

Case No.

201

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Application, Transcript,  
Small Exhibits, Etc.

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

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

CASE NO. 201

ORDER NO. 844

THE APPLICATION OF DANCIGER OIL & RE-  
FINING COMPANY FOR AN ORDER GRANTING  
PERMISSION TO DRILL TWELVE UNORTHODOX  
LOCATIONS ON ITS TURNER "A" AND TURNER  
"B" LEASES IN SECTIONS 17, 18, 19 AND  
20, TOWNSHIP 17 SOUTH, RANGE 31 EAST,  
N.M.P.M., IN EDDY COUNTY, NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This matter came on for hearing at 10 o'clock A.  
M. on the 22nd day of November, 1949 at Santa Fe, New Mex-  
ico, before the Oil Conservation Commission of New Mexico,  
hereinafter referred to as the "Commission".

NOW, on this 22nd day of November, 1949,  
the Commission, having before it for consideration the testi-  
mony adduced at said hearing and being fully advised in the  
premises,

FINDS:

1. That due public notice having been given, as  
provided by law, the Commission has jurisdiction of this  
cause.

2. That the acreage involved in the Application  
is Federally owned and the Supervisor of the United States

Geological Survey interposes no objections to the Application.

3. That the leases covering the following described land are owned by Danciger Oil & Refining Company:

TURNER "A" LEASE, Las Cruces Serial No. 029395(a) described as SE/4, Lots 3 and 4 and E/2 SW/4 Section 18; NE/4, Lots 1 and 2 and E/2 NW/4 Section 19, Township 17 South, Range 31 East, N.M.P.M., in Eddy County, New Mexico, and containing 609.43 acres, more or less.

TURNER "B" LEASE, Las Cruces Serial No. 029395(b) described as S/2 S/2, NW/4 SW/4 Section 17; All Section 20; All Section 29; Lots 3 and 4, SE/4 and E/2 SW/4 Section 30, Township 17 South, Range 31 East, N.M.P.M., in Eddy County, New Mexico, and containing 1786.15 acres, more or less.

4. That from inception of production on the Turner "A" Lease, which occurred on or about March 1, 1930, up to the present time, there have been drilled a total of twenty-two producing wells; that fourteen of said wells are producing from the Grayburg <sup>137</sup>Lin<sup>7</sup>, encountered at an approximate depth of 3400 feet; that the remaining eight wells on the Turner "A" Lease are producing from the Seven Rivers Sand, encountered at an approximate depth of 1870 feet.

5. That from inception of production on the Turner "B" Lease, which occurred on or about November 21, 1938, there have been drilled a total of twenty-nine producing wells; that ten of said wells are producing from the Grayburg Lime, encountered at an approximate depth of 3400 feet; that Well No. 1 on the Turner "B" Lease is producing from the Premier Sand, encountered at an approximate

depth of 3100 feet, and the eighteen remaining wells on the Turner "B" Lease are producing from the Seven Rivers Sand, encountered at a depth ranging from 1885 feet to a depth of 2180 feet. That at the present time Well No. 30, located in the Center of the SE/4 SE/4 Section 17, Township 17 South, Range 31 East, is drilling or is in the process of being completed.

6. That one well located on a forty acre legal subdivision is not sufficient to obtain all of the recoverable oil from the Grayburg Lime under any such forty acre tract, and that the drilling of "five spot" wells, as proposed in the Application of Danciger Oil & Refining Company, at the locations designated, would be in the interest of conservation, prevent waste and enable Applicant to obtain a greater ultimate recovery of oil, in that Applicant would be able to recover substantial quantities of oil which would otherwise not be produced if such "five spot" locations were not drilled.

IT IS THEREFORE ORDERED BY THE COMMISSION That the Application of Danciger Oil & Refining Company for an order granting permits to drill the twelve unorthodox "five spot" locations, to be completed in the Grayburg Lime, described in said Application, be and the same are hereby granted and approved. The numbers and locations of the wells to be drilled being, as follows:

TURNER "A", Well No. 24: Section 18, Township 17 South, Range 31 East, N.M.P.M., 1280 feet East of the West Line and 1280 feet South of the North Line of the S/2 of Section 18;

TURNER "A", Well No. 25: Section 18, Township 17 South, Range 31 East, N.M.P.M., 2560 feet East of the West Line and 1280 feet South of the North Line of the S/2 of Section 18;

TURNER "A" Well No. 26: Section 18, Township 17 South, Range 31 East, N.M.P.M., 1345 feet West of the East Line and 1295 feet South of the North Line of the S/2 of Section 18;

TURNER "A" Well No. 27: Section 18, Township 17 South, Range 31 East, N.M.P.M., 1345 feet East of the West Line and 2405 feet South of the North Line of the S/2 of Section 18;

TURNER "A", Well No. 28: Section 18, Township 17 South, Range 31 East, N.M.P.M., 2665 feet East of the West Line and 2405 feet South of the North Line of the S/2 of Section 18;

TURNER "A", Well No. 29: Section 18, Township 17 South, Range 31 East, N.M.P.M., 1295 feet West of the East Line and 2405 feet South of the North Line of the S/2 of Section 18;

TURNER "A", Well No. 30: Section 19, Township 17 South, Range 31 East, N.M.P.M., 1345 feet East of the West Line and 975 feet South of the North Line;

TURNER "A", Well No. 31: Section 19, Township 17 South, Range 31 East, N.M.P.M., 2665 feet East of the West Line and 975 feet South of the North Line;

TURNER "B", Well No. 31: Section 17, Township 17 South, Range 31 East, N.M.P.M., 1345 feet East of the West Line and 1085 feet South of the North Line of the S/2 S/2 of Section 17;

TURNER "B", Well No. 32: Section 17, Township 17 South, Range 31 East, N.M.P.M., 2665 feet East of the West Line and 1295 feet South of the North Line of the S/2 S/2 of Section 17;

TURNER "B", Well No. 33: Section 17, Township 17 South, Range 31 East, N.M.P.M., 1295 feet West of the East Line and 1295 feet South of the North Line of the S/2 S/2 of Section 17;

TURNER "B", Well No. 34: Section 20, Township 17 South, Range 31 East, N.M.P.M., 1295 feet West of the East Line and 1295 feet South of the North Line;

IT IS FURTHER ORDERED BY THE COMMISSION, That Danciger Oil & Refining Company shall not be obligated to drill all twelve of such locations, it being understood that the data and information obtained from the drilling of the first of such "five spot" locations may cause Applicant to desire to change or modify its future program with reference to the drilling of all twelve unorthodox locations hereinabove described.

IT IS FURTHER ORDERED BY THE COMMISSION, That in instances where any of the proposed "five spot" wells to be drilled constitute a second well upon a legal forty acre subdivision that Danciger Oil & Refining Company shall only be permitted to produce from the two such wells producing from the Grayburg Lime located upon such forty acre legal subdivision, the allowable as fixed by the Oil Conservation Commission for the forty acre proration unit upon which said two wells are located and in no event shall the combined daily production from the two Grayburg Lime wells located upon any forty acre legal subdivision exceed the allowable for Grayburg Lime production as fixed by the Oil Conservation Commission for such forty acre proration unit.

IT IS FURTHER ORDERED BY THE COMMISSION, That the Applicant shall file with the Commission copy of

Federal Location Notice for each of the hereinabove described locations, after approval thereof by the Oil and Gas Supervisor.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

CHAIRMAN

*Guy Shepard*

MEMBER

*R. L. Gurnee*

SECRETARY

November 22, 1949

Mr. Glenn Staley  
Lea County Operators Committee  
Drawer I  
Hobbs, New Mexico

Dear Mr. Staley:

We enclose herewith, signed copy of Order No. 844, Case No. 201, in connection with the hearing held on November 22, 1949.

This is for your records and distribution. When this order is mimeographed, may we please have four copies?

Thank you.

Very truly yours,

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

R. R. Spurrier

By \_\_\_\_\_

RRS:bw  
encl.



NOTICE FOR PUBLICATION  
STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

The State of New Mexico by its Oil Conservation Commission hereby gives public notice pursuant to law of a public hearing to be held November 22, 1949, beginning at 10:00 o'clock A.M. of that day in the City of Santa Fe, New Mexico, in the Hall of Representatives.

STATE OF NEW MEXICO TO:

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

Case 200

In the matter of the Application of Worth Drilling Company, Inc. for an order approving an unorthodox location for A. C. Taylor well No. 7-A, 10 ft. from the south line and 1320 ft. east of the west line (SW/4) of Section 12 in Township 18 south, Range 31 east, N.M.P.M., in North Shugart pool, Eddy County, New Mexico.

Case 201

In the matter of the Application of Danciger Oil and Refining Company for an order granting permission to drill twelve unorthodox ("five spot") locations on its Turner "A" and Turner "B" leases in Sections 17, 18, 19 and 20, in Township 17 south, Range 31 east, N.M.P.M., in the Premier pool, Eddy County, New Mexico.

Case 202

In the matter of the Application of Rowan Oil Company for an order reducing the daily allowable of the Brunson pool, Lea County, New Mexico, to 90 barrels per day per well for a period of six months, within which period of time through surveys and studies information may be had for the purpose of determining the maximum efficient rate of production of reservoir.

Case 203

In the matter of the Application of Santa Fe Pacific Railroad Company and Oil Development Company of Texas, for an order allowing an exception from Commission Order No. 779, of July 27, 1948, providing an 80 acre spacing pattern for wells in the Crossroads pool, Lea County, New Mexico.

Case 204

In the matter of the Application of Amerada Petroleum Corporation for an order establishing proration units and uniform spacing of wells for the common source of supply discovered in the W. H. Hamilton #1 well, NE SW Section 35, Township 16 south, Range 38 east, N. 111 P. M., Knowles pool, Lea County, New Mexico.

Given under the seal of the Oil Conservation Commission of New Mexico, at Santa Fe, New Mexico, on November 7, 1949.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

R. R. SPURRIER, SECRETARY

SEAL



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

P. O. Box 997  
Roswell, New Mexico  
November 4, 1949

Exhibit 1.

Mr. John E. Cochran, Jr.  
308 Carper Building  
Artesia, New Mexico

Dear Mr. Cochran:

Leases Las Cruces 029395(a) and (b)

Reference is made to the application of Danciger Oil and Refining Company which you, as their attorney, stated you submitted to the Oil Conservation Commission of New Mexico for an order granting permission to drill 12 unorthodox "five spot" well locations in secs. 17, 18, 19 and 20, T. 17 S., R. 31 E., N.M.P.M., Eddy County, New Mexico.

The land involved in the application is embraced in Federal oil and gas leases Las Cruces 029395(a) and (b), both of which are held and operated by Danciger Oil and Refining Company. The unorthodox well locations set forth in the application are as follows:

Lease Las Cruces 029395(a)

Turner "A" Well No.	<u>E. of W. line Sec. 18</u>		<u>S. of N. line of S<math>\frac{1}{2}</math> sec. 18</u>	
24	1280'		1280'	
25	2560'		1280'	
27	1345'		2405'	
28	2665'		2405'	
	<u>W. of E. line Sec. 18</u>			
26	1345'		1295'	
29	1295'		2405'	
	<u>E. of W. line Sec. 19</u>		<u>S. of N. line Sec. 19</u>	
30	1345'		975'	
31	2665'		975'	

Lease Las Cruces 029395(b)

<u>Turner "B"</u> <u>Well No.</u>	<u>E. of W. line Sec. 17</u>	<u>S. of N. line S<sup>1</sup>/<sub>2</sub> Sec. 17</u>
31	1345'	1085'
32	2665'	1295'
	<u>W. of E. line Sec. 17</u>	
33	1295'	1295'
	<u>W. of E. line Sec. 20</u>	<u>S. of N. line Sec. 20</u>
34	1295'	1295'

No encroachment of outer boundaries of either leasehold is involved, as each of the above stated proposed locations would be at least 1085 feet from the nearest lease boundary.

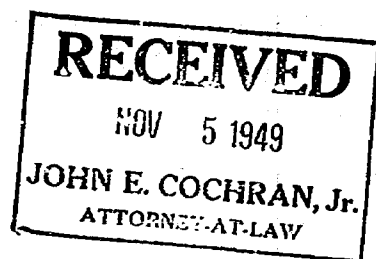
No objection is offered by this office to the well spacing plan providing for drilling of 12 wells at locations specified in the application to test the producing reservoir of the Jackson pool. The drilling of these wells may afford opportunity for additional recovery of oil and gas from the producing reservoir. Approval to drill the wells will be contingent upon approval of the unorthodox locations for proration purposes by the Oil Conservation Commission of the State of New Mexico.

Very truly yours,

*Foster Morrell*

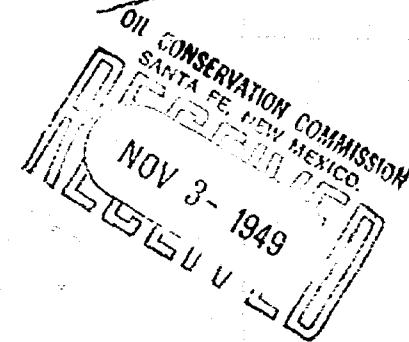
Foster Morrell  
Oil and Gas Supervisor  
Southwestern Region

cc: Mr. Cochran



LAW OFFICES  
JOHN E. COCHRAN, JR.  
CARPER BUILDING  
ARTESIA, NEW MEXICO

November 1, 1949



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

Attention: Mr. R. R. Spurrier

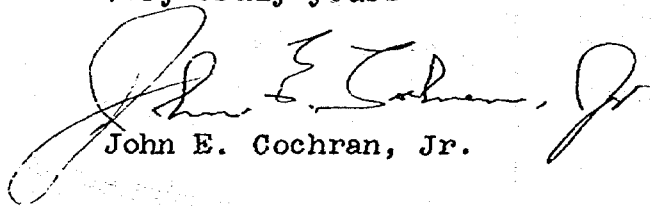
Gentlemen:

Enclosed herewith is Application, in triplicate, of Danciger Oil & Refining Company, for an order granting permission to drill twelve unorthodox "five spot" locations on its Turner "A" and Turner "B" Leases, located in Sections 17, 18, 19 and 20, Township 17 South, Range 31 East, N.M.P.M., in Eddy County, New Mexico.

At your earliest convenience, will you please set a time for hearing this Application, and publish notice thereof, and advise me the date set for hearing this Application.

The lands upon which these locations are desired are embraced in Federal Oil and Gas Leases, and therefore, a copy of this Application is being furnished Mr. Foster Morrell, Supervisor of the United States Geological Survey at Roswell, New Mexico.

Very truly yours

  
John E. Cochran, Jr.

JEC:rm  
Encls.

cc: Mr. Foster Morrell, Supervisor  
United States Geological Survey  
Roswell, New Mexico

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF APPLICATION OF  
DANCIGER OIL & REFINING COMPANY  
FOR AN ORDER GRANTING PERMISSION  
TO DRILL TWELVE UNORTHODOX LOCA-  
TIONS ON ITS TURNER "A" AND TURNER  
"B" LEASES IN SECTIONS 17, 18, 19  
AND 20, TOWNSHIP 17 SOUTH, RANGE  
31 EAST, N.M.P.M. IN EDDY COUNTY,  
NEW MEXICO

NO. \_\_\_\_\_

APPLICATION

DANCIGER OIL & REFINING COMPANY, Applicant here-  
in, is a Corporation, having its principal office at Fort  
Worth, Texas, and is licensed to transact business in the  
State of New Mexico, and in connection herewith respectfull-  
ly shows to the Oil Conservation Commission:

1. Applicant is the owner and holder of Federal  
Oil and Gas Lease, Las Cruces Serial No. 229395(a), desig-  
nated as its Turner "A" Lease, covering the following de-  
scribed land, situated in Eddy County, State of New Mexico,  
to-wit:

SE/4, Lots 3 and 4 and E/2 SW/4 Section 18;  
NE/4, Lots 1 and 2 and E/2 NW/4 Section 19,  
Township 17 South, Range 31 East, N.M.P.M.,  
and containing 609.43 acres, more or less.

2. That Applicant is also the owner and holder  
of Federal Oil and Gas Lease, Las Cruces Serial No.  
029395(b), designated as its Turner "B" Lease, covering  
the following described land, situated in Eddy County, State  
of New Mexico, to-wit:

S/2 S/2, NW/4 SW/4 Section 17; All Section 20;  
All Section 29; Lots 3 and 4, SE/4 and E/2  
SW/4 Section 30, Township 17 South, Range 31  
East, N.M.P.M., and containing 1786.15 acres,  
more or less.

3. That from inception of production on the Turner "A" Lease, which occurred on or about March 1, 1930, up to the present time, there have been drilled a total of twenty-two producing wells; that fourteen of said wells are producing from the Grayburg Lime, encountered at an approximate depth of 3400 feet; that the remaining eight wells on the Turner "A" Lease are producing from the Seven Rivers Sand, encountered at an approximate depth of 1870 feet.

4. That from inception of production on the Turner "B" Lease, which occurred on or about November 21, 1938, there have been drilled a total of twenty-nine producing wells; that ten of said wells are producing from the Grayburg Lime, encountered at an approximate depth of 3400 feet; that Well No. 1 on the Turner "B" Lease is producing from the Premier Sand, encountered at an approximate depth of 3100 feet, and the eighteen remaining wells on the Turner "B" Lease are producing from the Seven Rivers Sand, encountered at a depth ranging from 1885 feet to a depth of 2180 feet. At the present time Well No. 30, located in the Center of SE/4 SE/4 Section 17, Township 17 South, Range 31 East, is drilling.

5. That Applicant, upon the basis of geological and engineering information, is advised and is of the opinion and belief that one well located on a forty-acre

legal subdivision is not sufficient to obtain all of the recoverable oil from the Grayburg Lime under any forty-acre tract, and that the drilling of "five spot" wells on portions of the Turner "A" and Turner "B" Leases, producing from the Grayburg Lime, at the locations shown on the map attached hereto, marked Exhibit "A" and by reference made a part hereof, would be in the interest of conservation, prevent waste and enable Applicant to obtain a greater ultimate recovery of oil, in that Applicant would be able to recover substantial quantities of oil which would otherwise not be produced if such "five spot" locations are not drilled.

6. That Applicant hereby makes application to drill twelve such "five spot" locations, to be located upon the Turner "A" and Turner "B" Leases, hereinabove described, numbered and located, as follows:

TURNER "A", Well No. 24: Section 18, Township 17 South, Range 31 East, N.M.P.M., 1280 feet East of the West Line and 1280 feet South of the North Line of the S/2 of Section 18;

TURNER "A", Well No. 25: Section 18, Township 17 South, Range 31 East, N.M.P.M., 2560 feet East of the West Line and 1280 feet South of the North Line of the S/2 of Section 18;

TURNER "A", Well No. 26: Section 18, Township 17 South, Range 31 East, N.M.P.M., 1345 feet West of the East Line and 1295 feet South of the North Line of the S/2 of Section 18;

TURNER "A", Well No. 27: Section 18, Township 17 South, Range 31 East, N.M.P.M., 1345 feet East of the West Line and 2405 feet South of the North Line of the S/2 of Section 18;



TURNER "A", Well No. 28: Section 18, Township 17 South, Range 31 East, N.M.P.M., 2665 feet East of the West Line and 2405 feet South of the North Line of the S/2 of Section 18;

TURNER "A", Well No. 29: Section 18, Township 17 South, Range 31 East, N.M.P.M., 1295 feet West of the East Line and 2405 feet South of the North Line of the S/2 of Section 18;

TURNER "A", Well No. 30: Section 19, Township 17 South, Range 31 East, N.M.P.M., 1345 feet East of the West Line and 975 feet South of the North Line;

TURNER "A", Well No. 31: Section 19, Township 17 South, Range 31 East, N.M.P.M., 2665 feet East of the West Line and 975 feet South of the North Line;

TURNER "B", Well No. 31: Section 17, Township 17 South, Range 31 East, N.M.P.M., 1345 feet East of the West Line and 1085 feet South of the North Line of the S/2 S/2 of Section 17;

TURNER "B", Well No. 32: Section 17, Township 17 South, Range 31 East, N.M.P.M., 2665 feet East of the West Line and 1295 feet South of the North Line of the S/2 S/2 of Section 17;

TURNER "B", Well No. 33: Section 17, Township 17 South, Range 31 East, N.M.P.M., 1295 feet West of the East Line and 1295 feet South of the North Line of the S/2 S/2 of Section 17;

TURNER "B", Well No. 34: Section 20, Township 17 South, Range 31 East, N.M.P.M., 1295 feet West of the East Line and 1295 feet South of the North Line;

the location of each of said wells being shown on the map attached hereto, marked Exhibit "A".

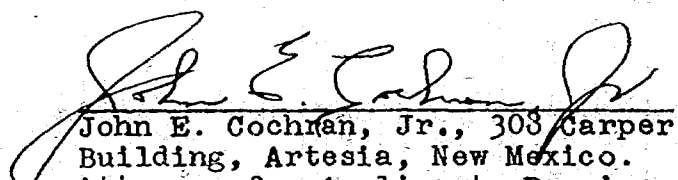
7. That if permits are granted to Applicant to drill the unorthodox locations hereinabove described, said drilling program, as to said locations, will be carried on in an orderly and continuous manner, and that while Applicant proposes to drill all of said locations, it does not

wish to be obligated to do so for the reason that as such locations are drilled, the data and information obtained from the drilling of such wells may cause Applicant to change or modify its future program with reference to the drilling of all twelve unorthodox locations hereinabove described.

5. That in the event an order is entered by the Oil Conservation Commission granting permission to Applicant to drill the hereinabove described unorthodox locations, that as said "five spot" wells are drilled, it is not Applicant's intention, nor does Applicant ask that it be granted any allowable in addition to the daily allowable as fixed monthly by the Oil Conservation Commission for each forty-acre proration unit. In instances where a "five spot" location, when completed, constitutes the second well upon a legal forty-acre subdivision, then it is the intention of Applicant to produce from the two such wells producing from the Grayburg Lime, located upon such forty-acre legal subdivision, the allowable as fixed by the Oil Conservation Commission for the forty-acre proration unit upon which said two wells are located, and in no event will the combined daily production from the two Grayburg Lime wells located upon any forty-acre legal subdivision exceed the allowable for the Grayburg Lime production, as fixed by the Oil Conservation Commission, for such forty-acre proration unit.

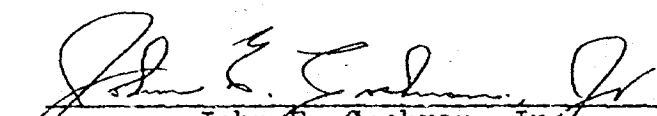
9. WHEREFORE, Applicant prays that the Commission set a date for hearing this application, in accord-

ance with its rules and regulations and that upon presentation of this application, Applicant be granted permission to drill the twelve unorthodox "five spot" locations hereinabove described, and further, that a proper order be entered granting permission to Applicant to produce the daily allowable from the forty-acre proration unit upon which a "five spot" location constitutes a second producing well, at such rate as will, in no event, exceed the allowable for Grayburg Lime production, as fixed by the Oil Conservation Commission for the forty-acre proration unit upon which said two wells are located.

  
John E. Cochran, Jr., 303 Carper  
Building, Artesia, New Mexico.  
Attorney for Applicant, Danciger  
Oil & Refining Company

STATE OF NEW MEXICO    )  
                                  : ss.  
COUNTY OF EDDY         )

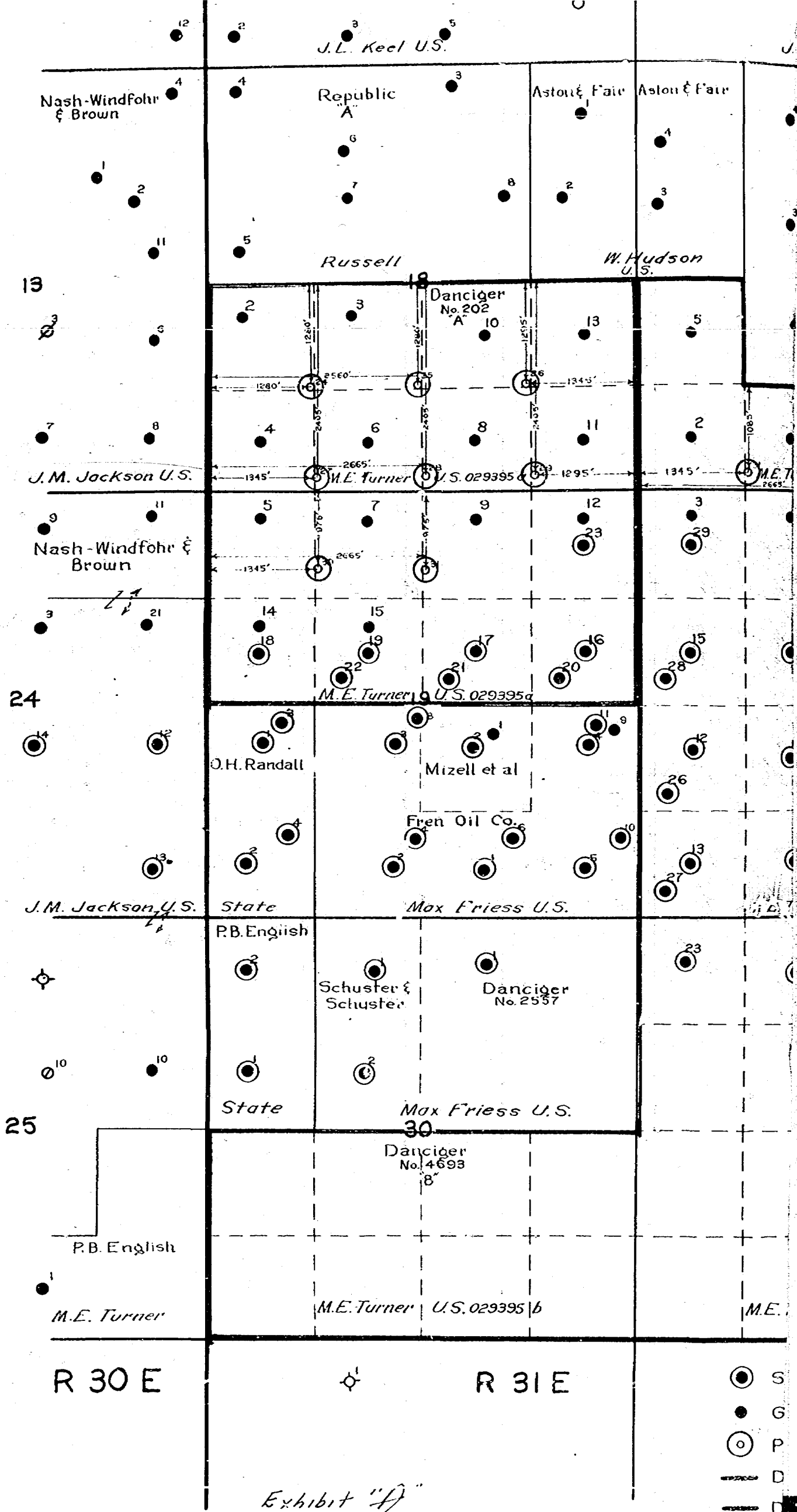
JOHN E. COCHRAN, JR., being first duly sworn upon his oath, deposes and states: That he is attorney for the Applicant in the above and foregoing Application; that he has read the same and from personal knowledge knows the matters therein contained to be true and correct, except such statements as are alleged upon information and belief and as to those, he verily believes them to be true; that this verification is made by him on behalf of DANCIGER OIL & REFINING COMPANY because a representative or agent of Danciger Oil & Refining Company is not available to sign this application.

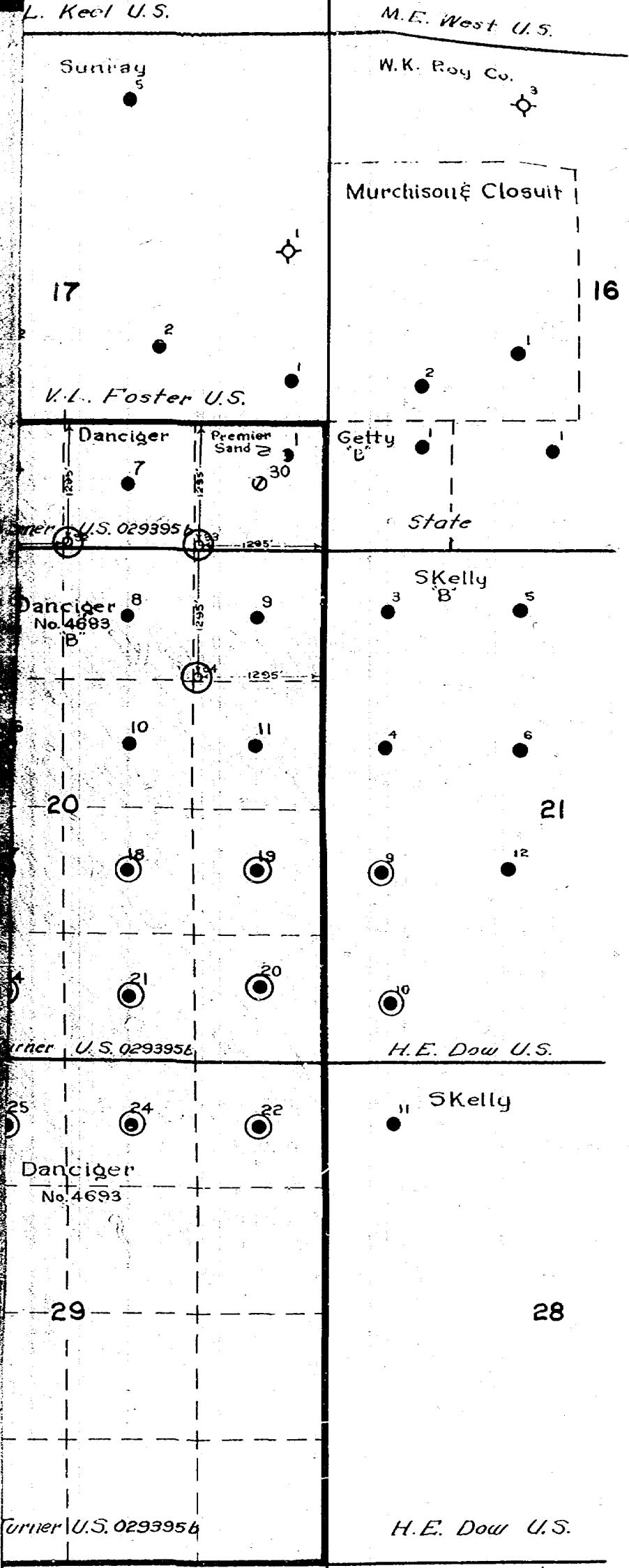
  
John E. Cochran, Jr.

SUBSCRIBED AND SWORN TO BEFORE ME, this 1st  
day of November, 1949.

  
Notary Public

My commission expires: April 15, 1950





T  
17  
S

even Rivers  
rayburg  
proposed "5 spot" locations  
Danciger "A" Lease U.S. 029395a  
Danciger "B" Lease U.S. 029395b

**TURNER LEASES**  
**EDDY CO. NEW MEXICO**  
SCALE: 4" = 1 mi.

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF APPLICATION OF  
DANCIGER OIL & REFINING COMPANY  
FOR AN ORDER GRANTING PERMISSION  
TO DRILL TWELVE UNORTHODOX LOCA-  
TIONS ON ITS TURNER "A" AND TURNER  
"B" LEASES IN SECTIONS 17, 18, 19  
AND 20, TOWNSHIP 17 SOUTH, RANGE  
31 EAST, N.M.P.M. IN EDDY COUNTY,  
NEW MEXICO

NO. \_\_\_\_\_

APPLICATION

DANCIGER OIL & REFINING COMPANY, Applicant here-  
in, is a Corporation, having its principal office at Fort  
Worth, Texas, and is licensed to transact business in the  
State of New Mexico, and in connection herewith respect-  
fully shows to the Oil Conservation Commission:

1. Applicant is the owner and holder of Federal  
Oil and Gas Lease, Las Cruces Serial No. 029395(a), desig-  
nated as its Turner "A" Lease, covering the following de-  
scribed land, situated in Eddy County, State of New Mexico,  
to-wit:

SE $\frac{1}{4}$ , Lots 3 and 4 and E $\frac{1}{2}$  SW $\frac{1}{4}$  Section 18;  
NE $\frac{1}{4}$ , Lots 1 and 2 and E $\frac{1}{2}$  NW $\frac{1}{4}$  Section 19,  
Township 17 South, Range 31 East, N.M.P.M.,  
and containing 609.43 acres, more or less.

2. That Applicant is also the owner and holder  
of Federal Oil and Gas Lease, Las Cruces Serial No.  
029395(b), designated as its Turner "B" Lease, covering  
the following described land, situated in Eddy County, State  
of New Mexico, to-wit:

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All Section 29; Lots 3 and 4, SE/4 and E/2  
SW/4 Section 30, Township 17 South, Range 31  
East, N.M.P.M., and containing 1786.15 acres,  
more or less.

3. That from inception of production on the Turner "A" Lease, which occurred on or about March 1, 1930, up to the present time, there have been drilled a total of twenty-two producing wells; that fourteen of said wells are producing from the Grayburg Lime, encountered at an approximate depth of 3400 feet; that the remaining eight wells on the Turner "A" Lease are producing from the Seven Rivers Sand, encountered at an approximate depth of 1870 feet.

4. That from inception of production on the Turner "B" Lease, which occurred on or about November 21, 1938, there have been drilled a total of twenty-nine producing wells; that ten of said wells are producing from the Grayburg Lime, encountered at an approximate depth of 3400 feet; that Well No. 1 on the Turner "B" Lease is producing from the Premier Sand, encountered at an approximate depth of 3100 feet, and the eighteen remaining wells on the Turner "B" Lease are producing from the Seven Rivers Sand, encountered at a depth ranging from 1885 feet to a depth of 2180 feet. At the present time Well No. 30, located in the center of SE/4 SE/4 Section 17, Township 17 South, Range 31 East, is drilling.

5. That Applicant, upon the basis of geological and engineering information, is advised and is of the opinion and belief that one well located on a forty-acre

legal subdivision is not sufficient to obtain all of the recoverable oil from the Grayburg Lime under any forty-acre tract, and that the drilling of "five spot" wells on portions of the Turner "A" and Turner "B" Leases, producing from the Grayburg Lime, at the locations shown on the map attached hereto, marked Exhibit "A" and by reference made a part hereof, would be in the interest of conservation, prevent waste and enable Applicant to obtain a greater ultimate recovery of oil, in that Applicant would be able to recover substantial quantities of oil which would otherwise not be produced if such "five spot" locations are not drilled.

6. That Applicant hereby makes application to drill twelve such "five spot" locations, to be located upon the Turner "A" and Turner "B" Leases, hereinabove described, numbered and located, as follows:

TURNER "A", Well No. 24: Section 16, Township 17 South, Range 31 East, N.M.P.M., 1280 feet East of the West Line and 1280 feet South of the North Line of the S/2 of Section 18;

TURNER "A", Well No. 25: Section 18, Township 17 South, Range 31 East, N.M.P.M., 2560 feet East of the West Line and 1280 feet South of the North Line of the S/2 of Section 18;

TURNER "A", Well No. 26: Section 18, Township 17 South, Range 31 East, N.M.P.M., 1345 feet West of the East Line and 1295 feet South of the North Line of the S/2 of Section 18;

TURNER "A", Well No. 27: Section 18, Township 17 South, Range 31 East, N.M.P.M., 1345 feet East of the West Line and 2405 feet South of the North Line of the S/2 of Section 18;



TURNER "A", Well No. 28: Section 18, Township 17 South, Range 31 East, N.M.P.M., 2665 feet East of the West Line and 2405 feet South of the North Line of the S/2 of Section 18;

TURNER "A", Well No. 29: Section 18, Township 17 South, Range 31 East, N.M.P.M., 1295 feet West of the East Line and 2405 feet South of the North Line of the S/2 of Section 18;

TURNER "A", Well No. 30: Section 19, Township 17 South, Range 31 East, N.M.P.M., 1345 feet East of the West Line and 975 feet South of the North Line;

TURNER "A", Well No. 31: Section 19, Township 17 South, Range 31 East, N.M.P.M., 2665 feet East of the West Line and 975 feet South of the North Line;

TURNER "B", Well No. 31: Section 17, Township 17 South, Range 31 East, N.M.P.M., 1345 feet East of the West Line and 1085 feet South of the North Line of the S/2 S/2 of Section 17;

TURNER "B", Well No. 32: Section 17, Township 17 South, Range 31 East, N.M.P.M., 2665 feet East of the West Line and 1295 feet South of the North Line of the S/2 S/2 of Section 17;

TURNER "B", Well No. 33: Section 17, Township 17 South, Range 31 East, N.M.P.M., 1295 feet West of the East Line and 1295 feet South of the North Line of the S/2 S/2 of Section 17;

TURNER "B", Well No. 34: Section 20, Township 17 South, Range 31 East, N.M.P.M., 1295 feet West of the East Line and 1295 feet South of the North Line;

the location of each of said wells being shown on the map attached hereto, marked Exhibit "A".

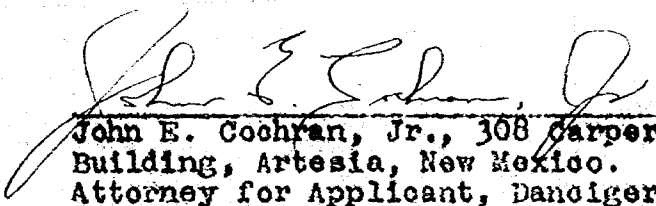
7. That if permits are granted to Applicant to drill the unorthodox locations hereinabove described, said drilling program, as to said locations, will be carried on in an orderly and continuous manner, and that while Applicant proposes to drill all of said locations, it does not

wish to be obligated to do so for the reason that as such locations are drilled, the data and information obtained from the drilling of such wells may cause Applicant to change or modify its future program with reference to the drilling of all twelve unorthodox locations hereinabove described.

8. That in the event an order is entered by the Oil Conservation Commission granting permission to Applicant to drill the hereinabove described unorthodox locations, that as said "five spot" wells are drilled, it is not Applicant's intention, nor does Applicant ask that it be granted any allowable in addition to the daily allowable as fixed monthly by the Oil Conservation Commission for each forty-acre proration unit. In instances where a "five spot" location, when completed, constitutes the second well upon a legal forty-acre subdivision, then it is the intention of Applicant to produce from the two such wells producing from the Grayburg Lime, located upon such forty-acre legal subdivision, the allowable as fixed by the Oil Conservation Commission for the forty-acre proration unit upon which said two wells are located, and in no event will the combined daily production from the two Grayburg Lime wells located upon any forty-acre legal subdivision exceed the allowable for the Grayburg Lime production, as fixed by the Oil Conservation Commission, for such forty-acre proration unit.


9. WHEREFORE, Applicant prays that the Commission set a date for hearing this application, in accord-

ance with its rules and regulations and that upon presentation of this application, Applicant be granted permission to drill the twelve unorthodox "five spot" locations hereinabove described, and further, that a proper order be entered granting permission to Applicant to produce the daily allowable from the forty-acre proration unit upon which a "five spot" location constitutes a second producing well, at such rate as will, in no event, exceed the allowable for Grayburg Lime production, as fixed by the Oil Conservation Commission for the forty-acre proration unit upon which said two wells are located.

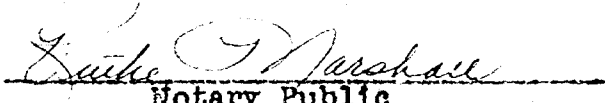
  
John E. Cochran, Jr., 308 Carper  
Building, Artesia, New Mexico.  
Attorney for Applicant, Danciger  
Oil & Refining Company

STATE OF NEW MEXICO    )  
                                  ; ss.  
COUNTY OF EDDY        )

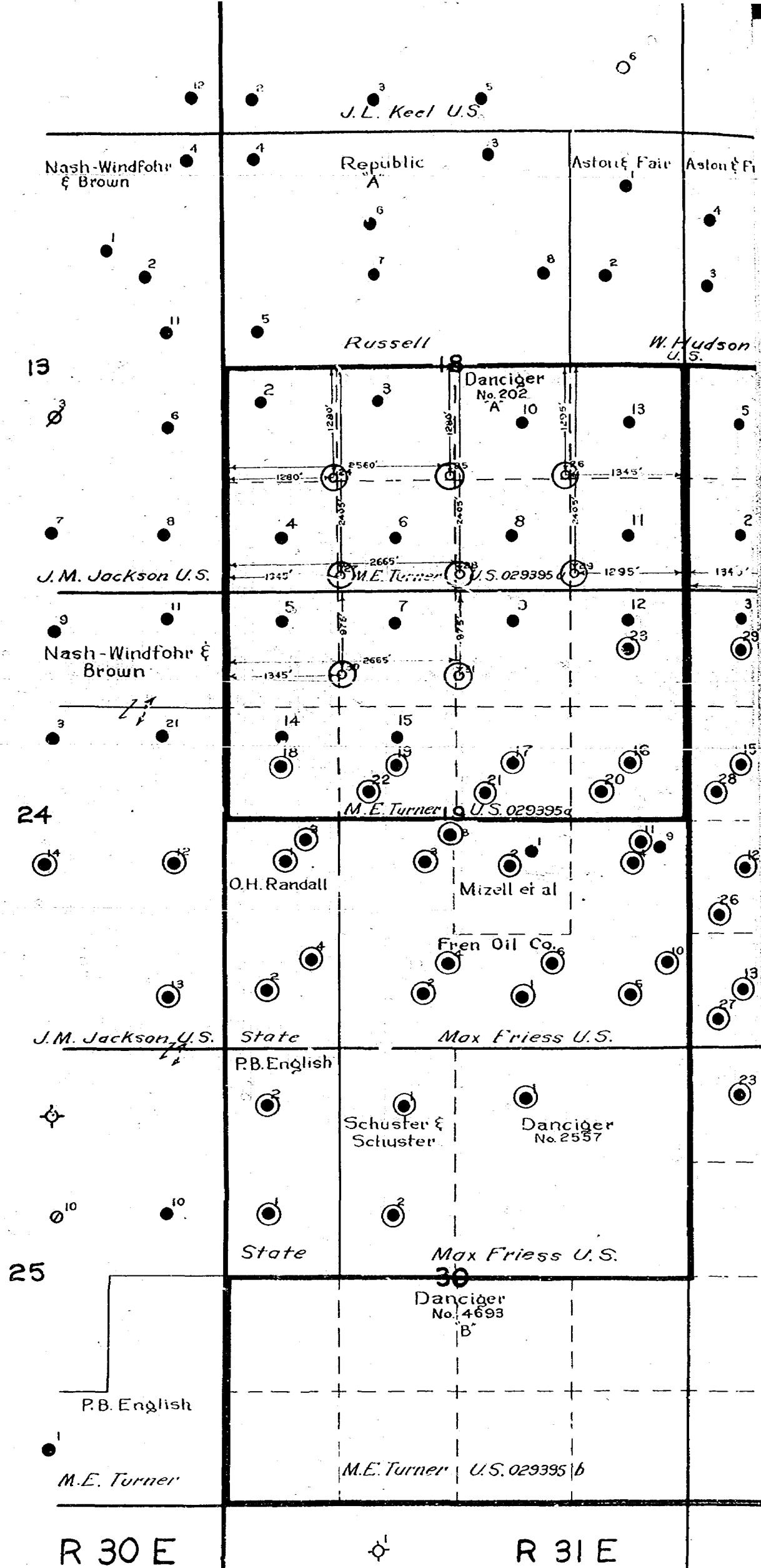
JOHN E. COCHRAN, JR., being first duly sworn upon his oath, deposes and states: That he is attorney for the Applicant in the above and foregoing Application; that he has read the same and from personal knowledge knows the matters therein contained to be true and correct, except such statements as are alleged upon information and belief and as to those, he verily believes them to be true; that this verification is made by him on behalf of DANCIGER OIL & REFINING COMPANY because a representative or agent of Danciger Oil & Refining Company is not available to sign this application.

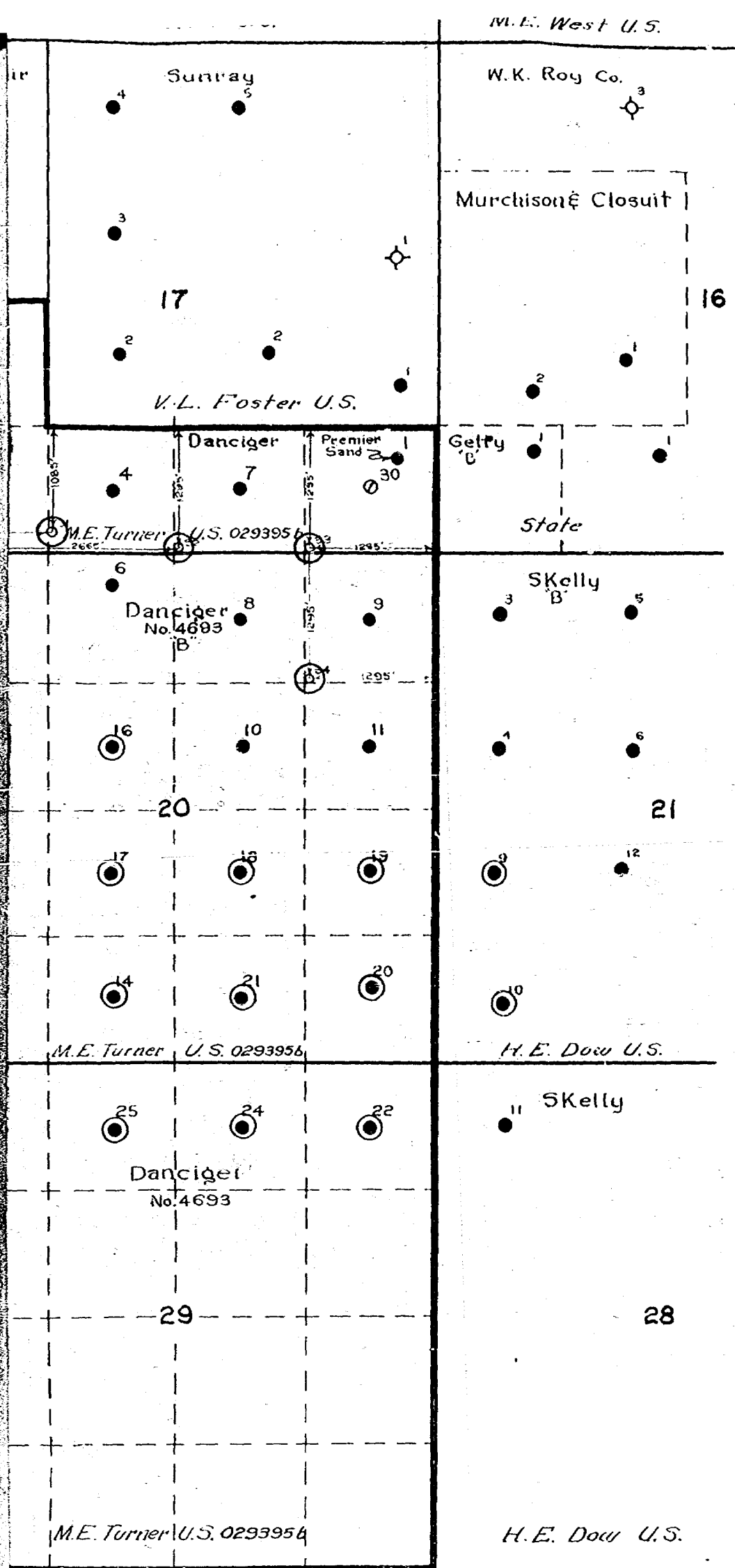
  
John E. Cochran, Jr.

SUBSCRIBED AND SWORN TO BEFORE ME, this 1st  
day of November, 1949.

  
Notary Public

My commission expires: April 15, 1950





- Seven Rivers
- Grayburg
- Proposed "5 spot" locations
- Danciger "A" Lease U.S. 029395
- Danciger "B" Lease U.S. 029395

**TURNER LEASES**  
**EDDY CO. NEW MEXICO**

SCALE: 4" = 1 MI.

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17  
S