorium, 1120 Cerrillos Road, Santa Fe, New Mexico.

Time of hearing will be 8:00 o'clock a.m.

BEFORE THE OIL CONSERVATION COMMISSION OF
THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
AMERADA PETROLEUM CORPORATION FOR THE
ESTABLISHMENT OF THREE PRORATION UNITS
IN THE SE $\frac{1}{4}$ OF SECTION 11, TOWNSHIP 13
SOUTH, RANGE 38 EAST, LEA COUNTY, NEW
MEXICO, FOR THE PURPOSE OF ALLOCATING
PRODUCTION OF OIL FROM THE BRONCO-
MISSISSIPPIAN FORMATION

CASE NO. 1693

APPLICATION

SE 11-13-38 131.07

40	25.69
40	25.69

Comes now Amerada Petroleum Corporation and alleges and states the following:

1. Applicant is owner of oil and gas leases covering the SE $\frac{1}{4}$ of Section 11, Township 13 South, Range 38 East, N.M.P.M., Lea County, New Mexico;
2. Applicant is owner of the Ward No. 2 well located approximately 660 feet from the North and 520 feet from the East line of the said quarter section, capable of producing oil in paying quantities from the Bronco-Mississippian formation;
3. The East line of the said SE $\frac{1}{4}$ coincides with the boundary line between the states of New Mexico and Texas, and, because of the necessary survey adjustment on the East line, this quarter section contains only 131.07 acres; and standard proration units cannot be established in said quarter section;
4. Applicant seeks an order to establish three proration units, each unit to consist of 43.69 acres, to be located so that the first unit shall consist of the East 43.69 acres of the said quarter section, and the second and third units shall consist of the remaining acreage in the SE $\frac{1}{4}$, each to contain 43.69 acres, as outlined on the Exhibit attached hereto and made a part of this Application;
5. That the establishment of the three proration units in said quarter section as herein proposed will secure to the Applicant the full use and value of wells drilled or to be drilled in said quarter section, and the establishment of such units will be in the best interests of conservation and will serve to protect correlative rights;
6. In order to protect the rights of owners, such order should provide for granting an allowable in the proportion that the 43.69-acre proration unit bears to the standard or orthodox 40-acre proration unit.

WHEREFORE, Applicant requests that this matter be set for hearing, that notice thereof be given as required by law, and, that upon hearing, this Commission enter its order establishing the three non-standard proration units for the production of oil from the Bronco-Mississippian oil formation and granting an allowable in the proportion that 43.69-acre proration unit bears to the standard or orthodox 40-acre proration unit.

AMERADA PETROLEUM CORPORATION

By

H. D. Bushnell
H. D. Bushnell

KELLAHIN AND FOX

By

Jason W. Kellahin
Jason W. Kellahin
Attorneys for Applicant

*Reverts to Mallet
6-11-59
HDB*

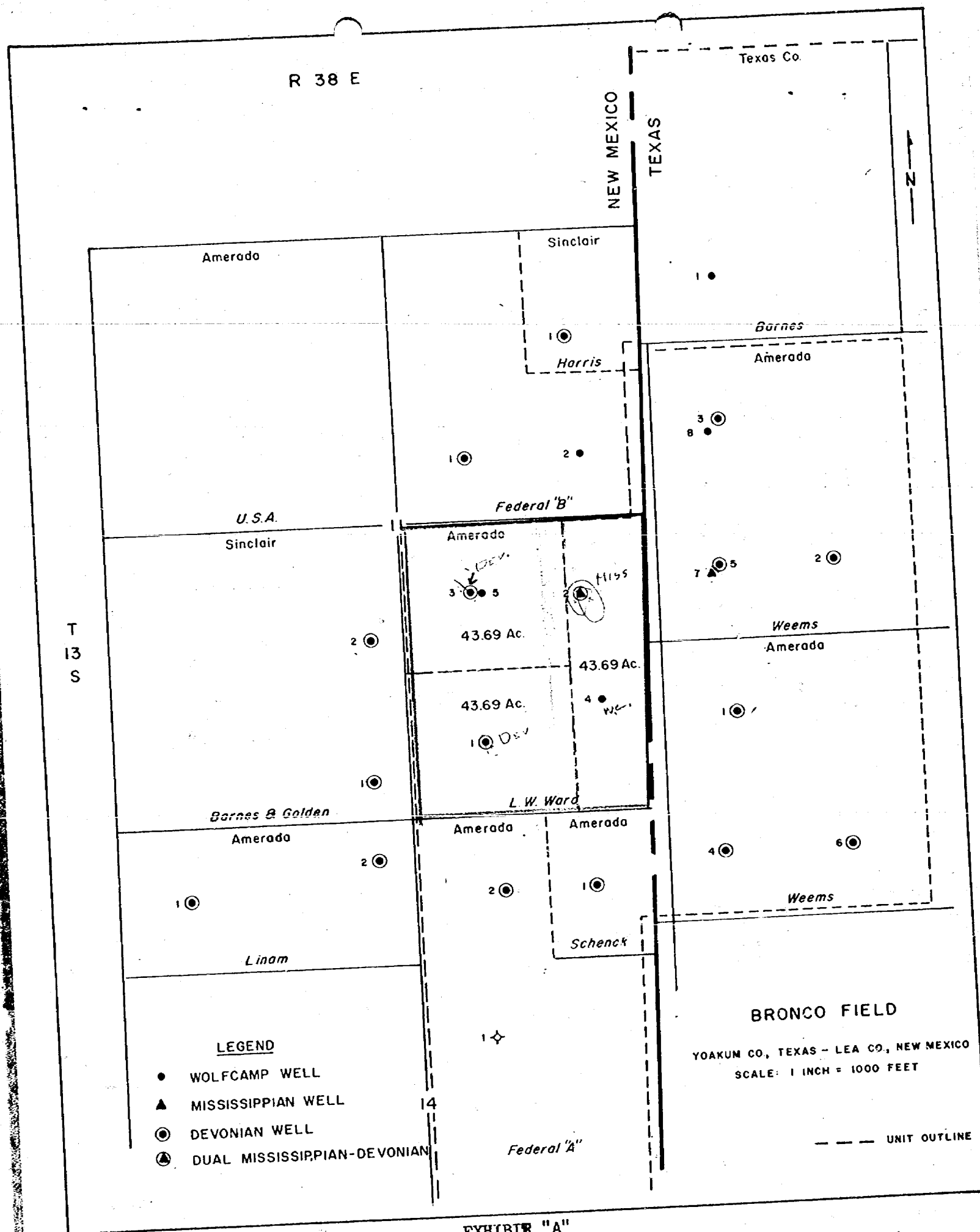


EXHIBIT "A"