

CIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

P. O. Box 871

August 3, 1942

C  
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Y  
  
Mr. Fred Brainard  
Secretary & Treasurer  
Loco Hills Pressure Maintenance Association, Inc.  
Artesia, New Mexico

Re: Loco Hills Pressure Maintenance Association, Inc.,  
Application for hearing.

My dear Fred:

Answering your letter of July 29th with regard to the above captioned matter you are informed that the Commission at its Executive Meeting today considered the above application for hearing and said hearing is set for 2 P.M., August 28, at Santa Fe, New Mexico.

Very truly yours,

Carl B. Livingston  
Chief Clerk & Legal Advisor

CRL:MS

C. J. DEXTER  
PRESIDENT

BERT ASTON  
VICE-PRESIDENT

FRED BRAINARD  
SECRETARY-TREASURER

Loco Hills  
Pressure Maintenance Association, Inc.

ARTESIA, NEW MEXICO

July 29, 1942

## MEMBERS

S. P. YATES  
C. M. POPE, JR.  
EMERY CARPER  
G. M. PURSWELL  
J. M. MURRAY, SR.  
MARTIN YATES, JR.

State Conservation Commission  
Santa Fe, New Mexico

Gentlemen:

At a meeting yesterday of the Directors of the Loco Hills Pressure Maintenance Association, Inc., the following resolution was proposed and adopted:

WHEREAS the Loco Hills Pressure Maintenance Association, Inc., of Eddy County, New Mexico, incorporated under the laws of the State of New Mexico, for the purpose of conserving oil and gas and the maintenance of reservoir pressure in the Loco Hills oil field, and said Association being composed of operators owning 168 wells out of a total 183 wells in the entire field; and

WHEREAS it is the established practice of Government and State authorities to encourage the conservation of oil for the prevention of waste; and

WHEREAS the Loco Hills Pressure Maintenance Association, Inc. has been organized for the prevention of waste and for the extraction of the maximum amount of oil without waste and has been in operation for a period of 10 months; and

WHEREAS it has been found through various engineering studies and surveys that there is a maximum rate of withdrawal from the wells in the Loco Hills oil field above which point waste begins with a consequent lessening of ultimate recovery; and

WHEREAS the Loco Hills Pressure Maintenance Association, Inc. feels that it is their obligation and duty to conserve this vital natural resource through preservation of reservoir pressure. Unless our reservoir pressure is preserved, it will be necessary, in the near future, to install pumping equipment on a great many wells. During our present emergency, this equipment is not available and is needed more in other war efforts.

NOT THEREFORE, We respectfully petition the Conservation Commission of New Mexico that a hearing be called for the operators of leases and wells in the Loco Hills oil field area in Eddy County, New Mexico, at the earliest possible date in order to present evidence for the following

SCC--2--7/29/42

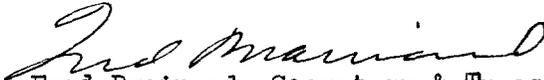
proposal:

That a maximum rate of withdrawal of 30 barrels per day per well be established for the Loco Hills area, including back allowables, until conditions justify a further increase as shown by engineering studies.

Will you please call a hearing for this purpose at the earliest possible date.

Yours very truly,

LOCO HILLS PRESSURE MAINTENANCE ASSOCIATION, INCORPORATED

  
Fred Brainard, Secretary & Treasurer

fb/lm

CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

P. O. Box 871

November 16, 1942

C  
O  
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Y  
  
Honorable Glenn Staley  
Proration Office  
Hobbs, New Mexico

Re: Case No. 35 - Order No. 484

My dear Glenn:

Enclosed please find Order No. 484 in connection  
with the above captioned case.

Cordially yours,

Carl B. Livingston  
Chief Clerk & Legal Advisor

CEL:MS

C. J. DEXTER  
PRESIDENT

BERT ASTON  
VICE-PRESIDENT

FRED BRAINARD  
SECRETARY-TREASURER

Loco Hills  
Pressure Maintenance Association, Inc.

ARTESIA, NEW MEXICO

## MEMBERS

S. P. YATES  
C. M. POPE, JR.  
EMERY CARPER  
G. M. PURSWELL  
J. M. MURRAY, SR.  
MARTIN YATES, JR.

November 2, 1942

Mr. Carl B. Livingston  
Chief Clerk & Legal Advisor  
Oil Conservation Commission  
Santa Fe, New Mexico

Re: Case # 35

My dear Carl:

I wrote you yesterday in regard to your communication on Case # 35 and told you what I was sure was the intention of the Directors in regard to the 30 barrel allowable. Since writing you I have talked with Mr. Dexter and other members of the Board and they did not think it necessary to call a meeting of the Board of Directors in regard to this.

It was our intention that Order # 339 stand as is, which allows for the production for input wells to be made up from other wells on the basic lease, as this is the only method we have of compensating the owners for loss by reason of having an input well.

The new order should read to this effect: That the maximum withdrawal from any well in the Loco Hills Pressure Maintenance area should be 30 barrels per day per well, unless specifically authorized by order of the Commission to produce more in order to conform with Order # 339.

You may phrase this as you see fit so long as the meaning of Order # 339 remains unchanged, with the main basic withdrawal at 30 barrels per well per day, plus whatever additional necessary to allow for any input well on the basic lease.

I trust that this gives you the required information.

Very truly yours,

*Fred Brainard*  
Fred Brainard, Secretary-Treasurer  
Loco Hills Pressure Maintenance Assoc., Inc.

C. J. DEXTER  
PRESIDENT

BERT ASTON  
VICE-PRESIDENT

FRED BRAINARD  
SECRETARY-TREASURER

## Loco Hills Pressure Maintenance Association, Inc.

ARTESIA, NEW MEXICO

MEMBERS  
S. P. YATES  
C. M. POPE, JR.  
EMERY CARPER  
G. M. PURSWELL  
J. M. MURRAY, SR.  
MARTIN YATES, JR.

November 2, 1942

Oil Conservation Commission  
Santa Fe, New Mexico

ATTENTION: Mr. Carl Livingston

Dear Carl:

I have your letter of October 31st regarding clarification of our request in re 30 barrels maximum withdrawal.

This is a good point and is something which entirely escaped our attention at our hearing, however, I know the intention of the Directors and the Association was that Order No. 339 should remain as issued, allowing the production from the present input wells to be made up from the basic lease. This, of course, would necessitate a withdrawal of more than 30 barrels per well on those leases which have an input well.

However, in view of the circumstances before this order is finally drawn, I suggest that you wait a few days, as we will have a Directors' meeting within the next few days at which I will take this matter up and advise you as to their wishes in the matter.

Thank you for calling my attention to this.

Yours very truly,

  
Fred Brainard, Secretary & Treasurer,  
Loco Hills Pressure Maintenance Assn., Inc.

fb/m

P.S. I am in receipt of a letter from the Governor requesting, if possible, that I be present at the hearing on November 14th to discuss ways and means of increasing developments in New Mexico. I will make every effort to be there, although I have nothing in mind at the present time other than a price increase which would automatically solve most of our problems. Please advise the Governor, if you have the opportunity, that several of us are making plans to be in Santa Fe for this hearing.

F.B.

CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

P. O. Box 371

October 31, 1942

Mr. Fred Drainard  
Secretary & Treasurer  
Loco Hills Pressure Maintenance Association  
Artesia, New Mexico

Re: Case No. 35 - Loco Hills Pressure Maintenance Association  
Petition for 30 barrels maximum daily withdrawal per well.

My dear Fred:

The Commission in devising an order in the above captioned matter has no clear idea of exactly what your petitioner is seeking. Your Association should at once clarify the matter and report it officially to the Commission. The points upon which there is a lack of clarity are these:

Under Order No. 339, the Loco Hills Pressure Maintenance Project Order, in-put wells are allowed to take their allowable elsewhere on the same basic lease.

Also in the Loco Hills Pressure Maintenance Plan Order there are two gas wells shut-in by agreement among the parties and in that Order permitted to take their allowable in oil on other tracts owned by the respective parties. These two gas wells are R. W. Fair et al, SESE 10-18S-29E, and Bassett and Birney, NWSE 11-18S-29E.

Now, by the 30 barrel limitation per well you are now seeking, does your Association intend to deny the allowable for in-put wells and the two gas wells to be taken as provided in the existing Loco Hills Pressure Maintenance Order No. 339? An order limiting the production of any well to 30 barrels daily would deny the wells in question of their allowable being taken elsewhere in that it would make the wells from which such allowable is to be taken produce more than 30 barrels.

Your association should review the existing Order No. 339 in the light of this letter requesting clarification in your pending petition for a limitation of 30 barrels daily to each well.

Very truly yours,

Carl B. Livingston  
Chief Clerk & Legal Advisor.

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IL CONSERVATION COMMISSIC  
SANTA FE, NEW MEXICO

P. O. Box 871

August 17, 1942

C  
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Mr. Foster Morrell  
Acting Supervisor  
Oil & Gas Operations  
Geological Survey  
Roswell, New Mexico

Dear Mr. Morrell:

This will acknowledge receipt of your letter of August 14, which will be brought to the attention of the Commission at its hearing on August 28.

Very truly yours,

Carl B. Livingston  
Chief Clerk & Legal Advisor

CBL:MS

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

P. O. Box 997  
Roswell, New Mexico  
August 14, 1942

New Mexico Oil Conservation Commission,  
Santa Fe, New Mexico.

Attention: Mr. John M. Kelly.

Gentlemen:

Mr. Fred Brainard, Secretary and Treasurer of the Loco Hills Pressure Maintenance Association, Inc., Artesia, New Mexico, has furnished this office with a copy of a resolution petitioning the Oil Conservation Commission for a hearing on the proposal "that a maximum rate of withdrawal of 30 barrels per day per well be established for the Loco Hills area, including back allowables, until conditions justify a further increase as shown by engineering studies."

This letter is to advise that no objection is offered by this office to the proposed limitation of maximum rate of withdrawal from wells in the Loco Hills area insofar as wells on Government lands are concerned. Such limitation should assist greatly in preventing waste by keeping volumes of gas produced with oil more nearly commensurate with the capacity of the pressure plant being operated for the pressure maintenance project. The limitation in rate of withdrawal also should tend to lengthen the flowing life of wells and greater ultimate recovery.

Any approval of a voluntary maximum rate of withdrawal as requested in this case, should provide for the right of the petitioners to request a higher maximum rate

at some future time commensurate with the rate then current  
in adjoining areas whenever production practices and  
engineering studies warrant or justify increased withdrawal.

Very truly yours,

*Foster Morrell*

FOSTER MORRELL, Acting  
Supervisor, Oil and Gas Operations.

C. J. DEXTER  
PRESIDENT

BERT ASTON  
VICE-PRESIDENT

FRED BRAINARD  
SECRETARY-TREASURER

Loco Hills  
Pressure Maintenance Association, Inc.

ARTESIA, NEW MEXICO

MEMBERS  
S. P. YATES  
C. M. POPE, JR.  
EMERY CARPER  
G. M. PURSWELL  
J. M. MURRAY, SR.  
MARTIN YATES, JR.

August 20, 1942

Mr. Carl B. Livingston, Chief Clerk  
Oil Conservation Commission  
Santa Fe, New Mexico

Dear Carl:

I have your letter of August 18th in regard to our hearing to be held on August 28th, and have noted the information which is conveyed.

I would appreciate your contacting me when you are here on the 25th, in regard to this hearing, and sort of line me up as to what we should do. Of course, we expect to have our engineer there with detailed data, in this connection, and Mr. Dexter and myself, and possibly Bert Aston, will be there to supplement his evidence.

I have just called the Advocate office and they advised me that they sent you the Affidavit of Publication on August 15th, which is their Affidavit of Publication of August 14th, showing your notice. As a matter of fact, I saw the notice in the Advocate in the August 14th issue. Mr. Stanely Blocker advised me that he would send you a duplicate copy today, in this connection.

Yours very truly,

LOCO HILLS PRESSURE MAINTENANCE ASSOCIATION, Inc.

  
Fred Brainard, Secretary & Treasurer

fb/m

CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

P. O. Box 371

August 13, 1942

C  
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Mr. Fred Brainard  
Secretary & Treasurer  
Loco Hills Pressure Maintenance Association, Inc.  
Artesia, New Mexico

Re: Case No. 35 - 30 barrels per day per well  
maximum limit.

My dear Fred:

In connection with the above captioned case which is to be heard before the Commission on August 28, it will be necessary for your Association, through you or some other qualified official, to conduct your case before the Commission. For this purpose the Commission sits in its quasi judicial capacity as a court. The petitioner should offer witnesses for sworn testimony. For the procedure I shall be very happy to go into this matter further with you when I am in Artesia on the 25 of August attending the Senate Committee hearing. A petroleum engineer would be a necessary witness.

Publication of Notice of Hearing within the time prescribed by law is absolutely essential to the Commission's jurisdiction to hear the case. Under date of August 3 the writer sent the Notice of Publication of Hearing to the Artesia Advocate. So far the Commission has not even received acknowledgment of the publication. When the Notice is published the Publisher's Affidavit should be sent immediately to the Commission.

The Commission has had considerable trouble in getting Publisher's Affidavits forwarded promptly from the Advocate. The purpose of the publication is to comply with the law and is a needless gesture unless the Commission promptly received the Affidavit of Publication. I shall appreciate it if you will be good enough to call the Advocate office and see what is holding up the publication or the sending of the Publisher's Affidavit.

Very truly yours,

Carl S. Livingston  
Chief Clerk & Legal Advisor

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OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

P. O. Box 871

August 3, 1942

C  
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Artesia Advocate  
Artesia, New Mexico

The Santa Fe New Mexican  
Santa Fe, New Mexico

Gentlemen:

Re: Case No. 35 - Notice for Publication

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

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

For payment please submit statement in duplicate  
accompanied by voucher executed in duplicate. The vouchers  
must be signed by a notary in the space provided on the back  
of the voucher. The necessary voucher blanks are enclosed.

Very truly yours,

Carl B. Livingston  
Chief Clerk & Legal Advisor

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