

Case 380

AURORA GASOLINE COMPANY

Refiners and Marketers

UNIVERSITY 3-5800

REFINERIES:
DETROIT, MICHIGAN
ELSIE, MICHIGAN

15911 WYOMING AVENUE
DETROIT 21, MICH.

September 3, 1952

REPLY TO:
MIDLAND, TEXAS BRANCH OFFICE
240 CENTRAL BUILDING
MIDLAND, TEXAS
TELEPHONE: 4-4282

Mr. Macey, Engineer
Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Mr. Macey:

On August 15th your office received a copy of a letter from the Humble Pipe Line Company in reference to our No. 1 Davis. This letter sets out certain discrepancies between the allowable oil allowed us by the Commission and the figures as set forth by Humble Pipe Line.

You will remember that in our discussion over the phone about two weeks ago you advised us that you would contact the Humble Pipe Line Company and straighten this matter out. Humble has been in touch with me, advising that nothing has been done and requesting some sort of action as soon as possible.

Would appreciate it very much if you would take care of this matter at your earliest convenience and keep us advised as to what steps are taken.

Kindest personal regards,

Jack Shier
Jack Shier

JS:ml

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO.
RECEIVED
SEP 5 - 1952

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8293

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

September 16, 1952

C

Mr. Jack Shier
Aurora Gasoline Company
McClintic Building
Midland, Texas

O

Dear Mr. Shier:

RE: OCC Case 380

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The Commission has on this date signed Correction Order R-191-A issued in Case 380, and we enclose a signed copy for your records.

Y

Sincerely,

W. B. Macey, Chief Engineer

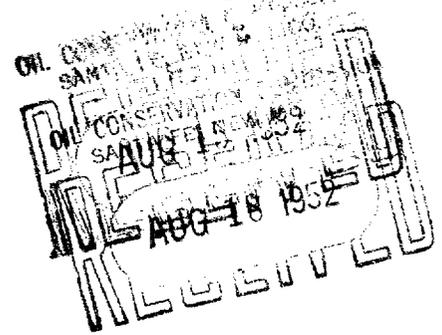
WBM:nr

A. D. Wilbur
cc - Humble Pipe Line Co.
Box 2020
Houston Tex.

HUMBLE PIPE LINE COMPANY

COPY

August 15, 1952



380

Mr. Jack Shier, Div. Manager,
Aurora Gasoline Company,
124 McClintic Building,
Midland, Texas.

Gentlemen:

We have received a copy of the order of the Commission relative to the distress oil produced from your Davis No. 1 Well and run by us. The quantity of oil as referred to in the order, namely 5,920 barrels, is considerably at variance with our records. We are tabulating below the allowable production, the pipe line runs, and the actual production as reflected by copy of Forms C-115 furnished to us.

<u>MONTH</u>	<u>ALLOWABLE PROD.</u>	<u>P.L. RUNS</u>	<u>REPORTED PROD.</u>
October	-	5,905	6,283
November	680	2,093	2,479
December	1,054	820	1,057
January	1,581	2,553	1,862
February	1,537	1,352	1,532
March	1,643	1,811	1,504
April	1,590	1,416	1,620
May	1,550	1,458	1,831
June	<u>1,440</u>	<u>1,644</u>	<u>1,200</u>
TOTAL	11,075	19,052	19,368

It may be that our records are in error and we will appreciate your checking the figures shown above against your records and advising us of any discrepancies noted. We are also sending a copy of this letter to the Commission and would appreciate advice as to any discrepancies which may be noted.

If the figures shown above are correct, the over production as of July 1 was 8,293 barrels instead of 5,920 barrels. In the event you find the actual over production to be 8,293 barrels, please

HUMBLE PIPE LINE COMPANY

COPY

Mr. Jack Shier

-2-

August 15, 1952

advise what action you plan to take with respect to the excess over 5,920 barrels as referred to in the order of the Commission.

Yours very truly,

D. S. WARD

ADW:dg

cc - Mr. Clarence E. Hinkle
Attorney at Law
Roswell, New Mexico

cc - Mr. E. R. Spurrier ✓
Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

bc - Mr. J. D. McMahon
Box 1390
Midland, Texas

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

June 12, 1952

C

O

**Mr. Clarence Hinkle
Hervey, Dow and Hinkle
Roswell, New Mexico**

P

Dear Mr. Hinkle:

Please be advised that the Oil Conservation Commission will set the Aurora Gasoline Company emergency allowable matter down for the regular July hearing, which falls on July 15.

Y

Very truly yours,

RRS:W

Secretary and Director

**cc: Mr. A. D. Wilbur
Humble Pipe Line Co.
Houston, Texas**

COPY

J. M. HERVEY
HIRAM M. DOW
CLARENCE E. HINKLE
W. E. BONDURANT, JR.
GEORGE H. HUNKER, JR.
—
ROSS MADOLE
WILLIAM C. SCHAUER

LAW OFFICES
HERVEY, DOW & HINKLE
ROSWELL, NEW MEXICO

June 10, 1952

Mr. H. P. Pressler
Humble Pipe Line Company
Drawer 2220
Houston 1, Texas

Dear Herman:

I have your letter of May 29, inquiring further as to the status of the distress oil produced from the Aurora Gasoline Company's Davis No. 1 well located on Lot 4, Section 29, Township 18 South, Range 39 East, N.M.P.M.

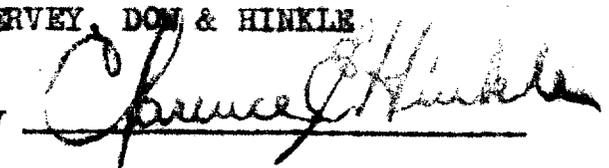
I have talked with Mr. Spurrier over the telephone in regard to this matter, and he has promised to write Mr. A. D. Wilbur a letter immediately giving the Humble Pipe Line Company a clearance in connection with the oil which has been run.

We trust that this will clear up the situation.

Yours sincerely,

HERVEY, DOW & HINKLE

By



CEH:JH

cc: Mr. Dick Spurrier
New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Mr. A. D. Wilbur
Humble Pipe Line Company
Drawer 2220
Houston 1, Texas



OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

June 26, 1952

C
O
P
Y

Mr. Jack Shier
Aurora Gasoline Company
McClintic Building
Midland, Texas

Dear Mr. Shier:

Attached you will find an extract from the Oil Conservation Commission's legal notices issued this week to advertise cases set for regular hearing on July 15, 1952.

Among them is Case 380, emanating from motion of the Commission and relating to your Davis No. 1 well. Mr. Macey asked that copy of this notice be sent to you in order that you might have adequate time to prepare for the hearing. He was leaving this week on vacation, expecting to be back in Santa Fe around July 8, in case you wish to contact him in the matter.

Very truly yours,

For W. B. Macey
Chief Engineer

WBM:nr
Encl.

F

New Mexico
OIL CONSERVATION COMMISSION

GOVERNOR EDWIN L. MECHEM
CHAIRMAN
LAND COMMISSIONER GUY SHEPARD
MEMBER
STATE GEOLOGIST R. R. SPURRIER
SECRETARY AND DIRECTOR



P. O. BOX 1545
HOBBS, NEW MEXICO

April 23, 1952

Mr. Bill Macey
Box 371
Santa Fe, New Mexico

Dear Bill:

Since you were here I checked the C-104 on the Aurora Gasoline Company, Davis #1 and the date of completion for proration purposes is indicated as October 13. Using this date as the effective date of the first assigned allowable I have computed the allowables down to the end of April, using both 40 and 52 acres. A tabulation of the computed allowables and the production through March is listed below:

	40 ACRE ALLOWABLE		52 ACRE ALLOWABLE		PRODUCTION
	DAILY	TOTAL	DAILY	TOTAL	
OCTOBER	53	1007	69	1311	6283
NOVEMBER	51	1530	66	1980	2479
DECEMBER	51	1581	66	2046	684
JANUARY	51	1531	66	2046	1862
FEBRUARY	53	1537	69	2001	1532
MARCH	53	1643	69	2139	1504
APRIL	53	1590	69	2070	Not avail.
TOTALS		10469		13593	14344

Yours very truly,

A handwritten signature in cursive script, appearing to read "A. L. Forter, Jr.".

A. L. Forter, Jr.
Proration Manager

ALF/mw

Well File

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

April 18, 1952

C
O
P
Y

Mr. A. L. Porter, jr.
Box 2045
Hobbs, New Mexico

Dear Pete: RE: Aurora Gasoline Co. Davis No. 1, Lot 4, 29-183-39E

Reference is made to the above-captioned well. According to information available in this office, the well was originally slated to go to 6300 feet as an East Hobbs-Drinkard proposed test. When the well reached a total depth of 4462, it blew out and produced at an estimated rate of 35 to 70 barrels an hour. Aurora filed with the Commission on October 11 a Form C-110 which was approved by Bob Blynn. This form stated that they would request authorization to transport 3500 barrels in order to test the well and to determine the commercial feasibility of the new reservoir. Subsequently, on October 25, Mr. Spurrier wrote a letter to Mr. Blynn concerning the well and in the letter stated that they would have an allowable under the clause of 'Distress Oil,' and this allowable should not be charged as advance allowable. It also stated that upon the completion of the well, the Aurora Gasoline Company should be required to furnish necessary completion data, and at that time a regular allowable should be allocated under the statewide proration schedule. Reference is also made to your letter of October 16 to the Aurora Gasoline Company, concerning the advance allowable. Following is a tabulation of the production, allowable, and runs data from October 1951 to March 1952, inclusive:

Completed 10-13-51:

	<u>Production</u>	<u>Allocation</u>	<u>Runs</u>
October	6283		5905
November	2479	680	2093
December	684	1054	820
January	1862	1054	2553
February	1532	1537	1352
March	1504	1643	1811
		5968	14,534 Total

On November 15 Aurora filed a Form C-104 and C-110 concerning the well, at which time they stated that the first oil run to the tanks was on the 13th of October. We have had a recent request from Clarence Hinkle of Hervey, Dow, and Hinkle, Roswell, representative of the Humble Pipe Line Company,

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

transporters of the Davis No. 1 oil. They would like for the Commission to furnish them with an emergency order pertaining to the above well and to the distress oil, this mainly being the oil which has not been allocated on the proration schedule. I personally do not believe it is necessary for the Commission to issue an emergency order in this case. I believe that we can possibly handle it by virtue of a supplement to the proration schedule, noting in the proration schedule the date that it should have been effective.

Any help you can give us in solving this question will be appreciated. You will note from the enclosed tabulation that Aurora has produced a considerable volume of oil since November of 1951 above their authorized allowable on the schedule. Their total runs have amounted to some 14,534 barrels, and while it is recognized that some of this oil is undoubtedly distress oil, and can be authorized in accordance with Mr. Spurrier's letter, we would like to know exactly how much oil is distress oil, and just how Aurora stands on their production on this well.

Very truly yours,

W. B. Macey

WBM:nr

C
O
P
Y

Case 332

Railroad Commission of Texas
OIL AND GAS DIVISION

East Hobbs
2

COMMISSIONERS
OLIN CULBERSON
CHAIRMAN
ERNEST O. THOMPSON
WILLIAM J. MURRAY, JR.
O. D. HYNDMAN, SECRETARY



HARRY M. BATIS
CHIEF SUPERVISOR
ARTHUR H. BARBECK
CHIEF ENGINEER
L. E. DAVIS
AUDITOR

AUSTIN, TEXAS

January 31, 1952

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

Dear Mr. Spurrier:

As a result of the conferences between the two Com-
missions and the hearing of January 22, 1952 with re-
gards to the Aurora Gasoline Company, Davis Well #1,
in the East Hobbs Field, the Texas Railroad Commission,
in keeping with the policy of cooperation, has set the
allowable for the W. H. Black Drilling Company, Well #
A-3, Jones, East Hobbs Field, Gaines County, Texas, at
53 barrels of oil per day, exempt from shutdown days.
This allowable is what we understand to be the normal
unit allowable for wells at this depth.

Yours truly,

George F. Singletary, Jr.
George F. Singletary, Jr.,
Assistant Chief Engineer

GFS:jr

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO.
RECEIVED
FEB 4 1952

AURORA GASOLINE COMPANY

Refiners and Marketers

REFINERIES:
DETROIT, MICHIGAN
ELSIE, MICHIGAN

15911 WYOMING AVENUE
DETROIT 21, MICH.

UNIVERSITY 3-5800

December 12, 1951

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

Dear Mr. Spurrier:

In reference to the forms C-115 which were submitted on our Davis Lease, Lea County, New Mexico for the month of November, 1951, it was necessary to submit one form C-115 for the period of November 1 to November 11 and also for the period November 11 to December 1.

You will please note that for the period ending November 11 a total of 552 barrels of oil were on hand. This production was produced, according to your letter dated October 25, 1951, under an authorization to clean out our Davis No. 1 well. The 552 barrels of oil which we had on hand as of November 11, 1951 represents that amount of distress oil which the Humble Pipe Line Company failed to run; accordingly, the 552 barrels of oil were on hand at the time the well was considered to have been completely cleaned up.

Would you therefore please grant us permission to run this amount of oil during the month of December, 1951 or January, 1952.

Yours very truly



Jack Shier
District Manager

GDS/dc
cc: Mr. A. L. Porter, Jr.

120 11 1951

OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

January 2, 1952

C
O
P
Y

Mr. Jack Shier, District Manager
Aurora Gasoline Company 124 McClintic Bldg.
Midland, Texas

Dear Mr. Shier:

This is in reply to your letter of December 12, 1951 in which you request permission to run certain distress oil, in the amount of 552 barrels, from your Davis No. 1 from East Hobbs - San Andres production.

This letter will constitute authority by the Oil Conservation Commission to run this distress oil during the month of January 1952.

Very truly yours,

RRS:W

Secretary and Director

cc: Mr. A. L. Porter,
Hobbs, N. M.

OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

January 2, 1952

C
O
P
Y

Mr. A. L. Porter, Jr.
Oil Conservation Commission
Hobbs, New Mexico

Dear Mr. Porter:

Pending a decision in Case 332, the allowable from Aurora, Davis No. 1, which was completed in the San Andres, will be set at the regular 40-acre top unit allowable.

Very truly yours,

RRS:W

Secretary and Director

KS

AURORA GASOLINE COMPANY

Refiners and Marketers

REFINERIES:
DETROIT, MICHIGAN
ELSIE, MICHIGAN

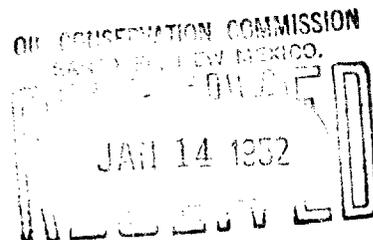
UNIVERSITY 3-5800

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~~Dallas, Texas~~

(COPY OF LETTER FROM:)

HUMBLE PIPE LINE COMPANY
Houston, Texas
January 8, 1952



Aurora Gasoline Company
124 McClintic Building
Midland, Texas

Attention: Mr. Jack Shier

Gentlemen:

During the latter part of October we made connection to your Ralph Davis Lease in Sec. 29, T-18S, R-39E, Lea County, New Mexico, which well produced oil prior to November 11 as a result of a blow-out and during the process of cleaning out and completing.

At the time we first made connection and started running oil produced from this well, as you will recall, no allowable production had been set by the Oil Conservation Commission, and we understood from letters from the Proration Manager of the Oil Conservation Commission that the oil run was to be charged against the allowable production of the well when set.

Since running the oil, we have received a letter from Mr. A. L. Porter, Jr., Proration Manager and a copy of a letter from Mr. R. R. Spurrier, Secretary-Director of the Oil Conservation Commission, advising that the oil produced prior to November 11 (the effective date of the first allowable production schedule for this well) was to be treated as distress oil and not charged against the future allowable production of the well. We have received copies of your Operator's Monthly Report, Form C-115, which shows that this well produced 6,283 barrels during October and 1,799 barrels during the period, November 1 to November 10 or a total of 8,082 barrels, as a result of a blow-out and while in the process of cleaning out and completing.

After carefully reviewing the New Mexico Conservation Law, we feel that oil can be legally produced only if the production is authorized by order of the Commission issued after notice and hearing, as required by Section 17 of the New Mexico Conservation Law.

In order to substantiate the legality of the oil produced prior to November 11, we would appreciate your securing and furnishing us an order issued by the New Mexico Oil Conservation Commission after due notice and hearing authorizing the production of the oil which was produced during the period prior to November 11.

Very truly yours,

A. D. Wilber (Signed)

ADW B (s)

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

LAW OFFICES
HERVEY, DOW & HINKLE
ROSWELL, NEW MEXICO

April 9, 1952

ROSS MADOLE
WILLIAM C. SCHAUER

Mr. Dick Spurrier,
New Mexico Oil Conservation Commission,
Santa Fe, New Mexico.

Dear Dick:

Mr. Madole has heretofore had some discussion with you in regard to an emergency order which the Commission entered on October 25, 1951, pursuant to Section 17 of the Oil Conservation Act under Rule 1202 under which all oil which was produced in pits and temporary storage tanks as a result of the blow-out of the Aurora Gasoline Company Davis No. 1 Well and which was classed as distress oil could be sold. I believe this well was located on Lot 4, Sec. 29, Twp. 18 S., Rge. 39 E., N.M.P.M. Our file indicates that on October 25, 1951, you wrote to Mr. Robert Blymn, your engineer at Hobbs, stating in effect that all of the above mentioned production classed as distress oil should not be charged as an advance allowable, and Mr. Blymn was instructed to advise the pipe line carrier of this fact by appropriate C-110 forms and accompanying explanatory letter.

We are in receipt of a letter from the Humble Pipe Line Company who ran this oil to the effect that they have not received from the Aurora Gasoline Company any order or other document issued by the Commission showing that they were authorized to produce the oil. Mr. Madole states that he contacted you and that you advised him that you would furnish him with a formal order authorizing this action as outlined in your letter of October 25 so that he might furnish the same to the Humble. We would appreciate you furnishing us with a copy of this order as quickly as possible so that we may furnish the same to the Humble Pipe Line Company.

Yours very truly,

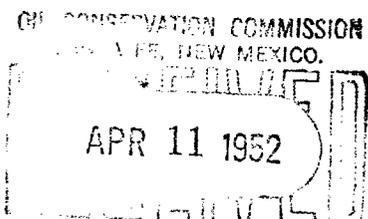
HERVEY, DOW & HINKLE

BY 

CEH:jg

cc: H. P. Pressler,
Humble Pipe Line Company,
Drawer 2220,
Houston 1, Texas.

A. D. Wilbur,
Humble Pipe Line Company,
Drawer 2220,
Houston 1, Texas.



HUMBLE PIPE LINE COMPANY

Case 380
COPY

September 26, 1952

Mr. Jack Shier,
Aurora Gasoline Company,
124 McClintic Building,
Midland, Texas.

Dear Mr. Shier:

We have received from Mr. Macey a copy of a letter directed to you under date of September 16, together with a signed copy of Correction Order No. R-181-A relating to your Well No. 1 on the Davis Lease in the East Hobbs-San Andres Field.

I believe that with this order the entire matter is now straightened out and our records agree with the amounts as set forth in the order of the Commission. We appreciate very much the action taken by you and also by the Commission personnel in going into this matter and getting it all thoroughly straightened out.

Yours very truly,

A. D. WILBUR

ADW:rr

cc-Mr. W. B. Macey
Chief Engineer
Oil Conservation Commission

bc-Mr. F. D. McMahon
Midland, Texas

