

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

In the Matter of the Application of
SANTA FE PACIFIC RAILROAD COMPANY and
OIL DEVELOPMENT COMPANY OF TEXAS for an order
of the Commission allowing an exception from
its order of July 27, 1948, in the spacing of
well desired to be drilled in the Southeast
Quarter of the Northwest Quarter of Section
Twenty-seven (27), Township Nine (9) South,
Range Thirty-six (36) East, known as the
Crossroads Pool, Lea County, New Mexico

CASE NO. _____

A P P L I C A T I O N

Come now SANTA FE PACIFIC RAILROAD COMPANY and
OIL DEVELOPMENT COMPANY OF TEXAS, by their attorneys, E. C.
Iden and Bryan G. Johnson, 715 First National Bank Building,
Albuquerque, New Mexico, and show to this Honorable Commission:

I

That applicant, Santa Fe Pacific Railroad Company
is the owner of the mineral rights in the Northwest Quarter
of Section Twenty-seven (27), Township Nine (9) South, Range
Thirty-six (36) East, Lea County, New Mexico, and the applicant,
Oil Development Company of Texas, is the owner of an oil and
gas lease thereon.

II

That after the drilling of the discovery well
in this field known as the Crossroads Pool to a depth of

12,258 feet and production from the Devonian formation, it was thought to be desirable, in order to insure a uniform plan and particularly on account of the great cost of drilling to such depth, to fix a spacing pattern of eighty-acre units.

III

That pursuant to such plan this Commission, on July 27, 1948, entered its order in Case No. 149, being its Order 779, so providing.

IV

That applicant, Oil Development Company of Texas, has recently completed a test to the depth of 12,657 feet in the center of the Southwest Quarter of the Northwest Quarter of said Section Twenty-seven (27), resulting in a dry hole, or salt water, and no production of oil from the Devonian.

V

That the Order of the Commission of July 27, 1948, was made only in the light of circumstances and conditions which were then assumed to exist and not upon any history or accurate information with reference to the Crossroads Pool and, therefore, necessarily with the intention and implied understanding that should conditions change the Commission would at all times be open for the further consideration of determining proper drilling units in order to do equity as between the interested parties and as would best develop the pool and production therefrom.

VI

That the oil and gas lease on the other three quarter sections, i. e., the Northeast Quarter, the Southeast Quarter and the Southwest Quarter, is owned by Mid-Continent Petroleum Corporation and there are producing wells in the centers of the Northeast Quarter of the Southwest Quarter and in the Southwest Quarter of the Northeast Quarter, both of which are only 660 feet from the property line of applicants, and that unless applicants are permitted to drill in the Southeast Quarter of the Northwest Quarter of Section Twenty-seven (27), the only and ultimate result will be that the adjoining wells will drain practically all of the applicants' oil from the easterly portion of the South one-half of the Northwest Quarter, it having been demonstrated by applicants, at great cost, that the westerly end has no production in the Devonian formation.

That such a result would be unjust and inequitable as between the adjoining owners and not for the best interests of the Crossroads Pool or the State of New Mexico.

WHEREFORE, applicants pray an order of this Commission making an exception to the spacing plan heretofore, at least tentatively, established by its Order of July 27, 1948, and permit applicants to drill a second test well to the Devonian formation in the center of the Southeast Quarter of the Northwest Quarter of Section Twenty-seven (27),

Township Nine (9) South, Range Thirty-six (36) East, Lea
County, New Mexico.

E. C. Shan

B. J. Johnson

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