

Case 1476

AUSTRAL OIL EXPLORATION COMPANY

INCORPORATED

SAN JACINTO BUILDING

HOUSTON 2, TEXAS

TELEPHONE
CA 8-9461

NEW YORK OFFICE
630 FIFTH AVENUE
NEW YORK 20, N. Y.

MP

W. G. Smith

May 23, 1958

New Mexico Oil Conservation Commission
125 Mabry Hall, Capitol Building
Santa Fe, New Mexico

Attention: Mr. William J. Cooley, General Council

Gentlemen:

We enclose herewith in triplicate application for Austral Oil Exploration Company Incorporated for an exception to New Mexico Oil Conservation Commission Rule 309 (a).

We trust the application is in good form and that the application may be set for a Public Hearing as soon as possible.

Should you have any questions or require further information, please telephone the writer, and we will be happy to try and furnish same to you.

Yours very truly,
Winston G. Smith

Winston G. Smith
Chief Engineer

CRG:bjm

cc: New Mexico Oil Conservation Commission
Hobbs, New Mexico

*Docket Mailed
6-24-58 BP*

AUSTRAL OIL EXPLORATION COMPANY

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HOUSTON 2, TEXAS

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CA 8-9461

May 23, 1958

New Mexico Oil Conservation Commission
125 Mabry Hall, Capitol Building
Santa Fe, New Mexico

Attention: Mr. William J. Cooley, General Council

Re: Application for Central Tank Battery
W. M. Snyder "D" and "E" Leases
Townsend Field, Lea County,
New Mexico

Gentlemen:

The purpose of this letter is to request permission to set forth before Examiner's Public Hearing Application of Austral Oil Exploration Company Incorporated for an exception to New Mexico Oil Conservation Commission Rule 309 (a), as follows:

1. (a) Austral Oil Exploration Company Incorporated is the Operator of the W. M. Snyder "D" No. 1 Well and "D" Lease comprising lots 5 and 6 of Section 6, T16S, R36E, Lea County, New Mexico. Austral is also the Operator of the W. M. Snyder "E" No. 1 Well and "E" Lease consisting of lot 2 of Section 6, T16S, R36E, Lea County, New Mexico.
- (b) The "D" No. 1 Well is located 2336.4' from the North Line and 1916.4' from the West Line of Section 6, T16S, R36E, Lea County, New Mexico and it is in the process of being drilled at 4300' as of this date.

↓
9900'
or 87 1-2

(c) The "E" No. 1 Well is located 1016.4' from the North Line and 1980' from the East Line of Section 6, T16S, R36E, Lea County, New Mexico and it is in the process of being drilled at 1840' as of this date.

9900'
7-2

2. The "D" No. 1 and the "E" No. 1 Wells will both be completed in the Townsend - Wolfcamp Pool.

3. Austral Oil Exploration Company Incorporated is Agent for Oil Participations Incorporated and is Operator of the subject wells and the leases which were granted by Mr. W. M. Snyder, joined by his wife, Reba Snyder, both of Lovington, New Mexico. The ownership of the leases is not common throughout. Royalty interest and working interest are different for these leases.



(a) "D" Lease

W. M. Snyder, joined by his wife, Reba Snyder have a $\frac{5}{32}$ royalty interest, Robert E. LeBlond has a 1.5% of $\frac{27}{32}$ overriding royalty interest and Oil Participations Incorporated has a 98.5% of $\frac{27}{32}$ working interest.

(b) "E" Lease

W. M. Snyder joined by his wife, Reba Snyder have a $\frac{3}{16}$ royalty interest. Oil Participations Incorporated has a $\frac{13}{16}$ working interest.

4. The leases are contiguous as shown by the attached plat.

5. Austral Oil Exploration Company Incorporated requests that authorization be granted as an exception to Rule 309 (a) for the commingling of production

from all wells which have been or may be drilled in the Townsend - Wolfcamp Pool underlying the W. M. Snyder "D" and "E" Leases.

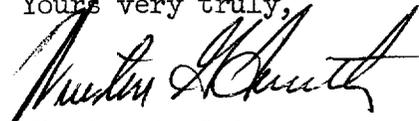
6. Mr. W. M. Snyder, joined by his wife, Reba Snyder, who are owners of both leases, have no objection to this commingling. Mr. Robert E. LeBlond, who owns an overriding royalty on the "D" Lease also has no objection to the commingling. We offer to show at the proposed Examiner's Public Hearing that the working interest owner (Oil Participations Incorporated, 300 San Jacinto Building, Houston, Texas), the lessor and royalty interest owner (Mr. W. M. Snyder, joined by his wife, Reba Snyder), and the overriding royalty interest owner (Mr. Robert E. LeBlond) consent to this application.

7. The proposed central tank battery will consist of 2 - 500 barrel tanks and 2 metering separators.

Attached to this triplicate application for exception is a plat showing the location of the Snyder "D" and "E" Leases and the present wells thereon and the location of the proposed tank battery.

I hereby certify that the facts herein stated are true and correct to the best of my information, knowledge and belief.

Yours very truly,



Winston G. Smith
Chief Engineer

CRG:bjm

cc: New Mexico Conservation Commission
Hobbs, New Mexico

DOCKET: EXAMINER HEARING JULY 2, 1958

Oil Conservation Commission 9 a. m., Mabry Hall, State Capitol, Santa Fe, New Mexico

The following cases will be heard before Daniel S. Nutter, Examiner:

CASE 354:

In the matter of the application of Skelly Oil Company to amend Order No. R-179-A. Applicant, in the above-styled cause, seeks an order amending Order No. R-179-A to permit the transfer of allowables from water injection wells to producing wells on the same basic lease and to establish a lease allowable for its H. O. Sims pilot water flood project in the Penrose-Skelly Pool in Lea County, New Mexico, to enable the production of six times the normal unit allowable from any well or wells in said project.

CASE 1475:

Application of Sinclair Oil and Gas Company for permission to commingle oil from two separate pools in common storage. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the Kemnitz-Wolfcamp Pool and Kemnitz-Pennsylvanian Pool production from its State Lea 692 Well No. 1 located 660 feet from the South lines of Section 24, Township 16 South, Range 33 East, Lea County, New Mexico.

CASE 1476:

Application of Austral Oil Exploration Company for permission to commingle production from two separate leases. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the Townsend-Wolfcamp Pool production from its W. M. Snyder "D" Lease, comprising Lots 5 and 6, and its W. M. Snyder "E" Lease, comprising Lot 2 of Section 6, all in Township 16 South, Range 36 East, Lea County, New Mexico. Applicant proposes to measure the production from each of the above-described leases by means of metering separators.

CASE 1477:

In the matter of the application of Amerada Petroleum Corporation for a dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Ida Wimbeley No. 4 Well located 660 feet from the South line and 990 feet from the West line of Section 24, Township 25 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Drinkard formation adjacent to the Justis-Drinkard Pool and oil from the Fusselman formation adjacent to the Justis-Fusselman Pool through parallel strings of 2-3/8" tubing.

CASE 1478:

In the matter of the application of R. Olsen Oil Company for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 160-acre non-standard gas proration unit in the Tubb Gas Pool consisting of the N/2 NW/4, SW/4 NW/4, and NW/4 SW/4 of Section 25, Township 22 South, Range 37 East, Lea County, New Mexico.

CASE 1294: Application of Ambassador Oil Corporation for an order amending Order No. R-1053. Applicant, in the above-styled cause, seeks an order amending Order No. R-1053 to approve a development pattern for the entire water flood project operated by the applicant in the Caprock-Queen Pool, Chaves and Lea Counties, New Mexico, and to permit administrative approval for the conversion of water injection wells in said project, which is within the limits of the North Caprock-Queen Unit No. 2, authorized by Commission Order R-1194.

CASE 1402: Application of Neville G. Penrose, Inc. for an order amending Order R-1151. Applicant, in the above-styled cause, seeks an order amending Order No. R-1151 to extend the time allowed for the flaring of gas from its McCallister Well No. 1, located 660 feet from the North and West lines of Section 7, Township 22 South, Range 38 East, Tubb Gas Pool, Lea County, New Mexico.

CASE 1479: Application of Aztec Oil and Gas Company for an oil-oil dual completion and for permission to commingle production from two separate pools. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its State BD-36 Well No. 1, located 1980 feet from the South and East lines of Section 36, Township 22 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Blinebry formation adjacent to the Blinebry Oil Pool and oil from the Drinkard Pool through parallel strings of 1 1/2 inch tubing. The applicant further proposes to commingle the Blinebry and Drinkard production from said well in common storage.

June 16, 1958

ga

Case 1476

Case 1476

New Mexico Oil Conservation Commission
175 Mabry Hall, Capitol Building
Santa Fe, New Mexico

BEFORE EXAMINER
OIL CONSERVATION COM.
Austral EXHIBIT NO. 1
CASE NO. 1476

Attention: Mr. William J. Cooley,
General Counsel

Gentlemen:

It is my understanding that Austral Oil Exploration Company Incorporated, Houston, Texas, has made Application for an exception to New Mexico Oil Conservation Rule 309 (a) so as to commingle production from the W. M. Snyder "D" Lease (covering Lots 5 and 6) and "E" Lease (covering Lot 2), all in Section 6, Township 16 South, Range 36 East, Lea County, New Mexico.

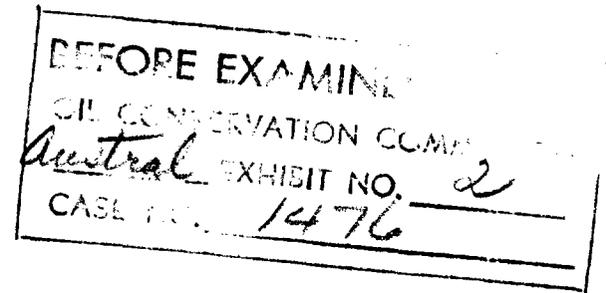
This letter confirms to you that the undersigned, W. M. Snyder, is the Lessor and sole basic royalty owner; however, I understand that Mr. Robert I. LeBlond owns an overriding royalty interest under the Snyder "D" Lease. The basic royalty under the "D" Lease is five thirty-seconds (5/32) of total production and three-sixteenths (3/16) of total production under the "E" Lease. The undersigned, as such Lessor and royalty owner, consents to the Application of Austral for permission to commingle the Townsend - Wolfcamp production from said leases.

Very truly yours,



W. M. Snyder

WSH:jl



New Mexico Oil Conservation Commission
175 Mabry Hall, Capitol Building
Santa Fe, New Mexico

Attention: Mr. William J. Cooley,
General Counsel

Gentlemen:

It is my understanding that Austral Oil Exploration Company Incorporated, Houston, Texas, has made Application for an exception to New Mexico Oil Conservation Rule 309 (a) so as to commingle production from the W. M. Snyder "D" Lease (covering Lots 5 and 6) and "E" Lease (covering Lot 2), all in Section 6, Township 16 South, Range 36 East, Lea County, New Mexico.

This letter confirms to you that the undersigned, Robert E. LeBlond, owns an overriding royalty interest under the "D" Lease, and hereby consents to the Application of Austral for permission to commingle the Townsend - Wolfcamp production from said leases.

Very truly yours,


Robert E. LeBlond

WSH:jl

Case 1476

OIL PARTICIPATIONS

INCORPORATED

TELEPHONE

SAN JACINTO BUILDING

ATWOOD 9461

HOUSTON 2, TEXAS

May 27, 1958

NEW YORK OFFICE
630 FIFTH AVENUE
NEW YORK 20, N. Y.
CIRCLE 6-9300

Vertical scribble

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
Austral EXHIBIT NO. 3
CASE NO. 1476

New Mexico Oil Conservation Commission
125 Mabry Hall, Capitol Building
Santa Fe, New Mexico

Attention: Mr. William J. Cooley,
General Counsel

Re: 03.43 and 03.70, W. M. Snyder "D" and
"E" Leases, East Townsend Area, Lea
County, New Mexico (DB 56-4)

Gentlemen:

Austral Oil Exploration Company Incorporated, Houston, Texas, acting as General Operating Agent for Oil Participations Incorporated, has made Application for an exception to New Mexico Oil Conservation Rule 309 (A) so as to commingle production from the W. M. Snyder "D" Lease (covering Lots 5 and 6) and "E" Lease (covering Lot 2), all in Section 6, Township 16 South, Range 36 East, Lea County, New Mexico.

This letter confirms to you that Oil Participations Incorporated is the owner of the working interest under each of the above leases. Oil Participations Incorporated, as working interest owner, consents to the Application of Austral for permission to commingle the Townsend - Wolfcamp production from said leases.

Very truly yours,

OIL PARTICIPATIONS INCORPORATED

By *Robert S. Moehlman*
Robert S. Moehlman
Vice President *RS*

WSH:jl

May 22, 1958

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
<i>Austral</i> EXHIBIT NO. <u>14</u>
CASE NO. <u>1476</u>

New Mexico Oil Conservation Commission
125 Mabry Hall, Capitol Building
Santa Fe, New Mexico

Gentlemen:

As lessees of adjoining acreage to Austral Oil Exploration Company Incorporated W. M. Snyder "D" and "E" leases located in Section 6, T16S, R36E, Lea County, New Mexico, in the Townsend Pool, we hereby waive right to protest on their application to commingle production from these leases.

Yours very truly,

THE ATLANTIC REFINING COMPANY

BY:

R. E. Howard

R. E. Howard
Regional Petroleum Engineer

Dated: 6-2-58

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
Austral EXHIBIT NO. 5
CASE NO. 14476

May 22, 1958

New Mexico Oil Conservation Commission
125 Mabry Hall, Capitol Building
Santa Fe, New Mexico

Gentlemen:

As lessees of adjoining acreage to Austral Oil Exploration Company Incorporated W. M. Snyder "D" and "E" leases located in Section 6, T16S, R36E, Lea County, New Mexico, in the Townsend Pool, we hereby waive right to protest on their application to commingle production from these leases.

Yours very truly,

CABOT CARBON COMPANY

BY: *Percy C. Quinn*

Dated: May 26, 1958

PAN AMERICAN PETROLEUM CORPORATION

OIL AND GAS BUILDING

FORT WORTH, TEXAS

ALEX CLARKE, JR.
DIVISION ENGINEER

June 12, 1958

File: GWK-3454-986.510.1

Subject: Waiver of Objection to Exception
To Rule 309 by Austral Oil
Exploration Company, Townsend
Wolfcamp Field

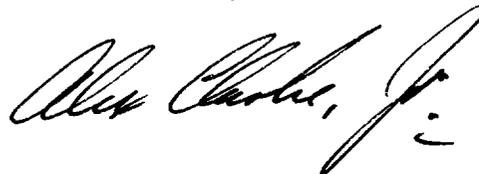
New Mexico
Oil Conservation Commission
Santa Fe, New Mexico

Gentlemen:

The undersigned, being an authorized representative of the offset operator, has been duly informed by Austral Oil Exploration Company of its intention to request an exception to Rule 309 to permit commingling of production from two of its leases in the Townsend Wolfcamp Field, and hereby waives all objections to the granting of a permit for this purpose.

It is our understanding that the two leases involved in this application are located in Section 6, T-16-S, R-36-E, Lea County, New Mexico.

Very truly yours,



REM:lj

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
<i>Austral</i> EXHIBIT NO. <u>6</u>
CASE NO. <u>1476</u>

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
Austral EXHIBIT NO. 7
CASE NO. 1476

May 22, 1958

New Mexico Oil Conservation Commission
125 Mabry Hall, Capitol Building
Santa Fe, New Mexico

Gentlemen:

As lessees of adjoining acreage to Austral Oil Exploration Company Incorporated W. M. Snyder "D" and "E" leases located in Section 6, T16S, R36E, Lea County, New Mexico, in the Townsend Pool, we hereby waive right to protest on their application to commingle production from these leases.

Yours very truly,

TEXAS PACIFIC COAL AND OIL COMPANY

BY:

R. A. Lewis
Manager of Production

Dated: June 5, 1958

