

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. 204
ORDER NO. R-40

IN THE MATTER OF THE APPLICATION OF
AMERADA PETROLEUM CORPORATION FOR THE
ESTABLISHMENT OF PRORATION UNITS AND
UNIFORM SPACING OF WELLS IN THE KNOWLES
POOL IN LEA COUNTY, NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This matter came on for hearing at Santa Fe, New Mexico, on December 20, 1950, pursuant to Order No. R-23, and

The Commission having considered the matters and evidence presented; and, upon motion duly made:

FINDS:

1. That hearing was heretofore properly continued by order duly entered, setting down this place and date for hearing.
2. That it is in the interests of conservation that a drilling pattern of one well to an 80-acre tract be established.

IT IS THEREFORE ORDERED:

1. That the Order No. R-23 entered in Case No. 204, be and the same is hereby made permanent with the following amendments and deletions:

a. The provisions contained in Paragraph 2 of the order portion thereof are amended to read as follows:

"2. Each well now producing or hereafter completed as a producer in the common reservoir described above, shall have a top unit allowable to be fixed by the Commission, but not to exceed twice the top unit allowable for a 40-acre unit with deep well adaptation.*

b. That Paragraphs 4, 5 and 6 of the Order portion are deleted from said Order R-23.

DONE the 20th day of December 1950 at Santa Fe, New Mexico.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

THOMAS J. MABRY, CHAIRMAN

Guy Shepard
GUY SHEPARD MEMBER

R. R. Spurrer
R. R. SPURRIER SECRETARY

January 2, 1951

Mr. Oliver Seth
Seth and Montgomery
Santa Fe, New Mexico

Dear Mr. Seth:

We enclose herewith, copy of Order No. 9-40, issued in connection
with Case 204, heard in Santa Fe, New Mexico, on December 20, 1950.

Very truly yours,

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

R. R. Spurrier
Secretary-Director

RRS:bw
encl.

PHONE
1014

U. M. ROSE
ATTORNEY AT LAW
111 NORTH DALMONT
HOBBS, NEW MEXICO

P. O. BOX
320X
1345

February 16, 1950

NEW MEXICO OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
FEB 20 1950
MAIL ROOM

Mr. George A. Graham, Attorney
New Mexico Oil Conservation Commission
Santa Fe, New Mexico

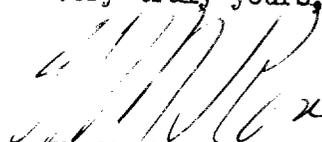
Re: Case No. 204 - New Mexico Oil
Conservation Commission -
Knowles Pool

Dear Sir:

I received copy of the transcript in the case
above captioned from the Oil Conservation Commission
and have mailed the Commission my check for the expense
of the same.

Thank you for your trouble and your assistance
to me in ordering this transcript.

Very truly yours,


U. M. ROSE

UMR/gb

PHONE
1014

P. O. BOX
~~XXXX~~
1345

U. M. ROSE
ATTORNEY AT LAW
111 NORTH DALMONT
HOBBS, NEW MEXICO

February 16, 1950

RECEIVED
FEB 17 1950
NEW MEXICO OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

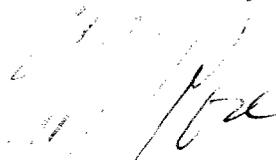
Re: Case No. 204 - New Mexico Oil
Conservation Commission -
Knowles Pool

Gentlemen:

Enclosed herewith is your invoice of February 14,
in connection with Case No. 204, in the amount of \$5.40
together with my check for the same.

Thanking you for your service in providing me
with this transcript, I am

Sincerely yours,


U. M. ROSE

UMR/gb
Encls.

June 16, 1950

Oil Conservation Commission
P. O. Box 1545
Hobbs, New Mexico

Gentlemen:

We enclose herewith, the following signed copies of orders:

Case 204, Order R-23
Case 220, Order R-20
Case 222, Order R-19.

Very truly yours,

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

R. R. Spurrier
Secretary-Director

RRS:bw
encls.

June 16, 1950

Mr. Oliver Seth
111 San Francisco Street
Santa Fe, New Mexico

Dear Mr. Seth:

We enclose herewith, signed copy of Order No. R-23, issued by the Oil Conservation Commission, in connection with Case No. 204, heard in Santa Fe, New Mexico, on March 21, 1950.

Very truly yours,

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

R. R. Spurrier
Secretary-Director

RRS:bw
encl.

June 16, 1950

REGISTERED MAIL

Mr. Glom Staley
Lea County Operators Committee
Drawer Eye
Hobbs, New Mexico

Dear Mr. Staley:

We enclose herewith, the following signed copies of orders:

Case 204, Order R-23
Case 220, Order R-20
Case 222, Order R-19.

Very truly yours,

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

R. R. Spurrier
Secretary-Director

NRS:bw
encls.

NEW MEXICO
OIL CONSERVATION COMMISSION

GOVERNOR THOMAS J. MABRY
CHAIRMAN
LAND COMMISSIONER GUY SHEPARD
MEMBER
STATE GEOLOGIST R. R. SPURRIER
SECRETARY AND DIRECTOR



P. O. BOX 871
SANTA FE, NEW MEXICO
Box 1545
Hobbs, New Mexico
March 29, 1950

Oil Conservation Commission
Attention: Ray Andrews
Box 871
Santa Fe, New Mexico

Dear Ray:

Enclosed are "copies" of forms C-102 and C-103 covering acid treatment of Amerada Rose, # 1, in Knowles Pool. Also enclosed is original approved C-103 for your files. Please pull three approved copies C-102 covering this treatment from exhibits for Knowles Pool rehearing. Keep original for your files and return two carbon copies to Hobbs office. These "copies" are to be entered as exhibits in Knowles Pool rehearing file.

Yours very truly,

BY: Bob
R. S. BLYMN
Engineer

RSB/ahh

TRANSCRIPT OF MARCH 21 HEARING
FILED IN CASE 214

NOTICE OF PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO TO:

Amerada Petroleum Corporation
and all other interested parties:

Notice is hereby given that a hearing will be held before the Oil Conservation Commission at Santa Fe, New Mexico, in the Office of the Oil Conservation Commission on February 21, 1950, commencing at 10:00 a.m., in

Case No. 204

In the matter of the application of Amerada Petroleum Corporation for the establishment of proration units and uniform spacing of wells in the Knowles Pool in Lea County, New Mexico.

This being a rehearing granted on application of Amerada Petroleum Corporation.

Given under the seal of the Oil Conservation Commission at Santa Fe, New Mexico, on February 2, 1950.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

R. R. Spurrer
R. R. SPURRIER, SECRETARY

SEAL

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF AMERADA PETROLEUM CORPORATION
FOR THE ESTABLISHMENT OF PRO-
RATION UNITS AND UNIFORM SPACING
OF WELLS IN THE KNOWLES POOL IN
LEA COUNTY, NEW MEXICO.

CASE NO. 204
ORDER NO. R-6

ORDER GRANTING REHEARING

The Commission having entered in Case No. 204 on January 11, 1950,
Order No. R-3, and the Amerada Petroleum Corporation having filed the
timely motion for rehearing,

IT IS, THEREFORE, ORDERED:

1. The application for rehearing filed by Amerada Petroleum Corporation is hereby granted.
2. The rehearing shall be held at the State Capitol Building in Santa Fe, New Mexico, on February 21, 1950, commencing at 10:00 a.m.

DONE at Santa Fe, New Mexico, this 2nd day of February 1950.

OIL CONSERVATION COMMISSION

THOMAS J. MABRY, CHAIRMAN
GUY SHEPARD, MEMBER
I. R. SPURRIER, SECRETARY

SEAL

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF AMERADA PETROLEUM CORPORATION
FOR THE ESTABLISHMENT OF PRO-
DUCTION UNITS AND UNIFORM SPACING
OF WELLS IN THE KNOWLES POOL IN
LEA COUNTY, NEW MEXICO.

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ORDER NO. R-6

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DONE at Santa Fe, New Mexico, this 2nd day of February 1950.

OIL CONSERVATION COMMISSION

THOMAS J. MABRY, CHAIRMAN
GUY SHEPARD, MEMBER
E. B. SPURRIER, SECRETARY

SEAL

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF AMERADA PETROLEUM CORPORATION
FOR THE ESTABLISHMENT OF PRO-
DUCTION UNITS AND UNIFORM SPACING
OF WELLS IN THE KNOWLES POOL IN
LEA COUNTY, NEW MEXICO.

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Corporation is hereby granted.

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Santa Fe, New Mexico, on February 21, 1950, commencing at 10:00 a.m.

DONE at Santa Fe, New Mexico, this 2nd day of February 1950.

OIL CONSERVATION COMMISSION

THOMAS J. MABBY, CHAIRMAN
GUY SHEPARD, MEMBER
T. F. SPURDELL, SECRETARY

SEAL

ILLEGIBLE

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF AMERADA PETROLEUM CORPORATION
FOR THE ESTABLISHMENT OF PRO-
RATION UNITS AND UNIFORM SPACING
OF WELLS IN THE KNOWLES POOL IN
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DONE at Santa Fe, New Mexico, this 2nd day of February 1950.

OIL CONSERVATION COMMISSION

THOMAS J. MABRY, CHAIRMAN
GUY SHEPARD, MEMBER
R. R. SPURRIER, SECRETARY

SEAL

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF AMERADA PETROLEUM CORPORATION
FOR THE ESTABLISHMENT OF PRO-
DUCTION UNITS AND UNIFORM SPACING
OF WELLS IN THE KNOWLES POOL IN
LEA COUNTY, NEW MEXICO.

CASE NO. 204
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the timely motion for rehearing,

IT IS, THEREFORE, ORDERED:

1. The application for rehearing filed by Amerada Petroleum
Corporation is hereby granted.

2. The rehearing shall be held at the State Capitol Building
in Santa Fe, New Mexico, on February 21, 1950, commencing at 10:00 a.m.

DONE at Santa Fe, New Mexico, this 2nd day of February, 1950.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

THOMAS J. MABRY, CHAIRMAN

Guy Shepard
GUY SHEPARD, MEMBER

R. R. Spurrer
R. R. SPURRIER, SECRETARY

IT IS THEREFORE ORDERED:

1. The drilling pattern proposed by Amerada Petroleum Corporation for the area described above is temporarily approved, and the following drilling pattern is hereby temporarily established;

- a. Only two wells shall be drilled to each quarter section of approximately 160 acres, the locations to be in the center of the northwest and in the center of the southeast 40-acre tracts of each quarter section with a tolerance of 150 feet in any direction to avoid surface obstructions.
- b. The Amerada-Hamilton No. 1 well located in the NE $\frac{1}{4}$ SW $\frac{1}{4}$, Section 35, Township 16 South, Range 38 East, being a completed well is hereby allowed as an exception to the drilling pattern.

2. Each well now producing or hereafter completed as a producer in the common reservoir described above shall have a top unit allowable equivalent to that of a well drilled on a 40-acre proration unit to the same depth.

3. No wells shall be drilled in the area described above except in conformity to said drilling pattern, until the further order of the Commission.

4. As to all wells drilled in said area following the issuance of this order, the operators of such wells shall, at their expense, gather as complete geological and engineering data as practicable, including cores, bottom hole pressure tests and other like data.

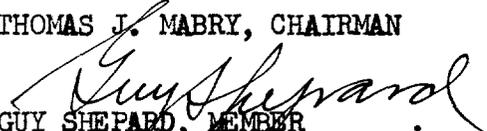
5. During the period this temporary order remains in effect no royalty owners or lease owners shall acquire any vested property rights to a continuance of the spacing pattern and this order shall be without prejudice to the right of the Commission to later change the spacing pattern to that of one well to 40 acres.

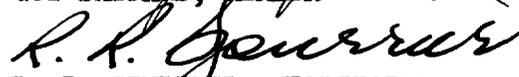
6. This case is hereby continued until December 20, 1950, at 10 a.m. at which time a further hearing will be held at the State Capitol Building, Santa Fe, New Mexico, to determine, on the basis of the evidence then submitted, a permanent spacing pattern.

DONE this 14th day of June, 1950.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

THOMAS J. MABRY, CHAIRMAN


GUY SHEPARD, MEMBER


R. R. SPURRTER, SECRETARY

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. 204
ORDER NO. R-23

IN THE MATTER OF THE APPLICATION OF
AMERADA PETROLEUM CORPORATION FOR THE
ESTABLISHMENT OF PRORATION UNITS AND
UNIFORM SPACING OF WELLS IN THE KNOWLES
POOL IN LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

This matter came on for hearing at Santa Fe, New Mexico, on March 21, 1950, pursuant to Order No. R-6, granting a rehearing, and pursuant to order of continuance entered in the minutes of the Commission on February 21, 1950. The applicant, Amerada Petroleum Corporation, was represented by its attorneys, Booth Kellough and Seth and Montgomery; Robert Childers, Alice L. Childers and other royalty owners were represented by U. M. Rose of Hobbs, New Mexico.

The Commission having considered the evidence introduced and the argument of counsel,

FINDS:

1. That due public notice having been given as required by law, the Commission has jurisdiction of the subject matter and of the interested parties.

2. The Amerada Petroleum Corporation drilled the discovery well in the Knowles Pool in Lea County, New Mexico, and has since completed two other wells, all of which produce from the Devonian formation at a depth of approximately 12,500 feet. The limits of the productive area surrounding said wells have not been determined, but will probably be greater than the area now officially designated as the Knowles Pool and will probably embrace all the following lands:

Sections 34, 35 and 36, Township 16
South, Range 38 East, and Sections
1, 2, and 3, Township 17 South, Range
38 East, Lea County, New Mexico.

3. The cost of drilling additional wells in the above area to the Devonian formation is approximately \$260,000.00 per well.

4. Due to the relatively short history of the wells in the Knowles Pool and the lack of adequate geological and engineering data, it is impossible for the Commission to determine at this time if a spacing pattern of one well to an 80-acre tract will economically drain the oil within the common reservoir. It is in the interests of conservation that a drilling pattern of one well to an 80-acre tract be adhered to temporarily and until other wells are completed which will furnish more complete data on the characteristics of the common reservoir.

LARGE FORMAT
EXHIBIT HAS
BEEN REMOVED
AND IS LOCATED
IN THE NEXT FILE

BEFORE THE OIL CONSERVATION COMMISSION OF THE
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
AMERADA PETROLEUM CORPORATION FOR
THE ESTABLISHMENT OF PRORATION UNITS
AND UNIFORM SPACING OF WELLS FOR THE
COMMON SOURCE OF SUPPLY DISCOVERED
IN THE W.W. HAMILTON NO. 1 WELL,
NE/4 SW/4 of SEC. 35, TOWNSHIP 16 SOUTH,
RANGE 38 EAST, LEA COUNTY, NEW MEXICO.

CASE NO. _____

A P P L I C A T I O N

COMES, NOW, Amerada Petroleum Corporation, of
Tulsa, Oklahoma, and alleges and states:

1. That applicant has drilled and completed on
May 4, 1949, a well known as "W.W. Hamilton No. 1", located
in the center of NE/4 SW/4 of Section 35, Township 16 South,
Range 38 East, Lea County, New Mexico, and discovered a new
common source of supply, found in said well below the depth
of 12,000 feet, as hereinafter alleged.

2. That said discovery well was drilled to a
depth of 12,656 feet and encountered the top of the Devonian
formation at 12,451 feet. It was then plugged back to 12,600
feet and 5½" casing set to 12,518 feet, and is producing
through the open hole. The well tested 935.31 barrels of oil
in 24 hours through a ½" choke, with a gravity of 46.9 and
gas-oil ratio of 180, and B.S. and W. of 0.4%.

3. That the probable productive limits of said
new common source of supply include the following described
area, to wit:

All of Sections 34, 35 and 36, Township
16 South, Range 38 East, and All of Sections 1,
2 and 3, Township 17 South, Range 38 East,
Lea County, New Mexico,

said common source of supply being commonly referred to as
the "Knowles Pool".

4. That in addition to the discovery well re-
ferred to above, the following wells have been drilled or
are now being drilled to said common source of supply within
the area described above, to wit:

(a) Amerada-Stella Rose #1 Well, located in the SE/4 NW/4 of Sec. 35-16S-38E, which well has now been completed.

(b) Amerada-Rose Haves #1 Well, located in the SE/4 SW/4 of Sec. 35-16S-38E.

(c) Amerada-Rose Haves "A" #1 Well, located in the NW/4 NE/4 of Sec. 2-17S-38E.

5. That in addition to the above described wells, the following well is also now being drilled in the vicinity, but outside of the six-section area described above for which this spacing order is requested, to wit:

Texas Company-Bennett Estate Well, located in the NE/4 NW/4 of Sec. 27-16S-38E.

6. That in order to bring about the orderly and proper development of said common source of supply, prevent waste and to avoid the drilling of unnecessary wells, and to secure the greatest ultimate recovery therefrom, and to protect the correlative rights of the interested parties therein, it is necessary and proper for the Commission to enter its order providing for proration units of 80 acres each, such being the area which may be efficiently and economically drained and developed by one well, and to provide for the uniform spacing of wells drilled into said common source of supply.

7. That all wells drilled into said common source of supply should be located in the center of the Northwest and Southeast forty-acre tracts of each quarter section, with a tolerance of 150 feet to avoid surface obstructions.

8. That the discovery well referred to above, known as the "W.W. Hamilton No. 1 Well", located in the NE/4 SW/4 of Sec. 35-16S-38E, is located off of the spacing pattern herein requested and should be granted an exception to the spacing order established by the Commission hereunder, and should be considered the well for the proration unit on which it is located.

9. That the order herein prayed for should cover all of the common source of supply discovered in the producing formation of the W.W. Hamilton No. 1 Well, and any well drilled to said common source of supply should be drilled on the spacing pattern herein requested.

10. A plat showing the area described above and the location of all wells drilled or drilling in said area and in the vicinity is attached hereto, marked "EXHIBIT A" and made a part hereof.

WHEREFORE, applicant respectfully requests that the Commission set this application for public hearing at a time and place to be fixed by the Commission, and due and proper notice be given as required by law, and that at the conclusion of said hearing the Commission make and enter an order determining and defining the probable productive limits of the common source of supply referred to above to include all of Sections 34, 35 and 36, Township 16 South, Range 38 East, and Sections 1, 2 and 3, Township 17 South, Range 38 East, naming said pool or common source of supply, establishing proration units of eighty (80) acres each, designating the location of all wells drilled to said common source of supply to be the center of the Northwest and Southeast forty-acre tracts of each quarter section, with a tolerance of 150 feet in any direction from said described location to avoid surface obstructions, and to provide for an exception in the case of the well known as "Amerada-W.W. Hamilton #1 Well", referred to above, and to further provide that said order shall apply to all of said common source of supply.

DATED this 27th day of November, 1949.

Harry D. Page
Harry D. Page
Booth Kellough
Booth Kellough

Attorneys for
Amerada Petroleum Corporation.

NOTICE OF PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO TO:

Amerada Petroleum Corporation and all other interested parties:
Notice is hereby given that a hearing will be held before the Oil Conservation Commission at Santa Fe, New Mexico, in the Office of the Oil Conservation Commission on February 21, 1950, commencing at 10:00 a.m., in

Case No. 204
In the matter of the application of Amerada Petroleum Corporation for the establishment of proration units and uniform spacing of wells in the Knowles Pool in Lea County, New Mexico.

This being a rehearing granted on application of Amerada Petroleum Corporation.

Given under the seal of the Oil Conservation Commission at Santa Fe, New Mexico, on February 2, 1950.

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

Pub.: Feb. 5, 1950.

Affidavit of Publication

State of New Mexico }
County of Santa Fe } ss.

I, Will Harrison, being first duly sworn, declare and say that I am the (~~Business Manager~~) (Editor) of the Santa Fe

New Mexican, a daily newspaper, published in the English 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 time~~ one time 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 supplement, ~~once each week for~~

one time weeks consecutively, the first publication being on the 5th day of February, 1950 and the last publica-

tion on the 6th day of February, 1950; that payment for said advertisement has been (duly made), or (assessed as court costs); that the undersigned has personal knowledge of the matters and things set forth in this affidavit.

PUBLISHER'S BILL

29 lines, one time at \$ 2.90
lines, times, \$
Tax \$
Total \$ 2.90

Received payment,

By

Will Harrison
Editor-Manager
Subscribed and sworn to before me this 6th
day of February, A.D., 1950
Anna K. Ormsbee
Notary Public

My Commission expires
June 14, 1953