

CASE 5763: ROGER C. HANKS for
the amendment of Order No.
R-4691-A, Eddy County, New Mexico

cat

CASE NO.

5763

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
September 15, 1976

EXAMINER HEARING

IN THE MATTER OF:)
)
Application of Roger C. Hanks for the) CASE
amendment of Order No. R-4691-A,) 5763
Eddy County, New Mexico.)

BEFORE: Richard L. Stamets, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil Conservation Commission:	William F. Carr, Esq. Legal Counsel for the Commission State Land Office Building Santa Fe, New Mexico
For the Applicant:	Clarence E. Hinkle, Esq. HINKLE, BONDURANT, COX & EATON Attorneys at Law Hinkle Building Roswell, New Mexico

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General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
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Page

ROGER C. HANKS

Direct Examination by Mr. Hinkle
Cross Examination by Mr. Stamets

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EXHIBIT INDEX

Offered Admitted

Applicant's Exhibit One, Map
Applicant's Exhibit Two, Chart
Applicant's Exhibit Three, Waivers

4 8
6 8
6 8

1 MR. STAMETS: We will call next Case 5763.

2 MR. CARR: Case 5763, application of Roger C. Hanks
3 for the amendment of Order No. R-4691-A, Eddy County, New Mexico.

4 MR. HINKLE: Clarence Hinkle, Hinkle, Bondurant, Cox
5 and Eaton appearing on behalf of Roger Hanks. I would like to
6 have Mr. Hanks sworn.

7 (THEREUPON, the witness was duly sworn.)

8 MR. HINKLE: We have three exhibits.

9
10 ROGER C. HANKS

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

13
14 DIRECT EXAMINATION

15 BY MR. HINKLE:

16 Q State your name and your residence.

17 A Roger C. Hanks, Midland, Texas.

18 Q You are the applicant in this case?

19 A Yes.

20 Q Have you previously testified before the Commission?

21 A Yes, sir, I have.

22 Q And qualified as a petroleum geologist?

23 A Yes, sir.

24 MR. HINKLE: Is there any question about it?

25 MR. STAMETS: The witness is considered qualified.

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1 Q (Mr. Hinkle continuing.) What are you seeking to
2 accomplish by your application in this case?

3 A I'm seeking to amend the rules of the North Dagger
4 Draw-Upper Penn for a -- back in February we reduced these
5 proration units from three, twenty to one, sixty and put a
6 bracket depth allowable of two hundred and sixty-seven barrels
7 per day. I am seeking to increase the allowable and with the
8 same spacing to each of the wells in the North Dagger Draw-
9 Upper Penn from two hundred and sixty-seven barrels of oil per
10 day to three hundred and fifty barrels of oil per day.

11 Q And the order which you have reference to which you
12 are seeking to amend is R-4691-A, is that right?

13 A Yes.

14 Q Have you prepared or has there been prepared under
15 your direction certain exhibits for introduction in this case?

16 A I have three exhibits, two of which were prepared
17 under my direction and the third is waivers of no objection
18 from offset operators.

19 Q They are the exhibits you have referred to as One,
20 Two and Three?

21 A Yes, sir.

22 Q Refer to Exhibit One and explain what this is and
23 what it shows?

24 A Exhibit Number One is the Midland Map Company's
25 most recent map of the North Dagger Draw-Upper Penn area. The

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1 blue dots indicate wells that are producing from the Dagger
2 Draw-Upper Penn or the Cisco Canyon formation. The red dots
3 indicate either a well that is drilling or will be drilled
4 within the next three months, which is our continuous develop-
5 ment program of infield development and it has worked success-
6 fully to the affected -- the wells are producing considerably
7 better than we expected and in asking for the two, sixty-seven
8 depth bracket allowable back in February when we reduced the
9 unit we thought it would be adequate to cover. However, due
10 to the fact that I have drained quite a bit of water and
11 Exhibit Number Two will show precisely how much water these
12 wells do produce along with the oil.

13 Q What lands, whether Federal, State or Fee are
14 involved in these wells?

15 A They are primarily Federal lands with some Fee.
16 There are no State lands involved.

17 Q Do you own all of the wells that are shown on
18 Exhibit One?

19 A Yes, sir, I do.

20 Q What wells are not making their allowables that
21 are shown on One?

22 Q Well, the south three wells down in Section 30 and
23 one in 31 and two of the wells in the west half of Section 18
24 are a hundred and fifty to -- well, from forty to a hundred
25 and fifty barrels range in that factor.

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1 Q Now, refer to Exhibit Number Two and explain that.

2 A All right, Exhibit Number Two is a well-by-well
3 cumulative production chart of each well in the North Dagger
4 Draw-Upper Penn field showing the number of days produced,
5 the type of fluid, water, oil or gas, and its cumulative
6 production to August 31st. I would like to add the August
7 figures, since we don't have all of the tickets calibrated
8 back, would be from three to five percent corrected on the
9 final report, our Commission report. Those numbers in there,
10 there are no water numbers in, those haven't come in from the
11 field yet for the month of August. The rest of the figures
12 are of record.

13 Q Did you furnish all of the offset owners with copies
14 of the application?

15 A Yes, sir, I did.

16 Q Have you had any protests?

17 A None.

18 Q Have you obtained waivers from all of the offset
19 owners?

20 A Yes, sir, that would be my Exhibit Three.

21 Q They are all included in Exhibit Three?

22 A Yes, sir.

23 Q Now, why do you desire to increase the allowable?

24 A Well, the problem in producing wells that have a
25 high volume and I have converted this entire field to gas lift,

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1 utilizing casinghead gas through a forty-six hundred horse-
2 power compression to a gas lift. If you shut a well in and
3 it's making three hundred and twenty to three hundred and
4 forty barrels a day, if you have to shut it in the last five
5 days or last ten days of the month it can take as long as
6 twenty-five to forty days for that well to ever get back over
7 a hundred barrels. It will go back to eighty to ninety percent
8 water cut, where I produced these wells and lowered the
9 bottom-hole pressure over the past five years some six to
10 seven hundred pounds they will still water out on you if you
11 don't keep the wells producing. Now, we arbitrarily picked
12 the number of three hundred and fifty barrels a day and of which
13 out of the ten wells I think four to five of them will make
14 this allowable where the other five, I believe within the end
15 of the year should be close to it.

16 Q Have you found any case where the water production
17 has decreased and the oil has increased as you produced them?

18 A Oh, yes, in each and every case this has been --
19 well, for instance the Barber 1, the first well on the chart
20 shows that the well started out ninety-eight percent cut and
21 it is all the way down to seventy-three at this time, so long
22 as we keep it going.

23 Q Have the limits of this pool been defined, in your
24 opinion, at the present time?

25 A No, they haven't, that's why we are drilling.

1 Q Do you have any idea as to the extent of it?

2 A I do not.

3 Q When would you like to have this new allowable
4 effective?

5 A I would like the allowable effective August 1st,
6 1976, with the Commission's approval.

7 Q Have you had any problem with respect to the
8 disposal of water being produced?

9 A Well, not now that I've now completed a second disposal
10 well to handle the --

11 Q And that has been approved by the Commission?

12 A That is approved by the Commission and it is
13 presently waiting on the USGS right-of-way for us to commence.

14 Q In your opinion will the approval of this application
15 be in the interest of conservation, the prevention of waste
16 and protect correlative rights?

17 A Yes, sir.

18 Q Do you have anything further you would like to say
19 to the Commission?

20 A No.

21 MR. HINKLE: We would like to offer Exhibits One,
22 Two and Three.

23 MR. STAMETS: Exhibits One, Two and Three will be
24 admitted.

25

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1 (THEREUPON, Applicant's Exhibits One, Two
2 and Three were admitted into evidence.)

3
4 CROSS EXAMINATION

5 BY MR. STAMERS:

6 Q Looking through Exhibit Number Two, Mr. Hanks, I
7 don't find a well that needs three hundred and fifty barrels a
8 day, is there one?

9 A The Barber No. 6, you will see new data on it, the
10 Julie Kahn --

11 Q Start off with No. 1.

12 A The Barber No. 1.

13 Q The Barber No. 1 and the Barber No. 2 and the
14 Barber No. 3 and 4.

15 A It's a brand new well.

16 Q Okay, there's Barber No. 6 and it shows production
17 in August of thirteen thousand, six, fifty-six?

18 A Yes, sir. The Dagger Draw No. 1 was down a good
19 part of August and I only show sixty-two hundred barrels of
20 production on it. It's up now well over three hundred and
21 oh, about fifteen or twenty and as time goes on it will be up.

22 There may not even be a sheet on the Julie Kahn,
23 which is in the southeast of Section 17 because it was only
24 completed at the end of the month. Yes, you will see the
25 Julie Kahn right after that, the next to the last well. It

1 was only completed on the twenty-eighth or twenty-six of
2 August and we're on testing allowable and in that seven-day
3 period we sold three thousand barrels of oil.

4 Q The wells, then, that are presumably in need of a
5 higher allowable are brand new wells?

6 A The infield, yes, sir, so to speak when we reduced
7 the proration unit the workhorses had been the Barber 1, 2 and
8 3 that had pulled the water off this formation and the stepouts
9 have been much better productive wells. I've opened up more
10 zone in the Cisco Canyon, which I will go back to these
11 additional older wells and do the same thing. But we never
12 expected this much of an increase, this fast. I expected it
13 to come later in the year or by the middle part of next
14 year but not this early.

15 Q Now, specifically which of those wells on Exhibit
16 Two demonstrates what you were discussing about shutting a well
17 in then having to spend quite a bit of time?

18 A The Barber 1 is a prime example.

19 Q Would you explain that please?

20 A Okay, engineering-wise it is called a coning effect.

21 Q Specifically, though, where on this exhibit are the
22 numbers that demonstrate this?

23 A Well, it would be on Exhibit Number Two. All right,
24 starting in April of 1976, it will show, well, forty-four
25 hundred and seventy barrels, is the allowable. At the beginning

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1 I had to carry over, it started, the production rate zero to
2 a hundred and thirty-six to a hundred and thirty-nine; six,
3 sixty-four to two, thirty in the month of August. That would
4 be the first, second, the third and the fourth columns.
5 Correction, the fifth column.

6 We've got to go to the fourth column and starting in
7 April or May, you show five, sixteen, five, twenty-five, nine,
8 thirty through July and sixty-two, forty-nine in August.

9 Now, let's go to the water. Starting in May,
10 twenty-four thousand, sixteen thousand.

11 MR. HINKLE: Twenty-four hundred, isn't it?

12 A. Correction, twenty-four hundred; sixteen thousand;
13 and twenty-five thousand and for August I don't have that
14 number.

15 That well has steadily climbed in oil production and
16 with an appreciable amount but not a great deal of water decline
17 but the fact that the well was -- the key to the thing has
18 actually been gas lift. The fact is, if you do shut the well
19 in it does take a considerable length of time to get it back.
20 Now, I could say that I could be wrong that the gas lift may
21 not be the answer but so far we are utilizing our own lift
22 gas with lift valves. It has been a prime example of the best
23 method and the most economical where you have enough on-lease
24 gas.

25 Now, going over one more column, you will see that

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1 you are picking up lease gas and it will show a slight increase
2 along with that also, from around two hundred and five thousand
3 to as much as three hundred and sixty thousand.

4 There is not enough production data on the most
5 recently completed wells to really determine a great deal.
6 Well, in fact, they haven't been shut in either. They have
7 been flowing naturally.

8 Q (Mr. Stamets continuing.) Are you proposing here
9 a temporary special allowable and coming back after a period
10 of time and --

11 A Well, I think under the circumstances until we
12 really see what it is, I would like the three, fifty permanent
13 and then if we need more we'll come back for it.

14 Q Are there any harmful effects of this thing, how
15 about your gas-oil ratios?

16 A They have not been excessive, no. If you are
17 producing three hundred barrels of oil and three hundred
18 thousand of gas that is not an excessive GOR.

19 Q Your depletion mechanism is simply pulling both
20 the oil and water from the reservoir and not a gas expansion?

21 A The compression upon this gas, where you put in
22 six to seven hundred thousand cubic feet of gas, you return,
23 like as high as a million to one and three hundred and twenty
24 or thirty barrels of oil and anywhere from eight to nine
25 hundred barrels of water or if we go back in the history of

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1 this well we will see that it produced seventeen hundred and
 2 seventy barrels of water for a considerable length of time and
 3 way less than fifty barrels of oil a day so I just cited you
 4 the last four or five months but back through the history of
 5 the well, which is over five years old, it has already produced
 6 over a million barrels of water. So, there wouldn't have to
 7 be a lot of digging on your part, that's why I put all of
 8 the numbers down there and they are all substantially exactly
 9 as reported to the Commission with the exception of August
 10 which I have already stated.

11 MR. STAMETS: Any other questions of the witness?

12 MR. HINKLE: Do you have any information as to the
 13 total cumulative production so far in the whole pool?

14 A. We have produced in the neighborhood of sixteen
 15 million barrels of water out of the reservoir so far.

16 MR. HINKLE: How much oil?

17 A. Less than three hundred and fifty thousand barrels.

18 MR. HINKLE: That's all.

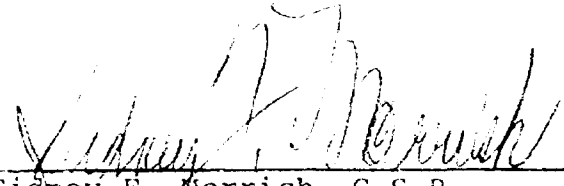
19 MR. STAMETS: Any other questions of the witness? He
 20 may be excused.

21 (THEREUPON, the witness was excused.)

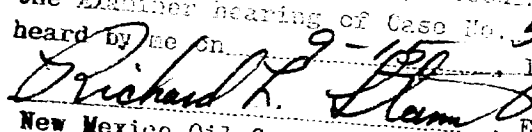
22 MR. STAMETS: Anything further in this case? We
 23 will take the case under advisement.
 24
 25

REPORTER'S CERTIFICATE

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


Sidney F. Morrish, C.S.R.

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General Court Reporting Service
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Phone (505) 982-9212

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 5763
heard by me on 9-18-76 19 76
, Examiner
New Mexico Oil Conservation Commission

ROGER C. HANKS
P. O. BOX 5743
MIDLAND, TEXAS 79701

August 27, 1976

Getty Oil Company
P. O. Box 1231
Midland, TX 79701

Gentlemen:

The undersigned seeks an OCC order increasing the allowable for the North Dagger Draw Upper Penn Field from the present 267 barrels to 350 barrels.

This case is set for hearing before the trial examiner on September 15, 1976. The case number is not known at this date. Your approval or disapproval as an offset operator to this request for increased allowable is respectfully requested.

Please date, sign and return one copy of this letter to the undersigned at the above address as soon as possible as time is of the essence. The other copy is for your files.

Yours very truly,

Roger C. Hanks
Roger C. Hanks

RCH:VI

Date: Sept. 2, 1976

Approved ✓

Disapproved _____

COMPANY

GETTY OIL COMPANY

by *Richard L. White*

BEFORE EXAMINER STAMETS	
OIL CONSERVATION COMMISSION	
EXHIBIT NO. <u>3</u>	
CASE NO. <u>5763</u>	
Submitted by <u>Roger Hanks</u>	
Hearing Date <u>9-15-76</u>	

3-1

ROGER C. HANKS

WILLIAM WAY FIELD
(OFFICE TO)
P. O. BOX 3148
MIDLAND, TEXAS 79701

August 27, 1976

Mr. David Fasken
608 1st National Bank Building
Midland, TX 79701

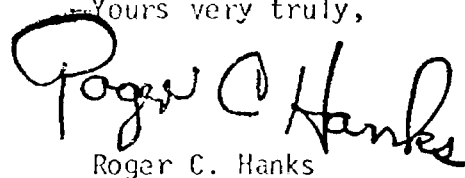
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Yours very truly,


Roger C. Hanks

RGH:VI

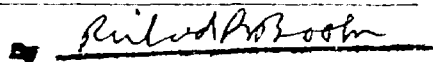
Date: 9-4-76

Approved ✓

Disapproved _____

COMPANY

DAVID FASKEN


David Fasken, Attorney

by _____

ROGER C. HANKS

WEST TOWNSHIP, TEXAS

(CITY 10)

P. O. BOX 3148

MIDLAND, TEXAS 79701

August 27, 1976

RECEIVED

11-11-76

11-11-76

Monsanto Company
101 North Marlenfield
Midland, Texas 79701

Gentlemen:

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Yours very truly,

Roger C. Hanks
Roger C. Hanks

RCH:vl

Date: 8/30/76

Approved X

Disapproved _____

COMPANY

MONSANTO COMPANY

by

J. M. Schell

ROGER C. HANKS

WEST HIGHWAY EIGHTY

(REPLY TO)

P. O. BOX 3148

MIDLAND, TEXAS 79701

August 27, 1976

J. M. Huber Corporation
1900 Wilco Building
Midland, TX 79701

Gentlemen:

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Yours very truly,

Roger C. Hanks

Roger C. Hanks

RCH:v1

Date: 8-31-76

Approved ✓

Disapproved _____

COMPANY

J. M. HUBER CORP.

by James R. Sutherland

ROGER C. HANKS

WEST HOLLOWAY STREET
PO BOX 3148
MIDLAND, TEXAS 79701

August 27, 1976

Mark Production Company
330 Citizens Bank Building
Tyler, TX 75701

Gentlemen:

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Yours very truly,

Roger C. Hanks

Roger C. Hanks

RCH:vl

Date: 9-7-76

Approved ✓

Disapproved _____

COMPANY

MARK PRODUCTION Co.

by

Charles Merham

31

ROGER C. HANKS

10000 N. 10TH ST.
P.O. BOX 4118
MIDLAND, TEXAS 79701

August 27, 1976

Coquina Oil Corporation
200 Building of the Southwest
Midland, TX 79701

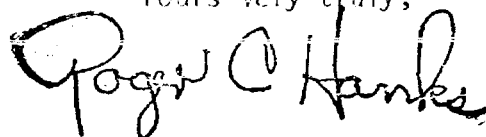
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Yours very truly,



Roger C. Hanks

RCH:yl

Date: 9-7-76

Approved ✓

Disapproved _____

COMPANY

Coquina Oil Corp

by JH Taylor

2-1

- CASE 5758: Application of Global Survey, Inc. for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Global Survey Unit Area comprising 4,721 acres, more or less, of State and Federal lands in Township 25 South, Ranges 26 and 27 East, Eddy County, New Mexico.
- CASE 5759: Application of Universal Resources Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the S/2 of Section 36, Township 17 South, Range 26 East, Eddy County, New Mexico, to be dedicated to a well to be drilled 660 feet from the South line and 1930 feet from the West line of said Section 36. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 5760: Application of Morris R. Antweil for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the S/2 of Section 33, Township 21 South, Range 26 East, Avalon Field Extension, Eddy County, New Mexico. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 5761: Application of Atlantic Richfield Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the State Vacuum Unit Area comprising 800 acres, more or less, of State lands in Sections 29, 31, and 32, Township 17 South, Range 34 East, Lea County, New Mexico.
- CASE 5762: 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 on its State Vacuum Unit Area, Vacuum Pool, Lea County, New Mexico, by the injection of water into the Grayburg-San Andres formation through 11 injection wells located in Unit M of Section 29, Units A and I of Section 31, and Units C, E, G, I, K, M, N, and O of Section 32, all in Township 17 South, Range 34 East.
- CASE 5763: Application of Roger C. Hanks for the amendment of Order No. R-4691-A, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-4691-A, which order promulgated special pool rules for the North Dagger Draw-Upper Pennsylvanian Pool, Eddy County, New Mexico. Applicant seeks the establishment of a special depth bracket allowable for said pool of 350 barrels per day.
- CASE 5764: Application of American Quasar Petroleum Co. of New Mexico for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Brinninstool Unit Area comprising 5,743 acres, more or less, of State and Federal lands in Township 23 South, Range 33 East, Lea County, New Mexico.
- CASE 5766: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Conley and Associates, Inc., the Travelers Indemnity Company, and all other interested parties to appear and show cause why the following wells in Harding County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program:
- Township 15 North, Range 33 East:
Arthur Cain Well No. 3 located in Unit N of Section 4; Arthur Cain Well No. 2 located in Unit K of Section 10; and State Well No. 1 located in Unit D of Section 21;
- Township 16 North, Range 33 East:
State Well No. 1-X located in Unit M of Section 27.

CLARENCE E HINKLE
W E BONDURANT, JR. (94-1973)
LEWIS C. COX, JR.
PAUL W EATON, JR.
CONRAD E. COFFIELD
HAROLD L. HENSLEY, JR.
STUART D. SHANOR
C. D. MARTIN
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LICENSED IN TEXAS

ROSWELL, NEW MEXICO OFFICE
600 HINKLE BUILDING
(505) 622-6510

September 1, 1976

Mr. Dan Nutter
Oil Conservation Commission
State Land Office
Santa Fe, New Mexico 87501

Re: Application by Roger C. Hanks
for Hearing -- North Dagger
Draw Area

Dear Mr. Nutter:

Transmitted herewith you will find an Application in triplicate executed by us as attorneys for Roger C. Hanks in connection with the hearing set for September 15, requesting an amendment to the Commission's Order No. R-4691-A. This is in accord with Mr. Hanks' conversation with you, and we understand that the appropriate notice in this connection has already been set for publication and that the matter will be set on the docket for September 15.

In the event any additional material or information is needed for your purposes in connection with the Application for this hearing, please advise immediately.

Thank you.

Very truly yours,

HINKLE, BONDURANT, COX & EATON


Conrad E. Coffield

CEC:rf
Enclosure

xc: Mr. Roger C. Hanks

APPLICATION OF ROGER C. HANKS FOR AMENDMENT OF ORDER
R-4691-A TO AMEND SPECIAL POOL RULES FOR NORTH DAGGER
DRAW-UPPER PENNSYLVANIAN POOL TO PROVIDE FOR A SPECIAL
DEPTH BRACKET ALLOWABLE OF 350 BARRELS PER DAY

1. Name of Applicant: Roger C. Hanks
2. Area Affected by the Order Sought:

North Dagger Draw-Pennsylvanian Field embracing the following described lands, all of which are in Eddy County, New Mexico, to-wit:

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

Section 17: N $\frac{1}{2}$, SW $\frac{1}{4}$
Section 18: All
Section 30: NW $\frac{1}{4}$, SE $\frac{1}{4}$
Section 31: NW $\frac{1}{4}$

3. General Nature of Order Sought:

Applicant seeks amendment of New Mexico Oil Conservation Commission Order R-4691-A, amending the Special Pool Rules for the North Dagger Draw-Upper Pennsylvanian Pool to provide for a special depth bracket allowable of 350 barrels per day.

4. Other Matters to be Noted in Connection with Order Sought:

Roger C. Hanks is the Operator of the subject pool and Roger C. Hanks seeks to increase the special depth allowable from the present 267 barrels per day per 160 acres to 350 barrels per day per 160 acres. Special circumstances exist with respect to said pool, which applicant will show to the Commission at the time of hearing which justify the requested amendment to the above referenced Order.

ROGER C. HANKS

By: 

Conrad E. Coffield
for Hinkle, Bondurant, Cox & Eaton
Attorneys for Roger C. Hanks
521 Midland Tower Building
Midland, Texas 79701

APPLICATION OF ROGER C. HANKS FOR AMENDMENT OF ORDER
R-4691-A TO AMEND SPECIAL POOL RULES FOR NORTH DAGGER
DRAW-UPPER PENNSYLVANIAN POOL TO PROVIDE FOR A SPECIAL
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3. General Nature of Order Sought:

Applicant seeks amendment of New Mexico Oil Conservation
Commission Order R-4691-A, amending the Special Pool Rules for
the North Dagger Draw-Upper Pennsylvanian Pool to provide for
a special depth bracket allowable of 350 barrels per day.

4. Other Matters to be Noted in Connection with Order Sought:

Roger C. Hanks is the Operator of the subject pool and
Roger C. Hanks seeks to increase the special depth allowable
from the present 267 barrels per day per 160 acres to 350
barrels per day per 160 acres. Special circumstances exist
with respect to said pool, which applicant will show to the
Commission at the time of hearing which justify the requested
amendment to the above referenced Order.

ROGER C. HANKS

By: 

Conrad E. Coffield
for Hinkle, Bondurant, Cox & Eaton
Attorneys for Roger C. Hanks
521 Midland Tower Building
Midland, Texas 79701

APPLICATION OF ROGER C. HANKS FOR AMENDMENT OF ORDER
R-4691-A TO AMEND SPECIAL POOL RULES FOR NORTH DAGGER
DRAW-UPPER PENNSYLVANIAN POOL TO PROVIDE FOR A SPECIAL
DEPTH BRACKET ALLOWABLE OF 350 BARRELS PER DAY

1. Name of Applicant: Roger C. Hanks
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3. General Nature of Order Sought:

Applicant seeks amendment of New Mexico Oil Conservation Commission Order R-4691-A, amending the Special Pool Rules for the North Dagger Draw-Upper Pennsylvanian Pool to provide for a special depth bracket allowable of 350 barrels per day.

4. Other Matters to be Noted in Connection with Order Sought:

Roger C. Hanks is the Operator of the subject pool and Roger C. Hanks seeks to increase the special depth allowable from the present 267 barrels per day per 160 acres to 350 barrels per day per 160 acres. Special circumstances exist with respect to said pool, which applicant will show to the Commission at the time of hearing which justify the requested amendment to the above referenced Order.

ROGER C. HANKS

By: 

Conrad E. Coffield
for Hinkle, Bondurant, Cox & Eaton
Attorneys for Roger C. Hanks
521 Midland Tower Building
Midland, Texas 79701

DRAFT

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 5763

Order No. R- 4691-B

APPLICATION OF ROGER C. HANKS
FOR A SPECIAL DEPTH BRACKET
ALLOWABLE, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

rell
BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 15,
19 76, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

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

FINDS:

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

(2) That the applicant, Roger C. Hanks, seeks the amendment
of Commission Order No. R-4691-A to provide for a special depth
bracket allowable of 350 barrels per day for the ~~max~~ North
Dagger Draw-Upper Pennsylvanian Pool, Eddy County, New Mexico.

-2-
Case No. 5763
Order No. R-4691-B

(3) That wells in said North Dagger Draw-Upper Pennsylvanian Pool produce large quantities of water.

(4) That ~~after~~^{if} such wells are shut in, water production increases and oil production decreases substantially.

(5) That wells in said pool are not adversely affected by high rates of production but are instead improved thereby.

(6) That approval of the application should serve to prevent waste and will not violate correlative rights.

(7) That the subject application should be approved.

IT IS THEREFORE ORDERED:

(1) That Order (1) of Commission Order No. R-4691-A is hereby amended to read in its entirety as follows:

Indicate [(1) That the Special Rules and Regulations governing the North Dagger Draw-Upper Pennsylvanian Pool, promulgated by Order No. R-4691, shall remain in full force and effect for an additional period of one year provided, however, that said rules are hereby amended to provide for 160-acre spacing and proration units and to provide a ^{special} depth bracket allowable of 350 barrels of oil per day."

(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.

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. 5763
Order No. R-4691-B

APPLICATION OF ROGER C. HANKS FOR
A SPECIAL DEPTH BRACKET ALLOWABLE,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 15, 1976, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 12th day of October, 1976, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Roger C. Hanks, seeks the amendment of Commission Order No. R-4691-A to provide for a special depth bracket allowable of 350 barrels per day for the North Dagger Draw-Upper Pennsylvanian Pool, Eddy County, New Mexico.
- (3) That the wells in said North Dagger Draw-Upper Pennsylvanian Pool produce large quantities of water.
- (4) That if such wells are shut in, because of allowable restriction or any other reason, water production increases and oil production decreases substantially.
- (5) That wells in said pool are not adversely affected by high rates of production but are instead improved thereby.
- (6) That approval of the application should serve to prevent waste and will not violate correlative rights.
- (7) That the subject application should be approved.

IT IS THEREFORE ORDERED:

- (1) That Order (1) of Commission Order No. R-4691-A is hereby amended to read in its entirety as follows:

-2-

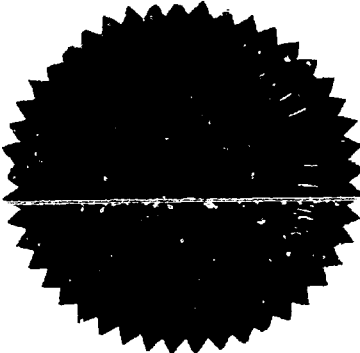
Case No. 5763
Order No. R-4691-B

"(1) That the Special Rules and Regulations governing the North Dagger Draw-Upper Pennsylvanian Pool, promulgated by Order No. R-4691, shall remain in full force and effect for an additional period of one year provided, however, that said rules are hereby amended to provide for 160-acre spacing and proration units and to provide a special depth bracket allowable of 350 barrels of oil per day."

(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 herein-above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



PHIL R. LUCERO, Chairman


EMERY C. ARNOLD, Member


JOE D. RAMEY, Member & Secretary

S E A L

jr/