

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

March 11, 1955

Mr. W. D. Girand, jr.
Box 1326
HOBBS N M

Dear Sir:

In behalf of your client, Drilling and Exploration Company, Inc., we enclose a copy of Order R-594 issued by this Commission in Case 829 under date of February 28, 1955.

Very truly yours,

W. B. Macey
Secretary-Director

WBM:nr

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OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

November 29, 1954

Drilling and Exploration Co., Inc.
P. O. Box 2075
HOBBS, NEW MEXICO

Attention: Mr. D. C. Webb

Gentlemen: Administrative Order NSP-49

Reference is made to your application for approval of a 185-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the following acreage:

Twp. 21 South, Rge. 36 East, NMPM
SW/4, SE/4 NW/4 of Section 19.

It is understood that this unit is to be ascribed to your State 'F' Well No. 3, located 1980 feet from the south line and 1815 feet from the west line of Section 19, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico.

Inasmuch as you enclosed waivers from offset operators agreeing to the formation of the proposed unit, it is possible for immediate approval to be granted. Therefore, by authority granted me under provisions of Rule 5, Section (b)-5 of the Special Rules and Regulations of the Eumont Gas Pool, as set forth in Order R-520, you are hereby authorized to operate the above-described acreage as a non-standard gas proration unit, with allowable to be assigned thereto in accordance with pool rules, based upon the unit size of 185 acres.

Very truly yours,

W. B. Macey
Secretary-Director

WBM:mr

cc: OCC, Hobbs
N M Oil & Gas Eng Comm, Hobbs
JH, Santa Fe

allowable location
185 acres
... ..
...

MAIL OFFICE 000
DRILLING AND EXPLORATION COMPANY, INC.
P. O. BOX 13006 2075
HOBBS, NEW MEXICO

NOV 24 1954
11 9:35

November 24, 1954

New Mexico Oil Conservation Commission
Box 871
Santa Fe, New Mexico

Gentlemen:

In accordance with Rule 5 (b) of Order R-520, Drilling & Exploration Company, Inc. hereby submits application for establishing a non-standard gas proration unit in the Eumont Gas Pool. Said non-standard gas proration unit to consist of the SW/4 and the SW/4 NW/4 of Section 19, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico known as Drilling & Exploration Company, Inc. State "F" lease, containing 185 acres more or less.

Application to dually complete State "F" well No. 3, located 1980 feet from the South line and 1815 feet from the West line of said Section 19, was submitted to the Oil Conservation Commission and was approved ay Administrative Order No. DC-148 on August 13, 1954.

Electric logs were run in State "F" No. 3 and the data so obtained indicates that such a non-standard proration unit is capable of producing gas from the Yates and Seven Rivers formations. Copies of these electric logs have been filed with the Oil Conservation Commission.

Attached hereto please find signed waivers from all operators owning interests in Section 19, Township 21 South, Range 36 East, Lea County, New Mexico.

Very truly yours,

DRILLING & EXPLORATION COMPANY, INC.

D. C. Webb

D. C. Webb
Division Production Superintendent

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Enc.

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SINCLAIR OIL & GAS COMPANY

FAIR BUILDING

FORT WORTH, TEXAS

November 22, 1954

New Mexico Oil Conservation Commission,
Box 871,
Santa Fe, New Mexico.

Re: Drilling and Exploration Co., Inc.,
#3 State "F", Eumont Gas Field,
Lea County, New Mexico

Gentlemen:

We are advised that Drilling and Exploration Company, Inc. has requested approval of a 185 acre non-standard gas proration unit consisting of the SW/4 & SW/4 NW/4 of Section 19-21S-36E for their No. 3 State "F" well, located as follows:

1980' from the South line and 1815' from the West line of Section 19-21S-36E, Lea County, New Mexico.

Sinclair Oil & Gas Company, as an offset operator, waives any objections to the designation of this non-standard gas proration unit above described and to the usual waiting period after filing of application.

Yours truly,



P. C. Brooke
Vice-President

MH:EOH

cc: Drilling and Exploration Co., Inc.
Box 2075,
Hobbs, New Mexico

Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico

Re: Drilling and Exploration Company, Inc.
Application for Non-Standard Gas Pro-
ration Unit on their State "F" Well
No. 3, Section 19, T-21-S, R-36-E,
Eumont Gas Pool, Lea County, New Mexico.

Gentlemen:

We have been advised that Drilling and Exploration Company, Inc. has re-
quested approval of a non-standard gas proration unit to be allocated to
its State "F" well No. 3 located 1980' from the South line and 1815' from
the West line of Section 19, Township 21 South, Range 36 East, N.M.P.M.,
Eumont Gas Pool, Lea County, New Mexico. It is our understanding that such
non-standard unit consists of the following described lands: SW Quarter
and SW NW Quarter of Section 19, Township 21 South, Range 36 East, N.M.P.M.,
Lea County, New Mexico, containing 185 acres more or less.

You are respectfully advised that we hereby waive notice and hearing as to
said application for approval of said above described non-standard gas pro-
ration unit.

STANDARD OIL COMPANY OF TEXAS

By A handwritten signature in cursive script, appearing to read 'H. J. ...', is written over a horizontal line.

Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico

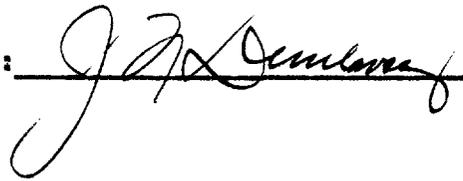
Re: Drilling and Exploration Company, Inc.
Application for Non-Standard Gas Pro-
ration Unit on their State "F" Well
No. 3, Section 19, T-21-S, R-36-E,
Eumont Gas Pool, Lea County, New Mexico.

Gentlemen:

We have been advised that Drilling and Exploration Company, Inc. has re-
quested approval of a non-standard gas proration unit to be allocated to
its State "F" well No. 3 located 1980' from the South line and 1815' from
the West line of Section 19, Township 21 South, Range 36 East, N.M.P.M.,
Eumont Gas Pool, Lea County, New Mexico. It is our understanding that such
non-standard unit consists of the following described lands: SW Quarter
and SW NW Quarter of Section 19, Township 21 South, Range 36 East, N.M.P.M.,
Lea County, New Mexico, containing 185 acres more or less.

You are respectfully advised that we hereby waive notice and hearing as to
said application for approval of said above described non-standard gas pro-
ration unit.

PACIFIC WESTERN OIL CORPORATION

By: 

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

January 21, 1955

Drilling & Exploration Company, Inc.
P. O. Box 2075
Hobbs, New Mexico

Attention: Mr. O. C. Webb

Re: Administrative Order NSP-49

Gentlemen:

On November 29, 1954, by virtue of the provisions of Administrative Order NSP-49, I approved the formation of a non-standard gas proration unit consisting of the following described acreage in the Eumont Gas Pool:

SECTION 19, TOWNSHIP 21 S, RANGE 36 EAST
SW/4 and SW/4 NW/4

Information available to me at this time indicates that I exceeded the authority granted to me by the provisions of Rule 5-b of Order R-520, (Eumont Pool Rules) due to the fact that the third paragraph of Rule 5-a specifically limits the maximum amount of acreage that may be assigned to a gas well, the amount being governed by the well location.

The formation of a 185-acre non-standard proration unit with your State "F" Lease, Well No. 3, located 1980 feet from the South line and 1815 feet from the West line is contrary to the provisions of this rule.

On February 16, 1955, this Commission will hold hearings directed to you as operator for you to show cause why the acreage assigned your State "F", Well No. 3, NE/4 SW/4 Section 19, Township 21 South, Range 36 East, NMPM, Eumont Gas Pool, should not be reduced to 151 acres in accordance with the provisions of Paragraph 3 of Rule 5-a of Order R-520. The description of this 151-acre unit is as follows:

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

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Section 19, Township 21 South, Range 36 East
SW/4

This proposed reduction would be effective March 1, 1955. You will of course be afforded the opportunity to present any testimony or evidence to support the formation of the proration unit as it now exists.

This letter is being directed to you so that you can prepare your case, if you so desire. A copy of the advertisement will be mailed to you when available.

Very truly yours,

W. B. MACEY,
Secretary-Director

WBM/tr

MAIN OFFICE CCC

ORDERED BEFORE THE OIL CONSERVATION COMMISSION,

SANTA FE, NEW MEXICO.

IN THE MATTER OF THE APPLICATION OF)
OIL CONSERVATION COMMISSION ON ITS)
OWN MOTION TO REQUIRE THE DRILLING)
& EXPLORATION COMPANY, INC. TO)
REDUCE A PREVIOUSLY APPROVED NON-)
STANDARD GAS PRORATION UNIT PREVIOUSLY)
APPROVED BY THE COMMISSION UNDER ORDER)
NSP-49.)

CASE NO. 8 2 9

RESPONSE OF DRILLING & EXPLORATION COMPANY, INC.

COMES NOW Drilling & Exploration Company, Inc. and files this its Response to the Order of the Oil Conservation Commission seeking to reduce the proration unit heretofore created by Commission Order NSP-49 and for cause would show:

1. That the general rule of the Oil Conservation Commission covering the production of gas from the Eumont Pool recognizes and authorizes that one gas well is capable of draining 640 acres.

2. That the Oil Conservation Commission has previously determined that wells having a spacing of 660 feet by 660 feet may be allocated to 160 acres as a proration unit and that wells having a spacing of 1980 feet by 660 feet may be allocated to 320 acres as a proration unit.

3. That applicant's well, designated Drilling & Exploration State F. No. 3, is located 1980 feet from the South line and 1815 feet from the West line of Section 19, Township 21 South, Range 36 East. However, said well is located 660 feet from the North line of the SW $\frac{1}{4}$ and 660 feet West of the East line of the SW $\frac{1}{4}$

of said section, but due to a correction in the range line of the township, the East-West dimensions of the section are short. The acreage attributed to the well, as previously approved by Commission Order NSP-49, allocated approximately 185 acres as a proration unit which, had the section been a normal section, would have covered the SW $\frac{1}{4}$ and the SW $\frac{1}{4}$ of the NW $\frac{1}{4}$ of Section 19, Township 21 South, Range 36 East.

4. That the spacing of applicant's well would have been orthodox and in full compliance with the Commission rule had the section been a legal 640 acre section.

5. That the Commission has on two occasions had before it the consideration of applicant's well in that on August 13, 1954, after hearing, the Commission entered its Order No. DC-148 authorizing the applicant to dually complete applicant's well designated as State F. Well No. 3 located in the NE $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Section 19, Township 21 South, Range 36 East, and thereafter, entered its administrative Order NSP-49 establishing the proration unit which the Commission now on its own Motion desires to reduce.

6. In this connection, applicant shows the Commission that applicant is producing gas from the ^{Seven Rivers and} Yates Zone and the only other gas producer from the Yates in Section 19 is the Standard of Texas Meredith State No. 1 located in the SE $\frac{1}{4}$ of the NE $\frac{1}{4}$ of said section.

7. Applicant states that there are no other producers of gas from the ^{Seven Rivers and} Yates Zone being owned and operated by offset operators

to the acreage allocated to this proration unit.

8. In this connection, applicant alleges that all of the acreage attributed to this proration unit is capable of producing gas from the ^{Seven Rivers and} Yates Zone and that due to the shortage of acres existing in the section a reduction of the acreage now assigned to this proration unit would be discriminatory against the applicant herein and would result in a disregard of applicant's right to economically produce his proportionate share of the gas under the present proration regulations.

WHEREFORE, applicant prays that it be allowed to introduce proof in support of this Response and after hearing, the Commission enter its Order continuing the proration unit as heretofore established by Order of the Commission designated in NSP-49.

Respectfully submitted,

DRILLING & EXPLORATION CO., INC.,

BY 
Neal & Girard, Hobbs, New Mexico
Its Attorneys

G/bc