

CASE 1755: Application of WHITEHALL  
OIL CO. for an unorthodox oil well  
location adjacent to Allison-Penn  
Pool.

Case No.

1785

Application, Transcript,  
Small Exhibits, Etc.

BEFORE THE  
CIB CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE 1732

TRANSCRIPT OF HEARING

OCTOBER 7, 1950

2

SANTA FE  
OIL & GAS COMMISSION  
SANTA FE, NEW MEXICO  
OCTOBER 1, 1936

IN THE MATTER OF:

CASE 1735 Application of Whitehall Oil Company, Inc., for  
an unorthodox oil well location. Applicant is  
the owner of the above-mentioned land and is an order author-  
izing an unorthodox oil well location adjacent  
to the Allison-Pennsylvania Pool, at a point  
1400 feet from the North line and 660 feet from  
the West line of Section 14, Township 9 South,  
Range 30 East, Los Alamos County, New Mexico.

BEFORE:

Elvis A. Ute, Examiner.

TRANSCRIPT OF PROCEEDINGS

MR. UTE: The next case will be Case 1735.

MR. RYAN: Case 1735. Application of Whitehall Oil  
Company, Inc., for an unorthodox oil well location.

MR. McKENNA: Mr. Examiner, Mr. Thomas F. McKenna,  
McKenna & Sommer, Santa Fe, appearing for the applicant, Whitehall.  
Mr. Examiner, I intend to make a motion, but before making a motion,  
I would like to have some exhibits marked for identification. There  
are three, sir.

MR. UTE: All right, sir. You want these marked in  
the order 1, 2, 3 as you have handed them to me?

MR. RYAN: Yes. This will be 1, and this will be 2, and

this will be it.

MR. EXAMINER: I would like to order--introduce into evidence Exhibit 1, which is a certified copy of the Order No. 3-434-b; also in evidence No. 2, which is an affidavit from Mr. Chase, vice-president of Whitehall; No. 3, a letter from Mobile Oil Company signed by Mr. D. V. Cortes, indicating there was no objection. I would like those three admitted in evidence, please.

MR. UTZ: Is there objection to the admission of Exhibits 1, 2 and 3 in Case No. 173? In the absence of objection, the Exhibits will be admitted into the record.

MR. McKEE: Mr. Examiner, I have no witnesses, but for the record I would like to state that Whitehall Oil Company, Inc. will dedicate the 1/2 of the NW 1/4 of Section 12 to this well. And then I would like to move that this case be dismissed because the applicant had no actual knowledge at the time of the drilling operations -- at the time of his drilling operations, pursuant to New Mexico Statute, Section 11-12 etc. I would respectfully move the case be dismissed.

MR. UTZ: Is there objection to the dismissal of Case 173? In the absence of objection, the case will be dismissed, and the unorthodox location, as stated by the applicant, will be approved since the applicant had no knowledge of the existing Order at the time the well was spudded.

MR. PARKER: Was the Order had not at that time been filed with the Supreme Court.

STATE OF NEW MEXICO  
COUNTY OF BERNALILLO

I, J. A. Trullio, 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 Board was reported by me in Stenotype and reduced to typewritten transcript by me, 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, the 20<sup>th</sup> day of October, 1959, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

*Joseph A. Trullio*  
NOTARY PUBLIC

My Commission Expires:  
October 3, 1960

I do hereby certify that the foregoing is a true and correct copy of the original as the same was presented to me for certification.  
Oct 2, 1959  
*Elizabeth A. Trullio*  
Notary Public for the State of New Mexico

RECEIVED
CLERK OF THE DISTRICT COURT
CLERK OF THE DISTRICT COURT
CLERK OF THE DISTRICT COURT

OIL CONSERVATION COMMISSION

P. O. BOX 271  
SANTA FE, NEW MEXICO

October 19, 1959

Mr. Tom McKenna  
302 East Palace  
Santa Fe, New Mexico

Dear Mr. McKenna:

On behalf of your client, Whitehall Oil Company, Inc.,  
we enclose two copies of Order No. R-1495 in Case No.  
1785 issued by the Oil Conservation Commission on  
October 19, 1959.

Very truly yours,

A. L. PORTER, Jr.  
Secretary-Director

ir/

Enclosures: (2)

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Y

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. 1785  
Order No. R-1295

APPLICATION OF WHITEHALL OIL  
COMPANY, INC., FOR AN UNOBTAINED  
OIL WELL LOCATION IN THE ALBUQUERQUE-  
PENNSYLVANIAN POOL, BERN COUNTY,  
NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m.  
on October 1, 1959, at Santa Fe, New Mexico, before Elvis  
A. Utz, Examiner duly appointed by the Oil Conservation  
Commission of New Mexico, hereinafter referred to as the  
"Commission," in accordance with Rule 1211 of the Com-  
mission Rules and Regulations.

Now, on this 19th day of October, 1959, the  
Commission, a quorum being present, having considered  
the application, the evidence adduced, and the recommenda-  
tions of the Examiner, Elvis A. Utz, and being fully ad-  
vised 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 testimony presented establishes that  
the subject well was drilling prior to the date that Order  
No. R-1389-B became effective as to the applicant, and thus  
the subject well is excepted from the well location require-  
ments of said Order No. R-1389-B.

(3) That Case No. 1785 should be dismissed.



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Case No. 1768  
Order No. R-1490

IT IS THEREFORE ORDERED:

That Case No. 1768 be and the same is hereby  
dismissed.

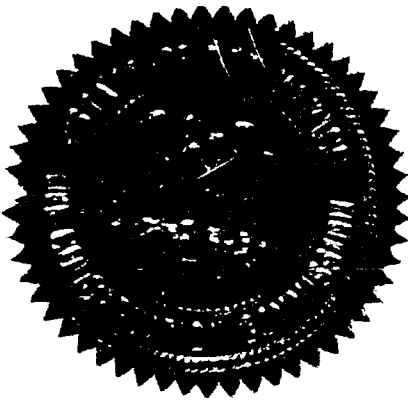
DONE at Santa Fe, New Mexico on the day and  
year hereinafore designated.

STATE OF NEW MEXICO  
WILDERNESS COMMISSION

*John T. Burroughs*  
JOHN BURROUGHS, Chairman

*Murray E. Morgan*  
MURRAY E. MORGAN, Member

*W. L. Porter, Jr.*  
W. L. PORTER, Jr., Member & Secretary



ler/

## MOBIL OIL COMPANY

*A Division of Socony Mobil Oil Company, Inc.*

OFFICE OF GENERAL COUNSEL  
Dallas Office

P. O. BOX 900 • DALLAS 21, TEXAS

October 5, 1959

CHARLES B. WALLACE

R. T. WILKINSON, JR.  
FRANK C. BOLTON, JR.

WENDELL J. DOGGETT

JACK E. EARNEST

SAM H. FIELD

JAMES T. FITZPATRICK

THOMAS P. HAMILL

M. E. LEWIS

ROSS MADOLE

WALLACE G. MALONE

ROY L. MERRILL

WILLIAM S. RICHARDSON

W. FORREST SMITH

WILLIAM H. TABB

JACK VICKREY

Application of Whitehall Oil Company  
for unorthodox location O. K. Lovejoy  
Well No. 1, Allison Penn Field Area,  
Lea County, New Mexico (Case No. 1785,  
October 7, 1959)

New Mexico Oil Conservation Commission  
Mabry Hall, State Capitol  
Santa Fe, New Mexico

Gentlemen:

Whitehall Oil Company, Inc. has filed an application for approval of an unorthodox location in the Allison Penn Field Area. This well designated as the O. K. Lovejoy Well No. 1 is located 1980 feet from the north line and 660 feet from the west line of Section 14, T9S, R36E, Lea County, New Mexico.

This letter is to inform you that Socony Mobil Oil Company, Inc. has no objections to the unorthodox location, provided that the 80-acre unit to be assigned to the O. K. Lovejoy Well No. 1 be designated as the W/2 of the NW/4 of Section 14. This designation would eliminate the possibility that an additional well could be drilled offsetting Socony Mobil Oil Company, Inc.'s Santa Fe (I) Lease in Section 15, and thus would prevent waste.

Please enter this letter as an exhibit in Case No. 1785 as evidence of Socony Mobil Oil Company, Inc.'s position in this matter.

Thank you for your usual co-operation.

Yours very truly,

*Ross Madole*  
Ross Madole

DOCKET: EXAMINER HEARING OCTOBER 7, 1959

OIL CONSERVATION COMMISSION - 9 a.m., Mabry Hall, State Capitol, Santa Fe, New Mexico

The following cases will be heard before Elvis A. Utz, Examiner, or A. L. Porter, Jr., Secretary-Director.

- CASE 1782: Application of Gulf Oil Corporation for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Eunice King Well No. 10, located 660 feet from the North line and 1980 feet from the East line of Section 28, Township 21 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Paddock Pool and the production of oil from the Wanz-Abo Pool through parallel strings of tubing.
- CASE 1783: Application of Skelly Oil Company for an amendment of Order No. R-1237. Applicant, in the above-styled cause, seeks an order amending Order No. R-1237 to provide that new wells in the Otero-Gallup Oil Pool in Rio Arriba County be given 60 days after completion in which to make beneficial use of the produced casinghead gas.
- CASE 1784: Application of Tennessee Gas Transmission Company for an oil-gas dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Glen Callow Well No. 8, located 890 feet from the South line and 1850 feet from the East line of Section 27, Township 29 North, Range 13 West, San Juan County, New Mexico, in such a manner as to permit the production of oil from an undesignated Gallup oil pool and the production of gas from an undesignated Dakota gas pool through parallel strings of tubing.
- CASE 1785: Application of Whitehall Oil Company, Inc., for an unorthodox oil well location. Applicant, in the above-styled cause, seeks an order authorizing an unorthodox oil well location adjacent to the Allison-Pennsylvanian Pool, at a point 1980 feet from the North line and 660 feet from the West line of Section 14, Township 9 South, Range 36 East, Lea County, New Mexico.
- CASE 1786: Application of The Atlantic Refining Company for two non-standard oil proration units and for two unorthodox oil well locations. Applicant, in the above-styled cause, seeks the establishment of two 40-acre non-standard oil proration units in the Horseshoe-Gallup Oil Pool, one to consist of a portion of the W/2 W/2 of Section 33, the other to consist of a portion of the W/2 SW/4 of Section 28, both in Township 31 North, Range 16 West, San Juan County, New Mexico. The respective unit wells are to be located on unorthodox locations 1980 feet from the South line and 386 feet from the West line of said Section 33 and 660 feet from the South line and 386 feet from the West line of said Section 28.
- CASE 1778: Application of Olsen Oils, Inc., for an exception to the over-production shut-in provisions of Order R-520, as amended by Order R-967, for four wells in the Jalmat Gas Pool. Applicant, in the above-styled cause, seeks an order allowing the following-described wells in the Jalmat Gas Pool to compensate for their overproduced status without being completely shut-in in order to prevent possible waste:

Dec. 14-59

Case 1778: (Cont.)

Cooper B Well No. 2, NE/4 NW/4 of Section 14,  
T-24-S, R-36-E.

Myers B Well No. 1, SE/4 NW/4 of Section 13,  
T-24-S, R-36-E,

S. R. Cooper Well No. 1, SE/4 NE/4 of Section 23,  
T-24-S, R-36-E,

Winningham Well No. 3, NE/4 SE/4 of Section 30,  
T-25-S, R-37-E,

All in Lea County, New Mexico.

CASE 1779:

Application of Jal Oil Company for an exception to the overproduction shut-in provisions of Order R-520, as amended by Order R-967, for seven wells in the Jalmat Gas Pool. Applicant, in the above-styled cause, seeks an order allowing the following-described wells in the Jalmat Gas Pool to compensate for their overproduced status without being completely shut-in in order to prevent possible waste:

Legal Well No. 2, NE/4 SE/4 of Section 21,  
Dyer Well No. 3, SE/4 NE/4 of Section 31,  
Jenkins Well No. 1, SW/4 SW/4 of Section 29,  
Jenkins Well No. 2, NE/4 SW/4 of Section 29,  
Owens Well No. 1, SW/4 SW/4 of Section 21,  
Repollo Well No. 1, SW/4 NW/4 of Section 28,

all in Township 25 South, Range 37 East, and the

Watkins Well No. 2, SE/4 NE/4 of Section 25,  
Township 24 South, Range 36 East, all in Lea  
County, New Mexico.

LAW OFFICES  
MCKENNA & SOMMER  
NASON BUILDING  
302 E. PALACE AVENUE  
SANTA FE, NEW MEXICO

THOMAS F. MCKENNA, SR.  
JOSEPH A. SOMMER

TELEPHONE YUCCA 2-1897  
YUCCA 2-1898

September 13, 1959

New Mexico Oil Conservation Commission  
State Capitol  
Santa Fe, New Mexico

Attention: Mr. Nutter

Request for exception to Allison Pool  
Spacing Pattern; Whitehall Oil Co., Inc.'s  
#1, Whitehall, C.K. Lovejoy, SW $\frac{1}{4}$  NW $\frac{1}{4}$  of Sec. 14,  
T. 9 S., R. 36 E., Lea County; 1980 feet  
from north line and 660 feet from west line.

Dear Sir:

Please consider this as a formal application by Whitehall  
Oil Co., Inc. for relief as to the above well located in  
the SW $\frac{1}{4}$  NW $\frac{1}{4}$  of Section 14, T. 9 S., R. 36 E., NMPM.

The relief requested is for an exception to the spacing  
pattern of the Allison Pool spacing rules, with full  
allowable for said well. It is our understanding that this  
will be set down for the October 7 hearing.

Yours very truly

Mckenna & Sommer

By

Thomas F. McKenna

Attorneys for Whitehall Oil Co., Inc.

TFMcK:b

cc-Mr. F. W. Reese  
Whitehall Oil Co., Inc.  
1814 Mercantile Bank Bldg.  
Dallas, Texas

*Reckert  
7/10/60  
9-24-59 JEC*

New Mexico Law Library  
Supreme Court Building



SANTA FE, NEW MEXICO

HARRISON MACDONALD  
LIBRARIAN

CERTIFICATION

This will certify that Order No. A-33, -B, Case No. 137,  
made and by the Oil Conservation Commission of the State of  
New Mexico was filed in the New Mexico Law Library on September 1,  
1935, at 11:30 A.M. This attached is a true and accurate copy of  
said order.

*Harrison MacDonald*

Harrison MacDonald  
Librarian

Done at Santa Fe, New Mexico

October 1, 1935

RECORDS FIVE/ADDER LITE

*Whitehall* 1  
1785

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

APPLICATION OF THE ATLANTIC  
REFINING COMPANY FOR AN ORDER  
COMBINING THE ALLISON-PENNSYL-  
VANIAN AND NORTH ALLISON PENN-  
SYLVANIAN POOLS, LEA AND ROOSE-  
VELT COUNTIES, NEW MEXICO, AND  
FOR THE PROMULGATION OF SPECIAL  
RULES AND REGULATIONS TO PROVIDE  
FOR 80-ACRE PRORATION UNITS.

CASE NO. 1637  
Order No. R-1389-B

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on April 15, 1959, at Hobbs, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," and Order No. R-1389 was entered on May 7, 1959. The case was reopened and a rehearing held on July 15, 1959, at Mabry Hall, State Capitol, Santa Fe, New Mexico.

NOW, on this 26th day of August, 1959, the Commission, a quorum being present, having considered the application and the evidence adduced at the original hearing and at the rehearing 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, The Atlantic Refining Company, seeks an order combining the Allison-Pennsylvanian Pool and the North Allison-Pennsylvanian Pool, Lea and Roosevelt Counties, New Mexico.

(3) That the testimony presented establishes that the wells in the Allison-Pennsylvanian Pool and the North Allison-Pennsylvanian Pool, as well as certain intervening acreage, are producing from a single common source of supply and that said pools should be combined and designated as the Allison-Pennsylvanian Pool with the pool to encompass the acreage shown in Appendix "A" attached hereto and made a part hereof.

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Case No. 1637  
Order No. R-1389-B

(4) That the applicant further seeks the promulgation of special rules and regulations for said Allison-Pennsylvanian Pool to provide for 80-acre proration units.

(5) That the applicant has proved by a preponderance of the evidence that the Allison-Pennsylvanian Pool, comprising the acreage shown in Appendix "A," can be efficiently and economically drained and developed on 80-acre proration units.

(6) That to require development of the Allison-Pennsylvanian Pool on 40-acre proration units might cause the drilling of unnecessary wells.

(7) That the evidence presented indicates that it is uneconomical to drill wells on 40-acre proration units in the Allison-Pennsylvanian Pool and to remain on such a spacing pattern might impede further development in said pool.

(8) That the subject application should be approved.

IT IS THEREFORE ORDERED:

(1) That Commission Order No. R-1389, dated May 7, 1959, be and the same is hereby superseded effective September 1, 1959.

(2) That special rules and regulations for the Allison-Pennsylvanian Pool in Lea and Roosevelt Counties, New Mexico, with horizontal limits as described in Appendix "A," be and the same are hereby promulgated as follows effective September 1, 1959; provided, however, that the increased allowable provisions contained herein shall not become effective until October 1, 1959.

SPECIAL RULES AND REGULATIONS FOR THE  
ALLISON-PENNSYLVANIAN POOL

RULE 1. Each well completed or recompleted in the Allison-Pennsylvanian Pool or in the Pennsylvanian formation within one mile of the Allison-Pennsylvanian Pool, and not nearer to nor within the limits of another designated Pennsylvanian pool, shall be spaced, drilled, operated, and prorated in accordance with the Special Rules and Regulations hereinafter set forth.



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Case No. 1737

Order No. R-1589-B

RULE 2. Each well completed or recompleted in the Allison-Pennsylvanian Pool shall be located on a unit containing 80 acres, more or less, which consists of the S/2, N/2, E/2, or W/2 of a single governmental quarter section; provided, however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections in the unit.

RULE 3. The initial well on any 80-acre unit in said pool shall be located within 150 feet of the center of either the NW/4 or the SE/4 of the quarter section on which the well is located. Any well which was drilling to or completed in the Allison-Pennsylvanian Pool prior to September 1, 1959, is granted an exception to the well location requirements of this Rule.

RULE 4. For good cause shown, the Secretary-Director may grant exception to the requirements of Rule 2 without notice and hearing when the application is for a non-standard unit comprising a single quarter-quarter section or lot or when the application is for the purpose of joining fractional lots not exceeding 20.49 acres each with a standard unit. All operators offsetting the proposed non-standard unit shall be notified of the application by registered mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application if, after a period of 30 days, no offset operator has entered an objection to the formation of such non-standard unit.

The allowable assigned to any such non-standard unit shall bear the same ratio to a standard allowable in the Allison-Pennsylvanian Pool as the acreage in such non-standard unit bears to 80 acres.

RULE 5. An 80-acre proration unit (79 through 81 acres) in the Allison-Pennsylvanian Pool shall be assigned an 80-acre proportional factor of 4.77 for allowable purposes, and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

IT IS FURTHER ORDERED:

That Operators who propose to dedicate 80 acres to a well in the Allison-Pennsylvanian Pool must file an amended Commission Form C-128 with the Hobbs District Office of the Commission by September 15, 1959, in order that the well may be assigned an 80-acre allowable on the October proration schedule.

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Case No. 1367  
Order No. R-1389-B

APPENDIX "A"

ALLISON-PENNSYLVANIAN POOL

HORIZONTAL LIMITS

TOWNSHIP 8 SOUTH, RANGE 36 EAST, NMPM, ROOSEVELT COUNTY

Section 35: E/2  
Section 36: W/2 W/2

TOWNSHIP 9 SOUTH, RANGE 36 EAST, NMPM, LEA COUNTY

Section 1: W/2 W/2  
Section 2: E/2 NW/4, SW/4, E/2  
Section 10: NE/4  
Section 11: All  
Section 12: W/2 NW/4

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

JOHN BURROUGHS, Chairman

MURRAY E. MORGAN, Member

SEAL

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

lcr/

AFFIDAVIT

COMES NOW, DALE O. CHASE, after being first duly sworn and placed under oath and doth depose and state:

1. That on September 8, 1959 the Oil Conservation Commission of New Mexico Hobbs office granted permission to drill the No. 1 Whitehall, Lovejoy in the Southwest Quarter (SW/4) of the Northwest Quarter (NW/4) of Section 14 Township 9 South, Range 36 East, Lea County, New Mexico, 1980 feet from the North line and 660 feet from the West line.
2. That drilling operations immediately commenced and drilling operations were in progress well prior to September 14, 1959.
3. That at the time said drilling operations commenced, Whitehall Oil Company, Inc. had no actual knowledge of the rules and regulations for the Allison Pennsylvania pool, Order No. R-1389-B.
4. That this affiant has personal knowledge of the truth and accuracy of the foregoing statements.

  
Dale O. Chase, Vice President  
Whitehall Oil Company, Inc.

Subscribed and sworn to before me  
this 5th day of October, 1959.

\_\_\_\_\_  
Notary Public in and for  
Dallas County, Texas

*Whitehall*

1785

2

Whitehall Oil Company  
1814 Mercantile Bank Building  
Dallas 1, Texas

Subject: Location of O. K. Lovejoy #1 Well,  
Crossroads Penn Field,  
Lea County, New Mexico

Dear Sirs:

Mobil Oil Company does hereby waive its objection to the drill site of Whitehall Oil Company's O. K. Lovejoy #1, which is presently being drilled 1980 feet from the north and 660 feet from the west lines of Section 14, T-9S, R-36E, if the 80 acre proration unit granted the completion is designated as the W/2 of the NW/4 of the section.

Yours very truly,

MOBIL OIL COMPANY

By *[Signature]*

Title Chief Petroleum Engineer  
Mobil Oil Company  
A Division of Socony Mobil Oil Company, Inc.

October 2, 1958

