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CASE 362: NOMENCLATURE CASE FOR
SOUTHEASTERN NEW MEXICO (including
pools Tea, Eddy & Roosevelt Counties)

Case No.

362

Application, Transcript,
Small Exhibits, Etc.

Case 362

K3
WBM



SHELL OIL COMPANY

MIDLAND AREA

MAILING ADDRESS
P. O. BOX 1509
MIDLAND, TEXAS

GENERAL OFFICES
PETROLEUM BUILDING
MIDLAND, TEXAS

April 18, 1952

Subject: Case 362j - Extension of Hare-Simpson Pool

New Mexico Oil Conservation Commission
State Capitol Building
Santa Fe, New Mexico

Gentlemen:

With reference to the formal order to be entered in this case, under the agreement made at the hearing on April 15, 1952, that the matter of the final determination of the extension to the Hare-Simpson Pool there proposed might be deferred for six months and that Fullerton Oil Company, whose Federal Elliott No. 1 was drilled when it was more than one mile from the Hare-Simpson Pool, would recognize and operate under, during the interim, the Hare-Simpson allowable, we think that the problem of future wells that are located within one mile of the Fullerton Federal Elliott No. 1 but not within one mile of the limits of the Hare-Simpson Pool as they are now delineated will probably arise and should be considered in drafting the order. It occurs to us that the simplest way to deal with the problem would be to extend the Hare-Simpson Pool to include the lands described in the Commission's motion in this case but to provide expressly that this extension is a temporary one and that the matter will be considered further in six months. You will recall that when the agreement was being discussed, there was some discussion as to how the matter would be handled and that you said that you would take it under advisement. However, the above mentioned problem of wells that may be drilled during the six month deferment of a final disposition was not then called to your attention. We don't wish to quibble about the name under which the matter is handled, however, and as long as it is handled so as to cover the problem mentioned above, it will be satisfactory to us.

We are sending a copy of this letter to Mr. W. D. Girand, Jr., who represented Fullerton Oil Company in case 362j and made the agreement on its behalf so that he may know of this suggestion and make such contribution as he may wish to the solving of the problem mentioned.

Very truly yours,

SHELL OIL COMPANY

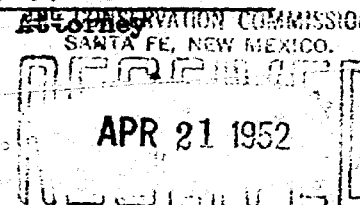
By

Richard L. Hughston
Richard L. Hughston, Attorney

RLH:MK

cc: Mr. W. D. Girand, Jr.
Hobbs, New Mexico

cc: Mr. W. A. Scott, Hobbs, N.M.



D. AL
W. D. GIRAND, JR.

W. D. GIRAND, SR.

NEAL & GIRAND
LAWYERS
NEAL BUILDING
HOBB, NEW M

April 24, 1952

Oil Conservation Commission of New Mexico,
State Capitol Building,
Santa Fe, New Mexico.

Attention: Mr. R. R. Spurrier.

In re: Case 362-J, Extension
of Hare-Simpson Pool.

Gentlemen:

The writer has received a copy of a letter addressed to you from Richard L. Hughston, attorney for the Shell Oil Company, making some proposals as to the handling of the above matter. The recommendation of Mr. Hughston is not acceptable nor does it conform with the statement made by the writer at the calling of the above case.

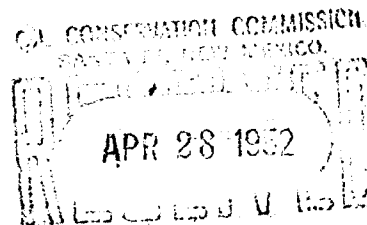
When the Commission called Case No. 362-J there was considerable discussion of the allowable of the Fullerton Federal Elliott No. 1 as against the allowable of wells located in the Hare-Simpson Pool. The writer announced to the Commission in open hearing that if Case No. 362-J were continued for six months and a temporary pool designation were made in Case No. 338 creating a temporary pool known as the Terry-Simpson Pool, that the Fullerton Oil Company would fix the allowable of the temporary pool at the present allowable of the Hare Pool.

We cannot consent to a temporary extension of the Hare-Simpson Pool to cover the Fullerton well. The Commission is fully advised that the principal question involved in the above case as well as in Case No. 338 is one of a reservoir condition, and it is our opinion and has been at all times that the Fullerton Federal Elliott No. 1 is in a distinct pool from the area now included in the Hare-Simpson Pool.

It is our opinion that a temporary pool designation should be made so that during the six month period of continuance of the temporary pool designation any wells drilled within the area designated as well as wells within one mile of the exterior boundaries thereof should be regulated by the allowable fixed for the temporary pool regardless of the completion depth of such well or wells. If this is not done, we can readily see the possibility of additional wells being completed at a depth equal to or greater than the Fullerton Federal Elliott No. 1 and the producer thereof seeking to procure or establish an allowable based on total depth, resulting in a penalty to the Fullerton Oil Company by reason of its voluntary reduction of its allowable.

Case 362

TELEPHONE: 54 & 854
P. O. BOX 1326



Oil Conservation Commission,

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April 24, 1952.

We again urge the designation of a temporary pool known as the Terry-Simpson Pool covering the area supported by the Fullerton Oil Company in the hearing in Cause No. 338 and upon the creation of this temporary pool, the Fullerton Oil Company will immediately recommend an allowable for the pool equal to the present allowable of the Hare-Simpson Pool, otherwise, we urge our motion for a continuance and a rehearing in Cause No. 338.

Respectfully submitted,

NEAL & GIRAND,

BY: 

G/lr

cc: Fullerton Oil Company, Hobbs, New Mexico,
Attention: Mr. Kenneth Midkiff;
Mr. Ralph Fitting, c/o Fitting & Jones, Attorneys at
Law, Midland, Texas;
Shell Oil Company, Midland, Texas,
Attention: Mr. Richard L. Hughston.

Haw - Simpson pool.
In hearing
Nov 20, 1952

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR THE
PURPOSE OF CONSIDERING:

CASE NO. 362
ORDER NO. R-157

THE APPLICATION OF THE OIL CON-
SERVATION COMMISSION UPON ITS OWN
MOTION FOR AN ORDER FOR THE EX-
TENSION OF EXISTING POOLS, CONSOLIDA-
TION OF EXISTING POOLS, OR THE CREATION
OF NEW POOLS IN LEA, EDDY AND ROOSEVELT
COUNTIES, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:00 a. m., April 15, 1952, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 20th day of May, 1952, the Commission, a quorum being present, having considered the testimony adduced and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

(1) That due notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That a new pool should be created, classified as an oil pool, and designated as the West Dollarhide-Fusselman, described as:

Township 24 South, Range 38 East, NMPM
E/2 sec. 31; all sec. 32; W/2, Lots 1, 2,
3 and 4 sec. 33

Township 25 South, Range 38 East, NMPM
NW/4, Lots 1 and 4 sec. 4; NE/4 sec. 5

(3) That a new pool should be created, classified as an oil pool, and designated as the Terry-Blinebry pool, described as:

Township 21 South, Range 37 East, NMPM
SW/4, Lots 14 and 13 sec. 1; SE/4 sec. 2

Case No. 362
Order No. R-157

(4) That a new pool should be created, classified as an oil pool, and designated as the Bluit-San Andres pool, described as:

Township 8 South, Range 38 East, NMPM
All Secs. 7, 8, 17 and 18

(5) That a new pool should be created, classified as an oil pool, and designated as the Mescalero-Pennsylvanian pool, described as:

Township 10 South, Range 32 East, NMPM
All secs. 21, 22, 27 and 28

(6) That a new pool should be created, classified as an oil pool, and designated as the North Tulk-Wolfcamp pool, described as:

Township 14 South, Range 32 East, NMPM
N/2 sec. 20

(7) That the Skaggs pool, Lea County, New Mexico, as heretofore classified, defined and described, should be extended to include:

Township 20 South, Range 38 East, NMPM
N/2 sec. 7

(8) That the Crossroads-Pennsylvanian pool, Lea County, New Mexico, as heretofore classified, defined and described, should be extended to include:

Township 9 South, Range 36 East, NMPM
SE/4 sec. 20

(9) That the Premier pool, Eddy County, New Mexico, as heretofore classified, defined, and described, should be extended to include:

Township 17 South, Range 30 East, NMPM
SW/4 NW/4 sec. 23

(10) That the Red Lake pool, Eddy County, New Mexico, as heretofore classified, defined and described, should be extended to include:

Township 17 South, Range 27 East, NMPM
S/2 SW/4 sec. 26

(11) That the Hare-Simpson pool, Lea County, New Mexico, as heretofore classified, defined and described, should be temporarily extended to include:

Township 21 South, Range 37 East, NMPM
SW/4 SW/4 sec. 1; Lots 11, 12, 13 and 14,
SW/4 and SE/4 sec. 2

Case No. 362
Order No. R-157

IT IS THEREFORE ORDERED:

That the application of the Oil Conservation Commission, be, and the same hereby is approved, as follows:

(1) That a new pool, be, and the same hereby is created, designated for oil production, denominated the West Dollarhide-Fusselman pool, and described as follows:

Township 24 South, Range 38 East, NMPM
E/2 sec. 31; all sec. 32; W/2, Lots 1, 2,
3 and 4 sec. 33

Township 25 South, Range 38 East, NMPM
NW/4, Lots 1 and 4 sec. 4; NE/4 sec. 5

(2) That a new pool, be, and the same hereby is created, designated for oil production, denominated the Terry-Blinebry pool, and described as follows:

Township 21 South, Range 37 East, NMPM
SW/4 Lots 13 and 14 sec. 1; SE/4 sec. 2

(3) That a new pool, be, and the same hereby is created, designated for oil production, denominated the Bluit-San Andres pool, and described as follows:

Township 8 South, Range 38 East, NMPM
All secs. 7, 8, 17 and 18

(4) That a new pool, be, and the same hereby is created, designated for oil production, and denominated the Mescalero-Pennsylvanian pool, and described as follows:

Township 10 South, Range 32 East, NMPM
All secs. 21, 22, 27 and 28

(5) That a new pool, be, and the same hereby is created, designated for oil production, denominated the North Tulk-Wolfcamp pool, and described as follows:

Township 14 South, Range 32 East, NMPM
N/2 sec. 20

(6) That the boundaries of the Skaggs pool, Lea County, New Mexico, be, and the same hereby are extended to include:

Township 20 South, Range 38 East, NMPM
N/2 sec. 7

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Case No. 362
Order No. R-157

(7) That the boundaries of the Crossroads-Pennsylvanian pool, Lea County, New Mexico, be, and the same hereby are extended to include:

Township 9 South, Range 36 East, NMPM
SE/4 sec. 20

(8) That the boundaries of the Premier pool, Eddy County, New Mexico, be, and the same hereby are extended to include:

Township 17 South, Range 30 East, NMPM
SW/4 NW/4 sec. 23

(9) That the boundaries of the Red Lake pool, Eddy County, New Mexico, be, and the same hereby are extended to include:

Township 17 South, Range 27 East, NMPM
S/2 SW/4 sec. 26

(10) That the boundaries of the Hare-Simpson pool, Lea County, New Mexico, be, and the same hereby are extended to include:

Township 21 South, Range 37 East, NMPM
SW/4 SW/4 sec. 1; Lots 11, 12, 13 and 14,
SW/4 and SE/4 sec. 2

PROVIDED FURTHER:

(a) That extension of the Hare-Simpson pool, as designated above, shall continue in force until January 1, 1953.

(b) That at the regular monthly hearing of the Commission for the month of November 1952, all operators producing oil and/or gas from the Simpson formation, who have properties located in sections 1, 2, 11 or 12 of Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, shall present testimony and evidence to show cause why the temporary extension of said pool should not be made permanent.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

OIL CONSERVATION COMMISSION: Signed by Edwin L. Mechem, Chairman;
Guy Shepard, Member; R. R. Spurrier, Secretary.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR THE
PURPOSE OF CONSIDERING:

CASE NO. 362
ORDER NO. R-157-A

THE APPLICATION OF THE OIL CONSER-
VATION COMMISSION UPON ITS OWN
MOTION FOR AN ORDER FOR THE EX-
TENSION OF EXISTING POOLS, CONSOLIDA-
TION OF EXISTING POOLS, OR THE CREATION
OF NEW POOLS IN LEA, EDDY AND ROOSEVELT
COUNTIES, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:00 o'clock a. m., on Novem-
ber 20, 1952, at Santa Fe, New Mexico, before the Oil Conservation Commi-
ssion of New Mexico, hereinafter referred to as the "Commission".

NOW, on this ^{4th} day of *December*, 1952, the Commission, a
quorum being present, having considered the testimony adduced at said
hearing, and being fully advised in the premises,

FINDS:

(1) That due notice having been given as required by law, the
Commission has jurisdiction of this cause and the subject matter thereof.

(2) That heretofore, by virtue of Order No. R-157, dated May
20, 1952, the Commission extended the Hare-Simpson Pool, Lea County, to
include:

Township 21 South, Range 37 East, NMPM
Section 1: SW/4 SW/4, Lots 11, 12, 13 and 14;
Section 2: SW/4 and SE/4.

(3) That Order No. 157, provided that the aforementioned ext-
ension to the Hare-Simpson Pool should continue in force until January 1, 1953
and that at the regular monthly hearing for November 1952, all operators in
the Hare-Simpson Pool should show cause why the temporary extension to the
Hare-Simpson Pool should not be made permanent.

(4) That testimony indicates to the Commission that the afore-
mentioned extension to the Hare-Simpson Pool should be made permanent.

IT IS THEREFORE ORDERED:

(1) That the boundaries of the Hare-Simpson Pool, Lea County,
New Mexico, be and the same hereby are extended to include:

Township 21 South, Range 37 East, NMPM
Section 1: SW/4 SW/4, Lots 11, 12, 13 and 14;
Section 2: SW/4 and SE/4.

PROVIDED FURTHER: That this order shall become effective January 1, 1953.

DONE at Santa Fe, New Mexico, on the day and year hereinabove
designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Edwin I. Mechem
Edwin I. Mechem, Chairman

R. R. Spurrier
R. R. Spurrier, Secretary

Guy Shepard
Guy Shepard, Member

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

TRANSCRIPT OF HEARING

CASE NO. 362

NOVEMBER 20, 1952

E. E. GREESON
ADA DEARNLEY
COURT REPORTERS
BOX 1303
PHONES 5-9422 AND 5-9046
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

November 20, 1952

In the Matter of:

By provision of Order R-157 issued in Case 362, the Hare-Simpson Pool was extended to include SW/4 SW/4 Sect. 1; Lots 11, 12, 13 and 14, SW/4 and SE/4 Section 2. The order provided that such extension remain in force until January 1, 1952, and that operators producing oil and/or gas from the Simpson formation with properties located in Sections 1, 2, 11 or 12 should appear at the November hearing and show cause why the temporary extension of this pool should not be made permanent.

CASE NO. 362

(Notice of Publication read by Mr. Graham.)

MR. GERAND: If the Commission please I am W. D. Gerand, Junior, Hobbs, representing Fulerton Oil Company. We had previously protested the order of the Commission in extending the Hare-Simpson Pool to cover this territory. We now desire to withdraw any protest that we may have.

MR. SPURRIER: Anyone else to be heard in this case?

MR. SMITH: On behalf of Shell Oil Company we would also like to ask the Commission that the extension of the pool be made permanent.

MR. SPURRIER: Anyone else?

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 10, 106, EL CORTEZ BLDG.
PHONES 7-9645 AND 5-9546
ALBUQUERQUE, NEW MEXICO

DON WALKER: Don Walker, with Gulf. We also would like to have the Commission's order made permanent.

MR. DAILEY: Mr. Homer Dailey, with the Continental Oil Company. We would like to see the section made permanent.

MR. SPURRIER: Anyone else? If not we will take the case under advisement.

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO)

I HEREBY CERTIFY that the foregoing and attached transcript of hearing in Case No. 362 before the Oil Conservation Commission, State of New Mexico, at Santa Fe, on June 19, 1952, is a true and correct record of the same to the best of my knowledge, skill and ability.

DATED at Albuquerque, New Mexico, this 24th day of November, 1952.

Ada Dearnley
REPORTER

E. E. GREEBON
ADA DEARNLEY
COURT REPORTERS
BOX 1308
PHONES 5-9422 AND 5-9546
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

TRANSCRIPT OF PROCEEDINGS

CASE NO. 362

Regular Hearing

April 15, 1952

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 12, CROMWELL BLDG
PHONES 7-9645 AND 5-9546
ALBUQUERQUE, NEW MEXICO

BEFORE THE OIL
CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

April 15, 1952

In the Matter of:

Oil Conservation Commission's
application for an order for the
following described creations of new
pools or extensions of existing pools
in Lea, Eddy and Roosevelt Counties:

Case No. 362

- (a) New Pool: West Dollarhide-Fusselman for Fusselman production to include SE/4 section 32, T. 24 S, R. 38 E, and NE/4 section 5, T. 25 S, R. 38 E, Lea County.
- (b) New Pool: Terry-Blinebry pool for Blinebry production to include SW/4 and Lots 13 and 14 of 1-21S-37E, and the SE/4 2-21S-37E, Lea County.
- (c) New Pool: Bluit-San Andres for San Andres production to include all sections 7, 8, 17 and 18, T. 8 S, R. 38 E, Roosevelt County.
- (d) New Pool: Mescalero-Pennsylvanian pool for Pennsylvanian production to include all sections 21, 22, 27 and 28, T. 10 S, R. 32 E, Lea County.
- (e) New Pool: North Tulk-Wolfcamp pool for Wolfcamp production to include N/2 section 20, T. 14 S, R. 32 E, Lea County, New Mexico.
- (f) Extension of Skaggs pool to include N/2 7-20S-38E, Lea County, New Mexico.
- (g) Extension of Crossroads-Pennsylvanian pool to include SE/4 20-9S-36E, Lea County.
- (h) Extension of Premier pool to include SW NW 23-17S-30E, Eddy County.
- (i) Extension of Red Lake pool to include S/2 SW/4 26-17S-27E, Eddy County.
- (j) Extension of Hare-Simpson pool to include lots 11, 12, 13 and 14, SW/4 SE/4 2-21S-37E; and SW SW 1-21S-37E, Lea County.

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 12, CROMWELL BLDG.
PHONES 7-9645 AND 3-3546
ALBUQUERQUE, NEW MEXICO

MR. WHITE: If the Commission please, the regular witness was Mr. Blymm. He is unable to be here and if agreeable with the Commission we will have Mr. Porter give his studies, recommendations, and conclusions that were given to him by Mr. Blymm. If no objections, we would like to have the Exhibits admitted although prepared by Mr. Blymm.

MR. SPURRIER: Without objection, the Exhibits will be received.

MR. PORTER: Mr. Blymm by these plats has recommended that the pools be created and extended exactly as advertised with one exception which with your permission I will read into the record. It is for the Section (a) proposed West Dollarhide-Fusselman pool. The area now recommended includes the east half of Section 31, all of Section 32, northeast quarter and southwest quarter in Lots 1, 2, 3, and 4 of Township 24, South, 38 East, also the northwest quarter and Lots 1 and 4 of Section 4 and the northeast quarter of Section 5 of Township 25 South, Range 38 East.

I might say this recommendation was influenced by the completion of a well in the east half of Section 31 since this matter was advertised and also drill stem tests in Section 33 of Township 34 South 38 East and in the northwest quarter of Section 4, 25 South, 38 East. Here are the plats, Section (a) through (j) which he wishes to have submitted.

MR. SPURRIER: Without objection these Exhibits will be received. Does anyone have any comment on any paragraph (a), (b) - -

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 12, CROMWELL BLDG.
PHONES 7-9645 AND 5-9546
ALBUQUERQUE, NEW MEXICO

MR. DAVIS: Quilman Davis representing Southern Union. I would like to know if that is to be considered as a gas pool or oil pool on (b)?

MR. GRAHAM: New oil pool.

MR. SPURRIER: Anyone else? (c), (d), (e), (f), (g), (h), (i), (j).

MR. GIRAND: If the Commission please, W. D. Girand, Hobbs, New Mexico, representing Fullerton. We move that that portion of Case No. 362 under subdivision (j) be continued for the reason that the land described in the advertisement showed that these lands are the same lands along with other lands that were included in Case No. 338 which is still pending before the Commission, there having been filed a motion for re-hearing on Case 338.

In view of the fact that the same lands are involved and to avoid any embarrassment or any further confusion here, we feel it would be improper at this time to take up the consideration of item (j) when any action here might be superseded by the final determination of Case No. 338.

MR. SPURRIER: Did you say you had made application for rehearing?

MR. GIRAND: That is correct.

MR. HOUSTON: Mr. Commissioner, may I make a short statement in that connection. Richard L. Houston, Midland, Texas for Shell Oil Company. While we recognize that a motion for continuance is addressed to the Commission's discretion and whatever the Commission in its discretion decides will be acceptable to us.

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 12, CROMWELL BLDG.
PHONES 7-9645 AND 5-9546
ALBUQUERQUE, NEW MEXICO

We feel it would be a mistake to continue a matter because of a motion for rehearing in Case 338 for the simple reason neither belong in the extension to the Hare Pool nor in the new pool and both matters can be before the Commission and it can decide both at the same time.

MR. SPURRIER: Any other comment?

MR. GREER: John Greer, Standard Oil Company of Texas. I believe about three months ago I made the comment here that until the Hare Pool is extended the wells in the proposed Terry Pool are receiving higher allowables than even offset wells that I say are still in the same reservoir. We would have no objection to the Commission continuing this case, but so far we have continued for about three months here granting this other well a higher allowable than the other wells. For that reason we do see some objection to continuing the case and maintaining the higher allowable for that well.

MR. SPURRIER: Anyone else.

MR. CAMPBELL: Jack Campbell for Gul Oil Corporation. The position of Gulf insofar as whether this well of Fullerton's is in the Hare or new pool is contained in Case 338. We are anxious to have this thing resolved as soon as possible. If the Commission should see fit to grant a continuance of this case, we certainly feel that in all equity to other operators in the area that until it is definitely determined by the Commission upon rehearing or whatever hearing they may have in Case 338 that this well is in a new pool, certainly the allowable granted to the

well should be the same allowable given to other wells in the area which have been determined to be in the Hare Pool.

The period of several months have elapsed, the additional allowable has been granted to the well and it seems to me that in equity to other operators in the field pending a final determination, this is a new pool. The allowable should be reduced to the same allowable granted other wells in the area.

MR. GIRAND: If the Commission please, in regard to the Commission just reducing our allowable, I think that goes beyond the rules and regulations of the Commission. However, it seems that the additional allowable that the Fullerton well is receiving seems to be of primary concern here and not the condition of the reservoir. If that is the primary concern of the other operators in that locale the Fullerton Oil Company has not objection to reducing the allowable to the Hare allowable, but we do maintain that until such information is obtained to definitely show whether or not this area is in the Hare Pool as extended or in a new pool that the Commission should not act on the matter.

If it is a question of our additional allowable we will throw it back in and take the Hare allowable, but we are sincere in not wanting the Commission to foreclose us at this time on whether or not the reservoir condition which we asset to exist exists or doesn't exist. The order of the Commission in Case 338 was there was no sufficient information before the Commission. That could be through any number of things. May be we didn't

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 12, CROMWELL BLDG.
PHONES 7-9648 AND 5-9546
ALBUQUERQUE, NEW MEXICO

have enough at the time. So, we would like to suggest to the Commission that they allow a rehearing in 338 and if necessary combine it with Section (j) of 362 and set off the hearing day for a period of six months and see what we do have. We offer that as a proposal here in settling the reservoir condition.

MR. SPURRIER: Any objection or comment on Fullerton's motion?

MR. HOUSTON: I would just like to understand their position entirely. You will reduce the allowable.

MR. GIRAND: We will voluntarily reduce it.

MR. HOUSTON: You want the matters held open.

MR. GIRAND: If it takes a temporary designation we would like to see it to the Terry Simpson Pool temporary designation.

MR. HOUSTON: You would like to have the matter brought up again?

MR. GIRAND: In six months or when additional information is ready.

MR. GRAHAM: Consolidate the two pools?

MR. GIRAND: Consolidate the two cases.

MR. GREER: The boundaries of the Hare Pool had not been formerly extended to within one mile of the well and it was properly classified as wildcat under the rules because of the depth of perforation it did get the higher allowable. Since then the Hare Pool has been extended to the offset location from the well.

MR. GIRAND: You are in error.

MR. GREER: It hasn't been quite that far but it is within one mile.

MR. GIRAND: No, it is one mile from the outside boundary of our line.

MR. GREER: I thought that was one way that it would be shown that the well was properly prorated in accordance with the Hare Pool now. Your suggestion of having the well prorated as a Hare Pool well and holding off final determination of whether it is in the Hare Pool or separate pool would be satisfactory at this time.

MR. SPURRIER: Any other comment.

MR. PORTER: May I ask a question? Mr. Girand what would be your proposal to do with these other wells which would be covered by Mr. Blymm's recommendation?

MR. GIRAND: I feel if they got to carry the stamp they do. If we are down to the Hare allowable then they will carry it regardless of completion depth.

MR. HOUSTON: I think it would be all right for it to be carried open and let him reopen with the Hare designation if he is going to get the Hare allowable.

MR. GIRAND: That is the bone of contention.

MR. HOUSTON: We are allowing you to keep it open.

MR. GIRAND: If we give up the allowable which we are willing to do, cut back to the Hare allowable, take the temporary nomenclature as the Simpson Pool all wells completed within that pool would have that temporary allowable in there until the

reservoir is determined. There can be no objection to that from what I can see from here.

MR. HOUSTON: The only objection I see is the name. It should be called the Hare Simpson since it is going to take the Hare allowable.

MR. GIRAND: It is a temporary measure.

MR. HOUSTON: You can keep it open. It looks like it should be designated that way during the interim.

MR. GIRAND: I think it out to have the name temporarily of the Simpson Terry. We are the only ones giving up anything. We ought to determine the name.

MR. HOUSTON: I would like to ask the Commission a question. Does the Commission think it could restrict them to the Hare allowable if put in another field? They volunteered to give it up. If there was a violation of the agreement would there be any enforcement available. I would rather doubt it. That is one reason for calling it the Hare Simpson area while pending.

MR. GIRAND: Fullerton has been over here a number of years in New Mexico and I have been practicing law a good number of years. If my client backs up I will be the first one to withdraw. My representations at the present time are the company will cut down voluntarily their allowable. Any infraction of it, I would like to know.

MR. HOUSTON: We are not questioning your personal honesty.

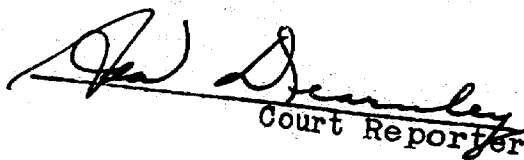
MR. SPURRIER: Anything further. If not, the case will be taken under advisement as to Paragraph (j). We will proceed with case 363.

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 12, CROMWELL BLDG.
PHONES 7-9845 AND 5-9846
ALBUQUERQUE, NEW MEXICO

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO ; SS.

I, ADA DEARNLEY, hereby certify that the foregoing
and attached Transcript of Proceedings in Case No. 362,
before the Oil Conservation Commission, State of New Mexico,
at Santa Fe, taken on April 15, 1952, is a true and correct
record to the best of my knowledge, skill and ability.

DATED at Albuquerque, New Mexico, this 19th day of
April, 1952.


Court Reporter

My Commission Expires:
June 19, 1955.

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 12, CROMWELL BLDG.
PHONES 7-9845 AND 5-9846
ALBUQUERQUE, NEW MEXICO

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR THE
PURPOSE OF CONSIDERING:

CASE No. 362
ORDER No. R-157

THE APPLICATION OF THE OIL CON-
SERVATION COMMISSION UPON ITS OWN
MOTION FOR AN ORDER FOR THE EX-
TENSION OF EXISTING POOLS, CONSOLIDA-
TION OF EXISTING POOLS, OR THE CREATION
OF NEW POOLS IN LEA, EDDY AND ROOSEVELT
COUNTIES, NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:00 a.m., April 15, 1952, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 20th day of May, 1952, the Commission, a quorum being present, having considered the testimony adduced and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

(1) That due notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That a new pool should be created, classified as an oil pool, and designated as the West Dollarhide-Fusselman, described as:

Township 24 South, Range 38 East, NMPM
E/2 sec. 31; all sec. 32; W/2, Lots 1, 2,
3 and 4 sec. 33

Township 25 South, Range 38 East, NMPM
NW/4, Lots 1 and 4 sec. 4; NE/4 sec. 5

(3) That a new pool should be created, classified as an oil pool, and designated as the Terry-Blinebry pool, described as:

Township 21 South, Range 37 East, NMPM
SW/4, Lots 14 and 13 sec. 1; SE/4 sec. 2

(4) That a new pool should be created, classified as an oil pool, and designated as the BluitSan Andres pool, described as:

Township 8 South, Range 38 East, NMPM
All secs. 7, 8, 17 and 18

(5) That a new pool should be created, classified as an oil pool, and designated as the Mescalero-Pennsylvanian pool, described as:

Township 10 South, Range 32 East, NMPM
All secs. 21, 22, 27 and 28

(6) That a new pool should be created, classified as an oil pool, and designated as the North Tulk-Wolfcamp pool, described as:

Township 14 South, Range 32 East, NMPM
N/2 sec. 20

(7) That the Skaggs pool, Lea County, New Mexico, as heretofore classified, defined and described, should be extended to include:

Township 20 South, Range 38 East, NMPM
N/2 sec. 7

(8) That the Crossroads-Pennsylvanian pool, Lea County, New Mexico, as heretofore classified, defined and described, should be extended to include:

Township 9 South, Range 36 East, NMPM
SE/4 sec. 20

(9) That the Premier pool, Eddy County, New Mexico, as heretofore classified, defined, and described, should be extended to include:

Township 17 South, Range 30 East, NMPM
SW/4 NW/4 sec. 23

(10) That the Red Lake pool, Eddy County, New Mexico, as heretofore classified, defined and described, should be extended to include:

Township 17 South, Range 27 East, NMPM
S/2 SW/4 sec. 26

(11) That the Hare-Simpson pool, Lea County, New Mexico, as heretofore classified, defined and described, should be temporarily extended to include:

Township 21 South, Range 37 East, NMPM
SW/4 SW/4 sec. 1; Lots 11, 12, 13 and 14,
SW/4 and SE/4 sec. 2

IT IS THEREFORE ORDERED:

That the application of the Oil Conservation Commission, be, and the same hereby is approved, as follows:

(1) That a new pool, be, and the same hereby is created, designated for oil production, denominated the West Dollarhide-Fusselman pool, and described as follows:

Township 24 South, Range 38 East, NMPM
E/2 sec. 31; all sec. 32; W/2, Lots 1, 2,
3 and 4 sec. 33

Township 25 South, Range 38 East, NMPM
NW/4, Lots 1 and 4 sec. 4; NE/4 sec. 5

(2) That a new pool, be, and the same hereby is created, designated for oil production, denominated the Terry-Blinebry pool, and described as follows:

Township 21 South, Range 37 East, NMPM
SW/4 Lots 13 and 14 sec. 1; SE/4 sec. 2

(3) That a new pool, be, and the same hereby is created, designated for oil production, denominated the Bluit-San Andres pool, and described as follows:

Township 8 South, Range 38 East, NMPM
All secs. 7, 8, 17 and 18

(4) That a new pool, be, and the same hereby is created, designated for oil production, and denominated the Mescalero-Pennsylvanian pool, and described as follows:

Township 10 South, Range 32 East, NMPM
All secs. 21, 22, 27 and 28

(5) That a new pool, be, and the same hereby is created, designated for oil production, denominated the North Tulk-Wolfcamp pool, and described as follows:

Township 14 South, Range 32 East, NMPM
N/2 sec. 20

(6) That the boundaries of the Skaggs pool, Lea County, New Mexico, be, and the same hereby are extended to include:

Township 20 South, Range 38 East, NMPM
N/2 sec. 7

(7) That the boundaries of the Crossroads-Pennsylvanian pool, Lea County, New Mexico, be, and the same hereby are extended to include:

Township 9 South, Range 36 East, NMPM
SE/4 sec. 20

(8) That the boundaries of the Premier pool, Eddy County, New Mexico, be, and the same hereby are extended to include:

Township 17 South, Range 30 East, NMPM
SW/4 NW/4 sec. 23

(9) That the boundaries of the Red Lake pool, Eddy County, New Mexico, be, and the same hereby are extended to include:

Township 17 South, Range 27 East, NMPM
S/2 SW/4 sec. 26

(10) That the boundaries of the Hare-Simpson pool, Lea County, New Mexico, be, and the same hereby are extended to include:

Township 21 South, Range 37 East, NMPM
SW/4 SW/4 sec. 1; Lots 11, 12, 13 and 14,
SW/4 and SE/4 sec. 2

PROVIDED FURTHER:

(a) That extension of the Hare-Simpson pool, as designated above, shall continue in force until January 1, 1953.

(b) That at the regular monthly hearing of the Commission for the month of November 1952, all operators producing oil and/or gas from the Simpson formation, who have properties Located in sections 1, 2, 11 or 12 of Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, shall present testimony and evidence to show cause why the temporary extension of said pool should not be made permanent.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Edwin L. Mechem
EDWIN L. MECHEM, Chairman

Guy Shepard
GUY SHEPARD, Member

R. R. Spurrer
R. R. SPURRIER, Secretary

SEAL