

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

IN THE MATTER OF THE APPLICATION
OF G. B. SUPPES FOR APPROVAL OF
A UNIT OPERATIONS AGREEMENT AND
FOR TWO UNORTHODOX LOCATIONS.

No. _____

TO THE HONORABLE OIL CONSERVATION COMMISSION OF THE STATE
OF NEW MEXICO:

The petitioner herein, appearing by his attorney, Donald S. Bush, of Artesia New Mexico, hereby makes application for the approval of a Unit Agreement for proration purposes and for two unorthodox locations, one to be located 330 feet from the Eastline and 1270 feet from the North line of Section 33, Township 16 South, Range 31 East, and the other to be located 990 feet from the East line and 1370 feet from the North line of said Section 33, said acreage being generally situated in the Square Lake field, Eddy County, New Mexico, and said locations being closer to the boundary lines of the units than is permitted by general rules and regulations.

In support of such requests, the petitioner respectfully states as follows:

1. That this application involves and embraces the $E\frac{1}{2}$ $NE\frac{1}{4}$ of Section 33, Township 16 South, Range 31 East, N.M.P.M., Eddy County, New Mexico, on which are located the Johnson 5 B well and the Johnson 6 B well.
2. That said 80 acre tract is a part of that certain oil and gas lease, executed December 27, 1937, by the United States of America, as lessor and S. P. Johnson, as lessee, said lease bearing Las Cruces Serial No. 029438-B, and by partial assignment title has lodged in the Fullerton Oil Company, a corporation, bearing Las Cruces Serial No. 056302-B.
3. That subsequent agreements have lodged title herein

in your petitioner under an operating agreement dated the 26th day of August, 1942, executed to petitioner by Fullerton Oil Company, a corporation.

4. That said 80 acre tract is subject to the rules and regulations of the Department of the Interior of the United States of America, and that said department makes no objection to the requests of this petitioner, as evidenced by the letter of approval from the United States Geological Survey, hereto attached, marked Exhibit "A" and, by this reference, made a part hereof.

5. That the owners of the 80 acre tracts, immediately adjacent on the East and West, will not contest or object to said unorthodox locations or unit agreement, as shown by their signatures approving this petition.

6. That petitioner desires to drill wells on each of the aforesaid unorthodox locations for the reason that said wells so located, will more efficiently drain the area and more nearly furnish maximum ultimate recovery of oil therefrom, as is more particularly shown by a map of said area hereto attached, marked Exhibit "B" and, by this reference, made a part hereof.

7. That your petitioner, in order to more efficiently and economically operate the existing and requested wells on said 80 acre tract, desires to enter into a unit agreement for proration purposes under the terms and conditions as set out in said agreement, a copy of which is hereto attached, marked Exhibit "C" and, by this reference, made a part hereof.

In consideration of the foregoing statements, your petitioner respectfully requests that the Commission give notice as required by the rules and regulations of the Commission; that a hearing on this matter be held; that the petitioner be permitted to offer proof of the facts herein stated, and that the Commission make the following findings and orders, to wit:

A. That the unit agreement marked Exhibit "C" be approved.

B. That the unorthodox locations herein requested be approved.

C. That the foregoing orders be made with the understanding that the Johnson 56 Unit, in order to make its top allowable, agrees not to produce either 40 acre proration unit in excess of ten (10) barrels per day above the current top allowable assigned to either 40 acre tract within the unit.


Donald S. Bush
Artesia, New Mexico
Attorney for Petitioner.

We, the undersigned, being the operators of the 80 acre tracts immediately adjacent, on the East and West, of the acreage affected by the above petition, do hereby make our general entry of appearance herein, expressly waive any objections to the requests made in said petition and consent to the orders requested therein without further notice to us.

Carper Drilling Co., a corporation
By Mirshae Rowley, Vice Pres.

Texas Trading Co., a corporation
By Ruth Deaton, Secretary

UNIT AGREEMENT FOR PRORATION PURPOSES

WHEREAS, G. B. Suppes is the holder of an operating agreement dated the 8th day of September, 1943, under the terms of a certain oil and gas lease made and executed by the United States of America, acting by and through the Secretary of the Interior, said lease being dated the 27th day of December, 1937, wherein S. P. Johnson is lessee, and bearing Las Cruces Serial No. 029438-B, said operating agreement extending to, and not below, a depth of 5000 feet, and,

WHEREAS, said lease embraces, among other lands, the following described property situated in Eddy County, State of New Mexico, to wit:

E $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 33, Township 16 South,
Range 31 East, N.M.P.M., containing
80 acres more or less

and,

WHEREAS, G. B. Suppes has made application to the Oil Conservation Commission of the State of New Mexico for two unorthodox locations, one to be located 990 feet from the East line and 1370 feet from the North line of said Section 33, and the other to be located 330 feet from the East line and 1270 feet from the North line of said Section 33, and,

WHEREAS, it is the desire of G. B. Suppes to operate all of said acreage above described as a unit for proration purposes, and to provide for the most efficient and economic recovery of oil and gas and to more nearly achieve the maximum ultimate recovery thereof without waste.

NOW THEREFORE, G. B. Suppes hereby stipulates and agrees as follows:

1. That said 80 acre tract above described shall be known as the Johnson 56 Unit, and that the operator of said unit shall be known as the Johnson 56 Unit.

2. That the terms of this agreement shall cover and

E. L. L. "C"

affect only the pay zones out of which the wells now drilled or to be drilled on said acreage are producing, extending to and not below a depth of 5000feet.

3. That the Johnson 56 unit will request only the allowable allocated to each 40 acre unit within the unit, which said allowable shall be composed of the total production of all wells now drilled in the unit area, or which may hereafter be drilled within the limits of the unit area.

4. That said 80 acre tract shall hereafter be considered as one producing unit, and that said 80 acre tract shall not be re-divided into 40 acre units so long as the terms of the aforesaid operating agreement shall remain in force and effect, insofar, and only insofar, as the above mentioned pay zones are affected hereby, it being the intention hereof to unitize for proration purposes, only the zones above 5000 feet.

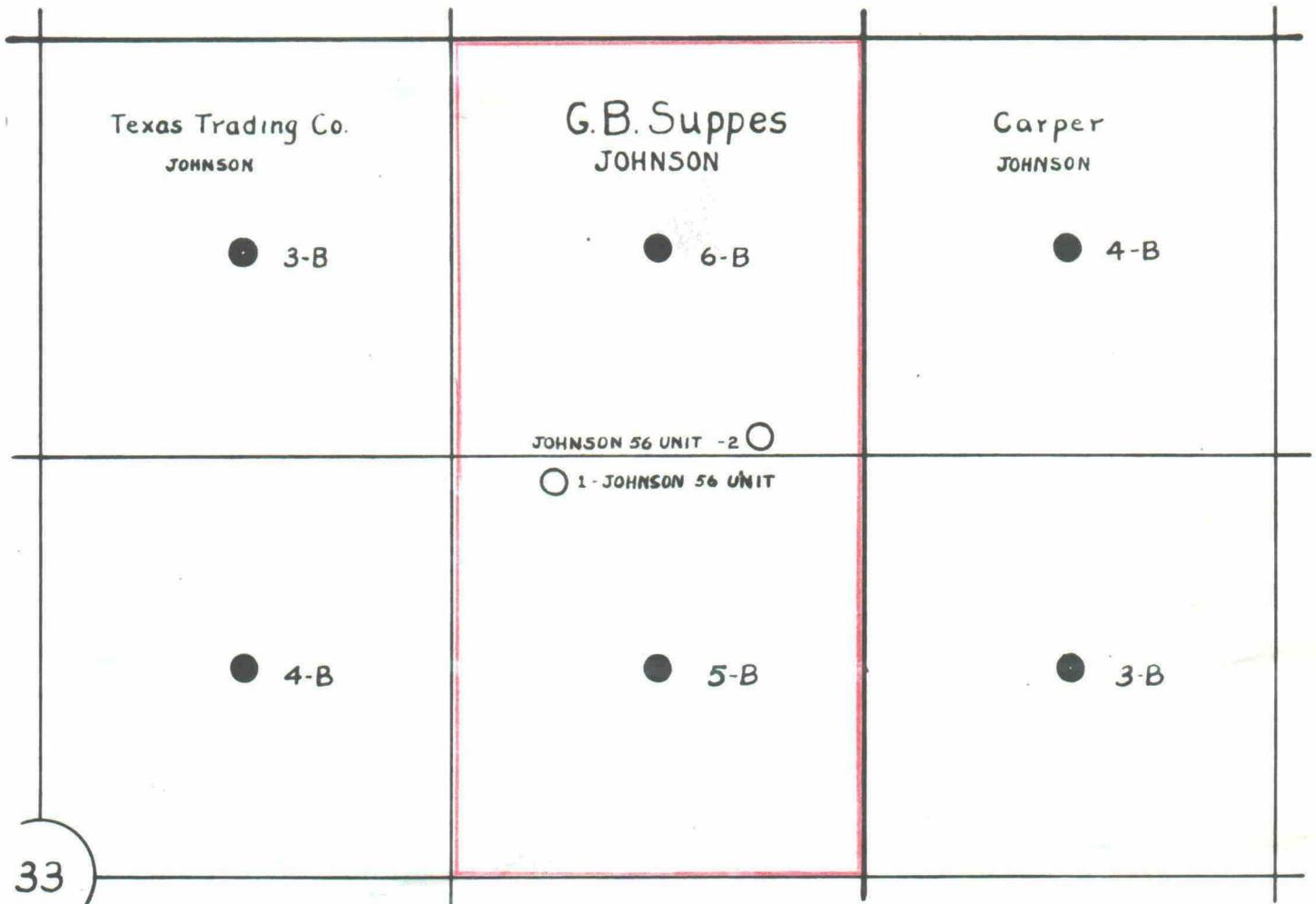
I WITNESS WHEREOF, G. B. Suppes has hereunto set his hand this 27 day of August, 1947.

G. B. Suppes

By B. E. Kennedy
B. E. Kennedy, Agent

JOHNSON 56 UNIT

Map Shows a Portion of
Sections 33 + 34
Twp. 16S - Rge. 31E.
Square Lake Field
Eddy County, New Mexico



Drawn by: *Chuck Upton*
8-1-47

— = Johnson 56 Unit

E. Libet "B"

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P. O. Box 997
Roswell, New Mexico
August 29, 1947

Mr. Donald S. Bush
Attorney at Law
216 Booker Building
Artesia 3, New Mexico

Dear Mr. Bush:

Reference is made to your letter of August 27 transmitting two copies of a petition to the Oil Conservation Commission of the State of New Mexico for approval of two unorthodox well locations in the E $\frac{1}{2}$ NE $\frac{1}{4}$ sec. 33, T. 16 S., R. 31 E., included in federal oil and gas lease Las Cruces 056302(b). The proposed location of Johnson 56 Unit No. 1 is 1,370 feet from the north line and 990 feet from the east line, and Johnson 56 Unit No. 2 is 1,270 feet from the north line and 330 feet from the east line of said section 31. The petition was submitted in behalf of G. B. Suppes, operator.

No objection is offered by this office to the irregular locations. However, approval to drill the wells will be contingent upon subsequent approval of the two unorthodox well locations by the Oil Conservation Commission of the State of New Mexico for production purposes.

Very truly yours,



FOSTER MORRELL,
Supervisor, Oil and Gas Operations.

cc: Mr. Bush (2)

Ex Libit "A"