

Case No.

206

Application, Transcript,
Small Exhibits, Etc.

1-4-50

Copies of orders mailed to Staley and Morrell.

See Case 200.

Copies of orders - picked up personally by
Mr. Cochran. None mailed to him.

November 17, 1949

CARLSBAD CURRENT ARGUS

Carlsbad, New Mexico

Re: Case 206
- Notice of Publication

Gentlemen:

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

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

For payment, please submit statement in duplicate, and sign and return the enclosed voucher.

Very truly yours,

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

R. R. Spurrier
Secretary-Director

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 December 1, 1949, beginning at 10:00 o'clock A.M. of that day in the City of Santa Fe, New Mexico, in the Senate Chambers.

STATE OF NEW MEXICO TO:

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

Case 205

In the matter of the application of E. J. McCurdy of Fort Worth, Texas for an order authorizing the drilling of an unorthodox (fifth) location to the "red sand", and 1214 feet south of the north line and 1426 feet east of the west line (NE NW/4) of Section 20, Township 18S, Range 32E, N.M.P.M., and to adjust the allowable for the five wells in the northwest quarter of said Section 20, in the Young Pool, Lea County, New Mexico.

Case 206

In the matter of the application of American Republics Corporation for an order authorizing the drilling of an unorthodox location for its C. A. Russell No. 10, well located 2200 feet south of the north line and 2665 feet west of the east line (SE/4 NW/4) of Section 18, Township 17S, Range 31E, N.M.P.M., in the Grayburg-Jackson Pool, Eddy County, New Mexico.

Given under the seal of the Oil Conservation Commission of New Mexico, at Santa Fe, New Mexico, on November 17, 1949.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

R. R. Spurrier
R. R. SPURRIER, SECRETARY

SEAL



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P. O. Box 997
Roswell, New Mexico
November 14, 1949

Applicant's Exhibit 1

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

Re: Las Cruces 029548(a)

Dear Mr. Cochran:

Reference is made to the application of American Republics Corporation which you, as their attorney, stated you submitted to the Oil Conservation Commission of New Mexico for approval to drill an unorthodox well location in sec. 18, T. 17 S., R. 31 E., N.M.P.M., Eddy County, New Mexico.

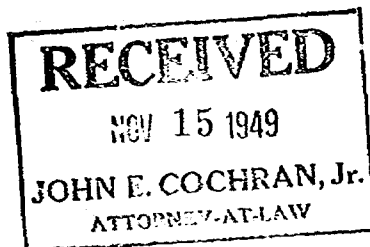
The land involved in the application is embraced in Federal oil and gas lease Las Cruces 029548(a), which is held and operated by American Republics Corporation. The unorthodox well location set forth in the application is 2200 feet south of the north line and 2665 feet west of the east line of section 18, or approximately 440 feet north and 25 feet west of 40-acre legal subdivisions. No encroachment of outer boundaries of the leasehold is involved, as the proposed location would be approximately 440 feet from the nearest lease boundary.

No objection is offered by this office to the well spacing plan providing for drilling of a well at the location specified in the application to test the producing reservoir of Jackson pool. Approval to drill the well will be contingent upon approval of the unorthodox location for proration purposes by the Oil Conservation Commission of the State of New Mexico.

Very truly yours,

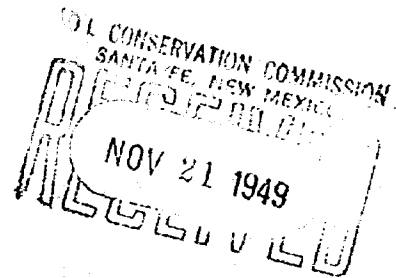
Foster Morrell
Foster Morrell
Oil and Gas Supervisor
Southwestern Region

cc: Mr. Cochran



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

November 18, 1949



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

Attention: Mr. R. R. Spurrier

Gentlemen:

Enclosed herewith are three copies of map, marked Exhibit "A", showing the location of American Republic Corporation, Well No. 10, located upon its C. A. Russell Lease, Las Cruces Serial No. 029548(a) in the SE/4 NW/4 Section 18, Township 17 South, Range 31 East, N.M.P.M., in Eddy County, New Mexico, to attach to the Application for this unorthodox location, which I sent to you, in triplicate, on November 12, 1949.

Very truly yours

John E. Cochran, Jr.
John E. Cochran, Jr.

JEC:rm
Encls.

*Case 206
Nov 1 - hearing*

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. 206

ORDER NO. 847

THE APPLICATION OF AMERICAN REPUBLICS
CORPORATION FOR AN ORDER GRANTING PER-
MISSION TO DRILL AN UNORTHODOX LOCATION
IN THE NW/4 OF SECTION 18, TOWNSHIP 17
SOUTH, RANGE 31 EAST, N.M.P.M., IN THE
GRAYBURG-JACKSON POOL OF 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 1st day of December, 1949 at Santa Fe, New
Mexico, before the Oil Conservation Commission of New
Mexico, hereinafter referred to as the "Commission".

NOW, on this 29th day of December, 1949,
the Commission, having before it for consideration the
testimony adduced at said hearing and being fully advis-
ed 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 Applica-
tion is Federally owned and the Supervisor of the Unit-
ed States Geological Survey interposes no objections to
the Application.

3. That the lease covering the following described land is owned by American Republics Corporation:

C. A. Russell Lease, Las Cruces Serial No. 029548, described as Lots 1 and 2, E/2 NW/4 and W/2 NE/4 Section 18, Township 17 South, Range 31 East, N.M.P.M., in Eddy County, New Mexico, and containing 224.09 acres, more or less.

4. That from inception of production on the C. A. Russell Lease there have been drilled a total of six wells, and that all of said six wells are producing at the present time.

5. That all of said wells are producing from the Grayburg-Jackson Pay of the upper San Andres formation, encountered at a depth ranging from 3105 feet to 3480 feet.

6. That one well located on a forty acre legal subdivision is not sufficient to obtain all of the recoverable oil from the Grayburg-Jackson Pay and that the drilling of Well No. 10, as proposed in the Application of American Republics Corporation, at the location designated, would be in the interest of conservation, prevent waste and enable Applicant to obtain a greater recovery of oil, in that Applicant will be able to recover substantial quantities of oil which would not otherwise be produced if such unorthodox location was not drilled.

IT IS HEREOFRE ORDERED BY THE COMMISSION That the Application of American Republics Corporation, for an order granting permit to drill Well No. 10 on its C. A. Russell Lease, to be located 2200 feet South of the North Line and 2665 feet West of the East Line of Section

18, Township 17 South, Range 31 East, be, and the same hereby is granted and approved.

IT IS FURTHER ORDERED BY THE COMMISSION That because of the fact that the location proposed for Well No. 10 on the C. A. Russell Lease will constitute a second well upon a legal forty acre subdivision, American Republics Corporation shall only be permitted to produce from the two wells on 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 wells located upon this forty acre legal subdivision exceed the allowable 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 covering C. A. Russell Well No. 10, on the above described location, 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

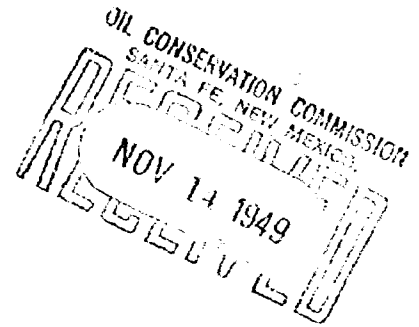
James H. Murphy
CHAIRMAN

Guy Shepard
MEMBER

R. R. Goussier
SECRETARY

Graham

LAW OFFICES
JOHN E. COCHRAN, JR.
CARPER BUILDING
ARTESIA, NEW MEXICO
November 12, 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 American Republics Corporation, for an order granting permission to drill an unorthodox location, designated as Well No. 10 on its C. A. Russell Lease in Section 18, 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 this location is desired is embraced in Federal Oil and Gas Lease, and therefore, a copy of this Application is being furnished Mr. Foster Morrell, Supervisor of the United States Geological Survey at Roswell, New Mexico.

The map referred to in this Application as Exhibit "A" is being prepared in the Houston office of American Republics Corporation, and will probably reach me on Monday of next week. As soon as these maps are received, I will send you three such maps to attach to the enclosed Application as Exhibit "A".

Very truly yours

John E. Cochran, Jr.
John E. Cochran, Jr.

JEC:rm
Encls.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF APPLICATION OF
AMERICAN REPUBLICS CORPORATION
FOR AN ORDER GRANTING IT PERMIS-
SION TO DRILL AN UNORTHODOX LO-
CATION ON ITS C.A. RUSSELL LEASE
LOCATED IN THE NW/4 OF SECTION
18, TOWNSHIP 17 SOUTH, RANGE 31
EAST, N.M.P.M., IN THE GRAYBURG-
JACKSON POOL OF EDDY COUNTY, NEW
MEXICO.

NO. _____

APPLICATION

AMERICAN REPUBLICS CORPORATION, Applicant
herein, in connection herewith, respectfully shows to the
Oil Conservation Commission:

1. Applicant is the owner and holder of the
following described Oil and Gas Lease, situated in Eddy
County, State of New Mexico, to-wit:

C. A. Russell Lease, Las Cruces Serial No.
029548, described as Lots 1 and 2, E/2 NW/4
and W/2 NE/4 Section 18, Township 17 South,
Range 31 East, N.M.P.M., containing 224.09
acres, more or less.

2. That from inception of production to the
present time there have been drilled a total of six wells
on the C. A. Russell Lease, described above; all of said
wells are producing at the present time.

3. That all of said wells are producing from
the Grayburg-Jackson Pay of the upper San Andres forma-
tion, encountered at a depth ranging from 3105 feet to
3480 feet.

4. That Applicant, on the basis of geologi-

cal and engineering information, is advised and is of the opinion and belief that one well located on each forty acre legal subdivision is not sufficient to obtain all of the recoverable oil under any one forty acre tract and that the drilling of an unorthodox location, designated as Well No. 10, at the location shown on the map attached hereto, marked Exhibit "A", and by reference made a part hereof, and which would constitute the second producing well on the SE/4 NW/4 of Section 18, Township 17 South, Range 31 East, N.M.P.M., would be in the interest of conservation, prevent waste and enable Applicant to obtain a greater recovery of oil, in that Applicant would be able to recover substantial quantities of oil which would not otherwise be produced if such location is not drilled.

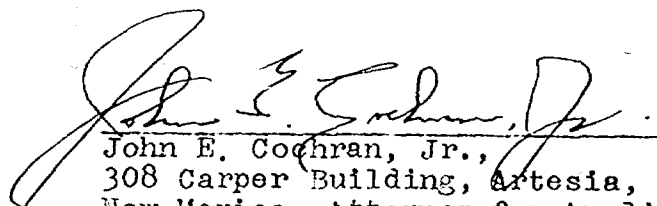
5. American Republics Corporation desires and hereby makes application to drill C. A. Russell Well No. 10, at the following location:

Well No. 10: Section 18, Township 17 South, Range 31 East, N.M.P.M., to be located 2200 feet South of the North Line and 2665 feet West of the East Line of said Section 18.

6. That in the event an order is entered by the Oil Conservation Commission granting permission to Applicant to drill the hereinabove described unorthodox location at the location designated, 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 the forty acre proration unit upon which said unorthodox location

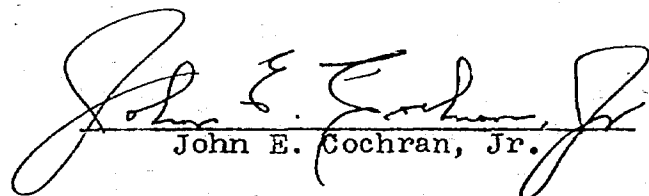
is drilled, and which will constitute a second well upon said forty acre legal subdivision, but it is the intention of Applicant to produce from the two wells producing from the Grayburg-Jackson Pay, located upon this forty acre legal subdivision, the allowable as fixed by the Oil Conservation Commission for said forty acre proration unit upon which said two wells are located, and in no event will the combined daily production from the two wells located upon this forty acre legal subdivision exceed the allowable as fixed by the Oil Conservation Commission for such forty acre proration unit.

WHEREFORE, Applicant prays that the Commission set a date for hearing this Application, in accordance with its rules and regulations; that upon presentation of this Application, Applicant be granted permission to drill the unorthodox location hereinabove described, and that a proper order be entered granting permission to Applicant to produce the daily allowable from the forty acre proration unit upon which such unorthodox location is located, and which constitutes a second well upon such forty acre proration unit, at such rate as will, in no event, exceed the allowable as fixed by the Oil Conservation Commission for the forty acre proration unit upon which said two wells are located.

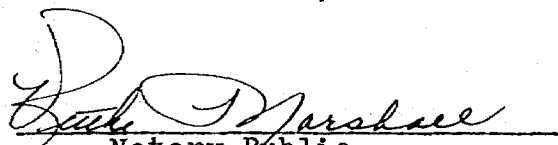

John E. Cochran, Jr.,
308 Carper Building, Artesia,
New Mexico, Attorney for Appli-
cant, American Republics Corp-
oration.

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 AMERICAN REPUBLICS CORPORATION because a representative or agent of American Republics Corporation is not available to sign this Application.


John E. Cochran, Jr.

SUBSCRIBED AND SWORN TO BEFORE ME, this 12th day of November, 1949.


Notary Public

My commission expires: April 15, 1950

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF APPLICATION OF
AMERICAN REPUBLICS CORPORATION
FOR AN ORDER GRANTING IT PERMIS-
SION TO DRILL AN UNORTHODOX LO-
CATION ON ITS C.A. RUSSELL LEASE
LOCATED IN THE NW/4 OF SECTION
18, TOWNSHIP 17 SOUTH, RANGE 31
EAST, N.M.P.M., IN THE GRAYBURG-
JACKSON POOL OF EDDY COUNTY, NEW
MEXICO.

NO. _____

APPLICATION

AMERICAN REPUBLICS CORPORATION, Applicant
herein, in connection herewith, respectfully shows to the
Oil Conservation Commission:

1. Applicant is the owner and holder of the
following described Oil and Gas Lease, situated in Eddy
County, State of New Mexico, to-wit:

C. A. Russell Lease, Las Cruces Serial No.
029548, described as Lots 1 and 2, E/2 NW/4
and W/2 NE/4 Section 18, Township 17 South,
Range 31 East, N.M.P.M., containing 224.09
acres, more or less.

2. That from inception of production to the
present time there have been drilled a total of six wells
on the C. A. Russell Lease, described above; all of said
wells are producing at the present time.

3. That all of said wells are producing from
the Grayburg-Jackson Pay of the upper San Andres forma-
tion, encountered at a depth ranging from 3105 feet to
3480 feet.

4. That Applicant, on the basis of geologi-

cal and engineering information, is advised and is of the opinion and belief that one well located on each forty acre legal subdivision is not sufficient to obtain all of the recoverable oil under any one forty acre tract and that the drilling of an unorthodox location, designated as Well No. 10, at the location shown on the map attached hereto, marked Exhibit "A", and by reference made a part hereof, and which would constitute the second producing well on the SE/4 NW/4 of Section 18, Township 17 South, Range 31 East, N.M.P.M., would be in the interest of conservation, prevent waste and enable Applicant to obtain a greater recovery of oil, in that Applicant would be able to recover substantial quantities of oil which would not otherwise be produced if such location is not drilled.

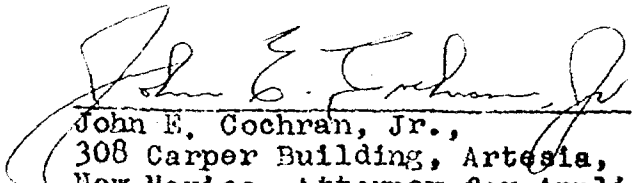
5. American Republics Corporation desires and hereby makes application to drill C. A. Russell Well No. 10, at the following location:

Well No. 10: Section 18, Township 17 South, Range 31 East, N.M.P.M., to be located 2200 feet South of the North Line and 2665 feet West of the East Line of said Section 18.

6. That in the event an order is entered by the Oil Conservation Commission granting permission to Applicant to drill the hereinabove described unorthodox location at the location designated, 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 the forty acre proration unit upon which said unorthodox location

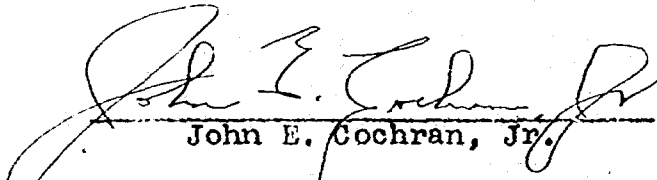
is drilled, and which will constitute a second well upon said forty acre legal subdivision, but it is the intention of Applicant to produce from the two wells producing from the Grayburg-Jackson Pay, located upon this forty acre legal subdivision, the allowable as fixed by the Oil Conservation Commission for said forty acre proration unit upon which said two wells are located, and in no event will the combined daily production from the two wells located upon this forty acre legal subdivision exceed the allowable as fixed by the Oil Conservation Commission for such forty acre proration unit.

WHEREFORE, Applicant prays that the Commission set a date for hearing this Application, in accordance with its rules and regulations; that upon presentation of this Application, Applicant be granted permission to drill the unorthodox location hereinabove described, and that a proper order be entered granting permission to Applicant to produce the daily allowable from the forty acre proration unit upon which such unorthodox location is located, and which constitutes a second well upon such forty acre proration unit, at such rate as will, in no event, exceed the allowable 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 Appli-
cant, American Republics Corp-
oration.

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 AMERICAN REPUBLICS CORPORATION because a representative or agent of American Republics Corporation is not available to sign this Application.


John E. Cochran, Jr.

SUBSCRIBED AND SWORN TO BEFORE ME, this 12th day of November, 1949.


Notary Public

My commission expires: April 15, 1950

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF APPLICATION OF
AMERICAN REPUBLICS CORPORATION
FOR AN ORDER GRANTING IT PERMIS-
SION TO DRILL AN UNORTHODOX LO-
CATION ON ITS C.A. RUSSELL LEASE
LOCATED IN THE NW/4 OF SECTION
18, TOWNSHIP 17 SOUTH, RANGE 31
EAST, N.M.P.M., IN THE GRAYBURG-
JACKSON POOL OF EDDY COUNTY, NEW
MEXICO.

NO. _____

APPLICATION

AMERICAN REPUBLICS CORPORATION, Applicant
herein, in connection herewith, respectfully shows to the
Oil Conservation Commission:

1. Applicant is the owner and holder of the
following described Oil and Gas Lease, situated in Eddy
County, State of New Mexico, to-wit:

C. A. Russell Lease, Las Cruces Serial No.
029548, described as Lots 1 and 2, E/2 NW/4
and W/2 NE/4 Section 18, Township 17 South,
Range 31 East, N.M.P.M., containing 224.09
acres, more or less.

2. That from inception of production to the
present time there have been drilled a total of six wells
on the C. A. Russell Lease, described above; all of said
wells are producing at the present time.

3. That all of said wells are producing from
the Grayburg-Jackson Pay of the upper San Andres forma-
tion, encountered at a depth ranging from 3105 feet to
3480 feet.

4. That Applicant, on the basis of geologi-

oil and engineering information, is advised and is of the opinion and belief that one well located on each forty acre legal subdivision is not sufficient to obtain all of the recoverable oil under any one forty acre tract and that the drilling of an unorthodox location, designated as Well No. 10, at the location shown on the map attached hereto, marked Exhibit "A", and by reference made a part hereof, and which would constitute the second producing well on the SE/4 NW/4 of Section 18, Township 17 South, Range 31 East, N.M.P.M., would be in the interest of conservation, prevent waste and enable Applicant to obtain a greater recovery of oil, in that Applicant would be able to recover substantial quantities of oil which would not otherwise be produced if such location is not drilled.

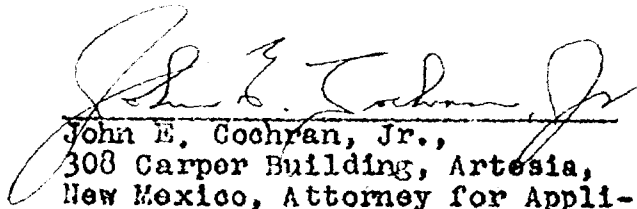
5. American Republics Corporation desires and hereby makes application to drill C. A. Russell Well No. 10, at the following location:

Well No. 10: Section 18, Township 17 South, Range 31 East, N.M.P.M., to be located 2200 feet South of the North Line and 2665 feet West of the East Line of said Section 18.

6. That in the event an order is entered by the Oil Conservation Commission granting permission to Applicant to drill the hereinabove described unorthodox location at the location designated, 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 the forty acre proration unit upon which said unorthodox location

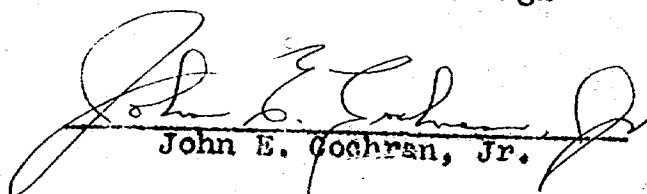
is drilled, and which will constitute a second well upon said forty acre legal subdivision, but it is the intention of Applicant to produce from the two wells producing from the Grayburg-Jackson Pay, located upon this forty acre legal subdivision, the allowable as fixed by the Oil Conservation Commission for said forty acre proration unit upon which said two wells are located, and in no event will the combined daily production from the two wells located upon this forty acre legal subdivision exceed the allowable as fixed by the Oil Conservation Commission for such forty acre proration unit.

WHEREFORE, Applicant prays that the Commission set a date for hearing this Application, in accordance with its rules and regulations; that upon presentation of this Application, Applicant be granted permission to drill the unorthodox location hereinabove described, and that a proper order be entered granting permission to Applicant to produce the daily allowable from the forty acre proration unit upon which such unorthodox location is located, and which constitutes a second well upon such forty acre proration unit, at such rate as will, in no event, exceed the allowable 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 Appli-
cant, American Republics Corp-
oration.

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 AMERICAN REPUBLICS CORPORATION because a representative or agent of American Republics Corporation is not available to sign this Application.


John E. Cochran, Jr.

SUBSCRIBED AND SWORN TO BEFORE ME, this 12th day of November, 1949.


Notary Public

My commission expires: April 15, 1950