

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY
THE OIL CONSERVATION COMMISSION OF THE
STATE OF NEW MEXICO FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 201

ORDER NO. 844

THE APPLICATION OF DANCIGER OIL & RE-
FINING COMPANY FOR AN ORDER GRANTING
PERMISSION TO DRILL TWELVE UNORTHODOX
LOCATIONS ON ITS TURNER "A" AND TURNER
"B" LEASES IN SECTIONS 17, 18, 19 AND
20, TOWNSHIP 17 SOUTH, RANGE 31 EAST,
N.M.P.M., IN EDDY COUNTY, NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This matter came on for hearing at 10 o'clock A.
M. on the 22nd day of November, 1949 at Santa Fe, New Mex-
ico, before the Oil Conservation Commission of New Mexico,
hereinafter referred to as the "Commission".

NOW, on this 22nd day of November, 1949,
the Commission, having before it for consideration the testi-
mony adduced at said hearing and being fully advised in the
premises,

FINDS:

1. That due public notice having been given, as
provided by law, the Commission has jurisdiction of this
cause.

2. That the acreage involved in the Application
is Federally owned and the Supervisor of the United States

Geological Survey interposes no objections to the Application.

3. That the leases covering the following described land are owned by Danciger Oil & Refining Company:

TURNER "A" LEASE, Las Cruces Serial No. 029395(a) described as SE/4, Lots 3 and 4 and E/2 SW/4 Section 18; NE/4, Lots 1 and 2 and E/2 NW/4 Section 19, Township 17 South, Range 31 East, N.M.P.M., in Eddy County, New Mexico, and containing 609.43 acres, more or less.

TURNER "B" LEASE, Las Cruces Serial No. 029395(b) described as S/2 S/2, NW/4 SW/4 Section 17; All Section 20; All Section 29; Lots 3 and 4, SE/4 and E/2 SW/4 Section 30, Township 17 South, Range 31 East, N.M.P.M., in Eddy County, New Mexico, and containing 1786.15 acres, more or less.

4. That from inception of production on the Turner "A" Lease, which occurred on or about March 1, 1930, up to the present time, there have been drilled a total of twenty-two producing wells; that fourteen of said wells are producing from the Grayburg Lime, encountered at an approximate depth of 3400 feet; that the remaining eight wells on the Turner "A" Lease are producing from the Seven Rivers Sand, encountered at an approximate depth of 1870 feet.

5. That from inception of production on the Turner "B" Lease, which occurred on or about November 21, 1938, there have been drilled a total of twenty-nine producing wells; that ten of said wells are producing from the Grayburg Lime, encountered at an approximate depth of 3400 feet; that Well No. 1 on the Turner "B" Lease is producing from the Premier Sand, encountered at an approximate

depth of 3100 feet, and the eighteen remaining wells on the Turner "B" Lease are producing from the Seven Rivers Sand, encountered at a depth ranging from 1885 feet to a depth of 2180 feet. That at the present time Well No. 30, located in the Center of the SE/4 SE/4 Section 17, Township 17 South, Range 31 East, is drilling or is in the process of being completed.

6. That one well located on a forty acre legal subdivision is not sufficient to obtain all of the recoverable oil from the Grayburg Lime under any such forty acre tract, and that the drilling of "five spot" wells, as proposed in the Application of Danciger Oil & Refining Company, at the locations designated, would be in the interest of conservation, prevent waste and enable Applicant to obtain a greater ultimate recovery of oil, in that Applicant would be able to recover substantial quantities of oil which would otherwise not be produced if such "five spot" locations were not drilled.

IT IS THEREFORE ORDERED BY THE COMMISSION That the Application of Danciger Oil & Refining Company for an order granting permits to drill the twelve unorthodox "five spot" locations, to be completed in the Grayburg Lime, described in said Application, be and the same are hereby granted and approved. The numbers and locations of the wells to be drilled being, as follows:

TURNER "A", Well No. 24: Section 18, Township 17 South, Range 31 East, N.M.P.M., 1280 feet East of the West Line and 1280 feet South of the North Line of the S/2 of Section 18;

TURNER "A", Well No. 25: Section 18, Township 17 South, Range 31 East, N.M.P.M., 2560 feet East of the West Line and 1280 feet South of the North Line of the S/2 of Section 18;

TURNER "A" Well No. 26: Section 18, Township 17 South, Range 31 East, N.M.P.M., 1345 feet West of the East Line and 1295 feet South of the North Line of the S/2 of Section 18;

TURNER "A" Well No. 27: Section 18, Township 17 South, Range 31 East, N.M.P.M., 1345 feet East of the West Line and 2405 feet South of the North Line of the S/2 of Section 18;

TURNER "A", Well No. 28: Section 18, Township 17 South, Range 31 East, N.M.P.M., 2665 feet East of the West Line and 2405 feet South of the North Line of the S/2 of Section 18;

TURNER "A", Well No. 29: Section 18, Township 17 South, Range 31 East, N.M.P.M., 1295 feet West of the East Line and 2405 feet South of the North Line of the S/2 of Section 18;

TURNER "A", Well No. 30: Section 19, Township 17 South, Range 31 East, N.M.P.M., 1345 feet East of the West Line and 975 feet South of the North Line;

TURNER "A", Well No. 31: Section 19, Township 17 South, Range 31 East, N.M.P.M., 2665 feet East of the West Line and 975 feet South of the North Line;

TURNER "B", Well No. 31: Section 17, Township 17 South, Range 31 East, N.M.P.M., 1345 feet East of the West Line and 1085 feet South of the North Line of the S/2 S/2 of Section 17;

TURNER "B", Well No. 32: Section 17, Township 17 South, Range 31 East, N.M.P.M., 2665 feet East of the West Line and 1295 feet South of the North Line of the S/2 S/2 of Section 17;

TURNER "B", Well No. 33: Section 17, Township 17 South, Range 31 East, N.M.P.M., 1295 feet West of the East Line and 1295 feet South of the North Line of the S/2 S/2 of Section 17;

TURNER "B", Well No. 34: Section 20, Township 17 South, Range 31 East, N.M.P.M., 1295 feet West of the East Line and 1295 feet South of the North Line;

IT IS FURTHER ORDERED BY THE COMMISSION, That Danciger Oil & Refining Company shall not be obligated to drill all twelve of such locations, it being understood that the data and information obtained from the drilling of the first of such "five spot" locations may cause Applicant to desire to change or modify its future program with reference to the drilling of all twelve unorthodox locations hereinabove described.

IT IS FURTHER ORDERED BY THE COMMISSION, That in instances where any of the proposed "five spot" wells to be drilled constitute a second well upon a legal forty acre subdivision that Danciger Oil & Refining Company shall only be permitted to produce from the two such wells producing from the Grayburg Lime located upon such forty acre legal subdivision, the allowable as fixed by the Oil Conservation Commission for the forty acre proration unit upon which said two wells are located and in no event shall the combined daily production from the two Grayburg Lime wells located upon any forty acre legal subdivision exceed the allowable for Grayburg Lime production as fixed by the Oil Conservation Commission for such forty acre proration unit.

IT IS FURTHER ORDERED BY THE COMMISSION, That the Applicant shall file with the Commission copy of

Federal Location Notice for each of the hereinabove de-
scribed locations, after approval thereof by the Oil and
Gas Supervisor.

DONE at Santa Fe, New Mexico on the day and year
hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

CHAIRMAN

Guy Shepard

MEMBER

R. L. Gurrice

SECRETARY