

Case No.

231

---

Application, Transcript,  
Small Exhibits, Etc.

*Original*

O I L   C O N S E R V A T I O N   C O M M I S S I O N  
S T A T E   o f   N E W   M E X I C O

TRANSCRIPT OF HEARING

CASE NO. 231

April 24, 1951

E. E. GREESON  
COURT REPORTER  
UNITED STATES COURT HOUSE  
TELEPHONE 2-0872  
ALBUQUERQUE, NEW MEXICO

BEFORE THE  
OIL CONSERVATION COMMISSION

April 24, 1951

-----

Case No. 231 : This case has been continued twice and involves Rule 404, which, in turn, is concerned with natural gas utilization, especially as it is applied to gas lift in Lea County.

(Notice of Publication read by Mr. Graham.)

CHAIRMAN SHEPARD: Does anyone have anything to say on this case?

MR. SELINGER: My name is George Selinger, representing Skelly Oil Company. We would like to have this particular case continued for 60 days or 90 days, because at the end of that time or shortly thereafter we believe things will take care of themselves where there won't be any necessity for any further hearings on this case at all.

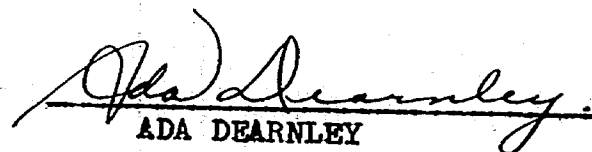
CHAIRMAN SHEPARD: Any objections to having this continued? If not, it will be continued until the regular July hearing.

-----

STATE OF NEW MEXICO )  
 ) SS  
COUNTY OF BERNALILLO )

I HEREBY CERTIFY that the foregoing and attached transcript of hearing in Case No. 231 before the Oil Conservation Commission on March 21, 1951, at Santa Fe is a true record of the same to the best of my knowledge, skill and ability.

DATED at Albuquerque, this 27th day of April, 1951.

  
ADA DEARNLEY

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. 231  
ORDER NO. R-

IN THE MATTER OF THE APPLICATION OF THE  
OIL CONSERVATION COMMISSION TO MODIFY,  
AMEND AND RESTATE RULE 404 PROMULGATED  
BY ORDER NO. 850 RELATING TO NATURAL  
GAS UTILIZATION.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This matter came on for hearing at Santa Fe, New Mexico on July 25, 1950  
on the application of the Oil Conservation Commission.

The Commission having heard the evidence and being duly advised,

FINDS:

1. It has jurisdiction of this case and the parties interested therein,  
due notice of the hearing having been given.

2. It is in the interests of conservation that Rule 404 promulgated by  
Order No. 850 be amended to read as follows:

**"RULE 404. NATURAL GAS UTILIZATION**

After the completion of a natural gas well, no gas from such  
well shall be (1) permitted to escape to the air, (2) used expan-  
sively in engines or pumps and then vented, (3) used to gas lift  
oil wells unless all gas produced is processed in a gasoline plant,  
or beneficially used thereafter without waste, or (4) used for the  
manufacture of carbon black.

Provided however, sub-section (3) above shall not apply to  
oil wells on which gas lift operations were commenced and put into  
use prior to January 1, 1950 and the operators of such oil wells may  
continue such gas lift operations without an order of the Commission.

IT IS THEREFORE ORDERED:

That Rule 404 promulgated by Order No. 850 be amended as above set forth.

DONE this \_\_\_\_\_ day of \_\_\_\_\_, 1950 at Santa Fe, New Mexico.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

THOMAS J. MABRY, CHAIRMAN

GUY SHEPARD, MEMBER

R. R. SPURRIER, SECRETARY

Mr. C. C. Wick's  
recommendation

Case No. 231

Order No R-

In the matter of the application  
of the O.C.C. to modify, amend  
or restate Rule 404 promulgated  
by Order No. 850 relating to natural  
gas utilization.

This matter came on for hearing  
at Santa Fe, N.M. ~~the~~ on 25 July 1950  
on the application of the O.C.C.

The Commission having heard  
the evidence & being duly advised finds:

1. That jurisdiction etc - -
2. That it is in the interests of conservation  
that Rule 404 promulgated by Order No.  
850 be amended to read as follows:

" Rule 404 Natural Gas Utilization  
(Copy 404 and then add the following)

Provided however, sub-section (3) above shall  
not apply to oil wells on which gas lift operations  
were commenced & put into use prior to January  
1950 and the operators of such oil wells may  
continue such gas lift operations without an order  
of the Commission. ~~Provided further~~

It is therefore ordered that Rule 404 promulgated  
by Order No. 850 be amended as above set forth.

# Affidavit of Publication

STATE OF NEW MEXICO, }  
COUNTY OF MCKINLEY } ss:

.....M. L. Woodard..... being duly sworn upon his oath, deposes and says:

That he is General Manager of the Gallup Independent, a newspaper published in and having a general circulation in McKinley County, New Mexico, and in the Town of Gallup, therein: that this affiant makes this affidavit based upon his own personal knowledge of the facts herein sworn to. That the publication, a copy of which is hereto attached was published in said newspaper, in the regular and entire issue of each number of said newspaper during the period and time of publication and said notice was published in the newspaper

proper, and not in a supplement thereof, for one time only

~~consecutively, the first~~ publication being on the third day of

July....., 1950..., the second publication being

on the.....day of ....., 19.....

the third publication being on the.....day of .....

....., 19.....

and the last publication being on the ..... day of .....

....., 19.....

That such newspaper, in which such notice or advertisement was published, is now and has been at all times material hereto, duly qualified for such purpose, and to publish legal notices and advertisements within the meaning of Chapter 167 of the 1937 laws of the State of New Mexico.

*M. L. Woodard*

Affiant.

Sworn and subscribed to before me this third day of

July....., A. D., 1950...

*Matthea Wynne Bowena*  
Notary Public.

My commission expires

May 4, 1953.....

## NOTICE FOR PUBLICATION STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

The State of New Mexico by its Oil Conservation Commission hereby gives notice pursuant to law and the rules and regulations of said Commission promulgated thereunder, of the following public hearing to be held July 25, 1950, beginning at 10:00 o'clock A.M. on that day in the City of Santa Fe, New Mexico, in the Capitol (Hall of Representatives).

### STATE OF NEW MEXICO TO:

All named parties in the following cases and notice to the public:  
Case 231

In the matter of the application of the New Mexico Oil Conservation Commission upon its own motion to modify, amend and restate Rule 404 of the Commission's Rules and Regulations promulgated by Order No. 850, effective January 1, 1950, and relating to natural gas utilization.

### Case 232

In the matter of the application of the New Mexico Oil Conservation Commission upon its own motion to amend, modify and restate Rules 1204 and 1206, of the Commission's Rules and Regulations promulgated by Order No. 850, effective January 1, 1950, and relating to methods of giving notice for hearing and service thereof.

Given under the seal of the Oil Conservation Commission of New Mexico, at Santa Fe, New Mexico, on June 29, 1950.

STATE OF NEW MEXICO  
OIL CONSERVATION  
COMMISSION

R. R. SPURRIER, SECRETARY.  
(SEAL)

The application of Gulf Oil Corporation for permanent exceptions on certain wells from Rule 404, which was included in Case No. 219 came on for consideration.

On motion of Gulf Oil Corporation, it was ordered that the hearing on this application as to exceptions to Rule 404 be continued for six months and until further notice pending completion of plant construction now in progress, which will eliminate the necessity for exceptions as to a substantial number of the wells which are the subject of the application in Case No. 219.



Case 231

Rule 404:

NATURAL GAS UTILIZATION

After completion of a natural gas well, no gas from such well shall be (1) permitted to escape to the air, (2) used expansively in engines or pumps and then vented, (3) used to gas lift oil wells unless all gas produced is processed in a gasoline plant, or beneficially used without waste or (4) used for the manufacture of carbon black.

[ Provided that any use not specified herein and considered not to be waste by the Commission will be permitted without hearing after written application to the Commission and written notice to all offset operators. Should any offset operator object to such proposed use, a hearing to consider the application will be held. ]

## Affidavit of Publication

STATE OF NEW MEXICO,

COUNTY OF HARDING

The undersigned, being first duly sworn according to law, on his oath deposes and says that he is the Business Manager of the newspaper named THE ROY RECORD; and that he has personal knowledge of the facts stated herein; that the said THE ROY RECORD is a weekly newspaper published in the County of Harding and State of New Mexico; and entered under the second class privilege at the U. S. postoffice at Roy, Harding County, New Mexico, and having been uninterruptedly and continuously so printed and published during the period of more than six months next to date of the printing of the first publication concerning which this affidavit is made and a copy of which is hereto attached and made a part of this affidavit,

was published in said newspaper once each week for One successive week, and that payment for said publication has been made or assessed as part of the court costs in the case to which it relates; said publications being made on the following dates, to-wit:

First publication: The 7th day of July, 1950

Second publication: The \_\_\_\_\_ day of \_\_\_\_\_, 194

Third publication: The \_\_\_\_\_ day of \_\_\_\_\_, 194

Fourth publication: The \_\_\_\_\_ day of \_\_\_\_\_, 194

Earl Guthman  
Business Manager

Subscribed and sworn to before me this 8th

day of July, 1950

Boagew Reader  
Notary Public

My commission expires: My Commission Expires July 6, 1953

### PUBLISHER'S BILL

52 lines, 8-point type, One times, \$ 5.20

Sales Tax @ 2% \_\_\_\_\_

TOTAL \$ \_\_\_\_\_

Received payment:

THE ROY RECORD

By: Earl Guthman  
Business Manager

### NOTICE FOR PUBLICATION STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

The State of New Mexico, by its Oil Conservation Commission hereby gives notice pursuant to law and the rules and regulations of said Commission promulgated thereunder, of the following public hearing to be held July 25, 1950, beginning at 10:00 o'clock A. M. on that day in the City of Santa Fe, New Mexico, in the Capitol (Hall of Representatives) STATE OF NEW MEXICO TO All named parties in the following cases and notice to the public:

#### Case 231

In the matter of the application of the New Mexico Conservation Commission upon its own motion to modify, amend and restate Rule 404 of the Commission's Rules and Regulations promulgated by Order No. 850, effective January 1, 1950, and relating to natural gas utilization.

#### Case 232

In the matter of the application of the New Mexico Conservation Commission upon its own motion to amend, modify and restate Rules 1204 and 1206 of the Commission's Rules and Regulations promulgated by Order No. 850, effective January 1, 1950, and relating to methods of giving notice for hearing and service thereof.

Given under the seal of the Oil Conservation Commission of New Mexico, at Santa Fe, New Mexico, on June 29, 1950.

STATE OF NEW MEXICO  
OIL CONSERVATION COM-  
MISSION

R. R. SPURRIER,

Secretary

Published July 7, 1950

**NOTICE FOR PUBLICATION  
STATE OF NEW MEXICO  
OIL CONSERVATION  
COMMISSION**

The State of New Mexico by its Oil Conservation Commission hereby gives notice pursuant to law and the rules and regulations of said Commission promulgated thereunder, of the following public hearing to be held July 25, 1950, beginning at 10:00 o'clock A.M. on that day in the City of Santa Fe, New Mexico, in the Capitol (Hall of Representatives).

**STATE OF NEW MEXICO TO:**

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

**Case 231**

In the matter of the application of the New Mexico Oil Conservation Commission upon its own motion to modify, amend and restate Rule 404 of the Commission's Rules and Regulations promulgated by Order No. 850, effective January 1, 1950, and relating to natural gas utilization.

**Case 232**

In the matter of the application of the New Mexico Oil Conservation Commission upon its own motion to amend, modify and restate Rules 1204 and 1206, of the Commission's Rules and Regulations promulgated by Order No. 850, effective January 1, 1950, and relating to methods of giving notice for hearing and service thereof.

Given under the seal of the Oil Conservation Commission of New Mexico, at Santa Fe, New Mexico, on June 29, 1950.

**STATE OF NEW MEXICO  
OIL CONSERVATION  
COMMISSION  
R. R. SPURRIER, SECRETARY.  
(SEAL)**

Case No 231 ~~231~~ ~~231~~ 231

In the matter of the  
Application of the New Mexico Oil Conservation  
upon its own Motion to modify, amend  
and restate rule 404 of the Commission Rules  
and Regulations promulgated by Order No 850,  
effective January 1, 1950, and relating to Natural Gas Utilization.

# CONTINENTAL OIL COMPANY

1710 Fair Building  
Fort Worth 2, Texas  
June 20, 1950

*Handwritten: 1204, Case 231, h... pending com... of ...*

IN THE MATTER OF THE APPLICATION OF  
CONTINENTAL OIL COMPANY FOR AN ORDER  
GRANTING TEMPORARY EXCEPTION TO RULE  
404 IN THAT PERMISSION BE GRANTED TO  
GAS LIFT SIX WELLS LOCATED IN THE  
SOUTH EUNICE AND COOPER-JAL POOLS,  
LEA COUNTY, NEW MEXICO

## APPLICATION

COMES NOW Continental Oil Company, a Delaware Corpora-  
tion operating in the State of New Mexico from a field office  
in Hobbs, New Mexico, and respectfully represents to the Oil  
Conservation Commission of the State of New Mexico that it is  
the operator of the following wells located within the defined  
limits of the Cooper-Jal and South Eunice Pools:

### Cooper-Jal Pool

(1) Gates A-27 No. 1, located in the Southeast Quarter  
of the Southeast Quarter (SE/4 SE/4) of Section 27, Township  
24 South, Range 36 East, Lea County, New Mexico.

(2) Vaughan A-14 No. 2, located in the Southeast Quarter  
of the Southwest Quarter (SE/4 SW/4) of Section 14, Township  
24 South, Range 36 East, Lea County, New Mexico.

Cooper-Jal Pool (Continued)

(3) Vaughan A-14 No. 3, located in the Southwest Quarter of the Northwest Quarter (SW/4 NW/4) of Section 14, Township 24 South, Range 36 East, Lea County, New Mexico.

(4) Farney A-5 No. 4, located in the Northwest Quarter of the Northeast Quarter (NW/4 NE/4) of Section 5, Township 23 South, Range 36 East, Lea County, New Mexico.

South Eunice Pool

(1) Meyer A-29 No. 2, located in the Southwest Quarter of the Southwest Quarter (SW/4 SW/4) of Section 29, Township 22 South, Range 36 East, Lea County, New Mexico.

(2) Meyer A-29 No. 4, located in the Northwest Quarter of the Southwest Quarter (NW/4 SW/4) of Section 29, Township 22 South, Range 36 East, Lea County, New Mexico.

Applicant further represents that the above named wells are being produced by gas lift with the aid of high pressure dry gas and, at the present time, no market is available for the produced gas.

Oil Conservation Commission Rule No. 404 is stated as follows:

"After the completion of a natural gas well, no gas from such well shall be (1) permitted to escape to the air, (2) used expansively in engines or pumps and then vented, (3) used to gas lift oil wells unless all gas produced is processed in a gasoline plant or beneficially used thereafter without waste, or (4) used for manufacturing of carbon black".

Application  
Page 3

WHEREFORE, applicant respectfully requests an exception to that portion of the rule numbered 3 for a period of six months in order to provide sufficient time to obtain market facilities for flared gas produced from the above named wells.

Done at Fort Worth, Texas, on this 20th day of June 1950.

Respectfully submitted,  
CONTINENTAL OIL COMPANY

  
H. L. JOHNSTON

HLJ-DF

Case 231

July 13, 1950

Mr. H. L. Johnson  
Continental Oil Company  
1710 Fair Building  
Fort Worth 2, Texas

Dear Mr. Johnson:

We have an application dated June 20, asking for relief for certain wells in the Cooper-Jal pool and the South Eunice pool, under the Oil Conservation Commission's Rule 404.

You will note that the Commission has called an open hearing on Rule 404 and the Commission intends by this method to relieve all the companies from the necessity of making application for hearing in this regard.

Very truly yours,

R. R. Burrier  
Secretary-Director

RRS:bw  
cc: Mr. Shafer



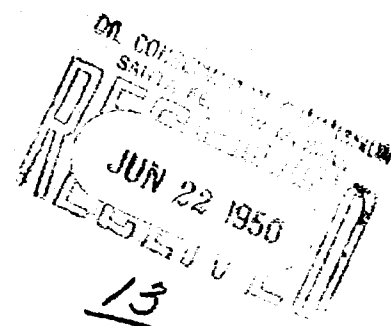
*Set for*



## CONTINENTAL OIL COMPANY

1710 Fair Building  
Fort Worth 2, Texas  
June 20, 1950

IN THE MATTER OF THE APPLICATION OF  
CONTINENTAL OIL COMPANY FOR AN ORDER  
GRANTING TEMPORARY EXCEPTION TO RULE  
404 IN THAT PERMISSION BE GRANTED TO  
GAS LIFT SIX WELLS LOCATED IN THE  
SOUTH EUNICE AND COOPER-JAL POOLS,  
LEA COUNTY, NEW MEXICO



### APPLICATION

COMES NOW Continental Oil Company, a Delaware Corporation operating in the State of New Mexico from a field office in Hobbs, New Mexico, and respectfully represents to the Oil Conservation Commission of the State of New Mexico that it is the operator of the following wells located within the defined limits of the Cooper-Jal and South Eunice Pools:

#### Cooper-Jal Pool

(1) Gates A-27 No. 1, located in the Southeast Quarter of the Southeast Quarter (SE/4 SE/4) of Section 27, Township 24 South, Range 36 East, Lea County, New Mexico.

(2) Vaughan A-14 No. 2, located in the Southeast Quarter of the Southwest Quarter (SE/4 SW/4) of Section 14, Township 24 South, Range 36 East, Lea County, New Mexico.

Cooper-Jal Pool (Continued)

(3) Vaughan A-14 No. 3, located in the Southwest Quarter of the Northwest Quarter (SW/4 NW/4) of Section 14, Township 24 South, Range 36 East, Lea County, New Mexico.

(4) Farney A-5 No. 4, located in the Northwest Quarter of the Northeast Quarter (NW/4 NE/4) of Section 5, Township 23 South, Range 36 East, Lea County, New Mexico.

South Eunice Pool

(1) Meyer A-29 No. 2, located in the Southwest Quarter of the Southwest Quarter (SW/4 SW/4) of Section 29, Township 22 South, Range 36 East, Lea County, New Mexico.

(2) Meyer A-29 No. 4, located in the Northwest Quarter of the Southwest Quarter (NW/4 SW/4) of Section 29, Township 22 South, Range 36 East, Lea County, New Mexico.

Applicant further represents that the above named wells are being produced by gas lift with the aid of high pressure dry gas and, at the present time, no market is available for the produced gas.

Oil Conservation Commission Rule No. 404 is stated as follows:


"After the completion of a natural gas well, no gas from such well shall be (1) permitted to escape to the air, (2) used expansively in engines or pumps and then vented, (3) used to gas lift oil wells unless all gas produced is processed in a gasoline plant or beneficially used thereafter without waste, or (4) used for manufacturing of carbon black".

Application  
Page 3

WHEREFORE, applicant respectfully requests an exception to that portion of the rule numbered 3 for a period of six months in order to provide sufficient time to obtain market facilities for flared gas produced from the above named wells.

Done at Fort Worth, Texas, on this 20th day of June 1950.

Respectfully submitted,  
CONTINENTAL OIL COMPANY

  
H. L. JOHNSTON

HLJ-DF

# Affidavit of Publication

STATE OF NEW MEXICO,  
County of Rio Arriba

ss.

I, Kathryn Chittum, being first duly sworn,  
declare and say that I am the (Business Manager) (Editor) of the Espanola

Valley News, a weekly newspaper, published in the English and  
Spanish language, and having a general circulation in the City of Espanola and County  
of Rio Arriba, State of New Mexico, and being a newspaper duly qualified to publish  
legal notices and advertisements under the provisions of Chapter 167 of the Session  
Laws of 1937; that the publication, a copy of which is hereto attached, was published in

said paper once each week for One consecutive weeks, and on the  
same day of each week in the regular issue of the paper during the time of publica-  
tion, and that the notice was published in the newspaper proper, and not in any sup-

plement, once each week for 1 weeks consecutively, the first publi-  
cation being on the 6<sup>th</sup> day of July, 1950  
and the last publication on the 6<sup>th</sup> day of July,  
1950; that payment for said advertisement has been (duly made), or (assessed as  
court costs); that the undersigned has personal knowledge of the matters and things  
set forth in this affidavit.

## PUBLISHER'S BILL

41 lines, one time at \$ 4.10  
lines, times, \$  
Tax \$  
Total . . . \$ 4.10

Received payment,

By

Kathryn Chittum  
Manager

Subscribed and sworn to before me this 16<sup>th</sup>

day of September, A.D., 1950.

Margaret L. McColune  
Notary Public

My Commission expires

Apr 1, 1951

January 16, 1951

Mr. E. L. Shafer  
Continental Oil Company  
Drawer CC  
Hobbs, New Mexico

Dear Smoke:

This is to let you know that the hearing and any action on Rule 104  
has been continued to the regular April hearing, which will be held  
April 24. 404-R

Continental does not therefore need an exception for its gas lift  
operations at least until after April 24.

Very truly yours,

R. R. Spurrier  
Secretary-Director

RRS:bw

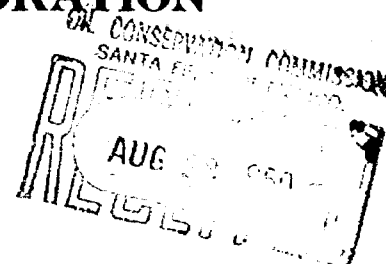
GENERAL OFFICES  
120 BROADWAY, NEW YORK  
SEACON BLDG., TULSA

## AMERADA PETROLEUM CORPORATION

W. T. WAGGONER BUILDING  
P. O. BOX 1348

**Ft. Worth 1, Texas**

August 23, 1950



*Oct 24 after*  
New Mexico Oil Conservation Commission  
Santa Fe, N.M.

Attention : Mr. R. R. Spurrier, Secretary & Director

Gentlemen:

Application is hereby made for an exception to Rule 404 of the General Rules and Regulations, effective January 1, 1950, to our Birdie Roach No. 1, located in Section 26, T.12S, R.33E, Hightower Pennsylvania Field, Lea County, New Mexico.

Due to the encroachment of water and because of extremely low gas-oil ratios it has been necessary to equip several wells in the Bagley and Hightower Pools with artificial lift. It has been more expedient and economical to install gas-lift equipment for this purpose.

At the present time the only legal use for the gas from our Roach No. 1 has been for development purposes. There is no gasoline plant in the field, nor is there an interstate or intrastate gas line in the area.

Until recently all gas produced from the subject well was legally utilized but with the retardation of drilling operations it is, and will be necessary to flare a portion of the gas after being used for gas lift.

We therefore respectfully request the case be set for hearing at your earliest convenience.

Very truly yours,

AMERADA PETROLEUM CORPORATION

J. O. Hathaway

RSC/VR

CC: Roy O. Yarbrough  
Oil & Gas Inspector  
Hobbs, N.M.

By:

*RSC Christie*  
R. S. Christie

## PHILLIPS PETROLEUM COMPANY

PRODUCTION DEPARTMENT

C. P. DIMIT  
VICE PRESIDENT

BARTLESVILLE, OKLAHOMA

July 23, 1951

L. E. FITZJARRALD  
MANAGER  
H. H. KAVELER  
ASSISTANT MANAGER  
J. M. HOUGHIN  
GENERAL SUPERINTENDENT  
H. B. KELLY  
CHIEF ENGINEER

In re: Case 231 -- Concerning Possible Amendment of  
Statewide Rule 404

New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

Attention of Mr. R. R. Spurrier, Secretary

Gentlemen:

The above-mentioned case which has been before the Commission for some time and which has been continued from time to time is now again on the docket for July 24, 1951, and we desire to hereby again register the opposition of Phillips Petroleum Company to any amendment of this rule.

In the opinion of Phillips Petroleum Company, Rule 404 is the only assurance which the Commission and the operators in the State of New Mexico have that natural gas reservoirs will not be depleted unless the gas is used beneficially. We believe that the use of natural gas for gas lifting oil wells, without beneficial use thereafter, is wasteful.

In any event, we see no reason for a blanket exception or amendment to this rule to permit any one group of operators or all operators to waste gas. In cases of individual necessity or hardship, the Commission may be justified after notice of hearing, in granting approval for the use of gas for gas lifting for a limited period of time where it can be shown that the benefits derived from use of this gas to lift oil are such that oil in value greater than the gas thus used would be lost where resort to other methods of lifting were uneconomical.

The period of time for the granting of such exceptions should be limited and the operator seeking an exception should be required within a reasonable time to either arrange for an outlet for the sale of this gas, or show the Commission that it is uneconomical to obtain such outlet.



New Mexico Oil Conservation Commission  
Case 231 - Rule 404  
July 23, 1951  
Page No. 2

By requiring hearings in individual cases, others owning interests in the gas reservoirs to be used would be given an opportunity to appear at such hearings and testify as to their views.

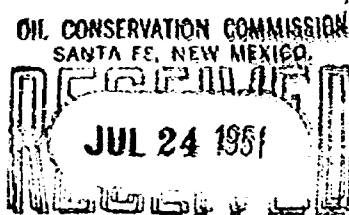
Because of our position in this matter, we respectfully move the Commission to close Case 231 and take no action to amend Statewide Rule 404.

It will be appreciated if you will cause this letter to be entered into the record of the hearing on July 24, 1951.

Yours very truly,

  
C. P. Dimit

CPD





NOTICE FOR PUBLICATION  
STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

The State of New Mexico by its Oil Conservation Commission hereby gives notice pursuant to law and the rules and regulations of said Commission promulgated thereunder, of the following public hearing to be held July 25, 1930, beginning at 10:00 o'clock A.M. on that day in the City of Santa Fe, New Mexico, in the Capitol (Hall of Representatives),

STATE OF NEW MEXICO

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

Case 221

In the matter of the application of Anavada Petroleum Corporation to duly complete its State Unit #2 well, located in Section 36, Twp. 23S, R. 36E, in the Langlie-Hubbix pool, Lea County, New Mexico.

Case 222

In the matter of the application of the New Mexico Oil Conservation Commission upon its own motion for an order correcting Order No. 8-26, heretofore issued, to exclude from the Pilecher Basin-Huts Canyon (Pictured Oil) gas pool the W/2 Section 11 and W/2 Section 14, Twp. 23N, R. 10W, San Juan County, New Mexico.

Case 223

In the matter of the application of the New Mexico Oil Conservation Commission upon its own motion upon the recommendation of the Southeastern New Mexico Homologation Committee, for the creation of new pools in southeastern New Mexico as follows:

1. Create a new pool named "BROWN" for Queen-Chapman production to include all of Sec. 26-T.10S-R.26E, Chaves County, New Mexico.
2. Create a new pool named "DANTON-HOLCOMB" for Wolfcamp production around Danton pool to include Secs. 11, 12, 13 and 14 of T.15S-R.27E, Lea County, New Mexico.
3. Create a new pool named "DANTON-HOLCOMB" for Mississippi production to include Secs. 11, 12, 13, and 14, of T.15S-R.27E, Lea County, New Mexico.
4. Create a new pool named "DANTON-DRINKARD" for Drinkard production to include all of Sec. 28-T.20S-R.20E, Lea County, New Mexico.
5. Create a new pool named "DANTON" for Devonian production to include all of Sec. 13-T.11S-R.27E and W/2 Sec. 14-T.11S-R.27E, Chaves County, New Mexico.
6. Create a new pool named "DANTON-TURKEY TRACK" for Queen production to include the SE/4 of Sec. 1, NE/4 Sec. 12 of T.19S-R.27E and SE/4 Sec. 6, NE/4 Sec. 7, of T. 19S-R.27E,ddy County, New Mexico.
7. Create a new pool named "DANTON-PAWNEE" for Pawnee production to include all Sec. 19, W/2 Sec. 20, of T.17S-R.27E, Lea County, New Mexico.
8. Create a new pool named "DANTON" for Devonian production to include all of Secs. 5, 6, 7, and 8, of T.8S-R.27E, Chaves County, New Mexico.

And for the extension of existing pools as follows:

9. Extend the "W. ULLMAN-ANDROS" pool to include the S/2 Sec. 1 and S/2 Sec. 12, of T.203-R.30S, all Secs. 5, 6, and N/2 Sec. 7 of T.203-R.30S for San Andros production, Lea County, New Mexico.
10. Extend the "MAGG HILLS" pool for San Andros production to include the S/2 Sec. 4-1, 1/2-11.30S, Eddy County, New Mexico.
11. Extend the "MAGG HILLS" pool for Brown River production to include the SE/4 of Sec. 16, S/2 Sec. 17, N/2 Sec. 20, SW/4 Sec. 21 of T.173-R.28S, Eddy County, New Mexico.
12. Extend the "ANDROS" pool for Gayburg-San Andros production to include the S/2 of Sec. 14, S/2 Sec. 29 of T.183-R.30S, the SE/4 of Sec. 23 and S/2 Sec. 26 of T.183-R.27S, Eddy County, New Mexico.
13. Extend the "MAGG HILLS" pool for Brown River production to include the SE/4 of Sec. 27, S/2 Sec. 15, S/2 and SE/4 Sec. 22 of T.213-R.37S, Lea County, New Mexico.
14. Extend the "MAGG HILLS" pool for Brown River production to include the S/2 Sec. 27 of T.213-R.37S, Lea County, New Mexico.
15. Extend the "MAGG HILLS-NEW MEXICO" pool for Pennsylvania production to include the S/2 Sec. 22 of T.95-R.36S, Lea County, New Mexico.
16. Extend the "MAGG HILLS" pool for Brown River production to include the SE/4 of Sec. 29 of T.213-R.37S, Lea County, New Mexico.
17. Extend the "MAGG HILLS-NEW MEXICO" pool for Yates production to include the S/2 of Sec. 30, SE/4 Sec. 32 of T.253-R.37S, Lea County, New Mexico.

#### Case 231

In the matter of the application of the New Mexico Oil Conservation Commission upon its own motion to amend, modify and restate Rule 404 of the Commission's Rules and Regulations promulgated by Order No. 850, effective January 1, 1950, and relating to natural gas utilization.

#### Case 232

In the matter of the application of the New Mexico Oil Conservation Commission upon its own motion to amend, modify and restate Rules 1204 and 1206, of the Commission's Rules and Regulations promulgated by Order No. 850, effective January 1, 1950, and relating to methods of giving notice for hearing and service thereof.

Given under the seal of the Oil Conservation Commission of New Mexico, at Santa Fe, New Mexico, on June 29, 1950.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

P. R. BRUNER, SECRETARY

June 30, 1950

REGISTERED MAIL

ROY RECORD  
Roy, New Mexico

Re: Notice of Publication  
Cases 231 and 232

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.

PLEASE PUBLISH NOT LATER THAN JULY 14, 1950.

Very truly yours,

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

R. R. Spurrier  
Secretary-Director

RRS:lw  
encl.

June 29, 1950

REGISTERED MAIL

ESPAÑOLA VALLEY NEWS  
Española, New Mexico

Re: Notice of Publication  
Cases 231 and 232

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.

PLEASE PUBLISH NOT LATER THAN JULY 12, 1950.

Very truly yours,

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

R. R. Spurrier  
Secretary-Director

RRS:bw  
encl.

June 30, 1950

REGISTERED MAIL

GALLUP INDEPENDENT  
Gallup, New Mexico

Re: Cases 231 and 232  
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.

PLEASE PUBLISH NOT LATER THAN JULY 14, 1950.

Very truly yours,

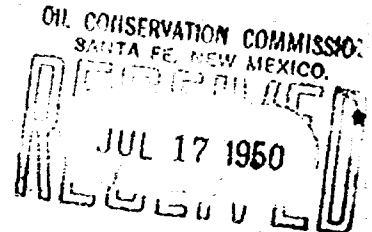
STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

R. R. Spurrier  
Secretary-Director

RRS:bw  
encl.

**HUMBLE OIL & REFINING COMPANY**  
**MIDLAND, TEXAS**

July 13, 1950

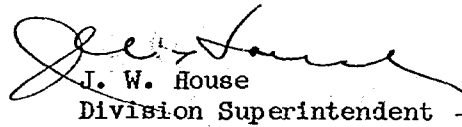


Mr. R. R. Spurrier  
New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

Dear Mr. Spurrier:

With respect to Case 231, to consider modification, amendment or restatement of Rule 404, it is our opinion that this rule as written is a conservation measure which should not be weakened or materially changed.

Yours very truly,

  
J. W. House  
Division Superintendent

RSD/rs