

Application was received by Hobbs office on Feb. 18, 1972, but offset operators were not notified until letter by March 3

PENROC Oil Corporation

P. O. DRAWER 831 • MIDLAND, TEXAS • 79701

Telephone (915) 683-1861

March 3, 1972

Re: NM-106, Conoco "A" State #
0-33-18S-38E
State Lease B-2656
Lea County, New Mexico

make 30 days from March 6 - issue 4-5-72

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

Reference is made to our letter of February 16, 1972, whereby request for Administrative approval for a nonstandard proration unit in the Hobbs Drinkard Pool. Location consisting of 40 acres described as the SW4 SE/4 of Section 33, T-18-S, R-38-E, Lea County, New Mexico. *said he would send copy of his application immediately.*

The required proof of the fact that all of the offset operators have been notified of this intent was inadvertently omitted.

Enclosed please find copies of our request of waivers sent by certified mail to both Amoco Production Company and Gulf Oil Company.

If any additional information is required, please notify us.

Very truly yours,

PENROC OIL CORPORATION

Sterling J. Talley
Sterling J. Talley

SJT:mlm

Enclosures 2

PENROC Oil Corporation

P. O. DRAWER 831 • MIDLAND, TEXAS • 79701

Telephone (915) 683-1861

March 3, 1972

Re: NM-106 Conoco "A" State #1
SW/4 SE/4 Sec. 33-18S-38E
Lea County, New Mexico

Certified - Return Receipt Requested

Gulf Oil Company
P. O. Box 670
Hobbs, New Mexico 88240

Attention Mr. C. D. Borland
Area Production Manager

Gentlemen:

Gulf Oil Company is an offset operator to a well drilled by Penroc Oil Corporation at a location 2111' FEL and 688' FSL of Section 33-18S-38E, Lea County, New Mexico and completed on February 14, 1972, in the Drinkard formation from a producing interval of 6866 - 6961 feet.

This is to notify you that Penroc Oil Corporation is requesting approval from the Oil Conservation Commission of a nonstandard proration unit of 40 acres for production from the Drinkard formation for the above described well, and to request your waiver of Notice of Hearing to the request for an exception to the field rules for the Hobbs-Drinkard field established by the Oil Conservation Commission Order #R-3811B.

Your attention to the above request is respectfully requested. When approved, please indicate by signing and return the enclosed copy of this letter.

Very truly yours,

PENROC OIL CORPORATION

By

John B. Castle

COPY

APPROVED THIS 27th DAY
OF MARCH, 1972.

GULF OIL COMPANY

By

J. B. Brown

PENROC Oil Corporation

P. O. DRAWER 831 • MIDLAND, TEXAS • 79701

Telephone (915) 683-1861

RECEIVED
MAR 6 1972
OIL CONSERVATION COMM.

March 3, 1972

Re: NM-106 Conoco "A" State #1
SW/4 SE/4 Sec. 33-18S-38E
Lea County, New Mexico

Certified - Return Receipt Requested

Amoco Production Company
P. O. Box 3092
500 Jefferson Building
Houston, Texas 77001

Attention Mr. D. L. Ray

Gentlemen:

Amoco Production Company is an offset operator to a well drilled by Penroc Oil Corporation at a location 2111' FEL and 688' FSL of Section 33-18S-38E, Lea County, New Mexico and completed on February 14, 1972, in the Drinkard formation from a producing interval of 6866 - 6961 feet.

This is to notify you that Penroc Oil Corporation is requesting approval from the Oil Conservation Commission of a nonstandard proration unit of 40-acres for production from the Drinkard formation for the above described well, and to request your waiver of Notice of Hearing to the request for an exception to the field rules for the Hobbs-Drinkard field established by the Oil Conservation Commission Order #R-3811B.

Your attention to the above request is respectfully requested. When approved, please indicate by signing and return the enclosed copy of this letter.

COPY

Very truly yours,

PENROC OIL CORPORATION

By John B. Castle

APPROVED THIS _____ DAY
OF MARCH, 1972.

AMOCO PRODUCTION COMPANY

By _____

PENROC Oil Corporation

P. O. DRAWER 831 • MIDLAND, TEXAS • 79701

Telephone (915) 683-1861

RECEIVED

MAR 7 1972

March 6, 1972

CONSERVATION COMM.

Re: NM-106, Conoco "A" St. No. 1
O-33-18S-38E
State O & G Lease No. B-2656
Lea County, New Mexico

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

Reference is made to our letter of February 17, 1972 requesting administrative approval of a nonstandard unit allowable for our Conoco "A" State No. 1 drilled at a location 2111' EL and 688' SL of Section 33-18S-38E, Lea County, New Mexico. The proration unit requested for this well was the SW/4 SE/4 of Section 33-18S-38E.

In compliance with the requirements made by the Commission we attach Forms C-101, Application for Permit to Drill; C-102, Well Location and Acreage Dedication Plat; and a plat showing the well location and offset operators.

Penroc has previously drilled two producing wells in the Drinkard formation on a 200 acre lease described as the E/2 SW/4, SW/4 NE/4 and W/2 SE/4 of Section 33. The Conoco-State No. 1, located in Unit G of Section 33, has an 80 acre proration unit described as the SW/4 NE/4 and NW/4 SE/4 Section 33, and the Conoco-State No. 2 drilled in Unit K is in a proration unit consisting of the E/2 SW/4 of Section 33. The drilling of these two wells left the SW/4 SE/4 of Section 33 outside of an 80 acre proration unit for the Drinkard formation.

Prior to commencing the Conoco "A" State No. 1, we requested a farm-out from AMOCO Production Company of the SE/4 SE/4 of Section 33 in order to form an 80 acre unit for the proposed well. AMOCO declined to farmout. We then requested that they join in the drilling of the proposed Drinkard test and contribute the SE/4 SE/4 to the drilling unit. AMOCO also declined to join in the drilling of the well under the proposal made by Penroc.

New Mexico Oil Conservation Commission

Page 2

March 6, 1972

In order to recover the oil in the Drinkard formation under the remaining 40 acres of the 200 acre lease, Penroc drilled the Conoco "A" State in Unit O of Section 33 as a nonstandard proration unit well.

It is respectfully requested that the Commission grant administrative approval for a nonstandard unit and an allowable of one-half standard unit in the Drinkard formation for the Conoco "A" State No. 1.

Very truly yours,

PENROC OIL CORPORATION



H. Brace Wigzell

HBW:mlm

cc: NMOCC

P. O. Box 2045

Hobbs, New Mexico 88240

Copy For →



Amoco Production Company

500 Jefferson Building
P.O. Box 3092
Houston, Texas 77001

D. L. Ray
Division Engineer

March 24, 1972

File: TBM-986.51NM-1419

Re: Non-Standard Proration Unit
Conoco "A" State No. 1
SW $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 33-18S-38E
Lea County, New Mexico

Penroc Oil Corporation
P. O. Drawer 831
Midland, Texas 79701

Attention: Mr. John B. Castle

Gentlemen:

This refers to your letter of March 3, 1972, regarding your Application for a non-standard proration unit of 40 acres consisting of the SW $\frac{1}{4}$ SE $\frac{1}{4}$, Section 33, T-18S, R-38E, Lea County, in the Hobbs-Drinkard Oil Pool.

Amoco Production Company offers no objection to the granting of an exception to the Field Rules for assignment of that 40 acre non-standard proration unit to this well.

Very truly yours,

D. L. Ray
@.

JDM:as

COPY

PENROC Oil Corporation

P. O. DRAWER 831 • MIDLAND, TEXAS • 79701

Telephone (915) 683-1861

March 28, 1972

Re: NM-106, Conoco "A" State No. 1
O-33-18S-38E (B-2656)
Lea County, New Mexico

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

Reference is made to our letters of February 17 and March 6, 1972, wherein we requested administrative approval for a nonstandard unit allowable for the above named well.

Waivers of 'Notice of Hearing' were requested from the offset operators to this lease, Gulf Oil Corporation and Amoco Production Company on March 3, 1972.

Enclosed, for your consideration, are letters from Gulf and Amoco stating that they have no objections to the nonstandard unit allowable for this well.

Very truly yours,

PENROC OIL CORPORATION

H. Brace Wigzell
H. Brace Wigzell

HBW:mlm

Enclosures 2