

Case No.

176

Application, Transcript,
Small Exhibits, Etc.

176 If the matter of the app. of the
O.C. upon its own motion to amend Pgt. 2
of Order 788, etc.

April 21, 1949

Mr. Glenn Staley
Lea County Operators Committee
Drawer I
Hobbs, New Mexico

Dear Mr. Staley:

We are enclosing herewith, copy of Notice of Publication, in connection with the Oil Conservation Commission hearing to be held May 5, 1949, including Cases 176, 177, 181, 182, 183, 184, 185 and 186, for your records and distribution.

We are also enclosing copies of applications and petitions in connection with Cases 181, 182, 183, 184, 185 and 186, for your records.

Very truly yours,

Secretary and Director

RCS:bw
encls.

WV

NEW MEXICO
OIL CONSERVATION COMMISSION

GOVERNOR THOMAS J. MABRY
CHAIRMAN

LAND COMMISSIONER GUY SHEPARD
MEMBER

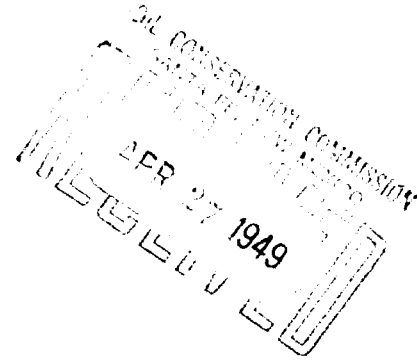
STATE GEOLOGIST R. R. SPURRIER
SECRETARY AND DIRECTOR



ROOM 205, BOOKER BUILDING

Artesia, New Mexico

April 25, 1949



Mr. R. R. Spurrier, Director
Oil Conservation Commission
Box 871
Santa Fe, New Mexico

Dear Mr. Spurrier:

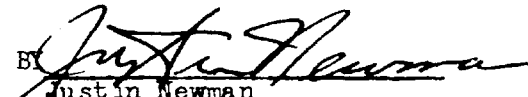
I would like to bring something to your attention which you have probably thought of in connection with proration of marginal wells. Some operators are drilling and will continue to drill more than one well to the same pay on a 40 acre unit. You will probably word the order in such a way that only one allowable per 40 acre unit will be taken from a pool, regardless of twin wells.

As I understand the purpose of the next hearing, the Commission is planning to allow the pipe lines to take all of the oil produced by marginal wells within certain pools.

I am bringing the above exception to your attention even though you probably thought of it before the hearing on April 18, 1949.

Very truly yours,

OIL CONSERVATION COMMISSION

By 
Justin Newman
Artesia Representative

JN:fc

April 28, 1949

Sun Publishing Corporation
Hobbs, New Mexico

Gentlemen:

We today received copy of Notice of Publication dated August 25, 1949, in duplicate, per our request.

We note however, that the purchase voucher was returned to us unsigned, and we are therefore enclosing a new voucher, requesting that it be signed where checked, and returned to us as promptly as possible, in order that we may make payment.

Thank you.

Very truly yours,

R. R. Spurrier
Secretary and Director

RRS:bw
encl.

NOTICE OF PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

The State of New Mexico by its Oil Conservation Commission hereby gives notice, pursuant to law, of the following public hearings to be held May 5, 1949, beginning at 10:00 o'clock A.M. on that day in the City of Santa Fe, New Mexico, in the Senate Chambers.

STATE OF NEW MEXICO TO:

All named parties in the following cases, and notice to the public:

Case 176

Edh
In the matter of the application of the Oil Conservation Commission upon its own motion to reconsider Order 788 issued in Case No. 146 relating to transportation of crude petroleum, and to amend or restate, such order or any part thereof.
(This is a readvertisement of Case 176, heretofore published.)

Case 177

Edh
In the matter of the amended application of the Oil Conservation Commission upon its own motion to rescind, revise, change or amend Order No. 573, which became effective as of June 1, 1944 and generally known as the "Bonus Discovery Allowable Order", and to rescind, revise or amend Section 4 of Order 798, effective November 19, 1948, which amends and supercedes previous Statewide Pro-ration Order No. 637.

Case 181

Edh
In the matter of the application of the R. Olsen Oil Company for an order authorizing an unorthodox well location for a gas well in the center of SW $\frac{1}{4}$ of Section 11, Township 24 South, Range 36 East, in the Cooper-Jal Pool, Lea County, New Mexico.

Case 182

Edh
In the matter of the application of V. S. Welch, Carper Drilling Company and Max W. Coll for an order permitting an unorthodox well location, 1330 feet south of the north line and 1310 feet approximately west of the east line (NW corner SE $\frac{1}{4}$ NE $\frac{1}{4}$) of Section 36, Township 16 South, Range 30 East, N.M.P.M., in the Square Lake Pool, Eddy County, New Mexico.

Case 183

Edh
In the matter of the application of Red Lake Oil Company, a co-partnership composed of Nell Gillaspie, Van Philip Welch, Jr., Marjorie Nell Welch and Robert Hill Welch, by V. S. Welch, guardian of Van Philip Welch, Jr., Marjorie Nell Welch and Robert Hill Welch, minors, and manager at Artesia, New Mexico of the Red Lake Oil Company, for an order permitting and approving an unorthodox well location 1687 feet south of the north line and 1580 feet west of the east line of Section 29, in Township 17 South, Range 28 East, N.M.P.M., in the Red Lake Pool, Eddy County, New Mexico.

Case 184

Edh
In the matter of the application of Kovenue Oil Company for an order granting permission to drill two "five spot", unorthodox well locations, identified as Well 27-B, located 1295 feet north of the north line and 1245 feet west of the east line (SE $\frac{1}{4}$ SE $\frac{1}{4}$) of Section 25, and Well 28-B, located 1295 feet north of the south line and 2615 feet west of the east line (SW $\frac{1}{4}$ SW $\frac{1}{4}$) of Section 25, all in Township 17 South, Range 32 East, N.M.P.M., in the Maljinar Pool, Lea County, New Mexico.

Case 185

Be
In the matter of the application of Buffalo Oil Company for an order granting permission to drill an unorthodox well location designated as Well No. 21-A to be located 25 feet north and 25 feet east of the southwest corner of the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 21 in Township 17 South, Range 32 East, and for permission to plug back Well No. 15-A on the same forty acre tract and produce the same from the Yates sand, said tract being in the Maljamar Pool, Lea County, New Mexico.

Case 186

Eddy
In the matter of the application of Bassett & Collier for an order granting permission to drill an unorthodox location designated as Well No. 6, Williams Estate Fee, located 990 feet south of the north line and 2623 feet west of the east line of Section 25, Township 18 South, Range 26 East, N.M.P.M., in the Dayton Pool, Eddy County, New Mexico.

Given under the seal of the Oil Conservation Commission of New Mexico, at Santa Fe, New Mexico, on April 21, 1949.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

R. R. SPURRIER, Secretary

NOTICE OF PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION
The State of New Mexico by its Oil Conservation Commission hereby gives notice, pursuant to law, of the following public hearings to be held May 5, 1949, beginning at 10:00 o'clock A.M. on that day in the City of Santa Fe, New Mexico, in the Senate Chamber.

STATES OF NEW MEXICO TO:
All named parties in the following cases, and notice to the public:

Case 176
In the matter of the application of the Oil Conservation Commission upon its own motion to reconsider Order 788 issued in Case No. 146 relating to transportation of crude petroleum, and to amend or rescind, such order or any part thereof. (This is a readvertisement of Case 176, heretofore published.)

Case 177
In the matter of the amended application of the Oil Conservation Commission upon its own motion to rescind, revise, change or amend Order No. 573, which became effective as of June 1, 1944 and generally known as the "Bonas Discovery Allowable Order", and to rescind, revise or amend Section 4 of Order 788, effective November 19, 1948, which amends and supercedes previous Statewide Proration Order No. 637.

Case 181
In the matter of the application of the R. Olsen Oil Company for an order authorizing an unorthodox well location for a gas well in the center of SW $\frac{1}{4}$ of Section 11, Township 34 South, Range 35 East, in the Cooper-Jal Pool, Lea County, New Mexico.

Case 182
In the matter of the application of V. S. Welch, Carpet Drilling Company and Max W. Coll for an order permitting an unorthodox well location, 1330 feet south of the north line and 1310 feet approximately west of the east line (NW corner SE $\frac{1}{4}$ NE $\frac{1}{4}$) of Section 36, Township 18 South, Range 30 East, N.M.P.M., in the Square Lake Pool, Eddy County, New Mexico.

Case 183
In the matter of the application of Red Lake Oil Company, a co-partnership composed of Nell Gillespie, Van Philip Welch, Jr., Marjorie Nell Welch and Robert Hill Welch, by V. S. Welch, guardian of Van Philip Welch, Jr., Marjorie Nell Welch and Robert Hill Welch, minors, and manager at Artesia, New Mexico of the Red Lake Oil Company, for an order permitting and approving an unorthodox well location 1887 feet south of the north line and 1280 feet west of the east line of Section 26, in Township 17 South, Range 35 East, N.M.P.M., in the Red Lake Pool, Eddy County, New Mexico.

Case 184
In the matter of the application of Kawnee Oil Company for an order granting permission to drill two "five spot", unorthodox well locations, identified as Well 37-B, located 1295 feet north of the south line and 1245 feet west of the east line (NE $\frac{1}{4}$ SE $\frac{1}{4}$) of Section 25, and Well 28-B, located 1295 feet north of the south line and 2615 feet west of the east line (SW $\frac{1}{4}$ SE $\frac{1}{4}$) of Section 25, all in Township 17 South, Range 32 East, N.M.P.M., in the Mallamar Pool, Lea County, New Mexico.

Case 185
In the matter of the application of Buffalo Oil Company for an order granting permission to drill an unorthodox well location designated as Well No. 21-A to be located 25 feet north and 25 feet east of the southwest corner of the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 21 in Township 17 South, Range 32 East, and for permission to plug back Well No. 15-A on the same

forty acre tract and produce the same from the Yates sand, said tract being in the Mallamar Pool, Lea County, New Mexico.

Case 186
In the matter of the application of Bassett & Collier for an order granting permission to drill an unorthodox location designated as Well No. 6, Williams Estate Pool, located 990 feet south of the north line and 2623 feet west of the east line of Section 25, Township 18 South, Range 36 East, N.M.P.M., in the Dayton Pool, Eddy County, New Mexico.

Given under the seal of the Oil Conservation Commission of New Mexico, at Santa Fe, New Mexico, on April 21, 1949.
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION
R. R. SPURRIER,
Secretary.

(SEAL)
Pub. Apr. 25, 1949.

\$
\$
\$ 11.40

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Affidavit of Publication - 1949

State of New Mexico }
County of Santa Fe }

ss.

I, Will Harrison, being first duly sworn, declare and say that I am the (~~Business Manager~~) (Editor) of the Santa Fe New Mexican, a daily newspaper, published in the English Language, and having a general circulation in the City and County of Santa Fe, State of New Mexico, and being a newspaper duly qualified to publish legal notices and advertisements under the provisions of Chapter 167 of the Session Laws of 1937; that the publication, a copy which is hereto attached, was published in said paper ~~once each week~~ for one time ~~on the day of the publication~~ the regular issue of the paper during the time of publication, and that the notice was ~~published in the regular issue of the paper~~ proper, and not in any supplement, ~~on the day of the publication~~ for publication being on the

April, 19 49, ~~on the day of the publication~~ ~~that payment~~ has been (duly made), or (assessed as court costs); that the knowledge of the matters and things set forth in this affidavit.

Will Harrison

Editor-~~Manager~~

Subscribed and sworn to before me this

25th

day of

April

A.D., 1949

Anna K. Ormsbee

Notary Public

My Commission expires

June 14, 1949

Affidavit of Publication

State of New Mexico,
County of Eddy, ss.

F. B. Rigdon, being first duly sworn,
on oath says:

That he is publisher of the Daily Current-Argus, a newspaper published daily at the City of Carlisbad, in said county of Eddy, State of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of this state wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in a supplement thereof on the dates as follows, to-wit:

April 25 19*49*
..... 19.....
..... 19.....
..... 19.....

that the cost of publication is \$*8.60*,
and that payment therefor has been made
and will be assessed as court costs.

F. B. Rigdon

Subscribed and sworn to before me this

27 day of *April*, 19*49*

Fay B. King
Notary Public.

My commission expires *July 1, 1950*

April 25.

NOTICE OF PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION
The State of New Mexico by its Oil Conservation Commission hereby gives notice, pursuant to law, of the following public hearings to be held May 5, 1949, beginning at 10:00 o'clock A.M. on that day in the City of Santa Fe, New Mexico, in the Senate Chambers.
STATE OF NEW MEXICO TO:
All named parties in the following cases, and notice to the public:

Case 176
In the matter of the application of the Oil Conservation Commission upon its own motion to reconsider Order 788 issued in Case No. 146 relating to transportation of crude petroleum, and to amend or restate, such order or any part thereof.
(This is a readvisement of Case 176, heretofore published)

Case 177
In the matter of the amended application of the Oil Conservation Commission upon its own motion to rescind, revise, change or amend Order No. 573, which became effective as of June 1, 1944 and generally known as the "Bonus Discovery Allowable Order", and to rescind, revise or amend Section 4 of Order 798, effective November 19, 1948, which amends and supercedes previous Statewide Proration Order No. 637.

Case 182
In the matter of the application of V. S. Welch, Carper Drilling Company and Max W. Coll for an order permitting an unorthodox well location, 1330 feet south of the north line and 1310 feet approximately west of the east line (NW corner SE $\frac{1}{4}$ NE $\frac{1}{4}$) of Section 36, Township 16 South, Range 30 East, N.M.P.M., in the Square Lake Pool, Eddy County, New Mexico.

Case 183
In the matter of the application of Red Lake Oil Company, a co-partnership composed of Nell Gillespie, Van Philip Welch, Jr., Marjorie Nell Welch and Robert Hill Welch, by V. S. Welch, guardian of Van Philip Welch, Jr., Marjorie Nell Welch and Robert Hill Welch, minors, and manager at Artesia, New Mexico of the Red Lake Oil Company, for an order permitting and approving an unorthodox well location 1687 feet south of the north line and 1580 feet west of the east line of Section 29, in Township 17 South, Range 28 East, N.M.P.M., in the Red Lake Pool, Eddy County, New Mexico.

Case 186
In the matter of the application of Bassett & Collier for an order granting permission to drill an unorthodox location designated as Well No. 6, Williams Estate Fee, located 900 feet south of the north line and 2623 feet west of the east line of Section 25, Township 18 South, Range 26 East, N.M.P.M., in the Dayton Pool, Eddy County, New Mexico.

Given under the seal of the Oil Corporation Commission of New Mexico, at Santa Fe, New Mexico, on April 21, 1949.

(SEAL)
STATE OF NEW MEXICO
OIL CONSERVATION
COMMISSION
R. R. Spurrier, Secretary.

AFFIDAVIT OF PUBLICATION

State of New Mexico,
County of Lea

Robert L. Sumner
Publisher

Of the Hobbs Daily News-Sun, a daily newspaper published at Hobbs, New Mexico, do solemnly swear that the clipping attached hereto was published once a week in the regular and entire issue of said paper, and not in a supplement thereof for a

period of One weeks.

beginning with the issue dated

April 25, 1949

and ending with the issue dated

April 25, 1949

Robert L. Sumner
Publisher.

Sworn and subscribed to before me

this 25 day of

April, 1949.

Betty Seal
Notary Public.

My commission expires

January 25, 1953
(Seal)

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937, and payment of fees for said publication has been made.

LEGAL NOTICE April 25, 1949

NOTICE OF PUBLICATION STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

The State of New Mexico by its Oil Conservation Commission hereby gives notice, pursuant to law, of the following public hearings to be held May 5, 1949, beginning at 10:00 o'clock A. M. on that day in the City of Santa Fe, New Mexico, in the Senate Chambers.

STATE OF NEW MEXICO TO:

All named parties in the following cases, and notice to the public:

Case 176

In the matter of the application of the Oil Conservation Commission upon its own motion to reconsider Order 788 issued in Case No. 146 relating to transportation of crude petroleum, and to amend or restate, such order or any part thereof.

Case 177

In the matter of the amended application of the Oil Conservation Commission upon its own motion to rescind, revise, change or amend Order No. 473, which became effective as of June 1, 1944 and generally known as the "Bonus Discovery Allowable Order", and to rescind, revise or amend Section 4 of Order 798, effective November 19, 1948, which amends and supercedes previous Statewide Protraction Order No. 687.

Case 181

In the matter of the application of the R. Olsen Oil Company for an order authorizing an unorthodox well location for a gas well in the center of SW 1/4 of Section 11, Township 24 South, Range 36 East, in the Cooper-Jal Pool, Lea County, New Mexico.

Case 184

In the matter of the application of Kewanee Oil Company for an order granting permission to drill two "five spot", unorthodox well locations, identified as Well 27-B, located 1295 feet north of the south line and 1245 feet west of the east line (SE 1/4 SE 1/4) of Section 25, and Well 28-B, located 1295 feet north of the south line and 2615 feet west of the east line (SW 1/4 SE 1/4) of Section 25, all in Township 17 South, Range 32 East, N. M. P. M., in the Maljamar Pool, Lea County, New Mexico.

Case 185

In the matter of the application of Buffalo Oil Company for an order granting permission to drill an unorthodox well location designated as Well No. 21-A to be located 25 feet north and 25 feet east of the southwest corner of

the NE 1/4 SW 1/4 of Section 21 in Township 17 South, Range 32 East, and for permission to plug back well No. 15-A on the same forty acre tract and produce oil same from the Yates sand, said tract being in the Maljamar Pool, Lea County, New Mexico. Given under the seal of the Oil Conservation Commission of New Mexico, at Santa Fe, New Mexico, on April 21, 1949.

STATE OF NEW MEXICO
OIL CONSERVATION
COMMISSION

/s/ R. R. Spurrier
R. R. SPURRIER, Secretary
(SEAL)

Affidavit of Publication

State of New Mexico,
County of Eddy, ss.

JACK SITTON
EDITOR, being first duly sworn,
on oath says:

That he is **EDITOR** of the Daily Current-Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, State of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of this state wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in a supplement thereof on the dates as follows, to-wit:

March 17..... 1949
..... 19.....
..... 19.....
..... 19.....

that the cost of publication is \$5.50,
and that payment therefor has been made
and will be assessed as court costs.

Jack Sitton

Subscribed and sworn to before me this

26 day of March, 1949

Fay B. King
Notary Public.

My commission expires July 1, 1950

March 17.
NOTICE OF PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION
The State of New Mexico by its Oil Conservation Commission hereby gives notice, pursuant to law, of the following public hearings to be held March 31, 1949, beginning at 10:00 o'clock A.M. on that day in the City of Santa Fe, New Mexico, in the Senate Chambers.
STATE OF NEW MEXICO TO:
All named parties in the following cases, and notice to the public:
Case 176
In the matter of the application of the Oil Conservation Commission upon its own motion to amend Paragraph 2 of Order No. 788, issued in Case No. 146, deleting therefrom the words at the end of the section to-wit: "Provided that a supplemental order is issued authorizing such pro-"
March 20.
NOTICE OF PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION
The State of New Mexico by its Oil Conservation Commission hereby gives notice, pursuant to law, of the following public hearings to be held March 31, 1949, beginning at 10:00 o'clock A.M. on that day in the City of Santa Fe, New Mexico, in the Senate Chambers.
STATE OF NEW MEXICO TO:
All named parties in the following case, and notice to the public:
Case 179
In the matter of the application of Franklin, Aston and Fair for approval of an unorthodox well location 1270 ft. south of the north line and 1370 ft. east of the west line (SW NE 1/4 NW 1/4) in section 7, T. 18 S. R. 30 E., NMPM, in the Loco Hills pool, Eddy County, New Mexico. Given under the seal of the Oil Conservation Commission at Santa Fe, New Mexico, on March 18, 1949.
(SEAL)
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION
R. R. SPURRIER,
Secretary.

March 25, 1949

DAILY CURRENT-ARGUS
Carlsbad, New Mexico

Gentlemen:

In regard to the publishing of our Notice of Publication, covering Cases 176 and 177, under date of March 17, 1949, and also Case 179, under date of March 20, 1949, this is to advise that it is necessary for us to have copies of these published notices and the publisher's affidavit in duplicate.

Will you kindly send us one more copy of the notices and the affidavit, as soon as possible?

Very truly yours,

R. R. Spurrier
Secretary and Director

RRS:bw

NOTICE OF PUBLICATION STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION
(copied from Hobbs Daily News)
3-17-49

The State of New Mexico by its Oil Conservation Commission hereby gives notice, pursuant to law, of the following public hearings to be held March 31, 1949, beginning at 10:00 o'clock A.M., on that day in the City of Santa Fe, New Mexico, in the Senate Chambers.

STATE OF NEW MEXICO TO:

All named parties in the following cases, and notice to the public:

CASE 175 In the matter of the application of Gulf Oil Corporation for an order to dually complete and produce from the Hobbs lime section and the Byers sand section from a single well bore in the West Grimes No. 15, located 990 feet north of the south line and 2310 feet east from the west line of section 32, Township 18S, Range 38E, Lea County, New Mexico.

CASE 176 In the matter of the application of the Oil Conservation Commission upon its own motion to amend Paragraph 2 of Order No. 788, issued in Case No. 146, deleting therefrom the words at the end of the section to-wit: "Provided that a supplemental order is issued authorizing such production," and making said Paragraph 2 of said Order 788 read as follows:

"Paragraph 2. That any common purchaser is authorized to purchase 100 percent of the allowable from all units classified as marginal units on the monthly proration order. A marginal unit is a unit that is incapable of producing the state top unit allowable for that particular month. Any amount of crude petroleum up to and including the top unit allowable for that particular month may be purchased from a marginal unit."

CASE 177 In the matter of the application of the Oil Conservation Commission upon its own motion to rescind, revise, change or amend Order No. 573, which became effective as of June 1, 1944, and generally known as the "Bonus Discovery Allowable Order."

CASE 178 In the matter of the application of the Oil Conservation Commission upon its own motion upon recommendation of the Nomenclature Committee for an Order deleting from the Arrowhead pool as heretofore established, the following described lands: $SE\frac{1}{4}$ of section 11, and the $W\frac{1}{2}$ of section 14, T.22S, R.36E, N.M.P.M., Lea County, New Mexico. This deletion from the Arrowhead pool is necessary because of the extension of the South Eunice pool to include gas production in the west part of above described section.

GIVEN under the seal of the Oil Conservation Commission of New Mexico, at Santa Fe, New Mexico, on March 15, 1949.

LEA COUNTY OPERATORS COMMITTEE
HOBBS, NEW MEXICO
March 17, 1949

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION
R. R. SPURRIER, SECRETARY

(Hearing on above Case 177 has been postponed until sometime in May)

NOTICE OF PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

The State of New Mexico by its Oil Conservation Commission hereby gives notice, pursuant to law, of the following public hearings to be held March 31, 1949, beginning at 10:00 o'clock A.M. on that day in the City of Santa Fe, New Mexico, in the Senate Chambers.

STATE OF NEW MEXICO TO:

All named parties in the following cases, and notice to the public:

Case 173

In the matter of the application of Transcontinental Oil Co., Inc. for an order granting permission to drill its Coyote Dome No. 1, Cabra Springs Ranch well, in an unorthodox location in the center of the northeast quarter of section 1, in T.13N, R.21E, San Miguel County, New Mexico.

Case 174

In the matter of the application of Southern Union Production Company for an order granting an exception to section 1 (c) of Order No. 748 to permit location of a well 200 ft. west of the boundaries specified in section 1 (c) because of the nature of the terrain. The drilling unit containing 160 acres substantially in the shape of a square, embraces the SE $\frac{1}{4}$ of section 29, T.28N, R.10W, in San Juan County, New Mexico.

Case 175

In the matter of the application of Gulf Oil Corporation for an order to dually complete and produce from the Hobbs lime section and the Byers sand section from a single well bore in the West Grimes #15, located 990 ft. north of the south line and 2310 ft. east from the west line of section 32, T.18S, R.38E, Lea County, New Mexico.

Case 176

In the matter of the application of the Oil Conservation Commission upon its own motion to amend Paragraph 2 of Order No. 788, issued in Case No. 146, deleting therefrom the words at the end of the section to-wit: "Provided that a supplemental order is issued authorizing such production", and making said Paragraph 2 of said Order 788 read as follows:

*Paragraph 2. That any common purchaser is authorized to purchase 100% of the allowable from all units classified as marginal units on the monthly proration order. A marginal unit is a unit that is

ILLEGIBLE

incapable of producing the above unit allowable for that particular month. Any amount of crude petroleum up to and including the top unit allowable for that particular month may be purchased from a marginal unit.

Case 117

In the matter of the application of the Oil Conservation Commission upon its own motion to rescind, revise, change or amend Order No. 573, which became effective as of June 1, 1944, and generally known as the "Bonus Discovery Allowable Order".

Case 118

In the matter of the application of the Oil Conservation Commission upon its own motion upon recommendation of the Nomenclature Committee for an order selecting from the Arrowhead pool as heretofore established, the following described lands. SW 1/4 of section 11, and the NW 1/4 of section 14, T.22S, R.36E, N.M.P.M., Lea County, New Mexico. This deletion from the Arrowhead pool is necessary because of the extension of the Santa Eunice pool to include gas production in the west part of above described section.

Given under the seal of the Oil Conservation Commission of New Mexico, at Santa Fe, New Mexico, on March 15, 1945.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

R. R. Spurrick
R. R. SPURRICK, Secretary

SEAL

ILLEGIBLE

NOTICE OF PETITION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

The State of New Mexico by the Oil Conservation Commission hereby gives notice, pursuant to law, of the following public hearing to be held March 31, 1949, beginning at 10:00 o'clock A.M. on that day in the City of Santa Fe, New Mexico, in the Senate Chambers.

STATE OF NEW MEXICO TO:

All named parties in the following case, and notice to the public;

Case 179

In the matter of the application of Franklin, Aston and Fair for approval of an unorthodox well location 1270 ft. south of the north line and 1370 ft. east of the west line (SW NE $\frac{1}{4}$ NW $\frac{1}{4}$) in section 7, T.18S, R.30E., NMPM, in the Loco Hills pool, Eddy County, New Mexico.

Given under the seal of the Oil Conservation Commission of New Mexico, at Santa Fe, New Mexico, on March 18, 1949.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


R. R. SPURRIER, Secretary

SEAL

ILLEGIBLE

March 15, 1949

CARLSBAD CURRENT ARGUS
Carlsbad, New Mexico

RE: Cases 176-177

Gentlemen:

Please publish the enclosed notice once, immediately. Please proofread the notice carefully and send a copy of the paper carrying such notice.

PLEASE PROOF READ AND UPON COMPLETION OF THE PUBLICATION SEND PUBLISHER'S AFFIDAVIT IN DUPLICATE.

For payment please submit statement in duplicate, accompanied by voucher executed in duplicate. The necessary blanks are enclosed.

Very truly yours,

Secretary and Director

RBS:bw

NOTICE OF PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

The State of New Mexico by its Oil Conservation Commission hereby gives notice, pursuant to law, of the following public hearings to be held March 31, 1949, beginning at 10:00 o'clock A.M. on that day in the City of Santa Fe, New Mexico, in the Senate Chambers.

STATE OF NEW MEXICO TO:

All named parties in the following cases, and notice to the public:

Case 176

In the matter of the application of the Oil Conservation Commission upon its own motion to amend Paragraph 2 of Order No. 788, issued in Case No. 146, deleting therefrom the words at the end of the section to-wit: "Provided that a supplemental order is issued authorizing such production", and making said Paragraph 2 of said Order 788 read as follows:

"Paragraph 2. That any common purchaser is authorized to purchase 100% of the allowable from all units classified as marginal units on the monthly proration order. A marginal unit is a unit that is incapable of producing the state top unit allowable for that particular month. Any amount of crude petroleum up to and including the top unit allowable for that particular month may be purchased from a marginal unit".

Case 177

In the matter of the application of the Oil Conservation Commission upon its own motion to rescind, revise, change or amend Order No. 573 which became effective as of June 1, 1944, and generally known as the "Bonus Discovery Allowable Order".

Given under the seal of the Oil Conservation Commission of New Mexico, at Santa Fe, New Mexico, on March 15, 1949.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

R. R. SPURRIER, Secretary



Santa Fe, New Mexico

April 22, 1949

Mr. Glenn Staley
Lea County Operators Committee
Drawer I
Hobbs, New Mexico

Dear Mr. Staley:

We are enclosing herewith signed copies of Order Nos. 814, 815, 816, 817 and 818, issued by the Oil Conservation Commission, in connection with the hearing held on March 31, 1949, at Santa Fe, New Mexico.

These are for your records, and distribution.

Very truly yours,

/s/ R. R. Spurrier
Secretary and Director

RRS:bw
encls.

Applications of cases to be heard on May 5th together with maps submitted by applicants, are on file in the office of the Lea County Operators, Hobbs, New Mexico, for inspection of any interested parties.

Glenn Staley

LEA COUNTY OPERATORS COMMITTEE
HOBBS, NEW MEXICO
April 25, 1949

NOTICE OF PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

The State of New Mexico by its Oil Conservation Commission hereby gives notice, pursuant to law, of the following public hearings to be held May 5, 1949, beginning at 10:00 o'clock A.M. on that day in the City of Santa Fe, New Mexico, in the Senate Chambers.

STATE OF NEW MEXICO TO:

All named parties in the following cases, and notice to the public:

Case 176

In the matter of the application of the Oil Conservation Commission upon its own motion to reconsider Order 788 issued in Case No. 146 relating to transportation of crude petroleum, and to amend or restate, such order or any part thereof.

(This is a readvertisement of Case 176, heretofore published.)

Case 177

In the matter of the amended application of the Oil Conservation Commission upon its own motion to rescind, revise, change or amend Order No. 573, which became effective as of June 1, 1944 and generally known as the "Bonus Discovery Allowable Order", and to rescind, revise or amend Section 4 of Order 798, effective November 19, 1948, which amends and supercedes previous Statewide Pro-ration Order No. 637.

Case 181

In the matter of the application of the R. Olsen Oil Company for an order authorizing an unorthodox well location for a gas well in the center of SW $\frac{1}{4}$ of Section 11, Township 24 South, Range 36 East, in the Cooper-Jal Pool, Lea County, New Mexico.

Case 182

In the matter of the application of V. S. Welch, Carper Drilling Company and Max W. Coll for an order permitting an unorthodox well location, 1330 feet south of the north line and 1310 feet approximately west of the east line (NW corner SE $\frac{1}{4}$, NE $\frac{1}{4}$) of Section 36, Township 16 South, Range 30 East, N.M.P.M., in the Square Lake Pool, Eddy County, New Mexico.

Case 183

In the matter of the application of Red Lake Oil Company, a co-partnership composed of Nell Gillespie, Van Philip Welch, Jr., Marjorie Nell Welch and Robert Hill Welch, by V. S. Welch, guardian of Van Philip Welch, Jr., Marjorie Nell Welch and Robert Hill Welch, minors, and manager at Artesia, New Mexico of the Red Lake Oil Company, for an order permitting and approving an unorthodox well location 1687 feet south of the north line and 1580 feet west of the east line of Section 29, in Township 17 South, Range 28 East, N.M.P.M., in the Red Lake Pool, Eddy County, New Mexico.

Case 184

In the matter of the application of Kewanee Oil Company for an order granting permission to drill two "five spot", unorthodox well locations, identified as Well 27-B, located 1295 feet north of the south line and 1245 feet west of the east line (SE $\frac{1}{4}$ SE $\frac{1}{4}$) of Section 25, and Well 28-B, located 1295 feet north of the south line and 2615 feet west of the east line (SW $\frac{1}{4}$ SE $\frac{1}{4}$) of Section 25, all in Township 17 South, Range 32 East, N.M.P.M., in the Maljamar Pool, Lea County, New Mexico.

Case 185

In the matter of the application of Buffalo Oil Company for an order granting permission to drill an unorthodox well location designated as Well No. 21-A to be located 25 feet north and 25 feet east of the southwest corner of the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 21 in Township 17 South, Range 32 East, and for permission to plug back Well No. 15-A on the same forty acre tract and produce the same from the Yates sand, said tract being in the Maljamar Pool, Lea County, New Mexico.

Case 186

In the matter of the application of Bassett & Collier for an order granting permission to drill an unorthodox location designated as Well No. 6, Williams Estate Fee, located 990 feet south of the north line and 2623 feet west of the east line of Section 25, Township 18 South, Range 26 East, N.M.P.M., in the Dayton Pool, Eddy County, New Mexico.

Given under the seal of the Oil Conservation Commission of New Mexico, at Santa Fe, New Mexico, on April 21, 1949.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

/s/ R. R. SPURRIER, Secretary

LEA COUNTY OPERATORS COMMITTEE
HOBBS, NEW MEXICO
April 25, 1949

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 173
ORDER NO. 814

IN THE MATTER OF THE APPLICATION OF
TRANSCONTINENTAL OIL COMPANY, INC. FOR AN
ORDER GRANTING PERMISSION TO DRILL ITS
COYOTE DOMO NO. 1 WELL, CABRA SPRINGS
RANCH, IN AN UNORTHODOX LOCATION IN THE
CENTER OF THE NORTHEAST QUARTER (NE $\frac{1}{4}$)
OF SECTION 1, in TWP 13N, R. 21E, N.M.P.M.,
IN SAN MIGUEL COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This matter came on regularly for hearing at 10:00 o'clock A.M.,
on March 31, 1949 at Santa Fe, New Mexico, before the Oil Conservation Commission
of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 8th day of April, 1949, the Commission having before it the
testimony adduced at the hearing of said cause and being fully advised in the
premises:

FINDS:

1. That due public notice having been given in compliance with law,
the Commission has jurisdiction of the case and the subject matter thereof.
2. That the well, located in the trough of a geological fault, is a
160 acre center location in fee land; that due to the existing geological and
topographical situation it would be inequitable and unjust to require the applicant
to make a regular location in a wildcat area.
3. That such a location as applied for will involve no offset wells or
owners.

IT IS THEREFORE ORDERED:

1. That the application of Transcontinental Oil Company, Inc. for an
order authorizing an unorthodox well location to be known as Coyote Domo No. 1
well, Cabra Springs Ranch, and located in the approximate center of the northeast
quarter (NE $\frac{1}{4}$) of section 1, Twp. 13N, R. 21E, N.M.P.M., in San Miguel County,
New Mexico, be, and the same hereby is approved:
2. That should commercial production be had in said Coyote Domo No. 1
well, the same shall be held and considered to be upon a single 40 acre tract, to
be designated, and never produced in excess of the allowable for a single 40 acre
tract as now or hereafter fixed by the Commission.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

/s/ THOMAS J. HARRY, CHAIRMAN
/s/ GUY SHEPARD, MEMBER
/s/ R. R. SPURRIER, SECRETARY

LEA COUNTY OPERATORS COMMITTEE
HOBBS, NEW MEXICO
APRIL 25, 1949

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 174
ORDER NO. 815

IN THE MATTER OF THE APPLICATION OF SOUTHERN
UNION PRODUCTION COMPANY, PETITIONER, FOR AN
ORDER GRANTING EXCEPTION TO SECTION 1 (c) OF
ORDER NO. 748 FIXING THE SPACING OF WELLS IN
THE KUTZ CANYON-FLECHER BASIN GAS FIELDS OF SAN
JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 10:00 o'clock A.M., March 31, 1949,
at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico,
hereinafter referred to as the "Commission".

NOW, on this the 31st day of March, 1949, the Commission having before
it for consideration the testimony and other evidence adduced at the hearing
of said case and the application of petitioner and being fully advised in the
premises:

FINDS:

That the proposed location of a Pictured Cliffs well on the Southern
Union Production Company, Byrd-Frost, Inc., Western Natural Gas Company, Stanolind
Oil and Gas Company, P. B. English, San Juan Basin Pool and G. T. Lackey communi-
tized drilling unit comprising the SE $\frac{1}{4}$ of Section 29, Township 28 North, Range 10
West, N.M.P.M., in San Juan County, New Mexico, 200 feet west of the boundary
specified in Section 1 (c) of Order No. 748 should be permitted because of the
rugged terrain of a feasible location within the limitations prescribed by said
Section 1 (c).

IT IS THEREFORE ORDERED:

That Southern Union Production Company be granted permission to locate,
drill, complete and produce the Southern Union Production Company, et al - Hubbell
Well No. 1, at a location 1650 feet north of the south line and 1850 feet west of
the east line of Section 29, Township 28 North, Range 10 West, N.M.P.M., San Juan
County, New Mexico.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

LEA COUNTY OPERATORS COMMITTEE
HOBBS, NEW MEXICO
APRIL 25, 1949

/s/ THOMAS J. MABRY, CHAIRMAN
/s/ GUY SHEPARD, MEMBER
/s/ R. R. SPURRIER, SECRETARY

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 175
ORDER NO. 816

IN THE MATTER OF THE APPLICATION OF
GULF OIL CORPORATION FOR AN ORDER
AUTHORIZING IT TO DUALY COMPLETE
AND PRODUCE FROM THE HOBBS LIME
SECTION AND THE BYERS SAND SECTION
FROM A SINGLE WELL BORE, ITS WEST
GRIMES NO. 15 WELL, LOCATED 990 FEET
NORTH OF THE SOUTH LINE AND 2310 FEET
EAST OF THE WEST LINE OF SECTION 32,
TOWNSHIP 18 SOUTH, RANGE 38 EAST,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 10:00 o'clock A.M., March 31, 1949, at Santa Fe, New Mexico, before the Oil Conservation Commission of the State of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 19th day of April, 1949, the Commission having before it for consideration the testimony adduced at the hearing of said case 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 although recent experiments tend to show that mechanical packers and other devices are now available for engineeringly successful dual completions, the Commission is not convinced of the soundness of dual completions as a general practice in New Mexico without specific controls over each such project, and the Commission therefore, frowns upon growing tendencies to dually complete wells, before authority is given.

IT IS THEREFORE ORDERED:

1. That effective the 31st day of March, 1949, the Gulf Oil Corporation be and it hereby is granted, permission to dually complete and produce its West Grimes No. 15 well, located 990 feet north of the south line and 2310 feet east of the west line of Section 32, Township 18 South, Range 38 East, N.M.P.M., Lea County, New Mexico, in such manner that gas from the Byers gas sand through the annular space between the tubing and the casing and the Hobbs lime section through tubing by means of packer control, and

PROVIDED that said well shall be completed and produced in such a manner that there will be no commingling within the well bore of the well of gas or oil and gas produced from the two separate strata and,

PROVIDED FURTHER, that said well must be equipped in such a manner that

reservoir pressures may be determined on each of the two specified strata separately and further, that said well must be equipped with all necessary connections required to permit recording meters to be installed and used at any time so that when such meters are installed all natural gas, oil and/or oil and gas from each separate stratum may be accurately measured and the gas-oil ratio determined and provided further, that the operator shall make any and all tests including segregation tests but not excluding other tests and/or determinations at any such times and in such manner as is deemed necessary by the Commission. The original and all subsequent tests shall be witnessed by a representative of the Commission and by representatives of offset operators if any there be, and the results of each test properly attested to by the petitioner and all the witnesses and shall be filed with the Commission within 10 days after the actual completion of each such test and,

PROVIDED FURTHER, that prior to the time said well is dually completed the applicant company shall supply the Commission for its approval, with plat or drawing showing the proposed method and manner of completion together with an electrical or radioactivity log, showing the location and extent of each separate stratum and the proposed perforations, and,

PROVIDED FURTHER, that upon the dual completion of the well the operator shall submit to the Commission a diagrammatic sketch of the mechanical installation which was actually employed to produce the seal from both zones showing tube and location of packers, other devices used, location and extent of perforations, name and depth of each producing horizon and special report of production, gas-oil ratio and reservoir pressure determinations of each horizon at the time of completion.

IT IS FURTHER PROVIDED and so ordered by the Commission that upon failure of the operator to comply with any provision or provisions of this order then the conditions hereunder shall immediately terminate.

IT IS FURTHER ORDERED that jurisdiction in this case is hereby retained by the Commission for such further order or orders as may seem necessary or convenient to the Commission and this case shall not be considered as establishing a precedent of authorizing general dual completions in the Hobbs field.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

/s/ THOMAS J. MABRY, CHAIRMAN

(SEAL)

/s/ R. R. SPURRIER, SECRETARY

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 178
ORDER NO. 817

IN THE MATTER OF THE APPLICATION OF THE
OIL CONSERVATION COMMISSION UPON ITS
OWN MOTION UPON RECOMMENDATION OF THE
NOMENCLATURE COMMITTEE FOR AN ORDER DELETING
FROM THE ARROWHEAD POOL AS HERETOFORE ES-
TABLISHED THE FOLLOWING DESCRIBED LANDS,
SW $\frac{1}{4}$ SECTION 11 AND THE W $\frac{1}{2}$ of SECTION 14,
TOWNSHIP 22 SOUTH, RANGE 36 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This matter came on regularly for hearing at 10:00 O'clock A. M.,
March 31, 1949 at Santa Fe, New Mexico before the Oil Conservation Commission of
New Mexico, hereinafter referred to as the "Commission".

Now, on this 19th day of April, 1949, the Commission having before it
for consideration the recommendation of the Nomenclature Committee and the testimony
adduced and statements made at the hearing of said cause, and being fully advised in
the premises:

FINDS:

1. That due public notice having been given in compliance with law,
the Commission has jurisdiction of this cause and the subject matter thereof.
2. That the recommendation of the Nomenclature Committee for deletion
of said described lands from the Arrowhead Pool is acceptable to the Commission.
3. That the only production upon the land sought to be deleted is
certain gas production in the western part of the above described land, which
property should be within the South Eunice pool.

IT IS THEREFORE ORDERED:

That the recommendation of the Nomenclature Committee that the SW $\frac{1}{4}$ of
Section 11 and the W $\frac{1}{2}$ of Section 14, Township 22 South, Range 36 East, N.M.P.M.,
Lea County, New Mexico be eliminated and deleted from the Arrowhead pool as here-
tofore defined, be, and it is hereby accepted and approved and said SW $\frac{1}{4}$ of Section
11 and the W $\frac{1}{2}$ of Section 14, Township 22 South, Range 36 East, are hereby deleted
from said Arrowhead Pool.

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

LEA COUNTY OPERATORS COMMITTEE
HOBBS, NEW MEXICO
April 25, 1949

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION
/s/ THOMAS J. MABRY, CHAIRMAN
/s/ R. R. SPURRIER, SECRETARY

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 179
ORDER NO. 618

IN THE MATTER OF THE APPLICATION OF
FRANKLIN, ASTON AND FAIR FOR AN ORDER
APPROVING APPLICATION FOR AN UNORTHODOX
WELL LOCATION, 1270 FEET SOUTH OF THE
NORTH LINE AND 1370 FEET EAST OF THE WEST
LINE, SECTION 7, TOWNSHIP 18 SOUTH,
RANGE 30 EAST, N.M.P.M., IN THE LOCO
HILLS POOL, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 10:00 o'clock A. M., March 31, 1949,
at Santa Fe, New Mexico, before the Oil Conservation Commission of the State of
New Mexico, hereinafter referred to as the "Commission".

NOW, on this 19th day of April, 1949, the Commission having before it for
consideration the testimony adduced at the hearing of said cause and being fully
advised in these premises:

FINDS:

1. That due public notice having been given as required by law, the
Commission has jurisdiction of this case.
2. That the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of the NW $\frac{1}{4}$ of Section 7, Township 18 South, Range 30 East,
is Federal acreage and the Federal Oil and Gas Supervisor has approved the appli-
cation filed herein for an unorthodox well location.
3. That a regular and orthodox location on this acreage would be unecon-
omic for the reason that the evidence shows that the oil-water contact of the pool
indicated on the map introduced as "Exhibit B", filed in the cause, might inter-
fere with or prevent production.

IT IS THEREFORE ORDERED:

That the application of Franklin, Aston and Fair for an order is hereby
approved for an unorthodox well location 1270 feet south of the north line and 1370
feet east of the west line of Section 7 (SW $\frac{1}{4}$ NE $\frac{1}{4}$ of the NW $\frac{1}{4}$) Township 18 South,
Range 30 East, N.M.P.M., in the Loco Hills Pool, Eddy County, New Mexico, and

IT IS FURTHER ORDERED that should production be had at the location afore-
said, the well by itself or in conjunction with other wells on the same 40 acre
tract shall not be produced in excess of the allowable now fixed or which may here-
after be fixed by the Commission for the Loco Hills Pool.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

/s/ THOMAS J. MABRY, CHAIRMAN
/s/ R. R. SPURRIER, SECRETARY

LEA COUNTY OPERATIONS COMMITTEE
ROBES, NEW MEXICO
APRIL 25, 1949

Case
176

July 26, 1949

Mr. Glenn Staley
Lee County Operators Committee
Drawer I
Hobbs, New Mexico

Dear Mr. Staley:

We enclose herewith, signed copies of orders resulting from Cases No. 176, 177 and 181, in connection with the hearing held on May 5, 1949, and also a signed copy of order resulting from Case No. 188, heard on June 28, 1949.

These are for your records and distribution.

Very truly yours,

R. R. Spurrier
Secretary-Director

RRS:bw
encl.

Case 177

July 27, 1949

Oil Conservation Commission
P. O. Box 1545
Hobbs, New Mexico

Gentlemen:

We enclose herewith, copies of Orders No. 830, 831 and 832, regarding Cases No. 176, 177 and 181, respectively, in connection with the hearing held by the Commission on May 5, 1949.

We are also enclosing Order No. 829, Case No. 188, in connection with the hearing held by the Commission on June 28, 1949.

These are for your records.

Very truly yours,

R. R. Spurrier
Secretary-Director

RRS:bw
encls.

Cases 176

July 27, 1949

Oil Conservation Commission
205 Docker Building
Albany, New Mexico

Gentlemen:

We enclose herewith, copies of Orders No. 830 and 831, Cases No. 176 and 177, in connection with the hearing held by the Commission on May 5, 1949.

These are for your records.

Very truly yours,

F. R. Spurrier
Secretary-Director

FRS:bw
encls.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 176
ORDER NO. 830

IN THE MATTER OF THE APPLICATION OF THE OIL
CONSERVATION COMMISSION UPON ITS OWN MOTION TO
RECONSIDER ORDER 788 ISSUED IN CASE NO. 146
RELATING TO TRANSPORTATION OF CRUDE PETROLEUM,
AND TO AMEND OR RESTATE, SUCH ORDER OR ANY
PART THEREOF.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 10:00 o'clock a.m., May 5, 1949
at Santa Fe, New Mexico, before the Oil Conservation Commission of the
State of New Mexico, hereinafter referred to as the "Commission".

NOW, on the 11th day of July, 1949, the Commission having before it
for consideration the testimony adduced at the hearing of said case, and
being fully advised in the premises:

IT IS THEREFORE ORDERED:

That Order No. 788 issued September 10, 1948 in Case No. 146 be, and it
hereby is amended to read as follows:

1. That the New Mexico Oil Conservation Commission will meet monthly,
as soon as practicable after the announcement of the Bureau of Mines of the
market demand for New Mexico, and at such meeting will consider the announce-
ment of the Bureau of Mines and other evidence of market demand, and will
determine the amount of oil to be produced from all pools in the State of
new Mexico during the following calendar month. The amount so determined
will be allocated among the various pools in the State in accordance with
existing regulations and among the various units in each pool, in accordance
with the regulations governing each pool. Effective the first day of each
month, the Commission or its duly authorized agent will issue a monthly
proration schedule. This monthly proration schedule will authorize the pro-
duction, purchase and transportation of oil from the various units in strict
accordance with the schedule. Allowables for wells completed after the first
day of the month will become effective from the date of well completion. For
proration purposes, a well is completed on the day the first oil is delivered
into the lease stock tank or tanks. A supplementary order will be issued by
the Commission or its duly authorized agent to the operator of the newly
completed well, and to the purchaser or transporter of the oil from the com-
pleted well, establishing the effective date of completion, the amount of
production permitted during the month, and the authority to purchase and
transport same from said well.

2. That any common purchaser is authorized to purchase and transport
100 percent of the allowable from all units classified as marginal units on
the monthly proration order. A marginal unit is a unit that is incapable of
producing the State top unit allowable for that particular month. Any amount
of crude petroleum, up to and including top unit allowable for that particu-
lar month, may be purchased and transported from a marginal unit, provided
that a supplemental order is issued authorizing such production.

3. That no purchase in excess of the production set forth on the
monthly proration order is authorized for any month from a unit having gas-
oil ratio adjustments.

4. That current shortages may be made up the month following the month
in which such shortages occurred, and if overage occurs, which is unavoidable

and lawful, then such overage should be compensated the month following the month in which such overages occurred. All legal and authorized back allowable available for purchase will be published in the monthly proration order. No back allowable will be placed in the monthly proration order unless request is made by producer and proof is shown that shortage is legal and should be considered as back allowable. There are only three justifications for back allowable, namely; (1) failure of purchaser or transporter to run assigned allowable as adjusted for temperature corrections made by transporter, and (2) mechanical failures affecting the producing well during the proration period, and (3) gathering engineering data.

5. That when and if it becomes necessary for any common purchaser to purchase crude petroleum at a ratable take (less than amount assigned on monthly proration schedule), that any common purchaser is authorized and directed to make 100 percent purchases from units of settled production producing ten barrels or less daily of crude petroleum within its purchasing area and ordinarily served by it in lieu of ratable purchases or takings, in order to preclude premature abandonment.

Provided, however, where such purchaser's takings are curtailed below ten barrels per unit of crude petroleum daily, then said purchaser is authorized and directed to purchase equally from all such units within said area and ordinarily served by it regardless of their producing ability insofar as they are capable of producing.

6. That Commission Orders No. 235 and No. 539 shall be superseded by this Order.

7. That this order shall become effective on the first day of the proration month next succeeding the month in which said order is adopted.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Thomas J. Mabry
THOMAS J. MABRY, CHAIRMAN

Guy Shepard
GUY SHEPARD, MEMBER

R. R. Spurrier
R. R. SPURRIER, SECRETARY



SHELL PIPE LINE CORPORATION

SHELL BUILDING

TELEPHONE CAPITOL 1181

HOUSTON 2, TEXAS

March 28, 1949

IN RE: Case No. 176, set for
public hearing March
31, 1949 at Santa Fe,
New Mexico

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

Dear Mr. Spurrier:

Receipt is acknowledged of Notice of Hearing in
the above styled Case.

May we suggest that Paragraph 2 of Order No. 788
be re-written as follows:

"Paragraph 2. That any producer named in the
monthly proration order is authorized to produce 100 per-
cent of the top field allowable from all units classified
as marginal on the monthly proration order and any common
purchaser is authorized to purchase and any transporter
may transport such production from such marginal units.
A marginal unit is a unit that is incapable of producing
the established top unit allowable for that particular
month from the pool in which the unit is located."

We should also like to make the following
observation on Paragraph 4 of Order No. 788, which author-
izes 'the purchase of shortages,' (which in the Order
appear to be synonymous with back allowables). Could
not the production from marginal units in excess of
scheduled allowables be considered in this same category
(without the ten barrel per day limitation), published in
the monthly proration order or supplements thereto, and
authorize the production, purchase and transportation
thereof?



SHELL PIPE LINE CORPORATION

SHELL BUILDING

TELEPHONE CAPITOL 1181

HOUSTON 2, TEXAS

- 2 -

We wish to suggest that the Commission through its accounting processes show on its monthly proration schedule in the previous 60 day allowable column for marginal units, the adjusted allowable based on actual production for the given month. This in our opinion would result in no overages (unless production is in excess of the top unit allowable for that pool); and in the case of shortages, enable pipe line companies to keep in check with the Commission on such current shortages as are made up the month following that in which they occur, in accordance with Paragraph 4, of Order No. 788.

As a further alternative, based on the Commission's study of past production performances on marginal units, we suggest the monthly proration schedule under current allowable show the maximum daily allowable figure commensurate with the average daily production for a period, such as the preceding ninety days, or for whatever period is felt would be equitable and applicable.

These suggestions are respectfully submitted to your Commission for its kind and studied consideration with the thought that all concerned in your State, Conservation Authorities and Industry alike may best be served.

Yours very truly,

SHELL PIPE LINE CORPORATION

By Alfredo Leon

FCB:nb

HUMBLE OIL & REFINING COMPANY

POST OFFICE BOX 2180
HOUSTON 1, TEXAS
March 25, 1949

File 6-1
New Mexico
Pipe Line Transportation

Re: Hearing set for 3/31/49 to amend Par. 2 of
Order 788 (Case 176)

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Gentlemen:

We have received notice of a hearing to be held on March 31, styled Case 176, relative to the amendment of Paragraph 2 of Order 788. According to the notice, it is proposed to eliminate from Paragraph 2 the following clause: "***provided that a supplemental order is issued authorizing such production."

From the transporter's standpoint, we believe it is highly desirable that this provision be maintained in Paragraph 2, or that Paragraph 2 be amended. The provision was included in Order 788 as a result of the difficulties encountered by purchasers in determining the amount of oil which could be lawfully run from marginal units.

It is our understanding of the New Mexico Conservation Statute that a pipe line is authorized to transport any oil which has been legally authorized to be produced in the State of New Mexico, and that after the Commission has fixed the allowable production, no further authorization is needed insofar as the transportation and purchase of such oil is concerned.

We feel further that a pipe line cannot be authorized to transport any oil unless the Commission has first authorized the production of the oil, and it was for this reason that we supported the inclusion of a provision which would require the Commission to issue supplemental schedules granting increases in the allowable to marginal wells in all cases where the wells were capable of producing more oil than the amount shown on the original proration schedules. We still think that this is necessary, unless the remaining portion of Paragraph 2 is to be amended.

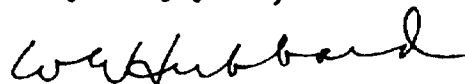
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The proposed Paragraph 2 as quoted in the notice does not authorize the production of any oil from marginal wells in excess of that shown on the proration schedule, nor does it authorize the transportation of such oil. It merely authorizes the purchase of such oil.

If the Commission feels that the issuing of supplements to the proration schedules is burdensome, and it is felt that a rule should be adopted which would allow these marginal units to produce up to the top allowable, then we would suggest that, in lieu of the present Paragraph 2, the following be substituted:

"The owner or operator of any marginal unit is authorized to produce from such marginal unit any amount of crude petroleum that such unit is capable of producing, up to and including, the top unit allowable as fixed by the Commission for the field in which such unit is located, provided that the owner or operator of such marginal unit shall notify the Commission and the transporter transporting the oil from such unit, in writing, the amount of crude petroleum which will be produced from such unit in excess of the allowable production as shown on the proration schedule. The marginal unit is a unit that is incapable of producing the state top unit allowable for the field in which such unit is located."

Very truly yours,



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W. E. Hubbard