

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. 268
ORDER NO. R-72

THE APPLICATION OF BOYD-PLEMONS DRILLING
COMPANY FOR PERMIT TO DRILL AN UNORTHODOX
LOCATION KNOWN AS CONTINENTAL STATE WELL
NO. 3, 1345 FEET SOUTH OF THE NORTH LINE AND
990 FEET EAST OF THE WEST LINE OF THE W/2 OF
THE NW/4 OF SECTION 27, TOWNSHIP 17 SOUTH, RANGE
29 EAST, NMPM, IN EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This matter came on for hearing at 10:00 A. M. on the 24th day of April, 1951, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 24th day of April, 1951, 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 Boyd-Plemons Drilling Company is the owner and holder of the following described oil and gas lease, situated in Eddy County, State of New Mexico, towit:

That certain Oil and Gas Lease, made and entered into on May 10, 1938, between the State of New Mexico, acting by and through its Commissioner of Public Lands, and Continental Oil Company, bearing State of New Mexico Lease No. B-7596, insofar as said lease covers the W/2 NW/4 of Section 27, Township 17 South, Range 29 East, NMPM to a depth of 3500 feet beneath the surface.

3. That from inception of production to the present time there has been drilled a total of two wells on the Continental State Lease, described above, and both of said wells are producing at the present time. That both of said wells are producing from the Grayburg-Jackson Pay of the Upper San Andres Formation, encountered at an approximate depth of 2500 feet.

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4. That Boyd-Plemons Drilling Company proposed to drill an unorthodox location known as Continental-State Well No. 3, to be located 1345 feet South of the North Line and 990 feet East of the West Line of the W/2 NW/4 of Section 27, Township 17 South, Range 29 East, N.M.P.M.

5. That Applicant does not ask for any additional allowable by reason of the drilling and completing of said unorthodox location in the Grayburg-Jackson Pay of the Upper San Andres Formation, but it is the intention of Applicant to produce from the two wells producing from the Grayburg-Jackson Pay, located upon the forty acre legal subdivision, the allowable as fixed by the Oil Conservation Commission for said forty acre proration unit upon which said two wells are located, and in no event will the combined daily production from the two wells located upon this forty acre legal subdivision exceed the allowable as fixed by the Oil Conservation Commission for the forty acre proration unit.'

6. That in the event said Continental-State Well No. 3 is drilled at the location hereinabove provided, and in the further event said well should be dry and non-productive in the grayburg-Jackson Pay of the Upper San Andres Formation, then and in that event, Applicant desires to have permission to drill said Continental-State Well to a depth sufficient to test the Paddock Pay, which is expected to be encountered at an approximate depth of 3250 feet.

7. That the drilling of said Continental-State Well No. 3 to the Grayburg-Jackson Pay, at the location applied for, would be in the interest of conservation, prevent waste and enable Applicant to obtain a greater recovery of oil, in that Applicant would be able to recover substantial quantities of oil that would not otherwise be produced if such location was not drilled.

IT IS THEREFORE ORDERED, BY THE COMMISSION, that the Application of Boyd-Plemons Drilling Company for an Order granting permit to drill the unorthodox location known as Continental -State Well No. 3, at the location designated in said Application, and hereinabove set forth, be and the same is hereby granted and approved.

IT IS FURTHER ORDERED, that upon completion of said Continental-State Well No. 3 in the Grayburg-Jackson Pay, as a producing well, the two wells located upon this forty acre subdivision shall be permitted to produce only such daily allowable as shall be fixed by Order of the Oil Conservation Commission for the forty acre proration unit upon which said well is located.

IT IS FURTHER ORDERED, that Boyd-Plemons Drilling Company execute and file with the Oil Conservation Commission a Stipulation, wherein they agree to treat the forty acre tract upon which the Continental-State Well No. 3 is located and forty acre tract adjoining, described as NW/4 NW/4 Section 27, Township 17 South, Range 29 East, N. M. P. M., as a single unit for the purpose of assignment, and that neither of these forty acre tracts will be separately assigned to any person, firm or corporation, until such time as Well No. 3 shall have been plugged and abandoned.

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IT IS FURTHER ORDERED, that in the event Continental-State Well No. 3 is dry and non-productive in the Grayburg-Jackson Pay, Boyd-Plemons Drilling Company be, and they are hereby granted permission to drill said Continental-State Well No. 3 to a depth sufficient to test the Paddock Pay, which is expected to be encountered at a depth of approximately 3250 feet.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

GUY SHEPARD, Member

R. R. SPURRIER, Secretary

SEAL