

Case Number

4753

Application

Transcripts

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
STATE LAND OFFICE
SANTA FE, NEW MEXICO
Wednesday, July 26, 1972

EXAMINER HEARING

IN THE MATTER OF:

The application of Roger C. Hanks for a non-
standard proration unit, Lea County, New
Mexico. Applicant, in the above-styled cause,
seeks approval of an 80-acre non-standard oil
proration unit in the East Shoe Bar-Devonian
Pool comprising the NW/4 SW/4 and the SW/4 NW/4
of Section 29, Township 16 South, Range 36 East,
Lea County, New Mexico, to be dedicated to a well
to be drilled 1980 feet from the South line and
660 feet from the West line of said Section 29.

) Docket No.
) 16-72
) Case No.
) 4753

BEFORE: DANIEL S. NUTTER, Examiner

TRANSCRIPT OF HEARING

dearnley, meier & mc cormick

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MR. HATCH: Case 4753, application of Roger C. Hanks for a non-standard proration unit, Lea County, New Mexico.

MR. CHRISTY: Sim Christy from Roswell for applicant. We have one witness, Mr. Examiner.

MR. WALTER R. BAIRD

having been first duly sworn according to law, upon his oath, testified as follows:

DIRECT EXAMINATION

BY MR. CHRISTY:

MR. CHRISTY: Mr. Examiner, this is an application for an exception to Rule 2 of the Special Rules of the East Shoe Bar-Devonian Pool in connection with the dedication of a non-standard proration unit imposed to the northwest, southwest and the southwest, northwest of Section 29, Township 16 South, Range 36 East. The applicant proposes to dedicate that acreage to a well that is currently drilling which is 660 feet from the west line and 1980 feet from the south line of said Section 29. I would like to apologize to the Examiner. The witness misunderstood me as to the number of copies of the exhibit, but I have one here.

Q (By Mr. Christy) Would you please state your name, address and by whom you are employed and in what capacity.

A Walter R. Baird, 2100 Woolco Building, Midland, Texas, Roger C. Hanks.

dearnley, meier & mc cormick reg. inc.

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1 Q What is your occupation, sir?

2 A Exploration geology.

3 Q Have you previously testified before this regulatory body
4 and had your qualifications in petroleum accepted?

5 A I have.

6 Q You have heard my introductory statement as to what is
7 sought by the applicant; is that correct?

8 A That is true.

9 Q Why do you wish the non-standard proration unit, sir?

10 A We feel that the only possibility of drilling a second
11 well here would be directly east of the location we are
12 now drilling. Therefore, we did not wish to commit that
13 acreage to the proration unit for this well. We feel that
14 the drainage in the area would be better accomplished by
15 drilling the well we have here running the 80 north and
16 south and although the chances are slim, if there is a
17 second well to be drilled, drill it to the east and use
18 likewise a proration unit of 80 acre tract running north
19 and south there.

20 Q Could you recommend drilling a standard proration unit
21 composed of the south half northwest of Section 29?

22 A The south half?

23 Q Northwest.

24 A No.

25 Q Why not?

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- 1 A Because from the structural work I have done in the area,
2 the location appears to be too low at this time.
- 3 Q There is a dry hole over in the southeast northwest, is
4 there not?
- 5 A There is.
- 6 Q Based on that dry hole, would you have an opinion as to
7 whether all of the acreage which you seek by this non-
8 standard unit will be productive of hydrocarbons?
- 9 A My opinion would be that it will not all be productive.
- 10 Q What percent will be?
- 11 A Percent productive would probably be around 80 per cent.
- 12 Q Then if we move over and took the second well you were
13 speaking of and dedicated it to the northeast southwest
14 and the southeast northwest and with that dry hole, that
15 wouldn't all be productive either, would it?
- 16 A No, sir.
- 17 Q You would have to penalize that well also?
- 18 A Yes.
- 19 Q You would recommend that if this application is allowed,
20 that your current well will be penalized by the 20 per
21 cent non-productive?
- 22 A Either by that filing or one established by the commission.
- 23 Q What is the status of the well at this moment?
- 24 A We are drilling at approximately 10,700 feet.
- 25 Q Now, are there any other non-standard proration units in

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1 this area?

2 A Yes, there are two others. The 80 acre tract directly
3 west of the tract we are recommending is a non-standard
4 unit.

5 Q You have shown that on Exhibit 1 colored in green, I
6 believe?

7 A That's true.

8 Q You said there were two of them. What is the other one?

9 A The one 80 acre tract directly south of--well, the 80 acre
10 tract runs east and west.

11 Q You have shown this colored in yellow?

12 A That's true.

13 Q Exhibit 1 also shows the other Hanks acreage in a slash
14 mark?

15 A That's true, divided by black dashing.

16 Q You do in fact own all of the 160 that you have testified
17 to that might be for the two possible wells?

18 A That's right.

19 Q There is no problem here of getting another operator to go
20 along?

21 A No.

22 Q This is strictly to gain hydrocarbons to the north without
23 drilling it?

24 A Right. We are not forced into this particular proration
25 unit by acreage.

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1 Q In your opinion would the granting of this application
2 result in the prevention of waste by virtue of being able
3 to recover the hydrocarbons where you say you can't drill
4 economically?

5 A It would be more economic to drill in the fashion that I
6 have asked to have these proration units aligned, in my
7 opinion, rather than to go to the east and west.

8 Q Was Exhibit 1 prepared by you or under your direct super-
9 vision?

10 A It was prepared by me.

11 MR. CHRISTY: I have no further questions of the
12 witness.

13 MR. NUTTER: Mr. Baird, what is the location of the
14 well that is presently drilling?

15 MR. BAIRD: It is 660 from the west line and 1980
16 from the south line of Section 29, 16 south, 26 east--
17 36 east.

18 MR. NUTTER: Is that a standard location for the
19 East Shoe Bar-Devonian Pool?

20 MR. BAIRD: It is.

21 MR. NUTTER: The only thing that is unorthodox is
22 the proposed proration unit?

23 MR. BAIRD: That is true.

24 MR. NUTTER: By virtue of the 20 per cent of it not
25 being productive in your estimate, you are asking that this

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1 well would be assigned an 80 per cent allowable; is this
2 correct?

3 MR. BAIRD: This is true.

4 MR. NUTTER: You figure about 20 per cent in the
5 north end, I presume:

6 MR. BAIRD: That's right, the north end of the 40
7 that would probably be unproductive.

8 MR. NUTTER: Are there any further questions of Mr.
9 Baird? He may be excused.

10 Do you have anything further?

11 MR. CHRISTY: We would like to offer applicant's
12 Exhibit 1.

13 MR. NUTTER: Exhibit 1 in case 4753 is admitted into
14 evidence.

15 Does anyone have anything they wish to offer in case
16 4753?

17 We will take the case under advisement and call case
18 number 4769.

19 * * * * *

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I N D E X

WITNESS

PAGE

MR. WALTER R. BAIRD

Direct Examination by Mr. Sim Christy

3

E X H I B I T S

PAGE

Exhibit 1

8

1 STATE OF NEW MEXICO)
 2 : ss.
 3 COUNTY OF BERNALILLO)

4 I, MARCIA J. HUGHES, Court Reporter, do hereby certify
 5 that the above and foregoing pages are a true and correct
 6 transcript of the proceedings had before the New Mexico Oil
 7 Conservation Commission on Wednesday, July 26, 1972.

8 *Marcia J. Hughes*
 9

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 22 I do hereby certify that the foregoing is
 23 a complete record of the proceedings in
 24 the hearing of Case No. 4753
 25 heard by me on 7/26 1972
C. J. Hughes, Secretary
 New Mexico Oil Conservation Commission

dearnley, meier & mc cormick

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

July 12, 1972

EXAMINER HEARING

IN THE MATTER OF:

Application of Roger C. Hanks
for a non-standard proration
unit, Lea County, New Mexico.

CASE NO. 4753

BEFORE: Richard L. Stamets
Examiner

TRANSCRIPT OF HEARING

dearnley, meier & mc cormick

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1 MR. STAMETS: The hearing will come to order,
2 please. We have continued cases and one dismissal. This is
3 a rather lengthy docket so in order to facilitate the
4 situation, if you could ~~put~~ your exhibits before your case
5 comes up, it certainly will be appreciated.

6 We will call first Case 4753.

7 MR. HATCH: Case 4753: Application of Roger C.
8 Hanks for a non-standard proration unit, Lea County, New
9 Mexico. A mistake was made in the legal advertisement of
10 this Case so it will be readvertised for July 26, 1972, and
11 will be continued to that date.

12 MR. STAMETS: Case 4753 will be continued to the
13 July 26th Examiner Hearing.
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dearnley, meier & mc cormick

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1 STATE OF NEW MEXICO)
2) SS
3 COUNTY OF BERNALILLO)

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

11 *Richard E. McCormick*

12 CERTIFIED SHORTHAND REPORTER

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22 I do hereby certify that the foregoing is
23 a complete record of the hearing of the
24 the Board of Hearing of Case No. 41753
25 heard by me on July 17, 1977

Richard J. Hammett
New Mexico Oil Conservation Commission



OIL CONSERVATION COMMISSION

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

August 8, 1972

**GOVERNOR
BRUCE KING
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. 4753

Order No. R-4352

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. Portman

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC X

Artesia OCC

Aztec OCC

Other _____

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. 4753
Order No. R-4352

APPLICATION OF ROGER C. HANKS
FOR A NON-STANDARD PRORATION
UNIT, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 26, 1972,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 7th day of August, 1972, 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, is the owner of
a lease or leases comprising, among other lands, the NW/4 SW/4
and the SW/4 NW/4 of Section 29, Township 16 South, Range 36
East, NMPM, Lea County, New Mexico.

(3) That the applicant seeks approval of an 80-acre non-
standard oil proration unit in the East Shoe Bar-Devonian Pool
comprising the above-described acreage to be dedicated to a
well to be drilled 1980 feet from the South line and 660 feet
from the West line of said Section 29.

(4) That approximately 80% of the non-standard oil pro-
ration unit requested by the applicant may reasonably be presumed
to be productive of oil from the East Shoe Bar-Devonian Pool
and can be efficiently and economically drained and developed
by the aforesaid well.

(5) That approval of the 80-acre non-standard oil proration
unit as requested by the applicant will afford the applicant the
opportunity to produce its just and equitable share of the oil in

-2-

Case No. 4753
Order No. R-4352

the East Shoe Bar-Devonian Pool, will prevent the economic loss caused by the drilling of unnecessary wells, will avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights, provided the subject well receives no more than 80% of a standard allowable for the pool.

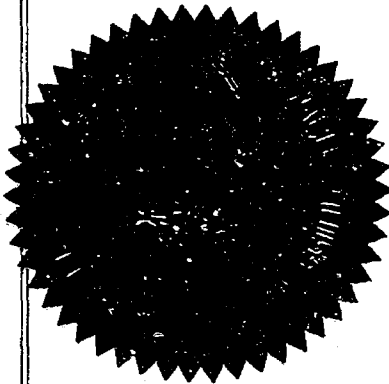
IT IS THEREFORE ORDERED:

(1) That an 80-acre non-standard oil proration unit in the East Shoe Bar-Devonian Pool comprising the NW/4 SW/4 and the SW/4 NW/4 of Section 29, Township 16 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby established and dedicated to a well to be drilled 1980 feet from the South line and 660 feet from the West line of said Section 29.

PROVIDED HOWEVER, that the subject well shall receive no more than 80% of a standard allowable for the subject pool.

(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

Bruce King
BRUCE KING, Chairman

Alex J. Armiño
ALEX J. ARMIÑO, Member

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

S E A L

dr/

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 26, 1972

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 Elvis A. Utz, Alternate Examiner:

- ALLOWABLE: (1) Consideration of the allowable production of gas for August, 1972, from fifteen prorated pools in Lea, Eddy, Chaves and Roosevelt Counties, New Mexico.
- (2) Consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba, and Sandoval Counties, for August, 1972.

CASE 4777: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider preliminary purchaser nominations and other evidence of market demand for the proration period beginning September 1, 1972, and ending December 31, 1973, for the South Carlsbad-Morrow and South Carlsbad-Strawn Gas Pools, Eddy County, New Mexico.

CASE 4776: In the matter of the hearing called by the Oil Conservation Commission on its own motion for the amendment of the special Rules and Regulations governing the following pools:

Bluitt-San Andres Associated Pool
Todd-Lower San Andres Pool, both in Roosevelt County;

Double L-Queen Associated Pool
Round Tank-Queen Pool
Twin Lakes-San Andres Pool, all in Chaves County;

Mesa Queen Pool in Lea and Eddy Counties;
North Paduca-Delaware Pool, in Lea County;

Angels Peak-Gallup Pool
Gallegos-Gallup Pool
Tocito Dome-Pennsylvanian "D" Pool, in San Juan County;

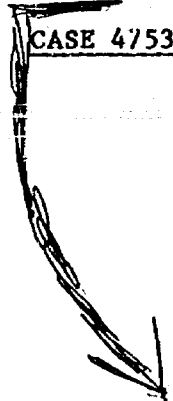
Escrito-Gallup Pool in Rio Arriba and San Juan Counties;

Tapacito-Gallup Associated Pool
Devils Fork-Gallup Pool
Largo-Gallup Pool, all in Rio Arriba County

to permit the establishment of one-year proration periods for each of said pools.

CASE 4753: (Continued and Readvertised)

Application of Roger C. Hanka for a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks



(Case 4753 continued from page 1)

approval of an 80-acre non-standard oil proration unit in the East Shoe Bar-Devonian Pool comprising the NW/4 SW/4 and the SW/4 NW/4 of Section 29, Township 16 South, Range 36 East, Lea County, New Mexico, to be dedicated to a well to be drilled 1980 feet from the South line and 660 feet from the West line of said Section 29.

CASE 4769: Application of Gulf Oil Corporation for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority for the dual completion (conventional) of its J. R. Holt (NCT-A) Well No. 4 to be located 1980 feet from the South line and 2080 feet from the East line of Section 16, Township 24 South, Range 37 East, Lea County, New Mexico, in such a manner as to produce oil from the Fowler-Upper Yesso and Fowler-Devonian Pools through parallel strings of tubing.

CASE 4770: Application of Amoco Production Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Yates and Seven Rivers formations in the open-hole interval from 3484 feet to 3514 feet in its Gorman Federal Well No. 1 located in Unit C of Section 35, Township 19 South, Range 33 East, East Gem Yates-Seven Rivers Pool, Lea County, New Mexico.

CASE 4774: Application of Amoco Production Company for a pressure maintenance project expansion, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Cato Baskett Pressure Maintenance Project, Cato-San Andres Pool, Chaves County, New Mexico, by the conversion to water injection of four additional wells located in Township 8 South, Range 30 East, as follows:

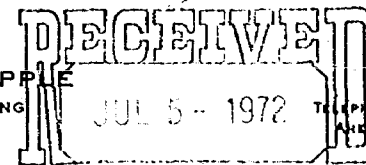
Baskett "D" Well No. 3 - Unit O - Section 11
Baskett "B" Well No. 2 - Unit C - Section 11
Wasley Well No. 1 - Unit C - Section 14
Wasley Well No. 3 - Unit A - Section 14

Applicant further seeks a procedure whereby additional injection wells and expansion of the project area may be approved without the necessity of notice and hearing.

CASE 4775: Application of Continental Oil Company for amendment of special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks amendment of the special rules and regulations governing the Blinebry Pool, Lea County, New Mexico, to provide for annual bottom-hole pressure, gas-oil ratio, and gas-liquid tests in the pool. Applicant further seeks the designation of oil areas and gas areas in the pool with allowables within each area equalized on a per-acre basis and total withdrawals from the gas area to be volumetrically equivalent to the total withdrawals from the oil area.

JAMES T. JENNINGS
SIM B. CHRISTY IV
ROGER L. COPPLE
BRIAN W. COPPLE

LAW OFFICES OF
JENNINGS, CHRISTY & COPPLE
1012 SECURITY NATIONAL BANK BUILDING
P. O. BOX 1180
ROSWELL, NEW MEXICO 88201



TELEPHONE 622-8432
AREA CODE 505

July 3, 1972

OIL CONSERVATION COMM.
Santa Fe

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

Attention: Mr. George Hatch
Legal Department

Re: Application of Roger C. Hanks
for Exception to Special Rules
East Shoe Bar - Devonian Pool

Dear George:

This letter will confirm that the above Application has been transferred from the July 12 to the July 26, 1972 docket. Mr. Hanks' office is advising all offset operators of this change.

Respectfully,

JENNINGS, CHRISTY & COPPLE

By


S. B. Christy IV

SBC:pv

cc: Mr. Roger C. Hanks

7-14-72

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 12, 1972

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

The following cases will be heard before Richard L. Stamets, Examiner, or Elvis A. Utz, Alternate Examiner:

- CASE 4753: Application of Roger C. Hanks for a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an 80-acre non-standard oil proration unit in the East Shoe Bar-Devonian Pool comprising the NW/4 SW/4 and the SW/4 NW/4 of Section 29, Township 16 South, Range 36 East, Lea County, New Mexico, to be dedicated to a well to be drilled 1980 feet from the South line and 660 feet from the West line of said Section 29.
- CASE 4754: Application of Texaco Inc. for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to complete its C. H. Lockhart (NCT-1) Well No. 3 located in Unit O of Section 18, Township 22 South, Range 38 East, Lea County, New Mexico, in such a manner as to produce oil from the Paddock and Blinebry Pools through one string of tubing and the Tubb Pool through a parallel string of tubing.
- CASE 4755: Application of Texaco Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks as an exception to Rule 303 of the Commission Rules and Regulations, authority to commingle production from the Skaggs-Drinkard, Skaggs-Glorieta, and East Weir-Blinebry Pools in the wellbore of its C. H. Weir "B" Well No. 5 located in Unit G of Section 11, Township 20 South, Range 37 East, Lea County, New Mexico.
- CASE 4756: Application of Blackrock Oil Company for the creation of a new gas pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new pool for the production of gas from the Delaware formation for its Jennings Federal Well No. 1 located in Unit O of Section 33, Township 25 South, Range 32 East, Lea County, New Mexico. The Commission will also consider whether or not an associated pool should be created for the above-described well.
- CASE 4757: Application of Beard Oil Company for a unit agreement, Sierra County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Jornada Del Muerto Unit Area comprising 115,180 acres, more or less, of Federal, State, and Fee lands in Townships 13, 14, and 15 South, Ranges 1 East and 1 West, Sierra County, New Mexico.
- CASE 4758: Application of Amoco Production Company for allowable transfer, San Juan County, New Mexico. Applicant, in the above-styled cause, proposes to conduct 90-day shut-in and pressure build-up tests on its Gallegos Canyon Unit Com "H" Well No. 180 and its Unit Com "E" Well No. 161 located, respectively, in Unit J of Section 28, Township 29 North, Range 12 West, and Unit O of Section 23, Township 29 North, Range 13 West, Basin-Dakota Pool, San Juan County, New Mexico. Applicant seeks authority to transfer the allowable from the two wells during said period to its Unit Well No. 202 located in Unit B of Section 33, Township 29 North, Range 12 West, during said test period or to some other well or wells suitable to the Commission.

JAMES T. JENNINGS
SIM B. CHRISTY IV
ROGER L. COPPLE
BRIAN W. COPPLE

LAW OFFICES OF
JENNINGS, CHRISTY & COPPLE
1012 SECURITY NATIONAL BANK BUILDING
P. O. BOX 1180
ROSWELL, NEW MEXICO 88201

TELEPHONE 622-8432
AREA CODE 505

June 1, 1972

Case 4753

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

Attention: A. L. Porter, Jr., Executive Director

Gentlemen:

We enclose herewith in triplicate Application of
Roger C. Hanks for an exception to the special rules
and regulations of the East Shoe Bar-Devonian Pool
promulgated by Order R-3586 & A.

It would be appreciated if the matter could be
set before an examiner hearing in July 1972.

Respectfully,

JENNINGS, CHRISTY & COPPLE

By

S. B. Christy IV
S. B. Christy IV

SBC:jy
Encl.

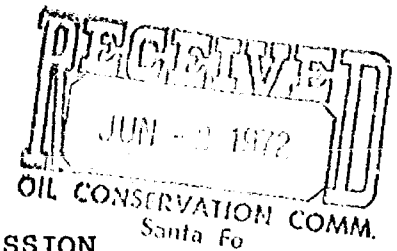
cc: Roger C. Hanks

RECEIVED

Date *7-14-72*

RECEIVED

Date *6-30-72*



BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
ROGER C. HANKS FOR AN EXCEPTION TO
THE SPECIAL RULES AND REGULATIONS
FOR THE EAST SHOE BAR-DEVONIAN
POOL, LEA COUNTY, NEW MEXICO.

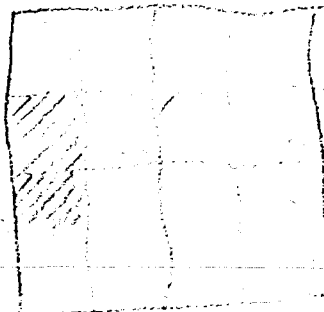
Case No. 1152

APPLICATION

COMES NOW Roger C. Hanks and respectfully requests an exception to the special rules and regulations for the East Shoe Bar-Devonian Pool promulgated by Order R-3586 entered November 21, 1968, as made permanent by Order R-3586-A entered November 10, 1969, and for grounds thereof would state:

1. That Rule 2 of the special rules and regulations for the East Shoe Bar-Devonian Pool provides that each well shall be located on a standard unit consisting of 80 acres, more or less, consisting of the $N\frac{1}{2}$, $S\frac{1}{2}$, $E\frac{1}{2}$ or $W\frac{1}{2}$ of a governmental quarter section.

2. That Roger C. Hanks is the operator of an oil and gas lease covering the $NW\frac{1}{4}SW\frac{1}{4}$, $SW\frac{1}{4}NW\frac{1}{4}$ Section 29, Township 16 South, Range 36 East, N.M.P.M., Lea County, New Mexico, within the horizontal limits of the East Shoe Bar-Devonian Pool. That he proposes to drill a well, in search of oil or gas, to the East Shoe Bar-Devonian Pool, which well will be located 660 feet FWL and 1980 feet FSL of said Section 29, and if productive to dedicate, as a non-standard proration unit, the $NW\frac{1}{4}SW\frac{1}{4}$, $SW\frac{1}{4}NW\frac{1}{4}$ Section 29, Township 16 South, Range 36 East, N.M.P.M., to such well.



3. That the granting of the application sought hereby will not violate the correlative rights of any interested party and would tend to prevent waste.

WHEREFORE, Roger C. Hanks prays that this matter be set for an examiner hearing after notice and that following such hearing an order be entered by the Commission granting him the right to dedicate the NW $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$ Section 29, Township 16 South, Range 36 East, N.M.P.M., as the proration unit to a well in the East Shoe Bar-Devonian Pool located 660 feet FWL and 1980 feet FSL of said Section 29; and for all proper relief.

ROGER C. HANKS

By 

S. B. Christy IV, As a Member
of the Firm of Jennings,
Christy & Copple, P. O. Box 1180,
Roswell, New Mexico 88201,
Attorneys for Roger C. Hanks

DRAFT

GMH/dr

(JH)

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. 4753

Order No. R- 4352

APPLICATION OF ROGER C. HANKS
FOR A NON-STANDARD PRORATION
UNIT, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 12²⁶, 1972,
at Santa Fe, New Mexico, before Examiner Richard L. Stamey DSJ

NOW, on this day of July, 1972, 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, is the owner of
a lease or leases comprising, among other lands, the NW/4 SW/4
and the SW/4 NW/4 of Section 29, Township 16 South, Range 36
East, NMPM, Lea County, New Mexico.

(3) That the applicant seeks approval of an 80-acre non-standard oil proration unit in the East Shoe Bar-Devonian Pool comprising the above-described acreage to be dedicated to a well to be drilled 1980 feet from the South line and 660 feet from the West line of said Section 29.

~~(4) That said NW/4 SW/4 and the SW/4 NW/4 of Section 29 comprising all of the interest in said Section 29 owned by the applicant.~~

~~(5) That attempts to pool said _____ with the _____ of said Section 29 on a voluntary basis in order to form a standard 80-acre proration unit comprising the _____ of said Section 29 have been unsuccessful.~~

(6) That, ^{approximately 80% of the} the entire non-standard oil proration unit requested by the applicant may reasonably be presumed to be productive of oil from the East Shoe Bar-Devonian Pool and can be efficiently and economically drained and developed by the aforesaid well.

(7) That approval of the 80-acre non-standard oil proration unit as requested by the applicant will afford the applicant the opportunity to produce its just and equitable share of the oil in the East Shoe Bar-Devonian Pool, will prevent the economic loss caused by the drilling of unnecessary wells, will avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect

correlative rights, ^{provided the subject well receives no more than 80% of a standard allowable for the pool.}

IT IS THEREFORE ORDERED:

(1) That an 80-acre non-standard oil proration unit in the East Shoe Bar-Devonian Pool comprising the NW/4 SW/4 and the SW/4 NW/4 of Section 29, Township 16 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby established and dedicated to a well to be drilled ^{1980 feet from the South line and 660 feet from} at a standard location in the _____ of said Section 29.

(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.

Provided however, that the subject well shall receive no more than 80% of a standard allowable for the subject pool.

to West line

**CASE 4754: Application of Texaco
Inc. for a dual completion
Lea County, New Mexico.** 4