

CASE 5018:

SOUTHEASTERN NEW MEXICO
NOMENCLATURE

CASE No.

5018

Application,

Transcripts,

Small Exhibits

ETC.

dearnley, meier & associates

209 SIMMS BLDG., P.O. BOX 1092, PHONE 243-5691 • ALBUQUERQUE, NEW MEXICO 87103
1210 FIRST NATIONAL BANK BLDG. EAST • ALBUQUERQUE, NEW MEXICO 87108

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
CONFERENCE ROOM, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO
June 27, 1973

EXAMINER HEARING

IN THE MATTER OF:

Southeastern nomenclature case
calling for an order for the
creating, extension and contraction
of certain pools, and the assignment
of an oil discovery allowable,
Lea and Roosevelt Counties,
New Mexico.

Case No. 5018

BEFORE: ELVIS A. UTZ,
Examiner.

TRANSCRIPT OF HEARING

1 MR. UTZ: So that we can free one of the staff
2 members, we will now take the southeast nomenclature
3 case.

4 MR. CARR: Case 5018, Southeastern nomenclature
5 case calling for an order for the creation, extension
6 and contraction of certain pools, and the assignment of
7 an oil discovery allowable, Lea and Roosevelt Counties,
8 New Mexico.

9 Mr. Examiner, the Oil Commission has one witness
10 to be sworn.

11 * * * * *

12 DANIEL S. NUTTER,
13 was called as a witness, and after being duly sworn,
14 testified as follows:

15 DIRECT EXAMINATION

16 BY MR. CARR:

17 Q Will you state your name and position for the record?

18 A Dan Nutter, Chief Engineer for the Oil Conservation
19 Commission.

20 Q Are you prepared to make recommendations to the
21 Commission concerning the nomenclature of certain pools
22 in Lea and Roosevelt Counties, New Mexico?

23 A Yes, sir, I am.

24 Q Are your recommendations presented in the form of an
25 exhibit?

1 A Yes, sir, they are prepared and identified as Oil
2 Conservation Commission Staff Exhibit 1, Case 5018.

3 Q Will you please refer to this exhibit and the docket
4 which has been prepared and distributed and point out
5 any substantial differences?

6 A Exhibit 1 in Case No. 5018 reflects the creations and
7 extensions as recommended today. It is identical to
8 the descriptions as shown on the docket distributed at
9 the hearing today.

10 With respect to Paragraph (a) the creation of the
11 Humble City-Wolfcamp Pool, this pool was discovered by
12 Pubco Petroleum Corporation's Shipp Well Number 4 located
13 in Unit L, Section 11, Township 17 South, Range 37 East.
14 The well was completed April 27, 1973. The top of the
15 perforation is at 9,594 feet. In connection with those
16 depths, I would recommend that 47,970 barrels of oil
17 discovery allowable be assigned to the aforesaid well.

18 I also recommend the creation of a new oil pool to
19 be designated the Shinnery-Queen Pool as described in
20 Paragraph (b). This discovery well is the Burleson &
21 Huff Cinco de Mayo Federal No. 1 located in Unit C of
22 Section 24, Township 18 South, Range 32 East. The well
23 was completed May 10, 1973, and the top of the perforations
24 is at 4,011 feet.

25 All of the other contractions and extensions are as

dearnley, meier & associates

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1216 FIRST NATIONAL BANK BLDG., EAST ALBUQUERQUE, NEW MEXICO 87108

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1 shown on the docket.

2 Q Do you have anything further to add to your testimony?

3 A No, I haven't.

4 MR. CARR: Mr. Examiner, I offer Oil Conservation
5 Commission Exhibit 1.

6 MR. UTZ: Without objection, Exhibit 1 will be
7 entered in the record of this case.

8 MR. CARR: I have nothing further.

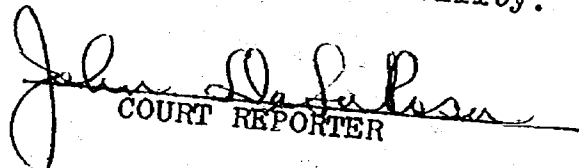
9 MR. UTZ: Is there anything further in the
10 nomenclature case?

11 (No response.)

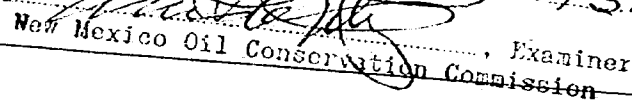
12 MR. UTZ: The case will be taken under advisement
13 and the witness will be excused.
14

15 STATE OF NEW MEXICO)
16 COUNTY OF BERNALILLO) SS.

17 I, JOHN DE LA ROSA, a Court Reporter, in and for the
18 County of Bernalillo, State of New Mexico, do hereby certify
19 that the foregoing and attached Transcript of Hearing before
20 the New Mexico Oil Conservation Commission was reported by me;
21 and that the same is a true and correct record of the said
22 proceedings to the best of my knowledge, skill and ability.

23 
24 COURT REPORTER

25 I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 5018,
heard by me on June 27, 1973.


New Mexico Oil Conservation Commission

I N D E XWITNESSPageDANIEL S. NUTTER

Direct Examination by Mr. Carr

3

E X H I B I T SApplicant'sOfferedAdmitted

Exhibit 1

Nomenclature
Recommendations

4

5

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. 5018
Order No. R-4566

THE APPLICATION OF THE OIL CONSERVATION
COMMISSION UPON ITS OWN MOTION FOR AN
ORDER CREATING, CONTRACTING, AND
EXTENDING CERTAIN POOLS IN LEA AND
ROOSEVELT COUNTIES, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:00 a.m. on June 27, 1973, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 13th day of July, 1973, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

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

(2) That there is need for the creation of a new oil pool in Lea County, New Mexico, for the production of oil from the Wolfcamp formation, said pool to bear the designation of Humble City-Wolfcamp Pool. Further, that the discovery well for said pool, the Pubco Petroleum Corporation Shipp Well No. 4, located in Unit L of Section 11, Township 17 South, Range 37 East, NMPM, is entitled to and should receive a bonus discovery allowable in the amount of 47,970 barrels to be assigned over a two-year period. Said discovery well was completed in the Wolfcamp formation on April 27, 1973. The top of the perforations is at 9,594 feet.

(3) That there is need for the creation of a new oil pool in Lea County, New Mexico, for the production of oil from the Queen formation, said pool to bear the designation of Shinnery-Queen Pool. Said Shinnery-Queen Pool was discovered by the Burleson & Huff Cinco de Mayo Federal Well No. 1, located in Unit C of Section 24, Township 18 South, Range 32 East, NMPM. It was completed in the Queen formation on May 10, 1973. The top of the perforations is at 4,011 feet.

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Case No. 5018
Order No. R-4566

(4) That there is need for the contraction of the Bagley-Pennsylvanian Pool in Lea County, New Mexico, by the deletion of certain acreage in order to place deleted acreage in the North Bagley-Pennsylvanian Pool for nomenclature correction.

(5) That there is need for the contraction of the South Prairie-Cisco Pool in Roosevelt County, New Mexico, by the deletion of certain acreage because of an overlap with the Vada-Pennsylvanian Pool.

(6) That there is need for certain extensions to the North Bagley-Pennsylvanian Pool, the East Brunson-Granite Wash Pool, the Drinkard Pool, the Flying "M"-San Andres Pool, and the Justis Tubb-Drinkard Pool, all in Lea County, New Mexico.

IT IS THEREFORE ORDERED:

(a) That a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production, is hereby created and designated as the Humble City-Wolfcamp Pool, consisting of the following described area:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM
Section 11: SW/4

That the discovery well for said pool, the Pubco Petroleum Corporation Shipp Well No. 4, located in Unit L of Section 11, Township 17 South, Range 37 East, NMPM, is hereby authorized an oil discovery allowable of 47,970 barrels to be assigned to said well at the rate of 66 barrels per day in accordance with Rule 509 of the Commission Rules and Regulations.

(b) That a new pool in Lea County, New Mexico, classified as an oil pool for Queen production, is hereby created and designated as the Shinnery-Queen Pool, consisting of the following described area:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 24: NW/4

(c) That the Bagley-Pennsylvanian Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby contracted by the deletion of the following described area:

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM
Section 34: S/2 NE/4

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Case No. 5018
Order No. R-4566

(d) That the North Bagley-Pennsylvanian Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM
Section 34: S/2 NE/4

(e) That the South Prairie-Cisco Pool in Roosevelt County, New Mexico, as heretofore classified, defined, and described, is hereby contracted by the deletion of the following described area:

TOWNSHIP 8 SOUTH, RANGE 36 EAST, NMPM
Section 28: NW/4

(f) That the East Brunson-Granite Wash Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 13: NW/4

(g) That the Drinkard Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM
Section 1: NE/4

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 6: N/2

(h) That the Flying "M"-San Andres Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM
Section 7: NE/4

(i) That the Justis Tubb-Drinkard Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
Section 12: NW/4

IT IS FURTHER ORDERED:

(1) That, pursuant to Section 65-3-14.5, NMSA 1953, contained in Chapter 271, Laws of 1969, any well which, by virtue of any of the above pool extensions, is subject to pool rules providing for spacing or proration units larger than the one

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Case No. 5018
Order No. R-4566

which is presently dedicated thereto, shall have 60 days from the effective date of this order in which to file new Forms C-102 dedicating a standard unit for the pool to said well, or to obtain a non-standard unit approved by the Commission. Pending such compliance, the well shall receive a maximum allowable in the same proportion to a standard allowable for the pool that the acreage dedicated to the well bears to a standard unit for the pool. Failure to file Forms C-102 dedicating a standard unit to the well or to obtain a non-standard unit approved by the Commission within said 60-day period shall subject the well to cancellation of allowable.

(2) That the effective date of this order and all creations, contractions, and extensions included herein shall be July 1, 1973.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



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

Alex J. Armijo
ALEX J. ARMIJO, Member

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

S E A L

dr/

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 27, 1973

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

The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 4983: (Continued from the June 6, 1973, Examiner Hearing)

Application of Gulf Oil Corporation for simultaneous well dedication and non-standard locations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the simultaneous dedication of two wells to a standard 640-acre gas proration unit comprising all of Section 35, Township 21 South, Range 36 East, Eumbont Gas Pool, Lea County, New Mexico, said wells being the W. A. Ramsay (NCT-A) Wells Nos. 20 and 7 at non-standard locations in the center of Units E and N, respectively, of said Section 35.

CASE 4966: (Continued from the June 6, 1973, Examiner Hearing)

Application of Read & Stevens, Inc. for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the N/2 of Section 36, Township 12 South, Range 30 East, Chaves County, New Mexico, to be dedicated to a well to be drilled to the Queen formation in Unit B of said Section 36, in the Southeast Chaves Queen Gas Area. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and a 200 percent charge for risk involved in drilling said well.

CASE 5008: Application of Hondo Drilling 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 Delaware formation in the perforated interval from 5034 feet to 5038 feet, or in the alternative, from 5128 feet to 5134 feet in its Gulf "NW" State Well No. 2 located in Lot 6 of Section 6, Township 24 South, Range 33 East, Triple "X" Delaware Pool, Lea County, New Mexico.

CASE 5009: Application of Wendell C. Welch for an oil treating plant permit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority for the construction and operation of an oil treating plant for the purpose of treating and reclaiming sediment oil at a site in the SE/4 of Section 35, Township 17 South, Range 27 East, Eddy County, New Mexico.

- CASE 5010: Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down to and including the Pennsylvanian formation underlying the N/2 of Section 18, Township 18 South, Range 26 East adjacent to the West Atoka Morrow Gas Pool, Eddy County, New Mexico, to be dedicated to a well to be drilled 1650 feet from the North line and 660 feet from the West line of said Section 18, the unorthodox location of which was previously approved by Commission Order No. R-4508. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and up to 200 percent charge for risk involved in drilling said well.
- CASE 5011: Application of El Paso Natural Gas Company for extension of Order No. R-4342, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the extension of the provisions of Order No. R-4342, which order authorized the applicant to produce certain non-marginal wells in the San Juan 32-9 Unit Area, Blanco Mesaverde Pool, San Juan County, New Mexico, at full capacity while conducting tests, making up said overproduction by underproducing other non-marginal wells within the participating area.
- CASE 5012: Application of Gandy Construction for an oil treating plant permit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority for the construction and operation of an oil treating plant for the purpose of treating and reclaiming sediment oil at a site in the SE/4 of Section 11, or the SW/4 of Section 12, Township 10 South, Range 35 East, Lea County, New Mexico.
- CASE 5013: Application of Phillips Petroleum Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Grayburg-San Andres formation through its Lea Wells Nos. 4 and 6 located in Units I and O, respectively, of Section 29, Township 17 South, Range 34 East, Vacuum Grayburg-San Andres Pool, Lea County, New Mexico.
- Applicant further seeks an administrative procedure for the drilling of additional injection and producing wells at orthodox and unorthodox locations without further notice and hearing.
- CASE 5014: Application of Cities Service Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the W/2 of Section 26, Township 25 South, Range 24 East, adjacent to the Washington Ranch-Morrow Gas Pool, Eddy County, New Mexico, to be dedicated to a well to be drilled at an orthodox location for said unit.

(Case 5014 continued from page 2)

Also to be considered will be the cost of drilling and completing said well and the allocation of such costs as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and up to 200 percent charge for risk involved in drilling said well.

CASE 5015: Application of Michael P. Grace II and Corinne Grace for compulsory pooling, Eddy County, New Mexico. Applicants, in the above-styled cause, seek an order pooling all mineral interests down to and including the Morrow formation underlying the S/2 of Section 16, Township 24 South, Range 26 East, adjacent to the White City-Pennsylvanian Gas Pool, Eddy County, New Mexico, to be dedicated to a well to be drilled at an orthodox location for said unit. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and up to 200 percent charge for risk involved in drilling said well.

CASE 4988: (Continued and Readvertised)

Application of Texaco Inc. for down-hole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Blinebry, Tubb, and Drinkard Oil Pools in the wellbore of its A. H. Blinebry Well No. 28 located in Unit A of Section 29, Township 22 South, Range 38 East, Lea County, New Mexico.

CASE 5016: Application of Atlantic Richfield Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Seven Rivers-Queen Unit Area comprising 2262 acres, more or less, of State and Fee lands in Townships 22 and 23 South, Range 36 East, Lea County, New Mexico.

CASE 5017: Application of Atlantic Richfield Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its Seven Rivers-Queen Unit Area by the injection of water into the Seven Rivers and Queen formations through 28 wells located in Sections 27, 34, and 35, Township 22 South, Range 36 East, and Sections 2 and 3, Township 23 South, Range 36 East, Lea County, New Mexico.

CASE 5018: Southeastern nomenclature case calling for an order for the creation, extension and contraction of certain pools, and the assignment of an oil discovery allowable, Lea and Roosevelt Counties, New Mexico.

(a) Create a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the Humble City-Wolfcamp Pool. The discovery well is the Pubco Petroleum Corporation

(Case 5018 continued from page 3)

Shipp No. 4 located in Unit 1, of Section 11, Township 17 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM
Section 11: SW/4

Also the assignment of an oil discovery allowable of approximately 47,970 barrels of oil to the aforesaid Shipp Well No. 4.

(b) Create a new pool in Lea County, New Mexico, classified as an oil pool for Queen production and designated as the Shinnery-Queen Pool. The discovery well is the Burleson & Huff Cinco de Mayo Federal No. 1 located in Unit C of Section 24, Township 18 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 24: NW/4

(c) Contract the Bagley-Pennsylvanian Pool in Lea County, New Mexico, by the deletion of the following described area:

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM
Section 34: S/2 NE/4

(d) Extend the North Bagley-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM
Section 34: S/2 NE/4

(e) Contract the South Prairie-Cisco Pool in Roosevelt County, New Mexico, by the deletion of the following described area:

TOWNSHIP 8 SOUTH, RANGE 36 EAST, NMPM
Section 28: NW/4

(f) Extend the East Brunson-Granite Wash Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 13: NW/4

(g) Extend the Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM
Section 1: NE/4

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 6: N/2

(h) Extend the Flying "M"-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM
Section 7: NE/4

(i) Extend the Justis Tubb-Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
Section 12: NW/4

CASE 5018: (a) CREATION OF A NEW OIL POOL
COUNTY LEA POOL HUMBLE CITY-WOLFCAMP

TOWNSHIP 17 South RANGE 37 East NMPM

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

PURPOSE: One completed oil well capable of producing.

PUBCO PETROLEUM CORPORATION - Shipp #4 in Unit L of Section 11-17-37.

Completed in Wolfcamp on April 27, 1973. Top of Perforations 9594'.

Proposed pool boundary colored in red. SECTION 11: SW/4

CASE 5018: (b) CREATION OF A NEW OIL POOL

COUNTY LEA POOL SHINNERY-QUEEN

TOWNSHIP 18 South RANGE 32 East NMFM

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

PURPOSE: One completed oil well capable of producing.
BURLESON & HUFF - Cinco de Mayo Federal #1 in Unit C of Section 24-18-32.
Completed in Queen on May 10, 1973. Top of Perforations 4011'.
Proposed pool boundary colored in red. SECTION 24: NW/4

CASE 5018: (c) DELETION OF AN EXISTING OIL POOL

COUNTY	LEA	POOL	RANGE	TOWNSHIP	NMFM
		BAGLEY-PENNSYLVANIAN	33 East	11 South	

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

PURPOSE: Contract the Bagley-Pennsylvanian Pool by the deletion of certain acreage in order that the deleted acreage may be included in the North Bagley-Pennsylvanian Pool.

Pool boundary colored in red.

Proposed pool deletion colored in blue. SECTION 34: S/2 NE/4

CASE 5018: (d) EXTENSION OF AN EXISTING OIL POOL

COUNTY LEA

POOL NORTH BAGLEY-PENNSYLVANIAN

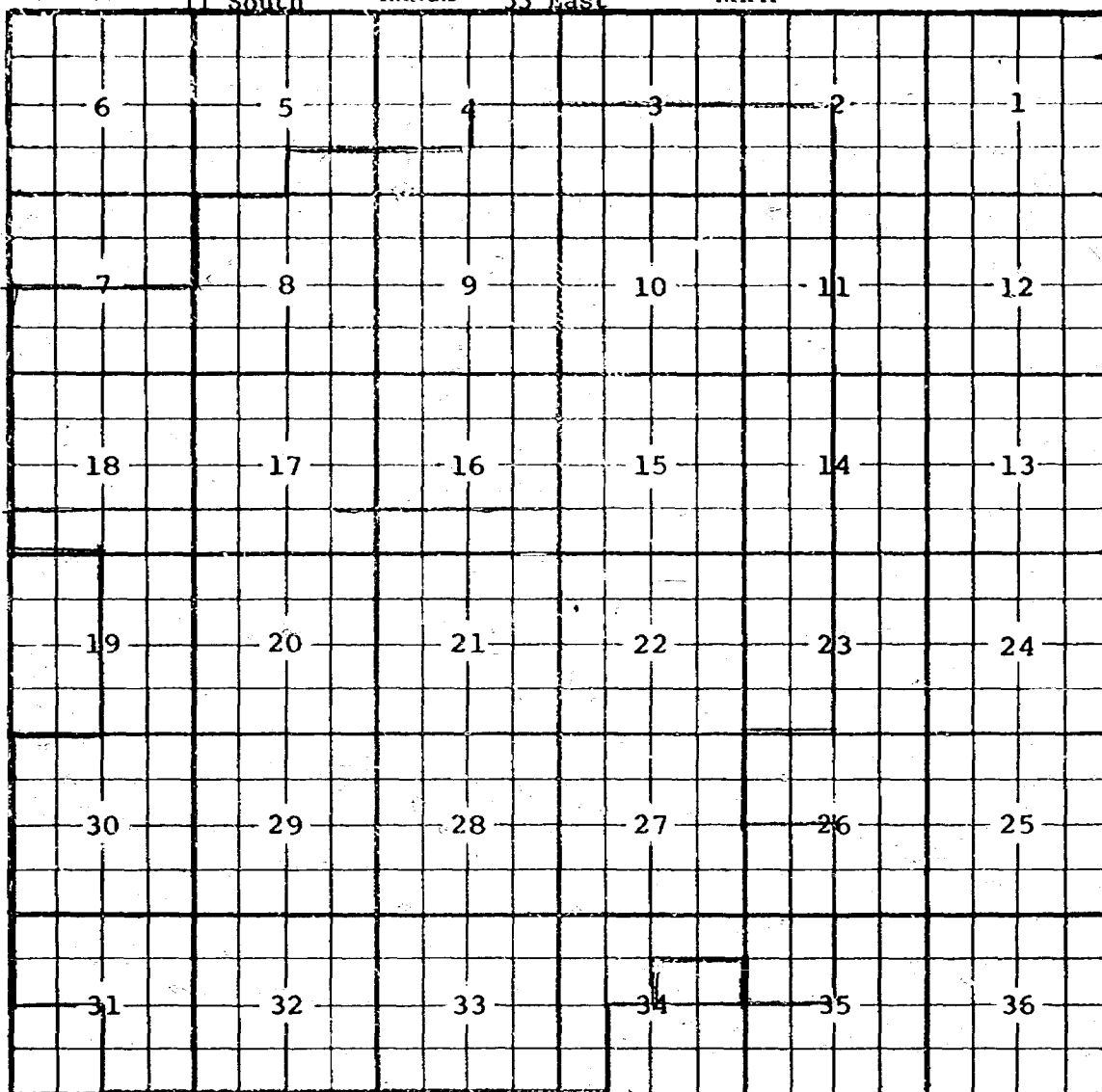
TOWNSHIP

11 South

RANGE

33 East

NMPM



PURPOSE: One completed oil well capable of producing.

ANDERSON OIL & GAS COMPANY - State "34" #1 in Unit G of Section 34-11-33.

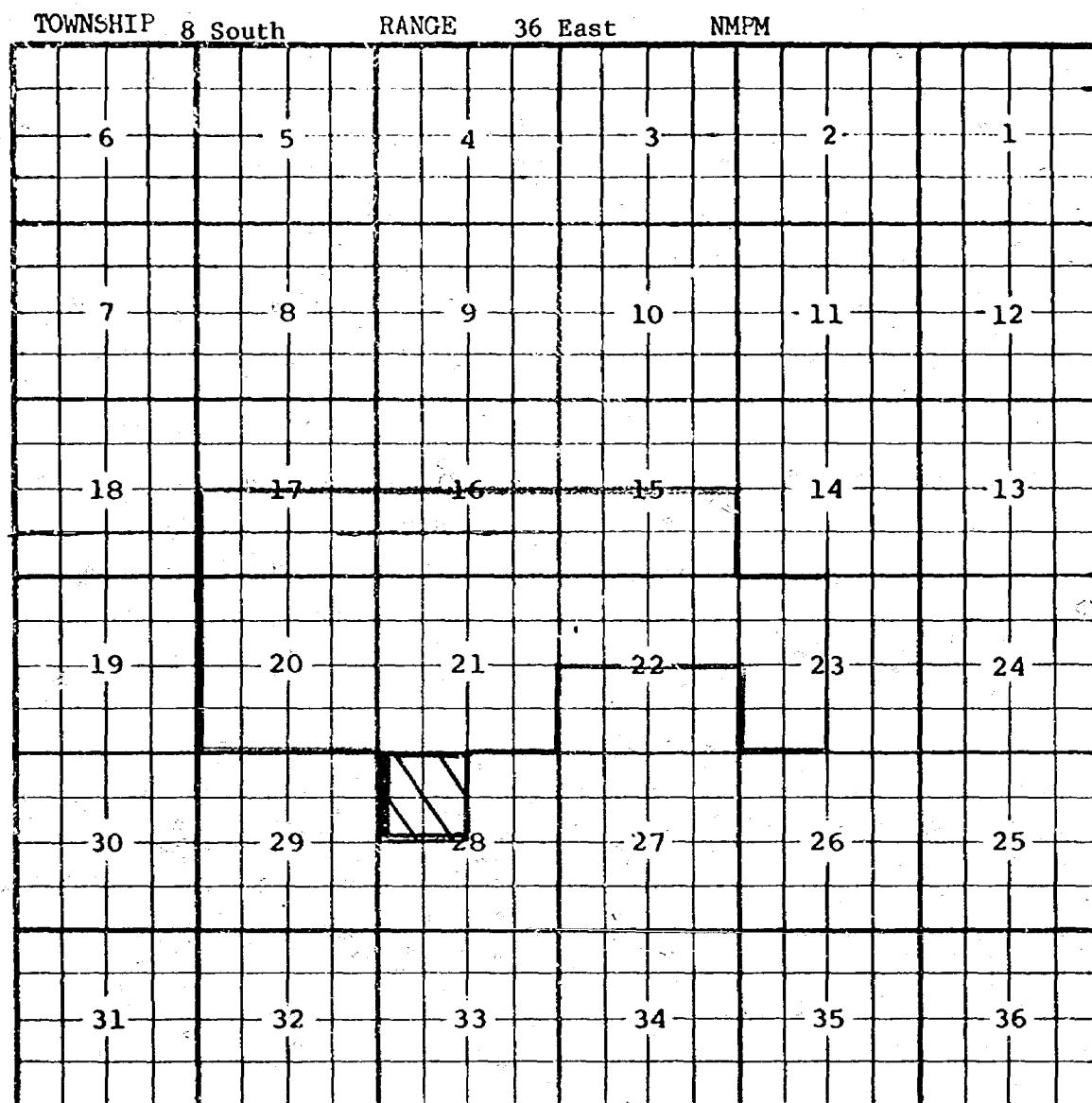
Completed in Lower Pennsylvanian on April 17, 1973. Top of Perforations 9321'.

Pool boundary colored in red.

Proposed pool extension colored in green. SECTION 34: S/2 NE/4

CASE 5018: (e) DELETION OF AN EXISTING OIL POOL

COUNTY ROOSEVELT POOL SOUTH PRAIRIE-CISCO



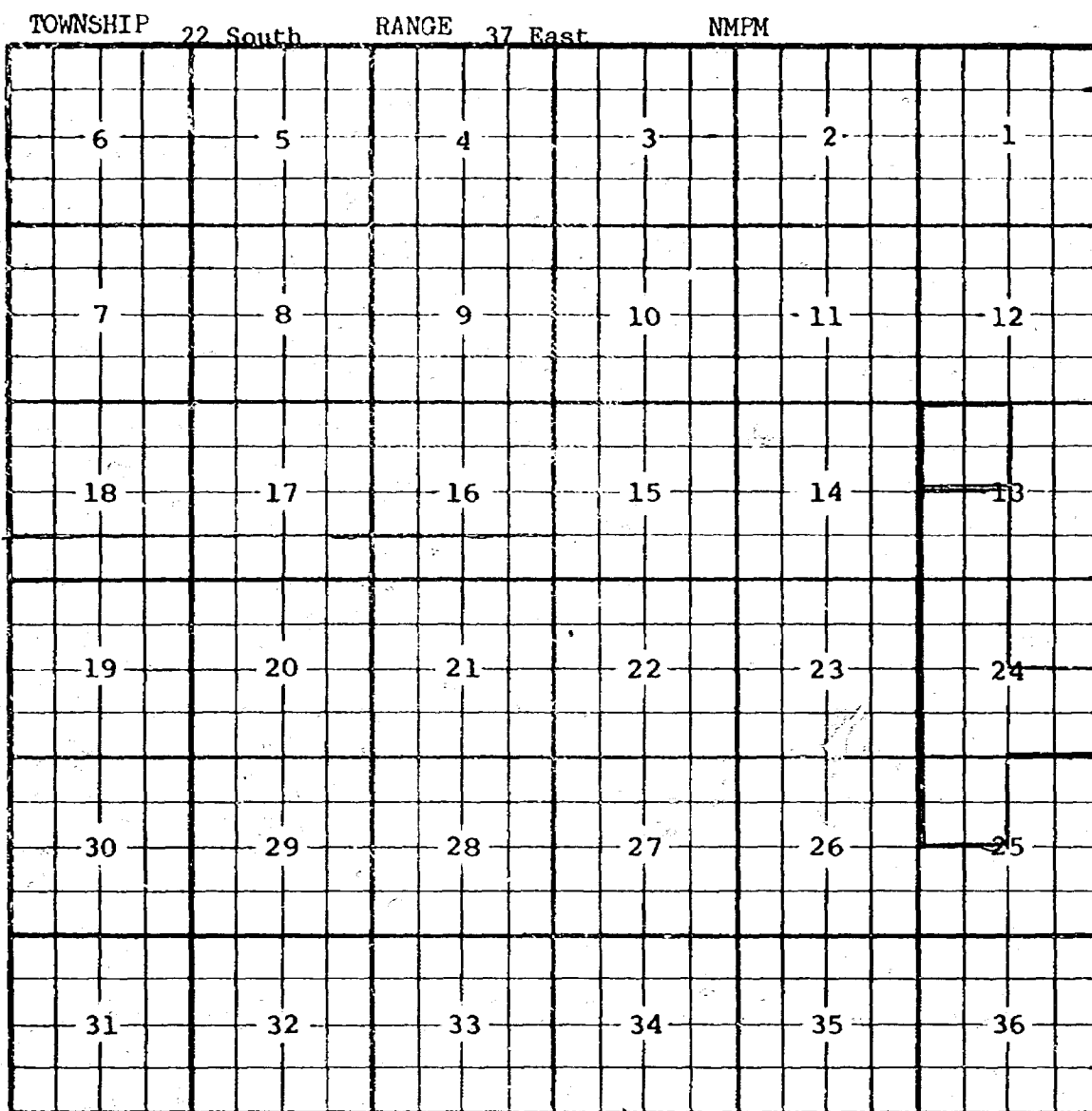
PURPOSE: Contract the South Prairie-Cisco Pool by the deletion of certain acreage because of an overlap with the Vada-Pennsylvanian Pool.

Pool boundary colored in red.

Proposed pool deletion colored in blue. SECTION 28: NW/4

CASE 5018: (f) EXTENSION OF AN EXISTING OIL POOL

COUNTY LEA POOL EAST BRUNSON-GRANITE WASH



PURPOSE: One completed oil well capable of producing.
 JOHN H. HENDRIX - Cossatot "G" #1 in Unit F of Section 13-22-37. Com-
 pleted in Granite Wash on April 20, 1973. Top of Perforations 7190'.
 Pool boundary colored in red.
 Proposed pool extension colored in green. SECTION 13: NW/4

CASE 5018: (g) EXTENSION OF AN EXISTING OIL POOL (Continued on next page)

COUNTY LEA POOL DRINKARD

TOWNSHIP	22 South	RANGE	36 East	NMPM
6	5	4	3	2
7	8	9	10	11
18	17	16	15	14
19	20	21	22	23
30	29	28	27	26
31	32	33	34	35
				36

PURPOSE: One completed oil well capable of producing.

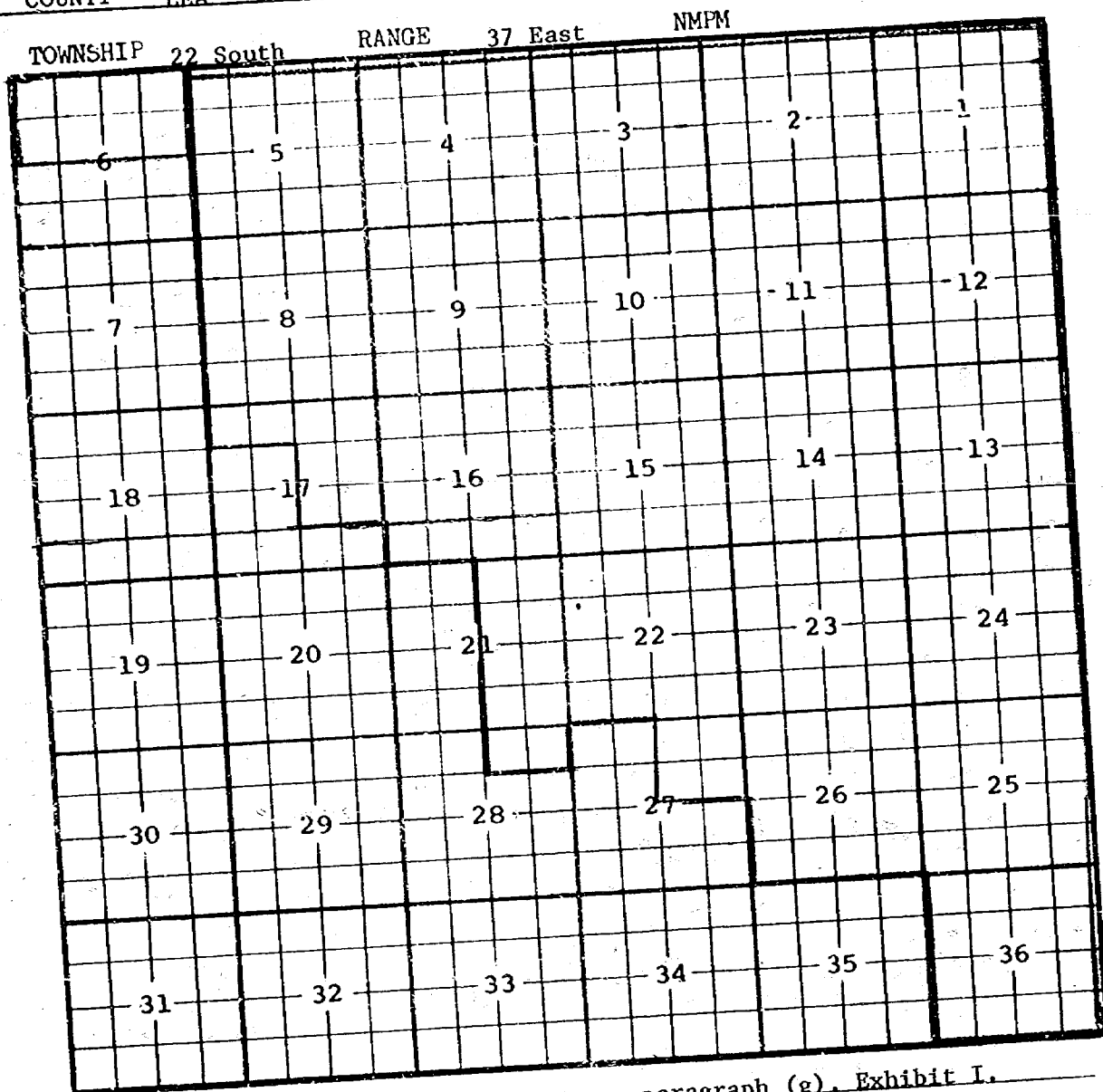
CONTINENTAL OIL COMPANY - Lockhart B-1 #7 in Unit G of Section 1-22-36.

Completed in Drinkard on January 13, 1973. Top of Perforations 6626'.

Pool boundary colored in red.

Proposed pool extension colored in green. SECTION 1: NE/4

CASE 5018: (g) EXTENSION OF AN EXISTING OIL POOL (Continued)
COUNTY LEA POOL DRINKARD

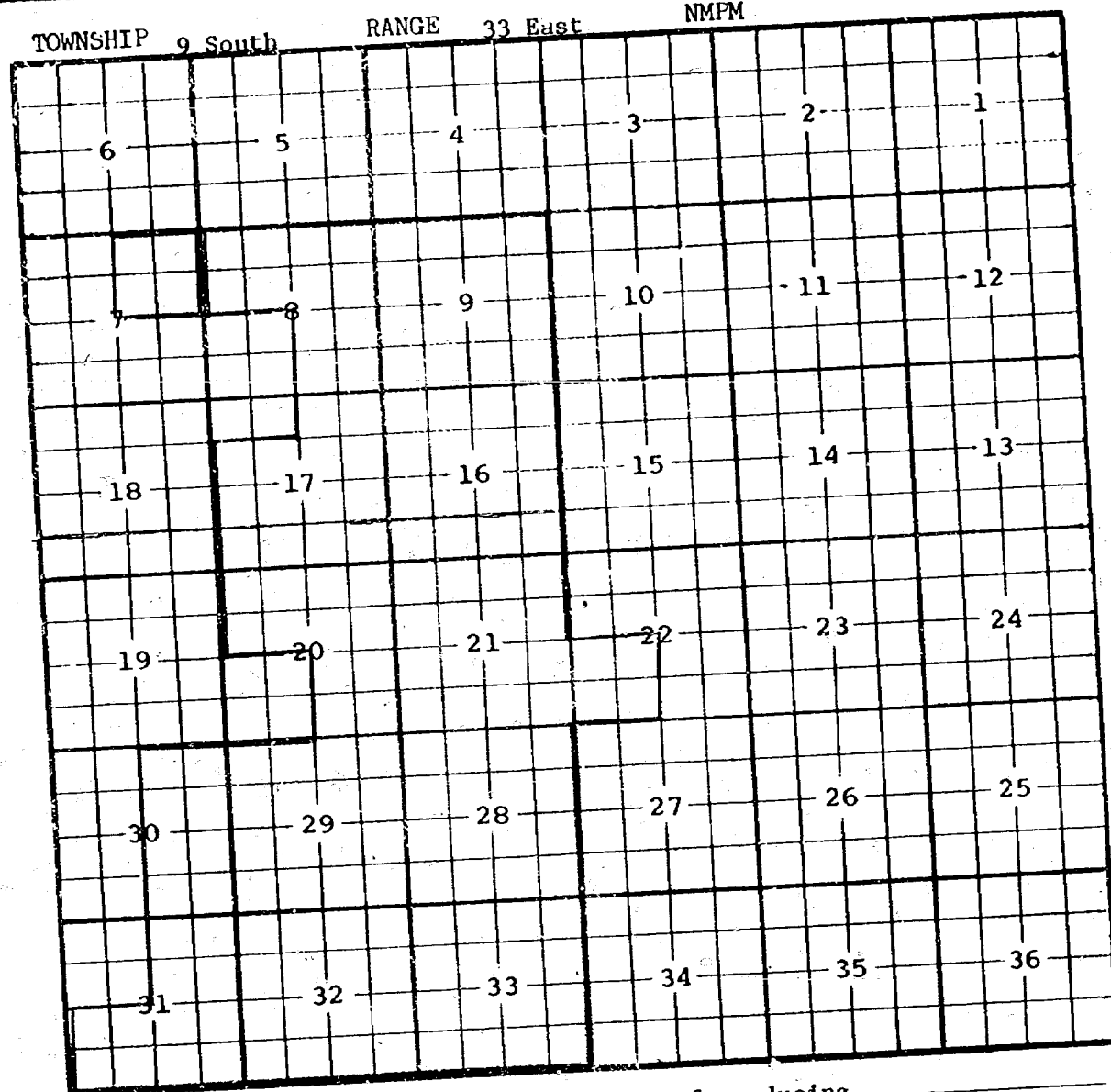


PURPOSE: As stated on preceding page, paragraph (g), Exhibit I.
Pool boundary colored in red.

Proposed pool extension colored in green. SECTION 6: N/2

CASE 5018: (h) EXTENSION OF AN EXISTING OIL POOL
COUNTY LEA POOL FLYING "M"-SAN ANDRES

TOWNSHIP 9 South RANGE 33 East NMPM

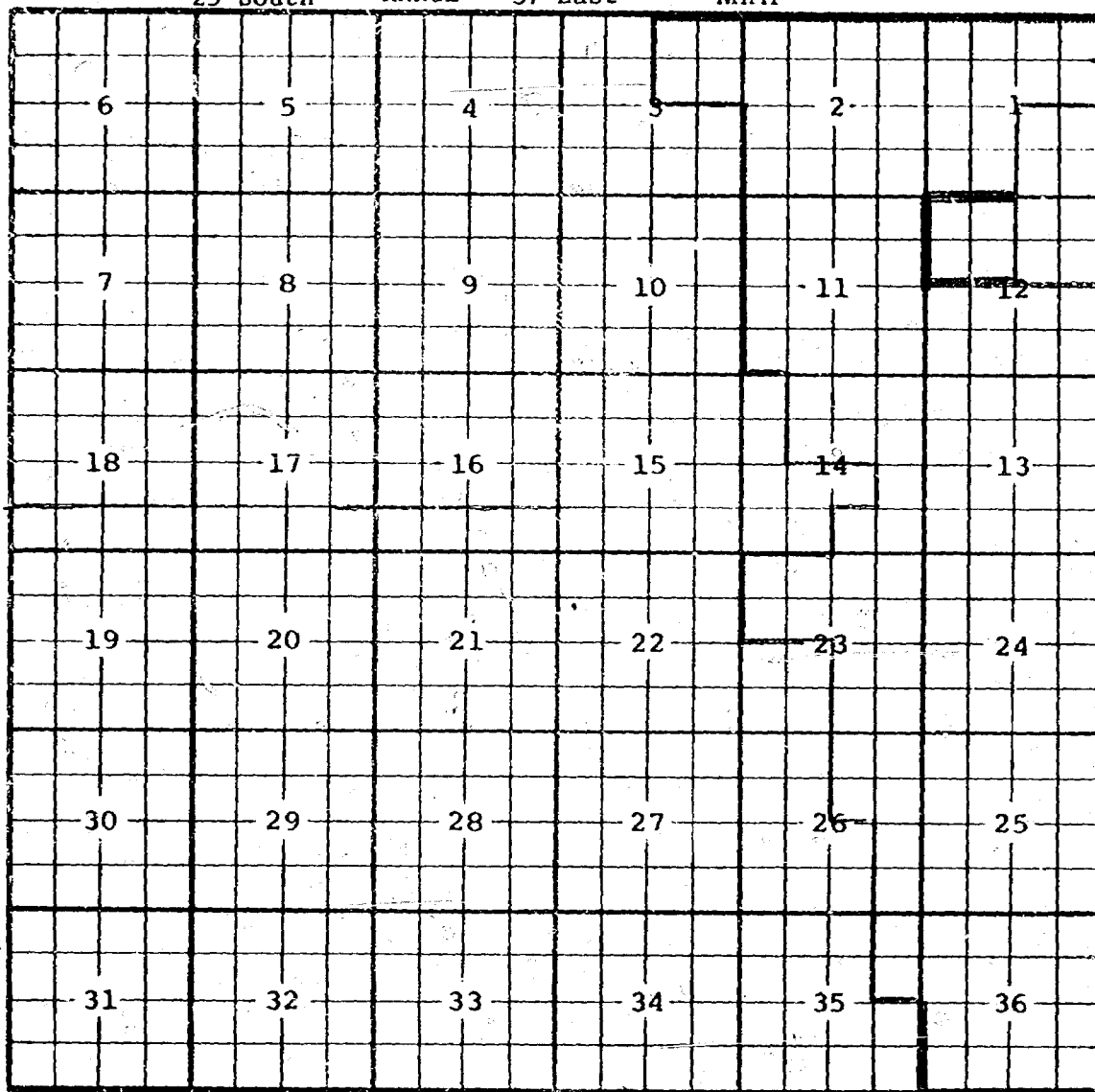


PURPOSE: One completed oil well capable of producing.
BRIDWELL OIL COMPANY - New Mexico 7 State #1 in Unit H of Section 7-9-33.
Completed in San Andres on April 23, 1973. Top of Perforations 4396'
Pool boundary colored in red.
Proposed pool extension colored in green. SECTION 7: NE/4

CASE 5018: (i) EXTENSION OF AN EXISTING OIL POOL

COUNTY LEA POOL JUSTIS TUBB-DRINKARD

TOWNSHIP 25 South RANGE 37 East NMFM



PURPOSE: One completed oil well capable of producing.

TEXAS PACIFIC OIL COMPANY, INC. - Eaton N.W. #14 in Unit F of Section 12-25-37. Completed in Tubb-Drinkard on May 1, 1973. Top of Perforations 5796'.

Pool boundary colored in red.

Proposed pool extension colored in green. SECTION 12: NW/4

CASE 5018: Southeastern nomenclature case calling for an order for the creation, extension and contraction of certain pools, and the assignment of an oil discovery allowable, Lea and Roosevelt Counties, New Mexico.

(a) Create a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the Humble City-Wolfcamp Pool. The discovery well is the Pubco Petroleum Corporation

Shipp No. 4 located in Unit L of Section 11, Township 17 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM
Section 11: SW/4

Also the assignment of an oil discovery allowable of approximately 47,970 barrels of oil to the aforesaid Shipp Well No. 4.

(b) Create a new pool in Lea County, New Mexico, classified as an oil pool for Queen production and designated as the Shinnery-Queen Pool. The discovery well is the Burleson & Huff Cinco de Mayo Federal No. 1 located in Unit C of Section 24, Township 18 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 24: NW/4

(c) Contract the Bagley-Pennsylvanian Pool in Lea County, New Mexico, by the deletion of the following described area:

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM
Section 34: S/2 NE/4

(d) Extend the North Bagley-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM
Section 34: S/2 NE/4

(e) Contract the South Prairie-Cisco Pool in Roosevelt County, New Mexico, by the deletion of the following described area:

TOWNSHIP 8 SOUTH, RANGE 36 EAST, NMPM
Section 28: NW/4

(f) Extend the East Brunson-Granite Wash Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 13: NW/4

(g) Extend the Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM
Section 1: NE/4

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 6: N/2

(h) Extend the Flying "M"-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM
Section 7: NE/4

(i) Extend the Justis Tubb-Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
Section 12: NW/4

Section 6: N/2

(h) Extend the Flying "M"-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM
Section 7: NE/4

(i) Extend the Justis Tubb-Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
Section 12: NW/4

operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and up to 200 percent charge for risk involved in drilling said well.

CASE 5015: Application of Michael P. Grace II and Corinne Grace for compulsory pooling, Eddy County, New Mexico. Applicants, in the above-styled cause, seek an order pooling all mineral interests down to and including the Morrow formation underlying the S/2 of Section 16, Township 24 South, Range 26 East, adjacent to the White City-Pennsylvanian Gas Pool, Eddy County, New Mexico, to be dedicated to a well to be drilled at an orthodox location for said unit. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and up to 200 percent charge for risk involved in drilling said well.

CASE 4988: (Continued and Readvertised)

Application of Texaco Inc. for down-hole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Blinebry, Tubb, and Drinkard Oil Pools in the wellbore of its A. H. Blinebry Well No. 28 located in Unit A of Section 29, Township 22 South, Range 38 East, Lea County, New Mexico.

CASE 5016: Application of Atlantic Richfield Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Seven Rivers-Queen Unit Area comprising 2262 acres, more or less, of State and Fee lands in Townships 22 and 23 South, Range 36 East, Lea County, New Mexico.

CASE 5017: Application of Atlantic Richfield Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its Seven Rivers-Queen Unit Area by the injection of water into the Seven Rivers and Queen formations through 28 wells located in Sections 27, 34, and 35, Township 22 South, Range 36 East, and Sections 2 and 3, Township 23 South, Range 36 East, Lea County, New Mexico.

CASE 5018: Southeastern nomenclature case calling for an order for the creation, extension and contraction of certain pools, and the assignment of an oil discovery allowable, Lea and Roosevelt Counties, New Mexico.

(a) Create a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the Humble City-Wolfcamp Pool. The discovery well is the Pubco Petroleum Corporation

NEW POOLS

- a) It is recommended that a new oil pool be created and designated as the HUMBLE CITY-WOLFCAMP Pool.

Vertical limits to be the Wolfcamp formation and the horizontal limits should be as follows: As shown in Paragraph (a), Exhibit I

Discovery well was Pubco Petroleum Corporation - Shipp #4 located in Unit L Section 11 Township 17 Range 37 and was completed on April 27, 1973. Top of perforations is at 9594 feet.

- b) It is recommended that a new oil pool be created and designated as the SHINNERY-QUEEN Pool.

Vertical limits to be the Queen formation and the horizontal limits should be as follows: As shown in Paragraph (b), Exhibit I

Discovery well was Burleson & Huff - Cinco de Mayo Federal #1 located in Unit C Section 24 Township 18 Range 32 and was completed on May 10, 1973. Top of perforations is at 4011 feet.

It is recommended that a new _____ pool be created and designated as the _____ Pool.

Vertical limits to be the _____ formation and the horizontal limits should be as follows: _____

Discovery well was _____ located in Unit _____ Section _____ Township _____ Range _____ and was completed on _____ Top of perforations is at _____ feet.

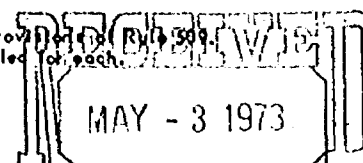
NEW MEXICO OIL CONSERVATION COMMISSION
APPLICATION FOR DISCOVERY ALLOWABLE AND CREATION OF A NEW POOL

Form C-109
 Adopted 9-1-66

*SE moment
 date 27
 June*

NOTE: This form is to be filed and attachments made in accordance with the provisions of the New Mexico Oil Conservation Act. If discovery is claimed for more than one zone, separate forms must be filed for each.

Case 5018 *Can 4480*



Operator Pubco Petroleum Corporation		Address P. O. Box 869, Albuquerque, New Mexico	
Lease Name Shipp		Well No. 4	County Lea
Well Location Unit Letter L , 1874 Feet from The South Line and 554 Feet From the West Line of Section 11 , Township 17S , Range 37E , NMPM			
Suggested Pool Names (List in order of preference) 1. Humble City Wolfcamp 2. 3.			
Name of Producing Formation Wolfcamp		Perforations 9594-9648	Date of Filing Form C-104 4/30/73
Was "Affidavit of Discovery" Previously Filed For This Well in this Pool? No		If Yes, Give Date of Filing	Date Well was Spudded 2/02/73
Total Depth 11,760		Plugged Back Depth 10,318	Depth Casing Shoe 11,760
		Tubing Depth 9453	Elevation (Gr., DF, RKB, RT, etc.) 3765' KB
Oil Well Potential (Test to be taken only after all load oil has been recovered) 322 Bbls. Oil Per Day Based On 322 Bbls In 24 Hours; None Bbls Water Per Day Based On None Bbls In 24 Hours; Gas Production During Test: 256 MCF; Gas-Oil Ratio: 795 Method Of Producing: Flow Chk. Size 32/64"			

NEAREST PRODUCTION TO THIS DISCOVERY (Includes past and present oil or gas producing areas and zones whether this discovery is based on horizontal or vertical separation):

Pool Name Humble City Strawn	Name of Producing Formation Strawn	Top of Pay 11,368 (-7605)	Bottom of Pay 11,434 (-7669)	Currently Producing? Yes
Horizontal Distance and Direction from Subject Discovery Well to the Nearest Well in this Pool 1179' West		Vertical Distance from Subject Discovery Zone to Producing Interval this Pool 1840'		

NEAREST COMPARABLE PRODUCTION (Includes past and present oil or gas production from this pay or formation only):

Pool Name Spencer	Top of Pay 9698'	Bottom of Pay 9720'	Currently Producing? No
Horizontal Distance and Direction from Subject Discovery Well to the Nearest Well in this Comparable Pool 5-1/4 Miles SW (J. C. Williamson #1 Lovington-State)			

Is "County Deep" Discovery Allowable Requested for Subject Discovery Well? No	If Yes, Give Name, Location, and Depth of Next Deepest Oil Production in this County
---	--

Is the Subject Well Multiple Completion? No	Is Discovery Allowable Requested for other Zone(s)? No	If Yes, Name all Such Formations <i>discovery allowed</i>
---	--	--

LIST ALL OPERATORS OWNING LEASES WITHIN ONE MILE OF THIS WELL (Attach additional sheet if necessary)

NAME	ADDRESS
Texas International Petroleum Corp.	1720 Wilco Bldg., Midland, Texas 79701
Continental Oil Co.	Box 460, Hobbs, New Mexico 88240
Kewanee Oil Co.	Box 1859, Midland, Texas
Tom Brown, Inc.	Box 5706, Midland, Texas
H. L. Brown	309 Midland Tower, Midland, Texas
Humble Oil & Refg. Co.	Box 1600, Midland, Texas 79701
Arco Oil Co.	1440 Denver Club Bldg., Denver, Colo. 80202
Pennzoil United, Inc.	P. O. Box 1828, Midland, Texas
Eastland Oil Co.	704 Western United Life Bldg., Midland, Texas
Western Reserves Oil Co.	Midland Nat'l Bk. Bldg., Midland, Texas 79701
Texaco, Inc.	Box 728, Hobbs, New Mexico 88240

Attach evidence that all of the above operators have been furnished a copy of this application. Any of said operators who intends to object to the designation of the subject well as a discovery well, eligible to receive a discovery allowable, must notify the appropriate District Office and the Santa Fe Office of the Commission of such intent in writing within ten days after receiving a copy of this application.

Remarks:

CERTIFICATION

I hereby certify that all rules and regulations of the New Mexico Oil Conservation Commission have been complied with, with respect to the subject well, and that it is my opinion that a bona fide discovery of a hitherto unknown common source of oil supply has been made in said well. I further certify that the discovery allowable for the subject well, if authorized, will be produced from the subject zone in this well only. Further, that the information given herein and attached hereto is true and complete to the best of my knowledge and belief.

- ATOKA OIL
- ◎ STRAWN OIL
- ◎ YESO OIL
- ◎ WOLFCAMP OIL
- ✱ DRY HOLE

Case 4980

Kirby Petr.
Texaco
Lawrence

R-37-E

NOMENCLATURE ADVERTISEMENT FOR JUNE, 1973

CASE 5018

In the matter of the application of the Oil Conservation Commission of New Mexico upon its own motion for an order for the creation of new pools in Lea County, New Mexico, the contraction of certain existing pools in Lea and Roosevelt Counties, New Mexico, and the extension of certain existing pools in Lea County, New Mexico, and giving notice to all persons and parties interested in the subject matter thereof to appear and show cause why such creations, contractions, and extensions should not be made.

✓ a) CREATE A new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the Humble City-Wolfcamp Pool. The discovery well is Pubco Petroleum Corporation, Shipp No. 4 located in Unit L of Section 11, Township 17 South, Range 37 East, NMPM. Said pool ~~described as:~~ *would comprise:*

✓ TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM
SECTION 11: SW/4

✓ b) CREATE A new pool in Lea County, New Mexico, classified as an oil pool for Queen production and designated as the Shinnery-Queen Pool. The discovery well is ~~the~~ Burleson & Huff, Cinco de Mayo Federal No. 1 located in Unit C of Section 24, Township 18 South, Range 32 East, NMPM. Said pool described as:

✓ TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
SECTION 24: NW/4

✓ c) CONTRACT the ~~Bagley-Pennsylvanian Pool~~ in Lea County, New Mexico, by the deletion of the following described area:

✓ TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM
SECTION 34: S/2 NE/4

✓ d) EXTEND the ~~North Bagley-Pennsylvanian Pool~~ in Lea County, New Mexico, to include therein:

✓ TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM
SECTION 34: S/2 NE/4

✓ e) CONTRACT the ~~South Prairie-Cisco Pool~~ in Roosevelt County, New Mexico, by the deletion of the following described area:

✓ TOWNSHIP 8 SOUTH, RANGE 36 EAST, NMPM
SECTION 28: NW/4

✓ f) EXTEND the East Brunson-Granite Wash Pool in Lea County, New Mexico, to include therein:

✓ TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
SECTION 13: NW/4

also the assignment of an oil discovery allowance of approximately 47,970 barrels of oil to the aforesaid Shipp Well No. 4.

Nomenclature June, 1973

g) EXTEND the Drinkard Pool in Lea County, New Mexico, to include therein:

✓ TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM
SECTION 1: NE/4

✓ TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
SECTION 6: N/2

h) EXTEND the Flying "M"-San Andres Pool in Lea County, New Mexico, to include therein:

✓ TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM
SECTION 7: NE/4

i) EXTEND the Justis Tubb/Drinkard Pool in Lea County, New Mexico, to include therein:

✓ TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
SECTION 12: NW/4

(a) Add to paragraph a

Discovery
That the discovery well for said pool,
the Pubco Petroleum Corporation Shipp Well
No. 4, located in Unit 6 of Section 11, Township
17 South, Range 37 East, NMPM, is hereby
authorized an oil discovery allowable of
47,970 barrels to be assigned to said well
at the rate of 66 barrels per day in
accordance with Rule 509 of the Commission
Rules and Regulations.

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. 5018
ORDER NO. R- 4566

THE APPLICATION OF THE OIL CONSERVATION
COMMISSION UPON ITS OWN MOTION FOR AN
ORDER CREATING, CONTRACTING, AND EXTENDING
CERTAIN POOLS IN LEA AND ROOSEVELT COUNTIES,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:00 a.m. on June 27, 1973, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

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

FINDS:

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

(2) That there is need for the creation of a new oil pool in Lea County, New Mexico, for the production of oil from the Wolfcamp formation, said pool to bear the designation of Humble City-Wolfcamp Pool. Further, that the discovery well for said pool, the Pubco Petroleum Corporation Shipp Well No. 4, located in Unit L of Section 11, Township 17 South, Range 37 East, NMPM, is entitled to and should receive a bonus discovery allowable in the amount of 47,970 barrels to be assigned over a two-year period. Said discovery well was completed in the Wolfcamp formation on April 27, 1973. The top of the perforations is at 9594 feet.

(3) That there is need for the creation of a new oil pool in Lea County, New Mexico, for the production of oil from the Queen formation, said pool to bear the designation of Shinnery-Queen Pool. Said Shinnery-Queen Pool was discovered by the Burleson & Huff Cinco de Mayo Federal Well No. 1, located in Unit C of Section 24, Township 18 South, Range 32 East, NMPM. It was completed in the Queen formation on May 10, 1973. The top of the perforations is at 4011 feet.

(4) That there is need for the contraction of the Bagley-Pennsylvanian Pool in Lea County, New Mexico, by the deletion of certain acreage in order to place deleted acreage in the North Bagley-Pennsylvanian Pool for nomenclature correction.

(5) That there is need for the contraction of the South Prairie-Cisco Pool in Roosevelt County, New Mexico, by the deletion of certain acreage because of an overlap with the Vada-Pennsylvanian Pool.

(6) That there is need for certain extensions to the North Bagley-Pennsylvanian Pool, the East Brunson-Granite Wash Pool, the Drinkard Pool, the Flying "M"-San Andres Pool, and the Justis Tubb-Drinkard Pool, all in Lea County, New Mexico.

IT IS THEREFORE ORDERED:

(a) That a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production, is hereby created and designated as the Humble City-Wolfcamp Pool, consisting of the following described area:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM
SECTION 11: SW/4

(b) That a new pool in Lea County, New Mexico, classified as an oil pool

for Queen production, is hereby created and designated as the Shinnery-Queen Pool, consisting of the following described area:

✓ TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
SECTION 24: NW/4

(c) That the Bagley-Pennsylvanian Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby contracted by the deletion of the following described area:

✓ TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM
SECTION 34: S/2 NE/4

(d) That the North Bagley-Pennsylvanian Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

✓ TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM
SECTION 34: S/2 NE/4

(e) That the South Prairie-Cisco Pool in Roosevelt County, New Mexico, as heretofore classified, defined, and described, is hereby contracted by the deletion of the following described area:

✓ TOWNSHIP 8 SOUTH, RANGE 36 EAST, NMPM
SECTION 28: NW/4

(f) That the East Brunson-Granite Wash Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

✓ TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
SECTION 13: NW/4

(g) That the Drinkard Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

✓ TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM
SECTION 1: NE/4

✓ TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
SECTION 6: N/2

(h) That the Flying "M"-San Andres Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

✓ TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM
SECTION 7: NE/4

(i) That the Justis Tubb-Drinkard Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

✓ TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
SECTION 12: NW/4

IT IS FURTHER ORDERED:

(1) That, pursuant to Section 65-3-14.5, NMSA 1953, contained in Chapter 271, Laws of 1969, any well which, by virtue of any of the above pool extensions, is subject to pool rules providing for spacing or proration units larger than the one which is presently dedicated thereto, shall have 60 days from the effective date of this order in which to file new Forms C-102 dedicating a standard unit for the pool to said well, or to obtain a non-standard unit approved by the Commission. Pending such compliance, the well shall receive a maximum allowable in the same proportion to a standard allowable for the pool that the acreage dedicated to the well bears to a standard unit for the pool. Failure to file Forms C-102 dedicating a standard unit to the well or to obtain a non-standard unit approved by the Commission within said 60-day period shall subject the well to cancellation of allowable.

CASE NO. 5018

ORDER NO. R-_____

(2) That the effective date of this order and all creations, contractions, and extensions included herein shall be July 1, 1973.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

BRUCE KING, Chairman

ALEX ARMIJO, Member

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

S E A L