

Case No.

153

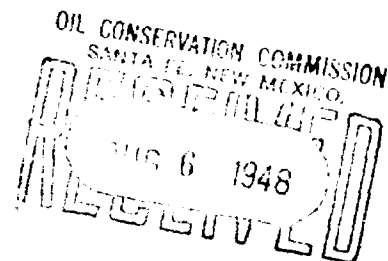
Application, Transcript,
Small Exhibits, Etc.

NO.

ADDRESS

No. 153 Repollo Oil Co. application for
bonus discovery allowable Phillips WA No. 5
SW SW 31-198-37E

DATE



Box 1470
Midland, Texas
August 4, 1948

Mr. Don G. McCormack
Bujack Building
Carlsbad, New Mexico

File Case # 1470?

Dear Sir:

Complying with your request in Santa Fe, New Mexico on July 29, 1948, attached please find photostatic copies of the Texas Company's Form C-115, Operators Monthly Report, which gives the production from their J. R. Phillips Well #5, Monument Paddock Field for the months of May and June, 1948.

These reports reflect that this well produced 990 barrels oil for these two months. This well was placed on the proration schedule effective May 16, 1948.

We trust that this information meets with your requirements.

Yours very truly,

G. H. Gray
G. H. Gray
Asst. Div. Engineer

GHG/lm
cc:

R. R. Spurrier, Oil Conservation Commission, Santa Fe, N. Mex.
Dan Almen, Repollo Oil Company, Box 521, Tulsa, Oklahoma
H. J. Summy, Repollo Oil Company, 901 Fair Building, Fort Worth, Texas.
C. S. Rose, Repollo Oil Company, Box 1470, Midland, Texas
File

THIS IS TO CERTIFY
THAT THIS IS A TRUE
PHOTOSTAT COPY OF
THE ORIGINAL.

 **Bentley's**
Studio

100 N. TURNER

DR. N. M.

GEORGE L. REESE, JR.
DON G. MCCORMICK

REESE AND MCCORMICK

ATTORNEYS AT LAW

BUJAC BUILDING

CARLSBAD, NEW MEXICO

August 31, 1943

Oil Conservation Commission
Santa Fe, New Mexico

ATTENTION: Mr. R. R. Spurrier

file Re: Case No. 153, In the Matter
of the Application of Repollo
Oil Company for Bonus Dis-
covery Allowable.

Gentlemen:

At the request of the Commission, I have made a study of the facts and law pertaining to the above case, and shall herewith give you my opinion.

Repollo Oil Company, which will hereinafter be called Repollo, has filed an Application for a Bonus Allowable on its J. R. Phillip No. 5 well located in the SW $\frac{1}{4}$ SW $\frac{1}{4}$, Section 31, Township 19 South, Range 37 East, Lea County, New Mexico.

Texas Company, which will hereinafter be referred to as Texas, has also filed an Application for a Bonus Discovery Allowable on its Phillip No. 5 Well located in the NW $\frac{1}{4}$ NW $\frac{1}{4}$, Section 6, Township 20 South, Range 37 East. It is claimed by each of the applicants that the wells are producing from the Blinbry pay. Amerada Petroleum Corporation, which is not involved in this case is the owner of a well located in the NE $\frac{1}{4}$ NE $\frac{1}{4}$, Section 1, Township 20 South, Range 36 East.

A study has been made of the complete Oil Conservation Commission files on each of the three above-described wells. Also other data has been studied in the Pro-ration Office at Hobbs. An attempt will be made to give the complete facts as revealed by these studies. Although the three wells lie in different townships, they are all adjoining, the Texas Well being one location south of the Repollo Well, and the Amerada Well being one location west of the Texas Well.

The Amerada Well spudded in on 8 May, 1947, the elevation being 3576 feet at the top of the casing.

This well was drilled to a total depth of 9953 feet. Forty-one different drill stem tests were made. On 21 July, 1947, a drill stem test was made through perforations from 5680 feet to 5704 feet. In four hours the well produced 13.16 barrels, which, on a 24-hour basis would be approximately 80 barrels. The well was then continued down to its total depth and further tests were made of the lower horizons.

The well was ultimately plugged back and completed as a producer in the Paddock pay, the completion date being 12 January, 1948. A Bonus Allowable has previously been awarded to Amerada on this well as a new discovery of the Paddock pay.

The Texas well spudded in on 9 March, 1948 and the elevation was 3583 feet at the top of the casing. On 23 April, 1948 a total depth of 5775 feet had been reached, at which point 5 $\frac{1}{2}$ " casing was set. Between that date and May 1, 1948, a test was made of the zone between 5660 feet and 5720 feet through tubing and casing perforations. The well flowed 367 barrels of fluid in 22 hours, with .2% BS & W. A drillable bridge plug had been set at 5746 feet. Prior to 1 May, 1948 the tubing was pulled and a Baker Cement Retainer set at 5320 feet. A test was then made of the zone from 5195 to 5220 feet by swabbing through the tubing that had been re-run. This zone was then acidized prior to 5 May, 1948. The well was then completed as a small producer from the Monument-Paddock zone. A total of 824 barrels of oil was produced during May and June. This figure undoubtedly included the oil recovered from the test made at the lower depth. On 22 June, 1948, the well pumped 28 barrels of fluid in 24 hours. On 1 July, 1948, the cement retainer at 5320 feet was drilled out and the well was then completed in the zone between 5660 and 5720 feet. It produced 89 barrels of oil in 13 hours, in the test made on 5 July, 1948. A completion report was filed with the Proration Office in Hobbs on 15 May, 1948, and the well was given a 46-barrel marginal allowable. After the well had been recompleted, another completion report was filed on 15 July, 1948, and the well was given an allowable of 59 BOPD for the month of August.

The Repollo Well was spudded in on 29 March, 1948, the elevation at the top of the casing being 3571 feet. The well was completed on 21 May, 1948, the total depth being 5709 feet. It is producing from the zone between 5684 and 5704 feet. On its initial test, it produced 936 barrels of fluid in 24 hours, of which 7%

was fresh water. A completion report was filed with the Proration Office on 25 May, 1948, and an allowable was given for June, July, and August of 59 BOPD. During the month of June, it produced 1678 barrels and during July, 1819 barrels.


The first paragraph of Order No. 573 issued by this Commission reads as follows:

"That a bonus discovery allowable shall be granted to any operator who makes a discovery of a new oil pool or a new producing horizon in an existing oil field or an extension of the discovered portion of a known oil pool where such discovery is two miles or more from any commercially productive oil well."

It was evidently the intention of the Commission in enacting this Order to encourage wild-cattling. The operator who should "discover" a new producing horizon was to be rewarded. If one operator should discover a new producing horizon, although he did not produce it, it is apparent that the Commission did not intend to reward some other operator who would thereafter drill a well and produce from the same horizon that had been previously discovered. In this case, it is apparent that the new producing horizon had been discovered by Amerada. In fact, this company demonstrated on 21 July, 1947 that this horizon would produce 80 barrels of oil per day on a drill stem test. This was more than nine months before the test made by Texas and approximately nine months before the test made by Repollo. It is also evident that the three wells did test the same horizon. Allowing for the difference in elevation, the bottom of the zone tested by the Amerada well was five feet lower than that tested by the Repollo well, which in turn was four feet lower than that tested by the Texas well.

Based upon the foregoing, it is my conclusion that the Amerada well is the one which made a discovery of the Blinebry pay in the area under consideration. It is, therefore, my recommendation that the applications of both Repollo and Texas be denied. A suggested form of order is attached hereto.

Very truly yours,



Don G. McCormick
Attorney for the Oil
Conservation Commission

DGM:ng

cc: Mr. George Graham
State Land Office
Santa Fe, New Mexico

1 BEFORE THE OIL CONSERVATION COMMISSION
2 OF THE STATE OF NEW MEXICO

3 IN THE MATTER OF THE APPLICATION
4 OF REPOLLO OIL COMPANY FOR BONUS
5 DISCOVERY ALLOWABLE UNDER COM-
6 MISSION ORDER NO. 573 FOR WELL
7 NO. 5 PHILLIPS "A" LEASE, LOCATED
8 IN THE SW $\frac{1}{4}$ SW $\frac{1}{4}$, SECTION 31, TOWN-
9 SHIP 19 SOUTH, RANGE 37 EAST,
10 N.M.P.M., LEA COUNTY, NEW MEXICO

CASE NO. 153
ORDER NO.

- AND -

10 IN THE MATTER OF THE APPLICATION
11 OF THE TEXAS COMPANY FOR BONUS
12 DISCOVERY ALLOWABLE UNDER COM-
13 MISSION ORDER NO. 573 FOR J. R.
14 PHILLIPS NO. 5 WELL LOCATED IN
15 THE NW $\frac{1}{4}$ NW $\frac{1}{4}$, SECTION 6, TOWNSHIP
16 20 SOUTH, RANGE 37 EAST, N.M.P.M.,
17 LEA COUNTY, NEW MEXICO.

18 ORDER OF THE COMMISSION

19 BY THE COMMISSION:

20 This cause came on for hearing at ten o'clock A. M., on
21 29 July, 1948 at Santa Fe, New Mexico, before the Oil Conservation
22 Commission of New Mexico, hereinafter referred to as the "Com-
23 mission".

24 And the matter having been taken under advisement, and
25 the Commission having considered the facts adduced in evidence and
26 other facts from official records of the Commission, makes the
27 following findings of fact:

28 1. Amerada Petroleum Corporation is the owner of a well
29 located in the NE $\frac{1}{4}$ NE $\frac{1}{4}$, Section 1, Township 20 South, Range 36 East.
30 On 21 July, 1947 a drill stem test was made of this well and the
31 zone from 5680 feet to 5704 feet, identified as the Blinebry pay,
32 was tested and produced 13.16 barrels in four hours.

 2. The Texas Company, in its Phillips No. 5 Well on or
about 1 May, 1948 made a test of the same zone, which test resulted
in the production of 367 barrels of oil in 22 hours.

 3. The Repollo Oil Company, in its No. 5 Phillips "A"
Well tested the same zone on or about 21 May, 1948, which test re-
sulted in the production of 936 barrels of fluid in 24 hours, of
which 7% was fresh water.

 4. The test made by Amerada Petroleum Corporation con-
stituted a discovery of a new producing horizon in an existing oil
field, and was more than two miles distant from any commercially
productive well in the Blinebry pay.

 5. No application for Bonus Discovery Allowable for the

1 Blinebry pay has been made by Amerada Petroleum Corporation and it
2 is not, in fact, producing its well from the Blinebry pay, but is
3 producing it from the Paddock pay at a depth of approximately 5200
feet and has heretofore been awarded a Bonus Discovery Allowable
for its discovery of the Paddock pay.

4 The Commission makes the following conclusions:

5 1. Repollo Oil Company in its No. 5 Phillips "A" well
6 did not make a discovery of a new producing horizon in an existing
oil field.

7 2. The Texas Company in its Phillips No. 5 Well did not
8 make a discovery of a new producing horizon in an existing oil
field.

9 IT IS THEREFORE ORDERED:

10 1. That the application of Repollo Oil Company for a
11 Bonus Discovery Allowable be, and the same is hereby denied.

12 2. That the application of the Texas Company for a Bonus
Discovery Allowable be, and the same is hereby denied.

13 Done at Santa Fe, New Mexico this _____ day of September,
14 1948.

15 OIL CONSERVATION COMMISSION

16 By:

17 Thomas J. Mabry, Chairman

18 John E. Miles, Member

19 R. R. Spurrier, Secretary

C
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Y

GEORGE L. REESE, JR.
DON G. MCCORMICK

REESE AND MCCORMICK

ATTORNEYS AT LAW
BUDAC BUILDING
CARLSBAD, NEW MEXICO

July 31, 1948

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

153
AUG 2 1948
RECEIVED

Mr. George Graham
State Land Office
Santa Fe, New Mexico

Dear George:

As soon as the same are available, I would like for you to send me the files and transcript in case No. 1. As you recall, this is the case involving the minus discovery allowable. I am especially anxious to have the reports which will be included in the files, showing the exact dates of testing, etc.

I plan to leave in about one week for a short trip and I imagine it will be the latter part of August before I will have an opinion prepared in this case.

With kind personal regards, I am

Very truly yours,

Don G. McCormick
Don G. McCormick
Attorney for the New
Mexico Oil Conservation
Commission.

DGM:ng

cc: Mr. R. R. Spurrier
State Geologist
Santa Fe, New Mexico

STATE OF NEW MEXICO
OFFICE OF STATE GEOLOGIST
SANTA FE, NEW MEXICO

July 19, 1940

C

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THE HOBBS DAILY NEWS-SUN
Hobbs, New Mexico

RE: Notice of Publication - Cases 153,
155 and 156

Gentlemen:

Please publish the enclosed notice once, immediately. Please proof-read the notice carefully and send a copy of the paper carrying such notice.

UPON COMPLETION OF THE PUBLICATION, PLEASE SEND PUBLISHER'S AFFIDAVIT IN DUPLICATE.

For payment please submit statement in duplicate, accompanied by voucher executed in duplicate. The necessary blanks are enclosed.

Very truly yours,

GEORGE A. GRAHAM, Attorney

AFFIDAVIT OF PUBLICATION

State of New Mexico,
County of Lea

I, Robert L. Summers

Of the Hobbs Daily News-Sun, a daily newspaper published at Hobbs, New Mexico, do solemnly swear that the clipping attached hereto was published once a week in the regular and entire issue of said paper, and not in a supplement thereof for a

period of _____

One Issue weeks.

beginning with the issue dated _____

July 15, 19 48

and ending with the issue dated _____

Robert L. Summers
Publisher.

Sworn and subscribed to before me

this 20th day of _____

July, 19 48

Nellie Jones
Notary Public.

My commission expires _____

January 7, 19 51
(Seal)

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937, and payment of fees for said publication has been made.

LEGAL NOTICES

July 15, 1948 NOTICE OF PUBLICATION STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

The State of New Mexico by its Oil Conservation Commission hereby gives notice, pursuant to law, of the following public hearings to be held July 29, 1948, beginning at 10:00 o'clock a.m. on that day in the City of Santa Fe, New Mexico.

STATE OF NEW MEXICO TO:

All named parties in the following cases, and notices to the public:

CASE NO. 153

In the matter of the application of Repello Oil Company for bonus discovery allowable under Commission Order No. 573, for well No. 5, Phillips "A" lease, located in the SW/4 SW/4 section 31, T.19S, R. 37E, N.M.P. M., Lea County, New Mexico.

CASE NO. 155

In the matter of the application of the New Mexico Oil Conservation Commission, at the request of the Lea County Operators Committee for an order clarifying and amending Commission Order No. 52, dated February 1, 1937, and relating to rules and regulations for Lea County pools.

CASE NO. 156

In the matter of the application of the New Mexico Oil Conservation Commission, at the request of the Lea County Operators Committee for an order amending Commission Order No. 712 of August 4, 1947, and known as the Lea-Eddy-Chaves Counties New Mexico Gas Oil Ratio Order.

Given under the seal of the Oil Conservation Commission of New Mexico at Santa Fe, New Mexico, on July 14, 1948.

STATE OF NEW MEXICO
OIL CONSERVATION COM-
MISSION

(SEAL)

By R. R. Spurrier, Secretary

STATE OF NEW MEXICO
OFFICE OF STATE GEOLOGIST
SANTA FE, NEW MEXICO

July 16, 1943

C
O
P
Y

Mr. E. B. Gray, Assistant Division Engineer
Repollo Oil Company
Midland, Texas

Re: Case No. 152

Dear Mr. Gray:

This is to advise you that the above mentioned case, in the matter of the application of Repollo Oil Company for bonus allowable in respect to well No. 5, Phillips Salt Lease, located in the N. 1/4, E. 1/4, section 31, T.12 N., R.27 E., Ten County, will be heard at 10:00 o'clock a.m., July 22, 1943, Santa Fe, New Mexico, in the House of Representatives.

Very truly yours,

bpr

GEORGE A. GRADEN, Attorney

cc: Mr. F. B. Crew, District Supt.
The Texas Company
Midland, Texas

NOTICE OF PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

The State of New Mexico by its Oil Conservation Commission hereby gives notice, pursuant to law, of the following public hearings to be held July 29, 1948, beginning at 10:00 o'clock a.m. on that day in the City of Santa Fe, New Mexico.

STATE OF NEW MEXICO TO:

All named parties in the following cases,
and notice to the public:

Case No. 153

In the matter of the application of Repollo Oil Company for bonus discovery allowable under Commission Order No. 573, for well No. 5, Phillips "A" lease, located in the SW/4 SW/4 section 31, T.19 S, R.37 E, N.M.P.M., Lea County, New Mexico.

Case No. 155

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Given under the seal of the Oil Conservation Commission of New Mexico at Santa Fe, New Mexico, on July 14, 1948.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

BY

R. R. SPURRIER, Secretary

Artesia, New Mexico

Box 517

June 15, 1948

Mr. R. R. Spurrier
Box 871
New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Dear Sir:

The New Mexico Nomenclature Committee has voted to recommend to the Oil Conservation Commission that a new pool be created to be designated the "Monument-Blinebry" Pool and to embrace the following described acreage: All of Sec. 36-19S-36E; all of Sec. 31-19S-37E; all of Sec. 1-20S-36E., and all of Sec. 6-20S-37E., N.M.P.M., Lea County, New Mexico.

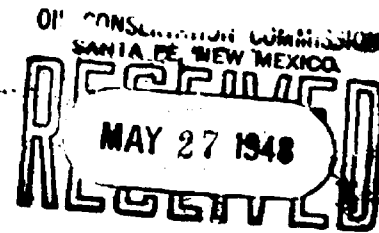
The pay zone of the Pool is a zone of porosity in the Yeso formation commonly referred to as the "Blinebry Zone". In this Pool it occurs at an approximate depth of 5650' and is separated from the productive zone of the overlying Monument-Paddock Pool by approximately 400' of vertical interval.

Yours very truly,

/s/ Wilton E. Scott
Wilton E. Scott, Chairman
Nomenclature Committee

LEA COUNTY OPERATORS COMMITTEE
HOBBS, NEW MEXICO
June 16, 1948

Filed to 16 July



Box 1470
Midland, Texas
May 25, 1948

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

Attention Mr. R. R. Spurrier
Secretary

Gentlemen:

Attached please find Repollo Oil Company's application for a bonus discovery allowable on their J. R. Phillips "A" Well #5, which was drilled in the old Monument Field to a total depth of 5720'.

The attached data, we believe, warrants a bonus discovery allowable for this well.

Yours very truly,

G. H. Gray
G. H. Gray

GHG/lm

Orig. & 3 cc: Oil Conservation Commission, Santa Fe, New Mexico
cc: H. J. Summy, Repollo Oil Co., 901 Fair Bldg., Ft. Worth, Texas
W. H. Cain, Repollo Oil Co., Box 521, Tulsa, Oklahoma
C. S. Rose, Repollo Oil Co., Box 1470, Midland, Texas
W. B. Rhees, Repollo Oil Co., Box 1427, Hobbs, New Mexico

NEW MEXICO OIL CONSERVATION COMMISSION

Santa Fe, New Mexico

MISCELLANEOUS NOTICES

Submit this notice in triplicate to the Oil Conservation Commission or its proper agent before the work specified is to begin. A copy will be returned to the sender on which will be given the approval, with any modifications considered advisable, or the rejection by the Commission or agent, of the plan submitted. The plan as approved should be followed, and work should not begin until approval is obtained. See additional instructions in the Rules and Regulations of the Commission.

Indicate nature of notice by checking below:

NOTICE OF INTENTION TO TEST CASING SHUT-OFF		NOTICE OF INTENTION TO SHOOT OR CHEMICALLY TREAT WELL	
NOTICE OF INTENTION TO CHANGE PLANS		NOTICE OF INTENTION TO PULL OR OTHERWISE ALTER CASING	
NOTICE OF INTENTION TO REPAIR WELL		NOTICE OF INTENTION TO PLUG WELL	
NOTICE OF INTENTION TO DEEPEN WELL		Application for Bonus Discovery Allowable	

Midland, Texas

May 25, 1948

Place

Date

OIL CONSERVATION COMMISSION,
Santa Fe, New Mexico.

Gentlemen:

Following is a notice of intention to do certain work as described below at the

Repollo Oil Company J. R. Phillips "A" Well No. 5 in SW₁SW₄
Company or Operator Lease
of Sec. 31, T. 19S, R. 37E, N. M. P. M., New Field Field,
Lea County.

FULL DETAILS OF PROPOSED PLAN OF WORK

FOLLOW INSTRUCTIONS IN THE RULES AND REGULATIONS OF THE COMMISSION

Repollo Oil Company's J. R. Phillips "A" Well #5 with a surface elevation of 3582', 5½" OD casing set at 5719', casing perforated from 5695' to 5619', and the well's total depth is 5720'.

This well is producing from 5695' to 5720' from the Blinberry "pay". The nearest producing wells are The Texas Company's J. R. Phillips #5 and Amerada Petroleum Company's J. R. Phillips #5 which are producing from the Paddock "pay" at above 5300'.

We therefore request bonus discovery allowable for Repollo Oil Company's J. R. Phillips "A" #5 since it is the only well producing from the Blinberry "pay" within a radius of greater than two miles and is supported by the attached data.

Orig. & 3 cc: Oil Conservation Commission, Santa Fe, New Mexico
cc: H. J. Summy, Repollo Oil Co., 901 Fair Bldg., Fort Worth 2, Texas
W. H. Cain, Repollo Oil Co., Box 521, Tulsa, Oklahoma
C. S. Rose, Repollo Oil Co., Box 1470, Midland, Texas
W. B. Rhees, Repollo Oil Co., Box 1427, Hobbs, New Mexico

Approved _____, 19____
except as follows:

Repollo Oil Company
Company or Operator

By

Position Division Engineer

Send communications regarding well to

OIL CONSERVATION COMMISSION,

Name G. H. Gray

By

Address Repollo Oil Company

Title

Box 1470, Midland, Texas

REPOLLO OIL COMPANY
J. R. Phillips "A"
Well # 5

A drill stem test was made in the Paddock zone. The test was from 5215' to 5251', open 1 hour and 20 minutes. There was a slight blow of air throughout the test and recovery was 110' of drilling fluid cut with gas and sulphur water and a small show of oil.

After this test the well was drilled deeper until porosity and staining was encountered. A drill stem test was made from 5529' to 5570', open 3 hours. There was a slight blow of air throughout test with recovery of 40' of drilling fluid with show of oil and gas. Another drill stem test was made from 5570' to 5605', open 3 hours with small blow of air throughout the test with recovery of 93' of drilling fluid cut with gas and sulphur water.

Better porosity was found from 5690' to 5720' and a drill stem test was made from 5679' to 5720', open 1 hour and 30 minutes. It had gas to surface in 3 minutes, mud in 7 minutes and oil in 10 minutes and flowed 63 barrels oil in 1 hour.

Completion - Flowing 402 bbls. oil thru 3/4" choke in 9 hours thru perforation 5695' to 5715', 5-21-48. In this well there is a vertical interval of 444' from the base of the Paddock zone to the top of the Blinberry zone.

Bottom hole pressure was ran on this well and found to be 2273 p.s.i.g. at -2100' ss, 5-24-48.

Amerada Petroleum Corporation - J. R. Phillips Well #5

Producing from 5180' to 5200' and from 5215' to 5218', Paddock "pay".

The Texas Company - J. R. Phillips Well #5

Producing from 5130' to 5220', Paddock "pay".

Original Comm file
BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 153
ORDER NO. 785

IN THE MATTER OF THE APPLICATION OF
REPOLLO OIL COMPANY FOR BONUS DIS-
COVERY ALLOWABLE UNDER COMMISSION
ORDER NO. 573 FOR WELL NO. 5 PHILLIPS
"A" LEASE, LOCATED IN THE SW $\frac{1}{4}$ SW $\frac{1}{4}$,
SECTION 31, TOWNSHIP 19 SOUTH, RANGE
37 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO.

- AND -

IN THE MATTER OF THE APPLICATION OF THE
TEXAS COMPANY FOR BONUS DISCOVERY ALLOWABLE
UNDER COMMISSION ORDER NO. 573 FOR J. R.
PHILLIPS NO. 5 WELL LOCATED IN THE NW $\frac{1}{4}$ NW $\frac{1}{4}$,
SECTION 6, TOWNSHIP 20 SOUTH, RANGE 37 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at ten o'clock A.M., on 29 July, 1948
at Santa Fe, New Mexico, before the Oil Conservation Commission of New
Mexico, hereinafter referred to as the "Commission".

And the matter having been taken under advisement, and the Commission
having considered the facts adduced in evidence and other facts from offi-
cial records of the Commission, makes the following findings of fact:

1. Amerada Petroleum Corporation is the owner of a well located in the
NE $\frac{1}{4}$ NE $\frac{1}{4}$, Section 1, Township 20 South, Range 36 East. On 21 July, 1947 a
drill stem test was made of this well and the zone from 5680 feet to 5704
feet, identified as the Blinebry pay, was tested and produced 13.16 barrels
in four hours.
2. The Texas Company, in its Phillips No. 5 Well on or about 1 May,
1948 made a test of the same zone, which test resulted in the production of
367 barrels of oil in 22 hours.
3. The Repollo Oil Company, in its No. 5 Phillips "A" Well tested the
same zone on or about 21 May, 1948, which test resulted in the production
of 936 barrels of fluid in 24 hours, of which 7% was fresh water.
4. The test made by Amerada Petroleum Corporation constituted a dis-
covery of a new producing horizon in an existing oil field, and was more
than two miles distant from any commercially productive well in the Bline-
bry pay.
5. No application for Bonus Discovery Allowable for the Blinebry pay
has been made by Amerada Petroleum Corporation and it is not, in fact,
producing its well from the Blinebry pay, but is producing it from the Pad-
dock pay at a depth of approximately 5200 feet and has heretofore been
awarded a Bonus Discovery Allowable for its discovery of the Paddock pay.

*1 copy to Staley (Nov. '48) mailed
1 each "Repollo
" "Texas Co*

The Commission makes the following conclusions:

1. Repollo Oil Company in its No. 5 Phillips "A" Well did not make a discovery of a new producing horizon in an existing oil field.

2. The Texas Company in its Phillips No. 5 Well did not make a discovery of a new producing horizon in an existing oil field.

IT IS THEREFORE ORDERED:

1. That the application of Repollo Oil Company for a Bonus Discovery Allowable be, and the same is hereby denied.

2. That the application of the Texas Company for a bonus discovery allowable be, and the same is hereby denied.

DONE at Santa Fe, New Mexico this 14th day of September, 1948.

OIL CONSERVATION COMMISSION

CHAIRMAN

John E. Miles

MEMBER

L. L. Spurr

SECRETARY

AGENDA FOR HEARING OF JULY 29, 1948

CASE NO. 153

In the matter of the application of Repollo Oil Company for bonus discovery allowable under Commission Order No. 573, for well No. 5, Phillips "A" lease, located in the SW/4 SW/4 section 31, T.19 S, R.37E, N.M.P.M., Lea County, New Mexico.

CASE NO. 152

In the matter of the application of Grayburg Oil Company of New Mexico and Western Production Company, Inc., for an order granting permission to drill twenty-eight unorthodox locations on leases within the boundaries of the Grayburg Cooperative and Unit Area in T.17 S, R.29 and 30 E, N.M.P.M., in the Grayburg-Jackson pool, Eddy County, New Mexico.

CASE NO. 154

In the matter of the application of Magnolia Petroleum Company, a corporation of Dallas, Texas, for approval of the Foster Unit Area and Agreement, covering and including the following described lands: Lots 1 and 2, S $\frac{1}{2}$ SE $\frac{1}{4}$ section 33; Lots 1,2,3,4, and 5, S $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$ section 34; Lots 1,2,3,4, and 5, S $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, section 35; Lots 1,2,3, and 4, S $\frac{1}{2}$ S $\frac{1}{2}$ section 36, T. 20 $\frac{1}{2}$ S, R. 22 E; S $\frac{1}{2}$ section 13, S $\frac{1}{2}$ section 14; all sections 22,23,24,25,26,27,28,33,34,35 and 36, T. 20 S, R. 23E; Lots 1,2,3,4, and 5, S $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$ section 31; Lot 4, SW $\frac{1}{4}$ SW $\frac{1}{4}$ section 32, T. 20 $\frac{1}{2}$ S, R. 23E; Lots 3 and 4, E $\frac{1}{2}$ SW $\frac{1}{4}$ section 18; Lots 1,2,3, and 4, E $\frac{1}{2}$ W $\frac{1}{2}$ section 19; Lots 1,2,3, and 4, E $\frac{1}{2}$ W $\frac{1}{2}$ section 30; Lots 1,2,3, and 4, E $\frac{1}{2}$ W $\frac{1}{2}$ section 31, T. 20 S, R. 24 E, N.M.P.M. containing 10,289.50 acres, more or less, in Eddy County, New Mexico.

CASE NO. 155

In the matter of the application of the New Mexico Oil Conservation Commission, at the request of the Lea County Operators Committee for an order clarifying and amending Commission Order No. 52, dated February 1, 1937, and relating to rules and regulations for Lea County pools.

CASE NO. 156

In the matter of the application of the New Mexico Oil Conservation Commission, at the request of the Lea County Operators Committee for an order amending Commission Order No. 712 of August 4, 1947, and known as the Lea-Eddy-Chaves Counties New Mexico Gas-Oil Ratio Order.

Case No. 110 (continued); Case No. 104 in which Commission retained jurisdiction and upon further motion of the Oil Conservation Commission; Hardin-Houston, Hobbs, New Mexico; Walter Famariss, Hobbs, New Mexico; Lea County Operators Committee:

In the matter of an order or orders of general application regulating tank cleaning, plants processing tank bottoms, and the reclaiming of waste oil.

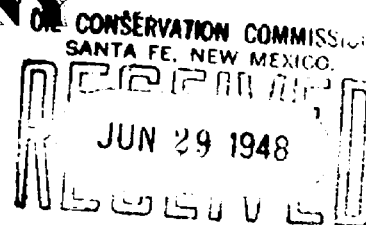
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

REPOLLO OIL COMPANY

SINCLAIR BUILDING

TULSA, OKLAHOMA

Box 1470
Midland, Texas
June 28, 1948



Graham

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

(2 more copies?)

Gentlemen:

Repollo Oil Company respectfully petitions the Oil Conservation Commission of New Mexico for a hearing upon its application heretofore filed on the 25th day of May, 1948, for bonus discovery allowable under the Commission's Order No. 573, for and in respect of applicant's Well No. 5, Phillips "A" lease, located in the SW/4 of the SW/4 of Section 31, Township 19 South, Range 37 East, N.M.P.M., Lea County, New Mexico.

Said well was completed May 21, 1948 as a productive oil well, flowing 402 barrels of oil through a 34/64" choke in nine hours, through perforations from 5695 to 5715 feet from the surface.

Said well has been continuously producing at the rate allowed by the rules and regulations of the Commission, from the date of completion. At the time of said completion on May 21, 1948, there was no well producing oil from the same horizon in commercial quantities within two miles of applicant's completed well, and since said time there has been no well within two miles of applicant's well producing oil in commercial quantities from said horizon.

Applicant shows that on account of the depth of said horizon from which its well is commercially productive of oil, as aforesaid, it is entitled to 28,475 barrels of oil as the discovery allowable, and it prays that such allowable be granted to it.

GHG/lm

REPOLLO OIL COMPANY

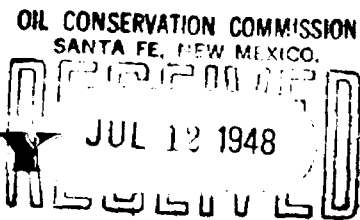
By *[Signature]*
Assistant Division Engineer

REPOLLO OIL COMPANY

SINCLAIR BUILDING

TULSA, OKLAHOMA

Box 1470
Midland, Texas
July 7, 1948



No. 153

Graham -

29,5?

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Gentlemen:

Attached are two additional copies of Repollo Oil Company's request for a hearing on their application for bonus discovery allowable on Phillips "A" lease, Well #5, as per your letter dated June 30, 1948.

Yours very truly,

REPOLLO OIL COMPANY

By

G. H. May
Assistant Division Engineer

GHG/lm

STATE OF NEW MEXICO
OFFICE OF STATE GEOLOGIST
SANTA FE, NEW MEXICO

30 June 1948

Mr. G. H. Gray
Asst. Division Engineer
Repollo Oil Company
Midland, Texas

Dear Mr. Gray:

With reference to your application for a hearing on your discovery well, this is to advise you that only one copy was received and it is necessary that you file three.

Your case will be set for hearing as soon as possible, and we shall advise your company as to date.

Very truly yours,

RRS:bsp

C

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P

Y