

Case No.

180

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Application, Transcript,  
Small Exhibits, Etc.

*Case  
180*

May 2, 1949

Mr. W. B. Macey  
American Republics Corporation  
Box 547  
Artesia, New Mexico

Dear Mr. Macey:

We enclose herewith, copy of transcript of hearing of April 18, 1949,  
Case No. 180, Order No. 819, held at Santa Fe, New Mexico.

This is for your records.

Very truly yours,

R. R. Spurrier  
Secretary and Director

RRS:bw  
enal.

Case  
180

May 2, 1949

Oil Conservation Commission  
P. O. Box 1545  
Hobbs, New Mexico

Gentlemen:

We enclose herewith, for your records, copy of the transcript of hearing  
of Case 180, Order 819, of April 18, 1949.

Very truly yours,

R. R. Spurrier  
Secretary and Director

RRS:bw  
encl.

*Case  
180*

May 2, 1949

Oil Conservation Commission  
205 Booker Building  
Artesia, New Mexico

Gentlemen:

We enclose herewith, for your records, copy of transcript of hearing  
of April 18, 1949, Case No. 180, Order No. 819.

Very truly yours,

R. R. Spurrion  
Secretary and Director

RRS:bw  
encl.

Case 180

May 2, 1949

Mr. Glenn Staley  
Lea County Operators Committee  
Drawer I  
Hobbs, New Mexico

Dear Mr. Staley:

We enclose herewith for your information, copy of transcript of hearing held at Santa Fe, New Mexico on April 18, 1949, Case No. 180, Order No. 819.

Very truly yours,

R. R. Spurrer  
Secretary and Director

RRS:bw  
encl.

LAW OFFICES  
JOHN E. COCHRAN, JR.  
CARPER BUILDING  
ARTESIA, NEW MEXICO

April 23, 1949

Mr. George Graham, Attorney  
State Land Office  
State Capitol Building  
Santa Fe, New Mexico

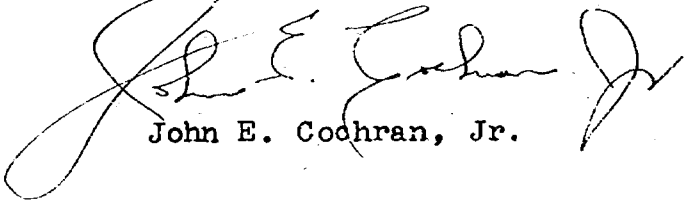
Dear George:

Enclosed herewith is original and three copies of proposed order to be entered by the Oil Conservation Commission in Case No. 180, presented to Mr. Spurrier on April 18, 1949, being the Application of American Republics Corporation for an order granting permission to drill eight unorthodox "five spot" locations on its Robinson "A" and "B" Leases, and for permission to unitize certain tracts for proration and allowable purposes.

American Republics Corporation would appreciate it very much if this order could be entered as soon as Guy Shepard returns to Santa Fe.

With kindest personal regards, I am

Very truly yours

  
John E. Cochran, Jr.

JEC:rm  
Encls.

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

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

CASE NO. 180  
ORDER NO. \_\_\_\_\_

THE APPLICATION OF AMERICAN REPUBLICS  
CORPORATION FOR AN ORDER GRANTING PER-  
MISSION TO DRILL EIGHT UNORTHODOX LOCA-  
TIONS, ON ITS ROBINSON "A" AND "B" LEAS-  
ES, LOCATED IN SECTIONS 27, 34 AND 35,  
TOWNSHIP 17 SOUTH, RANGE 29 EAST, N.M.  
P.M. IN THE GRAYBURG JACKSON POOL OF  
EDDY COUNTY, NEW MEXICO, AND FOR PERMIS-  
SION TO UNITIZE CERTAIN TRACTS FOR  
PRORATION AND ALLOWABLE PURPOSES.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This matter came on for hearing at 10 o'clock  
A. M. on the 18th day of April, 1949, at Santa Fe, New  
Mexico, before the Oil Conservation Commission of New  
Mexico, hereinafter referred to as the "Commission".

NOW, on this \_\_\_\_ day of \_\_\_\_\_, 1949,  
the Commission, having before it for consideration the  
testimony adduced at said hearing and being fully advis-  
ed in the premises,

FINDS:

1. That due public notice having been given,  
as provided by law, the Commission has jurisdiction of  
this cause.
2. That the acreage involved in the Applica-  
tion is Federally owned and the Supervisor of the United

States Geological Survey interposes no objections to the Application.

3. That leases covering the following described land are owned by American Republics Corporation:

ROBINSON "A" LEASE, Las Cruces Serial No. 028775(a), described as SE/4 Section 27, NE/4 Section 34 and W/2 NW/4 Section 35, Township 17 South, Range 29 East, N.M.P.M. in Eddy County, New Mexico, and containing 400 acres;

ROBINSON "B" LEASE, Las Cruces Serial No. 028775(b), described as NE/4, E/2 NW/4 and E/2 SW/4 Section 27, E/2 and E/2 W/2 Section 35, Township 17 South, Range 29 East, N.M.P.M., and containing 800 acres.

4. That one well located in the center of each forty acre legal subdivision is not sufficient to obtain all of the recoverable oil under any forty acre tract and that the drilling of "five spot" wells, as proposed in the Application of American Republics Corporation, at the locations designated, would be in the interest of conservation, prevent waste and enable Applicant to obtain a greater ultimate recovery of oil, in that Applicant would be able to recover substantial quantities of oil which would otherwise not be produced if such "five spot" locations were not drilled.

5. That the creation and establishment of the tracts of land described in the Application of American Republics Corporation into unitized tracts for proration and allowable purposes will enable American Republics Corporation to produce the wells upon the respective proposed unitized tracts at a more efficient rate of



withdrawal; that a greater ultimate recovery of oil will be obtained from each of said unitized tracts and that such method of operation will be in the interest of conservation, prevent waste and enable Applicant to produce substantial quantities of oil that would not otherwise be recovered.

IT IS THEREFORE ORDERED by the Commission that the Application of American Republics Corporation for an order granting permits to drill eight unorthodox "five spot" locations, described in said Application, be and the same is hereby granted and approved. The numbers and locations of the wells to be drilled being as follows:

ROBINSON "A", Well No. 13: Section 27, Township 17 South, Range 29 East, N.M.P.M., 1345 feet from the South Line and 1345 feet from the East Line;

ROBINSON "A", Well No. 14: Section 27, Township 17 South, Range 29 East, N.M.P.M., 25 feet from the South Line and 1295 feet from the East Line;

ROBINSON "A", Well No. 15: Section 34, Township 17 South, Range 29 East, N.M.P.M., 1295 feet from the North Line and 1345 feet from the East Line;

ROBINSON "A", Well No. 16: Section 34, Township 17 South, Range 29 East, N.M.P.M., 1295 feet from the North Line and 25 feet from the East Line;

ROBINSON "B", Well No. 23: Section 35, Township 17 South, Range 29 East, N.M.P.M., 1295 feet from the North Line and 2615 feet from the West Line;

ROBINSON "B", Well No. 24: Section 35, Township 17 South, Range 29 East, N.M.P.M., 1295 feet from the North Line and 1295 feet from the East Line;

ROBINSON "B", Well No. 25: Section 35, Township 17 South, Range 29 East, N.M.P.M., 2615 feet from the North Line and 1295 feet from the East Line;

ROBINSON "B", Well No. 26: Section 27, Township 17 South, Range 29 East, N.M.P.M., 1295 feet from the North Line and 1345 feet from the East Line.

IT IS FURTHER ORDERED That the Application of American Republics Corporation for an order authorizing the unitization for proration and allowable purposes, of the tracts therein described, be and the same is hereby granted and approved; and it is further ordered that the following tracts of land, located in the Grayburg-Jackson Pool of Eddy County, New Mexico, are hereby established as unitized tracts for proration and allowable purposes:

UNIT AREA I, Robinson "B" Lease, NE/4, E/2 NW/4 and E/2 SW/4 Section 27, Township 17 South, Range 29 East, N.M.P.M.

UNIT AREA II, Robinson "A" Lease, SE/4 Section 27, NE/4 Section 34, W/2 NW/4 Section 35, Township 17 South, Range 29 East, N.M.P.M.

UNIT AREA III, Robinson "B" Lease, E/2, E/2 W/2 Section 35, Township 17 South, Range 29 East, N.M.P.M.

IT IS FURTHER ORDERED, and Applicant is hereby authorized to produce from each unitized tract, hereinabove described, the total allowable production, as fixed by the Commission for the total number of developed forty acre proration units comprising such unitized tract, and that Applicant is hereby authorized to produce the total allowable, so fixed by the Commission for

each unitized tract, from all of the wells located upon or that may be hereafter drilled upon such unitized tract, producing from the Grayburg-Jackson Pay.

IT IS FURTHER ORDERED, that no well located upon any unitized tract shall be permitted to produce at a rate in excess of the top allowable as fixed by the Commission.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

CHAIRMAN

MEMBER

*R. L. Spurr*  
SECRETARY

Charge to the account of

CLASS OF SERVICE DESIRED	
DOMESTIC	CABLE
TELEGRAM	ORDINARY
DAY LETTER	URGENT
SERIAL	DEFERRED
OVERNIGHT TELEGRAM	NIGHT LETTER
SPECIAL SERVICE	SHIP RADIOGRAM

Patrons should check class of service desired; otherwise the message will be transmitted as a telegram or ordinary cablegram.

# WESTERN UNION

1206-B

CHECK
ACCOUNTING INFORMATION
TIME FILED

R. B. WHITE  
PRESIDENT

NEWCOMB CARLTON  
CHAIRMAN OF THE BOARD

J. C. WILLEVER  
FIRST VICE-PRESIDENT

Send the following telegram, subject to the terms on back hereof, which are hereby agreed to:

STRAIGHT WIRE

SANTA FE, NEW MEXICO  
APRIL 29, 1949

FM. W. S. PABINI  
AMERICAN REPUBLICS CORPORATION  
BOX 547  
ALBUQUERQUE, NEW MEXICO

ORDER 819, CLASS 120 SIGNED THIS DATE EFFECTIVE APRIL 23. FORWARDING  
COPY BY AIRMAIL.

OIL CONSERVATION COMMISSION/STURGEON

April 29, 1949

Mr. Glenn Staley  
Lea County Operators Committee  
Drawer I  
Hobbs, New Mexico

Dear Mr. Staley:

Enclosed herewith is a signed copy of Order 819, Case 180, issued by the New Mexico Oil Conservation Commission, in connection with the hearing held on April 18, 1949, for your records and distribution.

Very truly yours,

R. R. Spurrier  
Secretary and Director

RRS:bw  
encl.

April 29, 1949

AIRMAIL

Mr. W. B. Macey  
American Republics Corporation  
P. O. Box 547  
Artesia, New Mexico

Dear Mr. Macey:

Enclosed herewith is a signed copy of Order 319, Case 180, issued by the New Mexico Oil Conservation Commission, in connection with the hearing held on April 18, 1949, for your records.

Very truly yours,

R. R. Spurrier  
Secretary and Director

RRS:bw  
encl.

April 29, 1949

Oil Conservation Commission  
205 Booker Building  
Artesia, New Mexico

Gentlemen:

Enclosed herewith is a copy of Order 819, Case 180, issued by the Oil Conservation Commission, in connection with the hearing held on April 18, 1949, for your records.

Very truly yours,

R. R. Spurrier  
Secretary and Director

RRS:bw  
enal.

April 29, 1949

Oil Conservation Commission  
P. O. Box 1545  
Hobbs, New Mexico

Gentlemen:

Enclosed herewith is a copy of Order 819, Case 180, issued by the Oil Conservation Commission, in connection with the hearing held on April 18, 1949, for your records.

Very truly yours,

R. R. Spurrier  
Secretary and Director

RRS:bw  
encl.



## Affidavit of Publication

State of New Mexico,  
County of Eddy, ss.

F. B. Rigdon, being first duly sworn,  
on oath says:

That he is publisher of the Daily Current-Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, State of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of this state wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in a supplement thereof on the dates as follows, to-wit:

April 4, 1949

....., 19

....., 19

....., 19

that the cost of publication is \$3.50,  
and that payment therefor has been made  
and will be assessed as court costs.

*F. B. Rigdon*

Subscribed and sworn to before me this

4 day of April, 1949

*Jay B. King*  
Notary Public.

My commission expires July 1, 1950

April 4.

NOTICE OF PUBLICATION  
STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION  
The State of New Mexico by its Oil Conservation Commission hereby gives notice, pursuant to law, of the following public hearing to be held April 18, 1949, beginning at 10:00 o'clock A.M. on that day in the City of Santa Fe, New Mexico, in the Senate Chambers.  
STATE OF NEW MEXICO TO:  
All named parties in the following case, and notice to the public:

Case 180  
In the matter of the application of American Republics Corporation for an order granting permission to drill eight unorthodox locations on its Robinson "A" and "B" leases, located in sections 27, 34 and 35, Township 17 South, Range 29 East, N.M.P.M., in the Grayburg Jackson pool of Eddy County, New Mexico and for permission to utilize certain tracts for proration and allowable purposes.

Given under the seal of the Oil Conservation Commission of New Mexico, at Santa Fe, New Mexico, on April 1, 1949.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION  
R. R. SPURRIER, Secretary.  
(SEAL)

NOTICE OF PUBLICATION  
STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION  
The State of New Mexico by its Oil  
Conservation Commission hereby gives no-  
tice, pursuant to law, of the following  
public hearing to be held April 16, 1949,  
beginning at 10:00 o'clock A.M. on that  
day in the City of Santa Fe, New Mexico,  
in the Senate Chambers.  
STATE OF NEW MEXICO TO:  
All named parties in the following case,  
and notice to the public:  
In the matter of the application of  
American Republics Corporation for an  
order granting permission to drill eight  
unorthodox locations, on its Robinson "A"  
and "B" leases, located in sections 27,  
34 and 35, Township 17 South, Range 29  
East, N.M.P.M., in the Grayburg Jackson  
pool of Eddy County, New Mexico, and  
for permission to utilize certain tracts  
for proration and allowah's purposes.  
Given under the seal of the Oil Con-  
servation Commission of New Mexico, at  
Santa Fe, New Mexico, on April 1, 1949.  
STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION  
R. R. SPURRIER,  
Secretary.

(SEAL)  
Pub. Apr. 4, 1949.

## Affidavit of Publication

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

I, Will Harrison, being first duly sworn,  
declare and say that I am the (~~Bureau Manager~~) (Editor) of the Santa Fe  
New Mexican, a daily newspaper, published in the English  
Language, and having a general circulation in the City and County of Santa Fe, State of  
New Mexico, and being a newspaper duly qualified to publish legal notices and 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 ~~in the regular~~  
for one time ~~in the regular issue of the paper during the time of publication, and that the notice was~~  
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, ~~in the regular issue of the~~  
one time ~~in the regular issue of the~~ publication being on the

4th day of April, 1949, ~~when the publication~~  
~~was made~~ ~~in the regular issue of the~~ ~~newspaper~~; that payment  
for said advertisement has been (duly made), or (assessed as court costs); that the  
undersigned has personal knowledge of the matters and things set forth in this affidavit.

### PUBLISHER'S BILL.

33 lines, one time at \$ 3.30  
lines, times, \$  
Tax \$  
Total . . . . \$ 3.30

Received payment,

By \_\_\_\_\_

Will Harrison  
Editor-Manager

Subscribed and sworn to before me this 5th  
day of April, A.D., 1949  
Rina K. Ormaber  
Notary Public

My Commission expires

June 14, 1949

April 1, 1949

CARLSBAD CURRENT ARGUS  
Carlsbad, New Mexico

Re: Case No. 130 - Notice of  
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 IN DUPLICATE.

For payment please submit statement in duplicate, accompanied by signed voucher. The necessary blank is enclosed.

Very truly yours,

R. R. Spurrier  
Secretary and Director

RRS:bw

NOTICE OF PUBLICATION  
STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

The State of New Mexico by its Oil Conservation Commission hereby gives notice, pursuant to law, of the following public hearing to be held April 18, 1949, beginning at 10:00 o'clock A.M. on that day in the City of Santa Fe, New Mexico, in the Senate Chambers.

STATE OF NEW MEXICO TO:

All named parties in the following case, and notice to the public:

Case 180

In the matter of the application of American Republics Corporation for an order granting permission to drill eight unorthodox locations, on its Robinson "A" and "B" leases, located in sections 27, 34 and 35, Township 17 South, Range 29 East, N.M.P.M., in the Grayburg Jackson pool of Eddy County, New Mexico, and for permission to unitize certain tracts for production and allowable purposes.

Given under the seal of the Oil Conservation Commission of New Mexico, at Santa Fe, New Mexico, on April 1, 1949.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

R. R. SIERRER, Secretary

April 1, 1949

SANTA FE NEW MEXICAN  
Santa Fe, New Mexico

Re: Case No. 180 - Notice of  
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 IN DUPLICATE.

For payment please submit statement in duplicate, accompanied by signed voucher. The necessary blank is enclosed.

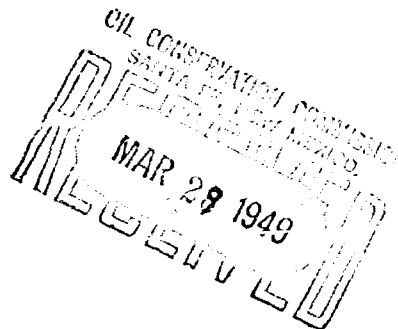
Very truly yours,

R. R. Sparrier  
Secretary and Director

RRS:bw

LAW OFFICES  
JOHN E. COCHRAN, JR.  
CARPER BUILDING  
ARTESIA, NEW MEXICO

March 26, 1949



Oil Conservation Commission  
State of New Mexico  
State Capitol Building  
Santa Fe, New Mexico

Attention: Mr. R. R. Spurrier

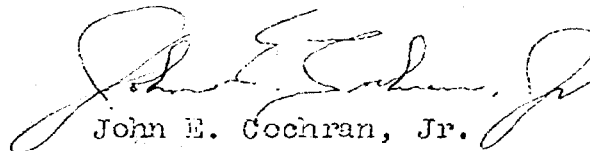
Gentlemen:

Enclosed herewith is Application, in triplicate, of American Republics Corporation for an order granting permission to drill eight unorthodox "five spot" locations on its Robinson "A" and "B" Leases located in Sections 27, 34 and 35, Township 17 South, Range 29 East, N.M.P.M. in the Grayburg-Jackson Pool of Eddy County, New Mexico, and for permission to unitize certain tracts for proration and allowable purposes.

At your earliest convenience, will you please set a time for hearing this Application, and publish notice thereof and advise me the date set for hearing on this Application.

The land upon which these locations are desired is embraced in Federal Oil and Gas Leases and, therefore, a copy of this Application is being furnished Mr. Foster Morrell, Supervisor of the United States Geological Survey at Roswell, New Mexico.

Very truly yours

  
John E. Cochran, Jr.

JEC:rm  
Encls.

cc: Mr. Foster Morrell, Supervisor  
United States Geological Survey  
Roswell, New Mexico

BEFORE THE  
OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO

The following proceedings before the Oil Conservation Commission, State of New Mexico, came on pursuant to legal notice of publication, and at the time and place as set out below.

NOTICE OF PUBLICATION  
STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

The State of New Mexico, by its Oil Conservation Commission hereby gives Notice pursuant to law of the following public hearing to be held April 18, 1949, beginning at 10:00 o'clock A. M. on that day in the City of Santa Fe, New Mexico in the Senate Chambers.

STATE OF NEW MEXICO TO:

All named parties to the following case  
and Notice to the Public:

CASE NO. 180

In the matter of the application of American Republics Corporation for an order granting permission to drill eight unorthodox locations, on its Robinson "A" and "B" leases, located in sections 27, 34 and 35, Township 17 South, Range 29 East, N. M. P. M., in the Grayburg Jackson pool of Eddy County, New Mexico, and for permission to unitize certain tracts for proration and allowable purposes.

Given under the seal of the Oil Conservation Commission of New Mexico, at Santa Fe, New Mexico, on April 1, 1949.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

BY (Signed) R. R. Spurrier  
R. R. SPURRIER, Secretary

(SEAL)

---

BEFORE: Hon. R. R. Spurrier, Secretary and Member

REGISTER:

John E. Cochran, Jr., Artesia, N.M., for American Republics Corporation.

William B. Macey, Artesia, New Mexico, for American Republics Corporation.

M. O. Krouskop, Hobbs, New Mexico, for Lea County Operators.

Frank C. Barnes, Santa Fe, New Mexico for Oil Conservation Commission.

<sup>UTZ</sup>  
Elvis A. ~~Pitt~~, Santa Fe, New Mexico for Oil Conservation Commission.

H. G. Ellis, Artesia, New Mexico for Buffalo Oil Company

George A. Graham, Santa Fe, New Mexico for Oil Conservation Commission.

COMMISSIONER SPURRIER: Let us consider that the Commission is open for formal hearing in the absence of the other two Commissioners or either one of the other two. The minutes of the Commission will show that I have been instructed to sit as an examiner and I will sit for the purpose of taking the record only.

Mr. Graham, will you read the advertisement for the first and only case?

(Reads the notice of publication in Case No. 180)

COMMISSIONER SPURRIER: Mr. Cochran, you are appearing, I assume, for American Republics Corporation?

A. Yes, I am and we also have Mr. William B. Macey and Mr. M.O.Krouskop.

MR. COCHRAN: Mr. Spurrier, American Republics Corporation owns certain producing properties in The Grayburg-Jackson Pool of Eddy County, New Mexico and among the properties owned by that company are what is designated as the Robinson "A" lease which



is described as follows, to-wit:

ROBINSON "A" LEASE, Las Cruces Serial No. 028775(a), described as SE $\frac{1}{4}$  Section 27, NE $\frac{1}{4}$  Section 34 and W $\frac{1}{2}$ NW $\frac{1}{4}$  Section 35, Township 17 South, Range 29 East, N.M.P.M., in Eddy County, New Mexico, and containing 400 acres;

and the

ROBINSON "B" LEASE, Las Cruces Serial No. 028775(b), described as NE $\frac{1}{4}$ , E $\frac{1}{2}$ NW $\frac{1}{4}$  and E $\frac{1}{2}$ SW $\frac{1}{4}$  Section 27, E $\frac{1}{2}$  and E $\frac{1}{2}$ W $\frac{1}{2}$  Section 35, Township 17 South, Range 29 East, N.M.P.M., and containing 800 acres.

The Robinson "A" lease consists of 400 acres and the Robinson "B" lease consists of 800 acres. Both of these leases are producing leases. American Republics Corporation makes this Application to drill eight (8) unorthodox, "five spot" locations on these two leases - four of these locations to be on each of these leases and American Republics also makes application to create, for proration and allowable purposes, three units. Now, in the drilling of these unorthodox locations, it is not American Republic's intention, nor do they ask that they be granted any additional allowable from these wells or the unit tract upon which the wells are located but, they would simply produce the total allowable as fixed by the Commission for the total number of developed forty acre units from the total number of wells on the three proration units. And, after the completion of these "five spot" wells, at no time, would any well, located upon these units, be permitted to produce in excess of the top allowable as set by the Commission.

We have a witness, Mr. Macey, we would like to have sworn.

(Witness sworn)

William B. Macey, having been first duly sworn, testified as follows:

DIRECT EXAMINATION BY MR. COCHRAN:

Q. State your name.

A. William B. Macey

Q. Whom do you represent?

A. I represent American Republics Corporation.

Q. In what capacity?

A. As Division Engineer in New Mexico.

Q. As Division Engineer in New Mexico, are you familiar with the Robinson "A" and "B" leases and the wells located on these leases?

A. Yes, sir.

Q. Mr. Macey, have you testified before the Commission before?

A. Yes, I have.

Q. Mr. Spurrier, do you accept Mr. Macey's qualifications?

A. Yes, I do.

MR. COCHRAN: Mr. Macey, I hold here what is "Applicant's Exhibit No. 1". Now, is that the same map - is the map which you hold identical to the map which Mr. Spurrier has before him?

A. Yes, it is the same with the exception that the unit areas are not outlined.

MR. COCHRAN: Will you, Mr. Macey, point out, in the map which Mr. Spurrier has, marked "Exhibit "A", the location of your Robinson "A" and "B" leases?

Mr. Macey points out the leases on the map held by Mr. Spurrier and states that the "A" lease comprises 400 acres and the "B" lease comprises 800 acres.

Q. Mr. Macey, are both of these leases federal leases.

A. Yes, sir.

Q. Mr. Macey, how many wells have been drilled on the "A" lease?

A. We have drilled a total of eleven (11) wells, of which ten

are producing at the present time.

Q. What happened to the other well?

A. The other well was abandoned at the end of 1948 due to the mechanical defects in the well.

Q. I notice that on Mr. Spurrier's map no notation is made as to the abandonment of Well No. 2. Will you make a notation on there to the affect that there is temporary abandonment?

(Mr. Macey makes such a notation)

Q. Now, Mr. Macey, how many wells have been drilled on the "B" lease?

A. A total of twenty (20) wells have been drilled on the "B" lease.

Q. How many of these wells are producing?

A. Of the twenty (20) wells drilled, eighteen (18) are producing. Two of them being wells which are producing from the Grayburg-Keely zone and the remaining of the wells are producing from the upper San Andres formation.

Q. What is the spacing pattern that these wells are drilled on?

A. The Grayburg-Jackson wells are drilled as center locations in each forty (40) acre unit in every case, except two wells which are producing from the Grayburg-Keely zone as ten (10) acre locations. These wells being located in the northeast quarter of Section 27.

Q. Mr. Macey, in your application it is stated that you do not believe that one well in the center of a forty (40) acre legal subdivision is sufficient to obtain all of the recoverable oil under that forty (40) acre tract and that you believe that a greater ultimate recovery of oil would be obtained if you were permitted to drill certain "five spot" locations. Will you

---

explain to the Commission the reason for your belief that one well will not drain those forty (40) acres and why you feel that the drilling of "five spot" locations will enable you to produce oil that might not otherwise be recovered and obtain a greater ultimate recovery of oil from these leases?

A. Well -- in completing our wells on this particular area - in this particular area we set our production casing and center it and then drill approximately two hundred (200) more feet of alternate production and barren zones in our natural production zone as well as - as far as our hourly production is considered good - sometimes by measuring in a five gallon bucket - by that I mean that we have a fairly low production in almost every case. This leads us to believe that we have a very low permeability and in acidizing these wells, we frequently find underground pressures, which are very high, and very abnormal, for this particular depth and in some instances it is impossible to acidize zones due to the fact that they are too tight and the pressures required to affectively break up the zone are prohibitive.

We have had one unusual circumstance to prove to us the point that we are not draining forty (40) acres with one (1) well. In 1929 we drilled our Number 2 "A" well to a total depth of two thousand one hundred and fifty (2150) feet. The well was drilled as a one hundred and forty (140) foot location out of the northeast corner of Section 34. In the summer of 1947 we lost some equipment in the hole and the well had to be abandoned. From the date of completion until the time it was abandoned the well produced a little under ninety thousand

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(90,000) barrels of oil. In the fall of 1948 we drilled our Number 12 "A" well, this well being located six hundred sixty (660) feet out of the northeast corner of Section 34. The distance between the Number 2 "A" and the Number 12 "A" is three hundred ten (310) feet on the surface. We completed this well for an initial production of three hundred twenty-eight (328) barrels per day and at the present time this well has a bottom hole pressure which is within twenty-five (25) percent of the virgin pressure of the reservoir. Therefore, inasmuch, as we had already produced a total of ninety thousand (90,000) barrels from this forty (40) acre unit to start with, we are firmly convinced that this particular production zone in this area had never been sufficiently drained or apparently had never been drained at all.

MR. COCHRAN: Now, Mr. Macey, in your application you ask for permission to drill eight (8) "five spot" locations - the measurements from section line on each well are set forth in the application. Will you point out to Mr. Spurrier, the location of these eight (8) "five spot" locations on his map?

Mr. Macey points out the location on the map and states

We plan to drill all of 13, 14, 15, 16 of the "A" Lease and the rest of 23, 24, 25 and 26 of the "B" Lease. All of these wells will be completed in the Grayburg-Jackson pool.

Q. If you are granted permission to drill these wells, how will they be drilled?

A. It is our plan to drill the wells one at a time to start with and if the information which we obtain supports our present ideas in regard to the reservoir there is a good possibility that we will drill the wells two at a time.

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Q. Would it be possible, Mr. Macey, that if the results you obtain from drilling one or more of these wells were unfavorable then, you might wish to modify the number of wells that you propose to drill now?

A. Yes, sir if we run into some unforeseen things we do not want to be obligated to drill the wells.

Q. Mr. Macey, in your application it is stated that if you are permitted to unitize certain specific tracts for proration and allowable purposes that the creation of such unitized tracts would enable you to produce the wells on each unit at a more effective and more efficient rate of withdrawal and thereby you would obtain the greater ultimate recovery of oil. Will you explain to Mr. Spurrier how the location of these proration units would enable you to accomplish that?

A. This particular reservoir is definitely a solution gas drive reservoir - by that I mean the entire energy present necessary for movement of the oil to the bore hole comes from the gas in solution.

Q. If the gas which is in such zone of the wells at the edge of the structure sufficient to produce a very small amount of water?

A. Two to four gallons a day but we do not consider that there is any effective water drive in this particular area, and we have never found any evidence of a gas cap.

Q. Now, in this particular type of reservoir a control of gas oil ratio, the effective control of gas oil ratio is very desirable, is it not?

A. Taking the Unit Number 2 Area, it is at the present time - we have ten producing wells in this area and it is our intention

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to drill four "five spot" locations. By drilling these four "five spot" locations we hope to obtain sufficient production so that we can control the gas oil ratios - each of the wells, by that I mean, that in the event that we find that it is no event to flow a well at the rate of thirty-seven (37) barrels per day. At that rate of flow we would have our oil and gas ratio - we would cut that back and produce our old ratio and therefore be producing the allowable from ten (10) units out of fourteen (14) wells. We can more effectively control our ratios and in the end increase our recovery and increase the amount of oil which we will produce per number drop in bottom hole pressure.

Q. Mr. Macey, the three (3) proposed areas that you wish to create for proration purposes are described in detail in your application, is that correct?

A. That is right.

Q. Will you point out to Mr. Spurrier these three proposed unit areas?

A. Yes, Unit Area I, Robinson "B" Lease, NE/4, E/2 NW/4 and E/2 SW/4 Section 27, Township 17 South, Range 29 East, N.M.P.M.; Unit Area II, Robinson "A" Lease, SE/4 Section 27, NE/4 Section 34, W/2 NW/4 Section 35, Township 17 South, Range 29 East, N.M.P.M.; Unit Area III, Robinson "B" Lease, E/2, E/2 W/2 Section 35, Township 17 South, Range 29 East, N.M.P.M.

Q. Is it true that the drilling of each "five spot" location will cut the second well on the forty (40) acre unit.

A. Yes, it is.

Q. It is not your intention and you do not ask the Commission that you be granted any additional allowable for these tracts?

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A. That is right.

Q. If you are permitted to unitize these three proposed areas for proration and allowable purposes how would those particular units be produced as far as the allowable is concerned?

A. We would take tests - periodic tests to determine the effective rate at which we would produce each well and through these tests we would take our allowable - prorate it among all the wells in such a manner that we would use the least amount of energy in producing that amount of oil.

Q. Now, using No. 2 as an example, at the present time, that is comprised of ten (10) forty (40) acre units, is it not?

A. It is.

Q. Now, if you drill the "five spot" locations then you would simply produce the allowable approved by the Commission from the fourteen (14) wells instead of ten (10) wells now producing.

A. That is correct.

Q. Is it your plan to produce any wells in Number 2 as top allowable, as set out by the Commission?

A. No, we are not planning to produce any wells in Number 2 as top allowable wells as set out by the Commission.

Q. Now, Mr. Macey, is the Grayburg-Jackson Pool different from other pools in the State? I mean by that that you testified that the formation here is very tight - Now, would this same thing apply to other pools in New Mexico?

A. No. There may be other conditions existing in certain other fields but I do not believe that this particular application even applies to the entire Grayburg-Jackson field, however I - there may be some other fields where similar production practices would be applied however I believe they would be few in numbers.



MR. COCHRAN: Mr. Spurrier, I have a letter from Mr. Morrell's office which I would like to introduce. (Letter introduced and marked Exhibit #2.) This letter is addressed to me and is dated March 29, 1949 and is signed by R. E. Canfield, Acting Supervisor, Oil and Gas Operations, United States Department of the Interior Geological Survey, which letter, among other things states that no objection is offered to this application by that office. It is their opinion that the drilling of additional wells should be encouraged to increase the ultimate recovery of oil and gas from the Grayburg-Jackson pool. Now, Mr. Spurrier - Grayburg Oil Company of New Mexico and Western Production Company, as you know, have been drilling some "five spot" locations and, at the present time, they have completed some seven such wells and they have two additional wells drilling and it is our belief that it would probably be good testimony to make a part of this record if Mr. Krouskop would state generally the results which they have obtained thus far in the drilling of "five spot" locations in this particular area and in fact in the leases in Section 26.

(Mr. Krouskop takes the stand)

MR. COCHRAN: Your name is M. O. Krouskop?

A. It is.

Q. You are employed by the Grayburg Oil Company of New Mexico?

A. Yes, I am

Q. You have drilled a number of "five spot" locations ON Grayburg and Western Production leases adjoining American Republics leases?

A. Yes, I have.

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Q. Will you state briefly, Mr. Krouskop, the results which you have obtained from the wells completed thus far and tell Mr. Spurrier something about the bottom hole pressures that your recently completed wells have?

A. Seven (7) of the unorthodox locations which were authorized by the New Mexico Oil Conservation Commission Order Number 791 have been drilled within the Grayburg cooperative and unit area, all but one of these wells were completed for initial production of well over top allowable. Daily potential ranges from forty (40) to three hundred eighty-nine (389) barrels per day and to date the production of these "five spot" wells has had no apparent affect upon the performance of their offset wells - that is, there has been no abnormal deviation in daily production potential, nor in bottom hole pressure, nor has there been created any significant changes in the gas alterations, - static or in any static bottom hole pressures, have been obtained on the first five (5) of these wells completed to date. Now, the fact that it took any where from eight (8) to twenty-seven (27) days for these wells to reach static condition would indicate the very (tight nature of this reservoir) and while we were obtaining three of these pressure build-ups, we conducted tests of several of these wells in order to try to establish interference between the inside well and its immediate offsets and these tests of a period of forty (40) minutes in length showed that we had no interference between wells. In comparing bottom hole pressure of these "five spot" or inside wells with average pressure of their immediate offsets, it has been found that in but one instance the pressure of the inside

well has been higher than the average pressure of the offset. This pressure difference ranging from sixty-five (65) pounds to two hundred (200) pounds, and in the one case where the "five spot" pressure is lower, this pressure difference was eighty-six (86) pounds, and in consideration of these observations and the excellent performance records of the "five spot" wells completed to date, why, it is my belief that the Grayburg Oil Company of New Mexico and the Western Production Company, Incorporated, will recover considerable oil that otherwise would be left in place in the reservoir.

MR. STALEY: What was the earliest pressure that you had - the history of the - How long ago was the first pressure taken? The first you have any record of?

A. That was in the old area, three hundred fifty (350) to four hundred (400) pounds at that time.

Q. How will these pressures compare with those?

A. They are quite a bit higher pressures.

MR. COCHRAN: Mr. Spurrier, do you have any questions, or does any one have any further questions?

MR. SPURRIER: No questions. There being no further questions to be properly brought up before the Commission and no one has anything else to say, the meeting is adjourned.

STATE OF NEW MEXICO )  
                              : ss.  
COUNTY OF SANTA FE )

I, Virginia M. Chavez, Notary Public, hereby certify that the foregoing transcript of proceedings before the Oil Conservation Commission of the State of New Mexico, at the time

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and place therein set out, is a true record of such proceedings to the best of my knowledge, skill, and ability.

DATED at Santa Fe this 21st day of April, 1949.

Virginia T. Chase  
Notary Public

My Commission expires April 10, 1950



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

P. O. Box 997  
Roswell, New Mexico  
March 29, 1949

Mr. John E. Cochran, Jr.  
Carper Building  
Artesia, New Mexico

Re: Leases Las Cruces 028775(a) and (b)

Dear Mr. Cochran:

Reference is made to your letter of March 26 transmitting a copy of an application executed by you as attorney for applicant, American Republics Corporation, which you are filing with New Mexico Oil Conservation Commission for permission to drill eight unorthodox well locations in secs. 27, 34 and 35, T. 17 S., R. 29 E., Grayburg-Jackson pool, Eddy County, New Mexico.

The lands in which the proposed wells are to be drilled are embraced by Federal oil and gas leases Las Cruces 028775(a) and (b).

The unorthodox well locations as described in the application are approximately 25 feet from the common intersections of the boundaries of 40-acre legal subdivisions. No encroachment of the outer boundaries of the leaseholds is involved as the proposed locations are more than 330 feet from lease boundaries.

No objection is offered by this office to the well spacing plan providing for the drilling of additional wells numbered 13, 14, 15 and 16 on lease Las Cruces 028775(a) and 23, 24, 25 and 26 on lease Las Cruces 028775(b) at the unorthodox locations specified in the application. It is the opinion of this office that the drilling of additional wells should be encouraged to increase the ultimate recovery of oil and gas from the Grayburg-Jackson pool.

Approval to drill the proposed wells at the unorthodox locations will be contingent upon (1) the approval of such locations by the Oil Conservation Commission of the State of New Mexico for proration purposes and (2) the filing of a stipulation in triplicate, executed by the American Republics Corporation, wherein it agrees to treat the 40-acre tracts surrounding each of the proposed wells as a single unit for purposes of assignment and that none of the 40-acre tracts involved will be separately assigned until the wells have been properly plugged and abandoned.

Very truly yours;

*R. E. Canfield*

R. E. Canfield, Acting  
Supervisor, Oil and Gas Operations

cc: Mr. Cochran (2)

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF APPLICATION OF AMERICAN  
REPUBLICS CORPORATION FOR AN ORDER GRANT-  
ING PERMISSION TO DRILL EIGHT UNORTHODOX  
LOCATIONS, ON ITS ROBINSON "A" AND "B"  
LEASES, LOCATED IN SECTIONS 27, 34 AND 35,  
TOWNSHIP 17 SOUTH, RANGE 29 EAST, N.M.P.M.  
IN THE GRAYBURG JACKSON POOL OF EDDY COUNTY,  
NEW MEXICO, AND FOR PERMISSION TO UNITIZE  
CERTAIN TRACTS FOR PRORATION AND ALLOWABLE  
PURPOSES

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

APPLICATION

AMERICAN REPUBLICS CORPORATION, Applicant here-  
in, in connection herewith respectfully shows to the Oil  
Conservation Commission:

1. Applicant is the owner and holder of the  
following described Oil and Gas Leases, situated in Eddy  
County, State of New Mexico, to-wit:

ROBINSON "A" LEASE, Las Cruces Serial No.  
028775(a), described as SE/4 Section 27,  
NE/4 Section 34 and W/2 NW/4 Section 35,  
Township 17 South, Range 29 East, N.M.P.M.,  
in Eddy County, New Mexico, and containing  
400 acres;

ROBINSON "B" LEASE, Las Cruces Serial No.  
028775(b), described as NE/4, E/2 NW/4 and  
E/2 SW/4 Section 27, E/2 and E/2 W/2 Sec-  
tion 35, Township 17 South, Range 29 East,  
N.M.P.M., and containing 800 acres.

2. That from inception of production to the  
present time there have been drilled a total of eleven  
wells on the Robinson "A" Lease, described above; that  
ten of said wells are producing at the present time and

one well, Robinson "A" Well No. 2, was temporarily abandoned on January 1, 1948.

3. That from inception of production to the present time, there have been drilled a total of twenty wells on Robinson "B" Lease, described above; that two of said wells, Robinson "B" Well No. 3 and Robinson "B" Well No. 13, were dry holes and were plugged and abandoned at the time they were drilled, and that at the present time there are eighteen producing wells on the Robinson "B" Lease, described above.

4. That all of said wells located upon the Robinson "A" and "B" Leases are producing from the Grayburg-Jackson Pay of the upper San Andres formation, encountered at a depth of approximately 2800 feet, with the exception of Robinson "B" Wells Nos. 21 and 22, located in the NE $\frac{1}{4}$  of Section 27, Township 17 South, Range 29 East, N.M.P.M., which said two wells are producing from the sub-Grayburg Section encountered at an approximate depth of 3275 feet. That each of said producing wells has been drilled on a spacing pattern of one well in the center of a legal forty-acre subdivision, except Robinson "B" Wells Nos. 21 and 22, which are producing from the sub-Grayburg, or Keely-Grayburg Section.

5. That Applicant, on the basis of geological and engineering information, is advised and is of the opinion and belief, that one well located in the center of each forty-acre legal subdivision is not sufficient to obtain all of the recoverable oil under any one forty-acre

tract and that the drilling of "five spot" wells on said leases, at the locations shown on the map attached hereto, marked Exhibit "A" and by reference made a part hereof, would be in the interest of conservation, prevent waste and enable applicant to obtain a greater ultimate recovery of oil, in that Applicant would be able to recover substantial quantities of oil which would not otherwise be produced if such "five spot" locations are not drilled. That the drilling of said "five spot" locations would enable Applicant to produce the wells on each of said leases at a more efficient rate of withdrawal.

6. That American Republics Corporation desires and hereby makes application to drill eight "five spot" locations, to be located upon the leases owned by it, hereinabove described, said wells to be numbered and located, as follows:

ROBINSON "A", Well No. 13: Section 27, Township 17 South, Range 29 East, N.M.P.M., 1345 feet from the South Line and 1345 feet from the East Line;

ROBINSON "A", Well No. 14: Section 27, Township 17 South, Range 29 East, N.M.P.M., 25 feet from the South Line and 1295 feet from the East Line;

ROBINSON "A", Well No. 15: Section 34, Township 17 South, Range 29 East, N.M.P.M., 1295 feet from the North Line and 1345 feet from the East Line;

ROBINSON "A", Well No. 16: Section 34, Township 17 South, Range 29 East, N.M.P.M., 1295 feet from the North Line and 25 feet from the East Line;



ROBINSON "B", Well No. 23: Section 35, Township 17 South, Range 29 East, N.M.P.M., 1295 feet from the North Line and 2615 feet from the West Line;

ROBINSON "B", Well No. 24: Section 35, Township 17 South, Range 29 East, N.M.P.M., 1295 feet from the North Line and 1295 feet from the East Line;

ROBINSON "B", Well No. 25: Section 35, Township 17 South, Range 29 East, N.M.P.M., 2615 feet from the North Line and 1295 feet from the East Line;

ROBINSON "B", Well No. 26: Section 27, Township 17 South, Range 29 East, N.M.P.M., 1295 feet from the North Line and 1345 feet from the East Line;

the locations of each of said wells being shown on the map attached hereto, marked Exhibit "A".

7. That if permits are granted to Applicant to drill the unorthodox locations hereinabove described, that said drilling program, as to said locations will be carried on in an orderly and continuous manner, and that while Applicant proposes to drill all of said locations, it does not wish to be obligated to do so, for the reason that as such locations are drilled, the data and information obtained from the drilling of such wells, may cause Applicant to change or modify its future program with reference to the drilling of all eight unorthodox locations hereinabove described.

8. That it is Applicant's belief that by unitizing certain tracts out of the above described leases for allowable and proration purposes, that the creation of such unitized tracts will enable Applicant to produce its wells upon such respective tracts at a more efficient

rate of withdrawal; that a greater ultimate recovery of oil could be obtained from each of said unitized tracts and that such method of operation of Applicant's wells would be in the interest of conservation, prevent waste, and that substantial quantities of oil could be produced which would not otherwise be recovered.

9. That Applicant desires to create and establish the following tracts of land into unitized tracts for proration and allowable purposes only:

UNIT AREA I, Robinson "B" Lease, NE/4, E/2 NW/4 and E/2 SW/4 Section 27, Township 17 South, Range 29 East, N.M.P.M.

UNIT AREA II, Robinson "A" Lease, SE/4 Section 27, NE/4 Section 34, W/2 NW/4 Section 35, Township 17 South, Range 29 East, N.M.P.M.

UNIT AREA III, Robinson "B" Lease, E/2, E/2 W/2 Section 35, Township 17 South, Range 29 East, N.M.P.M.

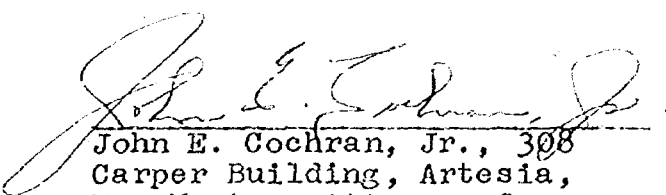
That each of said above described units are shown and outlined on map attached hereto, marked Exhibit "A" and by reference made a part hereof.

10. That in the drilling of the unorthodox locations hereinabove described, in all instances, the drilling of each location will constitute a second well upon a forty-acre proration unit and in the event the Commission grants permits to drill said unorthodox "five-spot" locations and grants Applicant permission to unitize, for allowable and proration purposes, the tracts hereinabove last described, it is not Applicant's intention, nor does Applicant ask that it be granted any

allowable in addition to the daily allowable, as fixed by the Oil Conservation Commission, for the total number of developed forty-acre proration units comprising the unitized tracts hereinabove described, nor is it Applicant's intention to produce any well on any unitized tract in excess of the current top allowable set by the Oil Conservation Commission, but Applicant desires to produce the total allowable as fixed by the Oil Conservation Commission for each unitized tract hereinabove described, from all wells located upon such unitized tract insofar as all wells located on said unitized tracts are producing from the same horizon.

WHEREFORE, Applicant prays that the Oil Conservation Commission set a date for hearing this Application and give notice thereof in accordance with its rules and regulations, and that upon presentation of this Application, an order be entered granting Applicant permission to drill the eight unorthodox "five spot" locations hereinabove described, and shown on map attached hereto, marked Exhibit "A"; that the Commission further enter its order unitizing the tracts hereinabove last described, respectively, for proration and allowable purposes; that Applicant be permitted to produce from each unitized tract the total allowable production as fixed by the Oil Conservation Commission for such unitized tract from all the wells located upon such unitized tract, but that no well

located upon any unitized tract shall be permitted to produce at a rate in excess of the top allowable as fixed by the Oil Conservation Commission.


  
John E. Cochran, Jr., 308  
Carper Building, Artesia,  
New Mexico, Attorney for  
Applicant, American Republics  
Corporation

STATE OF NEW MEXICO     )  
                                  : ss.  
COUNTY OF EDDY         )

W. B. MACEY, being first duly sworn upon his oath, deposes and states: That he is Petroleum Engineer and Agent for Applicant, American Republics Corporation, in the above and foregoing Application; that he has read the same and from personal knowledge knows the matters therein contained to be true and correct, except such statements as are alleged upon information and belief and as to those, he verily believes them to be true.

  
W. B. Macey

SUBSCRIBED AND SWORN TO BEFORE ME, this 24th  
day of March, 1949.

  
Notary Public

My commission expires: April 15, 1950

21  
★<sup>8</sup>

L. Leonard & Levers

State

L. Leonard &  
Barnsdall

State

10

22

L. Barnsdall

★<sup>5</sup>

"M. Dodd"  
U. S. •

L. Leonard & Levers

15

L. Continental

11

UNIT AREA I

★<sup>2</sup>

L. American Republics Corporation

26

No. 028775 - B

14

15

28

13

L. Leonard Oil Co.

L. L. H. Wentz

UNIT AREA

9

6

21  
\*<sub>8</sub>

Ls. Leonard & Levers

State

Ls. Leonard &  
Barnsdall

State

10

22

Ls. Barnsdall

\*<sub>5</sub>

"M. Dodd"  
U. S. .

Ls. Leonard & Levers

15

Ls. Continental

1

UNIT AREA I

\*<sub>2</sub>

Ls. American Republics Corporation

26

No. 028775 - B

14

15

28

Ls. Leonard Oil Co.

13

Ls. L. H. Wentz

1

9

UNIT AREA

UNIT AREA I

Ls. Leonard & Levers

Ls Continental

Ls American Republics Corporation

No. 028775 - B

28

13

Ls. Leonard Oil Co.

Ls. L. H. Wentz

1

8

14

15

26

UNIT AREA

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17

S

State

14

State

2

9

U.S.

"F. M. Robinson"

9

Ls. American Republics Co

No. 028775 - A

13

14

Ls. Resler Oil Co.

3

Ls. S. P. Yates

1

No. 069147 - B

20

10

23

L.S. Grayburg  
"B"

L.S. Western Prod.  
"C"

U.S.

24

L.S. Grayburg  
"B"

"Keely"  
U.S.

11

27

L.S. Western Prod.  
"C"

L.S. Grayburg  
"B"

26

L.S. Western Prod.  
"C"

25

2

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6

8

3

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6

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4

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14

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31

15

15

16

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17



27  
L.S. Western Prod.  
"C"

L.S. Grayburg  
"B"

L.S. Western Prod.  
"C"

"Keely"  
U.S.

"Keely"  
U.S.

UNIT AREA III

L.S. Bassett &  
Birney et al.

S

State

L<sup>s</sup> Resler Oil Co.

3

"Leonard"  
U.S.

2-B

33

L<sup>s</sup> C.L. East et al.

1

State

State

L<sup>s</sup> S. P. Yates

1

2

"Leonard"

3

No. 069147-B

20

L<sup>s</sup> S. P. Yates

1-B

34

L<sup>s</sup> American Republics Corporation

No. 069147-B

"F.M. Robinson"  
U.S.

U.S.

L<sup>s</sup> American Republics Corp  
No. 028775-A

14

10

4

15

2-B

"Leonard"  
U.S.

ω  
ω

Is. C. L. East et. al.

State



L. S. Pyates

1-8

34

LS American Republics Corporation

Na. 069147-B

"F. M. Robinson"  
U.S.

"Leonard"

EXHIBIT A

21

22

U.S.

11

12

3

11

11

5

4

23

24

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6

10

U.S. American Republics Corporation  
No. 028775-B

35

25

910-B

ilics Corporation

U.S. Jones & Yates

# UNIT AREA III

U.S. Bassett &  
Birney et al.

8

U.S. Allen & Fair

6

4-A

U.S. R.W. Fair  
"B"

1

U.S. Allen, Fair & Pope  
"A"

"E. M. Robinson"  
U.S.

18

State

36

3

2

L.S. Allen & Fair

4-A

36

L.S. R.W. Fair  
"B"

1

L.S. Allen, Fair & Pope  
"A"

State

2

L.S. American Republics Corporation  
No. 028775-B

35

25

13

16

17

"F.M. Robinson"  
U.S.

18

3

L.S. Jones & Yates

910-B

Republics Corporation

9E

- PRODUCING WELL
- PROPOSED LOCATION

AMERICAN REPUBLICS CORPORATION

HOUSTON, TEXAS

PROPOSED LOCATION

F.M. ROBINSON LEASE

LOCO HILLS AREA

EDDY COUNTY, NEW MEXICO

DRAWN BY O.L.G.  
TRACED BY  
APPROVED BY  
SCALE 1" = 500'  
DATE 2-17-49  
REVISED

NOTICE OF PUBLICATION  
STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

The State of New Mexico by its Oil Conservation Commission hereby gives notice, pursuant to law, of the following public hearing to be held April 18, 1949, beginning at 10:00 o'clock A.M. on that day in the City of Santa Fe, New Mexico, in the Senate Chambers.

STATE OF NEW MEXICO TO:

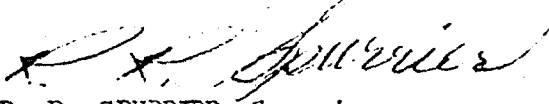
All named parties in the following case,  
and notice to the public:

Case 180

In the matter of the application of American Republics Corporation for an order granting permission to drill eight unorthodox locations, on its Robinson "A" and "B" leases, located in sections 27, 34 and 35, Township 17 South, Range 29 East, N.M.P.M., in the Grayburg Jackson pool of Eddy County, New Mexico, and for permission to unitize certain tracts for production and allowable purposes.

Given under the seal of the Oil Conservation Commission of New Mexico, at Santa Fe, New Mexico, on April 1, 1949.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
R. R. SPURRIER, Secretary

SEAL

SPECIAL OIL CONSERVATION COMMISSION HEARING

APRIL 18, 1949

180

NAME	REPRESENTING	ADDRESS
JOHN E. COCHRAN, JR.	AMERICAN REPUBLICS SOF.	ARTESIA, NEW MEXICO
William M. ...	"	"
W. K. ...	Longhorn Oil Co.	"
Elmer ...	Area County Operator	Hobbs, N.M.
Frank C. Barnes	Oil Commission	Santa Fe
Thos. A. ...	Oil Commission	Santa Fe
W. ...	Buffalo Oil Co.	Artesia
George ...	Oil Com -	Santa Fe, N.M.

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

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

CASE NO. 180  
ORDER NO. 619

IN THE MATTER OF THE APPLICATION OF  
AMERICAN REPUBLICS CORPORATION FOR AN  
ORDER GRANTING PERMISSION TO DRILL  
EIGHT UNORTHODOX LOCATIONS, ON ITS  
ROBINSON "A" AND "B" LEASES, LOCATED  
IN SECTIONS 27, 34 and 35, TOWNSHIP  
17 SOUTH, RANGE 29 EAST, N.M.P.M. IN  
THE GRAYBURG JACKSON POOL OF EDDY  
COUNTY, NEW MEXICO, AND FOR PERMISSION  
TO UNITIZE CERTAIN TRACTS FOR PRO-  
PRATION AND ALLOWABLE PURPOSES.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This matter came on for hearing at 10 o'clock A. M. on the 18th day of April, 1949, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 25th day of April, 1949, the Commission, having before it for consideration the testimony adduced at said hearing and being fully advised in the premises,

FINDS:

1. That due public notice having been given, as provided by law, the Commission has jurisdiction of this cause.
2. That the acreage involved in the Application is Federally owned and the Supervisor of the United States Geological Survey interposes no objections to the Application.
3. That leases covering the following described land are owned by American Republics Corporation:  
  
ROBINSON "A" LEASE, Las Cruces Serial No. 028775(a), described as SE/4 Section 27, NE/4 Section 34 and W/2 NW/4 Section 35, Township 17 South, Range 29 East, N.M.P.M. in Eddy County, New Mexico, and containing 400 acres;  
  
ROBINSON "B" LEASE, Las Cruces Serial No. 028775(b), described as NE/4, E/2 NW/4 and E/2 SW/4 Section 27, E/2 and E/2 W/2 Section 35, Township 17 South, Range 29 East, N.M.P.M., and containing 800 acres.
4. That one well located in the center of each forty acre legal subdivision is not sufficient to obtain all of the recoverable oil under any forty acre tract and that the drilling of "five spot" wells, as proposed in the Application of American Republics Corporation, at the locations designated, would be in the interest of conservation, prevent waste and enable Applicant to obtain a greater ultimate recovery of oil, in that Applicant would be able to recover substantial quantities of oil which would otherwise not be produced if such "five spot" locations were not drilled.
5. That the creation and establishment of the tracts of land described in the Application of American Republics Corporation into unitized tracts for proration and allowable purposes will enable American Republics Corporation to



produce the wells upon the respective proposed unitized tracts at a more efficient rate of withdrawal; that a greater ultimate recovery of oil will be obtained from each of said unitized tracts and that such method of operation will be in the interest of conservation, prevent waste and enable Applicant to produce substantial quantities of oil that would not otherwise be recovered.

IT IS THEREFORE ORDERED by the Commission that the Application of American Republics Corporation for an order granting permits to drill eight unorthodox "five spot" locations, described in said Application, be and the same is hereby granted and approved. The numbers and locations of the wells to be drilled being as follows:

ROBINSON "A", Well No. 13: Section 27, Township 17 South, Range 29 East, N.M.P.M., 1345 feet from the South Line and 1345 feet from the East Line;

ROBINSON "A", Well No. 14: Section 27, Township 17 South, Range 29 East, N.M.P.M., 25 feet from the South Line and 1295 feet from the East Line;

ROBINSON "A", Well No. 15: Section 34, Township 17 South, Range 29 East, N.M.P.M., 1295 feet from the North Line and 1345 feet from the East Line;

ROBINSON "A", Well No. 16: Section 34, Township 17 South, Range 29 East, N.M.P.M., 1295 feet from the North Line and 25 feet from the East Line;

ROBINSON "B", Well No. 23: Section 35, Township 17 South, Range 29 East, N.M.P.M., 1295 feet from the North Line and 2615 feet from the West Line;

ROBINSON "B", Well No. 24: Section 35, Township 17 South, Range 29 East, N.M.P.M., 1295 feet from the North Line and 1295 feet from the East Line;

ROBINSON "B", Well No. 25: Section 35, Township 17 South, Range 29 East, N.M.P.M., 2615 feet from the North Line and 1295 feet from the East Line;

ROBINSON "B", Well No. 26: Section 27, Township 17 South, Range 29 East, N.M.P.M., 1295 feet from the North Line and 1345 feet from the East Line.

IT IS FURTHER ORDERED that the Application of American Republics Corporation for an order authorizing the unitization for proration and allowable purposes, of the tracts therein described, be and the same is hereby granted and approved; and it is further ordered that the following tracts of land, located in the Grayburg-Jackson Pool of Eddy County, New Mexico, are hereby established as unitized tracts for proration and allowable purposes:

UNIT AREA I, Robinson "B" Lease, NE/4, E/2 NW/4 and E/2 SW/4 Section 27, Township 17 South, Range 29 East, N.M.P.M.

UNIT AREA II, Robinson "A" Lease, SE/4 Section 27, NE/4 Section 34, W/2 NW/4 Section 35, Township 17 South, Range 29 East, N.M.P.M.

UNIT AREA III, Robinson "B" Lease, E/2, E/2 W/2 Section 35, Township 17 South, Range 29 East, N.M.P.M.

IT IS FURTHER ORDERED, and Applicant is hereby authorized to produce from each unitized tract, hereinabove described, the total allowable production, as fixed by the Commission for the total number of developed forty acre proration units comprising such unitized tract, and that Applicant is hereby authorized to produce the total allowable, so fixed by the Commission

for each unitized tract, from all of the wells located upon or that may be hereafter drilled upon such unitized tract, producing from the Grayburg-Jackson Pay.

IT IS FURTHER ORDERED, that no well located upon any unitized tract shall be permitted to produce at a rate in excess of the top allowable as fixed by the Commission.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

THOMAS J. MABRY, CHAIRMAN

*Guy Shepard*  
GUY SHEPARD, MEMBER

*R. R. Spurrer*  
R. R. SPURRIER, SECRETARY