

January 4, 1950

Mr. Clarence E. Hinkle
Hervey, Dow & Hinkle
Roswell, New Mexico

Dear Mr. Hinkle:

We enclose herewith, signed copy of Order No. 849, issued by the Oil Conservation Commission, in connection with Case No. 205, heard in Santa Fe, New Mexico on December 1, 1949.

Very truly yours,

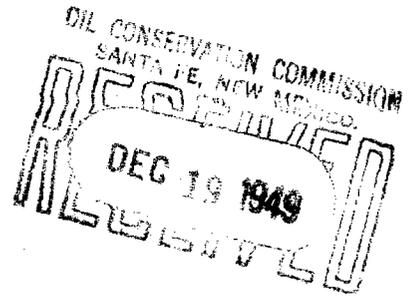
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

R. R. Spurrier
Secretary-Director

RRS:lw
encl.

ILLEGIBLE

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
WASHINGTON, D. C.



IN RE: OIL AND GAS LEASE, LAS
CRUCES SERIAL NO. 064175

STIPULATION FOR PURPOSE OF SECURING
APPROVAL OF UNORTHODOX DRILLING LOCATION

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, E. J. McCurdy, Jr., being the owner and holder of that certain Oil and Gas Lease bearing Las Cruces Serial No. 064175 embracing NW $\frac{1}{4}$ Sec. 20, T. 18 S., R. 32 E., N.M.P.M., for the privilege of drilling a well at an unorthodox location 1,21 $\frac{1}{2}$ feet South of the North line and 1,426 feet East of the West line of said Sec. 20, T. 18 S., R. 32 E., N.M.P.M., embraced in Oil and Gas Lease Las Cruces Serial No. 064175, hereby stipulates and agrees that he will not segregate by assignment or otherwise the NW $\frac{1}{4}$ Sec. 20, T. 18 S., R. 32 E., N.M.P.M., until such time as said well, which is to be known as the McCurdy-Young Well No. 5 shall have been properly plugged and abandoned.

IN WITNESS WHEREOF, this Stipulation is executed by the undersigned on this 9th day of December, 1949.



LAW OFFICES
HERVEY, DOW & HINKLE
ROSWELL, NEW MEXICO

December 15, 1949

J. M. HERVEY
HIRAM M. DOW
CLARENCE E. HINKLE
W. E. BONDURANT, JR.
GEORGE H. HUNKER, JR.

WILLIAM C. SCHAUER



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

Dear Dick:

I enclose herewith copy of stipulation for securing approval of unorthodox drilling location in connection with the E. J. McCurdy, Jr., lease, Las Cruces Serial No. 064175 covering the NW $\frac{1}{4}$ Sec. 20, T. 18 S.. R. 32 E.

We are also enclosing a copy of a similar stipulation executed by the Worth Drilling Company, Inc., et al in connection with the five spot location which you also recently approved. Both of these stipulations have been filed in triplicate with the local Supervisor of the U.S.G.S.

We apparently have not yet received copies of your orders approving these five spot locations, nor has Mr. Morrell, local Supervisor of the U.S.G.S. received copies. We would appreciate your letting us have copies of the orders as quickly as possible so that we may obtain the approval of notice of intention to drill by the local Supervisor.

With kindest regards, I am

Yours sincerely,

HERVEY, DOW & HINKLE

By 

CEH:rh
Enc.

November 17, 1949

SANTA FE NEW MEXICAN

Santa Fe, New Mexico

Re: Case 205 & 206
- Notice of Publication

Gentlemen:

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 RECEIPT 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

E. R. Spurrier
Secretary-Director

RUC:bw
encl.

November 17, 1949

HOBBS NEWS SUN

Hobbs, New Mexico

Re: Case 205
- Notice of Publication

Gentlemen:

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

RFS:bw
encl.



SKELLY OIL COMPANY

PRODUCTION DEPARTMENT

J. S. FREEMAN
VICE PRESIDENT

E. A. JENKINS
GENERAL SUPERINTENDENT

TULSA 2, OKLAHOMA

February 6, 1950

H. J. GIBBONS
CHIEF ENGINEER

G. W. SELINGER
PRORATION ATTORNEY

J. H. MCCULLOCH
CHIEF CLERK

Re: Case No. 205 Rehearing

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

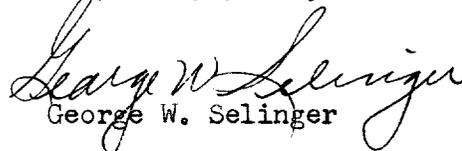
Dear Sir:

We are in receipt of Notice of Rehearing in Case No. 205, whereby Order No. 849 was issued. Since this matter involves one of the basic principles of the method of proration generally in the state, we, as a substantial operator, are naturally interested although we are not directly offset to the NW/4 of Section 20-18S-32E.

Order No. 849 permits the assignment of four regular 40 acre top allowables to five wells drilled on the 160 acres described as NW/4 of Section 20, and we believe that it is the first departure from the Commission's policy of heretofore permitting additional wells only on a 40 acre unitized area unit. We believe that the Commission should continue its wise policy of permitting only . unitized areas to be accorded exceptions of this nature, and if possible, to continue the 40 acre units as such, that is, maintain the 40 acre unit top allowable to one or more wells that may be drilled on such 40 acre unit. Consideration of larger non-unitized tracts can lead to the creation of a great many new and complexing inequitable problems.

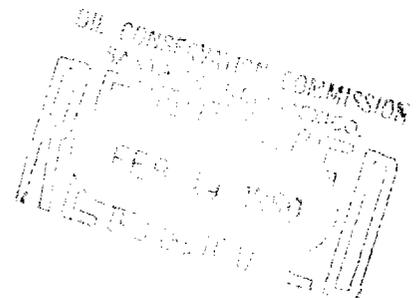
In the event a hearing is held in this matter we, therefore, trust that the Commission will note our views since it is of fundamental importance to the entire proration structure of the state.

Very truly yours,


George W. Selinger

GWS/dd

cc: Mr. J. N. Dunlavey



(copy)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P. O. Box 997
Roswell, New Mexico
January 27, 1950

Mr. F. M. Jacobson
Buffalo Oil Company
808 Gulf States Building
Dallas, Texas

Subject: "Five Spot" Location, E. J. McCurdy,
Lease Las Cruces 064175.

Dear Mr. Jacobson:

Reference is made to our telephone conversation of this morning concerning the above subject on which Buffalo Oil Company has filed with the Oil Conservation Commission an application for a re-hearing of Commission order 849 dated December 27, 1949. The re-hearing has been set as case 205 to be heard in Santa Fe on February 8, 1950.

As I explained to you over the phone, it is the position of this office that the drilling of "five spot" wells is desirable from the standpoint of prevention of waste and of non-recovery of otherwise recoverable oil. The practice is well established in Eddy County and at least eight cases have been issued to date by the Oil Conservation Commission on a basis similar to that granted to Mr. E. J. McCurdy, Jr., under order 849.

Additional orders have been issued by the Commission for the drilling of unorthodox "five spot" locations in which the operator requested only a single allowable for the 40-acre proration unit on which a regular location as well as the unorthodox well might be located. However, it is the opinion of this office that additional incentive is necessary to encourage the drilling of additional "five spot" locations throughout the general area. This incentive is made possible by the unitizing of tracts for allowable and proration purposes only. Under such conditions, the unitized tract is allowed to produce the normal top allowable for the number of developed 40-acre tracts in such unit. Most orders of this kind include a provision that no well on such unitized tract shall be permitted to produce at a rate in excess of the normal top allowable as fixed by the Commission. It is my opinion that this latter provision could and should be incorporated in an amendment to order 849 involving the tract of E. J. McCurdy, Jr. I understand from Mr. Clarence E. Hinkle, attorney for Mr. McCurdy, that there would be no objection to such an amendment to order 849. Such a limit on production from a single well is included in "five spot" orders 802 and 819.

The outcome of the Buffalo Oil Company application for re-hearing will have considerable bearing on not only the cases outstanding but on all future cases for "five spot" locations irrespective of the desire of Buffalo Oil Company to hold its application to the single case at issue. Consequently, this office is materially interested in your application and, as stated to you over the telephone, I must take the position of sustaining the existing order issued to McCurdy amended as outlined above.

If the principle involved in the McCurdy case is upheld it is my intention to call a meeting of all Eddy County operators soon in Artesia for the purpose of explaining to them the benefits that may accrue from the drilling of additional "five spot" locations and how they may be obtained. In other words, it is my intention to encourage such development to secure a greater ultimate recovery of oil from Permian formations in the Eddy County area including that portion of Lea County in Rs. 32 and 33 E.

I would appreciate it if you will phone me Monday, January 30, and advise the results of your discussion of the matter with Mr. Taubman. I would like to see the difference of opinion between Buffalo and McCurdy ironed out immediately and preferably before the hearing in Santa Fe on February 8. To this end, I am ready and willing to hold a meeting in Roswell of accredited representatives of Buffalo and McCurdy to fully discuss the subject and endeavor to arrive at an amicable agreement, unless the amendment to order 849, as suggested above, is satisfactory to Buffalo, in which case appropriate action can be taken without further conference in this office or in Santa Fe.

Very truly yours,

Foster Morrell
Oil and Gas Supervisor
Southwestern Region

(copy)

February 23, 1950

Mr. Clarence Hinkle
Hervey, Dow & Hinkle
P. O. Box 547
Roswell, New Mexico

Dear Mr. Hinkle:

Enclosed you will find signed copy of Case No. 205, Order No. R-10, issued in connection with the hearing held by the Oil Conservation Commission, in Santa Fe, New Mexico, February 8, 1950.

Please note changes from the original rough draft, in Paragraph 6b of the Findings, and sub-paragraph b, of the order.

Very truly yours,

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

R. R. Spurrier
Secretary-Director

RRS:bw
encl.

February 23, 1950

Mr. H. G. Ellis
Buffalo Oil Company
Box 517
Artesia, New Mexico

Dear Mr. Ellis:

You will find enclosed, signed copy of Case No. 205, Order No. R-10,
issued by the Oil Conservation Commission, in connection with the
hearing held in Santa Fe, New Mexico, on February 8, 1950.

Very truly yours,

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


R. R. Spurrier
Secretary-Director

RRS:bw
encl.

February 23, 1950

Mr. E. J. McCurdy, Jr.
1602 Fair Building
Ft. Worth, Texas

Dear Mr. McCurdy:

You will find enclosed, signed copy of Case No. 205, Order No. R-10,
issued by the Oil Conservation Commission, in connection with the
hearing held in Santa Fe, New Mexico, on February 8, 1950.

Very truly yours,

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


R. R. Spurr
Secretary-Director

RRS:bw
encl.

February 23, 1950

Mr. Foster Morrell
Oil & Gas Supervisor
U. S. G. S.
Box 997
Roswell, New Mexico

Dear Mr. Morrell:

You will find enclosed, signed copy of Case No. 205, Order No. R-10,
issued by the Oil Conservation Commission, in connection with the
hearing held in Santa Fe, New Mexico, on February 8, 1950.

Very truly yours,

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



R. R. Spurrier
Secretary-Director

RRS:bw
encl.

February 23, 1950

REGISTERED MAIL

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

Dear Mr. Staley:

You will find enclosed, signed copy of Case No. 205, Order No. R-10,
issued by the Oil Conservation Commission, in connection with the
hearing held in Santa Fe, New Mexico, on February 8, 1950.

When this order is mimeographed, may we please have five copies?

Very truly yours,

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



R. R. Purrier
Secretary-Director

RBS:bw
encl.

February 23, 1950

Mr. Jack Campbell
Atwood, Malone and Campbell
J. P. White Building
Roswell, New Mexico

Dear Mr. Campbell:

Enclosed you will find signed copy of Case No. 205, Order No. R-10, issued in connection with the hearing held by the Oil Conservation Commission, in Santa Fe, New Mexico, February 8, 1950.

Please note changes from the original rough draft, in Paragraph 6b, of the Findings, and sub-paragraph b, of the order.

Very truly yours,

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

R. R. Spurrier
Secretary-Director

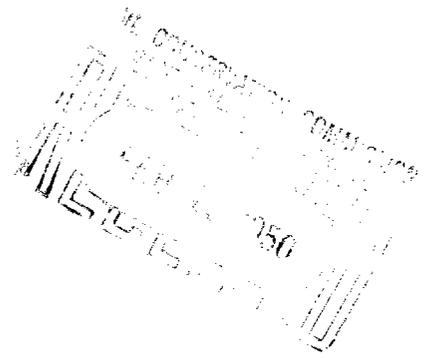
RRC:bw
encl.

LAW OFFICES
HERVEY, DOW & HINKLE
ROSWELL, NEW MEXICO

J. M. HERVEY
HIRAM M. DOW
CLARENCE E. HINKLE
W. E. BONDURANT, JR.
GEORGE H. HUNKER, JR.

February 15, 1950

WILLIAM C. SCHAUER



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

Dear Dick:

We enclose original signed copy of stipulation which has been entered into by and between E. J. McCurdy and the Buffalo Oil Company in connection with the application of E. J. McCurdy for a five spot location in the NW $\frac{1}{4}$ Sec. 20, T. 18 S., R. 32 E., and which is along the lines of our discussion with you yesterday.

We also enclose original and copy of proposed order of the Commission based upon the findings of the Commission and the above mentioned stipulation.

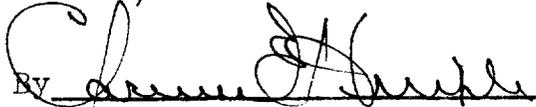
We would appreciate your making an effort to have the order promptly signed and advising us by telegram the date it is signed, or if there is any change which you deem necessary I would like for you to call me by telephone.

We have advised Mr. McCurdy that since the stipulation has been entered into that the order would be promptly entered and that he would be safe in going ahead and completing the well.

With best regards we are

Yours very truly,

HERVEY, DOW & HINKLE

BY 

CEH:rh
Enc.

cc: Mr. Jack Campbell
Atwood, Malone & Campbell
Roswell, New Mexico