

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

In the matter of the application of Mid-Continent Petroleum Corporation, Box 381, Tulsa, Oklahoma, for an order of the Commission to establish Eighty-acre proration units; also to establish a uniform pattern for the spacing and drilling of wells with allowance for tolerance for surface obstructions and for an order fixing and establishing allowables for wells drilled in the Crossroads pool to a depth below 12,000 feet, Lea County, New Mexico. (Devonian formation)

149
Cause No. 448
Order No. _____

APPLICATION.

Comes now Mid-Continent Petroleum Corporation, Tulsa, Oklahoma, and makes the following representations unto the Oil Conservation Commission of the State of New Mexico, to-wit:

That this application pertains only to the producing formation from which oil is now being produced at a depth below 12,000 feet in the Crossroads Pool, the probable area of which has heretofore been delineated and recommended by the Nomenclature Committee, located in Lea County, New Mexico. (Devonian formation)

That one such well is presently producing in said pool; it being located in the approximate center of the Southwest quarter of the Southeast quarter of Section 27, Township 9 South, Range 36 East.

That drilling, or operations for drilling, has commenced on four locations in said pool in addition to the discovery well above referred to; said locations being as follows: Center of Southwest quarter of Southwest quarter of Section 26; Center of Northeast quarter of Southwest quarter of Section 27; Center of Northeast quarter of Northeast quarter of Section 33; Center of Northeast quarter of Northwest quarter of Section 34, all in Township 9 South, Range 36 East, Lea County, New Mexico.

Wherefore, this applicant respectfully requests that the Commission set this application for public hearing, after notice, and that upon such hearing, the Commission issue its order fixing proration units for Devonian formation production in the Crossroads Pool, Lea County, New Mexico to consist of Eighty acres in area; that the Commission fix and establish well spacing in said formation and pool as Two wells for each quarter section (160 acres) according to United States Public Land Surveys; that such wells shall be located in the approximate center of the Northeast Quarter ~~Section~~ and the Southwest Quarter ~~Section~~ of each Governmental Quarter Section according to United States Public Land Surveys, with a tolerance of 150 feet allowed for surface obstructions; that the Commission also determine and fix the daily well allowable for all wells now or hereafter producing from the Devonian formation in said Crossroads Pool on Eighty-acre proration units.

Done this 14th day of June, 1949.

Respectfully submitted,
Mid-Continent Petroleum Corporation
by *J. H. ...* Atty.,
Box 381, Tulsa, Okla.

C O R R E C T I O N

Application below is a correction of similar application distributed by this office June 16, 1948. Correction made by Mr. Penn, Mid-Continent Petroleum Corp., Tulsa, Oklahoma.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE
STATE OF NEW MEXICO

In the matter of the application of Mid-Continent Petroleum Corporation, Box 381, Tulsa, Oklahoma, for an order of the Commission to establish Eighty-acre proration units; also to establish a uniform pattern for the spacing and drilling of wells with allowance for tolerance for surface obstructions and for an order fixing and establishing allowables for wells drilled in the Crossroads pool to a depth below 12,000 feet, Lea County, New Mexico. (Devonian formation).

CASE NO. _____
ORDER NO. _____

A P P L I C A T I O N

Comes now Mid-Continent Petroleum Corporation, Tulsa, Oklahoma, and makes the following representations unto the Oil Conservation Commission of the State of New Mexico, to-wit:

That his application pertains only to the producing formation (Devonian) from which oil is now being produced at a depth below 12,000 feet in the Crossroads Pool, the probable area of which has heretofore been delineated and recommended by the Nomenclature Committee, located in Lea County, New Mexico.

That one such well is presently producing in said pool; it being located in the approximate center of the Southwest quarter of the Southwest quarter of Section 27, Township 9 South, Range 36 East.

That drilling, or operations for drilling, has commenced on Four locations in said pool in addition to the discovery well above referred to; said locations being as follows; Center of Southwest quarter of Southwest quarter of Section 26, Center of Northeast quarter of Southwest quarter of Section 27; Center of Northeast quarter of Northeast quarter of Section 33; Center of Northeast quarter of Northwest quarter of Section 34; all in Township 9 South, Range 36 East, Lea County, New Mexico.

Wherefore, this applicant respectfully requests that the Commission set this application for public hearing, after notice, and that upon such hearing, the Commission issue its order fixing proration units for Devonian formation production in the Crossroads Pool, Lea County, New Mexico to consist of Eighty acres in area; that the Commission fix and establish well spacing in said formation and pool as Two wells for each quarter section (160 acres) according to United States Public

APPLICATION CONT'D

Land Surveys; that such wells shall be located in the approximate center of the Northeast Quarter and the Southwest Quarter of each Governmental quarter section according to United States Public Land Surveys, with a tolerance of 150 feet allowed for surface obstructions; that the Commission also determine and fix the daily well allowable for all wells now or hereafter producing from the Devonian formation in said Crossroads Pool on Eighty-acre proration units.

Done this 14th day of June, 1948.

Respectfully submitted,

Mid-Continent Petroleum Corporation
by Atty.
Box 381, Tulsa, Oklahoma

LEA COUNTY OPERATORS COMMITTEE
HOBBS, NEW MEXICO
June 17, 1948

BEFORE THE OIL CONSERVATION COMMISSION OF
THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
MID-CONTINENT PETROLEUM CORPORATION,
BOX 381, TULSA, OKLAHOMA, FOR AN ORDER
OF THE COMMISSION TO ESTABLISH EIGHTY-
ACRE PRORATION UNITS: ALSO TO ESTABLISH
A UNIFORM PATTERN FOR THE SPACING AND
DRILLING OF WELLS WITH ALLOWANCE FOR
TOLERANCE FOR SURFACE OBSTRUCTIONS AND
FOR AN ORDER FIXING AND ESTABLISHING
ALLOWABLES FOR WELLS DRILLED IN THE
CROSSROADS POOL TO A DEPTH BELOW 12,000
FEET, LEA COUNTY, NEW MEXICO. (DEVONIAN
FORMATION)

CAUSE NO. 149
ORDER NO. 779

APPLICATION

Comes now Mid-Continent Petroleum Corporation, Tulsa, Oklahoma, and makes the following representations unto the Oil Conservation Commission of the State of New Mexico, to-wit:

That this application pertains only to the producing formation from which oil is now being produced at a depth below 12,000 feet in the Crossroads Pool, the probable area of which has heretofore been delineated and recommended by the Nomenclature Committee, located in Lea County, New Mexico. (Devonian formation)

That one such well is presently producing in said pool; it being located in the approximate center of the Southwest quarter of the Southeast quarter of Section 27, Township 9 South, Range 36 East.

That drilling, or operations for drilling, has commenced on Four locations in said pool in addition to the discovery well above referred to; said locations being as follows: Center of Southwest quarter of Southwest quarter of Section 26; Center of Northeast quarter of Southwest quarter of Section 27; Center of Northeast quarter of Northeast quarter of Section 33; Center of Northeast quarter of Northwest quarter of Section 34, all in Township 9 South, Range 36 East, Lea County, New Mexico.

Wherefore this applicant respectfully requests that the Commission set this application for public hearing, after notice, and that upon such hearing, the Commission issue its order fixing proration units for Devonian formation production in the Crossroads Pool, Lea County, New Mexico to consist of Eighty acres in area; that the Commission fix and establish well spacing in said formation and pool as Two wells for each quarter section (160 acres) according to United States Public Land Surveys; that such wells shall be located in the approximate center of

the Northeast Quarter and the Southwest Quarter of each Governmental Quarter Section according to United States Public Land Surveys, with a tolerance of 150 feet allowed for surface obstructions; that the Commission also determine and fix the daily well allowable for all wells now or hereafter producing from the Devonian formation in said Crossroads Pool on Eighty-acre proration units.

DONE this 14th day of June, 1948.

Respectfully submitted,

MID-CONTINENT PETROLEUM CORPORATION

by _____

J. H. CROCKER, ATTY.

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

J. M. HERVEY
HIRAM M. DOW
CLARENCE E. HINKLE
W. E. BONDURANT, JR.
GEORGE H. HUNKER, JR.

LAW OFFICES
HERVEY, DOW & HINKLE
ROSWELL, NEW MEXICO

October 29, 1951

ROSS MADOLE
WILLIAM C. SCHAUER

Handwritten note: Hiram M. Dow

Oil Conservation Commission
Santa Fe, New Mexico

Re: Case No. 149
Order No. R-100

Gentlemen:

We present herewith for filing on or before November 4, 1951 an Application for Rehearing in the above styled case.

Please advise us of the receipt and filing of this Application.

Very truly yours,

HERVEY, DOW & HINKLE

By *Hiram M. Dow*
H.M.D.

HMD:gb
Encl.

cc-Mr. J. H. Crocker
Mid-Continent Petroleum Corp.
Tulsa, Oklahoma

Mr. W. E. McKellar
Magnolia Petroleum Company
Dallas, Texas



IN THE MATTER OF WELL SPACING
IN THE CROSSROADS DEVONIAN
RESERVOIR

CASE 149
ORDER NO. R-100

APPLICATION FOR REHEARING

TO SAID CONSERVATION COMMISSION:

Comes now MID-CONTINENT PETROLEUM CORPORATION and MAGNOLIA PETROLEUM COMPANY, interested parties in the above styled and numbered cause, and file this, their application for rehearing in the above styled and numbered cause, upon the following grounds, to-wit:

1.

Six and one-half months elapsed between the hearing in the above styled and numbered case and the date on which said order No. R-100 was signed and entered. During this six and one-half months the above petitioners have continued to gather reservoir data on the Crossroads Devonian Reservoir and have recently accumulated data which is highly pertinent and essential in a final determination of the case. This evidence is especially essential in view of the Commission's finding No. 6 on which order No. R-100 is predicated, namely that there was no showing that pressure maintenance or other secondary recovery methods were under consideration by operators in the pool as a matter of preventing waste and protecting correlative rights.

2.

These petitioners believe that the Commission erred in its finding No. 5, there being no substantial evidence in the record that one well would not drain eighty acres in the Crossroads Devonian Reservoir especially in view of the testimony of five highly qualified petroleum engineers that one well would drain eighty acres in the Crossroads Devonian Reservoir without creating waste and without the impairment of correlative rights.

3.

The petitioners allege that order No. R-100 violates the clear language and intent of Section 13 (b) in chapter 168 of the laws of New Mexico of 1949. This statute reads as follows:

"No owner of a property in a pool shall be required by the Commission, directly or indirectly, to drill more wells than are reasonably necessary to secure his proportionate part of the production. To avoid the drilling of unnecessary wells a proration unit for each pool may be fixed, such being the area which may be efficiently and economically drained and developed by one well. The drilling of unnecessary wells creates fire and other hazards conducive to waste, and unnecessarily increases the production cost of oil or gas or both to the operator, and thus also unnecessarily increases the cost of the products to the ultimate consumer."

The preponderance of the evidence presented to the Commission in case No. 149 was to the effect that one well would drain eighty acres in the Crossroads Devonian Reservoir and that wells drilled on a closer pattern as a field-wide rule were unnecessary, conducive to waste and therefore a violation of Section 13 (b) of the above statute.

WHEREFORE, premises considered, these petitioners request that the conservation Commission of New Mexico grant a rehearing in the above styled and numbered cause and further that order No. R-100 be suspended until such time as the Commission has had an opportunity to hear the testimony presented at the rehearing

(SIGNED) HIRAM M. DOW
HIRAM M. DOW
J. H. CROCKER
W. E. McKELLAR, JR.

ATTORNEYS FOR PETITIONERS

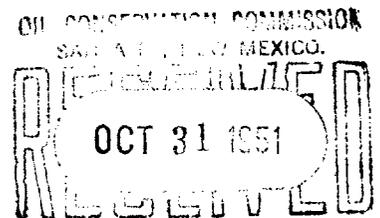
BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF WELL SPACING
IN THE CROSSROADS DEVONIAN
RESERVOIR

CASE 149
ORDER NO. R-100

APPLICATION FOR REHEARING

TO SAID CONSERVATION COMMISSION:



*Substituted
for
the title*

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MAGNOLIA PETROLEUM COMPANY, interested parties in the above styled
and numbered cause, and file this, their application for rehearing
in the above styled and numbered cause, upon the following grounds,
to-wit:

1.

Six and one-half months elapsed between the hearing in
the above styled and numbered case and the date on which said order
no. R-100 was signed and entered. During this six and one-half
months the above petitioners have continued to gather reservoir
data on the Crossroads Devonian Reservoir and have recently accum-
ulated data which is highly pertinent and essential in a final
determination of the case. This evidence is especially essential
in view of the Commission's finding no. 6 on which order no. R-100
is predicated, namely that there was no showing that pressure main-
tenance or other secondary recovery methods were under considera-
tion by operators in the pool as a matter of preventing waste and
protecting correlative rights.

2.

These petitioners believe that the Commission erred in
its finding no. 5, there being no substantial evidence in the re-
cord that one well would not drain eighty acres in the Crossroads
Devonian Reservoir especially in view of the testimony of five
highly qualified petroleum engineers that one well would drain
eighty acres in the Crossroads Devonian Reservoir without creating
waste and without the impairment of correlative rights.

3.

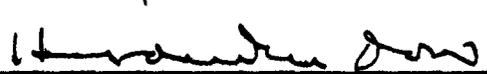
The petitioners allege that order no. R-100 violates
the clear language and intent of Section 13 (b) in chapter 168
of the Laws of New Mexico of 1949. This statute reads as follows:

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by the Commission, directly or indirectly, to drill
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his proportionate part of the production. To avoid
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each pool may be fixed, such being the area which may

be efficiently and economically drained and developed by one well. The drilling of unnecessary wells creates fire and other hazards conducive to waste, and unnecessarily increases the production cost of oil or gas or both to the operator, and thus also unnecessarily increases the cost of the products to the ultimate consumer."

The preponderance of the evidence presented to the Commission in case no. 149 was to the effect that one well would drain eighty acres in the Crossroads Devonian Reservoir and that wells drilled on a closer pattern as a field-wide rule were unnecessary, conducive to waste and therefore a violation of Section 13 (b) of the above statute.

WHEREFORE, premises considered, these petitioners request that the Conservation Commission of New Mexico grant a rehearing in the above styled and numbered cause and further that order no. R-100 be suspended until such time as the Commission has had an opportunity to hear the testimony presented at the rehearing.

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HIRAM M. DOW
J. H. CROCKER
W. E. McKELLAR, JR.

ATTORNEYS FOR PETITIONERS