

CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable symbol above or preceding the address.

WESTERN UNION

1201

SYMBOLS

DL=Day Letter
NL=Night Letter
LT=Int'l Letter Telegram
VLT=Int'l Victory Ltr.

(43)

W. P. MARSHALL, PRESIDENT

The filing time shown in the date line on telegrams and day letters is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

LA29 KB317

1951 APR 2 PM 4 54

KABRA255 NL PD=BARTLESVILLE OKLA 2

R R SPURTER

NEW MEXICO OIL CONSERVATION COMM SANTA FE NMEX

RETEL DENTON POOL SPACTNG APPLICATION KINDLY SET THIS
MATTER FOR HEARING MAY 1

PHILLIPS PET CO C P JIMT

Call

see

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO.

RECEIVED
APR 3 1951
9:10 a.m.

DOMESTIC SERVICE	
Check the class of service required; otherwise this message will be sent at the full rate.	
FULL RATE TELEGRAM	SERIAL
DAY LETTER	NIGHT LETTER

WESTERN UNION

1908

INTERNATIONAL SERVICE	
Check the class of service required; otherwise this message will be sent at the full rate.	
FULL RATE	DEFERRED
CODE	NIGHT LETTER

JOSEPH L. EGAN, PRESIDENT

NO. WDS.-CL. OF SVC.	PD. OR COLL.	CASH NO.	CHARGE TO THE ACCOUNT OF	TIME FILED
			OIL CONSERVATION COMMISSION	

Send the following message, subject to the terms on back hereof, which are hereby agreed to

APRIL 2 1951

MR C P DIMY
 PHILLIPS PETROLEUM CO
 BARTLESVILLE OKLAHOMA

RE YOUR APPLICATIONS ON DENTON POOL: NOT RECEIVED EARLY ENOUGH FOR APRIL HEARING. DO YOU WISH TO BE HEARD MAY 1 OR MAY 22?

R R SPURNER
 OIL CONSERVATION COMMISSION

File
 Accounting

A NEW CURTIS SERVICE

Telegraph your order for America's favorite magazines—HOLIDAY, 1 yr., \$5 • the Post, 1 yr., \$6 • LADIES' HOME JOURNAL, 1 yr., \$3. All prices U. S. only. No charge for wire. Pay Western Union clerk for subscription or when billed by publisher.

Publisher will, on subscriber's request, refund full amount paid for copies not previously mailed. Prices subject to change without notice.

ALL MESSAGES TAKEN BY THIS COMPANY ARE SUBJECT TO THE FOLLOWING TERMS:

To guard against mistakes or delays, the sender of a message should order it repeated, that is, telegraphed back to the originating office for comparison. For this, one-half the unreported message rate is charged in addition. Unless otherwise indicated on its face, this is an unreported message and paid for as such, in consideration whereof it is agreed between the sender of the message and this Company as follows:

1. The Company shall not be liable for mistakes or delays in the transmission or delivery, or for non-delivery, of any message received for transmission at the unreported-message rate beyond the sum of five hundred dollars; nor for mistakes or delays in the transmission or delivery, or for non-delivery, of any message received for transmission at the repeated-message rate beyond the sum of five thousand dollars, unless specially valued; nor in any case for delays arising from unavoidable interruption in the working of its lines.

2. In any event the Company shall not be liable for damages for mistakes or delays in the transmission or delivery, or for the non-delivery, of any message, whether caused by the negligence of its servants or otherwise, beyond the actual loss, not exceeding in any event the sum of five thousand dollars, at which amount the sender of each message represents that the message is valued, unless a greater value is stated in writing by the sender thereof at the time the message is tendered for transmission, and unless the repeated-message rate is paid or agreed to be paid, and an additional charge equal to one-tenth of one per cent of the amount by which such valuation shall exceed five thousand dollars.

3. The Company is hereby made the agent of the sender, without liability, to forward this message over the lines of any other company when necessary to reach its destination.

4. Except as otherwise indicated in connection with the listing of individual places in the filed tariffs of the Company, the amount paid for the transmission of a domestic telegram or an incoming cable or radio message covers its delivery within the following limits: in cities or towns of 5,000 or more inhabitants where the Company has an office which, as shown by the filed tariffs of the Company, is not operated through the agency of a railroad company, within two miles of any open main or branch office of the Company; in cities or towns of 5,000 or more inhabitants where, as shown by the filed tariffs of the Company, the telegraph service is performed through the agency of a railroad company, within one mile of the telegraph office; in cities or towns of less than 5,000 inhabitants in which an office of the Company is located, within one-half mile of the telegraph office. Beyond the limits above specified the Company does not undertake to make delivery, but will endeavor to arrange for delivery as the agent of the sender, with the understanding that the sender authorizes the collection of any additional charge from the addressee and agrees to pay such additional charge if it is not collected from the addressee. There will be no additional charge for deliveries made by telephone within the corporate limits of any city or town in which an office of the Company is located.

5. No responsibility attaches to this Company concerning messages until the same are accepted at one of its transmitting offices; and if a message is sent to such office by one of the Company's messengers, he acts for that purpose as the agent of the sender.

6. The Company will not be liable for damages or statutory penalties in the case of any message except an intrastate message in Texas where the claim is not presented in writing to the Company within sixty days after the message is filed with the Company for transmission, and in the case of an intrastate message in Texas the Company will not be liable for damages or statutory penalties where the claim is not presented in writing to the Company within ninety-five days after the cause of action, if any, shall have accrued; provided, however, that neither of these conditions shall apply to claims for damages or overcharges within the purview of Section 415 of the Communications Act of 1934.

7. It is agreed that in any action by the Company to recover the tolls for any message or messages the prompt and correct transmission and delivery thereof shall be presumed, subject to rebuttal by competent evidence.

8. Special terms governing the transmission of messages according to their classes, as enumerated below, shall apply to messages in each of such respective classes in addition to all the foregoing terms.

9. No employee of the Company is authorized to vary the foregoing.

10-42

CLASSES OF SERVICE

DOMESTIC SERVICES

FULL RATE TELEGRAMS

A full rate expedited service.

DAY LETTERS

A deferred service at lower than the full rate.

SERIALS

Messages sent in sections during the same day.

NIGHT LETTERS

Accepted up to 3 A.M. for delivery not earlier than the following morning at rates substantially lower than the full rate telegram or day letter rates.

CABLE SERVICES

FULL RATE CABLES

The standard fast service at full rates. May be written in any language that can be expressed in Roman letters or in cipher.

CODE (CDE)

A fast message service consisting of words formed without condition or restriction, counted at 5 characters per word. Minimum charge of 5 words applies.

DEFERREDS (LC)

Plain language messages, subject to being deferred in favor of full rate and CDE messages.

NIGHT LETTERS (NLT)

Overnight plain-language messages. Minimum charge of 25 words applies.

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WESTERN UNION

1201

SYMBOLS

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W. P. MARSHALL, PRESIDENT

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EA55 KB299

1951 MAR 30 PM 4 50

K BRA094 NL PD=BARTLESVILLE OKLA 30

R R SPURRIER

NEW MEXICO OIL CONSERVATION COMMISSION SANTA FE NMEX

ON MARCH 22 WE MAILED TWO APPLICATIONS CONCERNING DENTON

POOL, LEA COUNTY BY AIR MAIL SPECIAL DELIVERY TO THE

COMMISSION AT SANTA FE. THESE APPLICATIONS NATURALLY NOT

LISTED YOUR ORDER MARCH 22, 1951 SETTING OUT HEARINGS FOR

APRIL 24. WE TRUST OUR APPLICATIONS RECEIVED IN TIME TO

BE HEARD APRIL 24.

PHILLIPS PETROLEUM CO C P DUMITE

OIL CONSERVATION COMMISSION
SANTA FE, N.M.
APR 2 1951

22 22 1951 24 24

9 a.m.

WE APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE



CLASS OF SERVICE

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WESTERN UNION

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W. P. MARSHALL, PRESIDENT

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LA 16 SSB632

HBA161 NL PD=LOVINGTON NMEX 6E

1951 AUG 6 PM 5 35

STATE OIL COMMISSION, CARE GEO GRAHAM

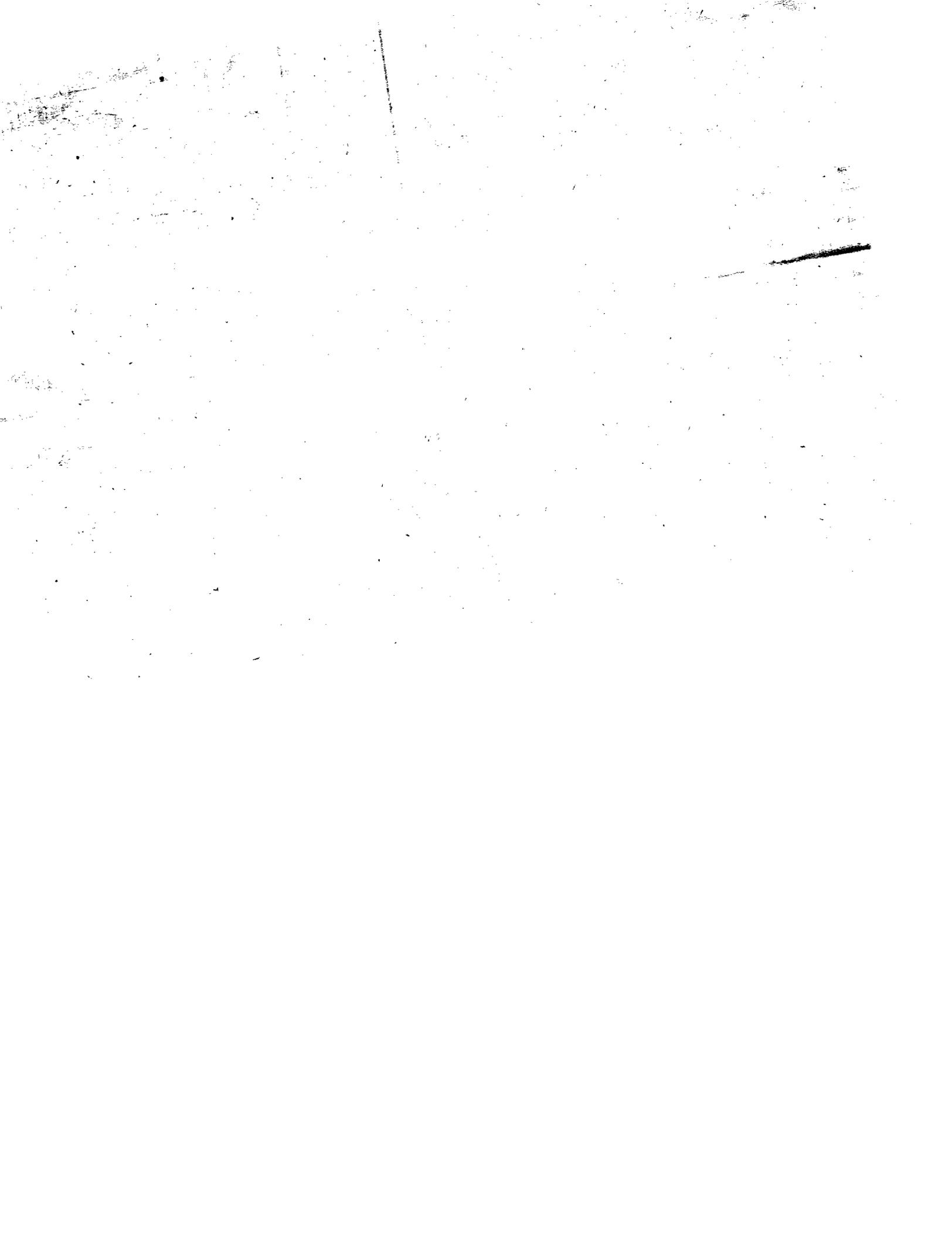
STATE LAND OFC SANTAFE NMEX

WISH TO EMPHASIZE MY STATEMENTS MADE DURING PREVIOUS HEARING REGARDING EIGHTY ACRE SPACING OF WELLS IN DENTON FIELDS

MRS JERRY CLAYTON

file case 269-70

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE



DOMESTIC SERVICE	
Check the class of service desired; otherwise this message will be sent at the full rate telegram	
FULL RATE TELEGRAM	SERIAL
DAY LETTER	NIGHT LETTER

WESTERN UNION

1296

INTERNATIONAL SERVICE	
Check the class of service desired; otherwise this message will be sent at the full rate	
FULL RATE	LETTER TELEGRAM
VICTORY LETTER	SHIP RADIOGRAM

W. P. MARSHALL, PRESIDENT

NO. WDS.-CL. OF SVC.	PD. OR COLL.	CASH NO.	CHARGE TO THE ACCOUNT OF	TIME FILED
			OIL CONSERVATION COMMISSION	

Send the following message, subject to the terms on back hereof, which are hereby agreed to

JULY 9 1951

**MR JACK CAMPBELL
ATWOOD MALONE AND CAMPBELL
ROSWELL NEW MEXICO**

COPIES ORDERS MAILED YOU TODAY RE CASES 269 AND 270 PETITIONS

SUBMITTED BY JUDGE WRIGHT JUNE 21 HEARING JULY 25

OIL CONSERVATION COMMISSION

(N.R.)

cc: Case 269 (270)

ALL MESSAGES TAKEN BY THIS COMPANY ARE SUBJECT TO THE FOLLOWING TERMS:

To guard against mistakes or delays, the sender of a message should order it repeated, that is, telegraphed back to the originating office for comparison. For this, one-half the un-repeated message rate is charged in addition. Unless otherwise indicated on its face, this is an un-repeated message and paid for as such, in consideration whereof it is agreed between the sender of the message and this Company as follows:

1. The Company shall not be liable for mistakes or delays in the transmission or delivery, or for non-delivery, of any message received for transmission at the un-repeated-message rate beyond the sum of five hundred dollars; nor for mistakes or delays in the transmission or delivery, or for non-delivery, of any message received for transmission at the repeated-message rate beyond the sum of five thousand dollars, unless specially valued; nor in any case for delays arising from unavoidable interruption in the working of its lines.

2. In any event the Company shall not be liable for damages for mistakes or delays in the transmission or delivery, or for the non-delivery, of any message, whether caused by the negligence of its servants or otherwise, beyond the actual loss, not exceeding in any event the sum of five thousand dollars, at which amount the sender of each message represents that the message is valued, unless a greater value is stated in writing by the sender thereof at the time the message is tendered for transmission, and unless the repeated-message rate is paid or agreed to be paid, and an additional charge equal to one-tenth of one percent of the amount by which such valuation shall exceed five thousand dollars.

3. The Company is hereby made the agent of the sender, without liability, to forward this message over the lines of any other company when necessary to reach its destination.

4. Except as otherwise indicated in connection with the listing of individual places in the filed tariffs of the Company, the amount paid for the transmission of a domestic telegram or an incoming cable or radio message covers its delivery within the following limits: In cities or towns of 5,000 or more inhabitants where the Company has an office which, as shown by the filed tariffs of the Company, is not operated through the agency of a railroad company, within two miles of any open main or branch office of the Company; in cities or towns of 5,000 or more inhabitants where, as shown by the filed tariffs of the Company, the telegraph service is performed through the agency of a railroad company, within one mile of the telegraph office; in cities or towns of less than 5,000 inhabitants in which an office of the Company is located, within one-half mile of the telegraph office. Beyond the limits above specified the Company does not undertake to make delivery, but will endeavor to arrange for delivery as the agent of the sender, with the understanding that the sender authorizes the collection of any additional charge from the addressee and agrees to pay such additional charge if it is not collected from the addressee. There will be no additional charge for deliveries made by telephone within the corporate limits of any city or town in which an office of the Company is located.

5. No responsibility attaches to this Company concerning messages until the same are accepted at one of its transmitting offices; and if a message is sent to such office by one of the Company's messengers, he acts for that purpose as the agent of the sender.

6. The Company will not be liable for damages or statutory penalties when the claim is not presented in writing to the Company, (a) within sixty days after the message is filed with the Company for transmission in the case of a message between points within the United States (except in the case of an intrastate message in Texas) or between a point in the United States on the one hand and a point in Alaska, Canada, Labrador, Mexico, Newfoundland and St. Pierre & Miquelon islands on the other hand, or between a point in the United States and a ship at sea or in the air, (b) within 90 days after the cause of action, if any, shall have accrued in the case of an intrastate message in Texas, and (c) within 180 days after the message is filed with the Company for transmission in the case of a message between a point in the United States and a foreign or overseas point other than the points specified above in this paragraph; provided, however, that this condition shall not apply to claims for damages or overcharges within the purview of Section 415 of the Communications Act of 1934.

7. It is agreed that in any action by the Company to recover the tolls for any message or messages the prompt and correct transmission and delivery thereof shall be presumed, subject to rebuttal by competent evidence.

8. Special terms governing the transmission of messages according to their classes, as enumerated below, shall apply to messages in each of such respective classes in addition to all the foregoing terms.

9. No employee of the Company is authorized to vary the foregoing.

1-49

CLASSES OF SERVICE

DOMESTIC SERVICES

FULL RATE TELEGRAM

A full rate expedited service.

DAY LETTER (DL)

A deferred service at lower than the full rate.

SERIAL (SER)

Messages sent in sections during the same day.

NIGHT LETTER (NL)

Accepted up to 2 A. M. for delivery not earlier than the following morning at rates substantially lower than the full rate telegram or day letter rates.

INTERNATIONAL SERVICES

FULL RATE (FR)

The standard fast service at full rates. May be written in any language that can be expressed in Roman letters, or in secret language. A minimum charge for 5 words applies.

LETTER TELEGRAM (LT)

Overnight plain language messages. Minimum charge for 22 words applies.

VICTORY LETTER TELEGRAM (VLT)

Overnight plain language messages to armed forces overseas. Minimum charge for 10 words applies.

SHIP RADIOGRAM

A service to and from ships at sea. Plain or secret language may be used. Minimum charge for 5 words applies.

ATWOOD, MALONE & CAMPBELL
LAWYERS

JEFF D. ATWOOD
ROSS L. MALONE, JR.
JACK M. CAMPBELL

CHARLES F. MALONE

J. P. WHITE BUILDING
ROSWELL, NEW MEXICO

July 5, 1951

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

Dear Mr. Spurrier:

I have received copy of telegram to Phillips Petroleum Company advising that a re-hearing has been granted but the telegram does not specify in which cases. I presume that orders granting the re-hearing were entered in both Case No. 269 and Case No. 270.

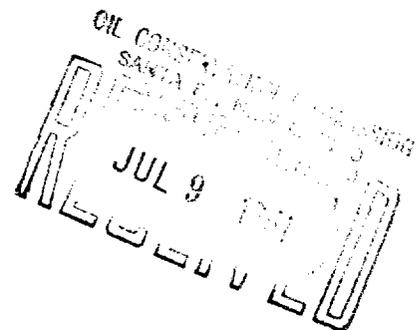
I would appreciate it if your office would send me copies of the orders and advise me as to the date on which the Motions for Re-hearing were filed with the Oil Conservation Commission.

With kindest personal regards, I am

Very truly yours,

Jack M. Campbell
for ATWOOD, MALONE & CAMPBELL

JMC:h1



WESTERN UNION

1206

<small>Service desired; otherwise message will be sent at the full rate.</small>	
FULL RATE TELEGRAM	SERIAL
DAY LETTER	NIGHT LETTER

<small>Check the class of service; otherwise this message sent at the full rate.</small>	
FULL RATE	DEFERRED
CODE	NIGHT LETTER

JOSEPH L. EGAN, PRESIDENT

CHARGE TO THE ACCOUNT OF		TIME FILED
NO. WDS.-CL. OF SEC.	PD. OR COLL.	CASH NO.
OIL CONSERVATION COMMISSION		

Send the following message, subject to the terms on back hereof, which are hereby agreed to

THIS MESSAGE WAS TELEPHONED TO WU - JUNE 30 1951 4:30 PM

**JUDGE EARL FOSTER
c/o PHILLIPS PETROLEUM COMPANY
AMARILLO TEXAS**

ORDER FOR RE-HEARING SIGNED JUNE 29. HEARING DATE JULY 25.

H. R. SPENCER

FILE: Acctg. CASE 269, 270

**A NEW
CURTIS
SERVICE**

Telegraph your order for America's favorite magazines—HOLIDAY, 1 yr., \$5 • the Post, 1 yr., \$6 • LADIES' HOME JOURNAL, 1 yr., \$3. All prices U. S. only. No charge for wire. Pay Western Union clerk for subscription or when billed by publisher.

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(20)

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10-42

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FULL RATE CABLES

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CODE (CDE)

A fast message service consisting of words formed without condition or restriction, counted at 5 characters per word. Minimum charge of 5 words applies.

DEFERREDS (LC)

Plain language messages, subject to being deferred in favor of full rate and CDE messages.

NIGHT LETTERS (NLT)

Overnight plain-language messages. Minimum charge of 25 words applies.

Continental Oil Company wishes to go on record in support of 80-acre spacing in New Mexico where reservoir characteristics and economics justify that spacing; however, since all allowables in New Mexico are determined on a Statewide basis, we respectfully request the Commission to forego the granting of additional allowables to 80-acre^{deep} wells until a Statewide policy in this regard has been established. It is our recommendation that a special hearing be called by the Commission to permit all operators in the state to make recommendations toward the adoption of some Statewide ~~policy~~ on this matter.

Rule

Case 269-70

DEPARTMENT OF THE INTERIOR

Information Service

PETROLEUM ADMINISTRATION FOR DEFENSE
For Release March 13, 1951

FOUR-POINT PROGRAM TO CONSERVE TUBULAR GOODS ANNOUNCED

Urging petroleum producers to use "every practical method to stretch the available steel supply," Secretary of the Interior Oscar L. Chapman today made public a four-point program of the Petroleum Administration for Defense for stepping up oil and gas yields with minimum use of oil-country tubular goods.

Secretary Chapman's announcement followed yesterday's action of the National Production Authority in issuing order M-46, under which PAD is authorized to regulate the distribution of oil-country tubular goods. NPA recently directed the production, during the month of April, of 157,500 tons of oil-country tubular goods -- casing, tubing, and drill pipe used in oil and gas exploration and development.

Secretary Chapman pointed out that if steel is allocated to mills at this level in subsequent months, it would make possible the production of tubular goods at a rate equivalent to 1,890,000 tons annually. This is the amount certified by the Petroleum Administration for Defense to NPA as necessary to permit drilling of 43,400 new domestic wells during 1951 and to meet export requirements. PAD estimates that this is the minimum number of additional wells needed to maintain oil and gas supplies at levels adequate to meet civilian and military requirements.

"The action of the National Production Authority in making steel available in the recommended amount during April," Secretary Chapman said, "indicates recognition of the imperative necessity of developing supplies of crude oil and gas within the continental limits of the United States sufficient to meet emergency conditions and to sustain the development of petroleum reserves in friendly foreign countries.

"NPA's action, however, imposes on oil and gas producers an obligation to make use of every practical method to stretch the available steel supply in order to bring about the greatest possible recovery of oil and gas," the Secretary added.

Deputy Petroleum Administrator Bruce K. Brown said that PAD intends to distribute oil-country tubular goods, so far as possible, without explicit direction by the agency.

"Success of the program", Mr. Brown declared, "will depend largely on the industry itself as well as the regulatory bodies of the various States. "We believe that petroleum producers will cooperate with State regulatory bodies and the Production Division of PAD in working out methods of using tubular goods that will bring maximum returns of oil and gas with minimum expenditures of steel. Industry associations whose membership includes oil and gas producing units likewise can be of great assistance in making the plan work."

The Four-Point Program recommended to oil and gas producers and State regulatory bodies by the Petroleum Administration, through Richard G. Lawton, its Director of Production, is as follows:

1. Examination by State regulatory bodies of existing rules governing well spacing, with a view toward revision to permit drilling new wells farther apart, where practical, and producing more from each well. Such action, Mr. Brown said, will place greater petroleum reserves and productive capacity behind a given amount of tubular goods. Adjustments by State regulatory bodies in allowable production quotas from individual wells will be necessary, however, Mr. Brown added, in order to assure operators of equitable participation in the total allowable production from each field.
2. Increased use of pressure maintenance and repressuring operations in oil and gas reservoirs through operation of reservoirs as single units, in order to maintain maximum efficient rates of production at as high a level as possible for as long a period as possible, thus increasing ultimate recovery.
3. Careful examination of field rules and existing practices in the use of tubular goods for drilling wells, with a view toward reducing requirements for surface and intermediate-string casing by shortening or eliminating strings of this large-diameter pipe, or making use of smaller, lighter pipe.
4. Wider use of dual completions--the practice of tapping two or more petroleum reservoirs with a single well-bore.

A program along these general lines was discussed with representatives of regulatory authorities from 18 oil and gas producing States at a meeting held by PAD in Washington January 19, Mr. Brown said, and the State officials indicated general approval of the proposed measures.

EXHIBIT

SUMMARY OF PERTINENT VALUES FROM DEVONIAN CORE ANALYSIS REPORT
OHIO OIL COMPANY #3 J. M. DENTON -
NW-SE-Sec. 11-T15S-R37E, DENTON FIELD,
LEA COUNTY, NEW MEXICO.

Interval Cored: 11,125'-12,103' (Total 978' Section).
Overall Recovery: 96.5%
Porosity Range: Maximum - 10.0%; Minimum - 0.4%.
Average - 3.06% (565 Samples).
Permeability-Range: Maximum - 1020 Md.; Minimum - 0.1 Md.;
Average: Maximum 33.3 Md.; At 90° 10.8 Md.
(532 Samples) (518 Samples).

Of the total samples analyzed, 157 samples possessed permeability less than 1 Md. (maximum) and at 90°, 239 samples showed permeability less than 1 Md. A dense barren limestone interval was found from 11,410.5' to 11,438.3' (28') and a shale zone was encountered from 12,041' to 12,045' (4').

For the purpose of evaluation, the cored interval was divided, principally upon the basis of porosity variation, into 4 sections as follows:

ITEM	FORMATION INTERVAL			
	11,125.0- 11,399.5 (274.5')	11,440.0- 11,521.0 (81')	11,521.0- 12,039.9 (518.9')	12,047.0- 12,101.5 (54.5')
FORMATION NAME	DEVONIAN	DEVONIAN	DEVONIAN	DEVONIAN
% Core Recovery	88	96	95	94
Average Permeability: Max. (Millidarcys) At 90°	48	33	34	7.3
Average Porosity (%)	1.8	2.3	4.0	2.8
Oil Gravity (°API)	43.8	43.8	43.8	43.8
Solution Gas-Oil Ratio (Cu.ft./Bbl.)	1200	1200	1200	1200
Reservoir Volume Factor	1.72	1.72	1.72	1.72
Calculated Recoverable Oil (Bbls. per Acre Foot):				
By Natural or Gas Expansion	7	8	19	10
Increase due to Water Drive	3	3	45	18
Total after Complete Water Drive	10	11	64	28.

Case 269 ✓ 270

Oil Conservation Commission
Santa Fe, New Mexico

Gentlemen:

I am the owner of mineral interests in the Southeast quarter of Section 14 and north half of Section 23, and the owner of oil payments in Sections 15, 21, 22, 23, 28 and 35 in Township 15 South, Range 37 East, and minerals in NE $\frac{1}{4}$, Section 26, 14 South, 37 East, in Lea County, New Mexico and I wish to protest the proposed 80 acre spacing plan in the Denton Pool, a part of which is in this area. I would like for this protest to be entered as a part of the record in both cases involving the Wolf-Camp and the Devonian formations.

It appears that part of my holdings are definitely at the edge of the presently known boundaries of the field. I have had previous experience on the edge of fields where 80 acre spacing was adopted and I know the results. I own minerals in the Bagley field and in the Knowles field, both of which have been on 80 acre spacing. In each case, as here, I have been unfortunate enough to be on the edge of the pool.

In the Knowles field a well was drilled on the 80 acre pattern and it was dry. The royalty owners finally got the operator to drill on the other 40 acres but if we get a well we will get one-half the allowable allocated to offset wells which are on the 80 acre pattern. In the Bagley field, with a water drive we will probably have our edge acreage washed out before drilling will be risked by the operator who must jump over one 40 acre tract to maintain the pattern. I have made a mistake by not protesting these previous applications and I do not intend to make the same mistake again. If oil moves through these reservoirs with the efficiency and the speed which the engineers for the operators indicate I certainly want to preserve my right to 40 acre offsets and 330 foot locations, particularly when my holdings are on the edge of the pool.

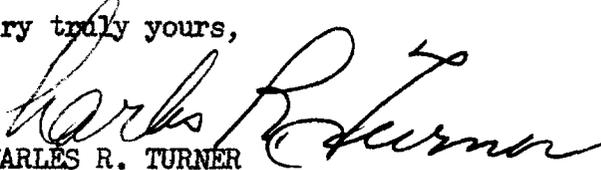
I have bought minerals and sold leases in New Mexico for a long time and particularly where the field starts out, as here, on 40 acre spacing, I want it to continue that way. I doubt that all the recoverable oil can be drained from the reservoir without some sort of uniform pattern. I believe that the Commission, representing the citizens of New Mexico should also consider this matter most carefully.

I suppose that if 80 acre proration units were established it would be necessary to pool interests of royalty owners. I would like to say now that I will resist the pooling of any of my interests for 80 acre spacing.

I have heard something said about shortage of pipe. Now I do not know how much pipe is available to the operators in this pool but it would seem to me that whatever is available could not be put to better use than to place it in 1700 feet of pay section.

I protest against 80 acre spacing, temporary or permanent.

Very truly yours,


CHARLES R. TURNER

Case 269-70

My name is Emmett D. White and I am Vice President of Leonard Oil Company of Roswell, New Mexico.

Leonard Oil Company owns minerals in Sections 3 and 4, Township 15 South, Range 37 East, Lea County, New Mexico. This area is not within the presently defined limits of the Denton Oil pool, but its location on the western edge of the north portion of this pool makes any well spacing program of importance to our company.

We wish to protest the establishment of 80 acre proration units in this pool as requested by Phillips Petroleum Company in Case #269 involving the Siluro-Devonian zone of production and in Case #270 involving the Wolfcamp zone of production.

As the Commission knows, and as it has confirmed by its state-wide rules and regulations for the purpose of conserving our natural resources, the drilling and proration unit for New Mexico for many years has been 40 acres. Minerals and leases have been bought and sold with this program in mind.

Our objections to the proposed 80 acre spacing in the Denton field are based upon the following:

1. This pool has been developed to date under the statewide rules providing for 40 acre drilling and proration units. There are approximately 20 wells, drilling wells, or locations in the field at present, and with a possible few exceptions, these have been located upon the assumption that the statewide rules would apply. A spacing pattern, we believe, should be as uniform as possible in order to provide maximum efficient use of the reservoir energy. The proposal of the applicant in this case makes such uniformity impossible.

2. The establishment of 80 acre proration units and double allowables would in our opinion have a serious effect upon the ultimate recovery of oil and would particularly affect the wells on the edge of the pool. It is apparent that the area under which we own an interest may be on the edge of the structure. Production of wells up-structure at an excessive rate would tend to wash out the edge properties prematurely.

3. Under an 80 acre spacing program it is quite possible for a productive 40 acre unit to be forced to share its oil with an adjoining 40 acre unit which may subsequently be proved non-productive.

While we recognize that this condition may exist in any spacing program, we feel that the wider the spacing the more aggravated the situation becomes and the more adverse will be the effect upon correlative rights.

4. The establishment of 80 acre proration units, it seems to us, is but the first step to compulsory pooling of interests as it would appear to be wholly impractical to adjust the units in such a manner that royalty ownership under each of the 80 acre tracts would be common. The Commission, we feel, should consider the ultimate effects of the establishment of 80 acre proration units upon the rights of royalty owners who have acquired their property upon the reasonable assumption that statewide 40 acre spacing rules would apply. We are inclined to consider the long-standing practice of 40 acre spacing in New Mexico as approaching the nature of an implied covenant in our leases.

5. The Denton pool appears to be one of the most potentially prolific oil pools discovered to date in New Mexico. It seems to us that from the point of view of national defense and the proper use of critical materials that there could be no better place to drill than in such a pool. One well on an 80 acre proration unit produced at twice the rate of a 40 acre spaced well has little to offer in the event of an emergency. Two wells upon an 80 acre tract produced at half the rate offer possibilities of increased production in the event of a national emergency. There is little doubt as to the economics of the matter since these wells will pay out within a relatively short time, and we believe that this field offers a profitable place for the investment of money and critical materials.

We respectfully submit our views to the Commission as royalty owners in the Denton area.

Very truly yours,

LEONARD OIL COMPANY

By


Emmett D. White

Executive Vice President

Case 269-270

STATEMENT OF MARY D. CLAYTON - Case Nos. 269 and 270.

NEW MEXICO OIL CONSERVATION COMMISSION

I am one of three trustees of a portion of the Dickinson Estate. We hold in trust for certain of the heirs a considerable amount of property, including mineral interests in Lea County, New Mexico. This property includes approximately 3800 mineral acres in Townships 14 and 15 South, Range 37¹/₄ East, ^{and 38} much of which immediately surrounds the presently developed area in the Denton oil field. I also individually own approximately 1100 mineral acres lying to the South of this presently developed Denton area. I wish to enter a protest against the application in this case for myself individually and on behalf of the other trustees of the trust estate.

As we understand the application of Phillips Petroleum Company it is to establish 80 acre proration units in both the Wolf-Camp and Devonian zones of production in the Denton field. We understand that the statewide spacing and proration unit has always been 40 acres in New Mexico and we see no reason why it should be changed in this field.

When 40 acre spacing was adopted in New Mexico by rules and regulations of the Conservation Commission many years ago we presume that the Commission had before it engineering testimony and the facts concerning the rights of lease and mineral owners and that it arrived at the conclusion that 40 acre spacing was fair to all concerned. On the basis of its conclusion a great deal of money has been invested in mineral properties and we have sold leases in this field upon the assumption that spacing of wells and the allocation of production would be upon at least a 40 acre basis.

Our situation in the area around the Denton pool is particularly dangerous from the well spacing point of view because our acreage could very well be on the edge of the structure. It is possible that we may have ownership in areas where part of an 80 acre tract would be productive and part would not be productive. It is also possible that a well

drilled on our property near the edge of the pool and producing at a rate in excess of the single allowable of 40 acres would be washed out by water if this is a water-drive field. We are further concerned that 80 acre spacing will delay the drilling of outside locations in this field because it will require a greater step-out for the drilling of wells to ultimately define the outer boundaries of the pool.

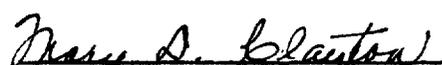
We have noted for example that one of the tracts in Section 35 under which we own minerals has a producing well drilled upon it in the SE $\frac{1}{4}$ SW $\frac{1}{4}$ Section 35, Township 14 South, Range 37 East. Instead of drilling an offset well to the north it is now proposed that the 40 acres immediately north of this well be thrown into an 80 acre proration unit with an allowable yet to be determined. If the allowable is not greater than for one 40 acre tract it is certainly most unfair to us as mineral owners. If the allowable for this well is increased to compensate for the situation then it is quite possible, it seems to us, that the well would be producing at too rapid a rate and some of the oil underlying our property will not be recovered. This same situation will apply to our wells producing from the Wolf-Camp in Sections 12 and 13 and will undoubtedly be true in other areas surrounding this oil pool where we own mineral interests.

As royalty owners we do not have available the technical information available to the operators but it occurs to us that if one oil well will drain 80 acres then there is a lot of drainage taking place which calls for offset drilling by the oil companies.

We have not had an opportunity of determining whether it is recommended that any of our interests be pooled with other interests to make up a proposed 80 acre unit but for the reasons we have stated we must advise the Commission that if such is the case we will find it necessary to resist compulsory pooling of these areas owned by us for the purpose of creating 80 acre proration units.

We wish to protest 80 acre spacing, either temporary or permanent.

Respectfully submitted,


Mary Clayton, Trustee
Dickinson Estate

PPCo
3
PAM v10

DENTON WOLF CAMP FOO

PRODUCTION

	<u>Oil Prod.</u> <u>(Bbls.)</u>	<u>Cumulative</u> <u>Oil Prod.</u> <u>(Bbls.)</u>	<u>Water Prod.</u> <u>(Bbls.)</u>	<u>Cumulative</u> <u>Water Prod.</u> <u>(Bbls.)</u>	<u>Gas Prod.</u> <u>(MCF)</u>	<u>Cumulative</u> <u>Gas Prod.</u> <u>(MCF)</u>	<u>GOR</u> <u>ccf/bbl.</u>
<u>1950</u>							
June	4,224	4,224	8	8	912	912	216
July	8,298	12,522	84	92	2,186	3,098	263
Aug.	12,838	25,360	73	165	3,906	7,004	304
Sept.	12,946	38,306	19	184	3,649	10,653	282
Oct.	20,911	59,217	21	205	6,210	16,863	297
Nov.	20,156	79,373	15	220	6,011	22,874	298
Dec.	19,041	98,414	235	455	5,731	28,605	301
<u>1951</u>							
Jan.	18,534	116,948	229	648	5,552	34,157	300
Feb.	16,549	133,497	205	889	4,502	38,659	272
Mar.	19,039	152,536	303	1,192	5,762	44,421	350

PP #4

Case 270

DENTON WOLFCAMP

