

CASE 5117: Application of ROGER  
C. HANKS FOR CREATION OF A NEW  
POOL AND SPECIAL RULES, EDDY CO.

Continue to  
March 9

CASE No.

5117

Application,

Transcripts,

Small Exhibits

ETC.



**sid morrison reporting service**  
General Court Reporting Service  
823 Calle Mejia, No. 122, Santa Fe, New Mexico 87501  
Phone (505) 982-9212

Page 1

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
March 9, 1977

EXAMINER HEARING

IN THE MATTER OF:

Case 5117 being reopened pursuant to ) CASE  
the provisions of Order No. R-4691-A, ) 5117  
which order extended the temporary ) (Reopened)  
special pool rules for the North Dagger )  
Draw-Upper Pennsylvanian Pool, Eddy )  
County, New Mexico. )

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil Conservation Commission: Lynn Teschendorf, Esq.  
Legal Counsel for the Commission  
State Land Office Building  
Santa Fe, New Mexico

For the Applicant: Clarence E. Hinkle, Esq.  
HINKLE, COX, EATON, COFFIELD  
& HENSLEY  
Attorneys at Law  
Hinkle Building  
Roswell, New Mexico

For Yates Petroleum: Joel M. Carson, Esq.  
LOSEE & CARSON P.A.  
Attorneys at Law  
300 American Home Building  
Artesia, New Mexico



**sid norrish reporting service**  
*General Court Reporting Service*  
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501  
Phone (505) 982-9212

Page 2

I N D E X

1		
2		<u>Page</u>
3	<u>ROGER HANKS</u>	
4	Direct Examination by Mr. Hinkle	3
5	Cross Examination by Mr. Nutter	7

EXHIBIT INDEX

9			
10		<u>Offered</u>	<u>Admitted</u>
11	Applicant's Exhibit One	4	7
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			

1 MR. NUTTER: We will call Case Number 5117.

2 MS. TESCHENDORF: Case 5117 in the matter of Case  
3 5117 being reopened pursuant to the provisions of Order No.  
4 R-4691-A, which order extended the temporary special pool  
5 rules for the North Dagger Draw-Upper Pennsylvanian Pool,  
6 Eddy County, New Mexico.

7 MR. HINKLE: Clarence Hinkle, Hinkle, Cox, Eaton,  
8 Coffield and Hensley, appearing on behalf of Roger Hanks. We  
9 have the same witness. If it is all right I would like for  
10 the record to show that he has been sworn.

11 MR. NUTTER: The record will show that Mr. Hanks is  
12 still under oath.

13 MR. CARSON: Mr. Examiner, my name is Joel Carson,  
14 Losee & Carson P.A., Artesia, and I simply have a statement  
15 I would like to read at the appropriate time in behalf of  
16 Yates Petroleum.

17 MR. NUTTER: In Case Number 5117?

18 MR. CARSON: Yes, sir.

19 MR. NUTTER: Okay, we will call for you.

20

21

ROGER HANKS

22 called as a witness, having been previously sworn, was examined  
23 and testified as follows:

24

DIRECT EXAMINATION

25

BY MR. HINKLE:

**sid morrison reporting service**  
General Court Reporting Service  
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501  
Phone (505) 982-9212

Page 4

1 Q State your name and residence?

2 A Roger Hanks, Midland, Texas.

3 Q Are you the principal owner of the leasehold  
4 interest in the North Dagger Draw Unit?

5 A Yes, sir, I am.

6 Q The Pennsylvanian Pool?

7 A Yes, sir.

8 Q Have you previously testified before the Commission?

9 A Yes, sir.

10 Q And qualified as a Petroleum Geologist?

11 A Yes, sir.

12 Q And your qualifications are a matter of record with  
13 the Commission?

14 A Yes, sir.

15 Q And you previously testified in this case?

16 A Yes, sir.

17 MR. HINKLE: Are his qualifications sufficient?

18 MR. NUTTER: Yes, they are.

19 Q (Mr. Hinkle continuing.) Refer to Exhibit One and  
20 explain what this is and what it shows?

21 A This is a similar exhibit to the other and it's a  
22 plat showing all of the producing wells in the North Dagger  
23 Draw-Upper Penn Field and each of the pressure data on a  
24 known previous bottom-hole pressure and the most recent which  
25 were taken in January and February on each of the wells and a

**sid morrish reporting service**

General Court Reporting Service  
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501  
Phone: (505) 982-9212

Page 5

1 copy of this bottom-hole pressure data is attached, along with  
2 a copy of the oil, gas and water production of each of the  
3 wells in this North Dagger Draw Field.

4 Q State briefly the changes which have been made, that  
5 is the pressure changes, as shown by the plat and the other  
6 exhibits.

7 A Okay, the Commission saw fit last year to reduce the  
8 proration units on a temporary basis to a hundred and sixty  
9 acres of which we undertook a drilling program at the time and  
10 to develop these locations to see if we possibly were -- if  
11 we could drain from a smaller unit or whatever, we really  
12 didn't know at the time. The original pressures are on the  
13 top, in the little bracket by each well, where known. There  
14 again, I have cause for reasonable doubt on one pressure that  
15 is in there but generally speaking they show a definite  
16 decline over this past eight-month period and I feel like that  
17 we were adequately draining the reservoir from these hundred and  
18 sixty acre spacing units and I'm recommending that the  
19 Commission grant us a permanent spacing order for this field  
20 and also the depth of allowable which was increased, I believe,  
21 to three hundred and fifty barrels.

22 Q Are the wells making the allowable at the present  
23 time?

24 A I have five wells, I believe, that are close to  
25 making their allowables and the other seven are not. They

**sid morrish reporting service**

General Court Reporting Service  
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501  
Phone (505) 982-9212

Page 6

1 are less than that. We are selling approximately forty-three  
2 thousand barrels of oil there.

3 Q The plat which is attached to Exhibit One also  
4 shows the ownership of all of the acreage in the area?

5 A Yes, sir.

6 Q And I believe you testified that the other exhibits  
7 which are attached to the report simply show the pressures,  
8 results of each well of the pressures that were taken and also  
9 the production history, cumulative production, the present  
10 production and the water production?

11 A Yes, sir, I believe those are through January 31st.

12 Q Has there been any substantial change in the water  
13 production in this pool?

14 A Yes, sir, there has. The oil has gone up and the gas  
15 has gone up and the water is going down. Well, they have almost  
16 reversed themselves a hundred percent in the last six months.

17 Q And you are recommending to the Commission that the  
18 existing rules be made permanent, as well as the depth allowable?

19 A Yes, sir, I would never drill them on any smaller  
20 patterns.

21 Q In your opinion, if these rules are made permanent  
22 and the depth allowable will be in the interest of conservation  
23 and the prevention of waste?

24 A Yes, sir.

25 MR. HINKLE: We would like to offer Exhibit One.

1 MR. NUTTER: Exhibit One in Case Number 5117 will  
2 be admitted into evidence.

3 (THEREUPON, Applicant's Exhibit One was  
4 admitted into evidence.)  
5

6 CROSS EXAMINATION

7 BY MR. NUTTER:

8 Q Mr. Hanks, after the Commission changed the pool  
9 rules in here and went from three hundred and twenty to a  
10 hundred and sixty acre spacing, which were the wells that were  
11 drilled, the infield wells?

12 A Okay, they would be the Barbara 5 which is in the  
13 southeast of the northwest of 18; the Barbara 6 which is in  
14 the northwest of the southeast of 18; and then the Julie Com  
15 in the southeast of the northeast of Section 17; and then  
16 the Barbara Federal No. 7 which is in the northwest of the  
17 southeast of Section 17; and then the Molly Com over in  
18 Section 13, which is in the southeast of the southeast quarter  
19 of Section 13.

20 Q Okay, now, in Section 18, the original two wells were  
21 the wells that are in the northeast quarter and the southwest  
22 quarter?

23 A Yes, sir.

24 Q And they had original bottom-hole pressures in the  
25 neighborhood of three thousand pounds?

**sid morrish reporting service**  
General Court Reporting Service  
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501  
Phone (505) 982-9212

Page 8

1 A Yes, sir. If you will notice over there in 17, I  
2 don't believe that one is thirty-four, thirty-seven. I don't  
3 believe that in my Barbara 3, I just don't agree with that  
4 pressure but I had to write it down because that's what it  
5 said.

6 Q But the other two wells that were originally drilled  
7 had in the neighborhood of three thousand pounds so you think  
8 maybe that one is a little high, do you?

9 A Yes, sir, I do. And the other reason for the other  
10 pressures being lower is that the dates and times that they  
11 were drilled, they fell into somewhat a drainage pattern. For  
12 instance, the Barbara 5, its original bottom-hole pressure is  
13 considerably less but the Barbara 1 had done quite a bit of  
14 work to the reservoir before that well was drilled.

15 Q That was what I was wondering if the original bottom-  
16 hole pressures on these infield wells being lower could be  
17 attributed to the fact that the original wells had drained  
18 the reservoir to some extent?

19 A Yes, sir, I agree.

20 Q Now, the three wells that are down in the south end  
21 of the pool, they are all old wells are they?

22 A Well, let's see, the Dagger Draw No. 2 is over in  
23 the northeast of the southeast of 30 and it is only about a  
24 year and a half old. So there has got to be some effect from  
25 drainage in there.

1 Q It had an original bottom-hole pressure of  
2 twenty-three, forty?

3 A Yes, sir, and I don't believe that either. That was  
4 by drill stem test, running in the early sixties, I think.

5 Q So we discount that well?

6 A Yes, sir. I have no reason not to believe that  
7 it is two thousand pounds and one significant thing about  
8 these pressure tests we ran, we tried to hit them all pretty  
9 close to twenty-five hours so we would strike some form of  
10 uniformity in looking at the reservoir data and so if you  
11 will notice on each one of those they are about to run in  
12 that form but it appears to me that it's showing sort of a  
13 tier of pressure decline. That is on the west side, which are  
14 structurally higher wells, you've got a relatively, say a  
15 eighteen hundred, nineteen hundred pound line, then you move  
16 east and you go down to a fifteen or sixteen hundred pound  
17 line and then you go still further east and you drop down to a  
18 fourteen hundred pound and that's about from thirty-five to  
19 sixty feet in structural difference you go down each terrace.

20 Now, the water production is about the same in all  
21 of the wells with the exception of the Barbara 1 and it's much  
22 higher in that well than it is in any of the others.

23 Q And where's it?

24 A Well, that's the one in the southeast-northeast of  
25 18. But it structurally is laying slightly off the feature



1 but it produces a lot more water than the wells over in  
2 Section 17 do.

3 Q Which are much lower than it is?

4 A Yes, about fifty or sixty feet.

5 Q Well, these wells here appear to be considerably  
6 better wells than the wells down south that we were talking  
7 about in the previous case?

8 A Yes, much better, yes, sir. I feel like that this  
9 is a bottom-hole pressure, if you allow these things to shut  
10 in for say, a week, you shut them in for a week, I think you  
11 will see a pretty uniform two thousand pounds or better  
12 pressure. I think we've reduced by production the reservoir  
13 pressure in the neighborhood of thirty percent.

14 Q If gas production is declining in here as you  
15 said it was, are you going to have sufficient gas to continue  
16 to be able to gas lift these wells?

17 A Oh, yes.

18 Q You will?

19 A Oh, yes, I don't have any appreciable decline in gas  
20 production, it just stays.

21 Q It's just the ratio between the gas and the oil that's  
22 changing?

23 A Yes, the oil is coming up and the water is going  
24 down. Of course, the gas comes up with the oil too.

25 MR. NUTTER: Are there any further questions of

1 Mr. Hanks? He may be excused.

2 (THEREUPON, the witness was excused.)

3 MR. NUTTER: Do you have anything further, Mr. Hinkle?

4 MR. HINKLE: That's all.

5 MR. NUTTER: Does anyone have anything they wish to  
6 offer in Case Number 5117?

7 MR. CARSON: Mr. Nutter, as I previously said, my  
8 name is Joel Carson appearing here on behalf of Yates  
9 Petroleum and I will read this statement, which I guess I  
10 might say I originally thought was in opposition to this  
11 application but as I hear Mr. Hanks it is probably in support  
12 of it.

13 It says: (Reading) Yates Petroleum Corporation,  
14 being a present royalty owner and a potential working interest  
15 owner in portions of the North Fager Draw-Upper Pennsylvanian  
16 Pool, is of the opinion that it is premature to reduce the  
17 size of the present one hundred and sixty acre proration units  
18 in this pool because of the uncertainty which the large water  
19 disposal problems have on the economics of producing hydrocarbons  
20 from this pool and because as yet the pool is incompletely  
21 developed on one hundred and sixty acre spacing. (End of  
22 reading.)

23 I assume that Yates was concerned that there might  
24 be some effort to reduce it below a hundred and sixty and if  
25 I understood it, that is not what the idea is at all?

1 MR. HINKLE: No.

2 MR. NUTTER: Mr. Hanks, you are proposing that the  
3 pool rules as they are remain in effect?

4 MR. HANKS: Yes, sir.

5 MR. NUTTER: Which is a hundred and sixty acre spacing  
6 and a special depth bracket allowable, I believe of three,  
7 fifty?

8 MR. HANKS: Yes, sir.

9 MR. NUTTER: Or whatever it is.

10 Does anyone else have anything for Case Number 5117?  
11 We will take the case under advisement and take a fifteen  
12 minute recess.


13 (THEREUPON, the hearing was in recess.)  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

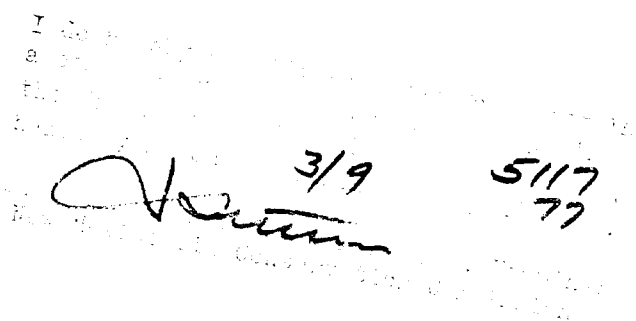
**sid morrish reporting service**  
General Court Reporting Service  
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501  
Phone (505) 982-9212

Page 13

REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand Reporter,  
do hereby certify that the foregoing and attached Transcript  
of Hearing before the New Mexico Oil Conservation Commission  
was reported by me, and the same is a true and correct record  
of the said proceedings to the best of my knowledge, skill and  
ability.

  
Sidney F. Morrish, C.S.R.

  
3/9 5117  
77

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
CONFERENCE ROOM, STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO

Wednesday, November 28, 1973

IN THE MATTER OF:

Application of Roger C. Hanks  
for creation of a new pool and  
special rules, Eddy County,  
New Mexico.

Case No. 5117

BEFORE: Richard L. Stamets,  
Examiner

TRANSCRIPT OF HEARING

1 MR. STAMETS: Case 5117.

2 MR.CARR: Case 5117: Application of Roger C. Hanks  
3 for creation of a new pool and special rules, Eddy  
4 County, New Mexico.

5 MR. CHRISTY: John Christy, of Roswell, appearing  
6 on behalf of the applicant.

7 MR. STAMETS: Are there any other appearances?

8 (No response)

9 MR. STAMETS: You may proceed, Mr. Christy.

10 \* \* \* \*

11 LARRY MCINTOSH,

12 was called as a witness, and after being duly sworn according  
13 to law, testified as follows:

14 DIRECT EXAMINATION

15 BY MR. CHRISTY:

16 Q State your name, address, and by whom you are employed,  
17 and in what capacity.

18 A Larry McIntosh. I reside in Midland, Texas. I am  
19 employed as a consultant petroleum engineer.

20 Q Mr. McIntosh, have you previously testified before this  
21 regulatory body and had your qualifications accepted?

22 A I have.

23 Q Are you familiar with the area and the wells involved in  
24 this application and what is sought by this application?

25 A Yes, I am.

1 MR. CHRISTY: Are the witness's qualifications  
2 satisfactory?

3 MR. STAMETS: They are.

4 Q (By Mr. Christy) Now, Mr. McIntosh, what is sought by  
5 the application in Case 5117?

6 A The applicant, Roger C. Hanks, is seeking approval,  
7 designation, and special rules for an area of Eddy County,  
8 New Mexico. This area consists of eight sections,  
9 approximately 5,120 acres, consisting of Sections 24, 25,  
10 and 36 of Township 19 South, Range 24 East. And Sections  
11 18, 19, 30, and 31, Township 19 South, Range 25 East.  
12 And Section 1 in Township 20 South, Range 24 East.

13 Q Is that area depicted on Exhibit One and outlined in  
14 yellow?

15 A Yes, it is.

16 Q Now, you have given us the horizontal limits. What are  
17 the vertical limits?

18 A The vertical limit would be the Cisco Canyon portion of  
19 the Upper Pennsylvanian formation.

20 Q Are there any producing wells producing from the Cisco  
21 Canyon within the proposed area outlined?

22 A Yes. Hydrocarbon production was discovered back in 1964,  
23 and to date, there have been six wells completed, Cisco  
24 Canyon wells within the proposed area.

25 Q Are those shown in red on Exhibit Number One?

1 A That's correct. At the present time, one of these wells  
2 is producing under temporary permit; three of the wells  
3 are shut in and have been for some time, due to the  
4 absence of a gas connection and a salt water disposal  
5 facility in the area.

6 Q Let's identify those wells.

7 A The producing well is the Roger C. Hanks Federal No. 2,  
8 which is in the Southeast of Section 18, 19 South, 25 East.

9 MR. STAMETS: Is that in the Southeast or the  
10 Southwest?

11 THE WITNESS: The Southwest, excuse me.

12 A (Continuing) The three shut-in wells are the Barbara  
13 Federal No. 1, which is in the Northeast of Section 18;  
14 the Roger C. Hanks Stagger Draw No. 1, which is in  
15 Section 30; and the Roger C. Hanks Cathy "P." Fed, which  
16 is in Section 31. These are all in Township 19 South,  
17 Range 25 East.

18 Q Now, there are also two that have ceased to produce.

19 A Yes.

20 Q What are those?

21 A Those are the Atlantic No. 1 Hondo Fed, which is in  
22 Section 24 of 19 South, 24 East. And then we have the  
23 Yates Petroleum No. 1 Foster, which is in Section 1 of  
24 20 South.

25 MR. STAMETS: Are those plugged and abandoned?



1 THE WITNESS: The Atlantic Well is plugged and  
2 abandoned. The Yates is plugged back to the Wolfcamp  
3 gas pipe.

4 Q (By Mr. Christy) What is the approximate time frame in  
5 which these wells have been drilled and completed?

6 A The initial production was established in 1964, November  
7 of 1964, and the first wells were the Atlantic Well in  
8 Section 24 and the Monsanto Hondo Well in Section 31.

9 Q The Monsanto Well is now known as the Cathy Erie?

10 A That's correct. These wells were completed in 1964, and  
11 then the Yates Well in Section 1 was completed in April  
12 of 1965.

13 Subsequently, all three of these wells were abandoned,  
14 the Yates Well being plugged back, and the other two  
15 being plugged and abandoned. There was no additional  
16 development in the area until 1970. At this time, Roger  
17 C. Hanks completed the No. 1 Dagger Draw Well in Section  
18 30. Then in 1971, he re-entered the Monsanto Well, and  
19 recompleted that well.

20 Then he drilled the Barbara Federal No. 1 in Section  
21 18. These wells produced for a few months, and were  
22 then shut in in the latter part of 1971 and the early  
23 part of 1972.

24 There had been no additional activity in the area  
25 until June of this year when Roger C. Hanks completed

1 the Barbara Federal No. 2 in Section 18.

2 Q Now, very briefly, on Exhibit One, I notice there are a  
3 number of other red-marked wells and some green-marked  
4 wells. Would you explain those, please?

5 A On this exhibit, which is the lease plat of the area,  
6 the producing wells in the Cisco Canyon are shown in  
7 red circles while wells that penetrated the Cisco, but  
8 either did not attempt completion or were unsuccessful  
9 with completions, those are shown with green squares.

10 This proposed area is part of a large producing  
11 trend which covers a lot of Cisco Canyon production.

12 We have here (indicating) the Indian Basin Field,  
13 which is a large field just north of the Dagger Draw  
14 Field. Just north of that is the Boyd Cisco Field, which  
15 has one gas well. Over to the left of the map, you have  
16 the Antelope Sink Field, which has one gas well.

17 Q Returning to the area involved in the application, I  
18 would like to ask you if you made a cross section study  
19 of the wells, and I refer you to Exhibit Two.

20 A Yes. Exhibit Two is a cross section which shows the logs  
21 of the producing intervals on each of the six wells  
22 within the area which have produced from the Cisco Canyon.  
23 The Cisco Canyon is composed of a carbonate reef, and  
24 the reservoir rock is described as limestone containing  
25 varying degrees of dolomite. The porous portions of the

1 reef, those which have been found to be productive, are  
2 predominantly dolomite. I think the cross section shows  
3 there are several porosity zones within the Cisco Canyon.  
4 Some of the zones appear to correlate from well to well,  
5 and appear to be continuous, while others do not.

6 Q We have many little stringers within the Cisco Canyon  
7 formation, do we not?

8 A That's correct.

9 Q What kind of pressures do we have on these wells?

10 A We have a very limited amount of pressure data at the  
11 present time, because the wells have been shut in most  
12 of the time. There were some pressures taken back in  
13 1971 and 1972 when three wells were producing. The  
14 bottomhole pressures were taken when the wells were  
15 in in November of 1971, and the pressure taken on  
16 Cathy Erie in Section 31 showed pressure of 2222 PSI at  
17 a depth of 7500 feet.

18 Approximately two months later, the Dagger Draw  
19 No. 1 Well in Section 30, which is more than one mile  
20 from this well, was also shut in, and the bottomhole  
21 pressure taken on this well-- They were unable to get to  
22 the bottom of the well, they stopped at 6200 feet, and  
23 the pressure at that point was 1917 pounds, and we were  
24 not getting fluid.

25 This is the reason we can't accurately project what

1 the pressure on this well would have been at the  
2 reservoir depth. It appears that they would have been  
3 very close together, though.

4 The other well that was producing at that time was  
5 the Barbara Federal No. 1 in Section 18. This well, in  
6 my opinion, is producing from some upper stringers in  
7 the Cisco Canyon not open in these other two wells. It  
8 showed a pressure of 2806 pounds. That was in December  
9 of 1971.

10 Subsequent to that, we do not have any pressures  
11 on any of the producing wells.

12 Q What are the drive mechanisms?

13 A It is my opinion that the predominant drive mechanism is  
14 solution gas drive.

15 Q I notice on your second chart in Exhibit Number Two  
16 reference is made to the Monsanto Hondo No. 1. That is  
17 the same well that was the Cathy Erie, is it not?

18 A Yes, it is. This well was re-entered by Roger Hanks, and  
19 subsequently renamed.

20 Q Now, would you tell us the production to date from the  
21 wells within the area, and may I refer you to Exhibit  
22 Number Three?

23 A Exhibit Three is a tabulation of the oil and water  
24 production from the six wells that have produced from  
25 this area. At the bottom of the tabulation are the totals

1 of oil and water for each of the wells through October  
2 of this year.

3 Starting on the left with the Atlantic Refining  
4 Company Federal No. 1, production had been 4168 barrels  
5 of oil before it was abandoned.

6 On the Monsanto Hondo Federal No. 1, we had production  
7 of slightly under 6000 barrels of oil. Roger Hanks then  
8 re-entered this well, and it produced an additional  
9 5759 barrels. At the time the well was shut in in  
10 December of 1971, the well was making 50 barrels of oil  
11 daily, with about ninety-five percent water.

12 The third well, the Yates Petroleum Foster No. 1,  
13 made 6114 barrels of oil before being plugged back.

14 The next well, the Roger C. Hanks Dagger Draw Unit  
15 No. 1 Well, has accumulative production of 22,629 barrels  
16 of oil. At the time this well was shut in, it was making  
17 about thirty barrels daily, with about ninety percent  
18 water.

19 The next well, the Roger C. Hanks Barbara Federal  
20 No. 1, this well had accumulative oil production of  
21 25,011 barrels. When it last produced, it was making  
22 about 35 barrels daily, with ninety-six percent water cut.

23 The last well in the tabulation is the Roger C.  
24 Hanks Barbara Federal No. 2. This well has just been  
25 producing since June. From all indications from early

1 production on the well, it is going to be a somewhat  
2 better well than the other wells in the area. The  
3 accumulative production to November 1st was 12,729 barrels  
4 of oil. In October, it averaged about 138 barrels daily,  
5 and was making about seventy-five percent water.

6 Q I gather from your testimony that these wells are not  
7 barn burners?

8 A No, they are not. The production of the wells has been  
9 quite good, but as this tabulation shows, the water  
10 production has been very high. As a result of the high  
11 water percentage, the six wells have accumulative  
12 production of less than 6000 barrels of oil. These wells  
13 cost about \$215,000 to drill, and equipped with hydraulic  
14 pumpers, it would appear that unless the oil rate on  
15 these wells improve rather drastically, at least five  
16 of the six out there will be unprofitable.

17 Q You mentioned this large amount of water. How is the  
18 water disposed of?

19 A There is a salt water disposal well, which I believe is  
20 this one (indicating).

21 Q That is the one in the Southwest of the Southeast of  
22 Section 6?

23 A No, I believe it's in Section 5 of 20 South, 25 East;  
24 the Northwest corner of that lease.

25 Q There is a salt water disposal well for this large amount

1 of water?

2 A Yes, sir.

3 Q Is this the same salt water disposal well testified to  
4 before this regulatory body in about July or August of  
5 this year under Order R-4637?

6 A Yes, that's right.

7 Q We talked a little bit about the bottomhole pressures.  
8 Do you have any indication as to whether or not these  
9 wells in the producing area are within communication of  
10 each other other than the pressure tests you have  
11 mentioned?

12 A The pressure tests are not entirely conclusive, although  
13 they are indicative of communication between the wells.  
14 Other than that, it is my opinion that they are in  
15 communication because the wells have indicated good  
16 permeability, and each of the wells has at one time  
17 produced a fluid rate in excess of 800 barrels of fluid  
18 per day. Because of this, it is my belief that these  
19 wells probably are in communication and are capable of  
20 draining a rather wide area.

21 Q Would that wide area at this time be as much as 320 acres  
22 for each well?

23 A I believe so.

24 Q I believe the area involved in this application is  
25 presently a portion of the Dagger Draw Upper Pennsylvanian

1 and the Parrish Ranch Upper Pennsylvanian Pools. Do  
2 you have an opinion as to whether or not these are all  
3 one common source of supply?  
4 A Yes, it is my opinion that they are.  
5 Q Now, let's turn-- I think the application calls for  
6 special pool rules, is that correct?  
7 A Yes, this is true.  
8 Q What type of GOR, limiting GOR, are you proposing in  
9 the rules?  
10 A A limited GOR of 2000 cubic feet.  
11 Q What is the present GOR for these wells?  
12 A There has been no gas sales from these wells, and we don't  
13 have what we would consider reliable gas volumes available.  
14 Q Would you think they would fall within your proposed  
15 limiting rules?  
16 A Yes, I do.  
17 Q What type of oil allowable would you propose under the  
18 rules?  
19 A We are proposing a maximum daily oil allowable of 427  
20 barrels of oil. This would be the normal allowable for  
21 wells drilled on 160-acre spacing in the seven to eight  
22 thousand foot range. Although we are proposing that  
23 320-acre spacing be established here, this allowable  
24 would be adequate for all of the existing wells, and it  
25 would safeguard against any excessive withdrawal if closer



1 spacing should prove desirable at some time.

2 Q Speaking of closer spacing, would you propose these  
3 rules be made permanent at this time, or when would we  
4 take a look--see to see whether or not the GOR and the  
5 320 acres is acceptable?

6 A I propose they be made temporary at this time. As the  
7 wells are produced, some additional pressure information  
8 will be available, and we will be able to determine a  
9 great deal more about the nature of the reservoir.

10 Q For about what? Two years?

11 A I would think that a two-year period should be adequate.

12 Q Do you have an opinion as to whether or not the granting  
13 of this application will result in the prevention of  
14 waste, including economic waste, and at the same time  
15 protect the correlative rights and interested parties  
16 involved in the application?

17 A Yes, I believe that these proposed rules will both  
18 effectively prevent waste and they will permit the  
19 production of recoverable hydrocarbons from the reservoir,  
20 and at the same time protect the correlatives rights of  
21 all the interested parties.

22 Q Do you have an opinion as to whether or not the proposed  
23 special rules would result in the effective production  
24 of the maximum hydrocarbons under the area involved?

25 A Yes, I believe they would.

1 Q Were Exhibits One through Three prepared by you or under  
2 your supervision?

3 A Yes, they were.

4 Q Is there anything else I haven't asked you that you  
5 think would be of interest to the Commission in the  
6 consideration of this application?

7 A No, I think we have covered everything. While the  
8 dominant reason for us proposing this 320-acre spacing  
9 at this time is economic, at this point, it is also my  
10 opinion that the wells will effectively drain areas this  
11 large, and that we can produce the field efficiently in  
12 this manner.

13 Q As a petroleum engineer, and based upon the cost figures  
14 you have given and the results obtained so far from the  
15 area, would you recommend further drilling?

16 A No, I wouldn't at this time. Of course, there are a  
17 number of Upper Pennsylvanian fields in the Southeastern  
18 New Mexico region which have shown a tendency to increase  
19 in oil production as water is depleted within the  
20 reservoir, and these wells have been produced in the  
21 hopes that this will happen.

22 At this time however, until we have additional  
23 information that would indicate it is going to happen,  
24 I wouldn't recommend it.

25 Q That would be strictly from an engineering standpoint?

1 A Yes.

2 MR. CHRISTY: That's all I have.

3 MR. STAMETS: Do you want to offer the exhibits now?

4 MR. CHRISTY: Not yet.

5 \* \* \* \*

6 CROSS EXAMINATION

7 BY MR. STAMETS:

8 Q Looking at Exhibit Number One, the Foster Well in Section  
9 1, I believe you said was a Wolfcamp gas well. Did you  
10 mean an oil well?

11 A It was initially, but it was plugged back to the Wolfcamp.

12 Q So far as you know, you don't have the same situation  
13 here that you do in the South Dagger Draw Upper  
14 Pennsylvanian Pool?

15 A I think not. From all we have seen to date, everything  
16 would indicate that this is predominantly an oil  
17 reservoir, whereas the other one seems to be predominantly  
18 gas.

19 Q The Cisco Canyon is commonly referred to as the Upper  
20 Pennsylvanian in this area, isn't that correct?

21 A That's right.

22 Q Do you anticipate there will be gas connections in this  
23 field in short order?

24 A Yes, there is pipe being strung now, and it is being  
25 connected out there right now to route the gas from this

1 field to the Marathon Plant in Indian Basin.

2 Q There seems to be more acreage set out on your Exhibit  
3 Number One than is absolutely necessary. I notice  
4 quite a bit of either unapproved acreage or acreage with  
5 dryholes. Would you have any objection to the resulting  
6 pool being somewhat smaller than what you have proposed  
7 here if it takes in all of the producible wells?

8 MR. CHRISTY: I think I would rather answer that.  
9 It depends on what you would like to eliminate. Are you  
10 thinking in terms of taking out Section 25?

11 MR. STAMETS: Yes.

12 MR. CHRISTY: Yes, I will go for that. The reason  
13 they were put in was so they would be connected. We also  
14 have the situation here with two pools with some  
15 production, even though they are abandoned at the present  
16 time.

17 Q (By Mr. Stamets) Is it your testimony, Mr. McIntosh, that  
18 these wells cannot be economically developed on less  
19 than 320-acre spacing at the present time?

20 A Yes, that's my testimony at the present time. They could  
21 not be economically developed on less than 320 acres.  
22 Of course, it is doubtful that they will be economically  
23 produced on 320 acres even.

24 Q And in order to create this new pool, you have proposed  
25 that it will be necessary to abolish the Parrish Ranch

1 and Dagger Draw Upper Pennsylvanian Pools?

2 A That's correct.

3 Q And at the present time, there is either no production  
4 in both of those pools or it is only by Mr. Hanks?

5 A That's right, yes.

6 MR. STAMETS: Are there any other questions of the  
7 witness?

8 (No response)

9 MR. STAMETS: If not, he may be excused.

10 (Witness excused.)

11 MR. CHRISTY: At this time, we offer into evidence  
12 Exhibits One through Three inclusive.

13 MR. STAMETS: Without objection, they will be  
14 admitted.

15 (Whereupon Applicant's Exhibits One through Three  
16 were admitted in evidence.)

17 MR. CHRISTY: That's all for the applicant.

18 MR. STAMETS: Is there anything further in this case?

19 (No response)

20 MR. STAMETS: Case 5117 will be taken under  
21 advisement.

22 \* \* \* \*

23

24

25

dearnley, meier & associates

209 SIMMS BLDG., P.O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO 87103  
1216 FIRST NATIONAL BANK BLDG. EAST • ALBUQUERQUE, NEW MEXICO 87106

PAGE 13

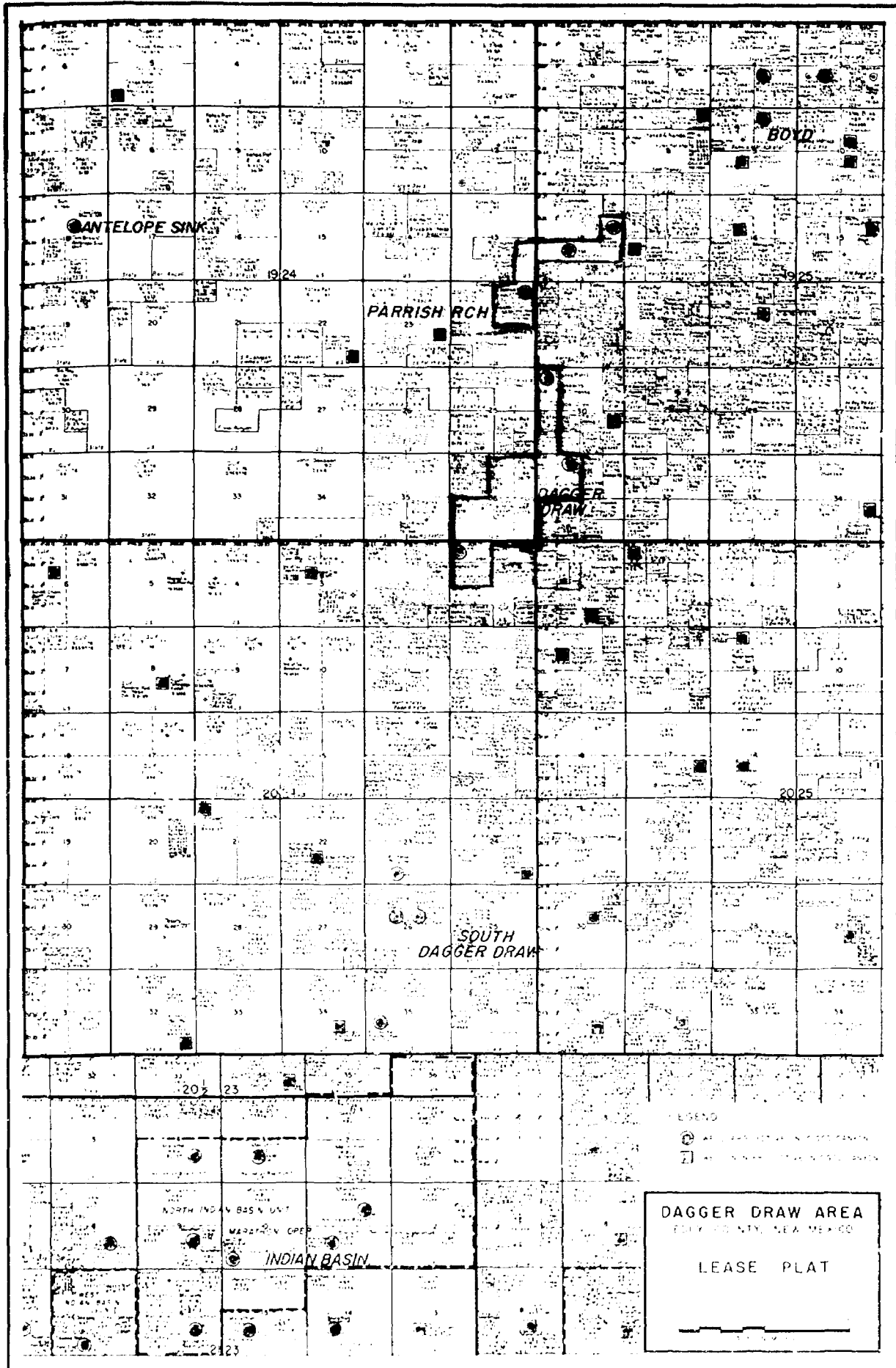
C E R T I F I C A T E

I, RICHARD E. McCORMICK, Certified Shorthand Reporter, in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me; and that the same is a true and correct record of the said proceedings to the best of my knowledge, skill and ability.

*Richard E. McCormick*  
CERTIFIED SHORTHAND REPORTER

Nov 28 5117 73  
*Richard L. Stant*  
Secretary, Oil Conservation Commission

1	<u>I N D E X</u>			
2	<u>WITNESS</u>		<u>PAGE</u>	
3	LARRY MCINTOSH			
4	Direct Examination by Mr. Christy		2	
5	Cross Examination by Mr. Stamets		15	
6				
7				
8				
9				
10	<u>E X H I B I T S</u>			
11	<u>EXHIBIT</u>		<u>ADMITTED</u>	<u>OFFERED</u>
12	Applicant's #1	Lease plat	17	3
13	Applicant's #2	Cross section	17	6
14	Applicant's #3	Tabulation	17	8
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				





# Bennett Wire Line Service

305 MCARTHUR AVENUE • PHONE 746-3281

ARTESIA, NEW MEXICO 88210

August 8, 1975

RECEIVED

AUG 11 1975

MIDLAND OFFICE

Roger C. Hanks  
Midland, Texas

Re: Barbara Fed.No.1

Gentlemen:

The following pressures were recorded on your Barbara Fed.#1  
instrument set @ 1500 Ft. depth On 7/29/75

Pressure on bottom @ start of test-- 2176 Lbs.  
" " " @ end of 13 Hrs. 2285 "

Average pressure gain per hour 8.3 "

*ave of orig BHP's  
2950-3000*

EXHIBIT # \_\_\_\_\_

BEFORE EXAMINER NUTTER  
OIL CONSERVATION COMMISSION  
*Hank* EXHIBIT NO. *2*  
CASE NO. *5117* *1/20/76*



sid norrish reporting service  
General Court Reporting Service  
825 Calle Majia, No. 122, Santa Fe, New Mexico 87501  
Phone (505) 982-9212

Page 1

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
January 20, 1976

EXAMINER HEARING

IN THE MATTER OF:

Case 5117 being reopend pursuant to the ) CASE  
provisions of Order No. R-4691, which ) 5117  
order established temporary special ) (Reopened)  
pool rules for the North Dagger Draw- )  
Upper Pennsylvanian Pool, Eddy County, )  
New Mexico. )

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil Conservation Commission: William F. Carr, Esq.  
Legal Counsel for the Commission  
State Land Office Building  
Santa Fe, New Mexico

For the Applicant: James T. Jennings, Esq.  
JENNINGS, CHRISTY & COPPLE  
Attorneys at Law  
P. O. Box 1180  
Roswell, New Mexico

**sid morrish reporting service**  
General Court Reporting Service  
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501  
Phone (505) 982-9212

I N D E X

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

Page

ROGER HANKS

Direct Examination by Mr. Jennings

3

Cross Examination by Mr. Nutter

9

EXHIBIT INDEX

Page

Hanks' Exhibit No. One, Map

9

Hanks' Exhibit No. Two, Tabulation

9

Hanks' Exhibit No. Three, Tabulation

9

**sid morrish reporting service**

General Court Reporting Service  
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501  
Phone (505) 982-9212

Page 3

1 MR. NUTTER: We will call Case Number 5117.

2 MR. CARR: Case 5117, in the matter of Case 5117  
3 being reopened pursuant to the provisions of Order No. R-4691,  
4 which order established temporary special pool rules for the  
5 North Dagger Draw-Upper Pennsylvanian Pool, Eddy County,  
6 New Mexico.

7 MR. JENNINGS: I'm James T. Jennings of Jennings,  
8 Christy and Copple, appearing on behalf of Mr. Roger Hanks,  
9 and I will have one witness, Mr. Hanks.

10 (THEREUPON, the witness was duly sworn.)

11 ROGER HANKS

12 called as a witness, having been first duly sworn, was  
13 examined and testified as follows:  
14

15 DIRECT EXAMINATION

16 BY MR. JENNINGS:

17 Q Would you state your name and occupation, please,  
18 sir?

19 A Roger Hanks, I'm a geological engineer.

20 Q Mr. Hanks, are you one of the operators in the  
21 North Dagger Draw-Upper Pennsylvanian Pool?

22 A Yes, I am the only operator there.

23 Q Were special pool rules established in a previous  
24 hearing to this that were effective January 1, 1974?  
25

1 A That's true.

2 Q Referring to what has been marked as Exhibit Number  
3 One, would you find out which wells have been drilled in the  
4 pool since the rule has become effective?

5 A Well, at that time I believe we had the Kathy down  
6 in 31 and Dagger Draw Number One in 30 and the Barbara 1  
7 Federal 1 and 2 in Section 18.

8 The heavy black lines represent the present three-  
9 hundred-and-twenty acre allocation attributed to the  
10 Cisco Canyon zone at approximately seven, six hundred feet.  
11 Each of these six wells are completed and are producing  
12 from that zone.

13 Q They are oil wells, are they not?

14 A Yes.

15 Q Basically it is on the three-hundred-and-twenty  
16 acre spacing, the pool rules call for three-hundred-and-  
17 twenty-acre spacing?

18 A True. The Commission gave us permission to space  
19 the wells on three-hundred-and-twenty acres and with a review  
20 in two years to see if the unit should not be reduced.

21 Q What is the production history on these wells?

22 A Since inception the six wells that are presently  
23 there now, in addition to the others, I've drilled the Barbara 3  
24 and the Federal No. 3 over in Section 17 and the Barbara 4  
25 in Section 17. The Barbara 4 is a nonstandard location

1 because it is the reentry of a well formerly drilled by Yates  
2 Petroleum, so it is a nonstandard.

3 The wells have produced accumulatively through  
4 December 31st of 1975 approximately two hundred and twenty-  
5 three thousand barrels of oil and two million, seven hundred  
6 and twenty-four thousand barrels of water. It is slightly  
7 greater than ten percent water cut.

8 Q Have you prepared a tabulation showing the production  
9 of the various wells?

10 A I have the tabulations by months, by years, on each  
11 well and it is Exhibit Number Three.

12 Q Is that your Exhibit Number Three?

13 A Yes, sir.

14 Q Mr. Hanks, have you taken the bottom-hole pressures  
15 on the wells?

16 A Yes, I did. We had the original bottom-hole  
17 pressures, more specifically the average bottom-hole pressures  
18 for the six wells would be between twenty-nine, fifty and three  
19 thousand.

20 Q Have those been tabulated on what you have marked  
21 as Exhibit Two?

22 A No, these are the more recent ones. The first ones  
23 were submitted in Case 5117, in that folder, and they have  
24 already been submitted, and I did just for the record bring  
25 one of the Dagger Draw which was included as evidence.

**sid morrish reporting service**

General Court Reporting Service  
835 Calle Mejia, No. 122, Santa Fe, New Mexico 87501  
Phone (505) 982-9212

1 Q Referring to Exhibit Two, just explain that  
2 exhibit to the Commission?

3 A Okay. Comparatively speaking the bottom-hole  
4 pressures, like for instance on the Barbara No. 1, is twenty-  
5 two eighty-five, but the bomb was in the hole for only  
6 thirteen hours. The corrosiveness of the water will generally  
7 eat the lining too, so we run it in like over night and  
8 pull it and then get a build-up and it extrapolates in  
9 seventy-two hours to within a hundred pounds of the original  
10 pressure. With having pulled the volume of fluid we have from  
11 the reservoir and seen the last year-and-a-half a substantial  
12 increase in production, I'm ready to testify that I don't  
13 feel that we are draining three-hundred-and-twenty acres.

14 Q What leads you to believe that, Mr. Hanks?

15 A What leads me to believe that?

16 Q Yes, sir.

17 A The fact that the bottom-hole pressure extrapolates  
18 back to within a hundred pounds of the original after we have  
19 pulled three million barrels of fluid out of the reservoir.

20 MR. NUTTER: Give me those figures again, Mr. Hanks,  
21 on that production.

22 A Two hundred and twenty-three thousand barrels of  
23 oil sold, Mr. Nutter, to the transporter and two million,  
24 seven hundred and twenty-four thousand barrels of water  
25 produced.



1 MR. NUTTER: Now, that is the total from these six  
2 wells on Exhibit Number One?

3 A Yes, sir, plus or minus a few thousand barrels but  
4 those are ball park figures, yes.

5 MR. NUTTER: And still when you run a bottom-hole  
6 pressure test you get back within a hundred pounds extrapolated  
7 under your original bottom-hole pressure?

8 A Yes, sir.

9 MR. NUTTER: Okay. Go ahead.

10 Q (Mr. Jennings continuing.) Were you through  
11 explaining the --

12 A Well, yes.

13 Q Mr. Hanks, in light of your history of your  
14 production in the area, do you have any recommendations to  
15 make to the Commission at this time?

16 A Well, yes, I do. I think it is proper to reduce  
17 these units to one sixty and drill additional wells and come  
18 back and report again to see if they don't need to be reduced  
19 again. I felt before they were wholly an uneconomical thing  
20 and we would only test it but it appears the thing to do  
21 now is in-field development based on a standard one-sixty  
22 unit with an allowable that -- I believe the allowable that  
23 was granted was one sixty and they won't make that.

24 Q I believe it was four hundred and some barrels  
25 for thirteen?

1 MR. NUTTER: Four hundred and twenty-seven.

2 A. They won't -- a hundred and fifty or sixty barrels  
3 a day right at this moment is tops but you never know when the  
4 water starts appreciably down, that they could conceivably  
5 make a hundred and sixty barrels.

6 Q. Would you recommend that the allowable be left  
7 at four hundred and twenty-seven barrels if that is the one-  
8 hundred-and-sixty acre allowable?

9 A. Yes, sir.

10 Q. Do you feel it would be economic to drill the un-  
11 drilled hundred-and-sixty acre tracts within the -- it would  
12 mean the drilling of at least six additional wells?

13 A. Yes, for sure in the north two sections. Respectable  
14 engineering is calculating roughly five million barrels of  
15 original oil in place under each one of those sections and you  
16 are talking about producing as much as thirty percent of the  
17 oil in place, so it is economical to in-field develop four  
18 wells to the section to recover what's there.

19 Q. Mr. Hanks, were Exhibits One, Two and Three prepared  
20 by you or under your supervision?

21 A. Yes, they were.

22 MR. JENNINGS: We have nothing further, Mr. Examiner,  
23 we would offer the exhibits.

24 MR. NUTTER: What are there, four?

25 MR. JENNINGS: Three. One, Two and Three.

1 MR. NUTTER: Hank's Exhibits One through Three will  
2 be admitted into evidence.

3 (THEREUPON, Hanks' Exhibits One through  
4 Three were admitted into evidence.)  
5

6 CROSS EXAMINATION

7 BY MR. NUTTER:

8 Q Were there any other special features to these pool  
9 rules, Mr. Hanks, that you know of or was it limited just to  
10 the spacing and the special depth bracket allowable?

11 A If I remember right, I was reading it awhile ago,  
12 Mr. Nutter, I don't recall anything other than that, those  
13 two items.

14 MR. JENNINGS: I didn't recall anything either,  
15 Mr. Examiner.

16 MR. NUTTER: Are there any further questions of  
17 Mr. Hanks? He may be excused.

18 (THEREUPON, the witness was excused.)

19 MR. NUTTER: Do you have anything further, Mr.  
20 Jennings?

21 MR. JENNINGS: No, sir.

22 MR. NUTTER: Does anyone have anything they wish  
23 to offer in Case 5117, reopened? If not, we will take the  
24 case under advisement.  
25


**sid morrish reporting service**

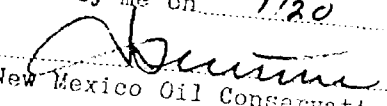
General Court Reporting Service  
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501  
Phone (505) 982-9212

Page 10

REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand Reporter,  
do hereby certify that the foregoing and attached Transcript  
of Hearing before the New Mexico Oil Conservation Commission  
was reported by me, and the same is a true and correct record  
of the said proceedings to the best of my knowledge, skill and  
ability.

  
Sidney F. Morrish, C.S.R.

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 5117 (reopened)  
heard by me on 1/20/19  
  
Examiner  
New Mexico Oil Conservation Commission

appl 5117 1

CASE NO. 5117

EXHIBITS A,B&C

CASE NO. 5117  
EXHIBITS A,B&C

EXHIBIT A.....LEASE PLAT  
(with well pressures plotted)  
EXHIBIT B.....BOTTOM HOLE PRESSURE SURVEY REPORTS  
EXHIBIT C.....PRODUCTION REPORTS

CASE NO. 5117  
EXHIBIT B

BOTTOM HOLE PRESSURE SURVEY REPORT

CONTENTS

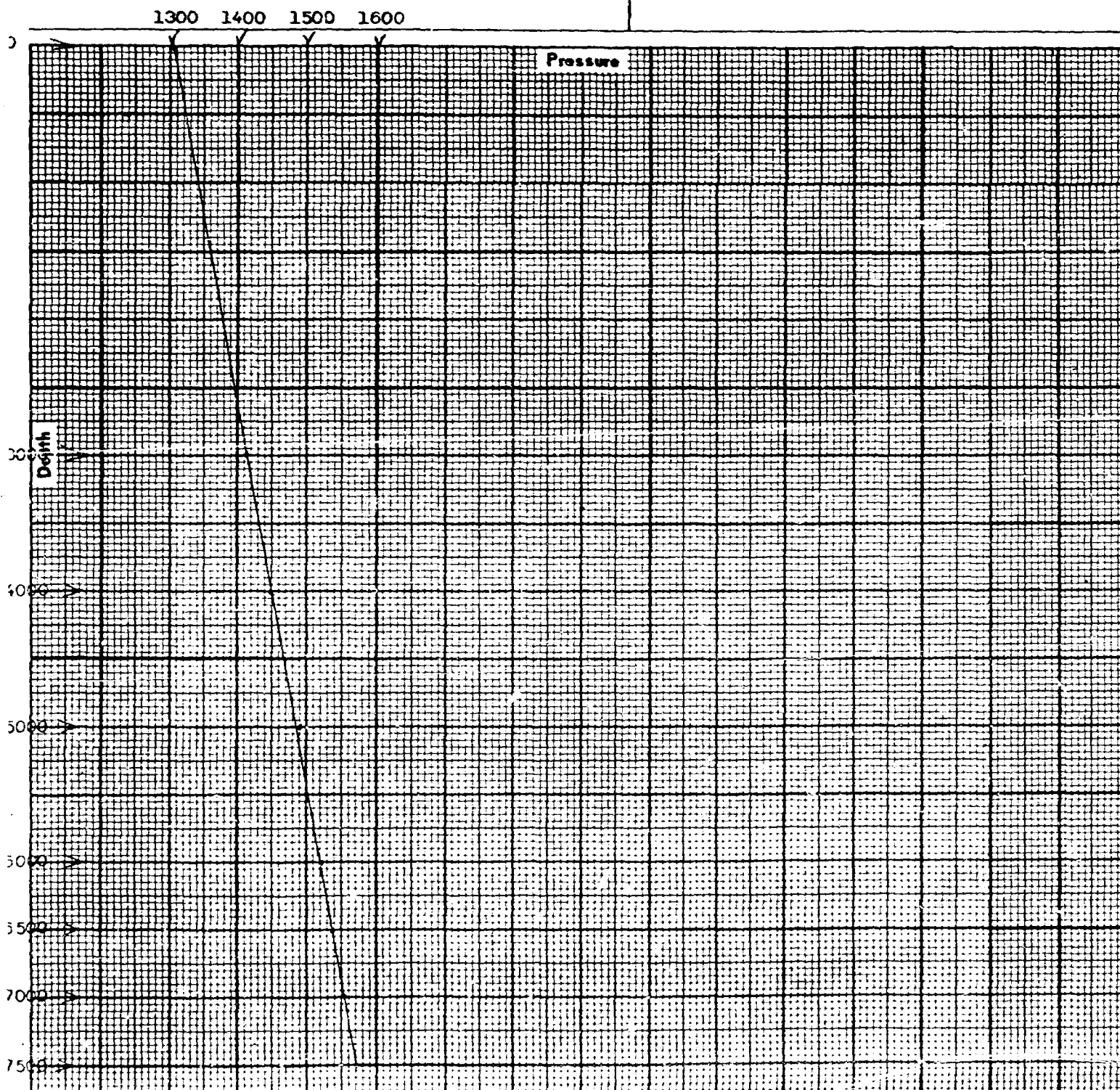
PAGE 1.....	BARBARA FEDERAL #1
PAGE 2.....	BARBARA FEDERAL #2
PAGE 3.....	BARBARA FEDERAL #3
PAGE 4.....	BARBARA FEDERAL #4
PAGE 5.....	BARBARA FEDERAL #5
PAGE 6.....	BARBARA FEDERAL #6
PAGE 7.....	BARBARA FEDERAL #7
PAGE 8.....	DAGGER DRAW #1
PAGE 9.....	DAGGER DRAW #2
PAGE 10.....	JULIE COMM. #1
PAGE 11.....	KATHY FED. #1
PAGE 12.....	MOLLY COMM. #1

\*\*\*\* SURVEY BY: BENNETT WIRE LINE SERVICE  
305 McArthur Ave.  
Artesia, New Mexico-88210

# MIDLAND BOTTOM HOLE PRESSURE SURVEY REPORT

**OPERATOR** ROGER C. HANKS  
**LEASE** Barbara Federal  
**WELL NO.** 1  
**FIELD** \_\_\_\_\_  
**DATE** 1/28/77 **TIME** 1:00 PM.  
**STATUS** Shut-in **TEST DEPTH** 7500 Ft.  
**TIME S.I.** 25 Hrs. **LAST TEST DATE** \_\_\_\_\_  
**CAS. PRES.** \_\_\_\_\_ **BHP LAST TEST** \_\_\_\_\_  
**TUB. PRES.** 1304 Lbs. **BHP CHANGE** \_\_\_\_\_  
**ELEV.** \_\_\_\_\_ **FLUID TOP** None  
**DATUM** 0 **WATER TOP** "  
**TEMP** 138 **RUN BY** Bennett  
**CLOCK NO.** \_\_\_\_\_ **GAUGE NO.** \_\_\_\_\_  
**ELEMENT NO.** 9526

DEPTH	PRESSURE	GRADIENT
		Lbs./100 Ft.
0 Ft.	1304 Lbs.	
3000 "	1413 "	3.6
4000 "	1449 "	3.6
5000 "	1490 "	4.1
6000 "	1522 "	3.2
6500 "	1538 "	3.2
7000 "	1555 "	3.4
7500 "	1571 "	3.2



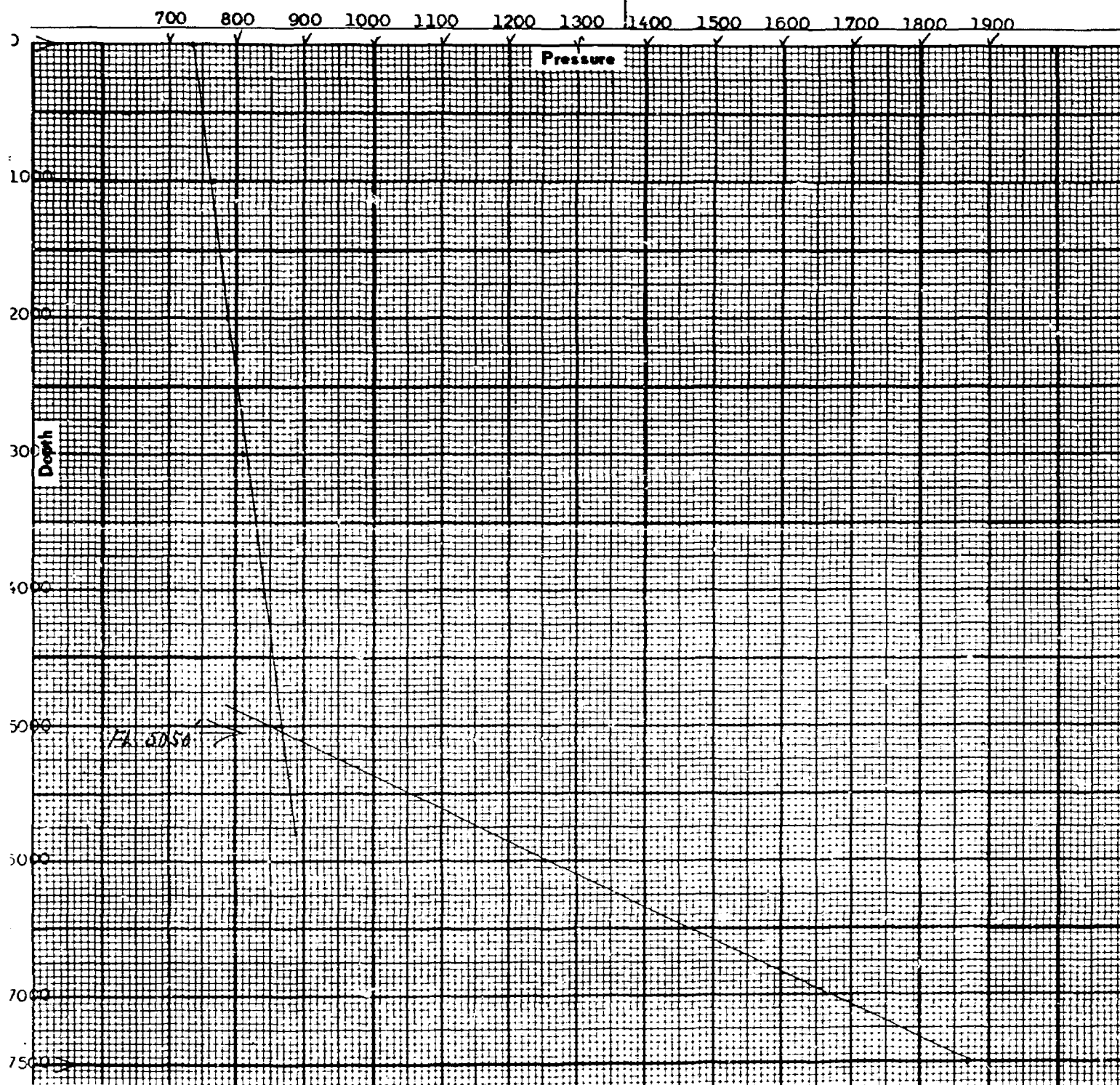


# BOTTOM HOLE PRESSURE SURVEY REPORT

2

**OPERATOR** ROGER C. HANKS  
**LEASE** Barbara Fed.  
**WELL NO.** 2  
**FIELD** \_\_\_\_\_  
**DATE** 1/31/77 **TIME** 10:00 AM.  
**STATUS** Shut-in **TEST DEPTH** 7500 Ft.  
**TIME S.I.** 48 Hrs. **LAST TEST DATE** \_\_\_\_\_  
**CAS. PRES.** \_\_\_\_\_ **BHP LAST TEST** \_\_\_\_\_  
**TUB. PRES.** 733 Lbs. **BHP CHANGE** \_\_\_\_\_  
**ELEV.** \_\_\_\_\_ **FLUID TOP** 5050 Ft.  
**DATUM** \_\_\_\_\_ **WATER TOP** " "  
**TEMP** 142° **RUN BY** Bennett  
**CLOCK NO.** \_\_\_\_\_ **GAUGE NO.** \_\_\_\_\_  
**ELEMENT NO.** 9526

DEPTH	PRESSURE	GRADIENT
		Lbs./100 Ft.
0 Ft.	733 Lbs.	
1000 "	765 "	3.2
2000 "	789 "	2.4
3000 "	810 "	3.1
4000 "	834 "	2.4
5000 "	866 "	3.2
6000 "	1255 "	38.9
7000 "	1668 "	41.3
7500 "	1870 "	40.4

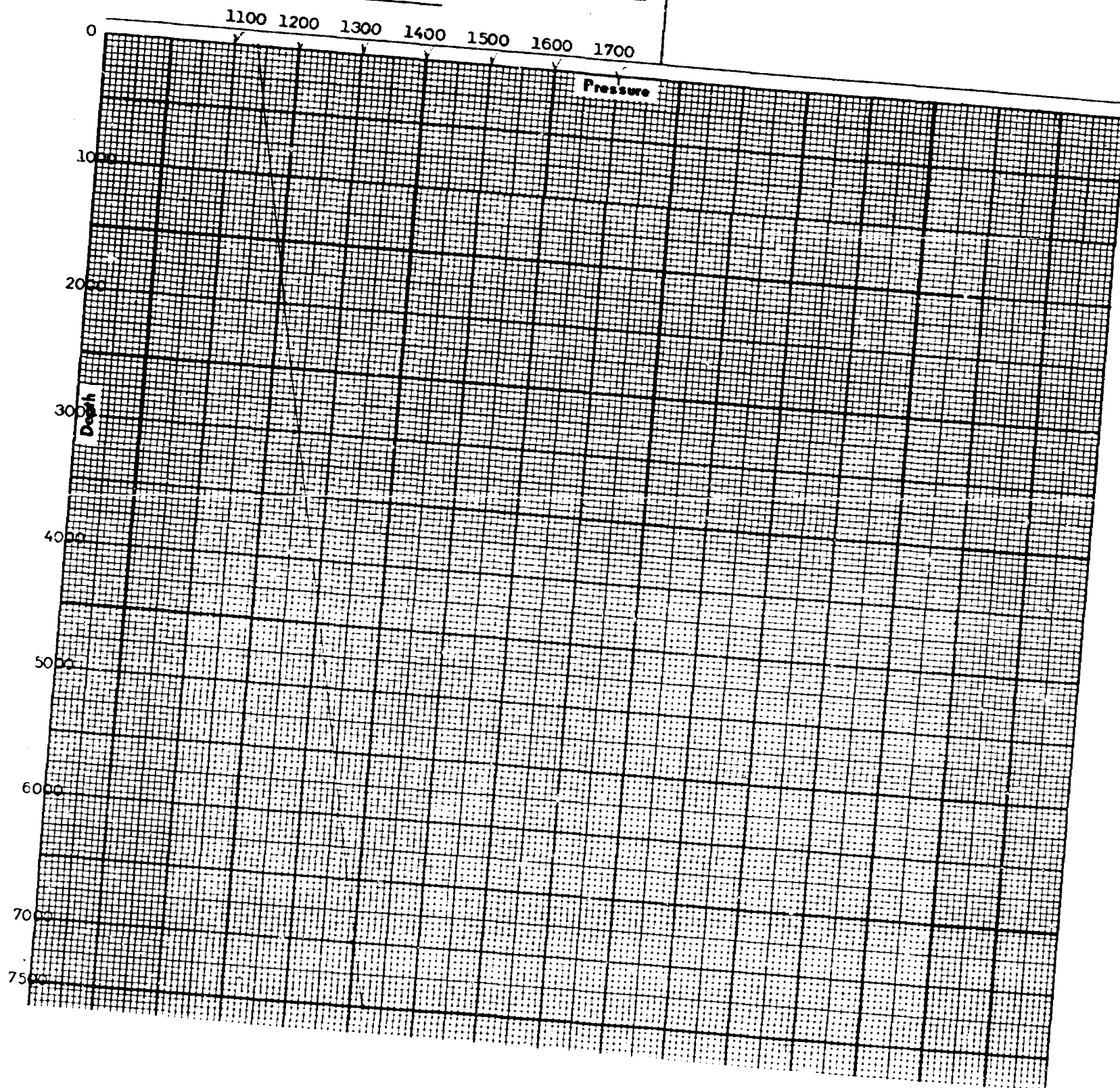


# BOTTOM HOLE PRESSURE SURVEY REPORT

3

OPERATOR: ROGER C. HANKS  
 LEASE: Barbara Fed.  
 WELL NO. 3  
 FIELD \_\_\_\_\_  
 DATE 2/3/77 TIME 1:30 PM.  
 STATUS Shut-in TEST DEPTH 7500 Ft.  
 TIME S.I. 25 Hrs. LAST TEST DATE \_\_\_\_\_  
 CAS. PRES. \_\_\_\_\_ BHP LAST TEST \_\_\_\_\_  
 TUB. PRES. 1134 Lbs. BHP CHANGE \_\_\_\_\_  
 ELEV. \_\_\_\_\_ FLUID TOP None  
 DATUM \_\_\_\_\_ WATER TOP "  
 TEMP 141° RUN BY Bennett  
 CLOCK NO. \_\_\_\_\_ GAUGE NO. \_\_\_\_\_  
 ELEMENT NO. 9526

DEPTH	PRESSURE	GRADIENT Lbs./100 Ft.
0 Ft.	1134 Lbs.	
1000 "	1170 "	3.6
2000 "	1211 "	4.1
3000 "	1243 "	3.2
4000 "	1283 "	4.0
5000 "	1324 "	4.1
6000 "	1360 "	3.6
7000 "	1397 "	3.7
7500 "	1421 "	2.1

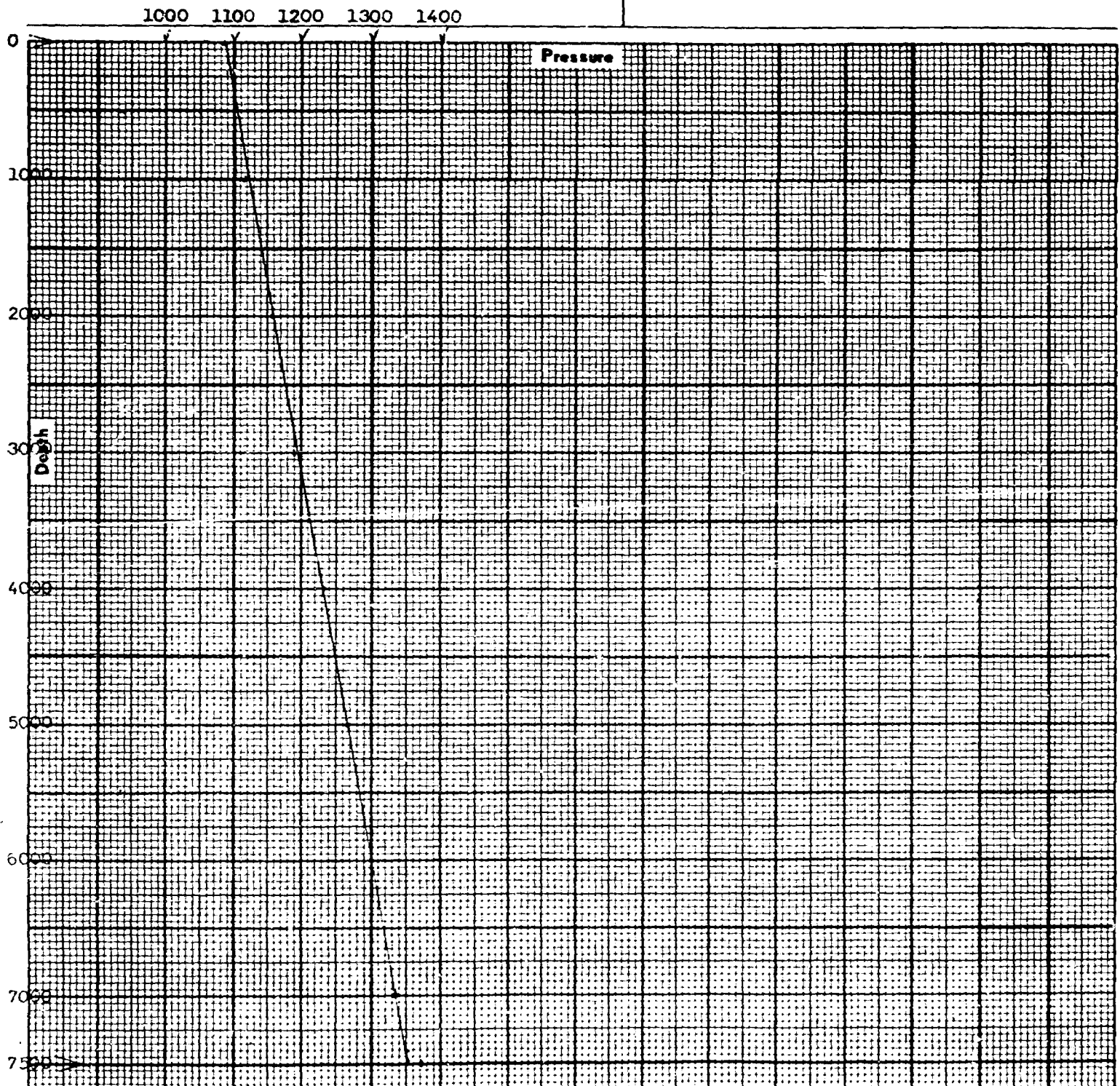


# BOTTOM HOLE PRESSURE SURVEY REPORT

4

OPERATOR ROGER C. HANKS  
 LEASE Barbara Fed.  
 WELL NO. 4  
 FIELD \_\_\_\_\_  
 DATE 2/2/77 TIME 12:30 PM.  
 STATUS Shut-in TEST DEPTH 7500 Ft.  
 TIME S.I. 25 Hrs. LAST TEST DATE \_\_\_\_\_  
 CAS. PRES. \_\_\_\_\_ BHP LAST TEST \_\_\_\_\_  
 TUB. PRES. 1085 Lbs. BHP CHANGE \_\_\_\_\_  
 ELEV. \_\_\_\_\_ FLUID TOP None  
 DATUM \_\_\_\_\_ WATER TOP \_\_\_\_\_  
 TEMP 142 RUN BY Bennett  
 CLOCK NO. \_\_\_\_\_ GAUGE NO. \_\_\_\_\_  
 ELEMENT NO. 9526

DEPTH	PRESSURE	GRADIENT Lbs./100 Ft.
0 Ft.	1085 Lbs.	
1000 "	1117 "	3.2
2000 "	1158 "	4.1
3000 "	1190 "	3.2
4000 "	1231 "	4.1
5000 "	1267 "	3.6
6000 "	1300 "	3.3
7000 "	1332 "	3.2
7500 "	1372 "	8.0





FED -

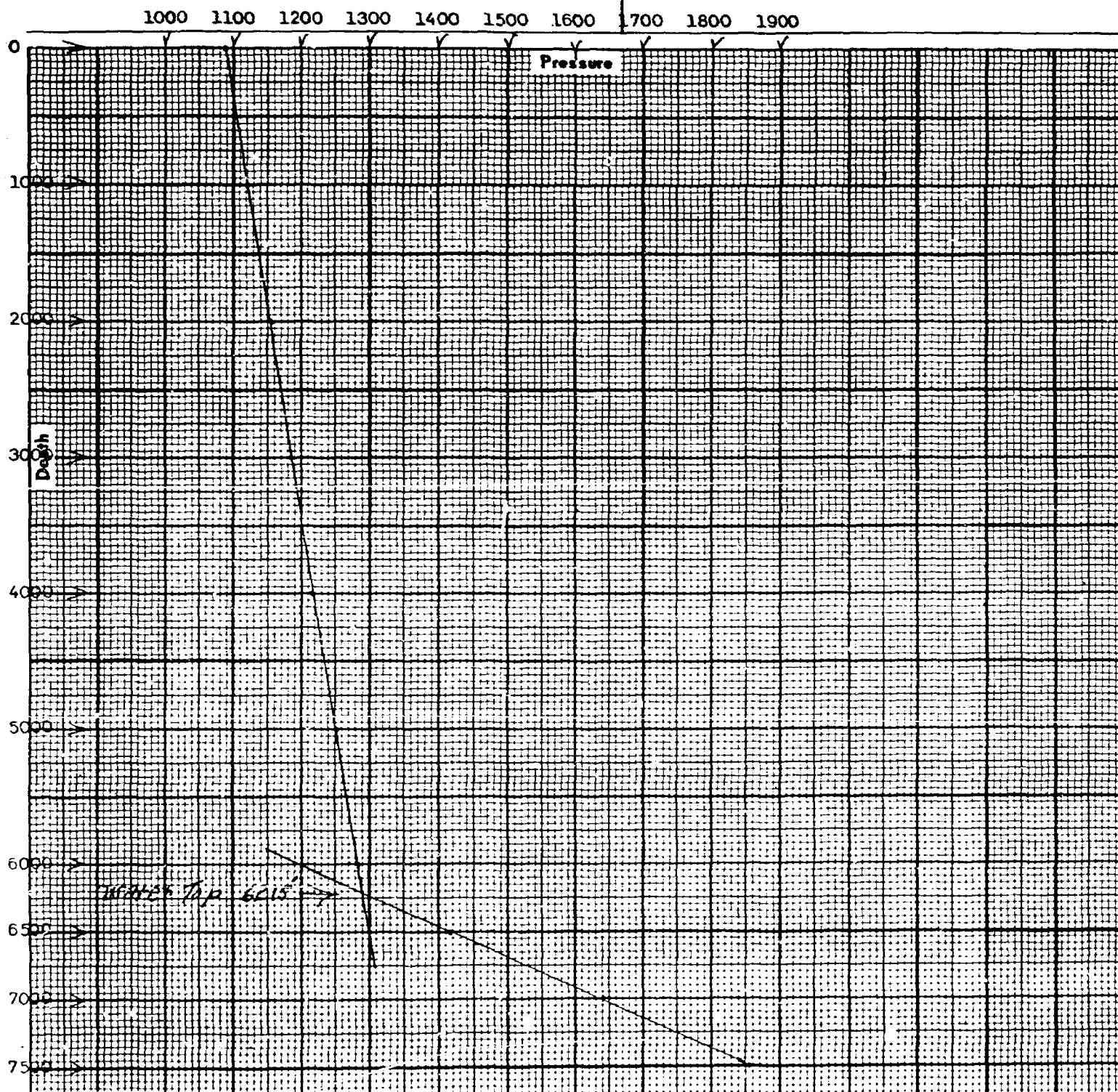
MIDLAND OFFICE

## BOTTOM HOLE PRESSURE SURVEY REPORT

5

OPERATOR ROGER C. HANKS  
 LEASE Barbara Federal  
 WELL NO. 5  
 FIELD \_\_\_\_\_  
 DATE 1/28/77 TIME 2:00 PM.  
 STATUS Shut-in TEST DEPTH 7500 Ft.  
 TIME S.I. 1 Month LAST TEST DATE \_\_\_\_\_  
 CAS. PRES. \_\_\_\_\_ BHP LAST TEST \_\_\_\_\_  
 TUB. PRES. 1089 Lbs BHP CHANGE \_\_\_\_\_  
 ELEV. \_\_\_\_\_ FLUID TOP \_\_\_\_\_  
 DATUM c WATER TOP 6215 Ft.  
 TEMP 140 RUN BY Bennett  
 CLOCK NO. \_\_\_\_\_ GAUGE NO. \_\_\_\_\_  
 ELEMENT NO. 9526

DEPTH	PRESSURE	GRADIENT Lbs/100 Ft.
0 Ft.	1089 Lbs.	
1000 "	1121 "	3.2
2000 "	1154 "	3.3
3000 "	1186 "	3.2
4000 "	1215 "	2.9
5000 "	1251 "	3.6
6000 "	1283 "	3.2
6500 "	1417 "	26.8
7000 "	1640 "	46.6
7500 "	1854 "	42.8

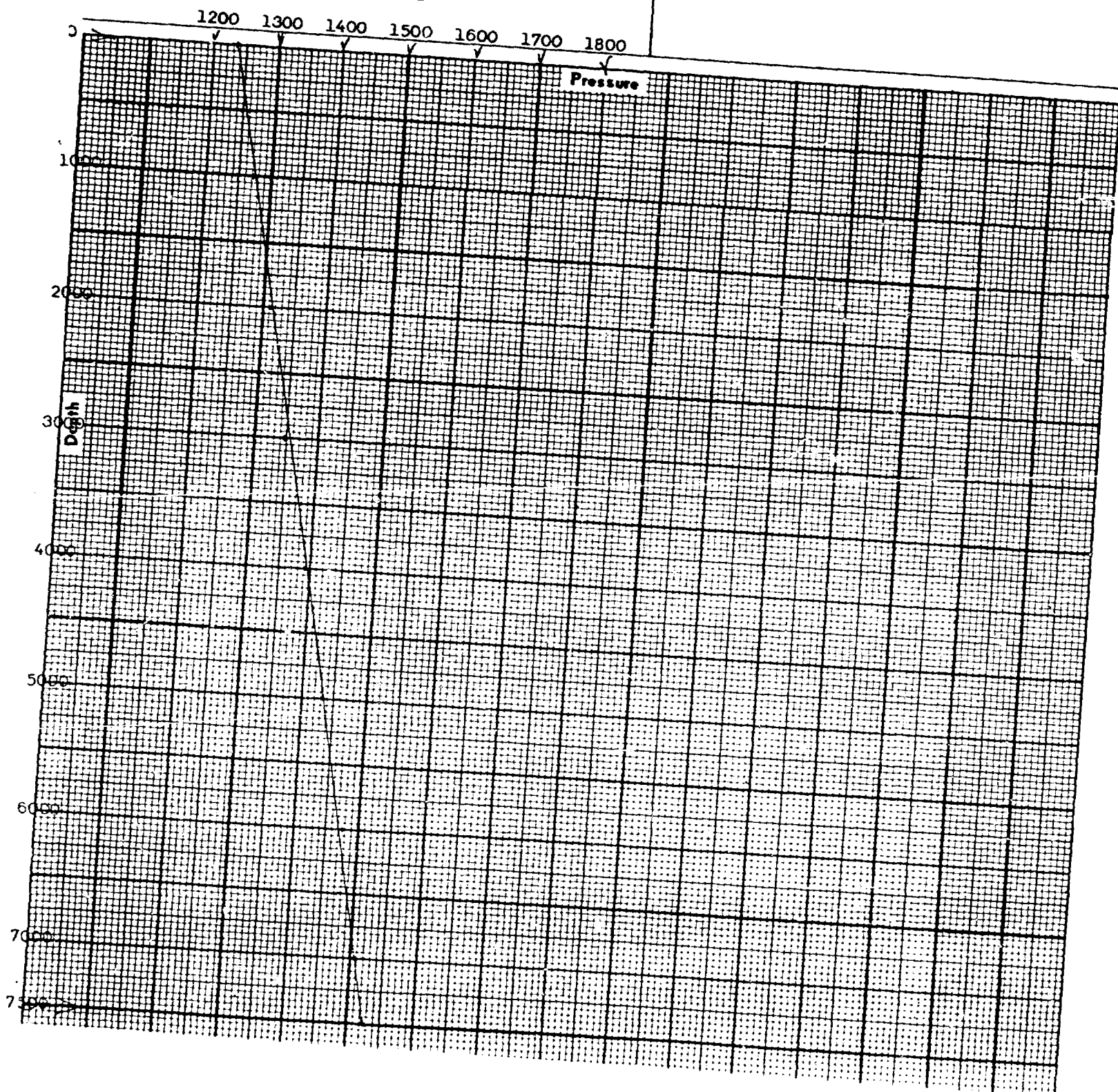


# BOTTOM HOLE PRESSURE SURVEY REPORT

6

OPERATOR ROGER C. HANKS  
 LEASE Barbara Fed.  
 WELL NO. 6  
 FIELD \_\_\_\_\_  
 DATE 2/1/77 TIME 10:00 AM.  
 STATUS Shut-in TEST DEPTH 7500 Ft.  
 TIME S.I. 21 Hrs. LAST TEST DATE \_\_\_\_\_  
 CAS. PRES. \_\_\_\_\_ BHP LAST TEST \_\_\_\_\_  
 TUB. PRES. 1235 Lbs. BHP CHANGE \_\_\_\_\_  
 ELEV. \_\_\_\_\_ FLUID TOP None  
 DATUM \_\_\_\_\_ WATER TOP \_\_\_\_\_  
 TEMP 142 RUN BY Bennett  
 CLOCK NO. \_\_\_\_\_ GAUGE NO. \_\_\_\_\_  
 ELEMENT NO. 9526

DEPTH	PRESSURE	GRADIENT Lbs./100 Ft.
0 Ft.	1235 Lbs.	
1000 "	1271 "	3.6
2000 "	1312 "	4.1
3000 "	1348 "	3.6
4000 "	1393 "	4.5
5000 "	1433 "	4.0
6000 "	1466 "	3.3
7000 "	1506 "	4.0
7500 "	1526 "	4.0

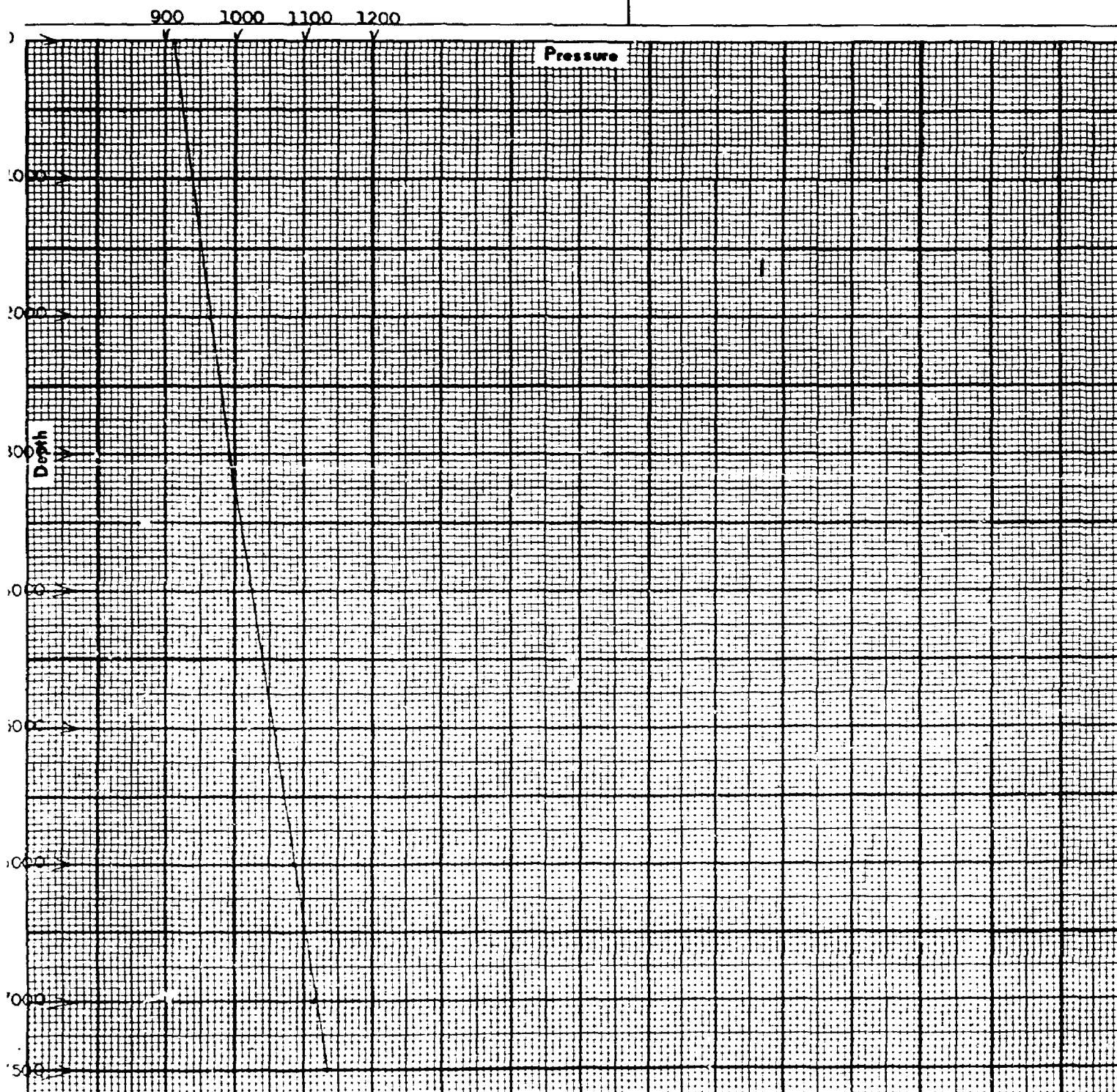


# BOTTOM HOLE PRESSURE SURVEY REPORT

7

OPERATOR ROGER C. HANKS  
 LEASE Barbara Fed.  
 WELL NO. 7  
 FIELD \_\_\_\_\_  
 DATE 1/29/77 TIME 2:30 PM.  
 STATUS Shut-in TEST DEPTH 7500 Ft.  
 TIME S.I. 25 days HRS LAST TEST DATE \_\_\_\_\_  
 CAS. PRES. \_\_\_\_\_ BHP LAST TEST \_\_\_\_\_  
 TUB. PRES. 911 lbs. BHP CHANGE \_\_\_\_\_  
 ELEV. \_\_\_\_\_ FLUID TOP None  
 DATUM \_\_\_\_\_ WATER TOP \_\_\_\_\_  
 TEMP 142 ° RUN BY Bennett  
 CLOCK NO. \_\_\_\_\_ GAUGE NO. \_\_\_\_\_  
 ELEMENT NO. 9526

DEPTH	PRESSURE	GRADIENT Lbs./100 Ft.
0 Ft.	911 Lbs.	
1000 "	935 "	2.4
2000 "	964 "	2.9
3000 "	992 "	2.8
4000 "	1024 "	3.2
5000 "	1057 "	3.3
6000 "	1085 "	2.8
7000 "	1117 "	3.2
7500 "	1134 "	3.4



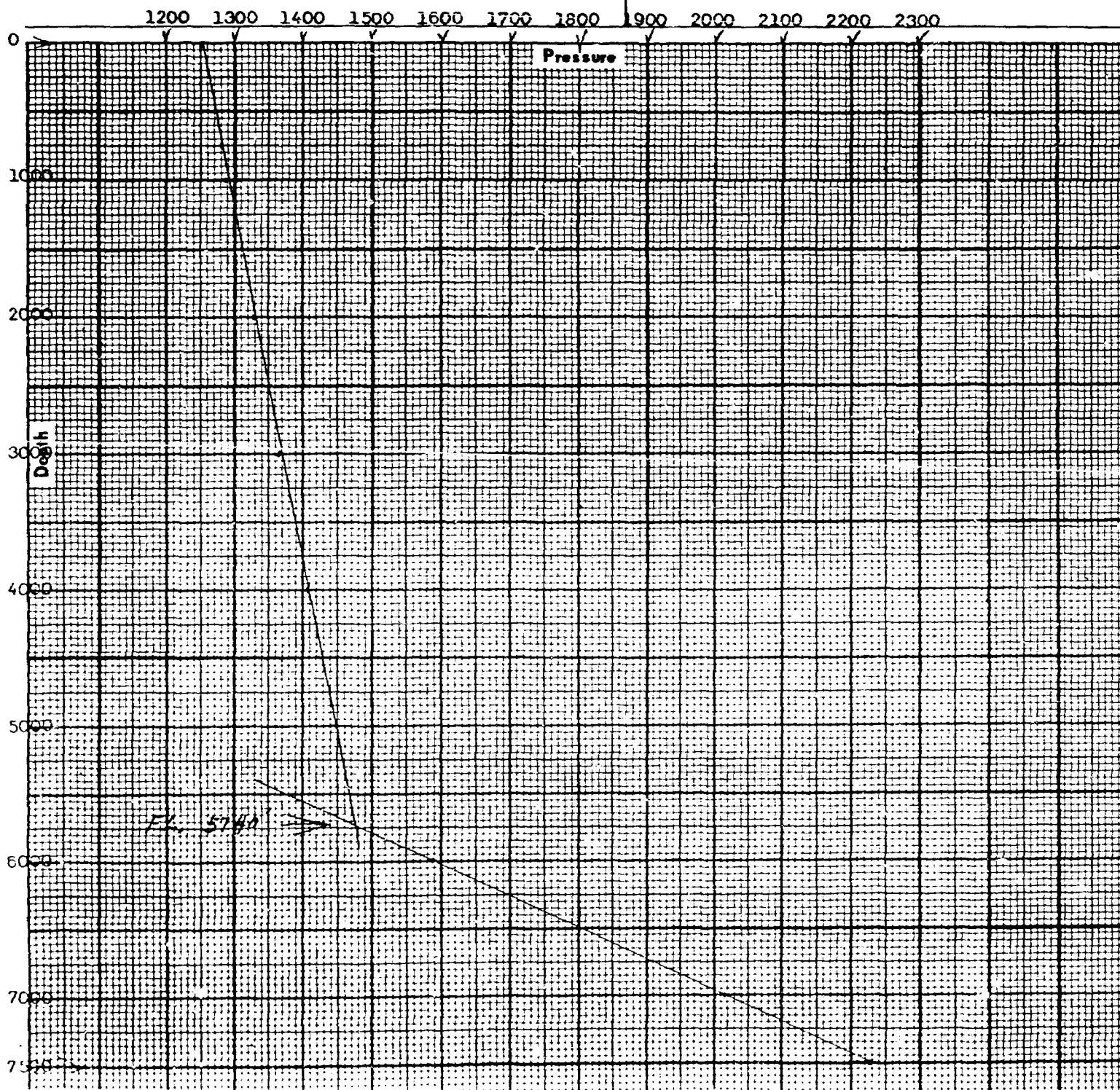


# BOTTOM HOLE PRESSURE SURVEY REPORT

8

**OPERATOR** ROGER C. BANKS  
**LEASE** Dagger Draw  
**WELL NO.** 1  
**FIELD** \_\_\_\_\_  
**DATE** 1/31/77 **TIME** 12:15 PM.  
**STATUS** Shut-in **TEST DEPTH** 7500 Ft.  
**TIME S.I.** 7 Days. **LAST TEST DATE** \_\_\_\_\_  
**CAS. PRES.** \_\_\_\_\_ **BHP LAST TEST** \_\_\_\_\_  
**TUB. PRES.** 1251 Lbs. **BHP CHANGE** \_\_\_\_\_  
**ELEV.** \_\_\_\_\_ **FLUID TOP** 5740 ft.  
**DATUM** \_\_\_\_\_ **WATER TOP** \_\_\_\_\_  
**TEMP** 144 **RUN BY** Bennett  
**CLOCK NO.** \_\_\_\_\_ **GAUGE NO.** \_\_\_\_\_  
**ELEMENT NO.** 9526

DEPTH	PRESSURE	GRADIENT
		Lbs./100 Ft.
0 Ft.	1251 Lbs.	
1000 "	1287 "	3.6
2000 "	1328 "	4.1
3000 "	1364 "	3.6
4000 "	1409 "	4.5
5000 "	1449 "	4.0
6000 "	1587 "	13.8
7000 "	2016 "	42.9
7500 "	2227 "	42.2



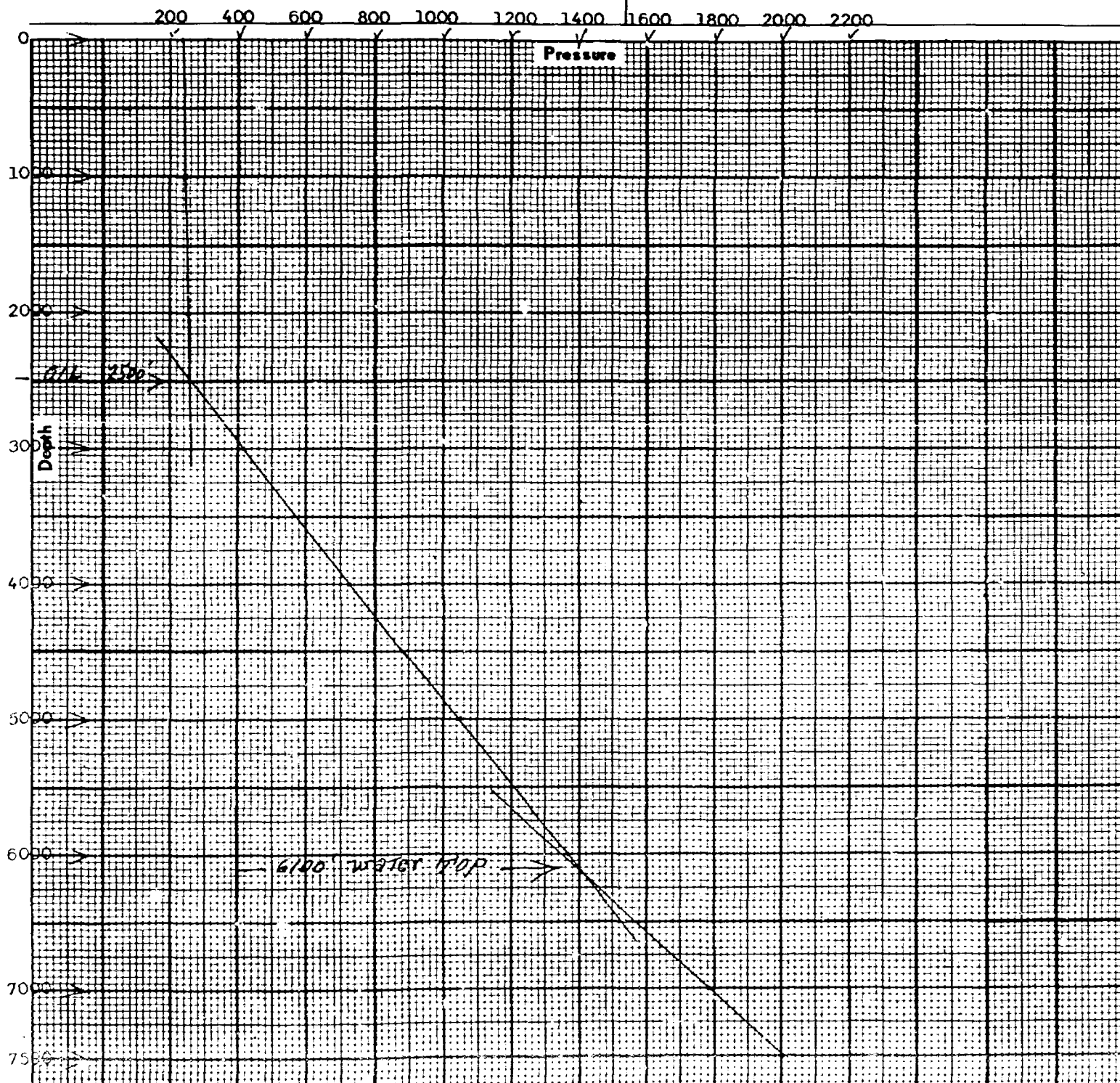
# BOTTOM HOLE PRESSURE SURVEY REPORT

ADLAND OFFICE

9

OPERATOR ROGER C. HANKS  
 LEASE Dagger Draw  
 WELL NO. 2  
 FIELD \_\_\_\_\_  
 DATE 2/1/77 TIME 9:00 AM.  
 STATUS Shut-in TEST DEPTH 7500 Ft.  
 TIME S.I. 36 Hrs. LAST TEST DATE \_\_\_\_\_  
 CAS. PRES. \_\_\_\_\_ BHP LAST TEST \_\_\_\_\_  
 TUB. PRES. 235 Lbs. BHP CHANGE \_\_\_\_\_  
 ELEV. \_\_\_\_\_ FLUID TOP Oil 2500 Ft.  
 DATUM \_\_\_\_\_ WATER TOP 6100 "  
 TEMP 142 RUN BY Bennett  
 CLOCK NO. \_\_\_\_\_ GAUGE NO. \_\_\_\_\_  
 ELEMENT NO. 9526

DEPTH	PRESSURE	GRADIENT Lbs./100 Ft.
0 Ft.	235 Lbs.	
1000 "	243 "	0.8
2000 "	251 "	0.8
3000 "	413 "	16.2
4000 "	725 "	31.2
5000 "	1049 "	32.4
6000 "	1364 "	31.5
7000 "	1785 "	42.1
7500 "	2000 "	43.0



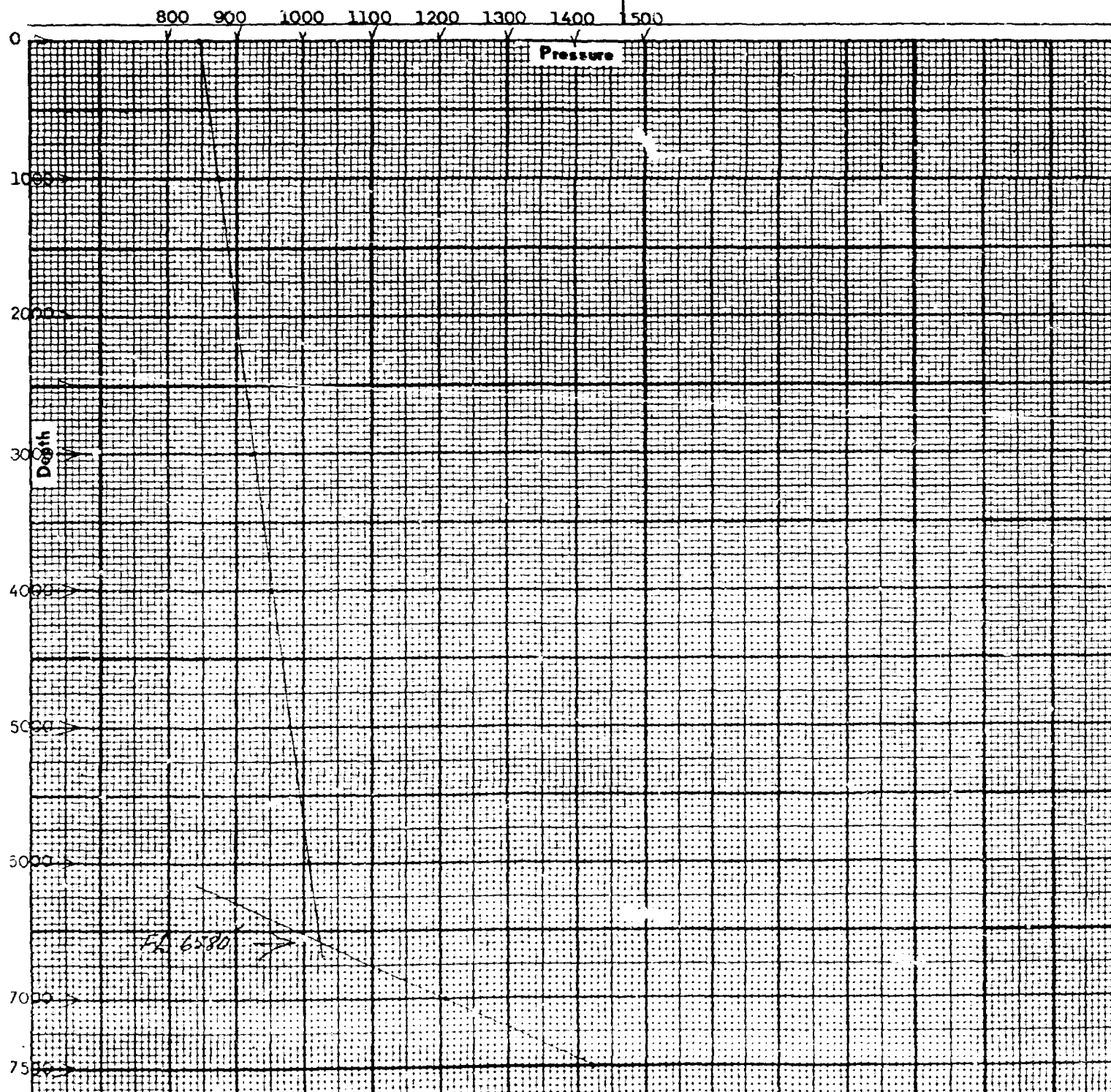


# **BOTTOM HOLE PRESSURE SURVEY REPORT**

10

**OPERATOR** ROGER C. HANKS  
**LEASE** Julie Comm.  
**WELL NO.** 1  
**FIELD** \_\_\_\_\_  
**DATE** 1/31/77 **TIME** 9:00 AM.  
  
**STATUS** Shut-in **TEST DEPTH** 7500 Ft.  
**TIME S.I.** 25 Hrs. **LAST TEST DATE** \_\_\_\_\_  
**CAS. PRES.** \_\_\_\_\_ **BHP LAST TEST** \_\_\_\_\_  
**TUB. PRES.** 846 Lbs. **BHP CHANGE** \_\_\_\_\_  
**ELEV.** \_\_\_\_\_ **FLUID TOP** 6580 ft.  
**DATUM** \_\_\_\_\_ **WATER TOP** \_\_\_\_\_  
**TEMP** 141 **RUN BY** Bennett  
**CLOCK NO.** \_\_\_\_\_ **GAUGE NO.** \_\_\_\_\_  
**ELEMENT NO.** 9526

DEPTH	PRESSURE	GRADIENT
		Lbs./100 Ft.
0 Ft.	846 Lbs.	
1000 "	874 "	2.8
2000 "	899 "	2.5
3000 "	927 "	2.8
4000 "	951 "	2.4
5000 "	980 "	2.9
6000 "	1008 "	2.8
7000 "	1206 "	19.8
7500 "	1421 "	43.0

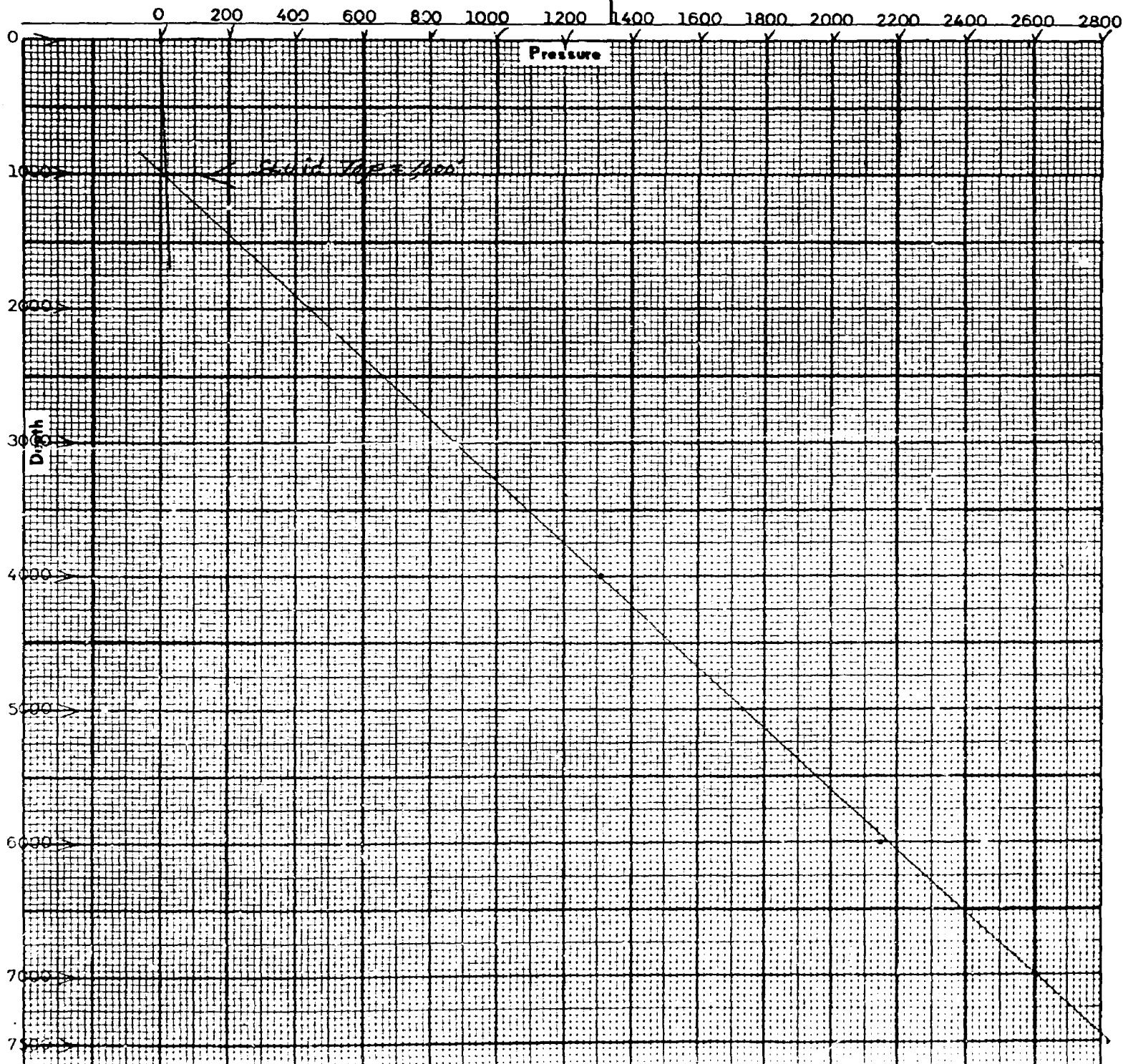


# BOTTOM HOLE PRESSURE SURVEY REPORT

11

**OPERATOR** ROGER C. HANKS  
**LEASE** Kathy Fed.  
**WELL NO.** 1  
**FIELD** \_\_\_\_\_  
**DATE** 1/29/77 **TIME** 1:00 PM.  
**STATUS** Shut-in **TEST DEPTH** 7500 Ft.  
**TIME S.I.** 39 days **LAST TEST DATE** \_\_\_\_\_  
**CAS. PRES.** \_\_\_\_\_ **BHP LAST TEST** \_\_\_\_\_  
**TUB. PRES.** 0 lbs. **BHP CHANGE** \_\_\_\_\_  
**ELEV.** \_\_\_\_\_ **FLUID TOP** 1,000 Ft.  
**DATUM** \_\_\_\_\_ **WATER TOP** " "  
**TEMP** 142 **RUN BY** Bennett  
**CLOCK NO.** \_\_\_\_\_ **GAUGE NO.** \_\_\_\_\_  
**ELEMENT NO.** 9526

DEPTH	PRESSURE	GRADIENT
		Lbs./100 Ft.
0 Ft.	0 Lbs.	
1000 "	8 "	0.8
2000 "	441 "	43.3
3000 "	874 "	43.3
4000 "	1308 "	43.4
5000 "	1737 "	42.9
6000 "	2170 "	43.3
7000 "	2603 "	43.3
7500 "	2814 "	42.2

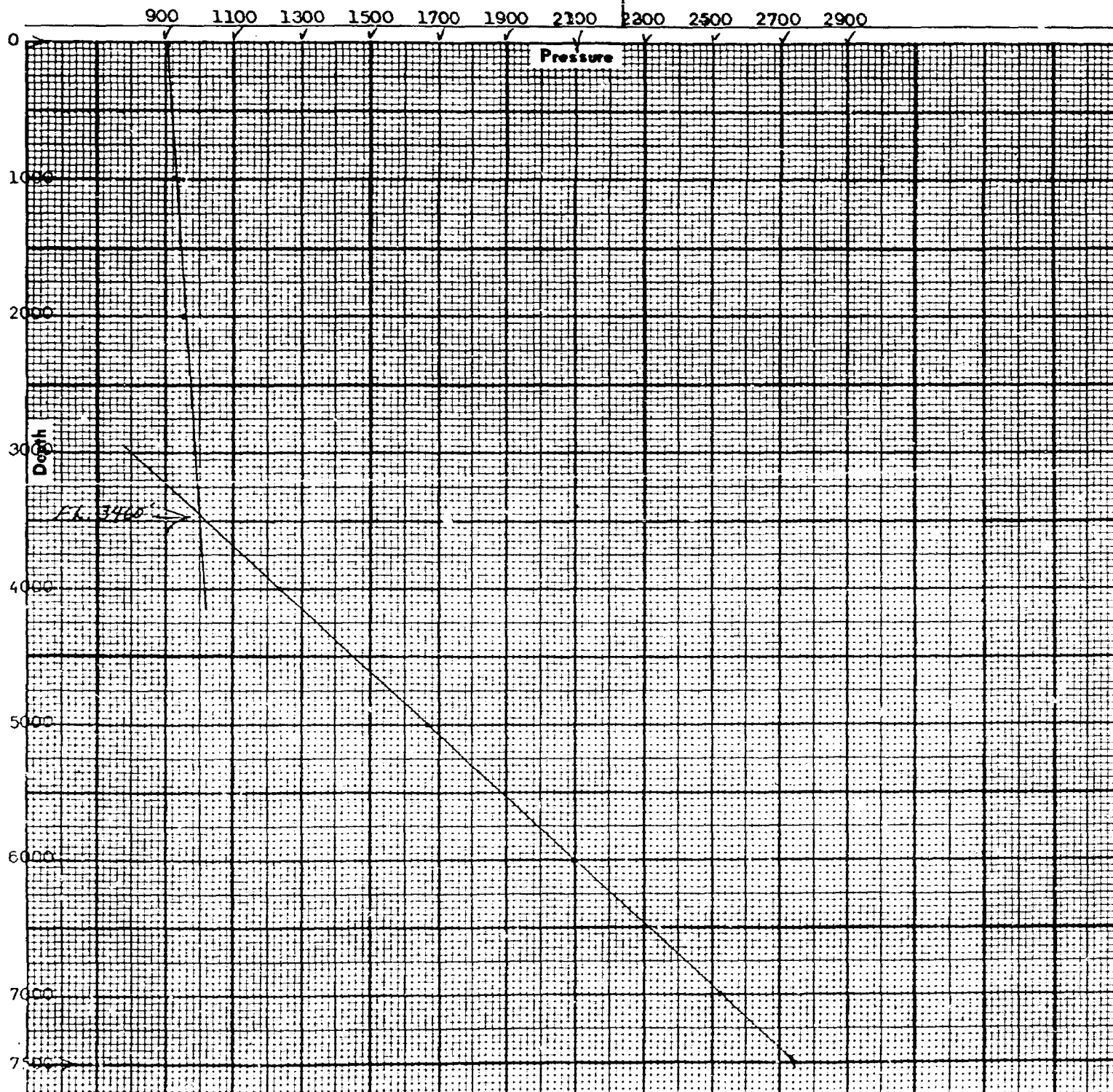


# BOTTOM HOLE PRESSURE SURVEY REPORT

12

OPERATOR ROGER C. HANKS  
 LEASE Molly Comm.  
 WELL NO. 1  
 FIELD \_\_\_\_\_  
 DATE 1/31/77 TIME 11:30 AM.  
 STATUS Shut-in TEST DEPTH 7500 Ft.  
 TIME S.I. 1 Month LAST TEST DATE \_\_\_\_\_  
 CAS. PRES. \_\_\_\_\_ BHP LAST TEST \_\_\_\_\_  
 TUB. PRES. 903 Lbs. BHP CHANGE \_\_\_\_\_  
 ELEV. \_\_\_\_\_ FLUID TOP 3460 ft  
 DATUM \_\_\_\_\_ WATER TOP \_\_\_\_\_  
 TEMP 143 RUN BY Bennett  
 CLOCK NO. \_\_\_\_\_ GAUGE NO. \_\_\_\_\_  
 ELEMENT NO. 9526

DEPTH	PRESSURE	GRADIENT
		Lbs./100 Ft.
0 Ft.	903 Lbs.	
1000 "	927 "	2.4
2000 "	951 "	2.4
3000 "	984 "	3.3
4000 "	1235 "	25.1
5000 "	1664 "	42.9
6000 "	2097 "	43.3
7000 "	2526 "	42.9
7500 "	2741 "	43.0



CASE NO. 5117  
EXHIBIT C  
PRODUCTION REPORTS

CONTENTS

PAGE 1-4.....	BARBARA FED. #1
PAGE 5-7.....	BARBARA FED. #2
PAGE 8-9.....	BARBARA FED. #3
PAGE 10-11.....	BARBARA FED. #4
PAGE 12.....	BARBARA FED. #5
PAGE 13.....	BARBARA FED. #6
PAGE 14.....	BARBARA FED. #7
PAGE 15-18.....	DAGGER DRAW #1
PAGE 19.....	DAGGER DRAW #2
PAGE 20.....	JULIE COM. #1
PAGE 21-24.....	KATHY EYRE FED. #1
PAGE 25.....	MOLLY COM. #1

CASE NO. 5117

NEW MEXICO OIL CONSERVATION COMMISSION  
EXAMINER HEARING  
WEDNESDAY, NOVEMBER 28, 1973

NEW MEXICO OIL CONSERVATION COMMISSION  
EXAMINER HEARING  
WEDNESDAY, NOVEMBER 28, 1973

CASE NO. 5117

APPLICATION OF ROGER C. HANKS FOR DESIGNATION OF NORTH DAGGER  
DRAW POOL AND SPECIAL POOL RULES, EDDY COUNTY, NEW MEXICO

Roger C. Hanks seeks pool designation and special rules for an area composed of Sections 24, 25 and 36 of Township 19 South, Range 24 East, Sections 18, 19, 30 and 31 of Township 19 South, Range 25 East, and Section 1 of Township 20 South, Range 24 East, Eddy County, New Mexico. Hydrocarbon production in this area was discovered in 1964, and to date six oil completions have been made. One well is currently producing under a temporary permit while two others have been abandoned. The remaining three wells have been shut in for some time due to the absence of a gas connection and salt water disposal facilities. Installation of these facilities is now nearly complete, and these wells are expected to be returned to production in the very near future. Since the wells are now expected to be producing on a continuous basis, applicant is seeking rules to govern the production of these wells and the spacing and drilling of any subsequent wells within this area. At the present time wells in this area are assigned to the Dagger Draw Upper Penn, Parish Ranch Upper Penn, or Undesignated Pools. However, it is the opinion of the applicant that this entire area constitutes a common source of supply and should be consolidated into one pool classification.

EXHIBIT NO. 1 is a lease plat showing the proposed field area and also showing other wells in the area which have penetrated the Cisco-Canyon portion of the Upper Pennsylvanian formation. The wells enclosed in red circles are those which have been completed in the Cisco-Canyon while those enclosed by green squares are wells that have penetrated the Cisco-Canyon but did not attempt completion or were unsuccessful in completion attempts in that zone. The proposed field area is part of a large producing trend that includes a number of Cisco-Canyon Fields. The producing wells shown on the lower part of the map are part of the Indian Basin Field which is a large prolific gas field. North of this field is the 4-well South Dagger Draw Upper Penn Field which has an associated oil and gas classification. Northeast of the proposed field area is the Boyd Cisco Gas Field which has one producer and is offset by two other wells which have undesignated classifications. West of the proposed area is the Antelope Sink Field which has a single gas producer.

Production in the proposed field area began in November, 1964, when the Atlantic Refining Company completed their Cone-Federal No. 1 in 24-19-24 and Monsanto completed their Hondo No. 1 in 31-19-25. Yates Petroleum

Corporation completed their No. 1-AN Foster in April, 1965. The Monsanto and Yates wells were assigned to the Dagger Draw Field while the Atlantic well was assigned to the Parrish Ranch Field. Subsequently, all three of these wells were abandoned. The Yates well was plugged back to a higher pay in the Wolfcamp, and the other two wells were plugged and abandoned. Activity in this field was resumed in 1970 when Roger C. Hanks completed the No. 1 Dagger Draw well in 30-19-25. In 1971 Roger C. Hanks re-entered the Monsanto No. 1 Hondo and recompleted it, redesignating it the No. 1 Kathy Eyre-Federal. Roger C. Hanks also completed the No. 1 Barbara-Federal in 18-19-25 in 1971. The three Hanks wells were shut in during late 1971 and early 1972, and there was no additional production from the field until Hanks completed the No. 2 Barbara-Federal well in June, 1973.

EXHIBIT NO. 2 is a cross section showing logs of the producing zones in the six wells. The Cisco-Canyon in this area is composed of a carbonate reef. The reservoir rock is described as being limestone with varying degrees of dolomitization. The porous portions of the reef have been found primarily in those zones which are predominantly dolomite. There are several different porosity zones in each of the wells. Some porosity zones appear to be continuous from well to well while others do not.

EXHIBIT NO. 3 is a tabulation of monthly oil and water production from the six wells which have been completed in the proposed field area. The Atlantic Refining Company No. 1 Cone-Federal produced 4,168 barrels of oil before being plugged. Monsanto's No. 1 Hondo made 5,999 barrels of oil before being plugged. After being re-entered by Roger C. Hanks, the well has made an additional 5,759 barrels and when last produced in December, 1971, was making about 50 barrels daily with 95% water. The Yates Petroleum Corporation No. 1 AN Foster made 6,114 barrels before being plugged back. The Roger C. Hanks No. 1 Dagger Draw has cumulative oil production of 22,629 barrels and was producing about 30 barrels daily with 96% water when shut in during February, 1972. The Roger C. Hanks No. 1 Barbara-Federal has cumulative oil production of 2,511 barrels and was making 35 barrels daily with 96% water when shut in. The Roger C. Hanks No. 2 Barbara-Federal has just been producing since June, 1973, but early performance of this well indicates it may be considerably better than the other wells in this area. In five months the well has produced 12,720 barrels of oil and in October produced at the rate of about 136 barrels daily with 75% water. The productivity of the wells in this area is quite good; however, the water percentage on most wells is very high. Because of the high water percentage, the amount of oil produced from these wells to date has been relatively low totaling 59,900 barrels for the six wells. Cost to drill and equip one of these wells is about \$215,000. Unless the oil rates improve on some of these wells, it now appears that at least five of the six wells will be unprofitable. Several Upper Penn Fields in Southeast New Mexico have experienced increases in oil and gas production as formation water has been depleted, and these wells are being produced in the hope of a similar occurrence. If this does occur, it may be desirable to



develop this reservoir on closer spacing than now exists. However, at the present time it would appear that the average well may be unprofitable even on 320-acre spacing, and closer spacing is not economically feasible at this time.

The proposed field rules provide for spacing of 320 acres per well. As previously mentioned, it is questionable whether these wells will be profitable even on spacing this wide. While economic considerations are the prime reason for recommending 320-acre spacing at this time, it also appears likely that the existing wells are capable of efficiently draining an area this large. The wells have all produced at rates in excess of 800 barrels of fluid daily indicating good permeability. While it is possible that extended production history may justify closer spacing on a basis of either economics or drainage efficiency, it appears that 320 acres per well is the minimum justified at this time.

A maximum daily oil allowable of 427 barrels has been recommended. This is the normal allowable for wells drilled on 160-acre spacing to this depth. This allowable is adequate for all existing wells and would guard against excessive withdrawal if closer spacing should prove desirable at a later date.

A limiting gas-oil ratio of 2,000 cubic feet of gas per barrel of oil has been proposed. This is the normal gas-oil ratio for oil pools.

In summary, it is the applicant's opinion that the proposed field rules can effectively prevent waste and permit production of the recoverable hydrocarbons from this reservoir while protecting the correlative rights of all interested parties. The applicant respectfully requests that the proposed rules be adopted.



## EXHIBITS

EXHIBIT 1

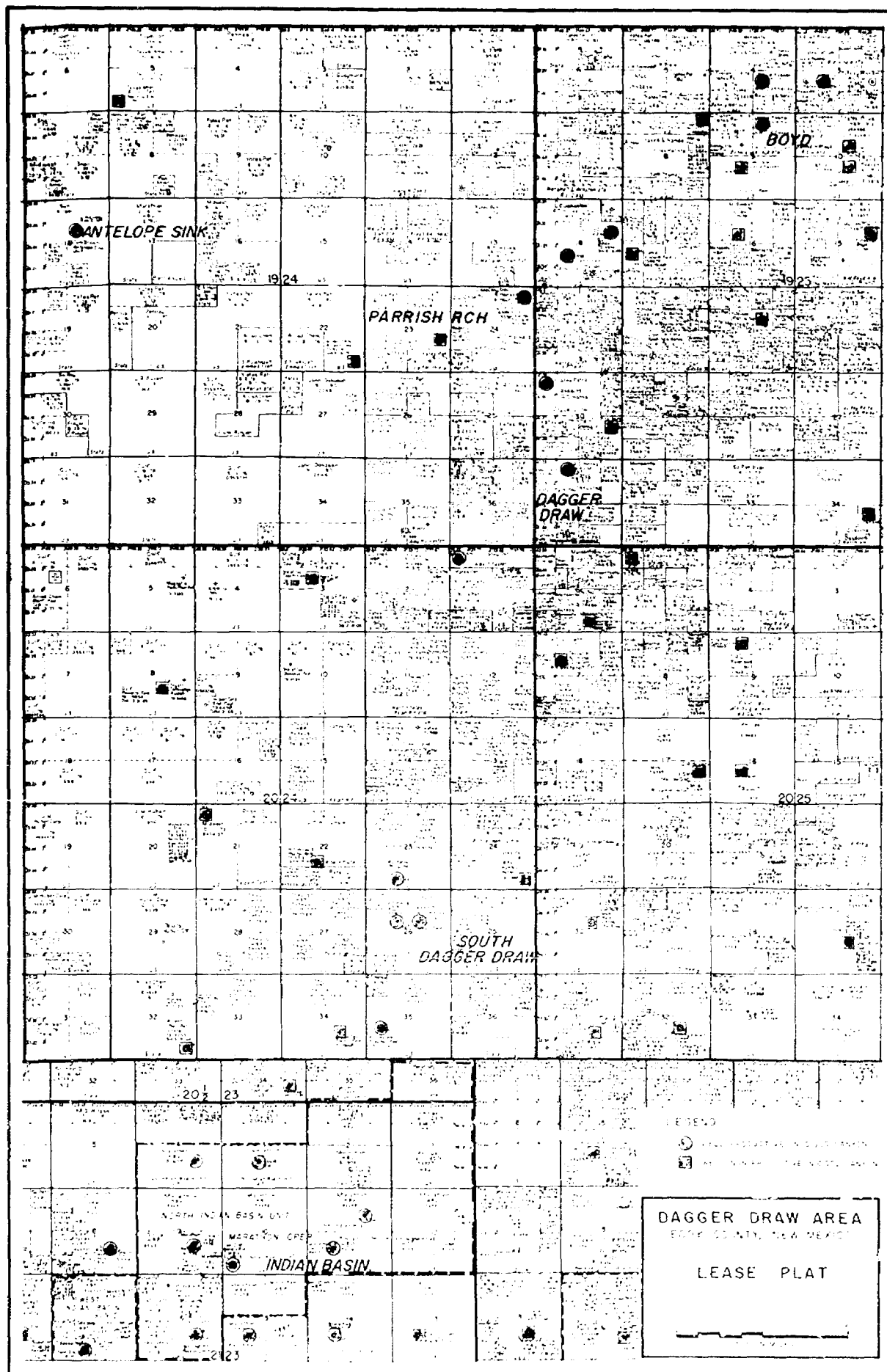
Lease Plat

EXHIBIT 2

Cross Section A - A'

EXHIBIT 3

Tabulated Production Data



A

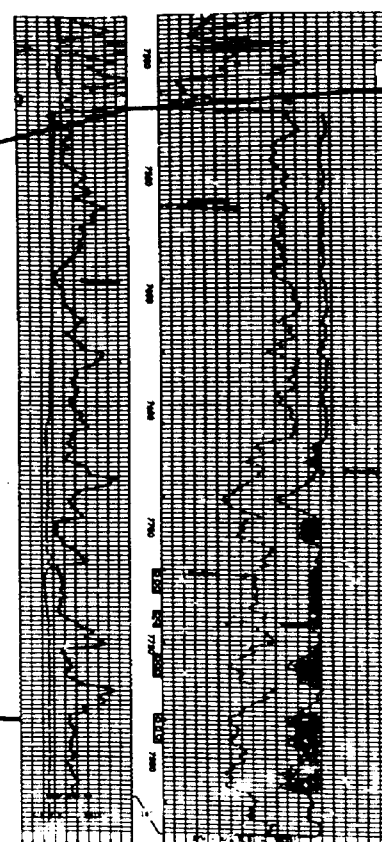
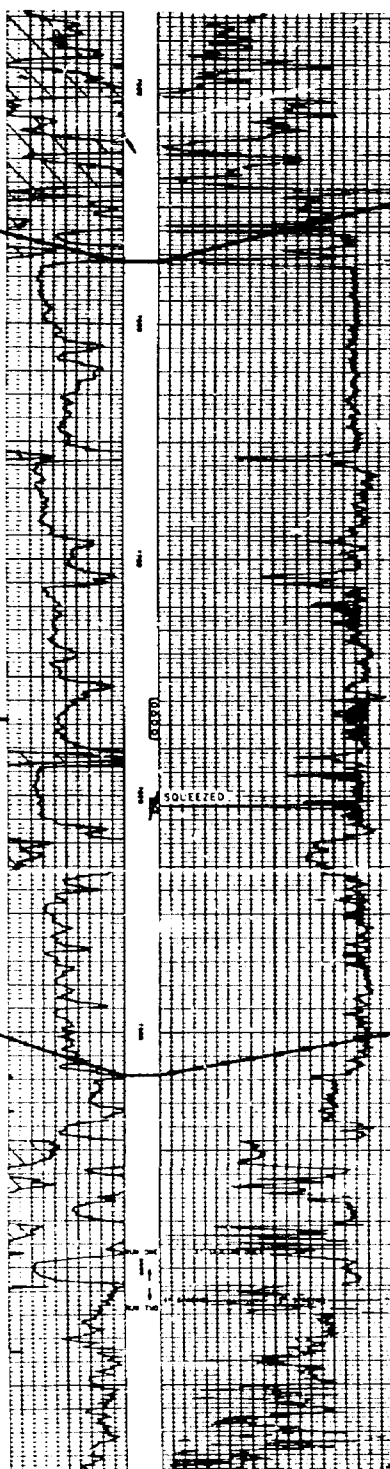
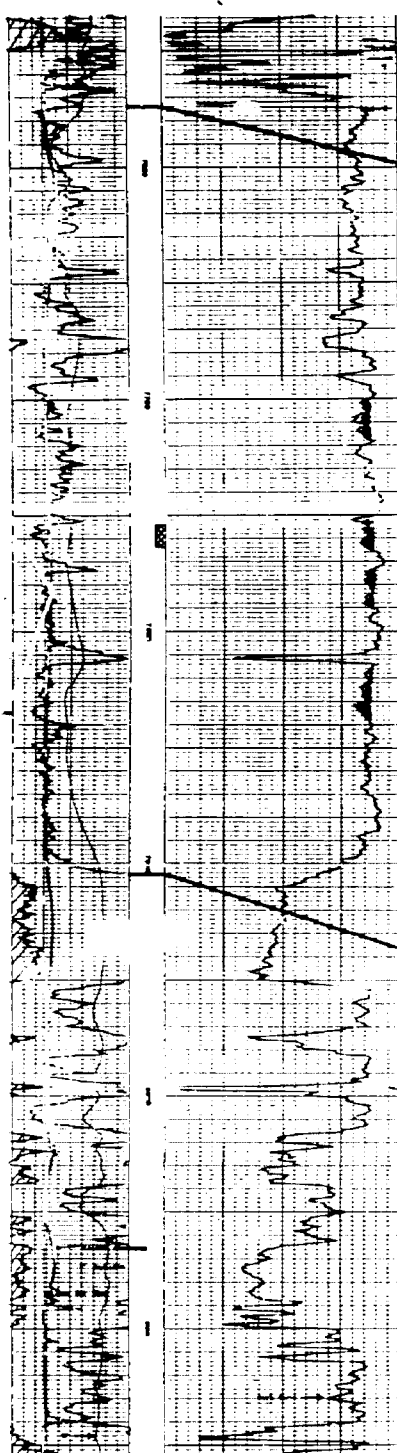
YATES PETROLEUM CORPORATION  
FOSTER "AN" NO.1

*Carthy Eric*

MONSANTO  
HONDO NO.1

ROGER C. HANKS  
DAGGER DRAW UNIT NO.1

THE AT  
C



CISCO CANYON REEF

DATUM -4200

10	25	50	75	100	125	150	175	200	225	250	275	300	325	350	375	400	425	450	475	500	525	550	575	600	625	650	675	700	725	750	775	800	825	850	875	900	925	950	975	1000
10	25	50	75	100	125	150	175	200	225	250	275	300	325	350	375	400	425	450	475	500	525	550	575	600	625	650	675	700	725	750	775	800	825	850	875	900	925	950	975	1000
10	25	50	75	100	125	150	175	200	225	250	275	300	325	350	375	400	425	450	475	500	525	550	575	600	625	650	675	700	725	750	775	800	825	850	875	900	925	950	975	1000

Seismic data for the Foster 'AN' NO.1 well. The data is plotted on a grid with a vertical scale from 0 to 100 feet. The traces show a complex waveform with significant high-frequency content.

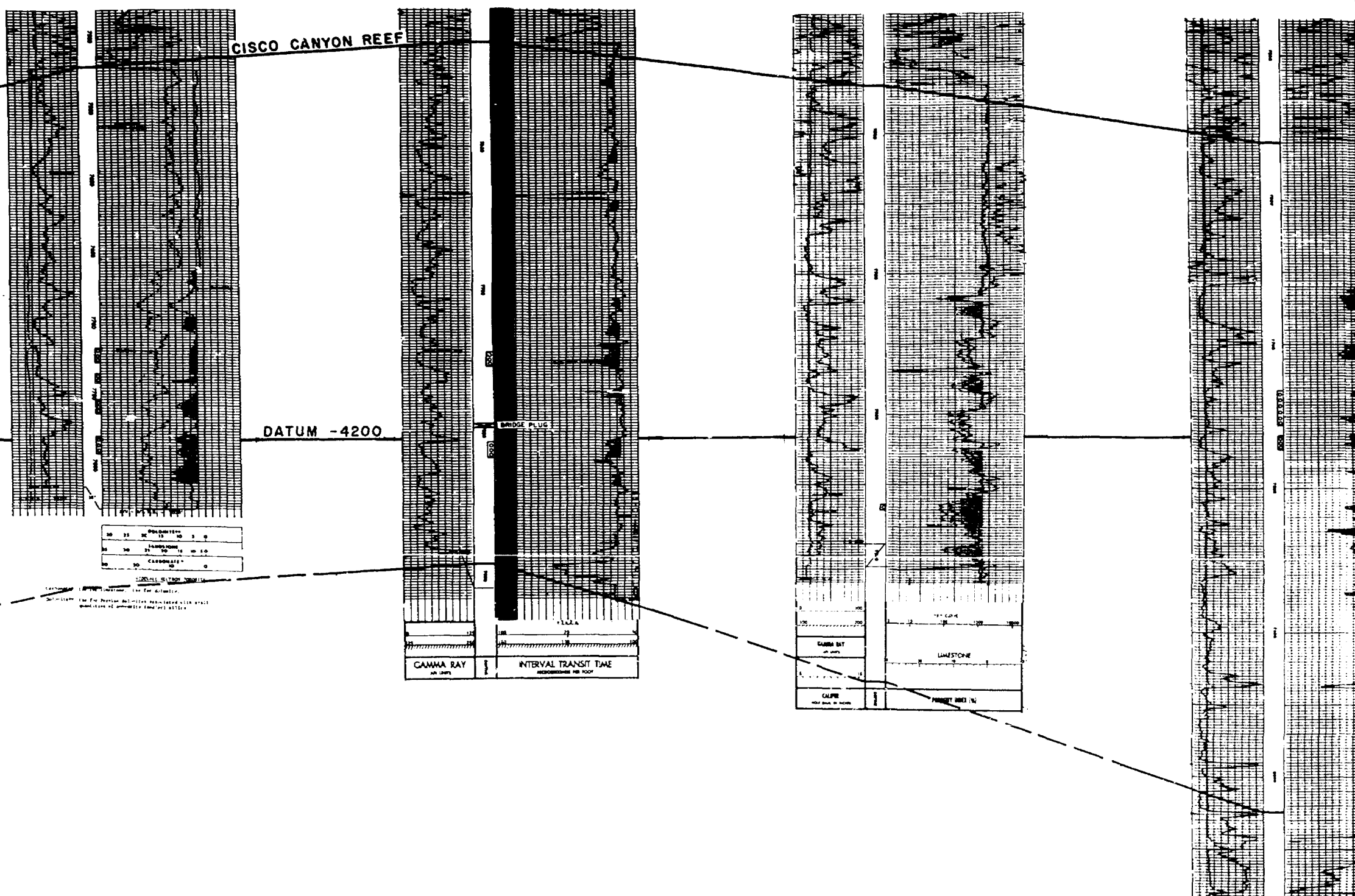
CAMMA

ROGER C. HANKS  
DAGGER DRAW UNIT NO. 1

THE ATLANTIC REFINING COMPANY  
CONE FEDERAL NO. 1

ROGER C. HANKS  
BARBARA FEDERAL NO. 2

ROGER C. HANKS  
BARBARA FEDERAL NO. 2

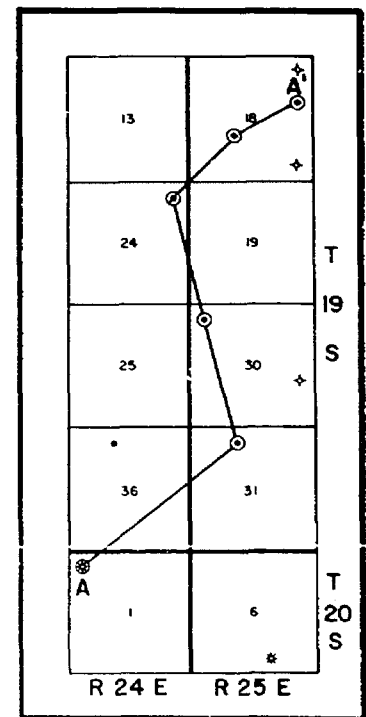
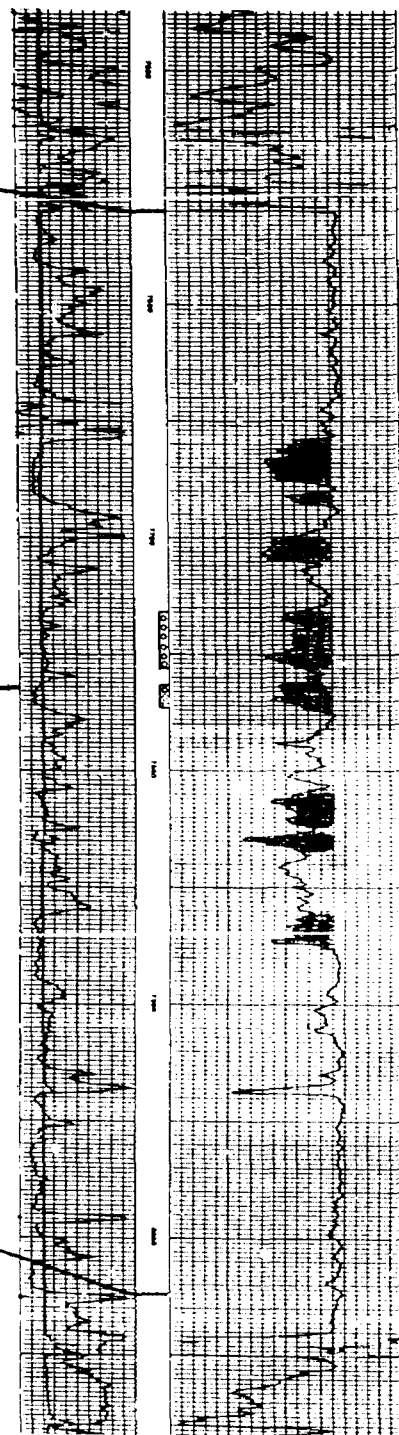
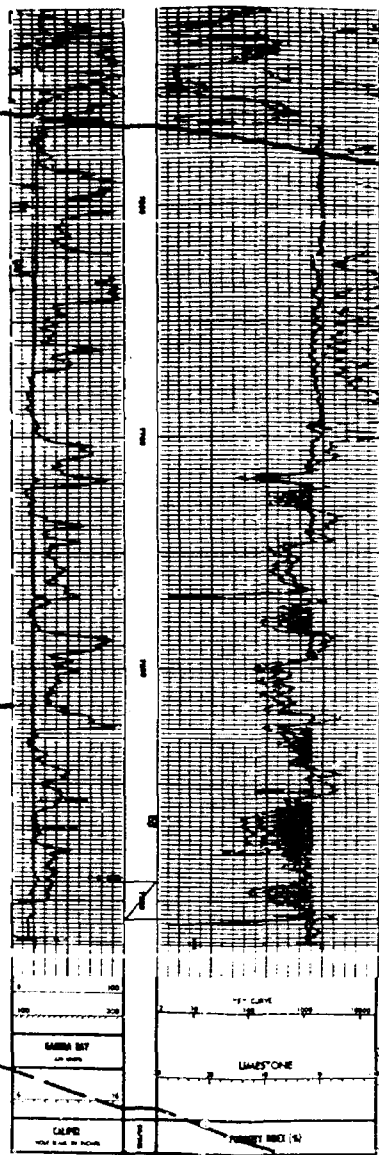
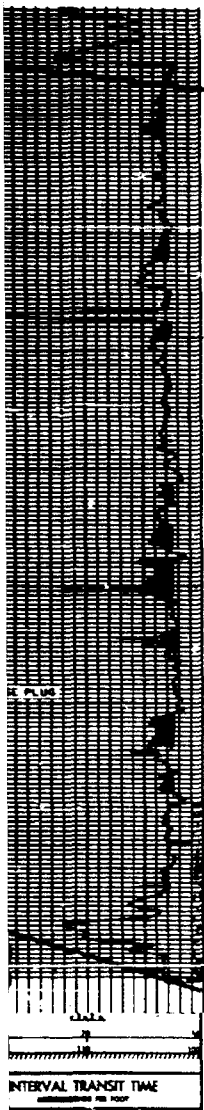


A'

REFINING COMPANY  
WELL NO. 1

ROGER C. HANKS  
BARBARA FEDERAL NO. 2

ROGER C. HANKS  
BARBARA FEDERAL NO. 1



NORTH DAGGER DRAW AREA  
EDDY COUNTY, NEW MEXICO  
CROSS SECTION A-A'

TABULATED PRODUCTION DATA  
NORTH DAGGER DRAW AREA  
EDDY COUNTY, NEW MEXICO  
Ralph H. Viney & Associates  
Engineering Consultants

Month	Atlantic Refining Co. Cone Federal No. 1		Monsanto Hondo Federal No. 1		Yates Petroleum Foster "AN" No. 1		Roger C. Hanks Dagger Draw Unit No. 1		Roger C. Hanks Barbara-Federal No. 1		Roger C. Hanks Barbara-Federal No. 2	
	Oil - Bbls.	Water - Bbls.	Oil - Bbls.	Water - Bbls.	Oil - Bbls.	Water - Bbls.	Oil - Bbls.	Water - Bbls.	Oil - Bbls.	Water - Bbls.	Oil - Bbls.	Water - Bbls.
November 1964	402	1,608	1,246	1,657								
December	1,194	4,776	1,861	6,607								
January 1965	703	2,812	1,675	5,946								
February	313	1,252	846	3,003								
March	357	1,428	191	678								
April	330	1,320	61	217	653							
May	300	1,700	76	5,472	1,065							
June	308	2	43	1,050	660							
July	181	8,869			637							
August	80				430							
September					211							
October					124							
November					173							
December					138							
January 1966					121							
February					116							
March					144							
April					137							
May					132							
June					73							
July					127							
August					85							
September					83							
October					145							
November					170							
December					93							
January 1967					27							
February					17							
March					53							
April					14							
May					16							
June					113							
July					25							
August					80							
September					52							
October					111							
November					13							
December					78							
NO PRODUCTION DURING THIS PERIOD												
July 1970							975	2,630				
August							708	5,376				
September							3,732	23,910				
October							1,262	10,361				
November							109	797				
NO PRODUCTION DURING THIS PERIOD												
April 1971			Recompleted as				1,381	24,956				
May			Roger C. Hanks				1,749	25,407				
June			Kathy Eyre-Federal No. 1				1,854	20,160				
July							2,948	24,861				
August							1,292	25,668				
September			1,592	14,346			174	3,985				
October			2,131	21,880			1,574	26,464	1,465	30,165		
November			1,522	29,623			1,812	26,344	437	23,219		
December			513	9,662			1,342	26,399	609	16,361		
January 1972							1,077	24,885				
February							637	13,422				
NO PRODUCTION DURING THIS PERIOD												
June 1972											1,713	553
July											1,732	2,405
August											2,573	5,149
September											2,482	19,210
October											1,220	12,731
TOTAL	4,168	23,767	11,758	91,411	6,114		22,629	286,625	2,511	70,245	12,720	40,048

**sid morrish reporting service**

General Court Reporting Service  
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501  
Phone: (505) 982-9212

Page 1

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
February 2, 1977

EXAMINER HEARING

IN THE MATTER OF:

Case 5117 being reopend pursuant to the ) CASE  
provisions of Order No. R-4691-A, which ) 5117  
order extended the temporary special ) (Reopened)  
pool rules for the North Dagger Draw- )  
Upper Pennsylvanian Pool, Eddy County, )  
New Mexico. )

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil                      Lynn Teschendorf, Esq.  
Conservation Commission:                      Legal Counsel for the Commission  
State Land Office Building  
Santa Fe, New Mexico

**sid morrish reporting service**

*General Court Reporting Service*  
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501  
Phone (505) 982-9212

Page 2

1 MR. NUTTER: We will call next Case Number 5117.

2 MS. TESCHENDORF: Case 5117, in the matter of  
3 Case 5117 being reopened pursuant to the provisions of  
4 Order No. R-4691-A, which order extended the temporary special  
5 pool rules for the North Dagger Draw-Upper Pennsylvanian Pool,  
6 Eddy County, New Mexico.

7 The applicant in this case has requested that this  
8 be continued to the first Examiner's Hearing in March.

9 MR. NUTTER: Case Number 5117 will be continued to  
10 the Examiner Hearing scheduled to be held at this same place  
11 at nine o'clock A.M. on March 9th, 1977.

12

13

14

15

16

17

18

19

20

21

22

23

24

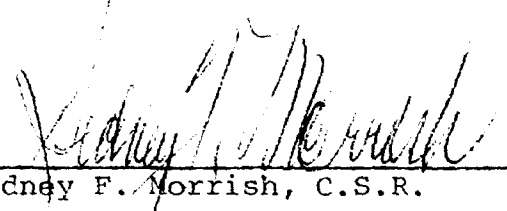
25

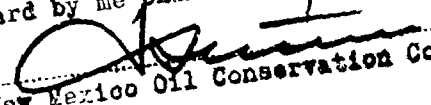


sid morrish reporting service  
General Court Reporting Service  
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501  
Phone (505) 982-9212

REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand Reporter,  
do hereby certify that the foregoing and attached Transcript  
of Hearing before the New Mexico Oil Conservation Commission  
was reported by me, and the same is a true and correct record  
of the said proceedings to the best of my knowledge, skill and  
ability.

  
Sidney F. Morrish, C.S.R.

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 5117  
heard by me on 2/2, 1977.  
 Examiner  
New Mexico Oil Conservation Commission

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. 5117  
Order No. R-4691  
NOMENCLATURE

APPLICATION OF ROGER C. HANKS FOR  
POOL CREATION AND SPECIAL POOL RULES,  
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 28, 1973, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 11th day of December, 1973, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

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

(2) That the applicant Roger C. Hanks, seeks the establishment of a pool for production from the Upper Pennsylvanian (Cisco-Canyon) formation by the abolishment of the Parrish Ranch-Upper Pennsylvanian Pool and the Dagger Draw-Upper Pennsylvanian Pool and the creation of a new pool, designated the North Dagger Draw-Upper Pennsylvanian Pool, to take in all acreage formerly therein as well as requisite intervening acreage.

(3) That the applicant further seeks the promulgation of temporary special pool rules for the proposed new pool including a provision for 320-acre spacing, limited well locations, and the assignment of a special depth bracket allowable of 427 barrels of oil per day.

(4) That the reservoir characteristics of the proposed pool indicate that it cannot be efficiently and economically drained and developed on less than 320-acre spacing.

(5) That temporary special rules and regulations providing for 320-acre spacing for wells should be promulgated for the proposed pool in order to prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, prevent reduced recovery which might result from the drilling of too few wells, and otherwise prevent waste and protect correlative rights.

-2-

CASE NO. 5117  
Order No. R-4691

(6) That the depth bracket allowable for oil wells in the proposed pool should be 427 barrels of oil per day.

(7) That the application for pool abolishment, pool creation, and temporary special pool rules should be granted.

IT IS THEREFORE ORDERED:

(1) That effective January 1, 1974, the Dagger Draw-Upper Pennsylvanian Pool heretofore defined as:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM  
Section 36: E/2 and SW/4

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM  
Section 30: W/2 W/2  
Section 31: NW/4

TOWNSHIP 20 SOUTH, RANGE 24 EAST, NMPM  
Section 1: NW/4

and the Parrish Ranch-Upper Pennsylvanian Pool heretofore defined as:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM  
Section 13: E/2 SE/4  
Section 24: NE/4

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM  
Section 18: N/2 S/2 and SE/4 NE/4

are hereby abolished.

(2) That effective January 1, 1974, a new pool is hereby created and designated the North Dagger Draw-Upper Pennsylvanian Pool with vertical limits consisting of the Upper Pennsylvanian (Cisco-Canyon) formation as found from a depth of 7575 feet to 7918 feet on the log of the Monsanto Hondo Well No. 1, located in Unit C of Section 31, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico, and horizontal limits defined as:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM  
Section 24: E/2  
Section 25: E/2  
Section 36: All

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM  
Section 18: All  
Section 19: W/2  
Section 30: W/2  
Section 31: W/2

TOWNSHIP 20 SOUTH, RANGE 24 EAST, NMPM  
Section 1: N/2

-3-  
CASE NO. 5117  
Order No. R-4691

(3) That effective January 1, 1974, temporary Special Rules and Regulations for the North Dagger Draw-Upper Pennsylvanian Pool, Eddy County, New Mexico, are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS  
FOR THE  
NORTH DAGGER DRAW-  
UPPER PENNSYLVANIAN POOL

RULE 1. Each well completed or recompleted in the North Dagger Draw-Upper Pennsylvanian Pool or in the Upper Pennsylvanian formation within one mile thereof, and not nearer to or within the limits of another designated Upper Pennsylvanian Pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well shall be located on a standard unit containing 320 acres, more or less, comprising any two contiguous quarter section of a single governmental section, being a legal subdivision of the United States Public Land Surveys provided that for the purposes of these rules, a unit consisting of between 316 and 324 contiguous surface acres shall be considered a standard unit.

RULE 3. The Secretary-Director of the Commission may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit and the unorthodox size or shape of the unit is necessitated by a variation in the legal subdivision of the United States Public Land Surveys, or the following facts exist and the following provisions are complied with:

(a) The non-standard unit consists of quarter-quarter sections or lots that are contiguous by a common bordering side.

(b) The non-standard unit lies wholly within a standard proration unit for the well under the applicable provisions of Rule 2 above and contains less acreage than a standard unit.

(c) The applicant presents written consent in the form of waivers from all offset operators and from all operators owning interest in the standard proration unit for the well in which the non-standard unit is situated and which acreage is not included in said non-standard unit.

(d) In lieu of paragraph (c) of this rule, the applicant may furnish proof of the fact that all of the aforesaid operators were notified by registered or certified mail of his intent to form such non-standard unit. The Secretary-Director may approve the application if no such operator has entered an objection to the formation of such non-standard unit within 30 days after the Secretary-Director has received the application.

RULE 4. Each well shall be located no nearer than 660 feet to the nearest side boundary of the tract nor nearer than 1980 feet to the nearest end boundary of the tract nor closer than 330 feet to any quarter-quarter section or subdivision inner boundary.

RULE 5. The Secretary-Director may grant an exception to the requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proration unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all operators offsetting the proration unit or if no objection to the unorthodox location has been entered within 20 days after the Secretary-Director has received the application.

RULE 6. That the special depth bracket allowable for a well on a 320-acre tract shall be 427 barrels of oil per day.

IT IS FURTHER ORDERED:

(1) That the locations of all wells presently drilling to or completed in the North Dagger Draw-Upper Pennsylvanian Pool or in the Upper Pennsylvanian formation within one mile thereof are hereby approved; that the operator of any well having an unorthodox location shall notify the appropriate district office of the Commission in writing of the name and location of the well on or before March 1, 1974.

(2) That, pursuant to Paragraph A. of Section 65-3-14.5, NMSA 1953, contained in Chapter 271, Laws of 1969, existing oil wells in the North Dagger Draw-Upper Pennsylvanian Pool shall have dedicated thereto 320 acres and existing gas wells in said pool shall have dedicated thereto 320 acres, in accordance with the foregoing pool rules or, pursuant to Paragraph C. of said Section 65-3-14.5, existing wells may have non-standard spacing or proration units established by the Commission and dedicated thereto.

Failure to file new Forms C-102 with the Commission dedicating 320 acres to a well or to obtain a non-standard unit approved by the Commission within 60 days from the date of this order shall subject the well to cancellation of allowable.

Until said Form C-102 has been filed or until a non-standard unit has been approved, and subject to said 60-day limitation, each well presently drilling to or completed in the North Dagger Draw-Upper Pennsylvanian Pool or in the Upper Pennsylvanian formation within one mile thereof shall receive no more than a 40-acre allowable for this pool.

-5-

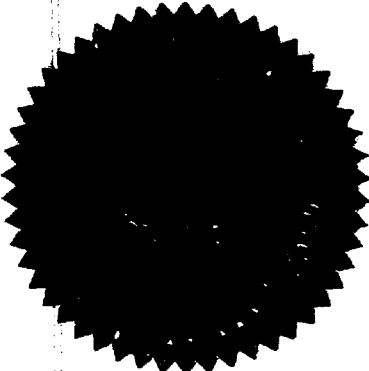
CASE NO. 5117  
Order No. R-4691

(3) That this cause shall be reopened in January, 1976 to permit operators in the subject pool to appear and show cause why the special rules promulgated herein should remain in effect.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION



*I. R. Trujillo*  
I. R. TRUJILLO, Chairman

*Alex J. Armino*  
ALEX J. ARMINO, Member

*A. L. Porter, Jr.*  
A. L. PORTER, JR., Member & Secretary

S E A L

jr/

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. 5117  
Order No. R-4691-A

IN THE MATTER OF CASE 5117 BEING REOPENED  
PURSUANT TO THE PROVISIONS OF ORDER NO. R-4691,  
WHICH ORDER ESTABLISHED TEMPORARY SPECIAL POOL  
RULES FOR THE NORTH DAGGER DRAW-UPPER PENNSYLVANIAN  
POOL, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 20, 1976,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 3rd day of February, 1976, the Commission,  
a quorum being present, having considered the testimony, the  
record, and the recommendations of the Examiner, and being  
fully advised in the premises,

FINDS:

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

(2) That by Order No. R-4691, dated December 11, 1973,  
temporary special rules and regulations were promulgated for the  
North Dagger Draw-Upper Pennsylvanian Pool, Eddy County, New  
Mexico, establishing temporary 320-acre spacing units and  
proration units, and a special depth bracket allowable of 427  
barrels of oil per day.

(3) That pursuant to the provisions of Order No. R-4691,  
this case was reopened to allow the operators in the subject pool  
to appear and show cause why the North Dagger Draw-Upper Pennsyl-  
vanian Pool should not be developed on 160-acre spacing units  
and why the special depth bracket allowable should remain in  
effect.

(4) That the evidence establishes that one well in the  
North Dagger Draw-Upper Pennsylvanian Pool can efficiently and  
economically drain and develop 160 acres and that the depth  
bracket allowable should be commensurate therewith, or 267  
barrels of oil per day.

Case No. 5117  
Order No. R-4691-A

(5) That the Special Rules and Regulations promulgated by Order No. R-4691, if amended to provide for 160-acre well spacing and proration units, and to provide a depth bracket allowable of 267 barrels of oil per day, will afford to the owner of each property in the pool the opportunity to produce his just and equitable share of the oil and gas in the pool.

(6) That this case should be reopened at an examiner hearing in February, 1977, at which time the operators in the subject pool should appear and show cause why the North Dagger Draw-Upper Pennsylvanian Pool should not be developed on less than 160-acre proration units and why the depth bracket allowable should not be reduced.

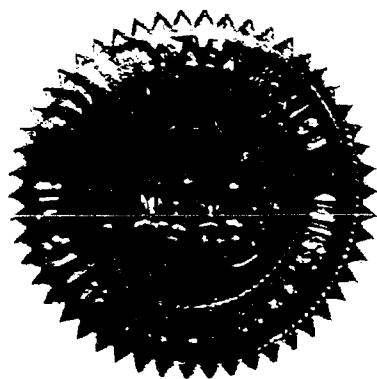
IT IS THEREFORE ORDERED:

(1) That the Special Rules and Regulations governing the North Dagger Draw-Upper Pennsylvanian Pool, promulgated by Order No. R-4691, shall remain in full force and effect for an additional period of one year provided, however, that said rules are hereby amended to provide for 160-acre spacing and proration units and to provide a depth bracket allowable of 267 barrels of oil per day.

(2) That this case shall be reopened at an examiner hearing in February, 1977, at which time the operators in the subject pool shall appear and show cause why the North Dagger Draw-Upper Pennsylvanian Pool should not be developed on less than 160-acre proration units and why the depth bracket allowable should not be reduced.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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



S E A L

dr/

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*Phil R. Lucero*  
PHIL R. LUCERO, Chairman

*Emery C. Arnold*  
EMERY C. ARNOLD, Member

*Joe D. Ramey*  
JOE D. RAMEY, Member & Secretary



BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF CASE 5117 BEING REOPENED  
PURSUANT TO THE PROVISIONS OF ORDER NO. R-4691-A,  
WHICH ORDER EXTENDED THE TEMPORARY SPECIAL POOL  
RULES FOR THE NORTH DAGGER DRAW-UPPER PENNSYLVANIAN  
POOL, EDDY COUNTY, NEW MEXICO.

CASE NO. 5117  
Order No. R-4691-C

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 9, 1977,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 15th day of March, 1977, the Commission, a  
quorum being present, having considered the testimony, the  
record, and the recommendations of the Examiner, and being  
fully advised in the premises,

FINDS:

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

(2) That by Order No. R-4691 dated December 11, 1973,  
temporary special rules and regulations were promulgated for  
the North Dagger Draw-Upper Pennsylvanian Pool, Eddy County,  
New Mexico, establishing 320 acre spacing for the pool and a  
special depth bracket allowable of 427 barrels of oil per day.

(3) That by Order No. R-4691-A dated February 3, 1976,  
the spacing was changed from 320 to 160 acres and the special  
depth bracket allowable from 427 barrels per day to 267 barrels  
per day.

(4) That Order No. R-4691-B dated October 12, 1976, left  
the spacing unchanged at 160 acres but changed the special  
depth bracket allowable from 267 barrels per day to 350 barrels  
of oil per day.

(5) That pursuant to the provisions of Order No. R-4691-A  
this case was reopened to allow the operators in the subject  
pool to appear and show cause why the North Dagger Draw-Upper  
Pennsylvanian Pool should not be developed on less than 160-acre  
spacing units.

-2-

Case No. 5117  
Order No. R-4691-C

(6) That the evidence establishes that one well in the North Dagger Draw-Upper Pennsylvanian Pool can efficiently and economically drain and develop 160 acres and that the Special Depth Bracket Allowable of 350 barrels of oil per day should be retained.

(7) That the Special Rules and Regulations promulgated by Order No. R-4691, as amended by Orders Nos. R-4691-A and R-4691-B, have afforded and will afford to the owner of each property in the pool the opportunity to produce his just and equitable share of the oil and gas in the pool, will protect correlative rights, and will not cause waste.

(8) That in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, the Special Rules and Regulations promulgated by Order No. R-4691, as amended, should be continued in full force and effect until further order of the Commission.

IT IS THEREFORE ORDERED:

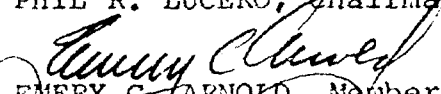
(1) That the special rules and regulations for the North Dagger Draw-Upper Pennsylvanian Pool as promulgated by Order No. R-4691, as amended by Orders Nos. R-4691-A and R-4691-B, are hereby continued in full force and effect until further order of the Commission.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman

  
EMERY C. ARNOLD, Member

  
JOE D. RONEY, Member & Secretary

S E 2

dr/

Dockets Nos. 5-76 and 6-76 are tentatively set for hearing on February 4 and February 18, 1976. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - TUESDAY - JANUARY 20, 1976

2 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

- CASE 5614: Application of Amerada Hess Corporation for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle Basin-Dakota gas production and oil produced from an undesignated Gallup pool in the wellbore of its Apache "A" Well No. 7, located in Unit J of Section 26, Township 25 North, Range 5 West, Rio Arriba County, New Mexico.
- CASE 5615: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Morely EW Well No. 1, located 660 feet from the South and East lines of Section 27, Township 17 South, Range 25 East, Eddy County, New Mexico, the S/2 of said Section 27 to be dedicated to the well.
- CASE 5616: Application of Atlantic Richfield Company for an unorthodox gas well location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to simultaneously dedicate a previously approved 320-acre non-standard gas proration unit comprising the W/2 of Section 29, Township 24 South, Range 37 East, Jalmat Gas Pool, Lea County, New Mexico, to its W. H. Harrison "D" WN Com Well No. 1, located in Unit L of said Section 29 and its W. H. Harrison "A" WN Well No. 2, at an unorthodox location 660 feet from the North and West lines of said Section 29.
- CASE 5617: Application of Robinson Resource Development Company, Inc. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Morrow test well to be drilled 1530 feet from the North line and 330 feet from the East line of Section 18, Township 21 South, Range 25 East, Eddy County, New Mexico, the N/2 of said Section 18 to be dedicated to the well.
- CASE 5618: Application of Mesa Petroleum Co. for a triple completion, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of the triple completion (conventional) of its Prime Well No. 1A, located in Unit D of Section 6, Township 31 North, Range 10 West, San Juan County, New Mexico, to produce gas from the Pictured Cliffs, Chacra and Mesaverde formations.
- CASE 5117: (Reopened)
- In the matter of Case 5117 being reopened pursuant to the provisions of Order No. R-4691, which order established temporary special pool rules for the North Dagger Draw-Upper Pennsylvanian Pool, Eddy County, New Mexico. All interested parties may appear and show cause why said pool should not be developed on less than 320-acre spacing and why the special depth bracket allowable should remain in effect.
- CASE 5619: Application of Agua, Inc. for an extension of time, Order No. R-4495-A, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a 20 day extension of the February 7, 1976, deadline to cease the disposal of produced salt water through perforations from 4,230 feet to 4,320 feet in its SWD Well No. C-2, located in Unit C of Section 2, Township 22 South, Range 37 East, Lea County, New Mexico.
- CASE 5603: (Continued from January 7, 1976 Examiner Hearing)
- Application of Burleson and Huff for compulsory pooling, a non-standard gas proration unit, and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Jalmat Gas Pool underlying the NW/4 of Section 35, Township 25 South, Range 37 East, Lea County, New Mexico, to form a non-standard 160-acre proration unit; applicant further seeks the pooling of all mineral interests in the Langlie-Mattix Pool underlying each of the following tracts in said Section 35 to form three standard 40-acre proration units: the NE/4 NW/4, to be dedicated to applicant's Dabbs Well No. 1, located 330 feet from the North line and 2310 feet from the West line of said Section 35; the SE/4 NW/4, to be dedicated to applicant's Dabbs Well No. 3, located 1980 feet from the North and West lines of said Section 35; and the SW/4 NW/4, to be dedicated to a well to be drilled on said tract at a standard Langlie-Mattix Pool location. In the event re-entry into either the Dabbs Well No. 1 or No. 3 is unsuccessful, applicant proposes to drill a replacement well at a standard location on its tract. Applicant further proposes to dedicate the 160-acre Jalmat proration unit to one of the three above-described wells, and in the event it should be the Dabbs Well No. 1, applicant seeks approval for the unorthodox Jalmat location for said well. Also to be considered will be the cost of re-entering, drilling, and completing said wells and the allocation of such costs as well as actual operating costs and charges for supervision. Also to be considered will be the designation of the applicant as operator of the wells and a charge for the risk involved in re-entering, drilling, and completing said well.
- CASE 5604: (Continued from January 7, 1976 Examiner Hearing)
- Application of Burleson & Huff for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Quereche Plains-Queen Pool by the injection of water into the Queen formation through its Araderko Federal Well No. 6 to be drilled at an unorthodox location in the approximate center of the SW/4 of Section 27, Township 18 South, Range 32 East, Lea County, New Mexico. Applicant further seeks an administrative procedure for approval of additional wells at standard and non-standard locations within the project area.

Dockets Nos. 5-76 and 6-76 are tentatively set for hearing on February 4 and February 18, 1976. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - WEDNESDAY - JANUARY 21, 1976

9 A.M. - OIL CONSERVATION COMMISSION - MORGAN HALL  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 5592: (De Novo)

Application of Agua, Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced water by injection into the San Andres formation through the open-hole interval from approximately 4000 to 5000 feet in its Blinbry-Drinkard SWD System Well No. A-22 located 817 feet from the North line and 965 feet from the East line of Section 22, Township 22 South, Range 37 East, Lea County, New Mexico.

Upon application of Agua, Inc., this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 5571: (De Novo)

Application of Robert G. Cox for amendment of Order No. R-4561, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks amendment of Order No. R-4561, which order permitted the directional drilling of applicant's Federal "EA" Well No. 1, located 330 feet from the North and West lines of Section 12, Township 18 South, Range 27 East, Empire-Abo Pool, Eddy County, New Mexico, in such a manner as to be bottomed within 100 feet of the surface location. Applicant seeks the amendment of said order to permit bottoming of the subject well approximately 58 feet from the North line and 8 feet from the West line of said Section 12 and to permit verification of said downhole location by single-shot directional surveys made concurrently with the drilling of said well.

Upon application of Robert G. Cox, this case will be heard De Novo pursuant to the provisions of Rule 1220.

NOTE: Case No. 5592, above, will be dismissed at the request of applicant.

January 20, 1975

CASE 5117 (Reopened)

Newspapers:  
Santa Fe  
Hobbs  
Artesia

*w/c*

*JS*

In the matter of Case 5117 being reopened pursuant to the provisions of Order No.

R-4691, which order established temporary special pool rules for the North Dagger Draw-Upper Pennsylvanian Pool, Eddy County, New Mexico, ~~including a provision for 320-acre spacing~~. All interested parties may appear

and show cause why said pool should not be developed on <sup>less than</sup> 320-acre spacing *and why the*

*special depth bracket allowable should remain in effect.*



## OIL CONSERVATION COMMISSION

**STATE OF NEW MEXICO**  
**P. O. BOX 2088 - SANTA FE**  
**87501**

**December 11, 1973**

**I. R. TRUJILLO**  
**CHAIRMAN**  
**LAND COMMISSIONER**  
**ALEX J. ARMIJO**  
**MEMBER**  
**STATE GEOLOGIST**  
**A. L. PORTER, JR.**  
**SECRETARY - DIRECTOR**

**Mr. Sim Christy  
Jennings, Christy & Copple  
Attorneys at Law  
Post Office Box 1180  
Roswell, New Mexico 88201**

Re: CASE NO. 5117  
ORDER NO. R-4691  
Applicant:  
ROGER C. HANKS

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. Porter, Jr.

A. L. PORTER, Jr.  
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC	<u>x</u>
Artesia OCC	<u>x</u>
Aztec OCC	

Other \_\_\_\_\_





DIRECTOR  
JOE D. RAMEY

## OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO  
P. O. BOX 2088 - SANTA FE  
87501

LAND COMMISSIONER  
PHIL R. LUCERO  
March 16, 1977



STATE GEOLOGIST  
EMERY C. ARNOLD

Mr. Clarence Hinkle  
Hinkle, Bondurant, Cox & Eaton  
Attorneys at Law  
Post Office Box 10  
Roswell, New Mexico 88201

Re: CASE NO. 5117  
ORDER NO. ▼ R-4691-C

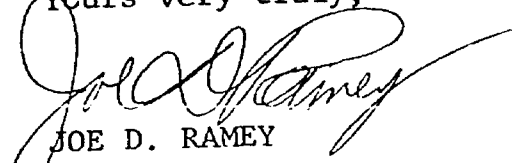
Applicant:

OCC (Roger C. Hanks)

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Yours very truly,

  
JOE D. RAMEY  
Director

JDR/fd

Copy of order also sent to:

Hobbs OCC x  
Artesia OCC x  
Aztec OCC           

Other Joel Carson



Docket No. 8-77

Dockets Nos. 9-77 and 10-77 are tentatively set for hearing on March 23 and April 6, 1977. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MARCH 9, 1977

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

- ALLOWABLE: (1) Consideration of the allowable production of gas for April, 1977, from seventeen prorated pools in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico.
- (2) Consideration of the allowable production of gas for April, 1977, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 5863: (Continued & Readvertised)

Application of Amerada Hess Corporation for an unorthodox oil well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Jicarilla Apache "B" Well No. 16, completed as an oil well in the Dakota formation at a point 1850 feet from the South line and 1500 feet from the West line of Section 29, Township 24 North, Range 5 West, Rio Arriba County, New Mexico, said well having been projected as a Basin-Dakota gas well at a standard gas well location for said pool.

CASE 5857: (Continued & Readvertised)

Application of Union Oil Company of California for directional drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to re-enter its Pipeline Deep Unit Federal Well No. 3, the surface location of which is 1980 feet from the North and East lines of Section 7, Township 19 South, Range 34 East, Lea County, New Mexico, and to directionally drill said well in a southerly or easterly direction and complete it in the Morrow formation at a point no closer than 330 feet to the outer boundary of the proration unit, the E/2 of said Section 7.

CASE 5873: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the amendment of Rule 1115 of the Commission Rules and Regulations to provide for the filing of information required on Form O-115, Operator's Monthly Report, in the manner and sequence prescribed by the Commission.

CASE 5874: Application of Texaco Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Lower San Andres formation through the perforated interval from 5926 to 5946 feet of its New Mexico "R" State Well No. 5, located in Unit B of Section 2, Township 18 South, Range 34 East, Vacuum Grayburg-San Andres Pool, Lea County, New Mexico.

CASE 5866: (Continued from February 16, 1977, Examiner Hearing)

Application of Union Texas Petroleum for an exception to casing and cementing requirements of Order No. R-111-A, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the casing and cementing requirements of Order No. R-111-A to eliminate the salt protection string in a well it proposes to drill in Unit D of Section 33, Township 20 South, Range 34 East, Lynch Yates-Seven Rivers Pool, Lea County, New Mexico.

CASE 5048: (Reopened) (Continued from January 19, 1977, Examiner Hearing)

In the matter of Case 5048 being reopened pursuant to the provisions of Order No. R-4637-A, which order extended the temporary special pool rules for the South Fagger Draw-Upper Pennsylvanian Associated Pool, Eddy County, New Mexico. All interested parties may appear and show cause why said temporary special pool rules should not be rescinded.

CASE 5117: (Reopened) (Continued from February 2, 1977, Examiner Hearing)

In the matter of Case 5117 being reopened pursuant to the provisions of Order No. R-4691-A, which order extended the temporary special pool rules for the North Fagger Draw-Upper Pennsylvanian Pool, Eddy County, New Mexico. All interested parties may appear and show cause why said North Fagger Draw-Upper Pennsylvanian Pool should not be developed on less than 160-acre proration units and why the special depth bracket allowable should be retained.

CASE 5875: Application of Atlantic Richfield Company for an unorthodox location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to simultaneously dedicate a previously approved 320-acre non-standard Jalmat gas proration unit comprising the W/2 of Section 29, Township 24 South, Range 37 East, Lea County, New Mexico, to its William H. Harrison "A" WN Well No. 2 located in Unit D and William H. Harrison "D" Wells Nos. 1 and 6 in Units L and N, respectively, of said Section 29. Applicant further seeks approval of an unorthodox location for its William H. Harrison "D" WN Well No. 6 at a location 660 feet from the South line and 1930 feet from the West line of said Section.

CASE 5876: Application of Jerome P. McHugh for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Gavilan-Pictured Cliffs and Blanco-Mesaverde production in the wellbore of his June Well No. 1 located in Unit B of Section 28, Township 23 North, Range 3 West, Rio Arriba County, New Mexico.

CASE 5820: (Continued from February 16, 1977, Examiner Hearing)

Application of Texas Oil & Gas Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the W/2 of Section 4, Township 22 South, Range 26 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5867: (Continued from February 16, 1977, Examiner Hearing)

Application of Texas Oil & Gas Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the S/2 of Section 19, Township 21 South, Range 27 East, Burton Flat Field, Eddy County, New Mexico, to be dedicated to its Forrest Well No. 1 to be located in Unit N of said Section 19. Also to be considered will be the cost of completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in completion of said well.

CASE 5877: Application of Great Lakes Chemical Corporation for two non-standard gas proration units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of two 160-acre non-standard Blanco Mesaverde gas proration units comprising the SE/4 of Section 3, and the NW/4 of Section 35, respectively, Township 27 North, Range 8 West, San Juan County, New Mexico.

CASE 5873: Application of Michael T. Gottlieb for two non-standard gas proration units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of two 160-acre non-standard Blanco Mesaverde gas proration units comprising the NE/4 of Section 3, and the SW/4 of Section 35, respectively, Township 27 North, Range 8 West, San Juan County, New Mexico.

CASE 5879: Application of Morris R. Antwell for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the N/2 of Section 12, Township 22 North, Range 26 East, South Carlsbad Field, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5880: Application of Morris R. Antwell for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the S/2 of Section 20, Township 13 South, Range 25 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

Examiner Hearing - Wednesday - March 9, 1977

Docket No. 8-77

-3-

CASE 5881: Application of Western Oil Producers, Inc. for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Amoco State Well No. 1, completed in the Atoka formation at a point 660 feet from the South and West lines of Section 28, Township 16 South, Range 33 East, Lea County, New Mexico, the W/2 of said Section 28 to be dedicated to the well.

CASE 5859: (Continued & Readvertised)

Application of Caulkins Oil Company for a dual completion and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Blanco Mesaverde and Basin-Dakota production in the wellbore of its Preece D Well No. 307, located in Unit M of Section 13, Township 26 North, Range 7 West, Rio Arriba County, New Mexico, and to dually complete the commingled formations and the Chacra formation in said well.

CLARENCE E. HINKLE  
W. E. BONDURANT, JR. (1914-1973)  
LEWIS C. COX, JR.  
PAUL W. EATON, JR.  
CONRAD E. COFFIELD  
HAROLD L. HENSLEY, JR.  
STUART D. SHANOR  
C. D. MARTIN  
PAUL J. KELLY, JR.  
  
JAMES H. BOZARTH  
RONALD G. HARRIS  
JAMES H. ISBELL  
DOUGLAS L. LUNSFORD  
PAUL M. BOHANNON

LAW OFFICES  
HINKLE, BONDURANT, COX & EATON

600 HINKLE BUILDING  
POST OFFICE BOX 10  
ROSWELL, NEW MEXICO 88201

January 24, 1977

TELEPHONE (505) 822-6510

MR. ISBELL LICENSED  
IN TEXAS ONLY

MIDLAND, TEXAS OFFICE  
521 MIDLAND TOWER  
(915) 683-4691

*file*

Oil Conservation Commission  
P.O. Box 2088  
Santa Fe, New Mexico 87501

Re: Case No. 5117, North Dagger  
Draw-Upper Penn Pool

Gentlemen:

The above case appears on the examiner's docket for February 2. Roger Hanks has contacted us and requested that we make application for continuance of this case until the first examiner's hearing in March.

We have previously requested the continuance of Case No. 5048 relating to the South Dagger Draw Upper Pennsylvanian Associated Pool to the first examiner's hearing in March.

Mr. Hanks is conducting bottom hole pressure tests for both the North and South Dagger Draw areas but these will not be completed until some time in February. Because of this situation Mr. Hanks would like to have both cases set down for hearing at the first examiner's hearing in March. Please consider this as a motion for such continuance. Unless we hear from you to the contrary, Mr. Hanks does not plan to be present at the hearing on February 2.

Yours very truly,

HINKLE, COX, EATON, COFFIELD & HENSLEY

By *Clarence E. Hinkle*

CEH:cs  
cc: Roger Hanks

Dockets Nos. 6-77 and 7-77 are tentatively set for hearing on February 16 and March 9, 1977. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 2, 1977

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

CASE 5820: (Continued & Readvertised)

Application of Texas Oil & Gas Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the W/2 of Section 4, Township 22 South, Range 26 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5834: (Continued & Readvertised)

Application of Sun Oil Company for directional drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to re-enter its Dessie Sawyer Well No. 2, the surface location of which is 2310 feet from the South and West lines of Section 27, Township 9 South, Range 36 East, Crossroads Siluro-Devonian Pool, Lea County, New Mexico, and to directionally drill said well in such a manner as to bottom it in the Siluro-Devonian formation within 50 feet of a point 2310 feet from the South line and 2540 feet from the West line of said Section 27.

CASE 5835: (Continued & Readvertised)

Application of Palmer Oil Company for non-standard proration units and unorthodox locations, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the following non-standard proration units in Township 31 North, Range 7 West, San Juan County, New Mexico: a 310.48-acre Basin-Dakota unit comprising Lots 5, 6, 7, and 8 and the E/2 SW/4 and SE/4 of Section 2; the following Blanco Mesaverde and Basin-Dakota Units: 323.39 acres comprising Lots 5, 6, 7, and 8 and W/2 SW/4 of Section 3 and Lot 5 and the E/2 SE/4 and SW/4 SE/4 of Section 4; 320 acres comprising the E/2 SW/4 and S/2 SE/4 of Section 3 and NW/4 of Section 10; and 320 acres comprising the W/2 SW/4 of Section 2, N/2 SE/4 of Section 3, and NE/4 of Section 10; the following Fruitland and Pictured Cliffs Units: 150.48 acres comprising Lots 5, 6, 7, and 8 and the E/2 SW/4 of Section 2; 175.76 acres comprising Lots 5, 6, 7, and 8 and W/2 SW/4 of Section 3; 160 acres comprising the W/2 SW/4 of Section 2 and N/2 SE/4 of Section 3; 160 acres comprising the E/2 SW/4 and S/2 SE/4 of Section 3; and 147.53 acres comprising Lot 5 and the SW/4 SE/4 and E/2 SE/4 of Section 4.

Applicant proposes to dedicate the above lands to various wells to be drilled at orthodox and unorthodox locations as follows: Section 2: 2200 feet from South and 800 feet from East lines, and 800 feet from South and 1675 feet from West lines; Section 3: 800 feet from North and West lines, 800 feet from South and 1850 feet from West lines, and 1400 feet from South and 1110 feet from East lines; Section 4: 800 feet from South and East lines; Section 10: 1800 feet from North and 850 feet from West lines, and 1525 feet from North and 1850 feet from East lines.

CASE 5840: (Continued from January 19, 1977, Examiner Hearing)

Application of Dome Petroleum Corporation for pool creation and assignment of a discovery allowable, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Entrada production and the assignment of approximately 25,800 barrels of oil discovery allowable to the discovery well, being applicant's Federal 15 Well No. 1 located in Unit F of Section 15, Township 19 North, Range 5 West, McKinley County, New Mexico.

CASE 5843: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the creation of a new pool for the production of gas from the Dakota and Morrison formations, said pool to be designated the Wagon Mound Dakota-Morrison Gas Pool and located in Township 21 North, Range 21 East, Mora County, New Mexico.

CASE 5844: Application of Skelly Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Pictured Cliffs and Chacra production in the wellbores of the Jicarilla "C" Wells Nos. 9 and 17 located in Units K and D, Section 28; Nos. 11 and 19 in Units L and I, Section 27; Nos. 12 and 13, Units C and B, Section 33; No. 10 in Unit M, Section 22; and No. 15 in Unit G, Section 34, all in Township 25 North, Range 5 West, Rio Arriba County, New Mexico, and to provide for administrative approval of the commingling downhole of additional wells in Sections 5 and 6, Township 24 North, Range 5 West, and Sections 21 and 34, Township 25 North, Range 5 West.

- CASE 5845: Application of Texaco Inc. for an unorthodox location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Navajo Tribe "BS" Well No. 5 to be drilled 1340 feet from the South line and 1300 feet from the West line of Section 23, Township 26 North, Range 16 West, Tooto Dome Penn "D" Pool, San Juan County, New Mexico.
- CASE 5846: Application of Harvey E. Yates Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its South Empire Deep Unit Well No. 13 to be drilled 660 feet from the South line and 1597 feet from the West line of Section 30, Township 17 South, Range 29 East, South Empire Field, Eddy County, New Mexico, the S/2 of said Section 30 to be dedicated to the well.
- CASE 5810: (Continued from the January 19, 1977, Examiner Hearing)
- Application of Yates Petroleum Corporation for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Stonewall "EP" Com Well No. 1, located in Unit F of Section 30, Township 20 South, Range 28 East, Eddy County, New Mexico, to produce gas from the North Burton Flat-Wolfcamp Gas Pool and an undesignated Morrow gas pool.
- CASE 5847: Application of Yates Petroleum Corporation for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Gossett "EU" Well No. 1, located in Unit K of Section 26, Township 17 South, Range 25 East, Eddy County, New Mexico, in such a manner as to produce gas from the Lower Wolfcamp or Upper Pennsylvanian and the Lower Pennsylvanian formations through the casing-tubing annulus and tubing, respectively.
- CASE 5848: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Pipkin HE Well No. 1 to be drilled 660 feet from the South and West lines of Section 4, Township 18 South, Range 25 East, Eddy County, New Mexico, the S/2 of said Section 4 to be dedicated to the well.
- CASE 5849: Application of King Resources Company for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Long Canyon Unit Area comprising 18,880 acres, more or less, of State and Federal lands in Townships 19 and 20 South, Ranges 19 and 20 East, Chaves County, New Mexico.
- CASE 5850: Application of Pennzoil Company for adoption of pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the adoption of pool rules for the North Mescalero-Cisco Pool, Lea County, New Mexico, including provision for a special gas-oil ratio limit of 4,500 to one.
- CASE 5117: (Reopened)
- In the matter of Case 5117 being reopened pursuant to the provisions of Order No. R-4691-A, which order extended the temporary special pool rules for the North Dagger Draw-Upper Pennsylvanian Pool, Eddy County, New Mexico. All interested parties may appear and show cause why said North Dagger Draw-Upper Pennsylvanian Pool should not be developed on less than 160-acre proration units and why the special depth bracket allowable should be retained.
- CASE 5851: Application of Jerome P. McHugh for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Tapacito-Pictured Cliffs, Blanco Mesaverde, and Basin-Dakota production in the wellbore of his Tribal Wells Nos. 1 and 2 located in Unit D of Section 16 and Unit L of Section 9, respectively, Township 26 North, Range 3 West, Rio Arriba County, New Mexico.
- CASE 5852: Application of Jerome P. McHugh for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Wildhorse-Gallup and Basin-Dakota production in the wellbore of his Apache Wells Nos. 3 and 4, located in Units D and L, respectively, of Section 19, Township 26 North, Range 3 West, Rio Arriba County, New Mexico.
- CASE 5853: Application of Carl Engwall for an exception to casing and cementing requirements of Order No. R-111-A, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the casing and cementing requirements of Order No. R-111-A to eliminate the salt protection casing string in a well he proposes to drill in Unit L of Section 27, Township 20 South, Range 34 East, Lynch-Yates-Seven Rivers Pool, Lea County, New Mexico.
- CASE 5854: Application of Palmer Oil and Gas Company for an unorthodox location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Stevenson Well No. 2 to be drilled 1850 feet from the North line and 1150 feet from the West line of Section 8, Township 26 North, Range 2 West, Blanco-Mesaverde Pool, Rio Arriba County, New Mexico, the N/2 of said Section 8 to be dedicated to the well.

CASE 5855: Southeastern New Mexico nomenclature case calling for the creation and extension of certain pools in Eddy, Lea and Chaves Counties, New Mexico.

a) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Illinois Camp-Morrow Gas Pool. The discovery well is Yates Petroleum Corporation H-Y State GR No. 1 located in Unit K of Section 31, Township 18 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM  
Section 31: S/2

b) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the POW-Morrow Gas Pool. The discovery well is Yates Petroleum Corporation State CK No. 1 located in Unit C of Section 4, Township 17 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 26 EAST, NMPM  
Section 4: N/2

c) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Revelation-Morrow Gas Pool. The discovery well is Belco Petroleum Corporation Jones Com Well No. 1 located in Unit I of Section 9, Township 22 South, Range 25 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 25 EAST, NMPM  
Section 9: E/2

d) Create a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the Southwest Sulphate-Delaware Pool. The discovery well is Hanson Oil Corporation Gulf Federal Well No. 1 located in Unit M of Section 12, Township 25 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 26 EAST, NMPM  
Section 11: E/2 SE/4  
Section 12: W/2 SW/4

e) Create a new pool in Lea County, New Mexico, classified as an oil pool for Fusselman production and designated as the Teague-Fusselman Pool. The discovery well is Carter Foundation Production Company E. C. Hill Federal Well No. 5 located in Unit E of Section 35, Township 23 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM  
Section 35: NW/4

f) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the North Turkey Track-Morrow Gas Pool. The discovery well is Hondo Drilling Company Alcott Well No. 1 located in Unit G of Section 31, Township 18 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM  
Section 29: S/2  
Section 31: N/2  
Section 32: N/2

g) Extend the Atoka-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM  
Section 14: E/2

h) Extend the Avalon-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM  
Section 34: S/2

i) Extend the Buffalo Valley-Pennsylvanian Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 28 EAST, NMPM  
Section 8: S/2

- j) Extend the Burton Flat-Morrow Gas Pool in Eddy County, New Mexico, to include therein:  
TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM  
Section 34: N/2
- k) Extend the South Carlsbad-Morrow Gas Pool in Eddy County, New Mexico, to include therein:  
TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM  
Section 7: E/2
- l) Extend the Cato-San Andres Pool in Chaves County, New Mexico, to include therein:  
TOWNSHIP 8 SOUTH, RANGE 30 EAST, NMPM  
Section 1: SE/4  
TOWNSHIP 8 SOUTH, RANGE 31 EAST, NMPM  
Section 6: S/2 and NE/4
- m) Extend the East Chisum-San Andres Pool in Chaves County, New Mexico, to include therein:  
TOWNSHIP 11 SOUTH, RANGE 28 EAST, NMPM  
Section 16: S/2 NE/4
- n) Extend the Corbin Queen Pool in Lea County, New Mexico, to include therein:  
TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM  
Section 35: SW/4
- o) Extend the Cruz-Delaware Pool in Lea County, New Mexico, to include therein:  
TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM  
Section 25: NE/4
- p) Extend the Esperanza-Delaware Pool in Eddy County, New Mexico, to include therein:  
TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM  
Section 10: N/2 NE/4  
Section 11: W/2 NW/4 and NW/4 SW/4
- q) Extend the Hat Mesa-Morrow Gas Pool in Lea County, New Mexico, to include therein:  
TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM  
Section 3: Lots 9, 10, 11, 12, 13, 14, 15 and 16
- r) Extend the Kemnitz-Morrow Gas Pool in Lea County, New Mexico, to include therein:  
TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM  
Section 15: W/2
- s) Extend the Little Box Canyon-Morrow Gas Pool in Eddy County, New Mexico, to include therein:  
TOWNSHIP 21 SOUTH, RANGE 21 EAST, NMPM  
Section 13: E/2  
TOWNSHIP 21 SOUTH, RANGE 22 EAST, NMPM  
Section 18: W/2
- t) Extend the South Loco Hills-Queen Grayburg-San Andres Pool in Eddy County, New Mexico, to include therein:  
TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM  
Section 32: N/2 NW/4
- u) Extend the Many Gates-Abo Pool in Chaves County, New Mexico, to include therein:  
TOWNSHIP 9 SOUTH, RANGE 30 EAST, NMPM  
Section 31: NW/4



- v) Extend the Nash Draw-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 29 EAST, NMPM  
Section 12: S/2  
Section 13: E/2

- w) Extend the Red Lake-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM  
Section 29: N/2  
Section 30: N/2

- x) Extend the Scanlon-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM  
Section 32: N/2

- y) Extend the vertical limits of the South Tonto-Yates Pool in Lea County, New Mexico, to include the Seven Rivers formation and redesignate said pool as the South Tonto-Yates-Seven Rivers Pool, and extend the horizontal limits of said pool to include therein:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM  
Section 30: SW/4

- z) Extend the Tubb Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM  
Section 28: N/2

- aa) Extend the Winchester-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM  
Section 33: N/2



# Telegram

BNA311(1530)(2-177420E331)PD 11/27/73 1530

ICS IPMBNGZ CSP

9156824364 TDBN MIDLAND TX 36 11-27 0330P EST

FON 5058272630

MR DAN METTER OIL CONSERVATION COMMISSION

BOX 2088

SANTA FE NM 87501

DUE TO THE DEATH OF A VERY CLOSE AND LOYAL FRIEND IN SAN FRANCISCO  
I WILL BE UNABLE TO ATTEND THE HEARING REFERENCE MY CASE NUMBER  
5117 STOP PLEASE EXTEND MY COURTESIES FOR THIS UNAVOIDABLE INCIDENT  
ROGER C HANKS

NNNN

Docket No. 34-73

DOCKET: COMMISSION HEARING - TUESDAY - NOVEMBER 27, 1973

OIL CONSERVATION COMMISSION - 9 A.M. - MORGAN HALL,  
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

CASE 5063: (De Novo)

Application of Shell Oil Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox location for its Sanger Well No. 6Y to be located 1220 feet from the North line and 180 feet from the West line of Section 27, Township 18 South, Range 38 East, Hobbs Pool, Lea County, New Mexico.

Upon application of Samedan Oil Corporation, this case will be heard De Novo pursuant to the provisions of Rule 1220.

Docket No. 36-73

DOCKET: EXAMINER HEARING - TUESDAY - DECEMBER 11, 1973

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,  
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

- ALLOWABLE: (1) Consideration of the allowable production of gas for January, 1974, from fifteen prorated pools in Lea, Eddy, Roosevelt and Chaves Counties, New Mexico;
- (2) Consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, for January, 1974.


DOCKET: EXAMINER HEARING - WEDNESDAY - NOVEMBER 28, 1973

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,  
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

CASE 5115: Application of Mobil Oil Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Corral Draw Unit Area comprising 19,199 acres, more or less, of Federal and State lands in Townships 25 and 26 South, Range 29 East, Eddy County, New Mexico.

CASE 5116: Application of Mobil Oil Corporation for a pressure maintenance project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project by the injection of water and/or gas into the Middle Pennsylvanian formation of its Bridges State Well No. 147 located in Unit F of Section 13, Township 17 South, Range 34 East, Vacuum-Middle Pennsylvanian Pool, Lea County, New Mexico, the W/2 of said Section 13 to be the initial project area. Applicant further seeks the promulgation of rules for said project including a provision for administrative approval for expansion thereof.

 CASE 5117: Application of Roger C. Hanks for creation of a new pool and special rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of the North Dagger Draw-Cisco Canyon Oil Pool in Sections 24, 25, and 36, Township 19 South, Range 24 East, Sections 18, 19, 30 and 31, Township 19 South, Range 25 East, and Section 1, Township 20 South, Range 24 East, Eddy County, New Mexico, and the promulgation of special pool rules therefor, including a provision for 320-acre spacing and proration units and specified well locations.

CASE 5118: Application of Shell Oil Company for an extension of Order No. R-4289, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the indefinite extension of Order No. R-4289, which order as extended authorized temporary downhole commingling of the Morrow Pennsylvanian and Devonian production in the wellbore in its Antelope Ridge Well No. 2 located in Unit B of Section 4, Township 24 South, Range 34 East, Antelope Ridge Field, Lea County, New Mexico.

CASE 5119: Application of Getty Oil Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Stock Unit Area comprising 5,760 acres, more or less, of State lands in Township 21 South, Range 33 East, Lea County, New Mexico.

CASE 5120: Application of Lone Star Producing Company for a dual completion and salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water by

(Case 5120 continued from Page 1)

injection into the San Andres formation through the annulus between 5 1/2-inch and 8 5/8-inch casing strings of its New Mexico State 80 Well No. 1 located in Unit B of Section 33, Township 14 South, Range 34 East, Tres Papalotes-Pennsylvanian Pool, Lea County, New Mexico, and to produce oil from said pool through 2 3/8-inch tubing installed within the 5 1/2-inch casing.

CASE 5121: Application of Texaco Inc. for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 160-acre non-standard gas proration unit comprising the SE/4 of Section 25, Township 20 South, Range 32 East, South Salt Lake-Morrow Gas Pool, Lea County, New Mexico, to be dedicated to its Audie Richards Well No. 1 located in Unit P of said Section 25.

CASE 5122: Application of Sun Oil Company for the creation of a new oil pool and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Wolfcamp production for its Shern Federal Well No. 1 located in Unit M of Section 15, Township 19 South, Range 32 East, Lusk Field, Lea County, New Mexico, and the promulgation of special pool rules therefor including a provision for 160-acre spacing and proration units and a special limiting gas-oil ratio of 4000 to 1.

CASE 5123: Application of Consolidated Oil & Gas Inc. for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle gas production from the Flora Vista-Gallup Gas Pool and the Basin Dakota-Gas Pool in the wellbore of its Clayton Well No. 1-2 located in Unit N of Section 2, Township 30 North, Range 12 West, San Juan County, New Mexico.

CASE 5124: Application of Belco Petroleum Corporation for compulsory pooling and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the S/2 of Section 30, Township 20 South, Range 33 East, South Salt Lake-Morrow Gas Pool, Lea County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the South line and 1300 feet from the East line of said Section 30. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5126: Application of Atlantic Richfield Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Avalon Deep Unit Area comprising 10, 117 acres, more or less, of fee, Federal, and State lands in Township 21 South, Ranges 26 and 27 East, Eddy County, New Mexico.

CASE 5127: Application of Skelly Oil Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Salt Lake South Unit Area comprising 7080.12 acres, more or less, of State and Federal lands in Township 21 South, Range 32 East, Lea County, New Mexico.

CASE 5125: Northwestern nomenclature case calling for the creation and extension of certain pools in McKinley, San Juan, Rio Arriba and Sandoval Counties, New Mexico:

(a) Create a new pool in McKinley County, New Mexico, classified as an oil pool for Mesaverde production and designated as the Blackeye-Mesaverde Oil Pool. The discovery well is the K & W Oil Co. #55-Y Jaco located in Unit D of Section 32, Township 20 North, Range 9 West, NMPM. Said pool would comprise:

TOWNSHIP 20 NORTH, RANGE 9 WEST, NMPM

Section 29: W/2 SW/4

Section 30: SE/4 NE/4 and NE/4 SE/4

Section 32: NW/4 NW/4

(b) Create a new pool in McKinley County, New Mexico, classified as an oil pool for Dakota production and designated as the Blackeye-Dakota Oil Pool. The discovery well is the Colorado Plateau Geological Services, Inc. #1 Blackeye located in Unit M of Section 29, Township 20 North, Range 9 West, NMPM. Said pool would comprise:

TOWNSHIP 20 NORTH, RANGE 9 WEST, NMPM

Section 29: SW/4 SW/4

(c) Create a new pool in McKinley County, New Mexico, classified as a gas pool for Dakota A production and designated as the Lone Pine-Dakota A Pool. The discovery well is the Tenneco Oil Co. #2 SFPRR located in Unit L of Section 13, Township 17 North, Range 9 West, NMPM. Said pool would comprise:

TOWNSHIP 17 NORTH, RANGE 9 WEST, NMPM

Section 13: SW/4

Section 23: NE/4

Section 24: NW/4

(d) Create a new pool in San Juan County, New Mexico, classified as a gas pool for Fruitland production and designated as the Mt. Nebo-Fruitland Pool. The discovery well is the Amoco Production Co. #1 Keys Gas Com E located in Unit D of Section 27, Township 32 North, Range 10 West, NMPM. Said pool would comprise:

TOWNSHIP 32 NORTH, RANGE 10 WEST, NMPM

Section 27: NW/4

Section 28: NE/4

(e) Extend the Angels Peak-Gallup Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 9 WEST, NMPM

Section 6: N/2  
Section 7: SW/4  
Section 8: All  
Section 9: W/2  
Section 18: W/2 & SE/4  
Section 23: W/2

TOWNSHIP 26 NORTH, RANGE 10 WEST, NMPM

Section 3: SW/4 & S/2 SE/4  
Section 11: S/2  
Section 12: All  
Section 13: N/2

(f) Extend the Aztec-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 28 NORTH, RANGE 8 WEST, NMPM

Section 18: W/2

TOWNSHIP 29 NORTH, RANGE 9 WEST, NMPM

Section 18: S/2  
Section 20: SW/4

TOWNSHIP 29 NORTH, RANGE 10 WEST, NMPM

Section 12: SW/4

TOWNSHIP 31 NORTH, RANGE 11 WEST, NMPM

Section 18: SE/4  
Section 21: SW/4  
Section 28: SE/4  
Section 31: E/2  
Section 32: SW/4

TOWNSHIP 31 NORTH, RANGE 12 WEST, NMPM

Section 2: N/2  
Section 3: NE/4

(g) Extend the Ballard-Pictured Cliffs Pool in Rio Arriba, Sandoval and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 22 NORTH, RANGE 2 WEST, NMPM

Section 6: N/2 & SE/4  
Section 7: NE/4  
Section 8: W/2

TOWNSHIP 23 NORTH, RANGE 3 WEST, NMPM

Section 15: S/2  
Section 16: S/2  
Section 21: All  
Section 22: All  
Section 23: All  
Section 26: N/2  
Section 27: N/2 & SE/4  
Section 28: NE/4

TOWNSHIP 23 NORTH, RANGE 4 WEST, NMPM

Section 24: NE/4

TOWNSHIP 23 NORTH, RANGE 5 WEST, NMPM

Section 14: NW/4

TOWNSHIP 24 NORTH, RANGE 6 WEST, NMPM

Section 17: SW/4  
Section 20: N/2

(h) Extend the Blanco-Mesaverde Pool in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 5 WEST, NMPM

Section 8: E/2  
Section 9: All  
Section 10: W/2  
Section 14: N/2

TOWNSHIP 27 NORTH, RANGE 9 WEST, NMPM

Section 9: SE/4  
Section 34: S/2

TOWNSHIP 28 NORTH, RANGE 9 WEST, NMPM

Section 7: All (Partial)  
Section 18: All  
Section 19: All  
Section 31: W/2

TOWNSHIP 28 NORTH, RANGE 10 WEST, NMPM

Section 13: E/2

(i) Extend the Blanco-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 7 WEST, NMPM

Section 30: SW/4  
Section 31: W/2



TOWNSHIP 29 NORTH, RANGE 8 WEST, NMPM

Section 5: SE/4	Section 25: W/2 & SE/4
Section 8: S/2	Section 26: E/2
Section 14: N/2	Section 33: W/2
Section 15: S/2	Section 34: NE/4
Section 16: S/2	Section 35: N/2
Section 17: S/2 & NE/4	Section 36: N/2
Section 23: SE/4	

TOWNSHIP 29 NORTH, RANGE 9 WEST, NMPM

Section 6: S/2  
Section 7: All  
Section 18: NE/4

TOWNSHIP 30 NORTH, RANGE 9 WEST, NMPM

Section 14: NE/4

TOWNSHIP 30 NORTH, RANGE 10 WEST, NMPM

Section 2: All	Section 14: NE/4
Section 5: SE/4	Section 15: SW/4
Section 6: NE/4	Section 16: N/2 & SE/4
Section 9: NE/4	Section 22: SE/4
Section 10: N/2	Section 23: S/2
Section 11: All	Section 24: SW/4
Section 12: SW/4	Section 25: All
Section 13: All	Section 26: NE/4

TOWNSHIP 31 NORTH, RANGE 9 WEST, NMPM

Section 31: S/2

TOWNSHIP 31 NORTH, RANGE 10 WEST, NMPM

Section 18: SW/4	Section 32: E/2
Section 29: SE/4	Section 35: S/2
Section 31: S/2	Section 36: S/2

TOWNSHIP 31 NORTH, RANGE 11 WEST, NMPM

Section 3: All	Section 12: All
Section 4: All	Section 13: E/2
Section 5: N/2 & SE/4	Section 14: N/2
Section 8: SW/4	Section 17: N/2
Section 9: N/2	Section 23: W/2
Section 10: N/2	Section 25: SW/4
Section 11: All	

TOWNSHIP 32 NORTH, RANGE 11 WEST, NMPM

Section 21: E/2	Section 32: All
Section 22: SW/4	Section 33: All
Section 27: All	Section 34: All
Section 28: All	Section 35: S/2
Section 29: N/2 & SE/4	

(j) Extend the South Blanco-Pictured Cliffs Pool in Rio Arriba, Sandoval and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 23 NORTH, RANGE 1 WEST, NMPM  
Section 8: SE/4

TOWNSHIP 25 NORTH, RANGE 6 WEST, NMPM  
Section 9: E/2      Section 16: NE/4

TOWNSHIP 27 NORTH, RANGE 6 WEST, NMPM  
Section 17: NE/4

TOWNSHIP 28 NORTH, RANGE 6 WEST, NMPM  
Section 26: SW/4      Section 35: W/2  
Section 27: E/2      Section 36: NW/4

TOWNSHIP 28 NORTH, RANGE 7 WEST, NMPM  
Section 16: E/2

TOWNSHIP 28 NORTH, RANGE 8 WEST, NMPM  
Section 8: All (Partial)      Section 18: E/2  
Section 9: All (Partial)      Section 19: NE/4  
Section 14: W/2 & SE/4      Section 20: NW/4  
Section 15: N/2      Section 23: NE/4  
Section 16: NE/4      Section 24: W/2 & SE/4  
Section 17: All      Section 25: N/2

(k) Extend the Choza Mesa-Pictured Cliffs Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 28 NORTH, RANGE 4 WEST, NMPM  
Section 23: W/2

(l) Extend the Flora Vista-Fruitland Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 30 NORTH, RANGE 12 WEST, NMPM  
Section 1: SW/4  
Section 2: S/2  
Section 3: SE/4

(m) Extend the South Gallegos-Fruitland Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 12 WEST, NMPM  
Section 1: SW/4

(n) Extend the Gonzales-Mesaverde Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM  
Section 4: SW/4      Section 9: NW/4  
Section 5: SE/4

TOWNSHIP 26 NORTH, RANGE 5 WEST, NMPM

Section 29: SW/4      Section 32: W/2  
Section 31: S/2

(o) Extend the Hospah-Dakota Oil Pool in McKinley County, New Mexico, to include therein:

TOWNSHIP 17 NORTH, RANGE 8 WEST, NMPM

Section 5: SW/4 SW/4      Section 7: N/2 NE/4  
Section 6: SE/4 SE/4

(p) Extend the Kutza-Fruitland Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 28 NORTH, RANGE 11 WEST, NMPM

Section 13: W/2

(q) Extend the Largo-Chacra Pool in Rio Arriba & San Juan Counties, New Mexico, to include therein:

TOWNSHIP 27 NORTH, RANGE 8 WEST, NMPM

Section 10: NE/4	Section 16: S/2
Section 11: All	Section 17: SE/4
Section 13: W/2 & SE/4	Section 23: N/2
Section 14: All	Section 25: W/2
Section 15: S/2	Section 26: E/2

(r) Extend the South Lindrith-Gallup Dakota Oil Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 4 WEST, NMPM

Section 21: SE/4      Section 28: N/2 & SW/4

(s) Extend the Lone Pine-Dakota D Oil Pool in McKinley County, New Mexico, to include therein:

TOWNSHIP 17 NORTH, RANGE 8 WEST, NMPM

Section 7: S/2 NE/4      Section 8: W/2 NW/4

(t) Extend the North Los Pinos-Fruitland Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 32 NORTH, RANGE 8 WEST, NMPM

Section 13: SE/4

(u) Extend the Otero-Chacra Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM

Section 2: SW/4	Section 12: W/2
Section 3: SE/4	Section 14: NW/4
Section 10: SE/4	Section 15: NE/4
Section 11: S/2 & NE/4	

TOWNSHIP 26 NORTH, RANGE 5 WEST, NMPM

Section 31: W/2      Section 32: SW/4

TOWNSHIP 26 NORTH, RANGE 6 WEST, NMPM

Section 21: SW/4      Section 33: E/2

Section 26: NW/4 & SE/4      Section 34: All

Section 27: All      Section 36: S/2

TOWNSHIP 26 NORTH, RANGE 7 WEST, NMPM

Section 11: N/2

(v) Extend the Pinon-Fruitland Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 28 NORTH, RANGE 11 WEST, NMPM

Section 8: All (Partial)

Section 9: All (Partial)

(w) Extend the Tapacito-Pictured Cliffs Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 3 WEST, NMPM

Section 21: NE/4

TOWNSHIP 27 NORTH, RANGE 5 WEST, NMPM

Section 6: SE/4      Section 27: N/2

Section 15: SE/4

(x) Extend the Tocado Dome-Pennsylvanian D Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 18 WEST, NMPM

Section 26: NW/4      Section 27: NE/4

(y) Extend the Ute Dome-Dakota Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 31 NORTH, RANGE 14 WEST, NMPM

Section 10: All      Section 11: All

TOWNSHIP 32 NORTH, RANGE 14 WEST, NMPM

Section 25: E/2

(z) Extend the Ute Dome-Paradox Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 31 NORTH, RANGE 14 WEST, NMPM

Section 10: All

TOWNSHIP 32 NORTH, RANGE 14 WEST, NMPM

Section 25: All

Name  
Address  
Remarks:

Ph.

Name  
Address  
Remarks:

Ph.

24

25

6	5	4	3	2	1	6	5	4	3	2	1
7	8	9	10	11	12	7	8	9	10	11	12
13	14	15	16	17	18	13	14	15	16	17	18
19	20	21	22	23	24	19	20	21	22	23	24
25	26	27	28	29	30	25	26	27	28	29	30
31	32	33	34	35	36	31	32	33	34	35	36
6	5	4	3	2	1	T ..... R ..... State or County .....					
7	8	9	10	11	12						
13	14	15	16	17	18						
19	20	21	22	23	24						
25	26	27	28	29	30						
31	32	33	34	35	36						

20

T ..... R ..... State  
or County .....

# *Bennett Wire Line Service*

305 MCARTHUR AVENUE • PHONE 746-3281

ARTESIA, NEW MEXICO 88210

August 8, 1975

Roger C. Hanks  
Midland, Texas

Re: Barbara Fed. No.3

Gentlemen:

The pressures recorded @ 7500 Ft. depth on your Barbara Fed.  
No.3 for buildup in 17 hours. On 8/1/75

Pressure @ start of test	_____	1933 Lbs.
" @ end of 17 hours	_____	2020 "

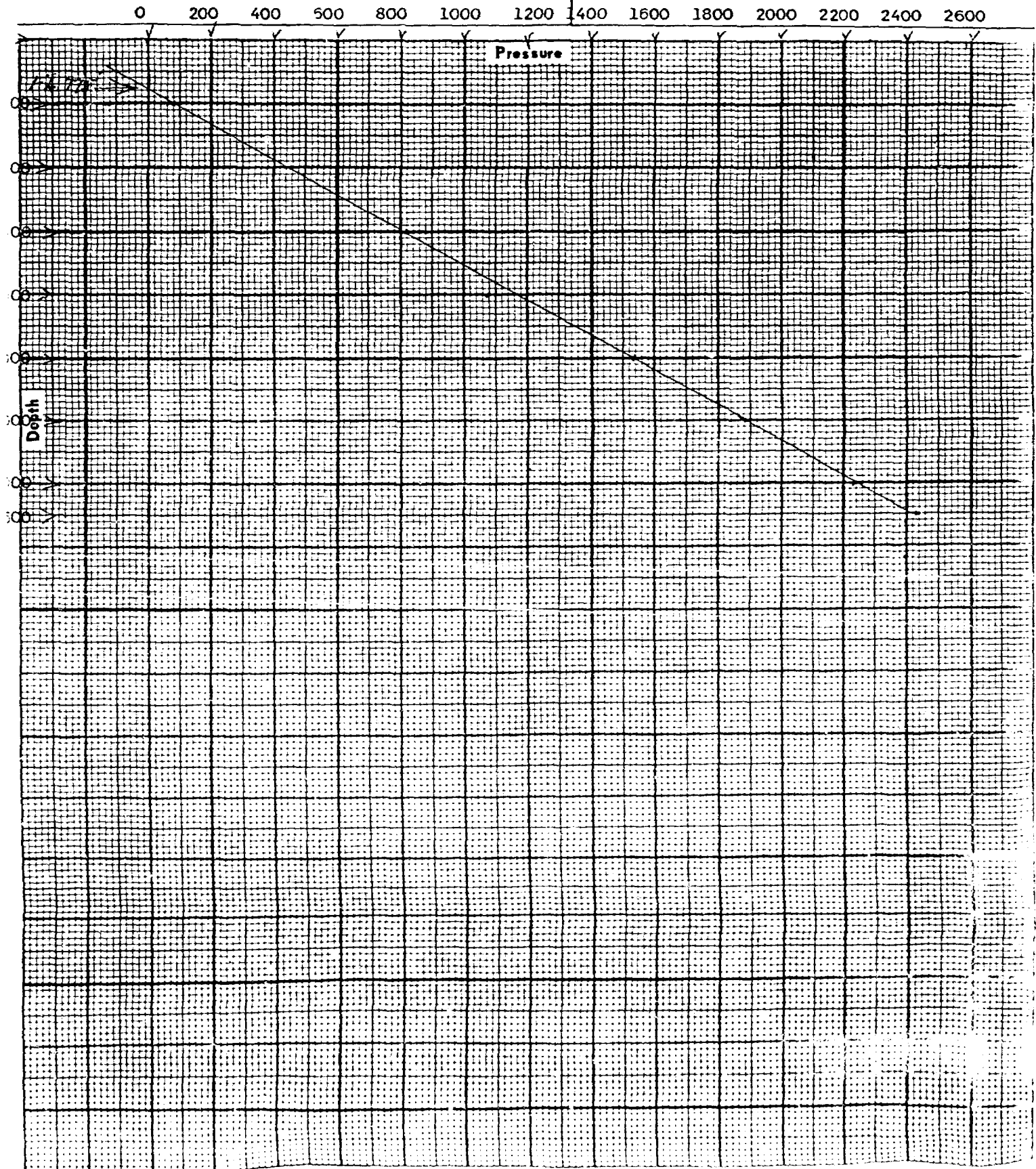
Pressure gain per hour	_____	5.1"
------------------------	-------	------

Bennett Wire Line Service  
305 McArthur Ave. Ph. (505) 746-3281  
Artesia, New Mexico - 88210

## BOTTOM HOLE PRESSURE SURVEY REPORT

OPERATOR ROGER C. HANKS  
LEASE KATHY  
WELL NO. 1  
FIELD \_\_\_\_\_  
DATE 12/18/75 TIME 8:00 AM.  
STATUS Shut-in TEST DEPTH 7500 Ft.  
TIME S.I. \_\_\_\_\_ LAST TEST DATE \_\_\_\_\_  
CAS. PRES. \_\_\_\_\_ BHP LAST TEST \_\_\_\_\_  
TUB. PRES. 0 BHP CHANGE \_\_\_\_\_  
ELEV. \_\_\_\_\_ FLUID TOP 775 ft  
DATUM BH.151 WATER TOP \_\_\_\_\_  
TEMP \_\_\_\_\_ RUN BY Bennett  
CLOCK NO. \_\_\_\_\_ GAUGE NO. \_\_\_\_\_  
ELEMENT NO. 9526

DEPTH	PRESSURE	GRADIENT
0 Ft.	0 Lbs.	Lbs./100 Ft.
1000 "	81 "	8.0 34 °
2000 "	466 "	38.5 91 °
3000 "	818 "	35.2 99 °
4000 "	1174 "	35.6 112 °
5000 "	1538 "	36.4 121 °
6000 "	1883 "	34.5 131 °
7000 "	2235 "	45.2 143 °
7500 "	2429 "	38.8 151 °



# BENNETT WIRE LINE SERVICE

ARTESIA, N.M.

10/17/1970/ST/ 305 McArthur  
LINE SH.6-3231

W0000/NN/

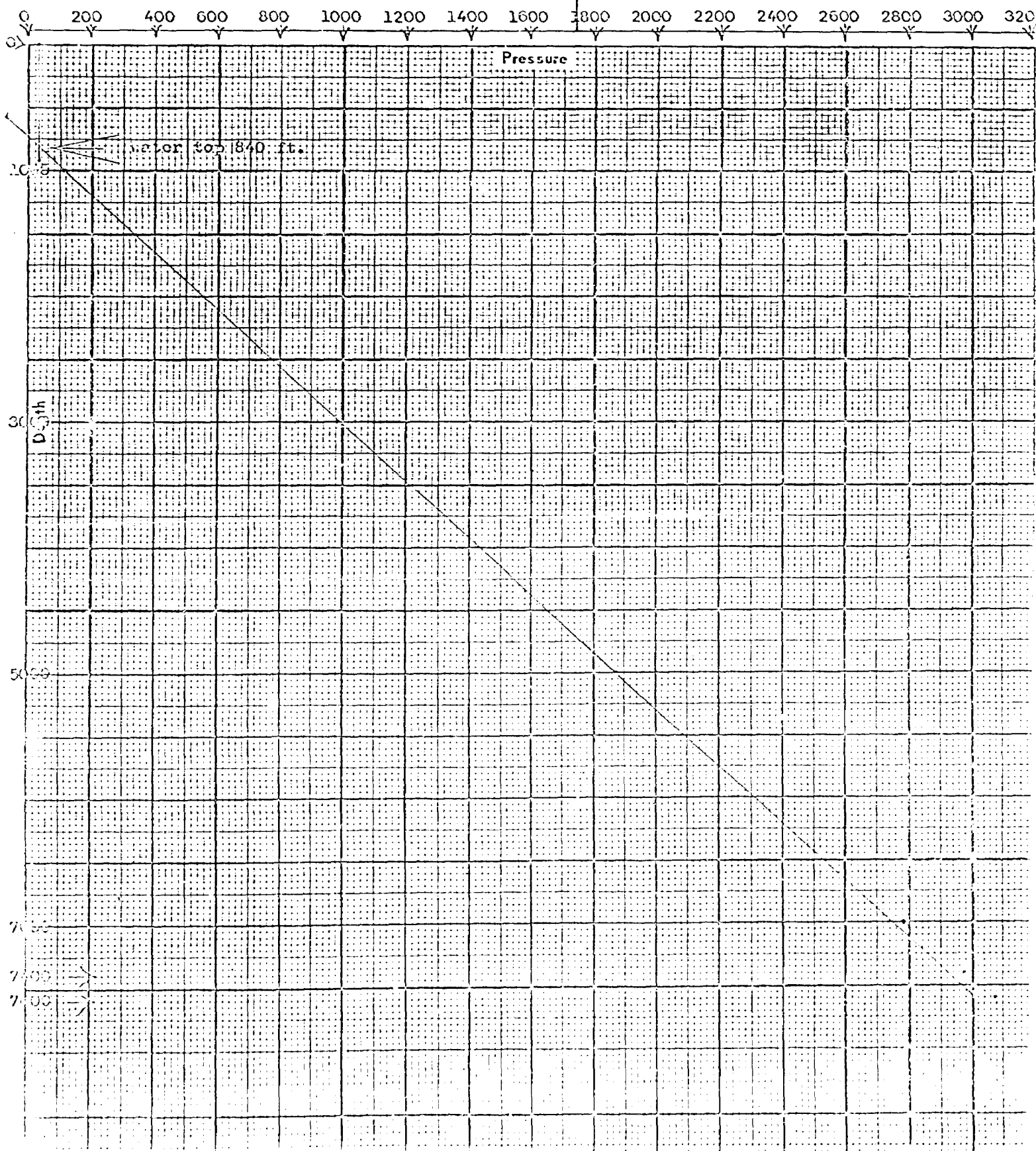
RT/1/DOX/NS2/

RYONE/10/24000/

## BOTTOM HOLE PRESSURE SURVEY REPORT

OPERATOR ROGER C. HANKS  
LEASE DAGGER DRAW WI. UNIT  
WELL NO. 1  
FIELD                       
DATE 6/28/70 TIME 9:00 AM.  
STATUS Shut-in TEST DEPTH 7782 ft.  
TIME S.I. 72 hrs. LAST TEST DATE                       
CAS. PRES. 0 BHP LAST TEST                       
TUB. PRES. 30 lbs. BHP CHANGE                       
ELEV.                      FLUID TOP 840 ft.  
DATUM                      WATER TOP 840 "  
TEMP                      RUN BY E.D. Bennett  
CLOCK NO.                      GAUGE NO. 381  
ELEMENT NO. 381

DEPTH	PRESSURE	GRADIENT Lbs./ 100 ft.
0 ft.	30 lbs.	
1000 "	116 "	08.6
3000 "	983 "	43.4
5000 "	1877 "	44.7
7000 "	2783 "	45.4
7400 "	2976 "	48.2
7600 "	3076 "	50.0



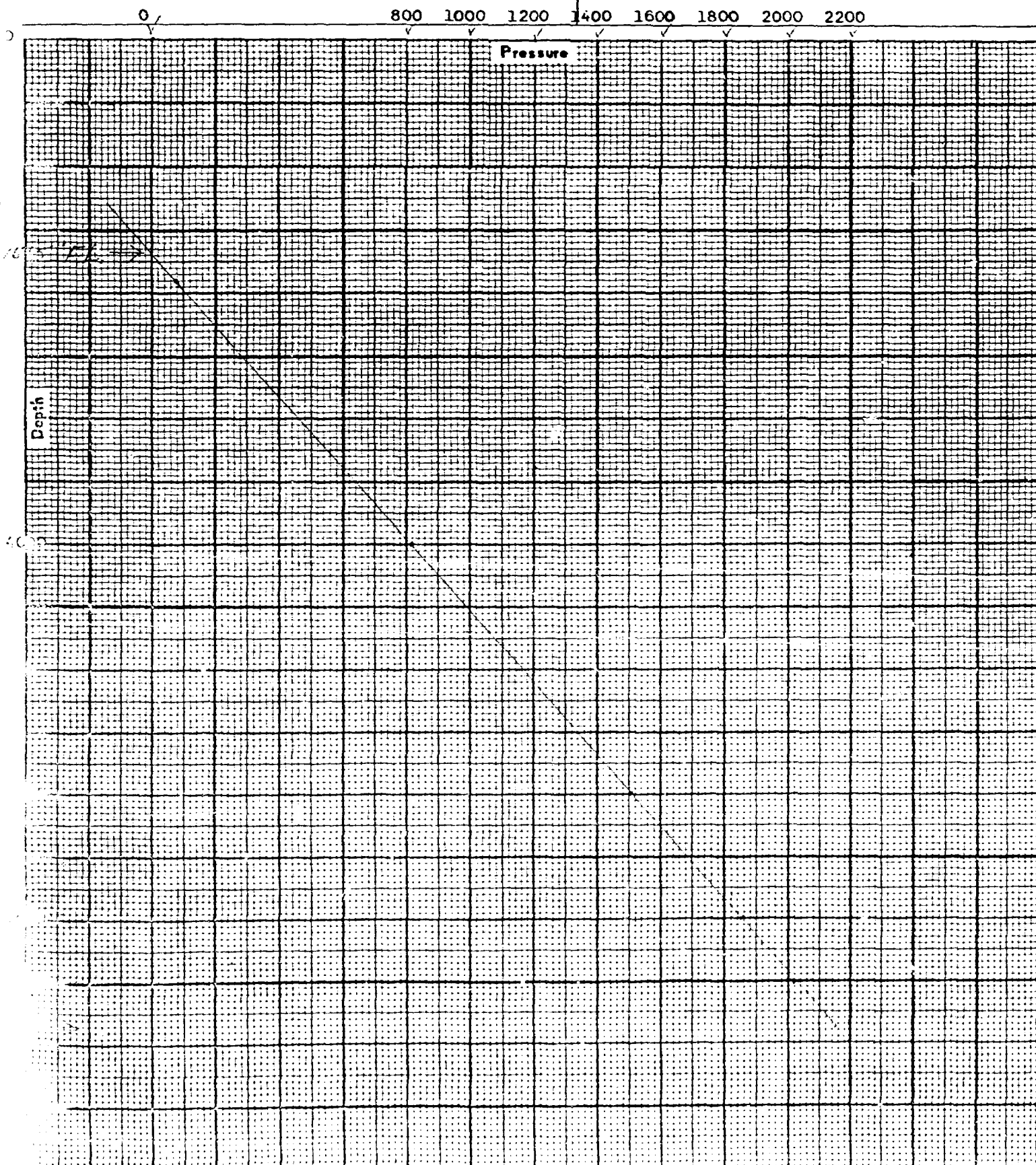


Bennett Wire Line Service  
305 McArthur Ave. Ph. (505) 746-3281  
Artesia, New Mexico - 88210

## BOTTOM HOLE PRESSURE SURVEY REPORT

OPERATOR ROGER C. HANKS  
LEASE Barbara  
WELL NO. 2  
FIELD \_\_\_\_\_  
DATE 2/12/74 TIME 4:00 PM.  
STATUS Shut-in TEST DEPTH 7868 Ft.  
TIME S.I. \_\_\_\_\_ LAST TEST DATE \_\_\_\_\_  
CAS. PRES. 0 BHP LAST TEST \_\_\_\_\_  
TUB. PRES. 0 BHP CHANGE \_\_\_\_\_  
ELEV. \_\_\_\_\_ FLUID TOP 1475'  
DATUM \_\_\_\_\_ WATER TOP \_\_\_\_\_  
TEMP BH.150 RUN BY E.D. Bennett  
CLOCK NO. \_\_\_\_\_ GAUGE NO. 8567  
ELEMENT NO. 8567

DEPTH	PRESSURE	GRADIENT
		Lbs./100 Ft.
0 Ft.	0 Lbs.	
4000 "	816 "	20.4
6000 "	1504 "	34.4
7000 "	1853 "	34.9
7500 "	2019 "	33.2
7868 "	2152 "	36.1



BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

APPLICATION OF ROGER C. HANKS  
FOR DESIGNATION OF NORTH DAGGER  
DRAW OIL POOL AND SPECIAL RULES  
THEREFOR, EDDY COUNTY, NEW  
MEXICO.

CASE NO. 2117

APPLICATION

COMES NOW Roger C. Hanks (Applicant), operator of oil and gas  
leases covering the lands involved herein and states:

1. That there exists in Eddy County, New Mexico an area  
composed of:

Township 19 South, Range 24 East, N.M.P.M.

Section 24: All  
Section 25: All  
Section 36: All

Township 19 South, Range 25 East, N.M.P.M.

Section 18: All  
Section 19: All  
Section 30: All  
Section 31: All

Township 20 South, Range 24 East, N.M.P.M.

Section 1: All

containing 5,120 acres, more or less, which is a common geological  
area susceptible to production of oil and associated hydrocarbons  
from a common formation believed to be the Cisco Canyon Member of  
the Upper Pennsylvanian Formation. It is believed by Applicant  
that the productive characteristics of such oil or associated hydro-  
carbons will be substantially the same throughout said area.

2. That in order to prevent waste and to protect the correlative  
rights of all interested parties, it is advisable that such oil

DOCKET MAILED

Date 11-16-73

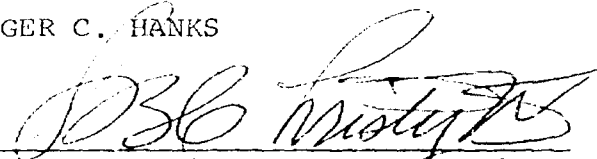
and associated hydrocarbons from such formation within said area be spaced, drilled and produced in a substantially uniform manner so that as to most efficiently and effectively produce the maximum recoverable oil and associated hydrocarbons from such formation within said area. That as a consequence special rules and regulations should be promulgated for the production of oil and associated hydrocarbons from such formation within said area; proposed rules and regulations are attached hereto as Exhibit 1.

3. That in the opinion of the Applicant the proposed pool area is not in communication with any pool heretofore designated by the Commission and constitutes a separate source of supply. Currently, said area includes undesignated, Dagger Draw Upper Penn, and Parish Ranch Upper Penn Pools which in the opinion of the Applicant are a common source of supply.

WHEREFORE, Applicant prays that, after notice and hearing, the Commission establish a new area in Eddy County, New Mexico classified for the production of oil and associated hydrocarbons from the Cisco Canyon Member of the Upper Pennsylvanian Formation, and designated as the North Dagger Draw Oil Pool with vertical and horizontal limits; for the promulgation of special rules and regulations for the North Dagger Draw Oil Pool.

ROGER C. HANKS

By

  
S. B. Christy IV, as a member  
of the firm, Jennings, Christy  
& Copple, P. O. Box 1180,  
Roswell, New Mexico 88201  
(505) 622-8432

Attorneys for the Applicant

SPECIAL RULES AND REGULATIONS  
FOR THE  
NORTH DAGGER DRAW-UPPER PENNSYLVANIAN OIL POOL

RULE 1. Each well completed or recompleted in the North Dagger Draw-Upper Pennsylvanian Oil Pool or in the Upper Pennsylvanian formation within one mile thereof, and not nearer to or within the limits of another designated Upper Pennsylvanian Pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well shall be located on a standard unit containing 320 acres, more or less, comprising any two contiguous ~~quarter~~ sections of a single governmental section, being a legal subdivision of the United States Public Land Surveys provided that for the purposes of these rules, a unit consisting of between 316 and 324 contiguous surface acres shall be considered a standard unit.

RULE 3. The Secretary-Director of the Commission may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit and the unorthodox size or shape of the unit is necessitated by a variation in the legal subdivision of the United States Public Land Surveys, or the following facts exist and the following provisions are complied with:

- (a) The non-standard unit consists of quarter-quarter sections or lots that are contiguous by a common bordering side.
- (b) The non-standard unit lies wholly within a standard proration unit for the well under the applicable provisions of Rule 2 above and contains less acreage than a standard unit.
- (c) The applicant presents written consent in the form of waivers from all offset operators and from all operators owning interests in the standard proration unit for the well in which the non-standard unit is situated and which acreage is not included in said non-standard unit.
- (d) In lieu of paragraph (c) of this rule, the applicant may furnish proof of the fact that all of the aforesaid operators were notified by registered or certified mail of his intent to form such non-standard unit. The Secretary-Director may approve the application if

no such operator has entered an objection to the formation of such non-standard unit within 30 days after the Secretary-Director has received the application.

RULE 4. Each well shall be located no nearer than 660 feet to the nearest side boundary of the tract nor nearer than 1980 feet to the nearest end boundary of the tract nor closer than 330 feet to any quarter-quarter section or subdivision inner boundary.

RULE 5. The Secretary-Director may grant an exception to the requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proration unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all operators offsetting the proration unit or if no objection to the unorthodox location has been entered within 20 days after the Secretary-Director has received the application.

RULE 6. That the special depth bracket allowable for a well on a 320-acre tract shall be 427 barrels of oil per day.

RULE 7. That the limiting gas-oil ratio shall be 2,000 cubic feet of gas for each barrel of oil produced.

RULE 8. A well which has 320 acres dedicated to it shall be permitted to produce only that amount of gas determined by multiplying the top unit oil allowable for the pool by the limiting gas-liquid ratio for the pool. In the event there is more than one well on a 320-acre oil proration unit, the operator may produce the allowable assigned to the 320-acre unit from the wells on the unit in any proportion.

RULE 9. The operator of each newly completed well shall cause a gas-liquid ratio test to be taken on the well upon recovery of all load oil from the well, provided however, that any well which is shut in shall be exempted from the gas-liquid ratio test requirement so long as it remains shut in. The initial gas-liquid ratio test shall be taken in the manner prescribed by Rule 10. Subsequent to completion of the initial gas-liquid ratio test, the operator shall not produce the well until beneficial use can be made of the gas.

RULE 10. Gas-liquid ratio tests shall be taken on all wells annually in accordance with orders of the Commission District Supervisor.

Special tests shall also be taken at the request of the Secretary-Director and may also be taken at the option of the operator. Such special tests shall be taken in accordance with the procedures outlined hereinabove, including notification to the Commission and offset operators.

DRAFT

jr

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. 5117

Order No. R-4691

NOMENCLATURE

APPLICATION OF ROGER C. HANKS FOR  
POOL CREATION AND SPECIAL POOL RULES,  
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 28, 19 73,  
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this        day of December, 19 73, the Commission,  
a quorum being present, having considered the testimony, the record,  
and the recommendations of the Examiner, and being fully advised  
in the premises,

FINDS:

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

(2) That the applicant Roger C. Hanks, seeks the establishment  
of a pool for production from the Upper Pennsylvanian (Cisco-Canyon)  
formation by the abolishment of the Parrish Ranch-Upper Pennsylvanian  
Pool and the Dagger Draw-Upper Pennsylvanian Pool and the creation of  
a new pool, designated the North Dagger Draw-Upper Pennsylvanian Pool,  
to take in all acreage formerly therein as well as requisite intervening  
acreage.

-2-

CASE NO. 5117  
Order No. R-

(3) That the applicant further seeks the promulgation of temporary special pool rules for the proposed new pool including a provision for 320-acre spacing, limited well locations, and ~~the~~ the assignment of a special depth bracket allowable of 427 barrels of oil per day.

(4) That the ~~reservoir~~ reservoir characteristics of the proposed pool indicate that it cannot be efficiently and economically drained and developed on less than 320-acre spacing.

(5) That <sup>temporary</sup> special rules and regulations providing for 320-acre spacing for wells should be promulgated for the proposed pool in order to prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, prevent reduced recovery which might result from the drilling of too few wells, and otherwise prevent waste and protect correlative rights.

(6) That the depth bracket allowable for oil wells in the proposed pool should be 427 barrels of oil per day.

(7) That the application for pool abolishment, pool creation, and temporary special pool rules should be granted.

IT IS THEREFORE ORDERED:

(1) That effective January 1, 1974, the Dagger Draw-Upper <sup>here to fore</sup> Pennsylvanian Pool defined as:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM  
Section 36: E/2 and SW/4

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM  
Section 30: W/2 W/2  
Section 31: NW/4

TOWNSHIP 20 SOUTH, RANGE 24 EAST, NMPM  
Section 1: NW/4

and the Parrish Ranch-Upper Pennsylvanian Pool <sup>here to fore</sup> defined as:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM  
Section 13: E/2 SE/4  
Section 24: NE/4

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM  
Section 18: N/2 S/2 and SE/4 NE/4

be and the same are hereby abolished.

-3  
CASE NO. 5117  
Order No. R-

(2) That effective January 1, 1974, a new pool is hereby created and designated the North Dagger Draw-Upper Pennsylvanian Pool with vertical limits consisting of the Upper Pennsylvanian (Cisco-Canyon) formation and horizontal limits defined as:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM  
Section 24: E/2  
Section 25: E/2  
Section 36: All

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM  
Section 18: All  
Section 19: W/2  
Section 30: W/2  
Section 31: W/2

TOWNSHIP 20 SOUTH, RANGE 24 EAST, NMPM  
Section 1: N/2

(3) That effective January 1, 1974, temporary Special Rules and Regulations for the North Dagger Draw-Upper Pennsylvanian Pool, Eddy County, New Mexico, are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS  
FOR THE  
NORTH DAGGER DRAW-  
UPPER PENNSYLVANIAN POOL

RULE 1. Each well completed or recompleted in the North Dagger Draw-Upper Pennsylvanian Pool or in the Upper Pennsylvanian formation within one mile thereof, and not nearer to or within the limits of another designated Upper Pennsylvanian Pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well shall be located on a standard unit containing 320 acres, more or less, comprising any two contiguous quarter sections of a single governmental section, being a legal subdivision of the United States Public Land Surveys provided that for the purposes of these rules, a unit consisting of between 316 and 324 contiguous surface acres shall be considered a standard unit.

as found from a depth of 7575 feet to 7918 feet  
on the log of the Moncanto Hondo Well No. 1,  
located in Unit C of Section 31, Township 19 South,  
Range 25 East, NMPM, Eddy County New Mexico



-4-  
CASE NO. 5117  
Order No. R-

RULE 3. The Secretary-Director of the Commission may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit and the unorthodox size or shape of the unit is necessitated by a variation in the legal subdivision of the United States Public Land Surveys, or the following facts exist and the following provisions are complied with:

(a) The non-standard unit consists of quarter-quarter sections or lots that are contiguous by a common bordering side.

(b) The non-standard unit lies wholly within a standard proration unit for the well under the applicable provisions of Rule 2 above and contains less acreage than a standard unit.

(c) The applicant presents written consent in the form of waivers from all offset operators and from all operators owning interests in the standard proration unit for the well in which the non-standard unit is situated and which acreage is not included in said non-standard unit.

(d) In lieu of paragraph (c) of this rule, the applicant may furnish proof of the fact that all of the aforesaid operators were notified by registered or certified mail of his intent to form such non-standard unit. The Secretary-Director may approve the application if no such operator has entered an objection to the formation of such non-standard unit within 30 days after the Secretary-Director has received the application.

RULE 4. Each well shall be located no nearer than 660 feet to the nearest side boundary of the tract nor nearer than 1980 feet to the nearest end boundary of the tract nor closer than 330 feet to any quarter-quarter section or subdivision inner boundary.

RULE 5. The Secretary-Director may grant an exception to the requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another

-5-

CASE NO. 5117

Order No. R-

horizon. All operators offsetting the proration unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all operators offsetting the proration unit or if no objection to the unorthodox location has been entered within 20 days after the Secretary-Director has received the application.

RULE 6. That the special depth bracket allowable for a well on a 320-acre tract shall be 427 barrels of oil per day.

IT IS FURTHER ORDERED:

(1) That the locations of all wells presently drilling to or completed in the North Dagger Draw-Upper Pennsylvanian Pool or in the Upper Pennsylvanian formation within one mile thereof are hereby approved; that the operator of any well having an unorthodox location shall notify the appropriate district office of the Commission in writing of the name and location of the well on or before March 1, 1974.

(2) That, pursuant to Paragraph A. of Section 65-3-14.5, NMSA 1953, contained in Chapter 271, Laws of 1969, existing oil wells in the North Dagger Draw-Upper Pennsylvanian Pool shall have dedicated thereto 320 acres and existing gas wells in said pool shall have dedicated thereto 320 acres, in accordance with the foregoing pool rules or, pursuant to Paragraph C. of said Section 65-3-14.5, existing wells may have non-standard spacing or proration units established by the Commission and dedicated thereto.

Failure to file new Forms C-102 with the Commission dedicating 320 acres to a well or to obtain a non-standard unit approved by the Commission within 60 days from the date of this order shall subject the well to cancellation of allowable.

-6-

CASE NO. 5117  
Order No. R-

Until said Form C-102 has been filed or until a non-standard unit has been approved, and subject to said 60-day limitation, each well presently drilling to or completed in the North Dagger Draw-Upper Pennsylvanian Pool or in the Upper Pennsylvanian formation within one mile thereof shall receive no more than a 40-acre allowable for this pool.

(3) That this cause shall be reopened in January, 1976 to permit operators in the subject pool to appear and show cause why the special rules promulgated herein should remain in effect.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

ROUGH

dr/

28  
BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF CASE 5117 BEING REOPENED  
PURSUANT TO THE PROVISIONS OF ORDER NO. R-4691-A,  
WHICH ORDER EXTENDED THE TEMPORARY SPECIAL POOL  
RULES FOR THE NORTH DAGGER DRAW-UPPER PENNSYLVANIAN  
POOL, EDDY COUNTY, NEW MEXICO.

CASE NO. 5117  
Order No. R-4691-C

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 9, 1977,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this \_\_\_\_\_ day of March, 1977, the Commission, a  
quorum being present, having considered the testimony, the  
record, and the recommendations of the Examiner, and being fully  
advised in the premises,

FINDS:

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

*dated December 11, 1973,*

(2) That by Order No. R-4691 temporary special rules and  
regulations were promulgated for the North Dagger Draw-Upper  
Pennsylvanian Pool, Eddy County, New Mexico, establishing 320  
acre spacing for the pool and a special depth bracket allowable  
of 427 barrels of oil per day.

*dated February 3, 1974,*

(3) That by Order No. R-4691-A the spacing was changed  
from 320 to 160 acres and the special depth bracket allowable  
from 427 barrels per day to 267 barrels per day.

*dated October 12, 1976,*

(4) That Order No. R-4691-B left the spacing unchanged at  
160 acres but changed the special depth bracket allowable from  
267 barrels per day to 350 barrels of oil per day.

(5) That pursuant to the provisions of Order No. R-4691-A this case was reopened to allow the operators in the subject pool to appear and show cause why the North Dagger Draw-Upper Pennsylvanian Pool should not be developed on less than 160-acre spacing units.

~~(6) That the evidence establishes that one well in the North Dagger Draw-Upper Pennsylvanian Pool can efficiently and economically drain and develop 160 acres.~~

(7) That the Special Rules and Regulations promulgated by Order No. R-4691, <sup>as amended by Orders Nos. R-4691-A and R-4691-B,</sup> have afforded and will afford to the owner of each property in the pool the opportunity to produce his just and equitable share of the gas in the pool, <sup>oil and</sup> will protect correlative rights, and will not cause a waste.

(8) That in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, the Special Rules and Regulations promulgated by Order No. R-4691, <sup>as amended,</sup> should be continued in full force and effect until further order of the Commission.

IT IS THEREFORE ORDERED:

(6) That the evidence establishes that one well in the North Dagger Draw-Upper Pennsylvanian Pool can efficiently and economically drain and develop 160 acres and that the Special Depth Bracket Allowable of 350 barrels of oil per day should be retained.

(1) That the special <sup>for the North Dagger Draw/Upper Pennsylvanian Pool as</sup> rules and regulations promulgated by Order No. R-1691, <sup>by Orders Nos. R-4691-A and R-4691-B,</sup> as amended <sup>are hereby</sup> ~~will afford to the owner of each property in the pool the opportunity to produce his just and equitable share of the oil and gas in the pool, will not cause waste, and will protect correlative rights and should be~~ continued in full force and effect until further order of the Commission.

-3-

Case No. 5117  
Order No. R-4691-C

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

DRAFT

dr/ *W*

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:

*JLR*  
CASE NO. 5117

*JA*  
Order No. R- 4691-A

IN THE MATTER OF CASE 5117 BEING REOPENED PURSUANT TO THE  
PROVISIONS OF ORDER NO. R-4691, WHICH ORDER ESTABLISHED  
TEMPORARY SPECIAL POOL RULES FOR THE NORTH DAGGER DRAW-  
UPPER PENNSYLVANIAN POOL, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 20,  
19 76, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this February day of January, 19 76, the Commission,  
a quorum being present, having considered the testimony, the record,  
and the recommendations of the Examiner, and being fully advised  
in the premises,

FINDS:

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

(2) That by Order No. R-4691, dated December 11, 1973,  
temporary special rules and regulations were promulgated for the  
North Dagger Draw-Upper Pennsylvanian Pool, Eddy County, New Mexico,  
establishing temporary 320-acre spacing units and proration units,  
and a special depth bracket allowable of 427 barrels of oil per day.

(3) That pursuant to the provisions of Order No. R-4691, this  
case was reopened to allow the operators in the subject pool to appear  
and show cause why the North Dagger Draw-Upper Pennsylvanian Pool  
should not be developed on 160-acre spacing units and why the special  
depth bracket allowable should remain in effect.

-2-

Case No. \_\_\_\_\_  
Order No. \_\_\_\_\_

(4) That the evidence establishes that one well in the  
North Dagger Draw-Upper Pennsylvanian Pool can efficiently and

economically drain and develop 160 acres *and that 4.5 gals*

(5) That the Special Rules and Regulations promulgated by  
Order R-4691, *if amended to provide for 160-acre units* ~~have afforded~~ and will afford to the owner  
of each property in the pool the opportunity to produce his just  
and equitable share of the oil and gas in the pool.

(6) That this case should be reopened at an examiner  
hearing in February, 1927, at which time the  
operators in the subject pool should appear and show cause why  
the North Dagger Draw-Upper Pennsylvanian Pool should not be  
developed on less than 160-acre proration units *and why the*  
~~special~~ depth bracket allowable *should not be reduced.*

IT IS THEREFORE ORDERED:

(1) That the Special Rules and Regulations governing the  
North Dagger Draw-Upper Pennsylvanian Pool, promulgated by Order  
No. R-4691, shall remain in full force and effect for an

additional period of one year *provided that the Commission*

(2) That this case shall be reopened at an examiner hearing  
in February, 1927, at which time the operators in  
the subject pool shall appear and show cause why the North

North Dagger Draw-Upper Pennsylvanian Pool should not be developed on less  
than 160-acre proration units with a special depth bracket  
allowable.

(3) That jurisdiction of this cause is retained for the  
entry of such further orders as the Commission may deem necessary.

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

*and to provide a depth bracket of oil per acre*