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# WESTERN UNION

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W. P. MARSHALL, PRESIDENT

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 NEW MEXICO OIL CONSERVATION COMM, ATTN R R SPURRIER=  
 SANTA FE NMEX=

RE CASE 601 APPLICATION OF STANOLIND OIL AND GAS COMPANY FOR CERTAIN FIELD RULES IN AREA OF STATE "AB" WELL NO. 1, SECTION 29, T-17-S, R-28-E, EDDY COUNTY, NEW MEXICO. RE COMMEND COMMISSION ADOPT FIELD NAME OF EAST ARTESIA DEEP C F BEDFORD=

OIL CONSERVATION COMMISSION  
 SANTA FE, N.M.  
 RECEIVED  
 NOV 4 - 1953

*Penn*  
*Company - Penn*

601 AB 1 29 T-17-S R-28-E=

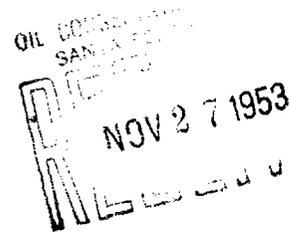
THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

DELHI OIL CORPORATION

CORRIGAN TOWER

DALLAS 1, TEXAS

November 24, 1953



Oil Conservation Commission  
Santa Fe, New Mexico

Attention: Mr. R. R. Spurrier, Secretary

Re: Case No. 601, Special Hearing  
October 28, 1953

Gentlemen:

This will acknowledge receipt of Transcript of Proceedings in connection with the above case for which I am very grateful.

I call your attention to certain portions of the testimony which I believe should be clarified when being reviewed by the Commission.

On Page 14 at the bottom of the page the last question is not clearly stated in that as I recall the question it should have been worded similar to the following:

"It would have some weight, don't you think, if you wanted to take the chance of drilling for a Wolfcamp well; it would help if you could hedge against a dry hole in that formation if there was a possibility you could carry the well deeper and make a gas well in the Pennsylvanian."

On Page 20, the last complete paragraph on this page regarding my testimony, this paragraph is not clear and as I recall from my notes, the statement I made was as follows:

"In line with what Mr. Kellahin said, it would be a very definite, not only possibility, but probability that if Delhi should drill a well on any of their acreage on this proposed plan with one exception, our well would be over one mile from the Stanolind well and that exception is the well we farmed out to San Juan."

On Page 29, the closing statement, the first paragraph of same should read as follows:

"May I make a closing statement for Delhi and San Juan in that we disagree with the statement of Stanolind and Buffalo Oil Company for the very reason that they brought out, that there is only one well capable of production."

DELHI OIL CORPORATION

PAGE 2  
DATE November 24, 1953  
NAME Oil Conservation Commission

This is very important in our opinion should a third party read this report as a basis for his decision.

On this same page, beginning with the next to last line, the following is according to our notes, more or less, the statement made by me,

"We believe and recommend that until such time as there are more wells drilled and completed in this area that spacing rules of 320 acres should not be promulgated by the Commission. There is a well being drilled and God forbid, but it could be dry, we have drilled them before .....

We do not desire to have this letter misunderstood as objecting to the transcript of the testimony except we do not believe it gives a correct picture of our position as presented to the Commission.

In reviewing the testimony, we call the Commission's attention to the portion on Page 10 relative to available market and we feel the best market cannot be obtained until such time as additional wells are drilled and completed to adequately establish at least a portion of the proved reserves; and smaller companies such as Delhi and San Juan will be unduly penalized if they are forced to join in 320-acre spacing and have their wells shut down until a sufficient number of wells is drilled to warrant a pipeline company laying a line in the area. If the smaller company is permitted to drill on a 160-acre spacing, they cannot only protect their vested interests, but will also hasten the early market of the established production, which will be beneficial to them and to the State as royalty owners.

Very truly yours,

DELHI OIL CORPORATION

*Aaron L. Colvin*  
By

Aaron L. Colvin  
Land Department

ALC/ms

cc-Mr. Bill Macey

February 8, 1954  
Stanolind Oil and Gas Company  
P. O. Box 899  
Roswell, New Mexico

Attention: Mr. Wayne Blankenship

Re: Drilling Units - Empire Pennsylvanian  
Gas Pool, Eddy County, New Mexico

Gentlemen:

This letter will confirm telephone conversation between your Mr. Blankenship and the writer under date of February 3, advising of Stanolind's unwillingness to meet with representatives of our companies and go over geological data and agree upon more than one drilling unit for this particular area.

Upon completion of the hearing before the Commission in Santa Fe wherein the Commission granted the proration order requested by you against our objections, you called the writer requesting that we join you in a unit covering the S/2 of Section 29 and advised by letter that same date that communitization agreement and operating agreement were being drawn at that time. You were advised that (1) we had never received a copy of the Commission's order, and (2) there had never been any discussions or request for discussions as to whether or not the unit around your well should cover the S/2 or the E/2 of the section.

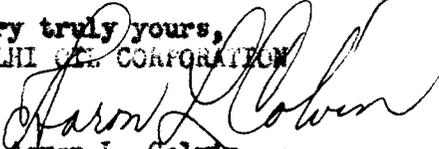
During the above referred to conversation, suggestion was made that we hold the joint meeting and plan not only a unit around your well but a unit around the San Juan-Delhi well and other locations.

It seems to the writer that under the Commission ruling, units in this area are now more or less joint ventures due to Delhi and San Juan acreage ownership in practically all sections included in the pool outline and each well drilled will more or less be on a joint venture basis; and it is our understanding that if either party desires to form a unit and the other does not, recourse can be made to the Commission for relief.

As the matter now stands, we have no objection to voluntary joining units in which we can be assured of adequate protection but we have not been given the opportunity of voluntarily joining a unit covering the E/2 of Section 29 but have been requested to join in only the S/2 of 29. We do not know the attitude of the Commission in situations of this kind where a party is willing to join a unit around a well but desires some consideration in the manner the unit is formed.

Inasmuch as there is usually difference of opinion in situations of this kind, we still believe a joint meeting for the purpose of agreeing to not one unit but several units would have been a logical approach to this situation.

Very truly yours,  
DELHI OIL CORPORATION

By   
Aaron L. Colvin

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

March 23, 1954

C  
O  
P  
Y  
  
Mr. C F Bedford  
Stanolind Oil and Gas Company  
Oil and Gas Building  
Fort Worth, Texas

Dear Mr. Bedford:

This is in reply to your letter of February 27 relating to Order No. R-391, your Proration File No. 174.

The only way which we can clarify Order No. R-391 is to say that the vertical interval of 2,780' from the top of the Pennsylvanian at 7,790' to the top of the Mississippian at 10,570' cannot be considered, nor completed, nor produced as one common reservoir and the actual producing intervals within that 2,780' must be cased and completed and produced as the separate reservoirs, which they actually are.

Very truly yours,

R. R. SPURRIER  
Secretary and Director

RRS:vc

# STANOLIND OIL AND GAS COMPANY

OIL AND GAS BUILDING

FORT WORTH, TEXAS

February 16, 1954

RE: Case No. 601  
Order No. R-391  
Eddy County, New Mexico  
Our Production File No. 174

OIL CONSERVATION COMMISSION  
FEB 27 1954

Oil Conservation Commission  
State of New Mexico  
Santa Fe, New Mexico

Attention: Mr. R. R. Spurrier, Secretary

Gentlemen:

By temporary order of the Oil Conservation Commission, dated November 25, 1953, special pool rules for the Empire-Pennsylvanian Gas Pool were established, said order having been issued as a result of the discovery of gas in the State "AB" well of Stanolind Oil and Gas Company located 1980 feet from the South and East lines of Section 29, Township-17-South, Range-28-East, N.M.P.M., Eddy County, New Mexico.

In the hearing before the Oil Conservation Commission held on October 28, 1953, there was presented as a part of the testimony, the electric log taken in said well of Stanolind Oil and Gas Company, upon which log the top of the Pennsylvanian formation was shown at 7790 feet, and the top of the Mississippian formation was shown at 10,570 feet. Inasmuch as the order of November 25, 1953, does not specifically set forth the limits of the Empire-Pennsylvanian formation, we shall appreciate very much your clarifying the order as covering and applying to the formation encountered in the State "AB" well between a depth of 7790 feet and 10,570 feet, as shown on the electric log introduced in evidence in the hearing on October 28, 1953.

Your early attention to this matter will be greatly appreciated.

Very truly yours,

STANOLIND OIL AND GAS COMPANY

By *C. F. [Signature]*  
Attorney in Fact

APPROVED  
*ABM/BK*

HOH/rlh

cc: Malco Refineries, Inc.  
P. O. Box 660  
Roswell, New Mexico

Resler Oil Company  
Carper Building  
Artesia, New Mexico

Yates Brothers  
Carper Building  
Artesia, New Mexico

*Case 651***STANOLIND OIL AND GAS COMPANY**

OIL AND GAS BUILDING

**FORT WORTH, TEXAS**C. F. BEDFORD  
DIVISION PRODUCTION SUPERINTENDENT

October 8, 1953

File: RGH-4104-175

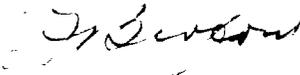
Subject: Request for HearingNew Mexico Oil Conservation Commission  
Santa Fe  
New MexicoATTENTION: Mr. R. R. Spurrier

Gentlemen:

We are transmitting herewith the application of Stanolind Oil and Gas Company for a hearing to consider the adoption of rules governing the development of the area in the vicinity of Stanolind's State "AB" well no. 1, 1980 feet from the south line and 1980 feet from the east line, of section 29, Township 17 South, Range 28 East, Eddy County, New Mexico.

It is requested that this matter be set for hearing on October 28, 1953.

Yours very truly,



C. F. BEDFORD

RGH:cp  
Attachments

2

November 24, 1953  
Oil Conservation Commission

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DELHI OIL CORPORATION

*Aaron L. Colvin*  
By

Aaron L. Colvin  
Land Department

ALC/ms

cc-Mr. Bill Macey

November 24, 1953

Oil Conservation Commission  
Santa Fe, New Mexico

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