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1426

Application, Transcript,
Small Exhibits, Etc.

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# EXAMINER HEARING OIL CONSERVATION COMMISSION Santa Fe, New Mexico May 6, 1958

IN THE MATTER OF: Case No. 1426

TRANSCRIPT OF PROCEEDINGS

DEARNLEY - MEIER & ASSOCIATES INCORPORATED GENERAL LAW REPORTERS ALBUQUERQUE, NEW MEXICO 3-6691 5-9546

# EXAMINER HEARING OIL CONSERVATION COMMISSION Santa Fe, New Mexico May 6, 1958

#### IN THE MATTER OF:

Application of Neville G. Penrose for a nonstandard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 120-acre non-standard gas proration unit in the Blinebry Gas Pool consisting of the S/2 SE/4 ) and SE/4 SW/4 of Section 17, Township 21 South, Range 37 East, Lea County, New Mexico, said unit ) to be dedicated to the applicant's Percy Hardy No. 1 Well, located 660 feet from the South line ) and 1980 feet from the West line of said Section ) 17.

<u>Case 1426</u>

BEFORE: Daniel S. Nutter, Examiner

#### TRANSCRIPT OF PROCEEDINGS

MR. NUTTER: We will take the next case, 1426.

MR. PAYNE: Case 1426: Application of Neville G. Penrose for a non-standard gas proration unit.

MR. CHURCHILL: R. T. Churchill, appearing for Neville G. Penrose, Inc. That should show Neville Penrose, Inc., on the application.

MR. NUTTER: The only error is the word "Incorporated"?

MR. CHURCHILL: That's right.

(Witness sworn.)

#### JOHN P. McNAUGHTON

called as a witness, having been first duly sworn on oath, testified as follows:

> Descriptor Medicarios S Section (1993) A.E. Sistematic N. W. Water Olaps, 2019

#### DIRECT EXAMINATION

#### By MR. CHURCHILL:

- Q Will you state your name, please?
- A John P. McNaughton.
- Q By whom are you employed?
- A Neville G. Penrose, Inc.
- Q What is the nature of your employment?
- A Vice-president.
- Q Are you also employed as petroleum engineer?
- A Yes.
- Q Have you previously appeared before the Commission as a witness?
  - A I have.
- Q Have your qualifications been established before the Commission as an expert petroleum engineer?
  - A Yes, sir.
- MR. CHURCHILL: Will the Commission accept Mr. McNaughton's qualifications?
  - MR. NUTTER: Yes, sir, he may proceed.
  - Q Are you familiar with the application in Case No. 1426?
  - A I am.
- Q What lease is involved or what leases are involved in that application?
- A This involves Neville G. Penrose, Inc., Percy Hardy Lease and Tidewater's Hardy Lease.

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Q What is the acrosse involved in the two leases that you have referred to?

A The Penrose Lease is the Southeast Quarter Southwest Quarter of Section 17, 21 South, 37 East; and the Tidewater Lease is the South Half Southeast Quarter of the same Section.

- O Are these fee leases?
- A Yes, they are.
- Q And do the leases cover all of the proposed unit?
- A Yes, there are ten leases covering the Penrose and Tidewater interest and there is also a 1/8th mineral interest owned by Peerless Oil and Gas Company.
- Q In other words, the lease is controlled and owned by Penrose and Tidewater controls only 7/8ths?
  - A 7/8ths, that is correct.
  - Q The 1/8th owned by Peerless is an unleased interest?
  - A That is correct.
- Q What arrangement has been made with Tidewater and Peerless regarding the formation of the unit?

A A unit operating agreement has been executed covering this acreage, and it is our intention when this unit was organized to dual complete the three wells involved from their present producing formations in the various gas zones that were felt to be productive in the area. To date, the Tidewater Hardy No. 2 has been completed as a dual completion from a Drinkard Oil and Tubb Gas zone, and under the terms of our agreement it was Penrose's obligation next

to attempt a completion from the Blinebry gas zone in their Hardy
No. 1. After this is completed, then we will endeavor to complete
a gas well from the Eumont gas zone.

Q Has application been made for a dual completion of our Percy Hardy No. 1?

A Yes, application has been made for the dual completion of Hardy No. 1, and approved under DC-587.

Q The nature of the application, then, of Neville G. Penrose, Inc., is to dually complete the Hardy No. 1 as a Blinebry Gas and Drinkard Oil well?

A That is correct. And the nature of this application is to request permission for a 120-acre non-standard gas proration unit in the Blinebry Gas zone.

Q What attempts have been made heretofore to form a gas unit for the Blinebry production?

A About two years ago, possibly a little bit longer than that, we were approached by the Sun Oil Company with the possibility of either dual completing or drilling new wells in Section 17, for the purpose of producing Blinebry and Tubb gas. Several meetings were held with the operators concerned, the Sun, Texas Company, Continental, Tidewater, and others; but after some discussion and quite a bit of correspondence, it was determined that the size unit that had been proposed was not proper in this case, inasmuch as it was the concensus of the opinion among the operators concerned that any gas found in this area would not be of sufficient capacity to

For that reason, the original plans to develop gas on a section—wide basis were dropped; and approximately a year and a half ago we were approached by the Tidewater with the idea of forming this 120—acre unit that has been described. Since that time, as I have mentioned previously, the agreements have been executed and the work has proceeded, and Tidewater's Hardy No. 2 has been completed as a Tubb gas well or as a producer from the Tubb Gas zone.

Q Has any effort been made to secure additional acreage to make this a standard Blinebry Gas unit?

A Only the efforts that I have mentioned. With the lease's situation as it is, it doesn't seem very likely that there is acreage in the area that could be included properly in this unit. We have contacted, we have advised all of the operators, as we were requested to do by the Commission, and have received no objections to the formation of this unit.

Q Has anyone evidenced any further desire to join in a unit at this time?

A No, they have not.

Q Mr. McNaughton, is the acreage sought to be formed in the non-standard Blinebry Gas unit here within the horizontal limits of the Blinebry Gas Pool?

A No, it is not. As well as I know, however, there are Blinebry Gas units immediately on the east of this acreage. There are Blinebry units on the south, and there is one Blinebry unit to the

west in the South Half of Section 18 and the North Half of Section 19, so we feel that if we are successful in completing the well from the Blinebry zone, we could reasonably expect the acreage involved to be included within the horizontal limits of the field.

Q Was the Blinebry Gas formation tested at the time of the Penrose Hardy No. 1, when it was drilled?

A No, it was not.

Q In your opinion, is the entire acreage sought to be included in this non-standard gas unit reasonably presumed to be productive of Blinebry Gas?

A Yes, it is.

Q Will this non-standard gas unit in any way violate correlative rights of any of the offset operators?

A In my opinion, it will not.

Q Do you have an Exhibit "B", which is attached to your initial application concerning the proposed dual completion, before you there?

A Yes.

Q Was that exhibit, as well as the Exhibit "A" attached to our application, prepared by you or under your supervision?

A Yes, it was.

Q Does that Exhibit "B", being a diagramatic sketch of the proposed completion, indicate the zones that would be perforated in this well?

A Yes, it does.

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- Q And the manner in which production would be achieved?
- A Yes, sir.
- MR. CHURCHILL: We would like at this time to introduce Exhibits "A" and "B" in evidence.
- MR. NUTTER: Is there objection to the introduction of Penrose's Exhibits "A" and "B"? If not, they will be received.
  - MR. CHURCHILL: We have no further questions.
  - MR. NUTTER: Are there any questions of this witness?

#### CROSS EXAMINATION

#### By MR. NUTTER:

- Q Mr. McNaughton, would you describe to me the location of the Blinebry units as they would appear on your Exhibit No. "A", please?
- A You are requesting the description of Blinebry units in the area in the immediate vicinity?
  - Q Yes, sir, in the area on this plat.
  - A The Northwest Quarter of Section 16.
  - Q That would be --
  - A (Interrupting) I'm reading from two plats.
  - Q Would this be Pan American State "C", Tract No. 12?
  - A That's the way my map shows it.
  - Q That is a 160-acre standard unit?
  - A Yes, sir.
  - Q Okay.
  - A The South Half -- no, it's the North Half South Half of

#### Section 16.

- Q Would that be Amerada State DA?
- A Yes.
- Q Is that an 80-acre non-standard unit?
- A No, I believe that is 160-acre non-standard unit.
- Q In other words --

A (Interrupting) North Half, South Half. I have an additional plat, if you would like to have it, including a little bit more area, or I could give you this one if you like. It's the only one I have.

- Q Does this have the units in the area?
- A Yes.
- Q Does it also have the Blinebry wells in the area?
- A Yes, sir, they are designated as "BL". It was not intended as an exhibit, but you can have it.

MR. NUTTER: Would you care to offer this as an exhibit?

MR. CHURCHILL: Yes.

MR. NUTTER: Is there objection to the introduction of this plat of the area, which has been identified as Penrose Exhibit "C"?

If not, it will be received.

Q (By Mr. Nutter) Mr. McNaughton, what formation is the Weatherly Well No. 1, which is located in the Northeast Quarter of the Southwest Quarter of Section 17, productive from, please?

A According to my notes here, it's producing from the Eumont Gas zone.

Q Are there any Blinebry Gas wells in Section 17?

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- A To my knowledge there are none.
- Q Are there any Blinebry Gas wells south of this proposed unit?
- A May I correct myself? I believe this is a Blinebry Oil well (indicating). That's the Continental No. 3 Lockhart. South of our well, the Amerada Randle No. 1-A to the best of my knowledge is a Blinebry Gas well.
  - Q There are Blinebry Gas wells to the east of this unit?
- A Yes, these are Blinebry Gas units and this is a Blinebry Gas unit, being Makin Wanick Unit -- I believe it is TD; that is a Blinebry Gas and Eumont Gas dual completion.
- Q Mr. McNaughton, I think I understood you to say that the Tidewater Hardy No. 2 has already been dualled in the Drinkard Oil and the Tubb Gas zones?
  - A That is correct.
- Q You have authority, but have not yet dually completed your Hardy No. 1 Well as a Blinebry Gas and Drinkard Oil well?
- A That is correct. It's now producing oil from the Drinkard zone, and we have received approval, as mentioned before, from the Commission to dual complete the well, but we have not received the non-standard proration unit. That is the reason for this hearing.
  - Q What is the status of the Hardy No. 1 on Tidewater's lease?
- A I believe it is currently producing from the Drinkard Oil zone.
- Q Has a proration unit been assigned to Tidewater's Hardy No. 2 Well?

A Yes, I believe it has been assigned by administrative approval.

Q What is the unit that is assigned to that well?

A 120 acres requested here, being the South Half of the Southeast Quarter, and the Southeast Quarter of the Southwest Quarter.

Q The Hardy No. 2 has the identical acreage assigned to it in the Tubb Gas Pool which you are presently seeking for the Blinebry in the Hardy No. 1 Well?

A That is correct. My understanding is that they can receive administrative approval, whereas under the terms of the Blinebry we have to have this hearing.

Q And all interests owning the minerals underlying this acreage have been unitized or communitized?

A That is correct. The ten leases covering our interest cover the 120 acres.

MR. NUTTER: Any further questions of Mr. McNaughton? If not, he may be excused.

(Witness excused.)

MR. NUTTER: Does anyone have anything further they wish to offer in Case 1426? If not, we'll take the case under advisement.

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STATE OF NEW MEXICO )
COUNTY OF BERNALILLO ) ss

I, ADA DEARNLEY, Notary Public in and for the County of Bernalillo, State of New Mexico. do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me in stenotype and reduced to typewritten transcript under my personal supervision, and that the same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal this 25 day of May, 1958, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

NOTARY PUBLIC T

My commission expires: June 19, 1959.

I do hereby certify that the foregoing is a couple the and the proceedings in hear the second second

Hexico Oil Conservation Commission

## OIL CONSERVATION COMMISSION P. O. BOX 871 SANTA FE, NEW MEXICO

May 27, 1958

Mr. R. T. Churchill Neville G. Penrose, Inc. Fair Building Ft. Worth 2, Texas

Dear Mr. Churchill:

We enclose two copies of Order R-1176 issued May 26, 1958, by the Oil Conservation Commission in Case 1426, which was heard on May 6th at Santa Fe before an examiner.

Very truly yours,

A. L. Porter, Jr. Secretary - Director

bp Encls.



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

IN THE MATTER OF THE EXARING CALLED BY THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO FOR THE PURPOSE OF COMBIDERING:

CASE NO. 1426 Order No. R-1176

APPLICATION OF NEVILLE G. PENROSE, INC., FOR THE ESTABLISHMENT OF A 120-ACRE NOW-STANDARD GAS PROPATION UNIT IN THE BLIMEBRY GAS POOL, LEA COUNTY, NEW MEXICO.

#### ORDER OF THE COMMISSION

#### BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 6, 1958, at Santa Fe, New Mexico, before Daniel S. Mutter, Examiner duly appointed by the New Mexico Oil Conservation Commission, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this  $36^{\frac{1}{2}}$  day of May, 1958, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, 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, Neville G. Penrose, Inc., is the co-owner and the operator of the S/2 SE/4 and SE/4 SW/4 of Section 17, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.
- (3) That all interests within the above-described tract have been communitized.
- (4) That the applicant is the owner and operator of the Percy Hardy Well No. 1, located 660 feet from the South line and 1980 feet from the West line of said Section 17.
- (5) That the applicant proposes that the above-described acreage be established as a non-standard gas provation unit in the Blinebry Gas Pool and that said unit be dedicated to the aforementioned Percy Hardy Well No. 1.
- (6) That approval of the subject application will not cause waste nor impair correlative rights.

-2-Case No. 1426 Order No. R-1176

#### IT IS THEREFORE ORDERED:

- (1) That the application of Neville G. Penrese, Inc. for the establishment of a 120-acre non-standard gas preration unit in the Elimehry Gas Peel, consisting of the 8/2 SE/4 and SE/4 SE/4 of Section 17, Township 21 South, Range 37 East, HEPM, Los County, New Mexico, be and the same is hereby granted.
- (2) That the said Percy Mardy Well Mo. 1, legated 660 feet from the South line and 1900 feet from the West line of said Section 17, be designated as the unit well for the above-described unit and that the same be granted as allowable in the proportion that the acreage in said unit bears to the acreage in a standard provation unit for the Blinebry Gas Pool, subject to the previsions of the Special Rules and Regulations for the Blinebry Gas Pool as set forth in Order Mo. R-610.

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

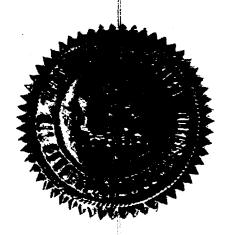
STATE OF MEW MEXICO OIL COMBERVATION COMMISSION

EDVIN L. MECHEN, Chairman

MURRAY E. MORGAN, Member

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



NEVILLE G. PENROSE, INC.

FAIR BUILDING

FORT WORTH 2. TEXAS

April 8, 1958

New Mexico Oil Conservation Commission P. O. Box 871 Santa Fe, New Mexico

Attn: Mr. A. L. Porter, Jr.

Re: Non-Standard Gas Proration Unit for Neville G.
Penrose, Inc. No. 1 Percy Hardy Well -- Lea County,
New Mexico

#### Gentlemen:

This will correct our letter application of April 1, 1958 heretofore filed in your office requesting administrative approval to dually complete our No. 1 Percy Hardy as a gas-oil well in the Blinebry gas and Drinkard oil pools in Lea County, New Mexico, and administrative approval of a 120-acre Non-Standard Blinebry Gas Proration Unit. Our said letter application inadvertently referred to Order R-520 in connection with application for administrative approval of the requested Non-Standard Gas Proration Unit whereas, in fact, it should have referred to Order R-610.

Since the requested Non-Standard Proration Unit for Blinebry gas does not lie wholly within a single quarter section, although it does lie within a single governmental section, the administrative approval permitted by Rule 5B of Order R-610 is not available to us. Therefore we ask that our letter application of April 1st, as amended by this letter, be considered as Neville G. Penrose, Inc.'s application for a hearing by the Commission on a Non-Standard Gas Proration Unit for the production of Blinebry gas from the acreage set out in our letter application of April 1, 1958.

We enclose signed receipts for registered mail from all offset operators who were furnished with copies of our letter application of April 1st. In addition, all of said offset operators are being furnished with a copy of this correction letter.

An early hearing is respectfully requested.

Cordially,

NEVILLE G. PENROSE, INC.

By ( ) Churchie

R. T. Churchill

#### RTC/ta

cc: The Texas Company
P. O. Box FF
Hobbs, New Mexico

Rodman Oil Company P. O. Box 591 Odessa, Texas

Sunray-Midcontinent Oil Co. 201 Midland Nat'l Bk. Bldg. Midland, Texas

Tidewater Oil Company
P. O. Box 547
Hobbs, New Mexico
Attn: Mr. H. P. Shackelford

Continental Oil Company P. O. Box 427 Hobbs, New Mexico

Sun Oil Company P. O. Box 1205 Hobbs, New Mexico

Sinclair Oil Company 520 E. Broadway Hobbs, New Mexico

H. L. Hunt P. O. Box 192 Midland, Texas

Care 1426

# NEW MEXICO OIL CONSERVATION COMMISSION P. O. Box 871 Santa Fe, New Mexico

	Date April 18, 1958	
Neville G. Penrose, Inc. Fair Bldg. Ft. Worth, 2, Texas		
ATTENTION: R. T. Churchill		
Gentlemen:		•
Can Daol	0-acre non-stadard gas proration unit in	the Blinebry
		·
dated April 1, 1958	has been received, and has been	n tentatively
May 6, 1958	an examiner	on
A copy of the docket will advertised.	ue forwarded to you as soon as the mat	ter is
	Very truly yours,	
	a L Parter L	

Secretary-Director

-2-Docket No. 12-58

#### CASE 1429 Continued

after separately measuring the oil from each of said pools by means of volume type meters.

#### CASE 1430:

Application of El Paso Natural Gas Company for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 331-acre non-standard gas proration unit in the Blanco Mesaverde Gas Pool consisting of the W/2 of Partial Section 6 and the NW/4 of Partial Section 7, Township 30 North, Range 8 West, San Juan County, New Mexico, said unit to be dedicated to the applicant's Howell No. 2-G Well located 990 feet from the South and West lines of said Section 6.

#### CASE 1431:

Application of Skelly Oil Company for a dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its P. L. Davis Well No. 1, located 990 feet from the North and East lines of Section 26, Township 26 North, Range 11 West, San Juan County, New Mexico, in such a manner as to permit the production of gas from an undesignated Gallup gas pool and gas from an undesignated Dakota gas pool underlying the above-described area.

#### CASE 1432:

Application of King Oil Company for approval of three unorthodox gas well locations. Applicant, in the above-styled cause, seeks an order authorizing the unorthodox gas well locations for the following described wells:

Navajo A-1 Well, located 2310 feet from the South line and 2310 feet from the West line of Section 4, Township 30 North, Range 17 West;

Navajo A-2 Well, located 1650 feet from the North line and 330 feet from the East line of Section 4, Township 30 North, Range 17 West;

Navajo B-2 Well, located 660 feet from the South line and 660 feet from the East line of Section 34, Township 31 North, Range 17 West,

all in San Juan County, New Mexico.

#### DOCKET: EXAMINER HEARING MAY 6, 1958

OIL CONSERVATION COMMISSION 9 a.m., MABRY HALL, STATE CAPITOL, SANTA FE, NM

The following cases will be heard before Daniel S. Nutter, Examiner:

- Application of Continental Oil Company for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 160-acre non-standard gas proration unit in the Tubb Gas Pool consisting of the E/2 E/2 of Section 14, Township 21 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the applicant's Lockhart B-14 "A" Well No. 2, located 660 feet from the South and Fast lines of said Section 14.
- Application of Neville G. Penrose for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 120-acre non-standard gas proration unit in the Plinebry Gas Pool consisting of the S/2 SE/4 and SE/4 SW/4 of Section 17, Township 21 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the applicant's Percy Hardy No. 1 Well, located 660 feet from the South line and 1980 feet from the West line of said Section 17.
- Application of Pan American Petroleum Corporation for approval of a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 480-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the N/2 and SE/4 of Section 24, Township 20 South, Range 36 East, Lea County, New Mexico, said unit to be dedicated to the applicant's O. J. Gillully "A" No. 4 Well, located 660 feet from the North line and 1980 feet from the East line of said Section 24.
- CASE 1428: Application of E. G. Rodman for the approval of a communitization agreement and for a forced pooling order. Applicant, in the above-styled cause, seeks an order approving a communitization agreement embracing the NW/4 and the W/2 NE/4 of Section 20, Township 21 South, Range 37 East, Lea County, New Mexico, as to dry gas and associated liquid hydrocarbons produced from said tract from the Eumont Gas Pool; and further, for an order force pooling the interests of all persons in the above-described tract who have not voluntarily subscribed to above-referenced communitization agreement.
- CASE 1429:

  Application of Standard Oil Company of Texas for a dual completion and for permission to commingle the production from two common sources of supply. Applicant, in the abovestyled cause, seeks an order authorizing the dual completion of its V. L. Leavitt No. 2 Well, located 1650 feet from the North line and 2310 feet from the West line of Section 13, Township 18 South, Range 26 East, Eddy County, New Mexico, in such a manner as to permit the production of oil from the Atoka-Grayburg Pool and oil from the Atoka (San Andres Pool through parallel strings of tubing; and further, for permission to commingle the production from the said V. L. Leavitt No. 2 Well from both of the above-described pools in common tankage

CASE 1433:

Application of Graridge Corporation to expand a pilot water flood project in the Caprock Queen Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order permitting the expansion of the pilot water flood project authorized by Order No. R-972 in the North Caprock Queen Unit in the Caprock-Queen Pool, Lea County, New Mexico, to include eight additional water injection wells in Sections 30, 31, and 32 of Township 12 South, Range 32 East, Lea County, New Mexico.

CASE 1434:

Application of Tidewater Oil Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Coates "C" Well No. 11, located 1980 feet from the North line and 1650 feet from the West line of Section 24, Township 25 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Drinkard formation adjacent to the Justis-Drinkard Pool and oil from the Justis-Fusselman Pool through parallel strings of tubing.

CASE 1435:

Application of Continental Oil Company for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 320-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the SE/4 of Section 5 and the NE/4 of Section 8, all in Township 21 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the applicant's Hawk A-8 No. 2 Well located 660 feet from the North line and 1980 feet from the East line of said Section 8.

CASE 1436:

Application of Amerada Petroleum Corporation for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 320-acre non-standard gas proration unit in the Bagley-Upper Pennsylvanian Gas Pool consisting of the SE/4 of Section 3 and the NE/4 of Section 10, all in Township 12 South, Range 33 East, Lea County, New Mexico, said unit to be dedicated to the applicant's Amerada Mathers No. 2 Well located in the SE/4 SE/4 of said Section 3.

CASE 1437:

Application of Continental Oil Company for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 320-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the N/2 of Section 7, Township 23 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the applicant's Stevens B-7 Unit Well No. 1 located 990 feet from the North and West lines of said Section 7.

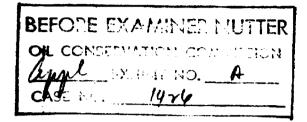
CASE 1438:

Application of Monsanto Chemical Company for an unorthodox gas well location. Applicant, in the above-styled cause, seeks an order authorizing an unorthodox gas well location for its Viersen Well No. 1 at a point 660 feet from the North and East lines of Section 19, Township 30 North, Range 13 West, San Juan County, New Mexico.

## OIL CONSERVATION COMMISSION SANTA FE, NEW MEXICO

	Date_5/9/58
	D8 CC
	Hearing Date 9 A.M. Nev 6 - DSN at SF
04. <b>C</b> C	Hearing Date 7 mans
CASE	My recommendations for an order in the above numbered cases are as follows:
	I recommend that the non-standard gas proration unit for the Blinebry Gas Pool be approved as requested by applicant. The interests in proposed unit have been communitized. Applicant proposes to dually complete a well in the Blinebry. If well is preductive from the Blinebry acres in well have productive from the gas in that part.
	the acreage will have been proven
	the acreage will have been proven from that peal.

Staff Member EXMiner



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Proposed dual completion Dedicated acreage



Exhibit "A"

#### NEVILLE G. PENROSE, INC FAIR BUILDING FORT WORTH 2, TEXAS

## PERCY HARDY #1 Section 17, 215, 37E

#### Diagramatic Sketch of Proposed Dual Completion

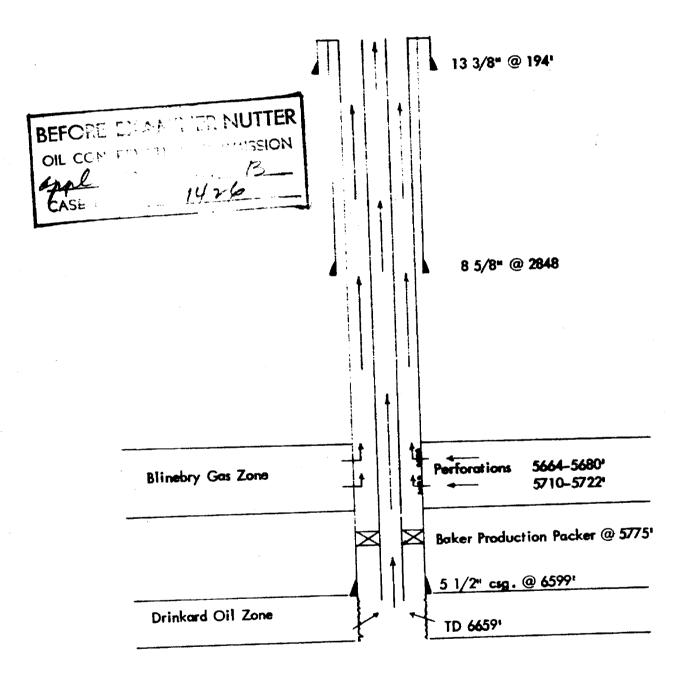
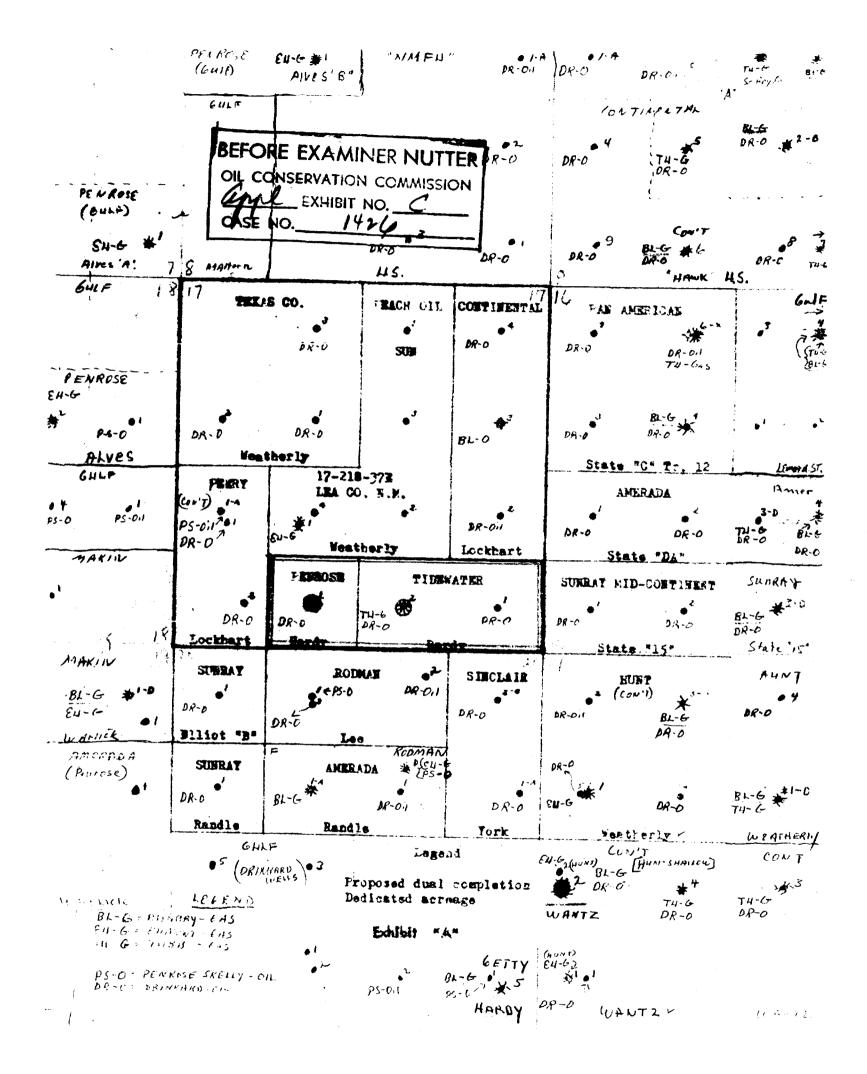
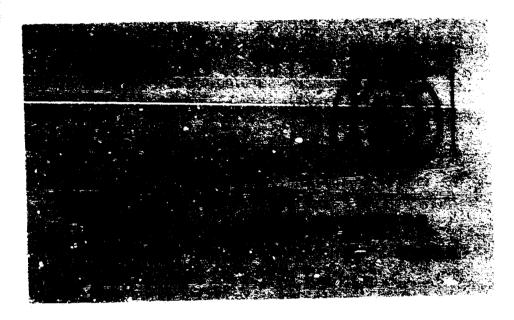
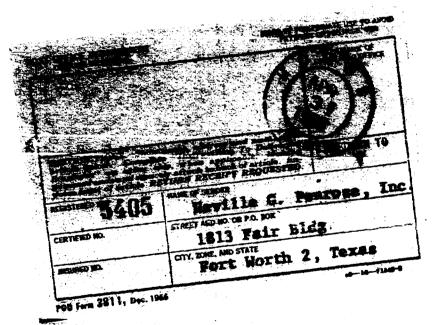


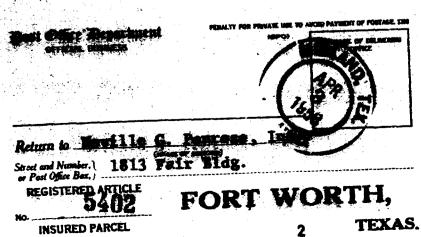
EXHIBIT "B"

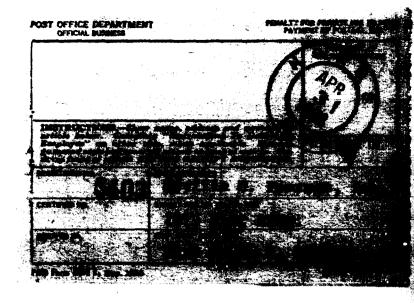




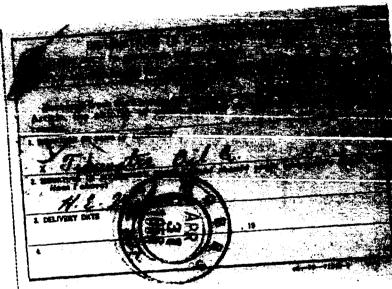


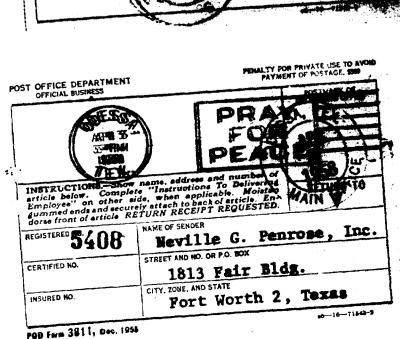


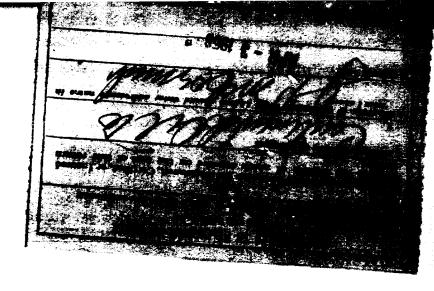




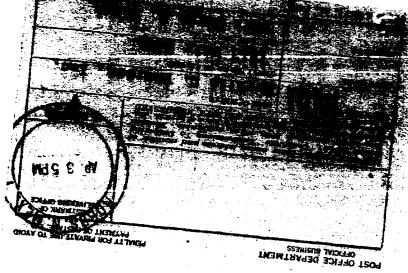












INSTRUCTIONS TO DELIVERING EMPLOYEE

SELVER OMLY TO ADDRESSEE (300 additional)

RECEIP!

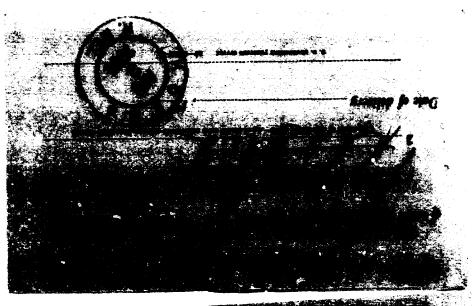
RECEIP!

L'ESCHTOM OF ANN OF ADDRESSEE ON the face of this return

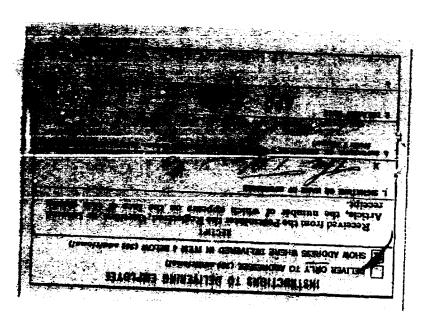
I. SOMETHING OF ANN OF ADDRESSEE

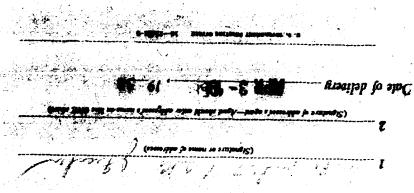
II. SOMETHING OF ADDRESSEE

III. SOMETHING OF A









Receised from the Postmaster the Registered or Insured Article, the manber of which appears on the face of this Card.

ВЕТОВИ ВЕСЕІРТ

**राडह क्ष्मर्जन** ध-1 :एन्स