

PLEASE READ BEFORE STARTING OPERATIONS

Attention is called to the following general and special requirements most likely to be overlooked by operators on Federal oil and gas leases. Suspension of field operations may be required by the District Engineer for failure to comply with the Operating Regulations, the conditions of drilling approval, and these requirements:

GENERAL

1. All drilling and producing wells shall be permanently marked in a conspicuous place with the name of operators, lease name, serial number of lease, well number, and location. Necessary precautions must be taken to preserve such signs.
2. Any desired change of drilling plan or condition of approval must have written approval of the District Engineer BEFORE the change is made.
3. Unless otherwise specified in the approval to drill, the production string of casing must be set at the top of the pay zone, the completion shall be made with a reasonable gas-oil ratio.
4. Before work is started, written approval must be obtained, unless other acceptable arrangements are made in advance with the District Engineer, and after work is completed results must be reported to the U. S. Geological Survey by submitting complete information in triplicate on form 9-331a, covering:
 - a. Mudding or cementing, including proposed date and method of testing water shut-off.
 - b. Drill-stem tests or perforating.
 - c. Casing alterations, packer settings, or repairs of any kind.
 - d. Shooting, acid treatment, deepening or plugging back.
 - e. Gas-lift installations.
 - f. Drilling of water wells.
5. Monthly report of operations in duplicate, on form 9-329, must be submitted promptly each month beginning with spudding of the first well on a lease and continuing until approved abandonment of all drilling and producing operations.
6. Log, in triplicate, on form 9-330, must be submitted within 10 days of reaching temporary or permanent drilling depth. Copies of all electrical logs, sample cutting logs, drilling-time logs, and any other well information not given on the standard form, should be attached to same.
7. Separate application to drill any water well on federal land is required, and special procedure is necessary for abandonment of any well having a desirable water supply.
8. All wells and lease premises shall be maintained in first class condition with due regard to safety, conservation, appearance, and refuse disposal.
9. The notice of intention to drill any well is rescinded without further notice if drilling is not started within 90 days of approval.
10. Cement must be allowed to set a minimum of 72 hours on all strings of casing prior to drilling the plug, except for modifications provided by the Supervisor's order dated March 18, 1947, copy of which will be furnished on request

SPECIAL (none, if so indicated.)

GRAYBURG OIL COMPANY
OF NEW MEXICO
ARTESIA, NEW MEXICO

FIELD OFFICE
P. O. BOX NO. 416
LOCO HILLS, NEW MEXICO

October 8, 1949

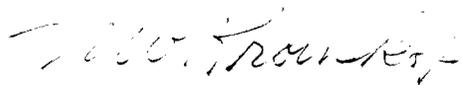
Mr. A. R. Spurrier, Director
New Mexico Oil Conservation Commission
Box 871
Santa Fe, New Mexico

Dear Sir:

In compliance with NMCCC Order No. 791 I am enclosing herewith one copy of Notice of Intention to Drill our Burch No. 25-A Well approved by the U.S. Geological Survey. This unorthodox well is located within the Grayburg Cooperative and Unit Area and, if completed as a commercial well, will be produced in accordance with NMCCC Order No. 802.

Very truly yours,

GRAYBURG OIL COMPANY OF NEW MEXICO


N. W. Krouskop, Engineer

NWK:gb



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Box 187,
Artesia, New Mexico,
September 21, 1949.

Grayburg Oil Company of New Mexico,
P. O. Box 416,
Loco Hills, New Mexico.

Re: L. C. 028793 (a)

Gentlemen:

Receipt is acknowledged of your "Notice of Intention to Drill" dated September 20, 1949, covering your well # 25, Burch A, on the subject lease in the NW NE $\frac{1}{4}$ SE $\frac{1}{4}$ sec. 19, T. 17 S., R. 30 E., Grayburg-Jackson field, Eddy County, New Mexico.

Your proposed work is hereby approved subject to compliance with provisions of the "Oil and Gas Operating Regulations" revised May 25, 1942, a copy of which will be sent you on request, and subject to the following conditions:

1. Drilling operations so authorized are subject to the attached sheet for general conditions of approval.
2. Furnish the U. S. Geological Survey a sample description from the base of the salt to the total depth.
3. The location approved for proration purposes by the New Mexico Oil Conservation Commission Order No. 791.

Very truly yours,

John A. Frost
JOHN A. FROST.
District Engineer.

(SUBMIT IN TRIPLICATE)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Land Office Las Cruces
Lease No. 028793-A
Unit Burch A

SUNDRY NOTICES AND REPORTS ON WELLS

NOTICE OF INTENTION TO DRILL.....	<input checked="" type="checkbox"/>	SUBSEQUENT REPORT OF WATER SHUT-OFF.....	
NOTICE OF INTENTION TO CHANGE PLANS.....		SUBSEQUENT REPORT OF SHOOTING OR ACIDIZING.....	
NOTICE OF INTENTION TO TEST WATER SHUT-OFF.....		SUBSEQUENT REPORT OF ALTERING CASING.....	
NOTICE OF INTENTION TO RE-DRILL OR REPAIR WELL.....		SUBSEQUENT REPORT OF REDRILLING OR REPAIR.....	
NOTICE OF INTENTION TO SHOOT OR ACIDIZE.....		SUBSEQUENT REPORT OF ABANDONMENT.....	
NOTICE OF INTENTION TO PULL OR ALTER CASING.....		SUPPLEMENTARY WELL HISTORY.....	
NOTICE OF INTENTION TO ABANDON WELL.....			

(INDICATE ABOVE BY CHECK MARK NATURE OF REPORT, NOTICE, OR OTHER DATA)

Loco Hills, New Mexico, September 20, 1949

Well No. 25-A is located 2615 ft. from SW line and 1295 ft. from E line of sec. 19

Approx. C. of Sec 19 17-S 30-E N.M.P.M.
(1/4 Sec. and Sec. No.) (Twp.) (Range) (Meridian)
Grayburg-Jackson Eddy New Mexico
(Field) (County or Subdivision) (State or Territory)

The elevation of the derrick floor above sea level is _____ ft.

DETAILS OF WORK

(State names of and expected depths to objective sands; show sizes, weights, and lengths of proposed casings; indicate mudding jobs, cementing points, and all other important proposed work)

WE PROPOSE TO DRILL THIS WELL AS FOLLOWS:

OBJECTIVE: Grayburg-Jackson Zone.

TOTAL DEPTH: Approximately 3210 feet.

CASING PROGRAM: Salt String - will set approximately 500 feet of 8-5/8" OD 21# casing at top of salt and cement with 50 sacks cement preceded by heavy mud to surface.

Production String - will set approximately 2920 feet of 7" OD 20# casing and cement with 100 sacks cement preceded with heavy mud to surface.

ACIDIZING PROGRAM: To be submitted at a later date.

DRILLING OPERATIONS TO COMMENCE: On or about September 28, 1949.

REMARKS: This unorthodox well location was approved by NMOCC Order No. 791. Well will be produced in accordance with NMOCC Order No. 802.

I understand that this plan of work must receive approval in writing by the Geological Survey before operations may be commenced.

Company GRAYBURG OIL COMPANY OF NEW MEXICO

Address Box 416

Loco Hills, New Mexico

By R. J. Heard
R. J. Heard
Title Vice President

OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

July 16, 1948

C
O
P
Y

Mr. John E. Cochran, Jr.
Attorney-at-Law
Artesia, New Mexico

RE: Case No. 152

Dear Mr. Cochran:

This is to advise you that the above captioned case, 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 28 unorthodox locations in T.17 S., R. 29 and 30 E., Eddy County, will be heard at 10:00 o'clock a.m., July 29, 1948, Santa Fe, New Mexico, in the House of Representatives.

Very truly yours,

bpw

GEORGE A. GRAHAM, Attorney

STATE OF NEW MEXICO
OFFICE OF STATE GEOLOGIST
SANTA FE, NEW MEXICO

July 13, 1948

C
O
P
Y

CARLSBAD CURRENT ARGUS
Carlsbad, New Mexico

RE: Notice of Publication - Cases 152,
154, 155 and 156

Gentlemen:

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 IN DUPLICATE.

For payment please submit statement in duplicate, accompanied by voucher executed in duplicate. The necessary blanks are enclosed.

Very truly yours,

GEORGE A. GRAHAM, Attorney

AUGUST 17, 1948

Re: Case No. 152 Application of
Grayburg Oil Company and Western
Production Company to Drill 28
Unorthodox Locations within
Boundaries of the Grayburg Coop-
erative and Unit Area in the
Grayburg-Jackson Pool, Eddy County,
New Mexico.

Mr. George H. Card, Chairman
Lea County Operators Committee
Box 1410
Fort Worth 1, Texas

Dear Sir:

At your request the committee appointed in your letter of August 3, 1948, met today in Hobbs, New Mexico. The following members of this committee were present:

Nelson Jones	Humble Oil & Refining Company
Henry Forbes	(Alternate for S. V. McCollum)
R. G. Schuehle	(Alternate for R. W. Tesch)
J. N. Dunlavey	Skelly Oil Company

Mr. R. O. Yarbrough, of the Oil Conservation Commission, also was present.

We have considered the proposal made by Grayburg Oil Company and Western Production Company, in the above case, and it was unanimously agreed that the following report should be made to you in behalf of our committee:

In our opinion it would be a serious mistake for the Commission to permit the use of a basic lease as the proration unit; such an Order would undermine the present proration system in this State. Insofar as Grayburg's proposal involves use of the basic lease as the proration unit, we are unalterably opposed to the proposal. We understand that the pattern proposed by Grayburg would allow the drilling of the fifth well on each area of 160 acres; this would operate to combine four proration units for some purposes, but would retain the 40 acre tract as the basic proration unit. Because of the unusual circumstances of this case, we find no objection to this feature of the proposed Order, provided it is made clear that no 40 acre proration unit may produce more than that top allowable for a unit, and that regardless of the number of wells, no area of 160 acres shall be allowed to produce more than the top allowable for four (4) forty acre proration units. This case, because of the peculiar facts, should not be regarded as a precedent. Furthermore, the mere fact that a repressuring project is involved does not justify any departure from the established proration system.

Very truly yours,

LEA COUNTY OPERATORS COMMITTEE
AUGUST 17, 1948
HOBBS, NEW MEXICO

J. N. Dunlavey, Chairman

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P. O. Box 997
Roswell, New Mexico
July 27, 1948

Case 152
Grayburg Oil Co. et al
"EXHIBIT A"
Presented by Attorney
Cochran at hearing
before the Oil Con-
servation Commission
July 29, 1948

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

Subject: Grayburg Cooperative and Unit Area

Dear Mr. Cochran:

Reference is made to your letter of July 8 transmitting a copy of an application executed by you on July 8, 1948, as attorney for applicants Grayburg Oil Company of New Mexico and Western Production Company, Inc., which has been filed with the Oil Conservation Commission of New Mexico, for permission to drill 28 unorthodox locations on leases within the boundaries of the Grayburg Cooperative and Unit Area, T. 17 S., Rs. 29 and 30 E., N.M.P.M., Grayburg-Jackson pool, Eddy County, New Mexico. The Grayburg Cooperative and Unit Agreement, I-Sec. No. 370, embraces lands in Federal oil and gas leases Las Cruces 028784(a), 028784(c), 028793(a), 028793(c), 054406, and consolidated lease 028784(b)-028793(b), now operated by Grayburg Oil Company of New Mexico.

The unorthodox well locations set forth in the application are for "five spot" wells to be located as near as practicable equidistant between wells now producing from the San Andres pay zone of the Grayburg-Jackson pool. In general, the proposed well locations are 25 feet from 40-acre legal subdivision lines. No encroachment of the outer boundaries of the leaseholds is involved. The application provides for unitizing each basic lease for allowable and proration purposes. With your letter of July 24, 1948, you furnished this office with an amendment to paragraph 7 of the original application to clarify the matter of production allowables to limit the total daily allowable for any basic lease and also to limit the production of any well now or hereafter located on any of the basic leases.

No objection is offered by this office to the well spacing plan providing for the drilling of additional wells at the unorthodox locations specified in the application. The proposed additional drilling should afford opportunity to increase the ultimate recovery of oil and gas from the presently producing reservoir of the Grayburg-Jackson pool.

Approval to drill the additional wells at the unorthodox locations will be contingent upon approval of such locations by the Oil Conservation Commission of the State of New Mexico for proration purposes.

Very truly yours,

Foster Morrell
Foster Morrell,

Supervisor, Oil and Gas Operations.

cc: Mr. Cochran

CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable symbol above or preceding the address.

WESTERN UNION

1201

SYMBOLS

- DL = Day Letter
- NL = Night Letter
- LC = Deferred Cable
- NLT = Cable Night Letter
- Shp Radiogram

JOSEPH L. EGAN
PRESIDENT

The filing time shown in the date line on telegrams and day letters is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

DVA022 NL PD=ARTESIA NMEX 15

R R SPURRIER

1948 NOV 15 AM 7 48

OIL CONSERVATION COMMISSION SF

ADVISE WHEN ORDER WILL BE ISSUED IN GRAYBURG CASE NO 164
JOHN E COCHRAN JR ATTORNEY AT LAW

one 152

164

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

Charge to the account of Oil Conservation Commission

CLASS OF SERVICE DESIRED	
DOMESTIC	CABLE
TELEGRAM	ORDINARY
DAY LETTER	URGENT RATE
SERIAL	DEFERRED
OVERNIGHT TELEGRAM	NIGHT LETTER
SPECIAL SERVICE	SHIP RADIOGRAM

Patrons should check class of service desired; otherwise the message will be transmitted as a telegram or ordinary cablegram.

WESTERN UNION

1206-B

CHECK
ACCOUNTING INFORMATION
TIME FILED

R. B. WHITE
PRESIDENT

NEWCOMB CARLTON
CHAIRMAN OF THE BOARD

J. C. WILLEVER
FIRST VICE-PRESIDENT

Send the following telegram, subject to the terms on back hereof, which are hereby agreed to

15 November 1948

Mr. John Cochran
Carper Bldg.,
Artesia, New Mexico

ORDER NO. 791 ISSUED THIS DATE FOR CASE 152.

OIL CONSERVATION COMMISSION

R. R. SPURRIER - DIRECTOR

*cc: J. Head
Artesia, N.M.*

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

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO.
JUL 12 1948

July 8, 1948

Grabner -

29, 5 ?

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

No. 152

Attention: Mr. R. R. Spurrier

Gentlemen:

Enclosed herewith is Application, in triplicate, of Grayburg Oil Company of New Mexico, and Western Production Company, Inc., for order granting permission to drill twenty-eight unorthodox locations on leases within the boundaries of the Grayburg Co-operative and Unit Area in Township 17 South, Ranges 29 and 30 East, N.M.P.M., in the Grayburg-Jackson pool of Eddy County, New Mexico.

At your earliest convenience, will you please set a time for hearing on this Application and publish notice thereof, and advise me the time and place of hearing on this Application.

The land upon which these locations are desired is embraced in Federal oil and gas leases and, therefore, a copy of this Application is being furnished Mr. Foster Morrell, Supervisor of the United States Geological Survey at Roswell, New Mexico.

Very truly yours

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

JEC:rm

Encls.

cc: Mr. Foster Morrell, Supervisor
United States Geological Survey
Roswell, New Mexico

Mr. J. O. Seth
111 San Francisco
Santa Fe, New Mexico

Mr. Nelson Jones
Humble Oil & Rfg. Co.
Houston, Texas

Mr. S. V. McCollum
Continental Oil Company
Fair Building
Fort Worth, Texas

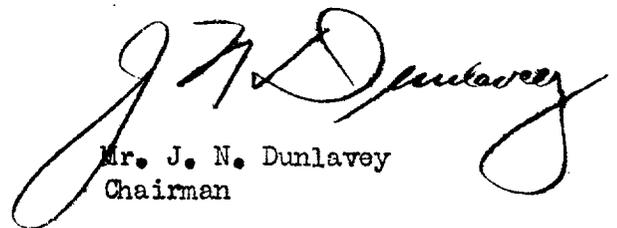
Mr. R. W. Tesch
Texas-Pacific Coal & Oil Co.
Ft. Worth Nat'l. Bank Bldg.
Fort Worth, Texas

Gentlemen:

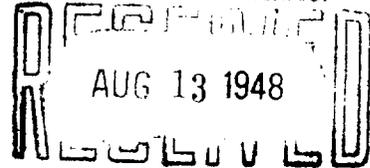
Attached hereto is a statement by John E. Cochran, Jr., Attorney for Grayburg Oil Company and the Western Production Company, setting out their position in regard to Case #152 presented at a hearing before the New Mexico Oil Conservation Commission, July 29, 1948.

You will also find attached hereto copy of the transcript of evidence presented by the Grayburg and Western in support of their position.

This information is being furnished each member of the committee for consideration and study prior to a meeting that is being called for 10:30 A. M., August 17, 1948, at the office of the Lea County Operators Committee, Hobbs, New Mexico.


Mr. J. N. Dunlavy
Chairman

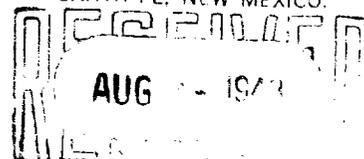
152
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO.



C O P Y

Law Offices
JOHN E. COCHRAN, JR.
Carper Bldg.
ARTESIA, NEW MEXICO

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO.



July 30, 1943

Mr. Glenn Staley
Lea County Operators' Committee
Hobbs, New Mexico

Dear Mr. Staley:

With reference to the application of Grayburg Oil Company and Western Production Company, Inc. for permit to drill twenty-eight unorthodox locations in the Grayburg Cooperative and Unit Area in the Grayburg-Jackson Pool of Eddy County, New Mexico, and the application of these companies for permission to unitize basic leases within the cooperative area for proration purposes, the Commission, at the request of the Lea County Operators' Committee, through your attorney, Mr. J. O. Seth, and your Chairman, Mr. George H. Card, took under advisement the unitizing of basic leases for proration purposes until you could obtain a transcript of the testimony and ascertain whether the granting of such a request might, in your opinion, be prejudicial or in any way adverse to operators in Lea County.

The application for the drilling of the unorthodox locations was granted. However, whether basic leases may or may not be unitized for proration purposes in the Grayburg Cooperative and Unit area may have a very important effect on the proposed drilling of the twenty-eight unorthodox locations. Grayburg is anxious to start two rigs on this drilling program but before doing so, would like to have the basic lease allowable question settled.

Therefore, as Mr. R. J. Heard of Grayburg Oil Company advised you over the telephone this afternoon, if it is at all convenient we would appreciate it very much if Mr. Heard, Mr. Kroushop, Mr. Miller and the writer might have a meeting at an early date with the Lea County Operators' Committee to discuss fully and in detail the proration matter.

Grayburg Oil Company and Western Production Company, Inc. do not wish to ask for any plan of proration in its Grayburg unit that would affect adversely or be prejudicial to any other New Mexico oil operators

Mr. Glenn Staley

-2-

July 30, 1948

and we feel quite sure that if we can have a conference with Lea County Operators' Committee about the matter that an agreeable and satisfactory solution to the problem can be worked out. It may be that when the problem is thoroughly explained to Lea County Operators' Committee that some of the members of the committee may readily have a suggestion that would answer the entire question.

As I have previously stated, Grayburg is anxious to commence drilling on the wells involved in this drilling program, and we would appreciate it if you would advise us if such a meeting could be arranged with Lea County Operators' Committee at an early date and, if so, when such a meeting could be held.

Very truly yours,

/s/ John E. Cockran, Jr.

John E. Cockran, Jr.

JEC:rm

LEA COUNTY OPERATORS COMMITTEE

DRAWER I

HOBBS, NEW MEXICO

August 2, 1948



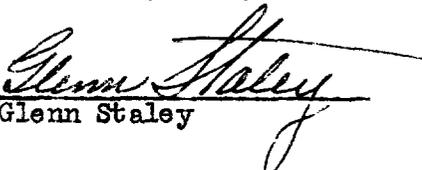
Mr. R. R. Spurrler
Oil Conservation Commission
Santa Fe, New Mexico

Dear Dick:

Enclosed you will find copy of letter from Mr. John E. Cochran, Attorney for Grayburg Oil Company, together with a copy of my letter to Mr. Card, regarding same subject. It will be greatly appreciated if you will send us a transcript of the hearing held on the 29th, just as soon as possible, so that the meeting between the Lea County Operators and the Grayburg representatives can be held, and thus give the Grayburg relief in putting their rigs to work.

With kindest personal regards, I am

Yours very truly,


Glenn Staley

CGS:gi

STANOLIND OIL AND GAS COMPANY

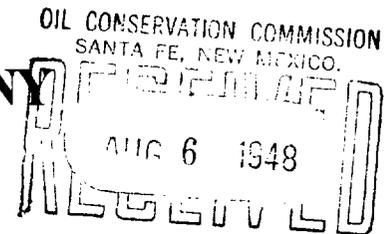
FAIR BUILDING

FORT WORTH, TEXAS

August 3, 1948

 G. H. CARD
 DIVISION PRODUCTION SUPERINTENDENT

File: GHC-963-310.21

 Re: Case No. 152 - Application
 of Grayburg Oil Company and
 Western Production Company
 to Drill 28 Unorthodox Loca-
 tions within Boundaries of the
 Grayburg Cooperative and Unit
 Area in the Grayburg-Jackson
 Pool, Eddy County, New Mexico

 Mr. J. N. Dunlavey
 Skelly Oil Company
 Hobbs, New Mexico

 Mr. J. O. Seth
 111 San Francisco
 Santa Fe, New Mexico

 Mr. Nelson Jones
 Humble Oil & Refining Co.
 Houston, Texas

 Mr. S. V. McCollum
 Continental Oil Company
 Fair Building
 Fort Worth, Texas

 Mr. R. W. Tesch
 Texas-Pacific Coal & Oil Co.
 Ft. Worth Nat'l Bank Building
 Fort Worth, Texas

Gentlemen:

In the above styled case before the New Mexico Oil Conservation Commission on July 29, 1948, the applicants made further request that the allowable on the leases on which the unorthodox locations were to be drilled be allocated on a lease basis. The Lea County Operators Committee requested the Commission to defer action on this application until a transcript of the Hearing could be obtained and the matter studied to determine if this application was in conflict with the oil and gas laws of the State of New Mexico and the General Orders of the Oil Conservation Commission.

This is to advise that you are being appointed on a committee to study this problem and make your recommendations to the Executive Committee. I wish that Mr. Dunlavey would serve as chairman of this committee and call a meeting of the committee at the earliest possible date, as we advised the Commission that we would advise them of our opinion as soon as possible. The writer has requested Mr. John E. Cockran, Jr., attorney for Grayburg Oil Company and Western Production Company, to furnish Mr. Dunlavey with copies of the letter setting forth the applicant's position and also copies of the maps showing the unorthodox locations, Mr. Staley has been requested to furnish Mr. Dunlavey with copies of the transcript of the hearing.

Yours very truly,

G. H. Card

GHC:gp

 cc: Members of Executive
 Committee of Lea County
 Operators Committee
 C. G. Staley
 R. R. Spurrier✓