

146 ✓

AGENDA FOR HEARING OF JULY 29, 1948

✓ CASE NO. 153

In the matter of the application of Repollo Oil Company for bonus discovery allowable under Commission Order No. 573, for well No. 5, Phillips "A" lease, located in the SW/4 SW/4 section 31, T.19 S, R.37E, N.M.P.M., Lea County, New Mexico.

✓ CASE NO. 152

In the matter of the application of Grayburg Oil Company of New Mexico and Western Production Company, Inc, for an order granting permission to drill twenty-eight unorthodox locations on leases within the boundaries of the Grayburg Cooperative and Unit Area in T.17 S, R.29 and 30 E, N.M.P.M., in the Grayburg-Jackson pool, Eddy County, New Mexico.

✓ CASE NO. 154

In the matter of the application of Magnolia Petroleum Company, a corporation of Dallas, Texas, for approval of the Foster Unit Area and Agreement, covering and including the following described lands: Lots 1 and 2, S $\frac{1}{2}$ SE $\frac{1}{4}$ section 33; Lots 1,2,3,4, and 5, S $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$ section 34; Lots 1,2,3,4, and 5, S $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, section 35; Lots 1,2,3, and 4, S $\frac{1}{2}$ S $\frac{1}{2}$ section 36, T. 20 $\frac{1}{2}$ S, R. 22 E; S $\frac{1}{2}$ section 13, S $\frac{1}{2}$ section 14; all sections 22,23,24,25,26,27,28,33,34,35 and 36, T. 20 S, R. 23E; Lots 1,2,3,4, and 5, S $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$ section 31; Lot 4, SW $\frac{1}{4}$ SW $\frac{1}{4}$ section 32, T. 20 $\frac{1}{2}$ S, R. 23E; Lots 3 and 4, E $\frac{1}{2}$ SW $\frac{1}{4}$ section 18; Lots 1,2,3, and 4, E $\frac{1}{2}$ W $\frac{1}{2}$ section 19; Lots 1,2,3, and 4, E $\frac{1}{2}$ W $\frac{1}{2}$ section 30; Lots 1,2,3, and 4, E $\frac{1}{2}$ W $\frac{1}{2}$ section 31, T. 20 S, R. 24 E, N.M.P.M. containing 10,289.50 acres, more or less, in Eddy County, New Mexico.

✓ CASE NO. 155

In the matter of the application of the New Mexico Oil Conservation Commission, at the request of the Lea County Operators Committee for an order clarifying and amending Commission Order No. 52, dated February 1, 1937, and relating to rules and regulations for Lea County pools.

CASE NO. 156

In the matter of the application of the New Mexico Oil Conservation Commission, at the request of the Lea County Operators Committee for an order amending Commission Order No. 712 of August 4, 1947, and known as the Lea-Eddy-Chaves Counties New Mexico Gas-Oil Ratio Order.

✓ Case No. 110 (continued); Case No. 104 in which Commission retained jurisdiction and upon further motion of the Oil Conservation Commission; Hardin-Houston, Hobbs, New Mexico; Walter Famariss, Hobbs, New Mexico; Lea County Operators Committee:

In the matter of an order or orders of general application regulating tank cleaning, plants processing tank bottoms, and the reclaiming of waste oil.

G. Thomas

Case No. 146

BY MR. C. D. THOMAS, representing the Sinclair Prairie Oil Co.:

As a purchaser of crude petroleum in the State of New Mexico our interest in this order is as a purchaser. We would like to suggest that certain changes be made in the proposed order. First, in paragraph 1, which reads, "That any common purchaser is authorized to make 100 percent purchases from all wells, classified as marginal wells on the monthly State Proration Order." We would like to suggest that it be changed to, "That any common purchaser is authorized to purchase 100 percent of the production from all wells classified as marginal wells on the monthly State Proration Order," leaving out the comma after the words "all wells" in the second line.

The last sentence in paragraph 1 now reads, "No amount of crude petroleum other than that, as set forth on the State Proration Order for any month, will be purchased from a well or wells having Gas-Oil Ratio adjustments." We would like to suggest that the words "other than" be deleted and the words, "in excess of that" be substituted.

The first sentence in paragraph 2 now reads in part, "That current shortages may be made up the following month," and we suggest that it be changed to read, "That current shortages may be made up the month following that in which the shortages occurred. At the end of the paragraph the last sentence reads, "There are only two logical reasons which justify back allowable, namely: Failure of pipe line company or transporter to run assigned allowable (including temperature corrections made by such transporters and mechanical difficulties occurring during any producing period.)" I believe there were two reasons to be stated, and that a correction is needed.

In paragraph 3: As I interpret that paragraph any well completed, for example on the first day of the month, would not receive an allowable until the 16th. This being true, it would be our suggestion that the allowable be effective from the day of completion.

MR. STALEY:

That suggestion has been made.

MR. THOMAS: I believe paragraph 4 is but a statement of statutory regulation and for that reason could be eliminated.

One more suggestion: Paragraph 6 reads, "That Commission Orders No. 235 and No. 539 shall be superseded by this order." I wonder if it is not supplemental rather than superseded.

MR. SETH: For Stanolind Oil & Gas Company:

We object to paragraph 5, which apparently allows a well to produce the entire allowable in a day. We don't believe that is good practice. It seems to allow the purchase of 100 percent of the assigned allowable to run it all in a 24 hour period, for instance.

COMMISSIONER FILES:

That will be changed.

MR. SETH:

I think the whole paragraph should be left out as it applies to production rather than transportation.

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
DEC 20 1948
11550

TO ALL OPERATORS:

ATTACHED HERETO ARE ORDERS # 788, 792, 795 and 801, ALSO SUPPLEMENT
14.

PLEASE NOTE THAT ORDER #788 WAS PUBLISHED IN ERROR (Wrong Heading),
SO PLEASE DESTROY ALL COPIES RECEIVED PRIOR TO THIS DATE.

GLENN STALEY

LEA COUNTY OPERATORS COMMITTEE
HOBBS, NEW MEXICO
December 13, 1948

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NOTICE OF PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

The State of New Mexico by its Oil Conservation Commission hereby gives notice, pursuant to law, of the following public hearings to be held May 5, 1949, beginning at 10:00 o'clock A.M. on 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 176

In the matter of the application of the Oil Conservation Commission upon its own motion to reconsider Order 788 issued in Case No. 146 relating to transportation of crude petroleum, and to amend or restate, such order or any part thereof. (This is a readvertisement of Case 176, heretofore published.)

Case 177

In the matter of the amended application of the Oil Conservation Commission upon its own motion to rescind, revise, change or amend Order No. 573, which became effective as of June 1, 1944 and generally known as the "Bonus Discovery Allowable Order", and to rescind, revise or amend Section 4 of Order 798, effective November 19, 1948, which amends and supercedes previous Statewide Proration Order No. 637.

Case 181

In the matter of the application of the R. Olsen Oil Company for an order authorizing an unorthodox well location for a gas well in the center of SW $\frac{1}{4}$ of Section 11, Township 24 South, Range 36 East, in the Cooper-Jal Pool, Lea County, New Mexico.

Case 182

In the matter of the application of V.S. Welch, Curper Drilling Company and Max W. Coll for an order permitting an unorthodox well location, 1330 feet south of the north line and 1310 feet approximately west of the east line (NW corner SE $\frac{1}{4}$ NE $\frac{1}{4}$) of Section 36, Township 16 South, Range 30 East, N.M.P.M., in the Square Lake Pool, Eddy County, New Mexico.

Case 183

In the matter of the application of Red Lake Oil Company, a co-partnership composed of Nell Gillespie, Van Philip Welch, Jr., Marjorie Nell Welch and Robert

Hill Welch, by V. S. Welch, guardian of Van Philip Welch, Jr., Marjorie Nell Welch and Robert Hill Welch, minors, and manager at Artesia, New Mexico of the Red Lake Oil Company, for an order permitting and approving an unorthodox well location 1687 feet south of the north line and 1580 feet west of the east line of Section 29, in Township 17 South, Range 28 East, N.M.P.M., in the Red Lake Pool, Eddy County, New Mexico.

Case 184

In the matter of the application of Kevance Oil Company for an order granting permission to drill two "five spot" unorthodox well locations, identified as Well 27-B located 1295 feet north of the south line and 1245 feet west of the east line ($SE\frac{1}{4}$ $SE\frac{1}{4}$) of Section 25, and Well 28-B, located 1295 feet north of the south line and 2615 feet west of the east line ($SW\frac{1}{4}$ $SW\frac{1}{4}$) of Section 25, all in Township 17 South, Range 32 East, N.M.P.M., in the Maljamar Pool, Lea County, New Mexico.

Case 185

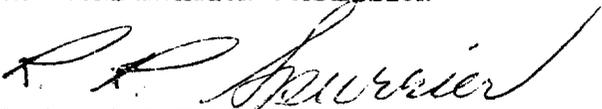
In the matter of the application of Buffalo Oil Company for an order granting permission to drill an unorthodox well location designated as Well No. 21-A to be located 25 feet north and 25 feet east of the southwest corner of the $NE\frac{1}{4}$ $SW\frac{1}{4}$ of Section 21 in Township 17 South, Range 32 East, and for permission to plug back Well No. 15-A on the same forty acre tract and produce the same from the Yates sand, said tract being in the Maljamar Pool, Lea County, New Mexico.

Case 186

In the matter of the application of Bassett & Collier for an order granting permission to drill an unorthodox location designated as Well No. 6, Williams Estate Fee, located 990 feet south of the north line and 2623 feet west of the east line of Section 25, Township 18 South, Range 26 East, N.M.P.M., in the Dayton Pool, Eddy County, New Mexico.

Given under the seal of the Oil Conservation Commission of New Mexico, at Santa Fe, New Mexico, on April 21, 1949.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


R. R. SPUDRIER, Secretary

SEAL

NEW MEXICO
OIL CONSERVATION COMMISSION

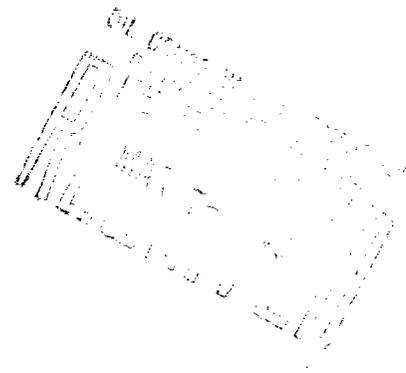
GOVERNOR THOMAS J. MABRY
CHAIRMAN
LAND COMMISSIONER JOHN E. MILES
MEMBER
STATE GEOLOGIST R. R. SPURRIER
SECRETARY AND DIRECTOR



P. O. BOX 871

Santa Fe, New Mexico

P. O. Box 1545
Hobbs, N. M.
March 3, 1949



Mr. R. R. Spurrier
Oil Conservation Commission
Santa Fe, N. M.

Dear Dick:

As result of conference just concluded with Glenn Staley and Foster Morrell, I was asked to write you and request that the Commission set up for its next hearing the matter of eliminating from Order No. 788 the last clause of Paragraph 3 which reads "provided that a supplemental order is issued authorizing such production."

Glenn says that this required the Proration Office to issue something like sixty letters a month to the pipe lines authorizing the increased production from marginal units, and has resulted in over-nomination by producers of marginal units. He suggests that this wording be eliminated and that the monthly proration order include an authorization for pipe lines to take up to and including top allowable from marginal wells.

Regarding the bonus allowable question, this is in the hands of the Executive Committee of Lea County Operators and the Proration Office is not directly involved. Glenn will notify Mr. Card of the probable hearing date and ask that he inform you if he wants it brought up.

Very truly yours,

[Handwritten Signature]
Engineer

HNS/s
cc Glenn Staley