



SHELL PIPE LINE CORPORATION

SHELL BUILDING
HOUSTON 2, TEXAS

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO.
RECEIVED
DEC 19 1952
TELEPHONE CAPITOL 1181 *Ks*

December 16, 1952

Coal 189

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

Dear Dick:

May I suggest as my successor to the Chairmanship of the Conservation Committee on rules and regulations, forms etc.:

Mr. Fred H. Pennington
Magnolia Pipe Line Co.
Dallas, Texas

As you know, Mr. Pennington did an outstanding job as a member of this Committee in the recent revision of a portion of your State's rules and regulations and forms, which recommendations have been adopted by the Commission.

Please accept my thanks for the many courtesies you have extended to the Committee and myself - it was a real pleasure to have worked with you.

Kind regards and the Season's Greetings to yourself and family.

Sincerely yours,

Frank C. Brown
Frank C. Brown

FCB:mp

cc: Mr. Fred H. Pennington

OIL CONSERVATION COMMISSION

P. O. BOX 871
SANTA FE, NEW MEXICO

December 16, 1953

C
O
P
Y

Mr. Frank C. Brown
Shell Pipe Line Corporation
Shell Building
Houston 2, Texas

Dear Frank:

Sorry to hear of your leaving and appreciate all you did for us on the Committee.

I understand a Mr. Snider will take your place on the Committee.

Mr. Fred H. Pennington will be appointed General Chairman effective January 1, 1954, coinciding with the date on which you requested to be relieved of your duties.

It has been a pleasure to work with you and I wish to thank you and the other committee members for the progress that has been made to date.

Sincerely,

R. R. Spurr
Secretary - Director

RRS:la

cc:

Mr. Glenn Staley, Vice Chairman
Mr. Fred H. Pennington, Vice Chairman
Mr. A. D. Wilbur, Secretary
Mr. C. J. Goodwin
Mr. J. J. Therpe
Mr. O. E. Hunter
Mr. A. L. Porter, Jr.
Mr. R. S. Blynn
Mr. I. R. Trujillo
Mr. Oliver Seth



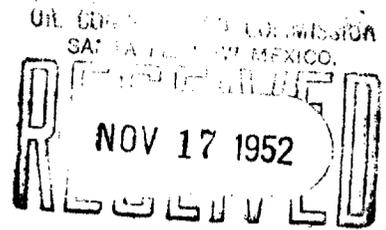
SHELL PIPE LINE CORPORATION

SHELL BUILDING
HOUSTON 2, TEXAS

TELEPHONE CAPITOL 1181

November 12, 1952

Mr. R. R. Spurrier, Secretary and Director
New Mexico Oil Conservation Commission
Santa Fe, New Mexico



Dear Dick:

Because of my early retirement from Shell effective January 1, 1953, I respectfully request that I be relieved of my duties as General Chairman of the Combined Transportation and Production Committee on Conservation Forms and Rules and Regulations of the State of New Mexico, effective as of that date.

Since my appointment as Chairman December 27, 1951, the Committee has revised and rewritten Sections G, H, J, M, N, O, with resultant appropriate forms. The recommendations of the Committee were included in the Orders of the Commission No. R-98-A, effective July 1, 1952. It was intended that the remaining sections of the regulations would be revised at a later date; the Committee stands ready to do this work when called upon by the Commission.

May I express to you my sincere thanks for your splendid cooperation and wise counsel at all times. And through you to all members of the Committee, my hearty appreciation for the good job they are doing.

Sincerely yours,

Frank C. Brown

FCB:DC

- cc: Mr. Glenn Staley, Vice Chairman
c/o Lea County Operators Association, Hobbs, New Mexico
- cc: Mr. Fred H. Pennington, Vice Chairman
c/o Magnolia Petroleum Company, Dallas, Texas *Magnolia Bldg.*
- cc: Mr. A. D. Wilbur, Secretary
c/o Humble Pipe Line Company, Houston, Texas *Driv. 2220*
- cc: Mr. C. J. Goodwin
c/o The Texas Pipe Line Company, Houston, Texas *Box 2332*
- cc: Mr. J. J. Thorpe
c/o Gulf Refining Company, P. L. Division, Fort Worth, Texas *Driv. 1290*
- cc: Mr. O. E. Hunter
c/o Service Pipe Line Company, Tulsa, Oklahoma *Box 1979*
- cc: Mr. A. L. Porter, Jr.
c/o New Mexico Oil Conservation Commission, Hobbs, New Mexico
- cc: Mr. R. S. Blymn
c/o New Mexico Oil Conservation Commission, Hobbs, New Mexico
- cc: Mr. I. R. Trujillo
c/o New Mexico Oil Conservation Commission, Santa Fe, New Mexico
- cc: Mr. Oliver Seth
c/o Seth & Montgomery, Santa Fe, New Mexico

NOTICE FOR PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

The State of New Mexico by its Oil Conservation Commission hereby gives public notice pursuant to law of a public hearing to be held September 7, 1949, beginning at 10:00 o'clock A.M. of that day in the City of Santa Fe, New Mexico, in the Senate Chambers.

STATE OF NEW MEXICO TO:

The Advisory Committee, appointed May 6, 1949 for revision of general rules and regulations of the Oil Conservation Commission which revision became necessary by reason of the enactment of Chapter 168 of the New Mexico Laws of 1949, as follows:

Charles C. Cragin, Box 1492, El Paso, Texas
Al Willig, Box 1720, Fort Worth, Texas
Glenn Staley, Drawer I, Hobbs, New Mexico
Bob Christie, Box 1348, Fort Worth, Texas
Ralph Gray, Box 517, Artesia, New Mexico
Lloyd Gray, Box 661, Tulsa, Oklahoma
R. S. Dewey, Box 1600, Midland, Texas
James Murray, Box 1577, Hobbs, New Mexico
J. R. Cole, Box 1654, Santa Fe, New Mexico
A. T. Hannett, First National Bank Bldg., Albuquerque, New Mexico
Elvis A. Utz, Oil Conservation Commission, Santa Fe, New Mexico

The Lea County Operators Committee, and J. W. House, its Chairman, and A. L. Decker, its Secretary and

Raymond Lamb, Wilson Oil Company, Artesia, New Mexico
C. F. Bedford, Stanolind Oil & Gas Company, Fort Worth, Texas
W. G. Ricketts, Amerada Petroleum Corporation, Tulsa, Oklahoma
H. B. Hurley, Continental Oil Company, Fort Worth, Texas
D. A. Powell, Drilling & Exploration Company, Hobbs, New Mexico
S. G. Sanderson, Gulf Oil Corporation, Tulsa, Oklahoma
J. N. Dunlevy, Skelly Oil Company, Hobbs, New Mexico
Harry Leonard, Roswell, New Mexico,

the Executive Committee thereof.

The San Juan Basin Operators:

Dudley Cornell, Chairman, First National Bank Bldg., Albuquerque, New Mexico
Scott R. Brown, Secretary, 102½ N. Court St., Farmington, New Mexico

and

B. B. Bradish, 2933 Monte Vista Blvd., Albuquerque, New Mexico
P. B. English, Farmington, New Mexico
Paul Umbach, Korber Building, Albuquerque, New Mexico
Clifford Smith, Dallas, Texas
Joe S. Hartman, Aztec, New Mexico

the Executive Committee thereof.

Southern Union Production Company, Burt Building, Dallas, Texas
El Paso Natural Gas Company, El Paso, Texas
Lea County Water Company, Hobbs, New Mexico

and all other operators in oil and gas or either of them, and notice to the public:

Case 189

In the matter of the application of the Oil Conservation Commission upon its own motion to revise the rules and regulations of the Commission to conform with the provisions of Chapter 168 of the New Mexico Laws of 1949, and to consider Committee recommendation and take testimony in the premises.

Given under the seal of the Oil Conservation Commission, at Santa Fe, New Mexico on August 19, 1949.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

R. R. Spurrier
R. R. SPURRIER, SECRETARY

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 hearing to be held September 7, 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 case,
and notice to the public:

CASE 189 -

In the matter of the application of the Oil Conservation Commission upon its own motion to revise the rules and regulations of the Commission to conform with the provisions of Chapter 168, New Mexico Laws, 1949, and to consider committee recommendations.

Given under the seal of the Oil Conservation Commission of New Mexico at Santa Fe, New Mexico on August 19, 1949.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

/s/ R. R. SPURRIER, SECRETARY

ILLEGIBLE

LEA COUNTY OPERATORS COMMITTEE
HOBBS, NEW MEXICO
August 22, 1949

August 22, 1949

ARTESIA ADVOCATE

Artesia, New Mexico

Gentlemen:

Re: Case 189 - Notice of Publication

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

UPON COMPLETION OF THE PUBLICATION SEND PUBLISHER'S AFFIDAVIT IN DUPLICATE.

For payment please submit statement in duplicate, and sign and return the enclosed voucher.

Very truly yours,

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

R. R. Spurrier
Secretary-Director

RRS:bw
encls.

August 22, 1949

CARLSBAD CURRENT ARGUS
Carlsbad, New Mexico

Gentlemen:

Re: Case 189 - Notice of Publication

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

UPON COMPLETION OF THE PUBLICATION SEND PUBLISHER'S AFFIDAVIT IN DUPLICATE.

For payment please submit statement in duplicate, and sign and return the enclosed voucher.

Very truly yours,

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

R. R. Spurrier
Secretary-Director

RRS:bw
encls.

August 22, 1949

AIRMAIL

HOBS NEWS SUN

Hobbs, New Mexico

Gentlemen:

**Re: Cases 189, 190, 191, 192, 193 & 194
- Notices of Publication**

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

UPON COMPLETION OF THE PUBLICATION SEND PUBLISHER'S AFFIDAVIT IN DUPLICATE.

For payment please submit statement in duplicate, and sign and return the enclosed voucher.

Please send galley proofs by return airmail.

Very truly yours,

**STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION**

**R. R. Spurrier
Secretary-Director**

**RRS:by
encls.**

August 22, 1949

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

Dear Mr. Staley:

Enclosed please find ~~encl.~~, copies of Notices of Publication, covering hearings to be held on September 7 and September 8, 1949, at 10:00 o'clock A.M., in Santa Fe, at the Senate Chambers.

Very truly yours,

R. R. Spurrier
Secretary-Director

RRS:bw
encl.

August 22, 1949

Mr. Ned Gold
THE SANTA FE NEWS
Santa Fe, New Mexico

RE: Cases 189 through 194
Notice of Publication

Gentlemen:

Please publish the enclosed notice once, immediately. Please proof-read the notice carefully, send galley proofs just as soon as possible, 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,

bpw

Secretary and Director

August 22, 1949

FARMINGTON TIMES HUSBAND

Farmington, New Mexico

Gentlemen:

Re: Case 189 - Notice of Publication

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

UPON COMPLETION OF THE PUBLICATION SEND PUBLISHER'S AFFIDAVIT IN DUPLICATE.

For payment please submit statement in duplicate, and sign and return the enclosed voucher.

Very truly yours,

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

R. R. Spurrier
Secretary-Director

RRS:bw
encls.

Affidavit of Publication

STATE OF NEW MEXICO,
County of Santa Fe

ss.

**N.M. Oil Conservation
Commission**

I, David J. Lloyd

, being first duly sworn,

declare and say that I am the (Business Manager) ~~XXXXX~~ of the The Santa

Fe News

, a weekly newspaper, published in the English and ~~Spanish~~ Language, and having a general circulation in the City and County of Santa Fe, State of New Mexico, and being a newspaper duly qualified to publish legal notices and advertisements under the provisions of Chapter 167 of the Session Laws of 1937; that the publication, a copy which is hereto attached, was published in

said paper once each week for one consecutive weeks, and on the same day of each week in the regular issue of the paper during the time of publication, and that the notice was published in the newspaper proper, and not in any sup-

plement, once each week for one weeks consecutively, the first publi-

cation being on the 26th day of August, 1949,

and the last publication on the 26th day of August

1949; and that the undersigned has personal knowledge of the matters and things set forth in this affidavit.

David J. Lloyd
Manager

Subscribed and sworn to before me this 29th
day of August, A.D., 1949

Abran Padilla
Notary Public

My Commission expires

My Commission Expires October 18, 1952

ILLEGIBLE

NOTICE OF PUBLICATION

STATE OF NEW MEXICO

OIL CONSERVATION COMMISSION

The State of New Mexico by the Oil

Conservation Commission hereby

public notice pursuant to law of

the hearing to be held September

beginning at 10:00 o'clock

that day in the City of Santa

Fe, in the Senate Chamber

of the State of New Mexico

Advisory Committee,

Chapter 168 of the Laws of

1949 for revision of the

regulations of the Commission

which are necessary by reason

of the amendment of Chapter 168 of

the Laws of 1949, as follows:

1. C. Cragin, Box 1720, Fort

Worth, Texas

2. J. Staley, Drawer 1, Santa

Fe, New Mexico

3. J. R. Christie, Box 1348, Fort

Worth, Texas

4. J. Gray, Box 517, Artesia, New

Mexico

5. J. Gray, Box 661, Tulsa, Okla-

homa

6. S. Dewey, Box 1600, Fort

Worth, Texas

7. James Murray, Box 1577, Fort

Worth, Texas

8. J. R. Cole, Box 1654, Santa

Fe, New Mexico

9. A. T. Hannett, First National Bank

Bldg., Albuquerque, New Mexico

10. Elvis A. Utz, Oil Conservation

Commission, Santa Fe, New Mexico

11. The Lea County Operators Com-

mittee, and J. W. House, its Chair-

man, and A. L. Decker, its Secretary

and

12. Raymond Lamb, Wilson Oil Com-

pany, Artesia, New Mexico

13. C. F. Bedford, Stanolind Oil &

Gas Company, Fort Worth, Texas

14. W. G. Ricketts, Amerada Petrol-

ium Corporation, Tulsa, Oklahoma

15. H. B. Hurley, Continental Oil Com-

pany, Fort Worth, Texas

16. D. A. Powell, Drilling & Explora-

tion Company, Hobbs, New Mexico

17. S. G. Sanderson, Gulf Oil Corpora-

tion, Tulsa, Oklahoma

18. J. N. Dunlevy, Skelly Oil Company,

Hobbs, New Mexico

19. Harry Leonard, Roswell, New

Mexico,

the Executive Committee thereof.

20. The San Juan Basin Operators:

Dudley Cornell, Chairman, First

National Bank Bldg., Albuquerque,

New Mexico

21. Scott R. Brown, Secretary, 102 1/2

N. Court St., Farmington, New Mex-

ico

22. B. B. Bradish, 2933 Monte Vista

Bldg., Albuquerque, New Mexico

23. P. B. English, Farmington, New

Mexico

24. Paul Umbach, Korber Building, Al-

bquerque, New Mexico

25. Clifford Smith, Dallas, Texas

26. Joe S. Hartman, Aztec, New Mexico

the Executive Committee thereof.

27. Southern Union Production Com-

pany, Burt Building, Dallas, Texas

28. Paso Natural Gas Company, El

Paso, Texas

29. Lea County Water Company,

Hobbs, New Mexico

and all other operators in oil and gas

or either of them, and notice to the

public:

Case 122

In the matter of the application of

the Oil Conservation Commission upon

its own motion to revise the rules and

regulations of the Commission to

conform with the provisions of Chap-

ter 168 of the New Mexico Laws of

1949, and to consider Committee

recommendation and take testimony

in the premises.

Given under the seal of the Oil

Conservation Commission, at Santa

Fe, New Mexico on August 19, 1949.

STATE OF NEW MEXICO

OIL CONSERVATION COMMISSION

R. R. SPURRIER

Secretary

(SEAL)

Pub. Aug. 26, 1949.

LEGAL NOTICE
August 25, 1949

AFFIDAVIT OF PUBLICATION

State of New Mexico,
County of Lea

I, Robert L. Sumner
Publisher

Of the Hobbs Daily News-Sun, a daily newspaper published at Hobbs, New Mexico, do solemnly swear that the clipping attached hereto was published once a week in the regular and entire issue of said paper, and not in a supplement thereof for a

period of One weeks.

beginning with the issue dated August 25, 1949

and ending with the issue dated August 25, 1949

Robert L. Sumner
Publisher.

Sworn and subscribed to before me this 25 day of August, 1949.

Betty Seal
Notary Public.

My commission expires January 25, 1953
(Seal)

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937, and payment of fees for said publication has been made.

NOTICE OF PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION
COMMISSION

The State of New Mexico by its Oil Conservation Commission hereby gives public notice pursuant to law of a public hearing to be held September 7, 1949, beginning at 10:00 o'clock A. M. of that day in the City of Santa Fe, New Mexico, in the Senate Chambers.

STATE OF NEW MEXICO, To:

The Advisory Committee, appointed May 6, 1949, for revision of general rules and regulations of the Oil Conservation Commission, which revision became necessary by reason of the enactment of Chapter 168 of the New Mexico Laws of 1949, as follows:

- Charles C. Gragin, Box 1492, El Paso, Texas
- Al Willig, Box 1720, Fort Worth, Texas
- Glenn Staley, Drawer I, Hobbs, New Mexico
- Bob Christie, Box 1348, Fort Worth, Texas
- Ralph Gray, Box 517, Artesia, New Mexico
- Lloyd Gray, Box 661, Tulsa, Oklahoma
- R. S. Dewey, Box 1600, Midland, Texas
- James Murray, Box 1577, Hobbs, New Mexico
- J. R. Cole, Box 1654, Santa Fe, New Mexico
- A. T. Hennett, First National Bank Bldg., Albuquerque, New Mexico
- Elvis A. Utz, Oil Conservation Commission, Santa Fe, New Mexico.
- The Lea County Operators Committee, and J. W. House, its Chairman, and A. L. Decker, its Secretary and
- Raymond Lamb, Wilson Oil Company, Artesia, New Mexico
- C. F. Dedford, Stanolind Oil & Gas Company, Fort Worth, Texas
- W. G. Ricketts, Amerada Petroleum Corporation, Tulsa, Oklahoma
- H. B. Hurley, Continental Oil Company, Tulsa, Oklahoma
- D. A. Powell, Drilling & Exploration Company, Hobbs, New Mexico
- S. G. Sanderson, Gulf Oil Corpora-

tion, Tulsa, Oklahoma
J. N. Dunlevy, Skelly Oil Company, Hobbs, New Mexico
Harry Leonard, Roswell, New Mexico,
the Executive Committee thereof.

The San Juan Basin Operators:
Dudley Cornell, Chairman, First National Bank Bldg., Albuquerque, New Mexico

Scott R. Brown, Secretary, 102½ N. Court St., Farmington, New Mexico
and

B. B. Bradish, 2939 Monte Vista Blvd., Albuquerque, New Mexico

P. B. English, Farmington, New Mexico

Paul Umbach, Korber Building, Albuquerque, New Mexico
Clifford Smith, Dallas, Texas

Joe S. Hartman, Aztec, New Mexico
the Executive Committee thereof.

Southern Union Production Company, Burt Building, Dallas, Texas

El Paso Natural Gas Company, El Paso, Texas

Lea County Water Company, Hobbs, New Mexico
and all other operators in oil

and gas or either of them, and notice to the public:
Case 189

In the matter of the application of the Oil Conservation Commission upon its own motion to revise the rules and regulations of the Commission to conform with the provisions of Chapter 168 of the New Mexico Laws of 1949, and to consider Committee recommendation and take testimony in the premises.

Given under the seal of the Oil Conservation Commission, at Santa Fe, New Mexico, on August 19, 1949.

STATE OF NEW MEXICO
OIL CONSERVATION
COMMISSION
R. R. SPURRIER,
(Seal) Secretary.

PROOF OF PUBLICATION

STATE OF NEW MEXICO }
County of Eddy } ss.

_____, being duly sworn deposes and says that he is the Editor of **THE ARTESIA ADVOCATE**, a newspaper published in Artesia, Eddy County, New Mexico, that the notice of Application for Publication, State of New Mexico Oil Conservation Commission Public Hearing,

a copy of which is hereto attached was first published in said newspaper in its issue dated August 21, 1949 and was published in the weekly issue of said newspaper, and not in any supplement, thereafter for the full period of one consecutive weeks, the last publication thereof being in the issue dated August 21, 1949.

A. L. Bert

Subscribed and sworn to before me on 8-26-49

R. H. Gray
Notary Public

My Commission Expires April 22, 1950

Publishers Fees _____

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

The State of New Mexico by its Oil Conservation Commission hereby gives public notice pursuant to law of a public hearing to be held September 7, 1949, beginning at 10:00 o'clock A. M., of that day in the City of Santa Fe, New Mexico, in the Senate Chambers.

STATE OF NEW MEXICO TO:

The Advisory Committee, appointed May 6, 1949 for revision of general rules and regulations of the Oil Conservation Commission

which revision became necessary by reason of the enactment of Chapter 168 of the New Mexico Laws of 1949, as follows:

Charles C. Cragin, Box 1492, El Paso, Texas.

Al Willig, Box 1720, Fort Worth, Texas.

Glenn Staley, Drawer I, Hobbs, New Mexico.

Bob Christie, Box 1348, Fort Worth, Texas.

Ralph Gray, Box 517, Artesia, New Mexico.

Lloyd Gray, Box 661, Tulsa, Oklahoma.

R. S. Dewey, Box 1600, Midland, Texas.

James Murray, Box 1577, Hobbs, New Mexico.

J. R. Cole, Box 1654, Santa Fe, New Mexico.

A. T. Hannett, First National Bank Bldg., Albuquerque, New Mexico

Elvis A. Utz, Oil Conservation Commission, Santa Fe, New Mexico

The Lea County Operators Committee and J. W. House, its Chairman and A. L. Decker, its Secretary and

Raymond Lamb, Wilson Oil Company, Artesia, New Mexico

C. F. Bedford, Stanolind Oil & Gas Company, Fort Worth, Texas

W. G. Ricketts, Amerada Petroleum Corporation, Tulsa, Oklahoma

H. B. Hurley, Continental Oil Company, Fort Worth, Texas

D. A. Powell, Drilling & Exploration Company, Hobbs, New Mexico

S. G. Sanderson, Gulf Oil Corporation, Tulsa, Oklahoma

J. N. Dunlevy, Skelly Oil Company, Hobbs, New Mexico

Harry Leonard, Roswell, New Mexico,

the Executive Committee thereof.

The San Juan Basin Operators: Dudley Cornell, Chairman, First National Bank Bldg., Albuquerque, New Mexico

Scott R. Brown, Secretary, 102½ N. Court St., Farmington, New Mexico

and

B. B. Bradish, 2933 Monte Vista Blvd., Albuquerque, New Mexico

P. B. English, Farmington, New Mexico

Paul Umbach, Korber Building, Albuquerque, New Mexico

Clifford Smith, Dallas, Texas

Joe S. Hartman, Aztec, New Mexico

the Executive Committee thereof.

Southern Union Production Company, Burt Building, Dallas, Texas

El Paso Natural Gas Company, El Paso, Texas

Lea County Water Company, Hobbs, New Mexico

and all other operators in oil and gas or either of them and notice to the public:

CASE 189

In the matter of the application of the Oil Conservation Commission upon its own motion to revise the rules and regulations of the Commission to conform with the provisions of Chapter 168 of the New Mexico Laws of 1949, and to

consider Committee recommendation and take testimony in the premises.

Given under the seal of the Oil Conservation Commission, at Santa Fe, New Mexico on August 19, 1949.

JONES, HARDIE, GRAMBLING & HOWELL

ATTORNEYS AND COUNSELORS AT LAW

SEVENTH FLOOR BASSETT TOWER

EL PASO, TEXAS

CYRUS H. JONES
THORNTON HARDIE
ALLEN R. GRAMBLING
BEN R. HOWELL
WILLIAM B. HARDIE
JOHN A. GRAMBLING
R. H. FEUILLE

November 9, 1949

R. R. Spurrier, Secretary
New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Re: Order No. 784

Dear Mr. Spurrier:

Mr. Cragin has requested me to write this letter on behalf of El Paso Natural Gas Company concerning Order No. 784.

Order No. 784 is the Order establishing the gas-oil ratio for Lea, Eddy and Chaves Counties. Probably the new General Rules require deletion or amendment of parts of the Order. However, Section 2 (b) of the Order, which we quote, should be continued in force:

"No limiting gas-oil ratio shall be applied in Hardy, Penrose-Skelly, Langlie Mattix, Rhodes Oil Pool, Cooper-Jal, and South Lunice pools in Lea County, (see Order 633) and Scanlon in Eddy County, now primarily gas reservoirs. Provided that the oil produced with the gas shall not be in excess of the current top unit allowable; and provided further that the gas produced from said pools shall be put to beneficial use so as not to constitute waste, except as to proration units in said pools for which there are not facilities for the marketing or application to beneficial use of the gas produced therefrom. As to such proration units the limiting gas-oil ratio in effect immediately prior to the effective date of the order herein shall apply. As to said pools, gas-oil ratio tests shall be required only when the Commission within its discretion may from time to time indicate."

It is vitally important that this Section of the Order be continued until such time as the Commission may desire to promulgate pool orders for individual gas pools. The Company estimates that application of the general gas-oil ratio to the Langlie Mattix pool and other predominantly gas pools would cut the amount of gas production by one-third. At this particular season, with the peak demand of the winter facing the Company, it is essential that the present deliveries of formation gas from these gas pools be continued and not curtailed.

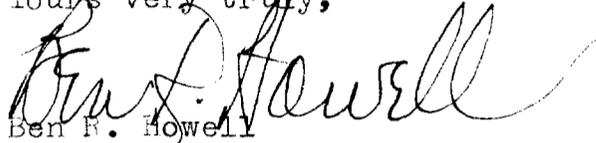
Therefore, El Paso Natural Gas Company respectfully

R. R. Spurrier - Page 2 - November 9, 1949

requests the Commission to continue Section 2 (b) of Order No. 784 until such time as the Commission desires to consider the question on an individual gas pool basis.

With best personal regards,

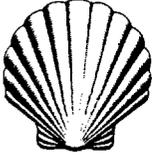
Yours very truly,

A handwritten signature in cursive script, appearing to read "Ben R. Howell". The signature is written in dark ink and is positioned above the printed name.

Ben R. Howell

S

c-Mr. Foster Morrell
United States Geological Office
Roswell, New Mexico



SHELL PIPE LINE CORPORATION

Petroleum Building
~~Shell Pipe Line~~
Midland, Texas
~~Houston, Texas~~

TELEPHONE CAPITOL 1181

"AIR MAIL"

Honorable R. R. Spurrier
Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Dick:

I have just received from the Houston office of Shell Pipe Line Corporation some suggestions regarding the new rules. I attach hereto a copy of the suggestions. I am also sending a copy of this letter, together with a copy of the suggestions, to Jack Campbell.

You will note that one of Mr. Brown's chief comments is that throughout the regulations he feels that the terms "shortage" and "back allowable" and the terms "purchaser" and "transporter" are used as synonymous whereas he feels that a distinction should be drawn. I suggest that you might consider this comment from the over-all picture to see whether, from the over-all standpoint, there is merit to the comment.

I believe that the comment as to the definition of common purchaser is meritorious except that the proposed definition in the rules does follow the statute and I am not sure that it could be expanded to cover transportation by trucks and railroads.

As to the comment on the Form C-110, it is my understanding that such certificate is filed by leases instead of by units, and it is my thought that such certificate should be retained on a lease basis.

We will appreciate your consideration of these suggestions in the final drafting of the rules.

Very truly yours,

Paxton Howard, Attorney

PH:AW
Enc.

cc: Mr. Jack M. Campbell
Attorney, J. P. White Bldg.,
Roswell, New Mexico
(Airmail)

(COPY)

A few days ago, we received a copy of the latest draft of proposed Conservation Rules and Regulations, State of New Mexico.

After a rather hurried and casual reading of the draft, we submit below the following observations insofar as pipe line operations are concerned:

A - Definitions:

"Back Allowable shall mean the authorized accumulative under production or shortage for a given proration unit."

We believe the words, "or Shortage" should be deleted for the reason that pipe lines gathering and transporting oil in strict accordance with the monthly proration schedules as prescribed by regulations, depend upon the shortage figures contained in such schedules. And our understanding of shortage is the result of runs versus allowable and which is shown in this manner on the proration schedules. Whereas back allowable, as we understand it is the result of production versus allowable, the justifiable causes for which are prescribed by regulations.

In other words shortages as described above could result from both under production and production not in excess of the authorized allowable. Shortages as shown on proration schedules are not accumulative, but on a monthly basis for the prior two month's proration period.

Similarly, the definition:

"Shortage or Under Production shall mean the amount of oil or the amount of Natural Gas during a proration period by which a given proration unit failed to produce to equal the amount on the proration schedule."

We feel the word "shortage" should be deleted and an appropriate definition written for shortage.

"Common Purchaser for Oil shall mean every purchaser now engaged or hereafter engaging in the business of purchasing oil to be transported through pipe lines."

Suggest that this rule be expanded to include other modes

of transportation, i.e. trucks and railroads. Or unless by implication it is understood that all oil purchased will be withdrawn from leases and transported by any means of transportation.

Also that an appropriate definition be written for transporter or phrase transporting agency and suggest the following:

"Transporter or phrase transporting agency, shall mean any Common Carrier by pipe line, railway, truck or motor vehicle and/or any person transporting oil or a product thereof by pipe line, railway, truck or motor vehicle."

Throughout the regulations, it would appear that "shortage" and "back allowable" are synonymous and that "purchaser" and "transporter" are one and the same.

Some of the principal transporters in New Mexico are: Humble Pipe Line, Shell Pipe Line, Atlantic Pipe Line, Magnolia Pipe Line. Shell Oil Company is the purchaser of oil that is gathered and transported by Shell Pipe Line (except in some rare cases). This is true insofar as we know of other pipe line companies with the possible exception of Gulf Refining Company which purchases oil and which is run by Gulf Refining Co., Pipe Line Division.

Rule 503 - "Authorization for Production, Purchase and Transportation."

Further if shortages are considered by the Commission in the category of under production, rather than as a result of runs versus allowable, we suggest that they be included as back allowable (if not produced and so authorized) and thereby published in its monthly proration schedule with certain limitations as to time and barrel rate per day.

It is further recommended that the Commission publish on its monthly proration schedule over production from the 60 day prior proration period by units and leases. Likewise under production if authorized would naturally appear as back allowable. This would provide a clear picture as to the prior and present producing condition of any given unit or lease and enable pipe lines to gather and transport only the legal allowable production as shown on schedules and in conformity with the State and Federal Conservation Statutes.

Of this same rule in the seventh paragraph: There are only four justifications for back allowable, namely: (1) failure of purchaser or transporter to run assigned oil allowable, (2) mechanical failures affecting the producing well during the proration period, (3) gathering engineering date, (4) not shown. (1) Would indicate that assigned allowable was wholly or partially legally produced in lease tanks and available for gathering. The amount thus under run appears on the proration schedule 60 days hence as shortage. (2) Indicating that none or a portion of the assigned allowable was legally produced into lease tanks, thus that amount so produced is available for gathering and the shortage appears as indicated in (1) above. (Overages (over runs) are handled in a like manner). (3) Same comments as 1 and 2.

In conformity with the regulations, pipe lines gather and transport oil in: 'strict accordance with the schedule', using current allowable and back allowable figures, together with overages and shortages in determining amounts to be withdrawn from lease.

Rule 1116 - Form C-110 Certificate of Compliance and Authorization to (transporters) transport oil from lease." As this is authority from the producer to the transporter to gather given percentage of oil from a lease, no mention being made of purchaser, could not this form be filed by leases rather than by units without disturbing the allocation formula of statewide allowables which could still be set and published on schedules on a unit basis.

Should this method be adopted, we believe it would save considerable time and labor to the producer, Commission and the transporter. The same restrictions as to effectiveness would obtain as are prescribed in the proposed regulations.

Monthly proration schedules are received by pipe lines from the Commission in some cases as late as the 15th. of the month covering that month's allowable production. Of necessity production and pipe line runs for the first 10 to 15 days of each month are on a more or less estimated basis, based principally on the previous month's schedules, we should like to ask if it is at all possible that arrangements be made to have schedules reach the industry on or before the beginning of each month. We recognize and appreciate the fact that some re-arrangement of the Commission's mechanics may be necessary to accomplish this, however we feel that all concerned will be better served.

Your usual cooperation and consideration will be appreciated.

Yours very truly,

SHELL PIPE LINE CORPORATION

By F. C. Brown (Signed)

FCB:nb

STANOLIND OIL AND GAS COMPANY

P. O. Box 335
Albuquerque, New Mexico
November 9, 1949

Mr. R. R. Spurrier
Oil and Gas Conservation Commission
Santa Fe, New Mexico

Dear Sir:

The proceedings before the Oil and Gas Commission of the State of New Mexico on November 1, 1949, at 10 A.M., have been reviewed. This letter is presented in order to clarify the records in reference to the unanimous vote of the San Juan Basin Operator's Committee opposing the 640 acre spacing.

The vote of the San Juan Basin Operator's Committee was a vote for or against Section 104 (b), which reads in part as follows:

Each well drilled for gas subsequent to the order adopting this rule shall be located on a tract consisting of approximately 640 surface contiguous acres substantially in the form of a square in accordance with legal subdivision of the United States Public Land Survey or on a Governmental section containing not less than 600 acres and shall not be drilled closer than 1320 feet from any boundary line of the tract or closer than 2640 feet to the nearest well drilling to or capable of producing from the same pool.

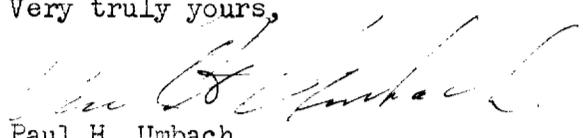
The unanimous negative vote on this section was not against the 640 acre spacing, but against the phrase "each well drilled for gas," which would mean that any operator, even though it might be in a gas pool, could drill on a 40 acre spacing instead of 640 acre spacing by merely stating that he was drilling for oil, and not gas, even though his actual intent would be to drill for gas, thereby having 40 acre spacing for gas wells instead of 640 acre spacing.

In order to clarify my vote in the San Juan Basin Operator's Committee meeting, I would vote for Section 104 (b) if a satisfactory clarification was made on the part of the first sentence reading "each well drilling for gas." It is my assumption, of course, that the Commission intended to state "each well drilled within a gas pool." The

Mr. Spurrier
Page 2

requirement of 640 acre spacing for gas might be justified in any initial gas wells drilled within a new gas pool, at least until adequate engineering data could be presented to justify a smaller spacing. Since the meeting of the San Juan Basin Operator's Committee, I have found that at least one other executive member present at the meeting also voted against Section 104 (b) desiring clarification of the same portion of the section.

Very truly yours,



Paul H. Umbach

PHU:mc

FORM 9 8-47

____/____/____
DATE

To: Dick Floor No. _____

Remarks If this does not fill the bill
or clarify the account, call me collect-

From Frank H. [unclear]

STANOLIND OIL AND GAS COMPANY

FAIR BUILDING

FORT WORTH, TEXAS

C. F. BEDFORD
DIVISION PRODUCTION SUPERINTENDENT

November 10, 1949

File: JEF-8611-310.21

Subject: Proposed New Statewide
Rules, New Mexico

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

TO THE HONORABLE THE OIL CONSERVATION COMMISSION
IN AND FOR THE STATE OF NEW MEXICO:

In accordance with the statement made by you at the November 1, 1949 hearing, we are herewith submitting the suggestions of Stanolind Oil and Gas Company with respect to changes in the draft of the proposed rules and regulations for the conservation of oil and gas in the State of New Mexico.

Very truly yours,



Attachment
BRL/lp

STANFORD OIL AND GAS COMPANY'S SUGGESTED
CHANGES FOR THE GENERAL RULES AND REGULATIONS
FOR THE CONSERVATION OF OIL AND GAS IN
THE STATE OF NEW MEXICO

DEFINITIONS

Casinghead Gas: Suggest that the last sentence be deleted entirely. We feel that this sentence adds nothing to the definition in that "gas cap" gas is covered by the first sentence.

Cubic Foot of Gas or Standard Cubic Foot of Gas: Suggest that the pressure base be stated as "four (4) ounces per square inch (.25 psia) above the average barometric pressure of 14.4 pounds per square inch (14.65 psia) -----". We realize that the Commission, as well as the USGS, currently requires gas to be reported at this pressure base; however, for the sake of uniformity with other States, we respectfully urge that the Commission consider the 14.65 psia pressure base for adoption under these General Rules.

C - DRILLING

Rule 104. Well Spacing (Par. 3): We wish to urge the Commission to adopt 640 acres as the proration unit for natural gas. We feel that past experience has shown that, in general, 640 acre gas well spacing has proven satisfactory. When and if future development, accompanied by sound reservoir data, indicates that this unit size is too large, then special rules can be adopted, after hearing, which will provide for a smaller unit. We doubt the wisdom of those who would advocate 160 acre units which, in their words, "could be expanded in multiples of 160 acres when engineering data becomes available". To us, this seems to be a negative approach and we seriously doubt that, once a spacing pattern for a gas pool is established, one could go back and successfully obtain a spacing requiring a larger unit of gas proration.

Rule 107. Casing and Tubing Requirements: Suggest that the first paragraph be clarified. As it now reads it (1) Disallows dual completions and (2) Possibly requires intermediate casing in all wells. In the third paragraph, we feel that specifying the method of restricting the end of the tubing should be left to the operator as there are innumerable ways of accomplishing this.

We offer the following as substitutes for the first paragraph and for the last sentence of the third paragraph:

1st. Par.: All wells drilled for oil or natural gas shall be required to set sufficient surface casing to adequately protect surface waters in the area and shall be completed with a string of casing set and cemented at a point not higher than the top of the pay zone to be produced.

3rd Par. (last sentence): The bottom end of the tubing shall be restricted in such a manner as to prevent loss of pressure bombs or other devices.

Rule 114. Safety Regulation: Suggest deletion of the sentence, "All pits and other hazards shall be adequately protected by a legal fence." This is vague and puts an undue burden on the operator.

D - ABANDONMENT AND PLUGGING OF WELLS

Rule 202: Suggest that portion of the first paragraph, "and extending at least four feet above mean ground level" be deleted entirely. We realize that this is a USGS requirement but we can see no reason for inserting it into the General Rules, as we consider such a marker a hazard.

E - OIL PRODUCTION OPERATING PRACTICES

Rule 301: Suggest that a blanket exception to this order be made for non-allocated pools.

Rule 308: Suggest that this be reworded as follows: "Operators shall report monthly on Form C-115, the amount or percentage of water produced by each well making two per cent (2%) or more water as determined by periodic tests."

HUMBLE OIL & REFINING COMPANY
MIDLAND, TEXAS

November 18, 1949

File: 6-1
Re: Proration - New
Mexico

Mr. G. C. Staley
Lea County Operators Committee
Hobbs, New Mexico

Dear Glenn:

With reference to your telephone conversation with Mr. J. W. House, the suggestion is made for amplifying the 6th paragraph of Rule 503 to read:

"Unless application is filed for back allowable within 90 days after the occurrence of the shortage, no back allowable for such shortage shall be granted. Unless the justification for back allowable is the continuing failure of purchaser or transporter to run assigned oil allowable, the back allowable filed for and occurring in any one month will be authorized for production and purchase on not more than three consecutive monthly proration schedules."

Yours very truly,

HUMBLE OIL & REFINING COMPANY

J. W. HOUSE


By: R. S. Dewey

RSD/rs

1286
250 gals
acid
pulp oil

NOTICE FOR PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

The State of New Mexico by its Oil Conservation Commission hereby gives public notice pursuant to law of a public hearing to be held November 1, 1949, beginning at 10:00 o'clock A.M. of 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 189

Suggestion deadline 11-15-49

In the matter of the application of the Oil Conservation Commission upon its own motion to revise the rules and regulations of the Commission to conform with the provisions of Chapter 168 of the New Mexico Laws of 1949, and to consider Committee recommendation and take testimony in the premises. This is a readvertisement.

Case 197

In the matter of the application of Jones and Watkins applicants, for an order approving an unorthodox location for a well 1205 feet west of the east line and 740 feet south of the north line (NE/4 NE/4) of Section 10, Township 19 South, Range 29 East, N.M.P.M., Turkey Track Pool, Eddy County, New Mexico.

Advertisement

Case 198

Advance of 150 - Merit = Done as now

In the matter of the application of Amerada Petroleum Corporation for an order establishing proration units and uniform spacing of wells for the common source of supply discovered in Amerada-State BTB #1 well, in NW/4 NW/4 of Section 26, Township 12 South, Range 33 East, N.M.P.M., Bagley Area, Lea County, New Mexico.

Case 199

In the matter of the application of Roland Rich Woolley for an order approving an unorthodox location 1345 feet east of the west line and 1295 feet south of the north line of Section 3, Township 17 South, Range 30 East, N.M.P.M., Square Lake Pool, Eddy County, New Mexico.

Given under the seal of the Oil Conservation Commission of New Mexico, at Santa Fe, New Mexico, on October 13, 1949.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

R. R. SPURRIER, SECRETARY



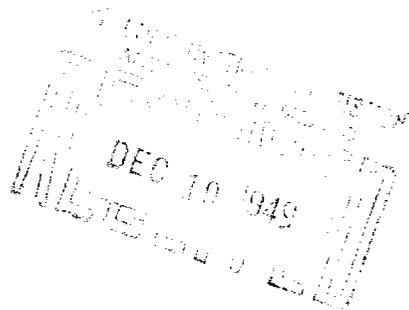
1946 Pipe
Light tower
Pool
Allow. det.
1946 Pipe

Spurrier

GEORGE L. REESE, JR.
DON G. MCCORMICK
S. M. RUTHERFORD, III

REESE AND MCCORMICK
ATTORNEYS AT LAW
BUJAC BUILDING
CARLSBAD, NEW MEXICO

December 16, 1949



Mr. R. R. Spurrier
State Geologist
Santa Fe, New Mexico

Dear Dick:

It has occurred to me that I should mention to you something which I neglected to cover in my previous letter concerning the new rules and regulations of the Oil Conservation Commission.

It is my understanding that in the past it has been the practice of the Commission to enter ex parte orders naming and classifying pools. Also after pools are so named it has been the practice to enter ex parte orders extending or contracting the boundaries of pools. The nomenclature committee has made a practice of making recommendations to the Commission, and these recommendations are usually followed in respect to pools.

In my opinion, it will be necessary for public hearings to be held by the Commission in the future to take any action in respect to designating or altering a pool. However, all pools now established are legally established by virtue of their being included in the appendix of the new rules since public hearings were held in regard to the new rules.

Therefore, it is my advice that in the future no pools be established or altered without a public hearing.

Yours very truly,

Don G. McCormick

DGM:bb

cc: Mr. Glenn Staley
Proration Office
Hobbs, New Mexico

Mr. R. S. Dewey
Humble Oil Company
Midland, Texas

REESE AND MCGORMICK

ATTORNEYS AT LAW

BUJAC BUILDING

CARLSBAD, NEW MEXICO

December 14, 1949

GEORGE L. REESE, JR.
DON G. MCGORMICK
S. M. RUTHERFORD, III

Mr. Glenn Staley
Proration Office
Hobbs, New Mexico

Dear Glenn:

It is my opinion that the form of our state-wide proration order will have to be altered to conform with our new rules and regulations. Since the new rules do not go into effect until 1 January, 1950, it follows that the proration order for January, 1950, which will be issued some time this month will not be affected by the new rules, but the order for February, 1950, and following months should be altered.

I do not presume to know nearly as much about this business as you and others who have been in the game so long, and I offer these suggestions in that spirit.

As you know, it is now contemplated and provided in Rule 503 of the new rules that a public hearing will be held each month to set the allowable production for the succeeding calendar month. Therefore, on 24 January, 1950, the first such hearing will be held, assuming that the Commission signs the order which I have submitted to them respecting the dates.

It appears to me that to carry out the intent of the law and of the rules and regulations the Commission must receive evidence as to the demand for oil and then determine the total amount to be produced in the State for the following month. It must also allocate the total production among the various pools. I firmly believe that this is a necessary function of the Commission but that the Commission can probably delegate to the Lea County Operators the mechanical task of dividing the allowable production among the producing units in each pool.

I realize that this method would be a departure from the previous practices, but I feel that it is essential in order to avoid the possibility of violation of the Sherman Anti-Trust Act. You will recall that this matter is now the subject of some study by Mr. Wallace Hawkins, Hiram Dow and others.

Mr. Glenn Staley
December 14, 1949
Page 2

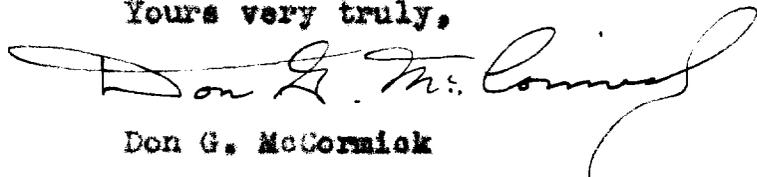
I believe that the order actually issued by the Commission and signed by the Commission must, therefore, contain in the substance the "summary allocation to Southeastern New Mexico" as it appears in the proration schedule prepared by your office.

I also believe that much of the text of the proration order should be omitted and reference merely made to the rules of the Commission. In other words, the state-wide proration order as heretofore repeats many of the definitions and rules which are now embodied in our permanent rules and regulations, and I see no necessity for this. In any event, the phraseology of many of these rules has been changed.

As stated above, the suggestions I am now making need not be put into effect until the proration hearing is held in January, 1950. Prior to that time, I feel that it would be wise if you and other representatives of the Lea County Operators committee would explore this situation thoroughly in conjunction with attorneys for the Oil Conservation Commission so that a model state-wide proration order could be drafted.

Please be assured that I will be willing to co-operate with you in every way to the end that the Commission laws may be as well observed in the future as they have in the past.

Yours very truly,



Don G. McCormick

DGM:bb

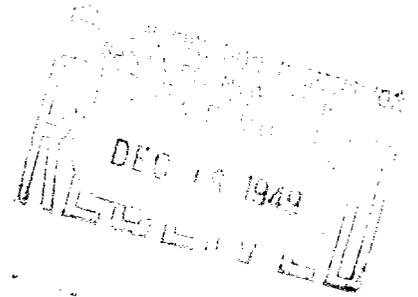
cc: Mr. R. R. Spurrier ✓
Mr. Robert S. Dewey
Mr. George A. Graham
Mr. Hiram Dow

REESE AND MCGORMICK

GEORGE L. REESE, JR.
DON G. MCGORMICK
S. M. RUTHERFORD, III

ATTORNEYS AT LAW
BUJAC BUILDING
CARLSBAD, NEW MEXICO

December 14, 1949



Mr. R. R. Spurrier
State Geologist
Santa Fe, New Mexico

Dear Dick:

In connection with the adoption of the new rules and regulations pursuant to Order No. 850, dated 9 December, 1949, I have some suggestions to make.

Rule 1304 provides for the numbering of orders issued after 1 January, 1950. All orders pertaining to allocation of oil or gas should be prefixed with the letter "A" and numbered consecutively, starting with No. 1. Therefore, your first order pertaining to allocation issued after 1 January should start with No. A-1. In like manner all other orders of the Commission issued after 1 January should start with No. R-1. There will be some orders issued between 9 December, 1949, and 1 January, 1950, which will use the old numbering system, and these orders, of course, will remain in full force and effect although they are not mentioned in Order No. 850, nor are they repealed by it.

Chapter 139 of the New Mexico Session Laws of 1947 now appearing in the pocket part of the 1941 Code as Section 3-718 et seq, provides that all rules and regulations of any commission or agency of the State of New Mexico which are of general applicability must be filed with the librarian of the Supreme Court Library of the State of New Mexico or they shall be void and unenforcible. Therefore, a complete set of the new rules and regulations should be so filed as soon as possible after 1 January, 1950. This is extremely important, as the failure to file these rules would preclude the Commission from enforcing its orders.

Rule 503 provides that the Commission shall meet between the 20th and 25th of each month for the purpose of setting the allowable production for the State for the following month. It also provides that notice of the exact time and place of such meetings shall be established in January of each year and notice given of

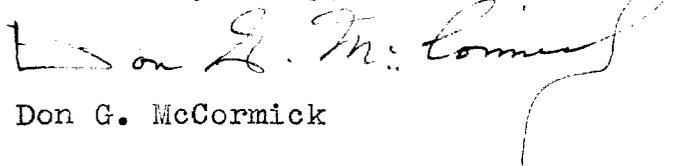
Mr. R. R. Spurrier
December 14, 1949
Page 2

such settings by publication made on or before 10 January of each year.

The state-wide proration order for the month of January, 1950, will necessarily be made some time this month. Therefore, Rule 503 will not affect the state-wide proration order which will be issued for January. However, it is necessary that between the 1st and 10th of January the dates for all the hearings on allocation for the balance of the year 1950 be set by the Commission. I have drafted and am enclosing a proposed form of order setting these dates. Also, I have drafted and am enclosing a notice to be published between 1 January and 10 January. Publication should be made in one newspaper in Santa Fe and in one newspaper in Eddy, Lea and Chaves Counties. I understand that you will be out of your office the first week in January, so I suggest that you take steps to see that the enclosed order is actually entered and notice published as set forth above.

I have some suggestions to make about the form of the state-wide proration order, and I am writing a letter to Mr. Glenn Staley on this subject, a copy of which is enclosed for your files.

Yours very truly,



Don G. McCormick

DGM:bb

Enclosures

cc: Mr. Glenn Staley
Proration Office
Hobbs, New Mexico

Mr. Robert S. Dewey
Humble Oil Company
Midland, Texas

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

Mr. Hiram Dow
Attorney at Law
Roswell, New Mexico

ATWOOD, MALONE & CAMPBELL

LAWYERS

J. P. WHITE BUILDING
ROSWELL, NEW MEXICO

November 12, 1949

Mr. R. R. Spurrier, Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Dick:

At the time of the hearing on the proposed new rules and regulations, the Commission requested comments concerning matters not included in the record made at the hearing. I have no specific suggestions to make but offer these comments for whatever they may be worth to the Commission.

1. I feel that the suggestion which I read into the record concerning the authority to continue to produce or market oil or gas in compliance with existing rules and regulations for the period between the adoption of the rules and the obtaining of a special order, should certainly be included in the new rules and regulations. I believe that I suggested at that time a period of twenty or thirty days, during which proper application could be made for a special rule. It now occurs to me that that period of time may have been too short, both for the operator and the Commission, as there will undoubtedly be a great deal of work to be done by the Commission immediately following the promulgation of the new rule and regulation. I would like to suggest a period of sixty days grace during which present legal operations could continue even though they might violate the new rules and regulations.

2. I believe that the Commission should make the changes suggested with regard to Rule 104 to the effect that the word "lot" should be used in Paragraph "A". I presume that those who objected to Paragraph "B" have offered a suggestion for 160-acre gas well spacing somewhat along the same lines as the oil well spacing rule.

3. I feel that the Commission should include in the rules and regulations, either under Rule 1 or Rule 2, a definite statement as to the authority of the Commission to grant exceptions after proper notice and hearing. I believe this matter was suggested at the hearing and is a part of the transcript.

Page 2
Letter to R. R. Spurrier
November 12, 1949

4. It occurs to me that the rules and regulations should include a rather thorough index in order that persons unacquainted with the rules and regulations of the Commission may readily find information which they may be seeking without the necessity of contacting the Commission. I believe that work which the Commission might spend on such an index would be worth while and result in a saving of time in the future.

I have received a copy of the letter of Paxton Howard to you, but have not had an opportunity to study it carefully. The comments from Shell Pipe Line Corporation, which he enclosed, are largely self-explanatory.

Please be assured that I have been advised by the members of the Legal Advisory Committee that they will be glad to assist the Commission in any way in the final completion of these rules and regulations.

Very truly yours,


Jack M. Campbell

JMC:bk

cc: Mr. Paxton Howard
Mr. Ray Lynch
Mr. Willis L. Lea, Jr.
Mr. Eugene T. Adair