

October 23, 1948

File: GHC-2213-310.17

Re: Case No. 164 -

In the matter of the Application of the Grayburg Oil Company of New Mexico, and the Western Production Company, Inc. for an Order granting Permission to Unitize Certain Tracts within the Boundaries of the Grayburg Cooperative and Unit Area, in Township 17 South, Ranges 29 and 30 East, N.M.P.M., in the Grayburg-Jackson Pool of Eddy County, New Mexico for Proration and Allowable Purposes.

A I R M A I L

Mr. R. R. Spurrier
New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Dear Sir:

At the hearing held on July 29, 1948, on the application of the Grayburg Oil Company and the Western Production Company, Inc. for an order granting permission to drill certain unorthodox wells and to allocate the allowable on a basic lease basis, Mr. J. O. Seth, representing the Lea County Operators Committee, stated that we did not have any objection to the granting of unorthodox locations, and requested that action of the Commission regarding an allocation of allowables be deferred.

The Grayburg Oil Company and the Western Production Company, Inc. have submitted a revised application to the Commission covering the allocation of allowables on the leases affected, which was forwarded to the Executive Committee of the Lea County Operators Committee with Mr. C. G. Staley's letter of September 27, 1948. The Executive Committee, after reviewing the revised application, have voted 6 to 1 that they have no objection to this application in its present form.

The revised application has been sent to all operators under date of October 15, 1948, and any operator wishing to do so may enter an objection to the proposed order of the Grayburg Oil Company and Western Production Company, Inc. at the hearing to be held on October 28.

Yours very truly,

ORIGINAL SIGNED BY
G. H. CARD

G. H. Card, Chairman

GHC:gp

cc: J.O.Seth
John E. Cockran, Jr. ✓



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P. O. Box 997
Roswell, New Mexico
October 26, 1948

Exhibit _____

Case 1 64

Mr. John E. Cochran, Jr.
P. O. Box 128
Artesia, New Mexico

Subject: Grayburg Cooperative and Unit Area

Dear Mr. Cochran:

You have furnished this office with a copy of an application executed by you on October 12, 1948, as attorney for applicants Grayburg Oil Company of New Mexico and Western Production Company, Inc., which has been filed with the Oil Conservation Commission of New Mexico for an order granting permission to unitize certain tracts within the boundaries of the Grayburg Cooperative and Unit Area in T. 17 S., Rs. 29 and 30 E., N.M.P.M., Grayburg-Jackson pool, Eddy County, New Mexico, for proration and allowable purposes.

Reference is made in the application to Case No. 152 on which a hearing was held before the New Mexico Oil Conservation Commission on July 29, 1948, for permission to drill 28 unorthodox "five-spot" well locations on the Federal oil and gas leases cited therein.

I am informed by a circular memorandum dated October 15, 1948, that in the opinion of the majority of a committee of the Lea County Operators' Executive Committee the Grayburg and Western's application will not upset the present system of allocation to individual 40-acre units now in effect under the State-wide Proration Order, particularly in view of the provisions of section 7 of your application.

Under the circumstances cited and the apparent agreement as to the procedure and method for unitizing tracts for proration and allowable purposes, this office offers no objection to the application referred to above which I understand will be considered under Case No. 164 for hearing before the Oil Conservation Commission in Santa Fe on October 28, 1948.

This supplements my letter of July 27 to you in connection with your original application of July 8, 1948, for permission to drill the 28 unorthodox locations on leases within the boundaries of the Grayburg Cooperative and Unit Area, copy of which letter was presented to the Oil Conservation Commission for consideration in connection with its Case No. 152.

Very truly yours,

Foster Morrell,
Supervisor, Oil and Gas Operations.

cc: Mr. Cochran (2)