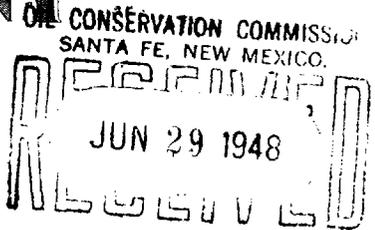


REPOLLO OIL COMPANY

SINCLAIR BUILDING

TULSA, OKLAHOMA

Box 1470
Midland, Texas
June 28, 1948



Graham

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

(2 more copies?)

Gentlemen:

Repollo Oil Company respectfully petitions the Oil Conservation Commission of New Mexico for a hearing upon its application heretofore filed on the 25th day of May, 1948, for bonus discovery allowable under the Commission's Order No. 573, for and in respect of applicant's Well No. 5, Phillips "A" lease, located in the SW/4 of the SW/4 of Section 31, Township 19 South, Range 37 East, N.M.P.M., Lea County, New Mexico.

Said well was completed May 21, 1948 as a productive oil well, flowing 402 barrels of oil through a 34/64" choke in nine hours, through perforations from 5695 to 5715 feet from the surface.

Said well has been continuously producing at the rate allowed by the rules and regulations of the Commission, from the date of completion. At the time of said completion on May 21, 1948, there was no well producing oil from the same horizon in commercial quantities within two miles of applicant's completed well, and since said time there has been no well within two miles of applicant's well producing oil in commercial quantities from said horizon.

Applicant shows that on account of the depth of said horizon from which its well is commercially productive of oil, as aforesaid, it is entitled to 28,475 barrels of oil as the discovery allowable, and it prays that such allowable be granted to it.

GHG/lm

REPOLLO OIL COMPANY

By *[Signature]*
Assistant Division Engineer

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO.

RECORDED
JUL 12 1948
RECEIVED

REPOLLO OIL COMPANY

SINCLAIR BUILDING

TULSA, OKLAHOMA

Box 1470
Midland, Texas
July 7, 1948

No. 153

Graham -

29,500

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Gentlemen:

Attached are two additional copies of Repollo Oil Company's request for a hearing on their application for bonus discovery allowable on Phillips "A" lease, Well #5, as per your letter dated June 30, 1948.

Yours very truly,

REPOLLO OIL COMPANY

By *Graham*
Assistant Division Engineer

GHG/lm

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

30 June 1948

Mr. G. H. Gray
Asst. Division Engineer
Repollo Oil Company
Midland, Texas

Dear Mr. Gray:

With reference to your application for a hearing on your discovery well, this is to advise you that only one copy was received and it is necessary that you file three.

Your case will be set for hearing as soon as possible, and we shall advise your company as to date.

Very truly yours,

RRS:bsp

C

O

P

Y

Artesia, New Mexico

Box 517

June 15, 1948

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

Dear Sir:

The New Mexico Nomenclature Committee has voted to recommend to the Oil Conservation Commission that a new pool be created to be designated the "Monument-Blinebry" Pool and to embrace the following described acreage: All of Sec. 36-19S-36E; all of Sec. 31-19S-37E; all of Sec. 1-20S-36E., and all of Sec. 6-20S-37E., N.M.P.M., Lea County, New Mexico.

The pay zone of the Pool is a zone of porosity in the Yeso formation commonly referred to as the "Blinebry Zone". In this Pool it occurs at an approximate depth of 5650' and is separated from the productive zone of the overlying Monument-Paddock Pool by approximately 400' of vertical interval.

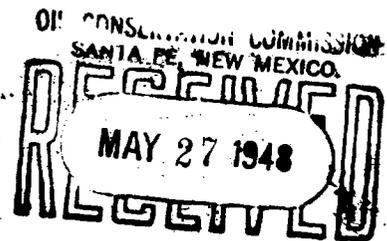
Yours very truly,

/s/ Wilton E. Scott
Wilton E. Scott, Chairman
Nomenclature Committee

LEA COUNTY OPERATORS COMMITTEE
HOBBS, NEW MEXICO

June 16, 1948

held to 16 July



Box 1470
Midland, Texas
May 25, 1948

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

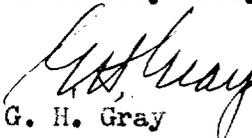
Attention Mr. R. R. Spurrier
Secretary

Gentlemen:

Attached please find Repollo Oil Company's application for a bonus discovery allowable on their J. R. Phillips "A" Well #5, which was drilled in the old Monument Field to a total depth of 5720'.

The attached data, we believe, warrants a bonus discovery allowable for this well.

Yours very truly,


G. H. Gray

GHC/lm

Orig. & 3 cc: Oil Conservation Commission, Santa Fe, New Mexico
cc: H. J. Suman, Repollo Oil Co., 901 Fair Bldg., Ft. Worth, Texas
W. H. Cain, Repollo Oil Co., Box 521, Tulsa, Oklahoma
C. S. Rose, Repollo Oil Co., Box 1470, Midland, Texas
W. B. Chees, Repollo Oil Co., Box 1427, Hobbs, New Mexico

NEW MEXICO OIL CONSERVATION COMMISSION

Santa Fe, New Mexico

MISCELLANEOUS NOTICES

Submit this notice in triplicate to the Oil Conservation Commission or its proper agent before the work specified is to begin. A copy will be returned to the sender on which will be given the approval, with any modifications considered advisable, or the rejection by the Commission or agent, of the plan submitted. The plan as approved should be followed, and work should not begin until approval is obtained. See additional instructions in the Rules and Regulations of the Commission.

Indicate nature of notice by checking below:

NOTICE OF INTENTION TO TEST CASING SHUT-OFF		NOTICE OF INTENTION TO SHOOT OR CHEMICALLY TREAT WELL	
NOTICE OF INTENTION TO CHANGE PLANS		NOTICE OF INTENTION TO PULL OR OTHERWISE ALTER CASING	
NOTICE OF INTENTION TO REPAIR WELL		NOTICE OF INTENTION TO PLUG WELL	
NOTICE OF INTENTION TO DEEPEN WELL		Application for Bonus Discovery Allowable	

Midland, Texas

May 25, 1948

Place

Date

OIL CONSERVATION COMMISSION,
Santa Fe, New Mexico.

Gentlemen:

Following is a notice of intention to do certain work as described below at the Repollo Oil Company J. R. Phillips "A" Well No. 5 in SW 1/4 SW 1/4 of Sec. 31, T. 19S, R. 37E, N. M. P. M., New Field Field, Lea County.

FULL DETAILS OF PROPOSED PLAN OF WORK

FOLLOW INSTRUCTIONS IN THE RULES AND REGULATIONS OF THE COMMISSION

Repollo Oil Company's J. R. Phillips "A" Well #5 with a surface elevation of 3582', 5 1/2" OD casing set at 5719', casing perforated from 5695' to 5619', and the well's total depth is 5720'.

This well is producing from 5695' to 5720' from the Blinberry "pay". The nearest producing wells are The Texas Company's J. R. Phillips #5 and Amerada Petroleum Company's J. R. Phillips #5 which are producing from the Paddock "pay" at above 5300'.

We therefore request bonus discovery allowable for Repollo Oil Company's J. R. Phillips "A" #5 since it is the only well producing from the Blinberry "pay" within a radius of greater than two miles and is supported by the attached data.

Orig. & 3 cc: Oil Conservation Commission, Santa Fe, New Mexico
cc: H. J. Summy, Repollo Oil Co., 901 Fair Bldg., Fort Worth 2, Texas
W.H. Cain, Repollo Oil Co., Box 521, Tulsa, Oklahoma
C. S. Rose, Repollo Oil Co., Box 1470, Midland, Texas
W. B. Rhees, Repollo Oil Co., Box 1427, Hobbs, New Mexico

Approved _____, 19____
except as follows:

By W. H. Gray
Position Division Engineer
Send communications regarding well to

OIL CONSERVATION COMMISSION,

Name G. H. Gray

By _____

Address Repollo Oil Company

Title _____

Box 1470, Midland, Texas

REPOLLO OIL COMPANY
J. R. Phillips "A"
Well # 5

A drill stem test was made in the Paddock zone. The test was from 5215' to 5251', open 1 hour and 20 minutes. There was a slight blow of air throughout the test and recovery was 110' of drilling fluid cut with gas and sulphur water and a small show of oil.

After this test the well was drilled deeper until porosity and staining was encountered. A drill stem test was made from 5529' to 5570', open 3 hours. There was a slight blow of air throughout test with recovery of 40' of drilling fluid with show of oil and gas. Another drill stem test was made from 5570' to 5605', open 3 hours with small blow of air throughout the test with recovery of 93' of drilling fluid cut with gas and sulphur water.

Better porosity was found from 5690' to 5720' and a drill stem test was made from 5679' to 5720', open 1 hour and 30 minutes. It had gas to surface in 3 minutes, mud in 7 minutes and oil in 10 minutes and flowed 60 barrels oil in 1 hour.

Completion - Flowing 402 bbls. oil thru 3/4" choke in 9 hours thru perforation 5695' to 5715', 5-21-48. In this well there is a vertical interval of 444' from the base of the Paddock zone to the top of the Blineberry zone.

Bottom hole pressure was ran on this well and found to be 2273 p.s.i.g. at -2100' ss, 5-24-48.

Amerada Petroleum Corporation - J. R. Phillips Well #5

Producing from 5180' to 5200' and from 5215' to 5218', Paddock "pay".

The Texas Company - J. R. Phillips Well #5

Producing from 5130' to 5220', Paddock "pay".

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

July 16, 1948

C
O
P
Y

Mr. G. H. Gray, Assistant Division Engineer
Repollo Oil Company
Midland, Texas

RE: Case No. 153

Dear Mr. Gray:

This is to advise you that the above captioned case, in the matter of the application of Repollo Oil Company for bonus allowable in respect to well No. 5, Phillips "A" lease, located in the SW/4 SW/4 section 31, T.19 S, R.37 E, Lea 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

cc: Mr. F. B. Crew, District Supt.
The Texas Company
Midland, Texas

GEORGE L. REESE, JR.
DON G. MCCORMICK

REESE AND MCCORMICK

ATTORNEYS AT LAW
BUJAC BUILDING
CARLSBAD, NEW MEXICO

July 31, 1948



153

Mr. George Graham
State Land Office
Santa Fe, New Mexico

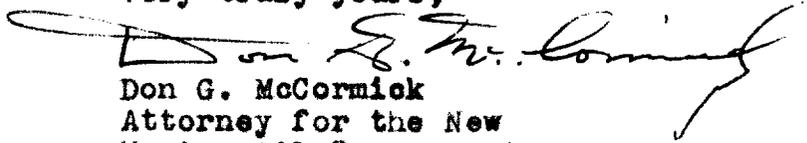
Dear George:

As soon as the same are available, I would like for you to send me the files and transcript in case No. 153. As you recall, this is the case involving the bonus discovery allowable. I am especially anxious to have the reports which will be included in the files, showing the exact dates of testing, etc.

I plan to leave in about one week for a short trip and I imagine it will be the latter part of August before I will have an opinion prepared in this case.

With kind personal regards, I am

Very truly yours,



Don G. McCormick
Attorney for the New
Mexico Oil Conservation
Commission.

DGM:ng

cc: ✓ Mr. R. R. Spurrier
State Geologist
Santa Fe, New Mexico



Box 1470
Midland, Texas
August 4, 1948

File Case # 153?

Mr. Don G. McCormack
Bujack Building
Carlsbad, New Mexico

Dear Sir:

Complying with your request in Santa Fe, New Mexico on July 29, 1948, attached please find photostatic copies of the Texas Company's Form C-115, Operators Monthly Report, which gives the production from their J. R. Phillips Well #5, Monument Paddock Field for the months of May and June, 1948.

These reports reflect that this well produced 990 barrels oil for these two months. This well was placed on the proration schedule effective May 16, 1948.

We trust that this information meets with your requirements.

Yours very truly,

G. H. Gray
G. H. Gray
Asst. Div. Engineer

GHC/lm
cc:

R. R. Spurrier, Oil Conservation Commission, Santa Fe, N. Mex.
Dan Almen, Repollo Oil Company, Box 521, Tulsa, Oklahoma
H. J. Sunny, Repollo Oil Company, 901 Fair Building, Fort Worth, Texas.
C. S. Rose, Repollo Oil Company, Box 1470, Midland, Texas
File

**CONSERVATION COMMISSION
Santa Fe, New Mexico**

Form C-115

Sheet No. _____

OPERATOR'S MONTHLY REPORT

The following is a correct report of oil and gas producing wells of The Texas Company
(Company or Operator)

Phillips Government-Paddock Lee for month of June 1948

State lease No. _____ Assignment No. _____ Government Lease No. _____ Pat. Land _____
(Following to be Reported on Unit Basis)

LOCATION					OIL AND WATER (BBL.)					GAS—14.4 LB. PLUS 10-OZ. BASE			DAILY WELL NOMINATION	NO. DAYS PRODUCED	SHOW WHETHER FLOWING PUMPING GAS LIFT. OR DEAD
WELL NO.	WELL LETTER	SEC.	TWP.	RANGE	(1) NET OIL PROD.	(2) NET OIL SOLD	(3) GRAB-ITY	(4) WATER BBL.	TOTAL GAS PROD. M. C. F.	ANNUAL OFFICIAL G. O. R. CU. FT. BBL.	DATE OF TEST				
5	D	6	20	37	383	448	87	115	30						
TOTALS					3										

(1) Distribution to wells based on Test _____ Meter _____ Estimate _____

(2) Method of determining water production: Shake out _____ Estimate _____ Draw Off _____

(3) Report distillate, condensate or other liquid hydrocarbons (other than oil) in this column, starting with:

(Following to be Reported on Lease Basis)

No. of Wells	Total on Hand Beginning of Month (Barrels)	Scheduled Allowable for Month	Actual Amount of Oil Produced	Over-Produced	Under-Produced	Disposition of Oil			Total on Hand End of Month (Barrels)	Total Capacity (Barrels)
						Bbls. To Pipe Line	Bbls. to Truck or Tank Car	Transporter		
1		1380								

GAS

Used For Gas Lift

MCF Used on Lease _____ MCF Used on Lease _____
MCF Sold to _____ MCF On _____ Lease
MCF Blown to Air, (By Difference) _____ MCF On _____ Lease

Remarks: _____

I hereby swear or affirm that the information given is true and correct.

Signed: _____

Representing: _____
(Company or Operator)

Position: _____

Address: _____ Date: _____

ILLEGIBLE

CONSERVATION COMMISSION
Santa Fe, New Mexico
OPERATOR'S MONTHLY REPORT

Sheet No. _____

The following is a correct report of all oil and gas producing wells of _____
 (Company or Operator)

Lease Phillips Monument-Paddock for month of May 1944

State Land Lease No. _____ Assignment No. _____ Government Lease No. _____ Pat. Land _____
 (Following to be Reported on Unit Basis)

LOCATION					OIL AND WATER (BBL.)				GAS—14.4 LB. PLUS 10-OZ. BASE			DAILY WELL NOMINATION	NO. DAYS PRODUCED	SHOW WHETHER FLOWING PUMPING GAS LIFT, OR DEAD	
WELL NO.	UNIT LETTER	SEC.	TWEL.	RANGE	(1) NET OIL PROD.	(2) NET OIL SOLD	GRAV. ITY	(3) WATER BBL.	TOTAL GAS PROD. M. C. F.	ANNUAL OFFICIAL G. O. R. CU. FT. BBL.	DATE OF TEST				
5	D	3	20	39	637	378	37	50							
TOTALS															

(1) Distribution to units based on Test _____ Meter _____ Estimate _____

(2) Method of determining water production: Shake out _____ Estimate _____ Draw Off _____

(3) Report distillate, condensate or other liquid hydrocarbons (other than oil) in this column, starting with _____

(Following to be Reported on Lease Basis)

No. of Wells	Total on Hand Beginning of Month (Barrels)	Scheduled Allowable for Month	Actual Amount of Oil Produced	Over-Produced	Under-Produced	Bbls. To Pipe Line	Disposition of Oil: Bbls. to Truck or Tank Car	Transporter	Total on Hand End of Month (Barrels)	Total Produced on Lease Tanks
			736							

G A S

Used For Gas Lift

MCF Used on Lease _____ MCF Used on Lease _____
 MCF Sold to _____ MCF On _____
 MCF Burnt to Air, (By Difference) _____ MCF On _____

Remarks: 2016

I hereby swear or affirm that the information given is true and correct.

Signed _____

Representing: _____
 (Company or Operator)

Position _____

Address _____

Date _____

ILLEGIBLE

REESE AND McCORMICK

ATTORNEYS AT LAW

BUJAC BUILDING

CARLSBAD, NEW MEXICO

August 31, 1948

GEORGE L. REESE, JR.
DON G. McCORMICK

Oil Conservation Commission
Santa Fe, New Mexico

ATTENTION: Mr. R. R. Spurrier

Re: Case No. 153, In the Matter
of the Application of Repollo
Oil Company for Bonus Dis-
covery Allowable.

file
Gentlemen:

At the request of the Commission, I have made a study of the facts and law pertaining to the above case, and shall herewith give you my opinion.

Repollo Oil Company, which will hereinafter be called Repollo, has filed an Application for a Bonus Allowable on its J. R. Phillip No. 5 well located in the SW $\frac{1}{4}$ SW $\frac{1}{4}$, Section 31, Township 19 South, Range 37 East, Lea County, New Mexico.

Texas Company, which will hereinafter be referred to as Texas, has also filed an Application for a Bonus Discovery Allowable on its Phillip No. 5 Well located in the NW $\frac{1}{4}$ NW $\frac{1}{4}$, Section 6, Township 20 South, Range 37 East. It is claimed by each of the applicants that the wells are producing from the Blinebry pay. Amerada Petroleum Corporation, which is not involved in this case is the owner of a well located in the NE $\frac{1}{4}$ NE $\frac{1}{4}$, Section 1, Township 20 South, Range 36 East.

A study has been made of the complete Oil Conservation Commission files on each of the three above-described wells. Also other data has been studied in the Pro-ration Office at Hobbs. An attempt will be made to give the complete facts as revealed by these studies. Although the three wells lie in different townships, they are all adjoining, the Texas Well being one location south of the Repollo Well, and the Amerada Well being one location west of the Texas Well.

The Amerada Well spudded in on 8 May, 1947, the elevation being 3576 feet at the top of the casing.

This well was drilled to a total depth of 9953 feet. Forty-one different drill stem tests were made. On 21 July, 1947, a drill stem test was made through perforations from 5680 feet to 5704 feet. In four hours the well produced 13.16 barrels, which, on a 24-hour basis would be approximately 80 barrels. The well was then continued down to its total depth and further tests were made of the lower horizons.

The well was ultimately plugged back and completed as a producer in the Paddock pay, the completion date being 12 January, 1948. A Bonus Allowable has previously been awarded to Amerada on this well as a new discovery of the Paddock pay.

The Texas well spudded in on 9 March, 1948 and the elevation was 3583 feet at the top of the casing. On 23 April, 1948 a total depth of 5775 feet had been reached, at which point 5½" casing was set. Between that date and May 1, 1948, a test was made of the zone between 5660 feet and 5720 feet through tubing and casing perforations. The well flowed 367 barrels of fluid in 22 hours, with .2% BS & W. A drillable bridge plug had been set at 5746 feet. Prior to 1 May, 1948 the tubing was pulled and a Baker Cement Retainer set at 5320 feet. A test was then made of the zone from 5195 to 5220 feet by swabbing through the tubing that had been re-run. This zone was then acidized prior to 5 May, 1948. The well was then completed as a small producer from the Monument-Paddock zone. A total of 824 barrels of oil was produced during May and June. This figure undoubtedly included the oil recovered from the test made at the lower depth. On 22 June, 1948, the well pumped 28 barrels of fluid in 24 hours. On 1 July, 1948, the cement retainer at 5320 feet was drilled out and the well was then completed in the zone between 5660 and 5720 feet. It produced 89 barrels of oil in 13 hours, in the test made on 5 July, 1948. A completion report was filed with the Proration Office in Hobbs on 15 May, 1948, and the well was given a 46-barrel marginal allowable. After the well had been recompleted, another completion report was filed on 15 July, 1948, and the well was given an allowable of 59 BOPD for the month of August.

The Repollo Well was spudded in on 29 March, 1948, the elevation at the top of the casing being 3571 feet. The well was completed on 21 May, 1948, the total depth being 5709 feet. It is producing from the zone between 5684 and 5704 feet. On its initial test, it produced 936 barrels of fluid in 24 hours, of which 7%

was fresh water. A completion report was filed with the Proration Office on 25 May, 1948, and an allowable was given for June, July, and August of 59 BOPD. During the month of June, it produced 1678 barrels and during July, 1819 barrels.

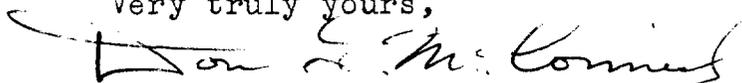
The first paragraph of Order No. 573 issued by this Commission reads as follows:

"That a bonus discovery allowable shall be granted to any operator who makes a discovery of a new oil pool or a new producing horizon in an existing oil field or an extension of the discovered portion of a known oil pool where such discovery is two miles or more from any commercially productive oil well."

It was evidently the intention of the Commission in enacting this Order to encourage wild-cattling. The operator who should "discover" a new producing horizon was to be rewarded. If one operator should discover a new producing horizon, although he did not produce it, it is apparent that the Commission did not intend to reward some other operator who would thereafter drill a well and produce from the same horizon that had been previously discovered. In this case, it is apparent that the new producing horizon had been discovered by Amerada. In fact, this company demonstrated on 21 July, 1947 that this horizon would produce 80 barrels of oil per day on a drill stem test. This was more than nine months before the test made by Texas and approximately nine months before the test made by Repollo. It is also evident that the three wells did test the same horizon. Allowing for the difference in elevation, the bottom of the zone tested by the Amerada well was five feet lower than that tested by the Repollo well, which in turn was four feet lower than that tested by the Texas well.

Based upon the foregoing, it is my conclusion that the Amerada well is the one which made a discovery of the Blinebry pay in the area under consideration. It is, therefore, my recommendation that the applications of both Repollo and Texas be denied. A suggested form of order is attached hereto.

Very truly yours,



Don G. McCormick
Attorney for the Oil
Conservation Commission

DGM:ng

cc: Mr. George Graham
State Land Office
Santa Fe, New Mexico