

Case Number.

4160

Application

Transcripts.

Small Exhibits

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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
July 23, 1969
EXAMINER HEARING

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IN THE MATTER OF:

Application of Roger C. Hanks
for pool redelineation,
Roosevelt County, New Mexico.

Case No. 4160

BEFORE: Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICOHearing Date JULY 23, 1969TIME: 9 A.m.

NAME	REPRESENTING	LOCATION
ROGER HANKS	ROGER HANKS	MIDLAND
W.T. PROBANT	" "	"
B.D. SITES	" "	"
CLARENCE HENKLE	" "	ROSWEEL
John D. Ochsner	Lone Star Prod. Co	Midland
J. W. Lambdin	" " " "	"
<i>[Signature]</i>	Attwood & Malone	Roswell
C.E. CHILDERS	IMC	CARLSBAD
Norman Mattsman	attly	Carlsbad
G. Lion Durn bull.	IMC	✓
Richard S. Morrin	Montgomery et al	Santa Fe
R. C. [Signature]	OCC	W. [Signature]
Jason Kallala	Kallala & Fox	Santa Fe
<i>[Signature]</i>	Amorinda [Signature] Corp	Midland, Texas
Clem E. George	R. R. MORRISON	Midland, Texas
James H. McMillen	Amorinda [Signature] Corp	Midland, Tex
William K. [Signature]	Amorinda [Signature] Corp	Hobbs, N. Mex
Kina [Signature]	RW Bryan	Santa Fe

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MR. UTZ: Case 4160.

MR. HATCH: Case 4160. Continued and readvertised.
Application of Roger C. Hanks for pool redelineation,
Roosevelt County, New Mexico.

MR. HINKLE: Clarence Hinkle of Hinkle,
Bondurant and Christy of Roswell, representing Roger C.
Hanks.

We have 9 exhibits which have already been marked,
and we have three witnesses that we would like to have
sworn.

(Whereupon, Applicant's
Exhibits 1 through 9 were
previously marked for
identification)

(Witnesses sworn)

BILL PROBANDT,

called as a witness, having been first duly sworn, was
examined and testified as follows:

DIRECT EXAMINATION

BY MR. HINKLE:

Q State your name and your residence?

A Bill Probandt, Midland, Texas.

Q Are you associated with Roger Hanks?

A I am.

Q In what way?

A I am a partner with Mr. Hanks. I also do geological work for Mr. Hanks.

Q Have you previously testified for the New Mexico Oil Conservation Commission?

A I have.

Q And your qualifications as a graduate geologist are a matter of record with this Commission?

A That's correct.

Q Are you familiar with the application of Roger Hanks in this case?

A Yes, sir.

Q What is Roger Hanks seeking to accomplish?

A Mr. Hanks seeks the redefinition of the South Prairie Pool so as to delete the NE/4 of Section 29 and the NW/4 of Section 28, Township 8 South, Range 36 East, Roosevelt County, to include these quarters --

Q (Interrupting) That is from South Prairie?

A Yes. To delete these from the South Prairie Pool

and to include them in the Middle Allison Pool. Also to have the Middle Allison Pool redefined to include all of Section 29, the SE/4 of Section 30, the north half of Section 32 and the north half of Section 33, Township 8 South, Range 36 East, Roosevelt County.

Q Have you made a study of the South Prairie and Middle Allison pools?

A Yes.

Q Of all the wells and geological information which is available?

A Yes, sir.

MR. HATCH: Excuse me. May I interrupt just a moment? You said the north half of Section 33, and it is my understanding that part was to be dropped from the Application.

MR. HINKLE: That's right. It was not in the Application but it was advertised.

MR. HATCH: But you do not wish it to be included?

MR. HINKLE: It is really immaterial to us, however, there are wells on it now, and it is proven acreage, so I think it could well be included, but it was not included in the Application, but for some reason it was included in the advertising.

MR. UTZ: Well, according to my map, that is 9-36?

MR. HATCH: 8-36.

MR. UTZ: According to my map, the NE/4 and NW/4 is already Middle Allison Pool.

(Discussion held off the record.)

MR. UTZ: Okay, you may proceed.

BY MR. HINKLE:

Q Have you prepared or has there been prepared under your direction, certain exhibits for introduction in this case?

A Yes, sir.

Q Refer to what has been marked as Exhibit No. 1 and explain what this is and what it shows?

A Exhibit No. 1 is an index map of the South Prairie and Middle Allison areas. The Pool outlines for respective fields are in dark green. They are so labeled "South Prairie" to the north, and "Middle Allison" to the south. The original Middle Allison spacing is shown, inserted with a dotted outline to the presently spaced Middle Allison Pool. The colored dots denote different producing zones per present producing wells: Brown, San Andres; Blue, Bough "C"; Orange, Devonia.

Q What does yellow denote?

A Yellow denotes acreage held by Roger C. Hanks in these areas.

Q Does Roger Hanks have a producing well in this area?

A Yes, he does. He has a producing well in the NE/4 of Section 29 and Section 32. The four blue dots denote the four producing wells.

Q This is the only well that Roger Hanks has in the area?

A No. In Section 32, there are four blue dots denoting four Bough "C" producing wells.

Q Now, the first well you mentioned in the NE of 29, that is at the present time in the delineation of the South Prairie Pool?

A Yes, sir, it is.

Q And that 160 is the NE of 29 and the NW of 28 which you are seeking to have deleted from the South Prairie?

A Yes, sir.

Q Do you have any further comments on this Exhibit?

A No, sir.

Q Would you refer to Exhibit No. 2 and explain this to the Commission?

A Exhibit No. 2 is so labeled in the upper righthand

corner to indicate that it is a subsurface map on the Bough "C", 50-foot contour interval. This map shows the general structural configuration at the Bough "C" level throughout South Prairie and Middle Allison Pools. It also shows a fairly continuous down-dip progression of the contours to indicate that there is no structural separation indicated at Bough "C" level between the fields.

Q What do you conclude from this exhibit?

A I conclude that the Bough "C" is developed as a map for horizon throughout these two fields without a major separation.

Q I see that Exhibit 3 is a large exhibit. Will you refer to that and explain it?

A Yes, I will. The top cross-section is Exhibit No. 3. This cross-section goes from A to A-Prime and it is so indicated on the index map at the bottom. The first well being Texaco Western National Federal, original so designated, and is now owned by B.T.A., I believe -- through Roger C. Hanks Cabot State 1 and Roger C. Hanks Cabot State 2 and 3, the R. R. Morrison No. 1-C Federal, then into the Lone Star 3-B, back to Roger C. Hanks Lone Star Federal, Gosden 1-B -- now known as American Petrafina -- but it may be seen on the map as Gosden, progressing further into

the Lone Star New Mexico Federal Lease, 1-B and 2-B wells, back into the Lone Star New Mexico Federal No. 2 and Lone Star New Mexico Federal No. 1, and the final well so shown is the American Petrafina 1-C, which was the discovery of the South Prairie field.

Let me backtrack and say that the Texaco Western National Federal may for all practical purposes be considered the discovery well of the Middle Allison Pool because it is situated in the middle of the present Middle Allison Pool. It was once known, I think, as a bond area and redefined Middle Allison Pool. However, it was the only well within a considerable distance of South Prairie at one time. Now, it is surrounded by Middle Allison production, so I expect we have discovery wells for Middle Allison Pool and South Prairie Pool and the joining wells in between. I meant to show a representative cross section of the producing zone at Bough "C".

You will note that I have several color keyed horizons connected between logs. These are generally accepted among southeastern New Mexico geologists as a double "X" marker in the Wolf Camp, the Three Brothers, the Three Sisters and the Bough "C". Bough "C" in blue all the way across the map.

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You will note a red square or rectangle within the Bough "C". This is in perforated intervals while the well was producing or its present producing interval.

Q All of these wells are correlated so far as the Bough "C" formation is concerned?

A Yes, sir, they are.

Q Any question in your mind with respect to the correlation of it?

A None.

Q What is the zone just above the blue there, the orange?

A The orange is the Three Sisters which is an indicator of a depositional cycle characteristic of Bough "C" development in this area. You can see it is quite a consistent thing. You could take this log and set it next to this log, if you so desired, and you wouldn't see a great deal of variance at any level.

Q The continuity of both of these logs is indicated by these logs?

A Very definitely.

Q What conclusion do you draw from this exhibit?

A That the zone is continuously developed throughout the area shown on the cross section.

Q It is the same zone of both the South Prairie and Middle Allison?

A Yes, it is.

Q Now, refer to Exhibit No. 4 and explain that to the Commission.

A Exhibit 4 is another cross-section in the same general area. This cross-section is not hung on a structural marker. It is merely spaced -- hung on a stratigraphic marker and the logs are condensed as far as placement is concerned to give an impression and idea to show that this zone is continuous throughout. In other words, although the impression is that these wells are off-set by the continuity of the zone, the truth of the matter is that one is in the Middle Allison Pool in Texaco Western National Federal "C". One is in the area that we are presently --

Q (Interrupting) That's the Roger C. Hanks --

A Roger C. Hanks Lone Star Federal No. 1 in the area that we are asking to be defined. The other one is in the South Prairie Pool. These have been placed closely together to indicate once again the continuity and development of the Bough "C" as an aerial zone. The same color scheme applies, Double "X", Three Brothers, Three Sisters and Bough "C".

Q This also indicates that the Bough "C" is about the same thickness in all three wells?

A Yes, sir, it does.

Q Would you draw any additional conclusion from this exhibit?

A I would draw the same conclusion again that there is virtually no difference, even though they are about a $2\frac{1}{4}$ mile spread there between the wells, as far as the development of the zone. Again, you may notice a red here and it shows the porosity developed in essentially the same place within the Bough "C".

Q Do you have any further comments with respect to either of these exhibits?

A No, sir.

MR. HINKLE: I think this is all the direct of this witness.

MR. UTZ: Are there any questions of the witness?

The witness may be excused.

(Witness excused.)

(Discussion held off the record.)

L. D. SIPES, JR.

called as a witness, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. HINKLE:

Q State your name and residence?

A I am L. D. Sipes, Jr., resident of Midland, Texas.

Q Are you a graduate petroleum engineer?

A Yes, sir, I am.

Q Are you employed by anyone or connected with any firm?

A Our firm is Bailey, Sipes, Williamson and Runyon of Midland.

Q Have you previously testified before the New Mexico Oil Conservation Commission?

A Yes, sir, I have.

Q And your qualifications as a petroleum engineer are a matter of record with the Commission?

A Yes.

Q Are you familiar with the Application of Roger Hanks in this case?

A Yes, sir, I am.

Q Have you been employed by Roger Hanks to make a study of the South Prairie and Middle Allison Pools?

A Yes, sir.

Q And you have made a study of that kind?

A Yes, sir.

Q What did you do in the course of making this study?

A My primary purpose was to investigate the behavior, the reservoir performance of these two pools and come to some type of conclusion as to the continuity of that particular reservoir, whether it is one and the same or whether because of some down-hole conditions within the reservoir, some difference between the characteristics of the two fields.

Q Have you prepared or has there been prepared under your direction, certain exhibits for introduction in this case?

A Yes, sir.

Q Refer to Exhibit No. 5 and explain this to the Commission?

A Exhibit No. 5 is a map of the South Prairie and Middle Allison area. On it are posted the drill-stem test pressures and the dates of those pressures for the wells that have been completed, and where the data has been reported -- that are completed within the Bough "C" reservoir.

Q Of both the --

A (Interrupting) Of both the South Prairie and the

Middle Allison Pools, and within the immediate area of those two spaced pools.

Q The bottom-hole pressure is shown in red?

A The bottom-hole pressures are shown in red and the date that those pressures were taken or the date at which the well was abandoned or completed is shown in green.

Q What do you conclude from these pressures as shown on Exhibit 5?

A I conclude that the reservoir in the Bough "C" within the South Prairie and Middle Allison Pools as they are designated by the Commission are essentially one reservoir, that they are in pressure communication, and that it is obvious that fluids have been transmitted across a considerable distance within the Bough "C" formation.

As a case in point, I would like to show two or three examples, if I may, from this. I think it best shows up -- what I want to show is best illustrated by the area in the Middle Allison Pool. Section 36 of 8-35, we have the J.I. O'Neil State No. 1-J in the SE/4. In December of 1961, the drill-stem pressure in that well was 3051 pounds, very similar to the pressure in the South Prairie fields, which was approximately 3085 P.S.I.

With no production in the immediate area with the exception of the well in Section 31 of 8-36 in the NW/4, in 1962, the pressure had fallen in the well in spot "B" in Section 36 of 8-35 to 2880 P.S.I. In June of 1969, the pressure had declined further to 2237 P.S.I. showing a considerable amount of reservoir depletion without any appreciable production within the area.

The production of a magnitude to cause this pressure drop, I concluded, could only have come from the voidage which would have been taken through the South Prairie Bough "C" wells.

Q Which wells are you speaking of, the ones in 31?

A The ones in 31, also up in 16, 17, 20 and 21, 29 and 28 of 8-36 which is in the South Prairie field.

Q In that area here?

A Yes, sir. Another good example is the well in Section 5 of 9-36 which is known as the Northcott well at Spot "B". The original pressure of that well in June of 1961, was 3015 P.S.I. In 1968 and 1969 when two other wells in that same half section were completed, we have pressures of 2202 and 2151 P.S.I., showing again, considerable drainage and reservoir depletion.

Q Have you calculated an average pressure at the

present time in this area?

A I have inferred an average pressure within the Bough "C" reservoir in the area of the South Prairie and Middle Allison fields as of January 1, 1969 from drill-stem tests to be approximately 2310 P.S.I.

Q Do you have any further comments with respect to this exhibit?

A No, sir.

Q I refer you to Exhibit No. 6. Explain what this is and what it shows?

A Exhibit No. 6 is a small 8½ by 11 exhibit which is under the map which you have, Mr. Examiner. It is entitled "Reservoir data in the Middle Allison-South Prairie Fields." The initial pressure in November of 1960, was approximately 3085 P.S.I. In January of 1969, the pressure was approximately 2310 P.S.I. Accumulative oil production to January 1, 1969 of 2,740,427 barrels. I have calculated from those data, the recovery factor of 3540 barrels of oil for P.S.I. pressure drop. Then it follows from that and the original pressure that the estimated ultimate oil recovery for the entire area will be approximately 10,900,000 barrels.

Q By "entire," you mean both pools?

A Both pools, to include the South Prairie and the Middle Allison area and what I feel is potentially or essentially proved productive area of those two reservoirs which contain approximately 17 Sections or 10,880 acres.

The estimated remaining oil reserve from January 1, 1969 for the entire area, then, is approximately 8,160,000 barrels.

Q Okay. -- Now, refer to Exhibit No. 7 and explain this?

A To define as well as I could the theoretical reservoir pressure at abandonment, it was necessary to obtain some formation capacity information. I looked at the build-up charts on several D.S.T.'s which had been taken in the area, and the build-up was so fast on those particular charts, that I could not get enough information to calculate formation capacity. I did find one core analysis which had been taken on the Chambers and Kennedy Mobile Federal No. 1 at Spot "E" in Section 28 of 8-36 which showed in 22 feet of net pay, a formation capacity of 18.7 Darcy feet. For the purposes of calculation, I used an abandonment well bore pressure of 10 P.S.I. and have calculated, then, the theoretical reservoir pressure assuming the well is draining 160 acres, and it

shows the abandonment pressure to be 12 P.S.I.

On 80 acre spacing, the same calculation shows an abandonment pressure of 12 P.S.I. I conclude from this that one well on 160 acres in this particular reservoir will effectively and efficiently drain 160 acres.

Q Just as a figure, one well on 160 acres would drain just as efficiently as two wells, each on 80 acres within the 160?

A Yes, sir, particularly at that location where these data were available.

Q Now, refer to Exhibit No. 8?

A Exhibit No. 8 was prepared to show the economics of developing the Middle Allison-South Prairie fields on the basis of 80-acre spacing or 160-acre spacing. Using an 87.5 percent working interest, I calculated the economics if all the wells had been drilled and started production at the same time. The ultimate recovery in the area which I have taken as my sample or for the total area, has an ultimate recovery of 10,900,000 Barrels. On a well spacing of 80 acres, a total of 136 wells could be drilled within the area, giving an average ultimate recovery per well of 60,200. Gross revenue to the working interest under these circumstances would be \$220,500. Assuming an economic

life of 5 years, and operating costs of \$1,225. per month, the total net revenue to the working interest from this 80-acre space of well would be \$147,000.

When the cost of development, including salt water disposal facilities is subtracted from this total net revenue, the well on 80 acres shows a net loss of \$68,000.

Using a similar calculation for wells spaced on 160 acres, it shows that 68 wells could be drilled within the area of these two pools, and that the net profit for the well on 160-acre spacing would be \$79,000.

Q These calculations are based upon a working interest income of 275 for gross barrels?

A Yes, sir.

Q Do you have any further comments with respect to this exhibit?

A No, sir.

Q Now, refer to Exhibit No. 9?

A Exhibit No. 9, if the Commissioner will lay back the overlay, was prepared to show the current wells which were producing from the Bough "C" reservoir in the South Prairie and Middle Allison field. The wells in the red solid circles are current producers in those fields. The wells within the red circle which has been crossed out

in green are either wells which have been plugged subsequent to production, or which were never completed within the Bough "C" interval.

Again, on here we have shown the current Commission recognized outline of the South Prairie and Middle Allison pools.

Q Now, refer to the Roger Hanks No. 1 in the NE/4 of 29. There are some wells which have been plugged north of that and between that and the producing wells in the South Prairie, are there not?

A Yes, sir, there are. There are two wells on the south portion of Sections 20 and 21 which have been plugged from the Bough "C". There are also three wells which have been plugged from the Bough "C" in the NE/4 of 29 and the NW/4 of 28.

Q Also one in the southeast of 20 and the southwest of 21 that have been plugged?

A Yes, sir.

Q So north of that, you really have two wells which have been plugged, is that right?

A On 80-acre spacing, there are two locations between Roger Hanks' well and the NE/4 of Section 29 and the current wells which are producing in the South Prairie

Field.

Q In other words, that is the closest well in the South Prairie that is producing to the Roger Hanks No. 1?

A That's right. That would be the Lone Star Federal 1-B.

Now, the purpose of this exhibit is to show the current effective spacing in both the Middle Allison and the South Prairie fields. It has been said many times that if an oil field is left without spacing rules, that it will eventually revert to economic spacing.

Q Before you get to that --

A (Interrupting) Not without some unnecessary waste being involved, however.

Q What is the character of the well, the Roger Hanks No. 1 well in the northeast of 29?

A It is a very good well. It produces a large volume of oil and water from Bough "C".

Q Okay, go ahead.

A The overlay which has been prepared here shows 160-acre regular spacing outlines, which when overlaid on the red circles of the underlying map, shows that the Middle Allison field, as per the Commission rules, is spaced on 160 acres.

Q Without exception?

A Without exception. It also shows that a portion of the South Prairie field on the east side has been voluntarily spaced on 160 acres.

Q That is in 22 and 23?

A In Sections 22 and 23, American Petrafina and Petco. By comparing the yellow squares on the overlay with the underlying red circles white denote current producers in the South Prairie field, it also shows that at the present time, the South Prairie field is effectively producing on 160-acre spacing with the exception of the SE/4 of Section 17 where there are still two wells. One is the J. I. O'Neil, the other is the Huber Corporation.

Q Are those good wells?

A One well at the present time, the O'Neil well is producing 3 barrels per day. The Huber well is producing approximately 20 barrels per day.

Q So one of them has reached the economic limits?

A One of them has reached the economic limits. Therefore, if you disregard that one well, both the South Prairie and the Middle Allison Pools are now effectively safe on 160 acres.

Q That is to say, in the South Prairie, you only

have one well which is actually producing the maximum on the 160 acres?

A That's right, sir.

Q With that exception in the SE/4 of Section 17?

A Yes, sir.

Q Do you have any further comments with respect to this exhibit?

A No, sir.

Q Do you know whether Roger Hanks has contacted the off-set owners with respect to his application to see whether they have any objections?

A Yes, sir, he has written the off-set and interested operators within the area and asked for their approval or disapproval of his Application.

Q What response has he had from those requests?

A He has had 11 companies respond supporting his Application for 160-acre spacing. These are: Mobil Oil Corporation, City Service Oil Company, Atlantic Richfield, Midwest Oil Corporation, Coastal States Gas Producing Company, R. R. Morrison, Petco, Tom Boyd Drilling Company, McCoy and Stephens, Charles B. Reed, and C. F. Featherstone. He has two operators in the area show disapproval of such an Application, these being: Lone Star and Solar Oil Company.

One company which responded abstained from making either a supporting or disapproval of the Application, and that is the D. M. Huber Corporation.

Q Do you have the letters?

A Yes, sir, I do.

Q We would like to file these letters as a matter of record.

MR. UTZ: Do you want to mark them as exhibits?

MR. HINKLE: I don't think it is really necessary.

We would like to offer in evidence Exhibits 1 through 9.

MR. UTZ: Without objection, Exhibits 1 through 9 will be entered into the record of this case.

(Whereupon, Applicant's Exhibits 1 through 9 were offered and admitted in evidence.)

MR. HINKLE: That's all of the direct of this witness.

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Sipes, you spoke of pretty rapid build-up rates. Do you have any information in regard to those build-up rates?

A Sir, on drill-stem test data which I have available to me there is -- by the time were shut in and it was labeled to be red, the wells had built up. They were almost immediately. I have a couple of samples if you would like to see them.

Q What about stabilization? They didn't build up any higher?

A No, sir, they popped right up to the pressure -- stabilized pressure and held at that.

Q What would that length of time be, 30 minutes?

A I would say, sir, probably less than 5 minutes.

Q And you say the permeability is excellent from this pool?

A Yes, sir.

Q Is that in both pools?

A Yes, sir, as nearly as I can determine.

Q Do you have this type of information which you could show for either pool?

A Yes, sir.

Q Have you run any interference tests or has Roger Hanks or anybody that you know run any interference tests in the pool as such?

A Not to my knowledge, no, sir. The only thing I

can rely upon is depleted pressures in the wells which have been completed within the last couple of years showing that the pressure at that point had declined from the original.

Q So you interpret that as interference?

A Yes, sir, as communication within the reservoir, and it would show interference, I believe, if the proper tests had been taken.

Q Let's look at one area in which you suggested communication or interference, Section 5, where you gave initial pressure of something like 3015 in June of '61.

A Yes, sir.

Q I believe, if I am correct, you show another pressure of 2202 which is on a different well, was it not?

A Yes, sir, it was on a different well.

Q In '68?

A Some 7½ years later.

Q How much production from Section 5 did you have in the interim from '61 to '68?

A I don't have that --

Q (Interrupting) My question is specifically: Was there enough production in Section to cause this amount of drop in pressure?

A I don't have that total voidage at that well immediately with me, sir.

Q I believe it was your testimony that you attributed some of that pressure decrease to wells up in Sections 28 and 29 and 20 and 21?

A Yes, sir.

Q How are you going to substantiate that if you don't know how much production you had down here in Section 5?

A I looked at that and don't have the immediate break-out of it, sir, but there was not enough production, as I recall from my work, to cause this type of regional pressure drop. We had something in the range, I believe, in January 1 of '69, in the total area of the South Prairie Pool, a total voidage of approximately 7,000,000 barrels of oil and water. I don't recall the exact amount that had been produced from that well in Section 5 but I do recall that it was almost insignificant compared to the production taken from the South Prairie Pool. It is my calculations that it would take a very large volume of water to cause this type of pressure drop.

Q You would base that opinion, then, on your calculations on Exhibit 7 and Exhibit 6?

A Exhibit 7, sir, plus the knowledge of compressibility

of the oil and water and rock system which we were dealing with.

Q You would have to base that on your 35-40 barrels per pound drop, right?

A Yes, sir.

Q And it is your recollection from your work sheets that there was not enough production in Section 5 to cause this pressure differential in this 7 years?

A Yes, sir.

Q Would the same be true over in the area of Section 36 that you mentioned?

A Yes, sir, it would be. I can get those total voidages for you, sir.

Q According to your Exhibit No. 9 where you show all the drill holes, it is my understanding that some of those wells actually produced some oil from the Bough "C" and were abandoned?

A Yes, sir, that is correct.

Q Others scattered in the pool were dry on completion?

A Yes, sir, that's true. I have another exhibit which might be of some help to you, sir.

MR. HINKLE: I would like to have this identified as Exhibit No. 10.

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(Whereupon, Applicant's
Exhibit No. 10 was marked
for identification.)

THE WITNESS: Exhibit No. 10 shows the cumulative
oil production for each well in the South Prairie Pool as
of January 1, 1969.

BY MR. UTZ:

Q These figures are in the thousands?

A Yes, in thousand barrels.

MR. HINKLE: This is the figure shown in red.

THE WITNESS: It is the figure shown in red for
each well.

BY MR. UTZ:

Q So actually the Roger Hanks Well produced 28,000
barrels; is that your interpretation?

A No, sir, that was the well in Spot "A" of that
section which would be 1-D, I believe, it shows on my map
here, the Cosden well, sir.

Q That shows as presently abandoned in Unit A of
Section 29?

A Yes, sir, that produced 28,000 barrels.

Q What kind of capacity is the well in Unit H?

A Mr. Hanks advises me that it is over 400 barrels
of oil per day and over 1000 barrels of water per day at

this time.

Q Can you state that the reason for abandoning the first well in Unit A?

A I would only assume that they found it uneconomic to continue production.

Q There was too much water?

MR. HANKS: In the initial stages of the field, the operators in here were not using down-hole hydraulics. The well flowed naturally and in some attempts they put units on them and they were not able to keep up with the water production, and they run anywhere from 2 to 5 percent oil and 90 to 95 percent water. That's the reason for abandoning it. This has been several years ago and the modern technology and advances of down-hole hydraulics and service equipment has improved to the extent where you could get the fluid to the pumps. This is a vast improvement and it is the reason for the actual existence of Middle Allison. It has to drain from a large area because of the limited capacity under an 80-acre or even a 160-acre tract to furnish enough fluid to the well for the well to produce commercially.

THE WITNESS: Perhaps I can further illuminate that with some production information from the well itself

taken in 1961. Beginning in October of that year, it produced 12 barrels of oil a month and 2643 barrels of water. The next month it was 10 barrels of oil and 2576 barrels of water. This, I think, is an obvious answer to the question.

(Discussion held off the record.)

MR. UTZ: So you couldn't consider the north part of that quarter section as being dry, then?

MR. HANKS: No, sir, it hasn't been dry in the past. It has not. Neither has the NW/4 of Section 28. You will note there on the Section, there are two plus wells on the northwest of 28. Their conditions basically are the same as the Cosden in that they had 19 permeable feet in the core, the core that Mr. Sipes explained was from the Chambers and Kennedy hole, I believe, in the southwest northwest of Unit E of 28.

MR. UTZ: Those wells, were they using beam-type pumps when they were abandoned?

MR. HANKS: To my knowledge, Mr. Utz, the Chambers and Kennedy only made 600 barrels. The Lone Star well, I think, flowed and made 19,000. I do not know what means of lift they had. I assume that they did not have it. It has been several years ago, and I am sure they probably didn't.

MR. UTZ: Well, your testimony is that your method of producing down-hole pumps is causing these wells to be commercial?

MR. HANKS: Yes, sir.

MR. UTZ: And that enables you to produce a large volume of water?

MR. HANKS: That's right, yes, sir. Along with the water, you produce the oil.

MR. UTZ: And you are requesting here, 80-acre allowables?

MR. HANKS: Yes, sir.

MR. UTZ: Any other questions?

MR. COOTER: Just a couple. I am Paul Cooter.

CROSS EXAMINATION

BY MR. COOTER:

Q Mr. Sipes, in making your study of these two fields about which you have testified, did you include any information or have you made a study which would include the Bough field to the south and the Allison field to the east?

A No.

Q So that you could not state at this time that it in fact is one field that includes both the Middle Allison

and South Prairie and the Bough and the Allison?

A No, sir, I would not make that statement the way I understood it.

Q What is the producing mechanism in both the South Prairie and the Middle Allison?

A It proved to be fluid expansion completely, sir.

Q It is the same?

A The same, yes, sir.

Q From your study, is there any difference in the stage of depletion between the north end of the South Prairie field and the Middle Allison field?

A As I point out in my testimony concerning the pressures, I do not have recent pressure information in the north end of the South Prairie field and therefore, I could not -- I can say only that on the basis of capacity information which I have available, that it would be my statement at this time that I hardly see where there could be a substantial difference.

Q Is the production uniform in all the wells that are now producing in the two fields?

A No, sir, it is not. There are -- as in any field -- there are some better wells and some poor wells.

Q The Lone Star well in the SE/4 of the SE/4 of

Section 20, do you know how that well was completed?

A No, sir, I do not know how the mechanism was completed, the mechanics of it.

Q What I am asking is: Do you know whether or not upon Lone Star drilling that well, it was first completed as a dry hole; it was drilled and it was dry and then they whip-stocked it over and encountered Bough "C" in a different spot?

A No, sir, I do not recall that. I did not investigate that whip-stock.

MR. COOTER: That's all.

MR. HINKLE: We would like to offer Exhibit No. 10 and then I would like to ask Mr. Sipes a question or two.

MR. UTZ: Without objection, Exhibit No. 10 will be entered into the record of this case.

(Whereupon, Applicant's Exhibit No. 10 was offered and admitted in evidence.)

REDIRECT EXAMINATION

BY MR. HINKLE:

Q Mr. Sipes, from your study of both these areas, is there any question in your mind but that one well will effectively and efficiently drain 100 acres or more?

A No question in my mind, sir.

Q Is there any question in your mind but that the No. 1 Hanks in the NE/4 of 29 is producing from the same formation as the wells which have been completed in the Middle Allison Pool?

A They are one and the same.

Q No question?

A No question in my mind that they are in the same reservoir.

MR. HINKLE: That's all.

MR. UTZ: Are there any other questions? The witness may be excused.

(Witness excused.)

MR. HINKLE: We would like to defer putting Mr. Hanks on at this time.

MR. UTZ: This completes your case at this time?

MR. HINKLE: This completes our case, yes, sir.

MR. UTZ: Do you have some exhibits, Mr. Cooter?

MR. COOTER: Yes, sir, we do, and one witness.

MR. UTZ: Have the exhibits been marked?

MR. COOTER: No, sir, I haven't marked them.

MR. UTZ: Would you mark them at this time, please?

(Whereupon, Protestant's Exhibits Nos. 1, 2 and 3 were marked for identification.)

MR. COOTER: May I make a brief statement first, Mr. Examiner?

MR. UTZ: Yes, sir, you may proceed with your case.

MR. COOTER: I would like to state that Lone Star Producing Company is here to oppose the Application only insofar as the Application seeks to withdraw the north half of the NW/4 of Section 28 from the South Prairie field, and the possible inclusion of that 80 acres in the Middle Allison field.

We haven't seen the Application. From the Docket Sheet we could not determine while the Applicant sought to withdraw the NW/4 from the South Prairie Field that he also sought to include that acreage in the Middle Allison field. If he did, we oppose that part of his Application also.

MR. HINKLE: I might be able to clarify that. We did not specifically request that the acreage in 28 be included in the Middle Allison, but includes 29 under the general rule: "All acreage within one mile would be included." So it included 29 in the 160-acre spacing and it would automatically include all of Section 28.

MR. UTZ: Insofar as the Rule is concerned; not necessarily would we have to put it in the pool. The

operating rule--

MR. HINKLE: (Interrupting) But under the rules it would effect everything within a mile.

MR. UTZ: Yes.

MR. COOTER: Before starting the examination of our first witness, I would like to point out further that the South Prarie is governed by permanent field rules. The Middle Allison at this time is covered by temporary rules. In effect we would like to stay where we are.

JOHN OCHSNER

called as a witness, having first been duly sworn was examined and testified as follows:

DIRECT EXAMINATION

BY MR. COOTER:

Q Would you state your name for the record, please, sir?

A John Ochsner.

Q By whom are you employed?

A Lone Star Producing Company.

Q In what capacity, Mr. Ochsner?

A District Engineer.

Q Are you a graduate engineer?

A Yes, I am.

Q Have you previously testified before the New Mexico Oil Conservation Commission and made your qualifications a matter of record?

A Yes, I have.

Q Lone Star Producing Company is the owner, is it not, of the Federal Lease which covers among other lands, the North half of the NW/4 of Section 28?

A Yes, we are.

Q And that same Federal Lease covers the SW/4 of Section 21?

A Yes, sir, it does.

Q That acreage is all at this time included in the South Prairie Pool?

A That's correct.

Q And the rules for that pool have heretofore provided for 80-acre units?

A That's correct.

Q Has the pool been developed on that basis of 80-acre units?

A The field was initially developed on the basis of the 80-acre spacing.

Q Let me ask you: Has Lone Star produced its acreage which I have just mentioned, as well as the SE/4 of

Section 20 together with possible other land on the basis of the 80-acre units?

A Yes.

Q When was the well drilled in the north half of the NW/4 of Section 28?

A That is the Lone Star Producing Company Federal New Mexico B-3 well, and it was drilled in February of 1961.

Q Was it completed as a producer?

A Yes, it was completed as a producing well flowing from the Bough "C" formation.

Q When were the wells drilled to the north of that well in the South half and North half of the SW/4 of Section 21?

A Lone Star drilled a total of 6 wells in the South Prairie Cisco Pool. The Federal "B" Lease had three wells which included the B-1 which was completed in January of '61, the B-2 in January of '61, and the previously mentioned Federal B-3 well which was completed in February of '61. The Federal New Mexico No. 1 Lease or the Federal New Mexico Lease which includes the No. 1 and No. 2 wells which is in the SE/4 of Section 20 -- the No. 1 well was drilled in November of 1960 and the No. 2 in June of '61.

Q How long did your Federal No. 3 well, which is the well in the NW/4 of Section 28, produce?

A This well produced approximately 4 to 5 months prior to watering out. It was initially completed flowing and produced only a short time before water encroached and caused the well to cease flowing. It was at that time temporarily abandoned until March of 1966 at which time it was plugged.

Q From your study of the wells in this field, what is the percentage of water production?

A The present percent of water production in the South Prairie field is approximately 80 percent. The field initially was a structural trap and produced virtually water-free with an all water contact at an estimated minus 5600. It produced -- most wells produced with little water above that Sub "C" and a water encroachment from the south and southwest encroached into the field watering it out. It at this time had encroached throughout the entire field and most wells are now producing with high water cut except on the north end of the field where volumes of both oil and water are reduced, apparently due to pressure depletion.

Q Is your company's No. 3 well now plugged?

A Yes, sit is.

Q For the purpose of this Hearing, did you prepare a diagrammatic sketch of that Well No. 3?

A Yes, we did.

Q Is that your Exhibit No. 1?

A That is correct. This Exhibit shows our present down-hole pipe in the well, and it shows that 13 and 3/8 was set at 417 feet and cemented. We had 400 sacks and circulated. 8 and 5/8 was set at 4333 feet and cemented with 1681 sacks and circulated. 5 1/2 inch casing is presently in the well from 4800 feet to 9758 feet with a short open-hole section of less than 500 feet that is not presently cased.

Q When that well was plugged, was it plugged considering the possibility of re-entering it in the future?

A At the time we plugged the well, it was planned or anticipated that at some future time we might wish to re-enter the well for either deepening or Bough "C", a principal for deepening. So the well was left in condition to be re-entered.

Q Has Lone Star made any plans at this time to re-enter that well?

A Yes, we have.

Q Have you made a cost estimate of your expenses to re-enter that well?

A Yes, a cost estimate was requested from our production superintendent who estimated the cost to re-enter this well of \$73,616. Since the well is on the lease with the B-1 well -- or B-2 well -- which is currently producing, existing surface and storage facilities were anticipated to be used.

Q When was that estimate prepared?

A February 28th, 1969.

Q Have you filed with the U. S. Geological Survey an Application to re-enter that well?

A Yes, we have.

Q Has that application been approved?

A Yes, it has.

Q Is that what is here marked as Exhibit 2?

A Yes, this is our approved Application to re-enter the subject well.

Q Do you expect to encounter any problems on re-entering that well?

A We estimate or anticipate that the re-entry will be simple and expect no problems.

Q From your knowledge of the South Prairie Field,

the history of other wells in the field, can you give an estimate of the recovery expected from this re-entered well?

A We have calculated the recoverable reserve to be approximately 90,000 barrels.

Q I will direct your attention to what has been marked as Exhibit 3, and ask you to explain that exhibit to the Examiner?

A Exhibit 3 is an economic analysis of the proposed re-entry of the Federal B-3 which shows that we expect to from the 90,000 barrel production, generate \$130,447. in present net income, and when consideration is given to salvage, to have a total present net value from the well of \$148,000. which would provide us a return of approximately \$2.01 per dollar invested.

Q Have you computed the cost estimate or pay-out schedule based on projected income if you drilled a new well rather than your re-entry procedure?

A Yes. We estimate that a re-entry would cost us \$160,000. which would provide us a loss on development of approximately \$12,000.

Q So it would not be economically feasible to procure this production unless you did have the old well to re-enter?

A That's correct.

Q Do you have anything else to add?

A No, I don't believe I do.

MR. COOTER: That concludes our testimony. We would tender Exhibits 1, 2 and 3.

MR. UTZ: Without objection, Exhibits 1, 2 and 3 will be entered into the record of this case.

(Whereupon, Protestant's Exhibits Nos. 1, 2 & 3 were offered and admitted in evidence.)

MR. UTZ: Any questions?

MR. HINKLE: I have a few questions.

CROSS EXAMINATION

BY MR. HINKLE:

Q Mr. Ochsner, referring to your Exhibit No. 3 which purports to be a pay-out schedule if you re-enter the well on the north half of the NW/4 of Section 28, does it not?

A That is correct.

Q Does this show the original investment of Lone Star on the drilling of this well?

A This includes only the re-entry cost.

Q It does not include the original cost of the well?

A No, it does not.

Q So this is really not a true picture of the economics of that well, is that right?

A It is a true picture of the future economics. We did not consider any past expenses.

Q Now, if you should re-enter this well, and Roger Hanks saw fit to go ahead and drill another well on the other 80 which is in the NW/4 of Section 28, would it not cause Roger Hanks an economic loss there based upon the recovery which has been prevalent in the South Prairie Pool?

A If a new well, grass-roots well were drilled, I would say, yes, that is what we have shown.

Q In other words, it wouldn't pay out?

A That's correct.

Q But if you produced just one well, as far as the 160 acres is concerned, it would show a profit, is that right?

A Volumetrically from your projection there, it would in the reserve. We do not feel -- I mean, we have production established to us to the north which has been producing in a more advanced stage of completion than south of us. We don't think that the spacing is going to appreciably give us a big benefit here or a big penalty.

Q It would give you an advantage, would it not?

A Well, we would suffer some by having an additional well south of us.

Q You agree, then, essentially with the economics that has been presented by Roger Hanks, do you not, of the whole area?

A In general, yes.

Q You have also heard the testimony of Mr. Sipes here, with respect to Exhibit No. 9 and the overlay which shows in effect that all of the South Prairie Pool is now being produced with the exception of one on 160 acres. You heard his testimony?

A Yes, I heard his testimony.

Q Do you agree that one well is now effectively and efficiently draining as much as 160 acres?

A I agree that one well is draining 160 acres.

Q Both the South Prairie and Middle Allison?

A Yes.

MR. HANKS: John, is it normal procedure for a company to cut off casing in a well that they are going to go back and possibly re-enter and deepen and re-complete?

THE WITNESS: I would say no.

BY MR. HINKLE:

Q You are showing an A.F.E., authorized field

expenditure and did you say it was \$73,000.?

A Yes.

Q Does that include hydraulic installation?

A Yes, it does. It includes \$24,000. for hydraulic installation.

Q Will you explain to me what you meant by "simple re-entry of this hole"?

A Yes. By "simple," we mean that we don't expect any problems on re-entry.

Q You don't suspect that that casing has possibly oxidized?

A I am sure that there has been some oxidization. There is in a producing well.

MR. HINKLE: That's all.

MR. COOTER: I have one further question, the one that I asked Mr. Sipes.

REDIRECT EXAMINATION

BY MR. COOTER:

Q Based on Mr. Hinkle's questions, from your study of the wells both in what is now the Middle Allison and South Prairie, is there any difference in the stages of depletion between the wells?

A Yes, there is. I think this is pointed out by

the production in the north end of the South Prairie where apparently the pressure is considerably more depleted. There are no measurements but production volumes are 500 barrels or less, and I think some are below 100, which were previously good wells, so this would indicate pressure depletion on the north end which is limited by a pinch-out loss of the Section. The south end where water originally encroached has maintained a higher pressure due to this encroachment.

MR. COCTER: Thank you.

RECROSS EXAMINATION

BY MR. UTZ:

Q Mr. Ochsner, what prompted you to re-enter this well?

A To do that, I would have to give you a little history. Like I say, the South Prairie field was initially above the water-oil contact and produced oil with practically no water. We consider what is now being developed as the aquifer and that we had a water drive from the south. Based on production in the Bough field which we examined at this time, Bough field being a similar-type situation, when they installed beam-type pumps which did not move a large volume of fluid and at 80 percent water cut, they were just not economical. So we observed that they produced

their wells after they watered out for a short period of time on a beam pump and then abandoned them. So for this reason, we didn't think that we could justify putting the B-3 on a pump. It wasn't until recent developments -- I think Mr. Hanks pointed out that the kobes -- we installed kobes on our wells -- one well or two of our wells -- the B-3 was never equipped with a pump. By moving large volumes at high water cuts, then it becomes economical to produce these wells. So as we watered out, we abandoned these wells -- the well in Section 21, our B-1 was deepened to the Devonian after it had watered out and subsequently plugged because of that. At this time we were just not aware of the fact that the aquifer would give up oil in percentages of approximately 20 percent.

Q Does this estimate on Exhibit 3 include salt water disposal?

A We have a salt water disposal well in Cosden, the well in the A Unit of Section 20 -- 29. We re-entered this well and deepened it to test a Notoka zone and plug it back and tested the San Andres and made it a disposal well. It is currently our disposal well in the field.

Q What is the status of the Chambers and Kennedy well immediately to the south of you?

A In Section 28?

Q Yes, sir.

A It is plugged and abandoned, I believe.

Q Do you have any idea of whether they have any intention of re-entering that well or not?

A I believe this is a lease presently held by Mr. Hanks.

MR. HANKS: That's correct.

MR. UTZ: Do you have any intention of re-entering?

MR. HANKS: No.

BY MR. UTZ:

Q I would surmise, then, that the reason you don't favor 160-acre spacing is that you don't want to share any production in the south half of this quarter section?

A Our reason are -- I guess that would be a pretty good summation -- we desire a re-entry also rather than a grass-root. A whole well is always better than a half. We have been on 80-acre spacing for some time, and based on economics, we prefer to stay on it.

Q You anticipate the initial year's production will be 32,000 barrels?

A Yes, sir.

Q Which would be a little less than 3000 barrels per

month or 30 barrels per day roughly?

A Yes, sir. This is based -- our wells in Section 21 is producing approximately 2000 -- I can give you those exact figures, but they are both producing close to 2000 barrels a month.

Q I am just trying to establish whether half 160-acre allowable will be enough allowable for your 80-acre tract. I believe it would, wouldn't it?

A I believe it would be very close.

MR. UTZ: Any other questions? The witness may be excused.

(Witness excused.)

MR. HINKLE: We would like to put Mr. Hanks on the stand.

MR. COOTER: May I make one other observation before leaving? By what Mr. Hinkle said, if this acreage is withdrawn from the South Prairie field, that by the terms of the temporary rules, of course, the Middle Allison would cover production within one mile. I also reviewed rather hastily the field rules for the South Prairie field and it includes within one mile. So we would be excluded involuntarily from both units and covered by two field rules and would at that time, I think, have to yell for

help as to what to do.

MR. UTZ: Mr. Cooter, I think I can probably explain that. If this is not withdrawn from the South Prairie, it will remain in the South Prairie and be under the South Prairie rules.

MR. COOTER: Yes, sir.

MR. UTZ: Even if all of Section 28 would be in the Middle Allison.

MR. COOTER: Yes, sir, only if we were excluded from the NW/4 of Section 29 without including it in any field.

MR. UTZ: If you were near that pool, yes. Nearer the Middle Allison, in other words, than you were to the South Prairie. In those instances, the rule applies to which ever pool you are closest to. Does that explain it?

MR. COOTER: Yes, sir.

ROGER C. HACKS

called as a witness, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. HINKLE:

Q You are Roger Hacks?

A Yes, sir.

Q The Applicant in this case?

A That is correct.

Q Would you like to make a statement for the record?

A Yes, sir, I would. The well in the southeast and northeast of 29 is the Roger C. Hanks Lone Star Federal. That is a farm-cut from Lone Star Federal and Pauley Petroleum. I purchased the south half of the NW/4 and the west half of the NE/4 of Section 28 at the recent K.G.S. sale on March 1st of 1969. After I completed the Lone Star Federal well, I wrote Lone Star and asked them to join in the drilling of a joint well in the northwest of 28, voluntarily communitizing the two 80-acre tracts, even there were already two wells drilled and abandoned on that quarter. This goes into a discussion of the most efficient way to produce hydraulics. It has been my experience in this area that casing tie-ins or casing bows which it would necessitate in this case, are not successful. There has been oxidization of the casing over this period of some 2½ or 3 years that it has been plugged and the previous 5 years that it was sitting there with water in it. The oxidization occurs and the scale will flake off this pipe and it is picked up by the hydraulic

pump and it immediately ruins the pump. These fixed-casing pumps that we run, in order to get the maximum amount of lift from the reservoir where the fluid is available, it takes a fixed-casing pump where the pump is sitting on a packer. The fluid is drawn in from the formation. The pipe will flake and it is picked up by the pump and ruins them.

These re-entries have not been successful where the casing has had a chance to sit for oxidization for any period of time.

A simple re-entry as Mr. Ochsner explained, the casing tie-back in job is not simple. Your are lucky. Where that pipe has been cut off, you've got to go back in there and mill over the top of that pipe and then set a casing bow right down over it and squeeze it. It is not a simple job.

Mr. Ochsner explained in his A.F.E. that they had set aside a cost or estimated a cost of \$73,000. for the re-entry of this hole. For a surface installation, for a hydraulic installation that is put in to put the proper fluids down the hole to stroke the pump, cost me \$53,000., on the surface, plus the down-hole pump.

MR. UTZ: What does the down-hole pump cost?

THE WITNESS: It is around \$5800. Now, this is the tank battery triplex, free-water knock out, engines, dirt work -- this is only for the surface installation. It has nothing whatsoever to do with the drilling, the casing or equipment in any way with the exception of the down-hole pump. It includes three 500-barrel tanks, a 750 power oil tank and 600 barrels of oil.

Now, to touch very simply on the salt water disposal, if you will notice in the northeast of 29, the Cosden hole, which in my farm-out agreement with Lone Star, they are to retain the disposal rights in the San Andres. That disposal well is taking approximately 60 barrels an hour with 2200 pounds of pressure. This is an extremely high disposal cost per barrel.

I investigated very closely the area up there when I drilled my Lone Star Federal to use the San Andres for disposal, and I have since constructed 17 miles of line over to the southwest southwest of Section 25 where I am going into the Devonian in my John Galt disposal well. We are presently putting out 10,000 barrels a day in this well on a vacuum. The cost in laying the line from the Lone Star Federal over to that disposal system is far out-weighted by what it costs monthly to pump this water away.

I maintain that that disposal well will not even take the amount of water if the proper equipment is installed in this hole.

I proposed to Lone Star that we drill a joint test on their acreage on the NW of the NW of 28, and if that is productive, drill a joint test in the NW, NE of 28, which one tract would be on one of their 80-acres and one would be on mine, but it would effectively drain the area.

There are two wells presently pulling my Lone Star Federal in the SE, NE of 28 and Morrison's 1-C Federal in the NW, SW of 28. Another well in that corner would not effectively drain the entire quarter section.

BY MR. HINKLE:

Q In the event Section 28 becomes subject to 160-acre spacing, are you willing to work out some communitization with Lone Star?

A Yes, sir, I am.

Q With the drilling of these wells you mentioned?

A I think they will make money even though we have to drill a hole for the grass-roots. I think in order to effectively produce the oil, it is the only way you are going to be able to do it.

MR. HINKLE: That's all.

CROSS EXAMINATION

BY MR. COOTER:

Q. Mr. Hanks, down in the SW/4 of Section 32, Cabot

New Mexico State well --

A (Interrupting) Cabot New Mexico State No. 1?

Q Yes, sir. That was a re-entry, was it not?

A There was no casing in it. The casing was never run. I ran a 5½ all the way.

Q How about over in the SW/4 of Section 33, the well there that is owned by B.T.A., do you know whether or not that was a re-entry?

A No, that Trice well was only drilled at 200 feet. That was a grass-root test. In the NW, SW of 33, that was a very shallow one. B.T.A. came in at approximately the same location and carried it on.

The Northcutt well in the NW, NE of Section 5 was a re-entry and it was later abandoned because the casing collapsed.

Q One other question, Mr. Hanks: Do you know whether or not the oxidization to which you referred which occurred in these casings of these wells is caused by the production from the Bough "C"?

A. My experience in disposing of this water is that it is very corrosive with iron sulfides. That appears to be -- the water samples are baffling-- they appear to be nil but yet we have 13,000 feet of iron sulfides.

Q. In these instances where you have high production through these pumps or through these facilities, even then you encounter problems and have to go back in and it is expensive?

A. It is expensive. There is no question about it.

MR. COOTER: That's all. Thank you, sir.

MR. UTZ: Further questions? You may be excused.

(Witness excused.)

MR. GEORGE: I am Clem George. I am a consulting geologist from Midland, Texas, and I represent Mr. R. R. Morrison. It was at my geological work and insistence that Mr. Morrison became interested in this particular area, and he has drilled four producing wells, and we are currently drilling another well in the area.

We wish to concur 100 percent with Mr. Roger Hanks' Application here today. We feel that the South Prairie Field and the Middle Allison field are simply one and the same oil reservoir. There isn't any question about it geologically. I am familiar with it. I have

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watched all four wells of Mr. Morrison's, and I have made a rather extensive study of the area. Obviously, I recommended that he drill in the area. We actually have a well on the south half of Section 28 which has just recently been completed probably about 30 days ago. We have one undeveloped 160-acre tract which would be the SE/4 of Section 28, and we are planning to drill that very shortly. We feel that one well on 160-acre spacing adequately and effectively drains the acreage, and if someone was permitted to drill on 80-acre spacing in this Section, it would be detrimental.

We, therefore, 100 percent agree with this Application. Thank you.

MR. UTZ: Any other statements? Do you have a statement, Mr. Cooter?

MR. COOTER: Nothing further.

MR. UTZ: Do you have anything further?

MR. HINKLE: No.

MR. UTZ: The case will be taken under advisement.

(Whereupon, the Hearing was concluded at approximately 10:45 A.M.)

STATE OF NEW MEXICO)
) SS.
COUNTY OF SANTA FE)

I, RICHARD L. NYE, Court Reporter, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.

COURT REPORTER

My Commission expires April 8, 1971

I do hereby certify that the foregoing is
a complete record of the proceedings in
this matter held at _____, N.M.
this _____ day of _____, 19____.

[Signature]
Secretary

New Mexico Oil Conservation Commission

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
July 9, 1969

EXAMINER HEARING

IN THE MATTER OF:

The application of Roger C. Hanks
for pool redelineation, Roosevelt
County, New Mexico.

Case No. 4160

BEFORE: Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

MR. NUTTER: The hearing will come to order, please. The first case this morning will be Case Number 4160.

MR. HATCH: Case 4160, application of Roger C. Hanks for pool redelineation, Roosevelt County, New Mexico.

We have received a request from the applicant in this case that it be continued and re-advertised for July the 23rd.

MR. HINKLE: We would like to dismiss that case -- Clarence Hinkle appearing on behalf of Roger Hanks. We have filed another application to take the place of this, and we'd like to have this case dismissed without prejudice.

MR. NUTTER: Mr. Hinkle, the other application, is that the one that --

MR. HINKLE: I talked to you over the phone about it.

MR. NUTTER: I believe that that was advertised in this same case number.

MR. HATCH: Advertised in this same case number.

MR. HINKLE: We can do it either way.

MR. NUTTER: So this case will be continued then, since the advertisement has been made for 4160, with an amended description.

MR. HINKLE: That's all right, it doesn't make any difference.

MR. NUTTER: Case Number 4160 will be continued to the examiner hearing at this same place on --

MR. HATCH: July the 23rd.

MR. NUTTER: -- July the 23rd.

MR. HATCH: It has been re-advertised.

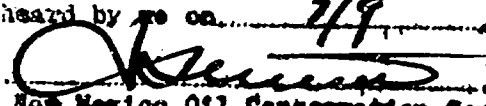
MR. NUTTER: And has been re-advertised.

STATE OF NEW MEXICO }
COUNTY OF BERNALILLO }

I, JERRY MARTINEZ, Notary Public in and for the
County of McKinley, State of New Mexico, do hereby
certify that the foregoing and attached Transcript
of Hearing before the New Mexico Oil Conservation
Commission was reported by me and that the same is a
true and correct record of the said proceedings, to
the best of my knowledge, skill and ability.


Notary Public

My Commission Expires:
January 24, 1970.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 4160
heard by me on 2/9 1969.
 Examiner
New Mexico Oil Conservation Commission



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

P. O. BOX 2088 - SANTA FE

87501

GOVERNOR
DAVID F. CARGO
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

August 4, 1969

Mr. Clarence Hinkle
Hinkle, Bondurant & Christy
Attorneys at Law
Post Office Box 10
Roswell, New Mexico 88201

Re: Case No. 4160
Order No. R-3806
Applicant: Roger C. Hanks

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC x

Artesia OCC

Aztec OCC

Other Mr. Paul Cooter

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 4160
Order No. R-3806
NOMENCLATURE

APPLICATION OF ROGER C. HANKS
FOR POOL REDELINEATION, ROOSEVELT
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 23, 1969,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 1st day of August, 1969, the Commission, a
quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, and being fully advised
in the premises,

FINDS:

(1) That due public notice having been given as required by
law, the Commission has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, Roger C. Hanks, seeks the deletion
of the NW/4 and NE/4 of Sections 28 and 29, respectively, from
the South Prairie-Cisco Pool and the extension of the Middle
Allison-Pennsylvanian Pool to include all of Section 29, the
SE/4 of Section 30, and the N/2 of Section 32, all in Township 8
South, Range 36 East, NMPM, Roosevelt County, New Mexico.

(3) That the NE/4 of said Section 29 should be deleted
from the South Prairie-Cisco Pool.

(4) That the NW/4 of said Section 28 should not be deleted
from the South Prairie-Cisco Pool.

-2-

CASE No. 4160

Order No. R-3806

(5) That the Middle Allison-Pennsylvanian Pool should be extended to include all of said Section 29, the SE/4 of said Section 30, and the N/2 of said Section 32.

(6) That the deletion and extensions as described in Findings (3) and (5) above will not violate correlative rights nor cause waste.

IT IS THEREFORE ORDERED:

(1) That the horizontal limits of the South Prairie-Cisco Pool, Roosevelt County, New Mexico, are hereby contracted by the deletion therefrom of the following-described area:

TOWNSHIP 8 SOUTH, RANGE 36 EAST, NMPM
Section 29: NE/4

(2) That the horizontal limits of the Middle Allison-Pennsylvanian Pool, Lea and Roosevelt Counties, New Mexico, are hereby extended to include therein the following-described area:

ROOSEVELT COUNTY, NEW MEXICO
TOWNSHIP 8 SOUTH, RANGE 36 EAST, NMPM
Section 29: All
Section 30: SE/4
Section 32: N/2

(3) That the location of any well which, by virtue of this extension, is presently drilling to or completed in the Middle Allison-Pennsylvanian Pool or in the Bough "C" zone of the Pennsylvanian formation within one mile thereof is hereby approved; that the operator of any such well having an unorthodox location shall notify the Hobbs District Office of the Commission in writing of the name and location of the well on or before August 15, 1969.

(4) That, pursuant to Section 65-3-14.5, NMSA 1953, contained in Chapter 271, Laws of 1969, any well which, by virtue of this extension, is subject to the Middle Allison-Pennsylvanian Pool rules providing for 160-acre spacing or proration units, shall have 60 days from the effective date of this order in which to file new Forms C-102 dedicating 160 acres to said well or to obtain a non-standard unit approved by the Commission. Pending such compliance, the well shall receive a maximum allowable in the same proportion to a standard allowable for the pool that the

-3-

CASE No. 4160
Order No. R-3806

acreage dedicated to the well bears to a standard unit for the pool. Failure to file Forms C-102 dedicating a standard unit to the well or to obtain a non-standard unit approved by the Commission within said 60-day period shall subject the well to cancellation of allowable.

(5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

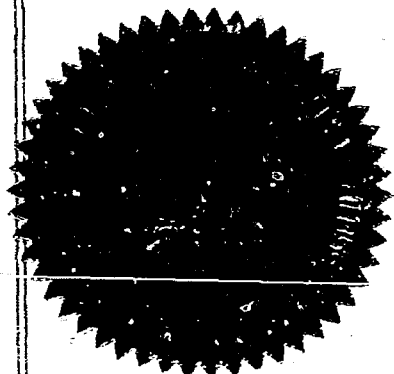
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


DAVID F. CARGO, Chairman


ALEX J. ARMILLO, Member


A. L. PORTER, Jr., Member & Secretary



ear/

Case. 4160
Heard. 7-23-69
Rec. 7-28-69

Recommendation

Grant Roger Hanks request for
So. Prairie & Middle Allison
~~Boon~~ Penn. pool redelimitation
as follows:

Retract So. Prairie-Penn:
85-36E, Sec. 29, NE/4.

Expand Middle Allison:
85-36E,
Sec. 29, A 11
✓ 30, SE/4
✓ 32, N/2

For all purposes this entire
trend is the same pool.
The O.C.C. on Aug 13, will
have to retract their pool re-
delimitation of the SW/4-29, SE/4 30,
& N/2 32. This will then fit
in with their recommendation.
Shirley A. McF.

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 23, 1969

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Elvis A. Utz, Examiner, or
Daniel S. Nutter, Alternate Examiner:

CASE 4160: (Continued and Readvertised)

Application of Roger C. Hanks for pool redelineation, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks the redelineation of certain pool boundaries to include the deletion of the NW/4 and NE/4 of Sections 28 and 29, respectively, from the South Prairie-Cisco Pool and the extension of the Middle Allison-Pennsylvanian Pool to include all of Section 29, the SE/4 of Section 30, the N/2 of Section 32, and the ~~N/2 of Section 33~~, all in Township 8 South, Range 36 East, Roosevelt County, New Mexico.

CASE 4172: (This case will be continued to August 6, 1969)

Application of Pennzoil United, Inc. for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the East Lovington-Pennsylvanian Pool, Lea County, New Mexico, including a provision for 80-acre oil proration units.

CASE 4173: Application of Amerada Hess Corporation for special pool rules and pool extension, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Hobbs-Drinkard Pool, Lea County, New Mexico, including a provision for 80-acre oil proration units. Applicant further requests that said pool be extended to include the following-described acreage:

TOWNSHIP 18 SOUTH, RANGE 38 EAST

Section 28: SW/4

Section 29: S/2

Section 32: All

Section 33: W/2

TOWNSHIP 19 SOUTH, RANGE 38 EAST

Section 4: NW/4

Section 5: N/2

Examiner Hearing - July 23, 1969

Docket No. 21-69

-2-

CASE 4174: Application of Amerada Hess Corporation for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Amerada Petroleum Corporation State "A" Well No. 5, located in the NE/4 NE/4 of Section 32, Township 18 South, Range 38 East, Lea County, New Mexico, to produce oil from the Hobbs-Blinebry and Hobbs-Drinkard Pools through parallel strings of tubing.

CASE 4175: Application of International Minerals & Chemical Corporation for the amendment of Order No. R-111-A, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-111-A to include the following-described lands in the Potash-Oil Area defined by said order:

TOWNSHIP 23 SOUTH, RANGE 30 EAST

Section 8: S/2 & S/2 NW/4

Section 9: S/2 SW/4, NW/4 SW/4, S/2 SE/4

Section 10: SE/4

Sections 11 thru 15: All

Sections 24 and 25: All

Section 26: E/2

TOWNSHIP 23 SOUTH, RANGE 31 EAST

Section 7: S/2, NW/4, S/2 NE/4,
and NW/4 NE/4

Section 18: All

CASE 4176: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider excepting from the provisions of Order No. R-3221, as amended, certain wells in Eddy County, New Mexico. The Commission will consider excepting all wells producing from the Corral Canyon-Delaware Pool, Eddy County, New Mexico, from the provisions of Order (3) of Commission Order No. R-3221, as amended, which prohibits the disposal of water produced in conjunction with the production of oil or gas, or both, on the surface of the ground in Lea, Eddy, Chaves and Roosevelt Counties, New Mexico.

CASE 4177: Application of Roger C. Hanks for special pool rules, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the West Milnesand-Pennsylvanian Pool, Roosevelt County, New Mexico, including a provision for 160-acre spacing and proration units and the assignment of 80-acre allowables.

CASE 4178: Application of Aztec Oil & Gas Company for two non-standard gas proration units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the rededication of certain acreage and the establishment of the following non-standard gas proration units in Township 29 North, Range 9 West, Aztec-Pictured Cliffs Gas Pool, San Juan County, New Mexico:

A 146.27-acre non-standard unit comprising the SW/4 of Section 30 and the N/2 NW/4 of Section 31, to be dedicated to its Cain Well No. 16, located in Unit N of said Section 30 if said well is recompleted in the Pictured Cliffs formation or to a new well which may be drilled on the same location.

A 147.61-acre non-standard unit comprising the S/2 NW/4 and the SW/4 of Section 31 to be dedicated to its Cain Well No. 4, located in Unit N of said Section 31.

Mobil Oil Corporation

New Mexico Oil Conservation Commission
State Land Office Building
Santa Fe, New Mexico 87501

Att: Mr. A. L. Porter

July 18, 1969
MAIL ROOM
22 AM 8 46

P.O. BOX 633
MIDLAND, TEXAS 79701

APPLICATION OF ROGER C. HANKS TO
RE-DEFINE THE SOUTH PRAIRIE-CISCO POOL
AND THE MIDDLE ALLISON-PENNSYLVANIAN
POOL, ROOSEVELT COUNTY, SO AS TO DELETE
FROM THE SOUTH PRAIRIE-CISCO POOL THE
NW/4 SECTION 28, NE/4 SECTION 29, T-3-S,
R-36-E AND TO ADD ALL OF SECTION 29,
SE/4 SECTION 30, N/2 SECTION 32, T-3-S,
R-36-E TO THE MIDDLE ALLISON-PENNSYLVANIAN
POOL

Gentlemen:

Roger C. Hanks has informed Mobil Oil Corporation that the New Mexico Oil Conservation Commission has set the hearing on Case 4160, originally scheduled for July 9, 1969, for July 23, 1969. Mr. Hanks explained that the purpose of this hearing is to request that the NE/4 of Section 29 and the NW/4 of Section 28 be deleted from the South Prairie-Cisco Pool and added to the Middle Allison-Pennsylvanian Pool. Also requested is that the balance of Section 29, the SE/4 of Section 30 and the N/2 of Section 32 be included in the Middle Allison-Pennsylvanian Pool, said acreage not presently being spaced in either field. All the foregoing acreage is in T-3-S, R-36-E, Roosevelt County, New Mexico. The acreage that would be placed in the Middle Allison-Pennsylvanian Pool should be subject to the temporary special pool rules heretofore adopted for said pool providing for 160-acre spacing and 80-acre allowables.

Mr. Hanks further stated that evidence will be presented at the hearing to "conclusively show the Oil Conservation Commission that the zones are one in the same and since the Commission has previously approved 160-acre spacing for the Middle Allison-Pennsylvanian, they will, hopefully, extend this area to cover the old South Prairie-Cisco Pool."

Mobil Oil Corporation, as one of the working interest owners in the South Prairie-Cisco Pool, has no objections to Mr. Hanks' proposal as submitted to the Commission in Clarence Hinkle's letter of July 3, 1969, and, in fact, supports such action.

Very truly yours,

Ira B. Stitt

Ira B. Stitt
Division Operations Engineer

WBSimmonsJr/bje
cc: Roger C. Hanks



Telegram

LA073 NSC322

1969 JUL 23 4PM 2 42

NS MDA100 PD 4 EXTRA=MIDLAND TEX 21 3 10P CDT=
NEW MEXICO OIL CONSERVATION COMM., ATTN ELVIS A UTZ
OR DANIEL S HUTTER= STATE LAND OFFICE BLDG
SANTA FE NMEX=

REFERENCE CASE #4160=

9 GENTLEMEN=

TH 6 HV 28 10 15 AM POSITION OF THE J M HUBER CORP ON CASE #4160
TO BE HEARD ON JULY 23, 1969 IS MUTUAL AS WE DO NOT
HAVE AN INTEREST IN THE LOCAL AREA AS ADVERTISED=
DICK SCHULTZ DIST GEOLOGIST

=#4160 23 1969=

WU 1201 (R 5-60)



Telegram

LA020 KB221

1969 JUL 21 10 12 AM

K NFA002 WT PDF=NORFOLK NEBR 21 10 13ACDT=
OIL CONSERVATION COMMISSION OF NEW MEXICO=
SANTA FE NMEX=

THE UNDERSIGNED AS AN OFF SET OPERATOR IN THE MIDDLE
ALLISON AND SOUTH PRARIE AREAS OF ROOSEVELT COUNTY NEW
MEXICO DOES HEREBY SUPPORT ROGER C HANKS APPLICATION
BEING OCC CASE #4160 TO BE HEARD BEFORE THE COMMISSION
JULY 23 1969=

R R MORRISON=

WU 1201 (R 5-60)

CITIES SERVICE OIL COMPANY



Box 4906
Midland, Texas 79701
Telephone: 915 MU 4-7131

RECEIVED

JUL 17 1969

MIDLAND OFFICE

July 15, 1969

Mr. Roger C. Hanks
606 Wall Tower West
Midland, Texas 79701

Gentlemen:

Your letter of June 30, 1969 requested Cities Service's support to your application to re-define the South Prairie Cisco Pool and Middle Allison Pennsylvanian Pool in Roosevelt and Lea Counties, New Mexico for 160 acre spacing and 80 acre allowables.

We have no objections to this proposal, and so being returned herewith is an approved copy of your letter ballot.

Yours very truly,

Sam J. Matthews
Manager, Southwestern Region
Production Division

SJM/REG/sv

Attachment

ROGER C. HANKS

606 WALL TOWERS WEST
MIDLAND, TEXAS 79701

June 30, 1969

Cities Service Oil Company
P. O. Box 4906
Midland, Texas 79701

Re: Application of Roger C.
Hanks to re-define the South
Prairie Cisco Pool and the
Middle Allison Pennsylvanian
Pool in Roosevelt and Lea
Counties, New Mexico for
160-acre spacing and 80-acre
allowables.

Gentlemen:

The undersigned respectfully requests your support in the above hearing scheduled by the New Mexico Oil Conservation Commission on July 9, 1969, but will be probably the last hearing date in July or the first hearing in August.

The purpose of the hearing is to show evidence to the Oil Conservation Commission that, in effect, the Middle Allison Pennsylvanian Pool and the South Prairie Cisco Pool are one in the same reservoir, consequently, the applicant requests that the South Prairie Cisco Pool be re-defined as the same as the Middle Allison Pennsylvanian Pool, granting to operators, 160-acre spacing with voluntary 80-acre allowable.

Evidence will be presented to conclusively show the Oil Conservation Commission that the zones are one in the same and since the Commission has previously approved 160-acre spacing for the Middle Allison Pennsylvanian, they will, hopefully, extend this area to cover the old South Prairie Cisco Pool.

South Prairie Cisco Pool and
Middle Allison Pennsylvanian Pool
June 30, 1969

Page - 2 -

Your support concerning this application is respectfully
requested by the undersigned. Please show your approval
or disapproval of this application by signing and return-
ing one copy of the enclosed letter.

Very truly yours,

Roger C. Hanks
Roger C. Hanks

RCH:kw

Company CITIES SERVICE OIL CO.

Date MANAGER, WESTERN REGION
PRODUCTION DIVISION

Approved /

Disapproved

7-10-69

Sam J. Maister

ROGER C. HANKS
606 WALL TOWERS WEST
MIDLAND, TEXAS 79701

RECEIVED

JUL 17 1969

MIDLAND OFFICE

June 30, 1969

Tom Boyd
510 West Texas
Artesia, New Mexico

Re: Application of Roger C. Hanks to re-define the South Prairie Cisco Pool and the Middle Allison Pennsylvanian Pool in Roosevelt and Lea Counties, New Mexico for 160-acre spacing and 80-acre allowables.

Gentlemen:

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South Prairie Cisco Pool and
Middle Allison Pennsylvanian Pool
June 30, 1969

Page - 2 -

Your support concerning this application is respectfully
requested by the undersigned. Please show your approval
or disapproval of this application by signing and return-
ing one copy of the enclosed letter.

Very truly yours,

Roger C. Hanks

Roger C. Hanks

RCH:kw

Company Tom Boyd Drilling Co, Inc.

Date 7-16-69

Approved Jessie Ruth Boyd

Disapproved _____

ROGER C. HANKS

606 WALL TOWERS WEST
MIDLAND, TEXAS 79701

A/C 915 682-2764

June 30, 1969

RECEIVED

JUL 17 1969

MIDLAND OFFICE

Petco
P. O. Box 5571
Midland, Texas 79701

Re: Application of Roger C. Hanks to re-define the South Prairie Cisco Pool and the Middle Allison Pennsylvanian Pool in Roosevelt and Lea Counties, New Mexico for 160-acre spacing and 80-acre allowables.

Gentlemen:

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South Prairie Cisco Pool and
Middle Allison Pennsylvanian Pool
June 30, 1969

Page - 2 -

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requested by the undersigned. Please show your approval
or disapproval of this application by signing and return-
ing one copy of the enclosed letter.

Very truly yours,

Roger C. Hanks
Roger C. Hanks

RCH:kw

Company Petroleum Corp. of Texas

Date 7/16/69

Approved J. A. Ford

Disapproved _____

ROGER C. HANKS
606 WALL TOWERS WEST
MIDLAND, TEXAS 79701

A/C 915 682-3764

June 30, 1969

RECEIVED

JUL 1 1969

MIDLAND OFFICE

McCoy & Stevens
610 Security National Bank Building
Roswell, New Mexico 88201

Re: Application of Roger C. Hanks to re-define the South Prairie Cisco Pool and the Middle Allison Pennsylvanian Pool in Roosevelt and Lea Counties, New Mexico for 160-acre spacing and 80-acre allowables.

Gentlemen:

The undersigned respectfully requests your support in the above hearing scheduled by the New Mexico Oil Conservation Commission on July 9, 1969, but will be probably the last hearing date in July or the first hearing in August.

The purpose of the hearing is to show evidence to the Oil Conservation Commission that, in effect, the Middle Allison Pennsylvanian Pool and the South Prairie Cisco Pool are one in the same reservoir, consequently, the applicant requests that the South Prairie Cisco Pool be re-defined as the same as the Middle Allison Pennsylvanian Pool, granting to operators, 160-acre spacing with voluntary 80-acre allowable.

Evidence will be presented to conclusively show the Oil Conservation Commission that the zones are one in the same and since the Commission has previously approved 160-acre spacing for the Middle Allison Pennsylvanian, they will, hopefully, extend this area to cover the old South Prairie Cisco Pool.

South Prairie Cisco Pool and
Middle Allison Pennsylvanian Pool
June 30, 1969

Page - 2 -

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requested by the undersigned. Please show your approval
or disapproval of this application by signing and return-
ing one copy of the enclosed letter.

Very truly yours,

Roger C. Hanks
Roger C. Hanks

RCH:kw

Company

McCoy & Stevens

Date

July 8, 1969

Approved

W.B. McCoy

Disapproved

ROGER C. HANKS

606 WALL TOWERS WEST
MIDLAND, TEXAS 79701

June 30, 1969

O. F. Featherstone
Petroleum Building
Roswell, New Mexico 88201

Re: Application of Roger C.
Hanks to re-define the South
Prairie Cisco Pool and the
Middle Allison Pennsylvanian
Pool in Roosevelt and Lea
Counties, New Mexico for
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Evidence will be presented to conclusively show the Oil Conservation Commission that the zones are one in the same and since the Commission has previously approved 160-acre spacing for the Middle Allison Pennsylvanian, they will, hopefully, extend this area to cover the old South Prairie Cisco Pool.

South Prairie Cisco Pool and
Middle Allison Pennsylvanian Pool
June 30, 1969

Page - 2 -

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or disapproval of this application by signing and return-
ing one copy of the enclosed letter.

Very truly yours,

Roger C. Hanks
Roger C. Hanks

RCH:kw

Company

Mr. F. F. Fatherson

Date

July 3-1969

Approved

Approved

Disapproved

ROGER C. HANKS
606 WALL TOWERS WEST
MIDLAND, TEXAS 79701

A/C 915 682-3764

RECEIVED

June 30, 1969

JUL 3 1969

MIDLAND OFFICE

R. R. Morrison
2402 W. Norfolk Ave.
Norfolk, Nebraska 68701

Re: Application of Roger C. Hanks to re-define the South Prairie Cisco Pool and the Middle Allison Pennsylvanian Pool in Roosevelt and Lea Counties, New Mexico for 160-acre spacing and 80-acre allowables.

Gentlemen:

The undersigned respectfully requests your support in the above hearing scheduled by the New Mexico Oil Conservation Commission on July 9, 1969, but will be probably the last hearing date in July or the first hearing in August.

The purpose of the hearing is to show evidence to the Oil Conservation Commission that, in effect, the Middle Allison Pennsylvanian Pool and the South Prairie Cisco Pool are one in the same reservoir, consequently, the applicant requests that the South Prairie Cisco Pool be re-defined as the same as the Middle Allison Pennsylvanian Pool, granting to operators, 160-acre spacing with voluntary 80-acre allowable.

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South Prairie Cisco Pool and
Middle Allison Pennsylvanian Pool
June 30, 1969

Page - 2 -

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or disapproval of this application by signing and return-
ing one copy of the enclosed letter.

Very truly yours,

Roger C. Hanks
Roger C. Hanks

RCH:kw

Company

R.R. Morrison

Date

7/3/69

Approved

Disapproved

RECEIVED

JUL 3 1969

MIDLAND OFFICE

ROGER C. HANKS
606 WALL TOWERS WEST
MIDLAND, TEXAS 79701

June 30, 1969

Coastal States Gas Producing Company
P. O. Box 235
Midland, Texas 79701

CSGP CO.		
Dir. & Prod. Dept.		
Midland Div.		
JUL 1 1969		
To	In	Out

Re: Application of Roger C. Hanks to re-define the South Prairie Cisco Pool and the Middle Allison Pennsylvanian Pool in Roosevelt and Lea Counties, New Mexico for 160-acre spacing and 80-acre allowables.

Gentlemen:

The undersigned respectfully requests your support in the above hearing scheduled by the New Mexico Oil Conservation Commission on July 9, 1969, but will be probably the last hearing date in July or the first hearing in August.

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South Prairie Cisco Pool and
Middle Allison Pennsylvanian Pool
June 30, 1969

Page - 2 -

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requested by the undersigned. Please show your approval
or disapproval of this application by signing and return-
ing one copy of the enclosed letter.

Very truly yours,

Roger C. Hanks
Roger C. Hanks

RCH:kw

Company Coastal States Gas Producing Company

Date July 2, 1969

Approved *Josh R. McHaw*

Disapproved _____

ROGER C. HANKS
606 WALL TOWERS WEST
MIDLAND, TEXAS 79701

A/C 915 682-3764

RECEIVED

JUL 2 1969

MIDLAND OFFICE

June 30, 1969

Atlantic Richfield Company
P. O. Box 1978
Roswell, New Mexico 88240

Re: Application of Roger C.
Hanks to re-define the South
Prairie Cisco Pool and the
Middle Allison Pennsylvanian
Pool in Roosevelt and Lea
Counties, New Mexico for
160-acre spacing and 80-acre
allowables.

Gentlemen:

The undersigned respectfully requests your support in the above hearing scheduled by the New Mexico Oil Conservation Commission on July 9, 1969, but will be probably the last hearing date in July or the first hearing in August.

The purpose of the hearing is to show evidence to the Oil Conservation Commission that, in effect, the Middle Allison Pennsylvanian Pool and the South Prairie Cisco Pool are one in the same reservoir, consequently, the applicant requests that the South Prairie Cisco Pool be re-defined as the same as the Middle Allison Pennsylvanian Pool, granting to operators, 160-acre spacing with voluntary 80-acre allowable.

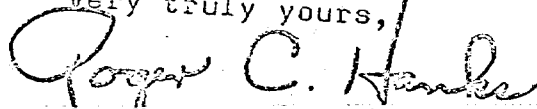
Evidence will be presented to conclusively show the Oil Conservation Commission that the zones are one in the same and since the Commission has previously approved 160-acre spacing for the Middle Allison Pennsylvanian, they will, hopefully, extend this area to cover the old South Prairie Cisco Pool.

South Prairie Cisco Pool and
Middle Allison Pennsylvanian Pool
June 30, 1969

Page - 2 -

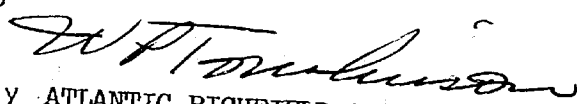
Your support concerning this application is respectfully
requested by the undersigned. Please show your approval
or disapproval of this application by signing and return-
ing one copy of the enclosed letter.

Very truly yours,



Roger C. Hanks

RCH:kw



Company ATLANTIC RICHFIELD COMPANY

Date July 1, 1969

Approved X

Disapproved _____

ROGER C. HANKS
606 WALL TOWERS WEST
MIDLAND, TEXAS 79701

A/C 915 682-3764

RECEIVED

JUL 2 1969

MIDLAND OFFICE

June 30, 1969

Midwest Oil Corporation
1500 Wilco Bldg.
Midland, Texas 79701

Re: Application of Roger C. Hanks to re-define the South Prairie Cisco Pool and the Middle Allison Pennsylvanian Pool in Roosevelt and Lea Counties, New Mexico for 160-acre spacing and 80-acre allowables.

Gentlemen:

The undersigned respectfully requests your support in the above hearing scheduled by the New Mexico Oil Conservation Commission on July 9, 1969, but will be probably the last hearing date in July or the first hearing in August.

The purpose of the hearing is to show evidence to the Oil Conservation Commission that, in effect, the Middle Allison Pennsylvanian Pool and the South Prairie Cisco Pool are one in the same reservoir, consequently, the applicant requests that the South Prairie Cisco Pool be re-defined as the same as the Middle Allison Pennsylvanian Pool, granting to operators, 160-acre spacing with voluntary 80-acre allowable.

Evidence will be presented to conclusively show the Oil Conservation Commission that the zones are one in the same and since the Commission has previously approved 160-acre spacing for the Middle Allison Pennsylvanian, they will, hopefully, extend this area to cover the old South Prairie Cisco Pool.

South Prairie Cisco Pool and
Middle Allison Pennsylvanian Pool
June 30, 1969

Page - 2 -

Your support concerning this application is respectfully
requested by the undersigned. Please show your approval
or disapproval of this application by signing and return-
ing one copy of the enclosed letter.

Very truly yours,

Roger C. Hanks
Roger C. Hanks

RCH:kw

Company MIDWEST OIL CORPORATION

Date July 1, 1969

Approved *C. F. Qualia*

Disapproved _____

By _____
C. F. Qualia

ROGER C. HANKS

606 WALL TOWERS WEST
MIDLAND, TEXAS 79701

June 30, 1969

Lone Star Producing Company
300 Commercial Bank Tower
Midland, Texas 79701

Re: Application of Roger C.
Hanks to re-define the South
Prairie Cisco Pool and the
Middle Allison Pennsylvanian
Pool in Roosevelt and Lea
Counties, New Mexico for
160-acre spacing and 80-acre
allowables.

Gentlemen:

The undersigned respectfully requests your support in the above hearing scheduled by the New Mexico Oil Conservation Commission on July 9, 1969, but will be probably the last hearing date in July or the first hearing in August.

The purpose of the hearing is to show evidence to the Oil Conservation Commission that, in effect, the Middle Allison Pennsylvanian Pool and the South Prairie Cisco Pool are one in the same reservoir, consequently, the applicant requests that the South Prairie Cisco Pool be re-defined as the same as the Middle Allison Pennsylvanian Pool, granting to operators, 160-acre spacing with voluntary 80-acre allowable.

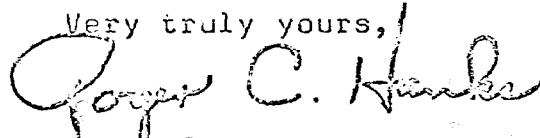
Evidence will be presented to conclusively show the Oil Conservation Commission that the zones are one in the same and since the Commission has previously approved 160-acre spacing for the Middle Allison Pennsylvanian, they will, hopefully, extend this area to cover the old South Prairie Cisco Pool.

South Prairie Cisco Pool and
Middle Allison Pennsylvanian Pool
June 30, 1969

Page - 2 -

Your support concerning this application is respectfully
requested by the undersigned. Please show your approval
or disapproval of this application by signing and return-
ing one copy of the enclosed letter.

Very truly yours,


Roger C. Hanks

RCH:kw

Company Lone Star Producing Company

Date July 3, 1969

Approved _____

Disapproved Mr. J. D. Ochsner

ROGER C. HANKS

606 WALL TOWERS WEST
MIDLAND, TEXAS 79701

June 30, 1969

Solar Oil Company
2101 West Texas
Midland, Texas 79701

Re: Application of Roger C.
Hanks to re-define the South
Prairie Cisco Pool and the
Middle Allison Pennsylvanian
Pool in Roosevelt and Lea
Counties, New Mexico for
160-acre spacing and 80-acre
allowables.

Gentlemen:

The undersigned respectfully requests your support in the above hearing scheduled by the New Mexico Oil Conservation Commission on July 9, 1969, but will be probably the last hearing date in July or the first hearing in August.

The purpose of the hearing is to show evidence to the Oil Conservation Commission that, in effect, the Middle Allison Pennsylvanian Pool and the South Prairie Cisco Pool are one in the same reservoir, consequently, the applicant requests that the South Prairie Cisco Pool be re-defined as the same as the Middle Allison Pennsylvanian Pool, granting to operators, 160-acre spacing with voluntary 80-acre allowable.

Evidence will be presented to conclusively show the Oil Conservation Commission that the zones are one in the same and since the Commission has previously approved 160-acre spacing for the Middle Allison Pennsylvanian, they will, hopefully, extend this area to cover the old South Prairie Cisco Pool.

South Prairie Cisco Pool and
Middle Allison Pennsylvanian Pool
June 30, 1969

Page - 2 -

Your support concerning this application is respectfully
requested by the undersigned. Please show your approval
or disapproval of this application by signing and return-
ing one copy of the enclosed letter.

Very truly yours,

Roger C. Hanks
Roger C. Hanks

RCH:kw

Company SOLAR OIL COMPANY

Date 2 July 69

Approved _____

Disapproved ☒ DNO

cc: N. M. O. & G. C., Santa Fe, N. M.

SOLAR OIL COMPANY
MIDLAND, TEXAS 79701
2101 W. TEXAS AVE.
P. O. BOX 5114 AC 915 682-2031

July 10, 1969

Mr. Roger C Hanks
606 Wall Towers East
Midland, Texas

RECEIVED

JUL 11 1969

MIDLAND OFFICE

MAX E. CURRY
DAROYL R. CURRY
WILLIAM STAPLER

Re: Your letter of 8 July 69 relating to
proration in the S. Prairie (Cisco)
Pool, Roosevelt County, New Mexico

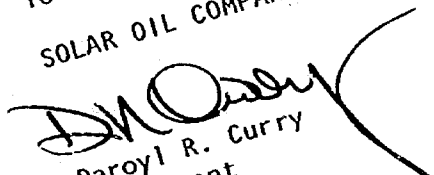
Dear Sir:

Upon consideration of the well capabilities in the area surrounding our Louise No. 1, (located in Unit 1, Section 21, T-8-S, R-36-E, Roosevelt County, New Mexico), we feel that the needs of conservation cannot be met by the use of 160 acre spacing. This lease offsets what we believe to be your leases in the S. Prairie Cisco Pool. We feel that spacing greater than 80 acres will undoubtedly result in the failure to recover substantial oil reserves.

Therefore, we feel that we must oppose your application to re-define the limits of the S. Prairie Cisco Pool according to your letter, copy attached.

Yours very truly,

SOLAR OIL COMPANY


Daroyl R. Curry
Attachment

cc: New Mexico Oil Conservation Commission
Santa Fe, New Mexico

ROGER C. HANKS
606 WALL TOWERS WEST
MIDLAND, TEXAS 79701

July 8, 1969

COPY

Solar Oil Company
2101 West Texas
Midland, Texas 79701

Re: Application of Roger C.
Hanks to re-define the
South Prairie Cisco Pool
and the Middle Allison
Pennsylvanian Pool in
Roosevelt and Lea Counties,
New Mexico, for 160-acre
spacing and 80-acre
allowables

Gentlemen:

Reference is made to my letter of June 30, 1969, requesting your support in the above hearing scheduled by the New Mexico Oil Conservation Commission on July 9, 1969, and re-scheduled for hearing on July 23, 1969.

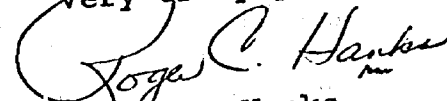
I would like to apologize to the operators of the South Prairie Cisco Pool in that my letter to each of you was too broad in scope and I should have more specifically stated the exact acreage I am requesting to be deleted from the South Prairie Cisco and added to the Middle Allison Pennsylvanian.

I am requesting that the NE/4 of Section 29 be deleted from the South Prairie Cisco and be added to the Middle Allison Pennsylvanian. I am also requesting that the NW/4 of Section 28 be deleted from the South Prairie Cisco and be added to the Middle Allison Pennsylvanian. In addition to this, I am requesting that the balance of Section 29, the SE/4 of Section 30, and the N/2 of Section 32 be included in the Middle Allison Pennsylvanian Pool. This acreage is not presently spaced in either field.

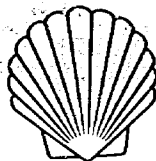
My apologies to the South Prairie operators for not being more specific.

Your attention and support regarding this hearing is respectfully requested.

Very truly yours,


Roger C. Hanks

RCH:rm



SHELL OIL COMPANY

PETROLEUM BUILDING
P.O. BOX 1509
MIDLAND, TEXAS 79701

RECEIVED

JUL 12 1969

MIDLAND OFFICE

July 9, 1969

Subject: (1) Application of Roger C. Hanks
to Re-define the South Prairie
Cisco Pool and the Middle Allison
Pennsylvanian Pool in Roosevelt and
Lea Counties, New Mexico for 160-
Acre Spacing and 80-Acre Allowables

(2) Application of Roger C. Hanks
for Special Pool Rules for the
North Mescalero-Cisco Pool, Lea
County, New Mexico, Including
Provision for 160-Acre Spacing and
Proration Units and 80-Acre
Allowables

Mr. Roger C. Hanks
606 Wall Towers West
Midland, Texas 79701

Dear Mr. Hanks:

Reference is made to your two captioned letters, dated June 30 and July 2, 1969, respectively, by which you request Shell's support in the forthcoming July 9, 1969 Examiner Hearing of the New Mexico Oil Conservation Commission. Inasmuch as Shell has either sold or abandoned all of our production in the aforementioned three fields, we do not consider it appropriate that we should give our support to your applications, as requested. Also, for prompt action, please send any subsequent correspondence of this nature to the above address.

Very truly yours,

S. M. Paine

S. M. Paine, Manager
Production Department - West
Midland Division

REJ:PFN

ROGER C. HANKS

606 WALL TOWERS WEST
MIDLAND, TEXAS 79701

June 30, 1969

Re: Application of Roger C. Hanks to re-define the South Prairie Cisco Pool and the Middle Allison Pennsylvanian Pool in Roosevelt and Lea Counties, New Mexico for 160-acre spacing and 80-acre allowables.

Gentlemen:

The undersigned respectfully requests your support in the above hearing scheduled by the New Mexico Oil Conservation Commission on July 9, 1969, but will be probably the last hearing date in July or the first hearing in August.

The purpose of the hearing is to show evidence to the Oil Conservation Commission that, in effect, the Middle Allison Pennsylvanian Pool and the South Prairie Cisco Pool are one in the same reservoir, consequently, the applicant requests that the South Prairie Cisco Pool be re-defined as the same as the Middle Allison Pennsylvanian Pool, granting to operators, 160-acre spacing with voluntary 80-acre allowable.

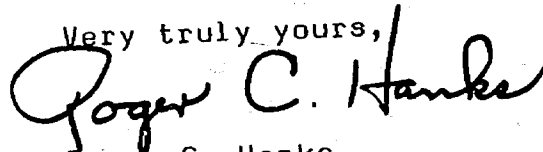
Evidence will be presented to conclusively show the Oil Conservation Commission that the zones are one in the same and since the Commission has previously approved 160-acre spacing for the Middle Allison Pennsylvanian, they will, hopefully, extend this area to cover the old South Prairie Cisco Pool.

South Prairie Cisco Pool and
Middle Allison Pennsylvanian Pool
June 30, 1969

Page - 2 -

Your support concerning this application is respectfully
requested by the undersigned. Please show your approval
or disapproval of this application by signing and return-
ing one copy of the enclosed letter.

Very truly yours,


Roger C. Hanks

RCH:kw

Company _____

Date _____

Approved _____

Disapproved _____

DOCKET NO. 19-69

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 9, 1969

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or
Elvis A. Utz, Alternate Examiner:

CASE 4160: Application of Roger C. Hanks for pool redelineation, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks the redelineation of certain pool boundaries to include the deletion of the NE/4 of Section 29 from the South Prairie-Cisco Pool and the extension of the Middle Allison-Pennsylvanian Pool to include all of Section 29, the SE/4 of Section 30, and the N/2 of Section 32, all in Township 8 South, Range 36 East, Roosevelt County, New Mexico.

CASE 4161: Application of Roger C. Hanks for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the North Mescalero-Cisco Pool, Lea County, New Mexico, including a provision for 160-acre spacing and proration units and the assignment of 80-acre allowables.

CASE 3786: (Reopened)

In the matter of Case No. 3786 being reopened pursuant to the provisions of Order No. R-3437, which order established special rules and regulations for the North Paduca-Delaware Pool, Lea County, New Mexico, including provisions for the classification of and spacing for oil and gas wells and a special gas-liquid ratio limitation. All interested parties may appear and show cause why the special rules and regulations should not be discontinued.

CASE 4162: Application of Western States Producing Company for a dual completion and salt water disposal, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its State 30 Well No. 2 located in Unit M of Section 30, Township 7 South, Range 33 East, Roosevelt County, New Mexico, in such a manner as to permit the production of oil from the Chaveroo-San Andres Pool and the disposal of produced salt water through 8 5/8 X 4 1/2 inch casing-casing annulus into the Yates, Seven Rivers, and Queen formations in the open-hole interval from approximately 1825 feet to 3785 feet.

- CASE 4163: Application of Pan American Petroleum Corporation for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 181-acre non-standard gas proration unit for its Pike Federal Well No. 1 located in Unit A of Section 6, Township 23 South, Range 38 East, Tubb Gas Pool, Lea County, New Mexico, said unit to comprise the N/2 N/2 of said Section 6.
- CASE 4164: Application of Mobil Oil Corporation for an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its Fristoe Well No. 8 at an unorthodox location 2470 feet from the North line and 430 feet from the East line of Section 3, Township 25 South, Range 37 East, Langlie Mattix Pool, Lea County, New Mexico.
- CASE 4165: Application of Sam Boren for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the East Bagley-Pennsylvanian Pool, Lea County, New Mexico, including a provision for 160-acre spacing and proration units and the assignment of 80-acre allowables.
- CASE 4166: Application of Sam Boren for a dual completion and salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete his Barbera State "A" Well No. 1 located in Unit P of Section 6, Township 12 South, Range 34 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the East Bagley-Pennsylvanian Pool and the disposal of produced salt water through the intermediate casing-production casing annulus into the San Andres and Glorieta formations in the open-hole interval from approximately 4060 feet to 6562 feet.
- CASE 4167: Application of Charles B. Read for a dual completion and salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete his Hobbs "Y" Well No. 1 located in Unit J of Section 29, Township 12 South, Range 34 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the East Hightower-Pennsylvanian Pool and the disposal of produced salt water through the intermediate casing-production casing annulus into the San Andres, Glorieta, Yeso, and Abo formations in the open-hole interval from approximately 4195 feet to 7720 feet.

- CASE 4168: Application of Charles B. Read for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Seven Rivers Reef formation in the open-hole interval between 3783 feet and 3797 feet in his Sinclair State Well No. 1 located 2310 feet from the South and West lines of Section 2, Township 21 South, Range 33 East, Lynch Pool, Lea County, New Mexico.
- CASE 4169: Application of Mask, Jennings, Keohane and Westall for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicants, in the above-styled cause, seek an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves and Roosevelt Counties, New Mexico, after January 1, 1969. Said exception would be for applicants' wells in the E/2 NW/4 and the NE/4 of Section 2, Township 19 South, Range 31 East, Shugart Pool, Eddy County, New Mexico. Applicants seek authority to dispose of salt water produced by said wells in an unlined surface pit located in Unit C of said Section 2.
- CASE 4170: Application of H. C. Hood for pool redelineation, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the redelineation of the High Plains-Pennsylvanian Pool by the deletion of the SW/4 of Section 14 and the SE/4 of Section 15, Township 14 South, Range 34 East, Lea County, New Mexico.

CHARLES B. READ

OIL PROPERTIES
P. O. BOX 2126
ROSWELL, NEW MEXICO 88201

July 1, 1969

RECEIVED

JUL 2 1969

Re: Oil Conservation Commission
Examiner Hearing - July 9, 1969,
Case 4160 - Application of Roger C.
Hanks for Pool Re-delineation,
Roosevelt County, New Mexico

MIDLAND OFFICE

Mr. Roger C. Hanks
606 Wall Towers West
Midland, Texas 79701

Dear Roger:

We have received a copy of the docket for the OCC Examiner Hearing, July 9, 1969, and your letter of June 30, requesting approval of your application in Case 4160 for re-delineation of the South Prairie-Cisco Pool and the Middle Allison-Penn Pool, Roosevelt County, New Mexico.

As we discussed last Friday, we are in complete accord with the intent of your application in Case 4160 and fully approve of this re-delineation as outlined in the OCC docket for the July 9th Hearing. Your letter of June 30, indicates that the entire South Prairie-Cisco Pool might be re-defined as the same as the Middle Allison-Penn Pool with 160 acre spacing. Due to the circumstances surrounding our current interest in the NW/4 of Section 20-8S-36E, we would prefer, at this time, to limit our approval to the particular issues stipulated under your application in Case 4160.

For the purposes of this Hearing, please consider this letter as our formal approval of your application in Case 4160. If there is anything further we can do to assist in this matter, please call upon us.

Yours very truly,

CHARLES B. READ

John L. Anderson, Jr.
By: John L. Anderson, Jr.

JLA: ng

LONE STAR PRODUCING CO.
Federal N.M. "B" No. 3
DIAGRAMATIC SKETCH

CEMENT PLUGS
I)-AT. SURFACE
(II SACKS)

SURFACE ELEVATION 4107.4 (GROUND)

13-3/8" @ 417' (48#/FT. CEMENTED
W/400 SACKS (CIRC.)

I)- 4217-4348' (35 SACKS)

8-5/8" @ 4333' CEMENTED W/1681 SKS.
(CIRC) (24# & 28#/FT.)

OPEN HOLE

I)- 4742-4836' (35 SACKS)

*4-5 m. D. hole
water out
P & A 3-66*

4800' (5-1/2" CASING - CUT-OFF TOP)

CEMENT TOP (BEHIND 5-1/2" CSG.)
@ 7325 FEET.

I)- 9448 - 9660' (25 SACKS)

9690' ← PENNSYLVANIAN ZONE (BOUGH - "C")
9694' (PERFORATIONS)

P.B.T.D. 9724'
(T.D. 9758') (15.5# & 17#/FT.)
CEMENTED W/700 SACKS
5-1/2" @ 9758'

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK (Well plugged March 3, 1969)
RE-ENTRY ☒ DRILL ☒ DEEPEN ☐ PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☒GAS
WELL ☐OTHER ☐SINGLE
ZONE ☒MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

Lone Star Producing Company

3. ADDRESS OF OPERATOR

Box 4815, Midland, Texas 79701

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface 660' South of North Line & 1930' East of West Line of
Section 28, T-8-S, R-36-E, Roosevelt County, New Mexico

At proposed prod. zone

Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

10. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

21. ELEVATIONS (Show whether DE, RT, GR, etc.)

4107' Ground

16. NO. OF ACRES IN LEASE

240

17. NO. OF ACRES ASSIGNED
TO THIS WELL

60

19. PROPOSED DEPTH

9724'

20. ROTARY OR CABLE TOOLS

Rotary

22. APPROX. DATE WORK WILL START*

July 23, 1969

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8"	43#	417'	400 sacks - Cement Circulated
11"	8-5/8"	24# & 28#	4333'	1651 sacks - Cement Circulated
7-7/8"	5-1/2"	15.5# & 17#	9758' *	700 sacks - Top of cement @ 7325' by temp. survey.

* During plugging operation the 5-1/2" casing was cut at 4800' and pulled from well. Cement plugs were placed from 9445'-9660', 4742'-4836', 4217'-4348' and at surface.

Lone Star proposes to re-enter this well and complete in the Dough "C" formation from 9690'-9694'.
Re-entry will consist of:

- (1) Drilling cement plugs and cleaning out 5-1/2" casing to original PBD at 9724'.
- (2) Running 4800' of 5-1/2", 17#/ft. or 15.5#/ft. casing with an overshot casing bowl assembly for tying the casing string together.
- (3) Complete with hydraulic pump, packer and 2 inch tubing from perforations 9690' - 9694'.

BEFORE EXAMINER UTZ

OIL CONSERVATION COMMISSION

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured (true vertical) depths. Give blowout preventer program, if any.

24.

CASE NO.

SIGNED

C. R. Ramsey

TITLE Dist. Prod. Superintendent

DATE July 7, 1969

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED

APPROVED BY

TITLE

CONDITIONS OF APPROVAL, IF ANY:

JUL 8 1969
ARTHUR R. BROWN
DISTRICT ENGINEER

*See Instructions On Reverse Side

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

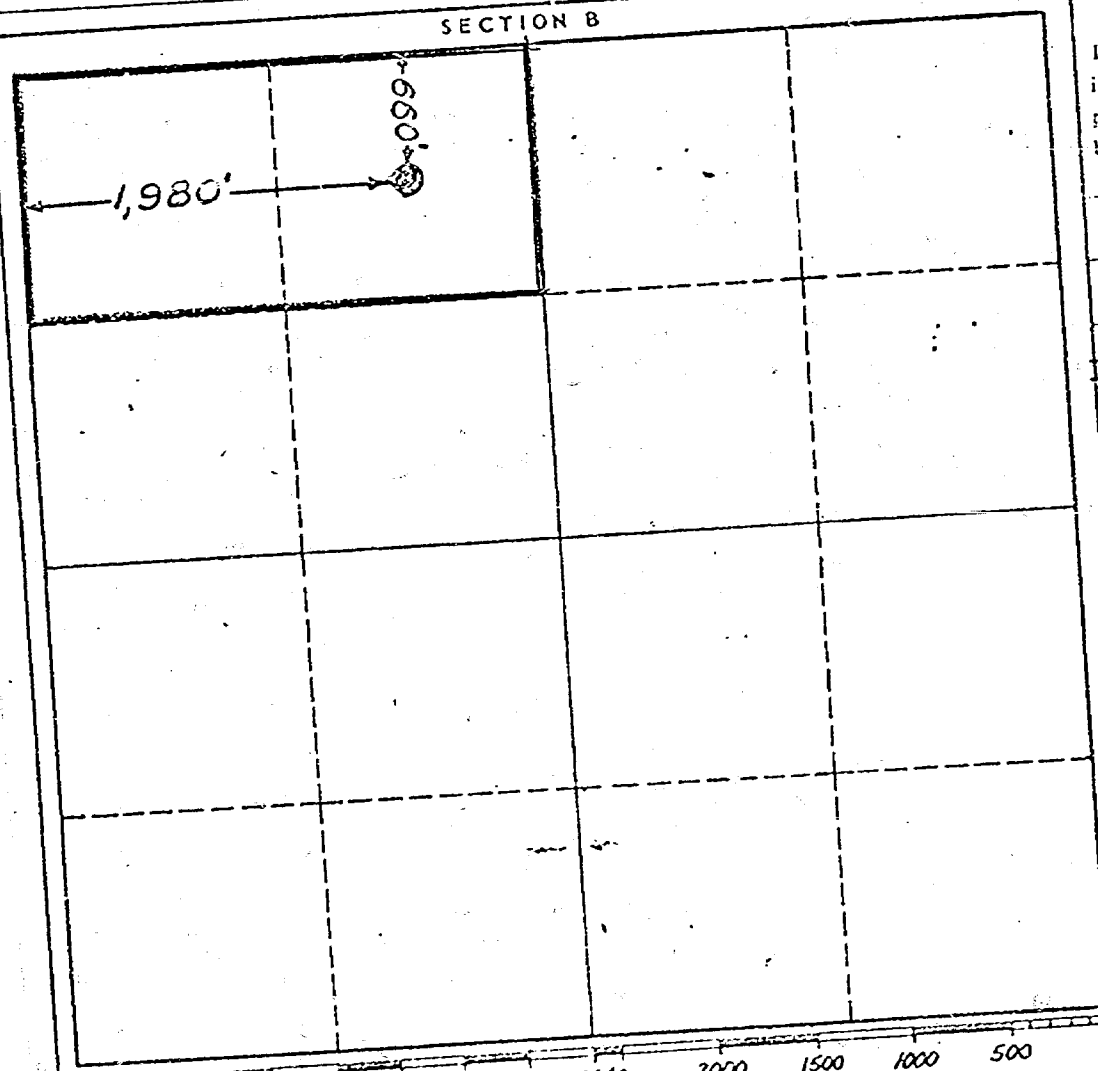
FORM C-128
 Revised 5/1/57

SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE

Operator Lone Star Producing Co.				Lease Federal - N.M. "B"		Well No. 3
Unit Letter C	Section 28	Township 8 South	Range 36 East	County Roosevelt		
Actual Footage Location of Well: 660' feet from the North line and 1,980' feet from the West line			Dedicated Acreage: 30 Acres			
Ground Level Elev. 4,107.4'	Producing Formation Bough - Lime		Pool S. Prairie Pennsylvanian			

- Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES ☒ NO ☐ ("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. 65-3-29 (e) NMSA 1935 Comp.)
- If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES ☐ NO ☐ If answer is "yes," Type of Consolidation _____
- If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description



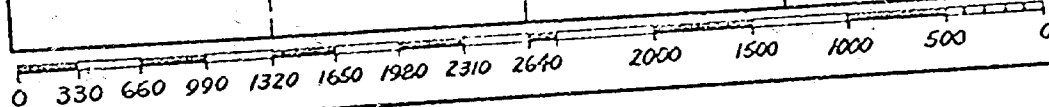
CERTIFICATION

I hereby certify that the information in SECTION A above is true and complete to the best of my knowledge and belief.

Name *E. J. Sneed*
 Position **Dist. Production Supt.**
 Company **Lone Star Producing Co.**
 Date **January 7, 1961**

I hereby certify that the well location shown on the plat in SECTION B was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed **January 7, 1961**
 Registered Professional Engineer
Harold G. Bright
 Certificate No. **3069**



RE-ENTRY OF
L. S. P. CO. - FEDERAL N.H. "B" 3 WELL
Roosevelt County, New Mexico
PAYOUT SCHEDULE

YEAR	GROSS OIL PRODUCTION (bbls)	GROSS INCOME FROM PROD. (3.16)	GROSS INCOME TO W.I. (.835)	STATE TAXES LIQUID (.07)	OPRNG. EXPEN.	NET VALUE TO W.I.	PRESENT NET VALUE TO W.I. (.08)	INVESTMENT PAYOUT (\$73,616)
1	32,000	\$ 101,120	\$ 84,435	\$ 5,910	\$11,000	\$ 64,525	\$ 62,089	\$ - 11,527
2	24,000	75,840	63,326	4,433	11,000	44,893	39,998	28,472
3	17,000	53,720	44,856	3,110	18,000	23,716	19,565	48,036
4	11,000	34,760	29,025	2,032	18,000	8,993	6,869	54,905
5	6,000	18,960	15,832	1,108	12,000	2,724	1,926	56,833
TOTALS	90,000	\$281,400	\$237,474	\$16,623	\$76,000	\$114,851	\$130,447	

Projected Present Net Income from Production
Salvage Value (\$14,123.00 x .5 x .8028)

Total Present Net Income

Return on Investment Ratio \$ 2.01 per \$ 1.00 Invested

BEFORE EXAMINER UTZ
CONSERVATION COMMISSION
EXHIBIT NO. 3
FILE NO. 4160

\$ 130,447.00
17,710.00
\$ 118,157.00

24,000

10,000

RESERVOIR DATA
MIDDLE ALLISON-SOUTH PRAIRIE FIELDS
BOUGH C ZONE

Initial Pressure (November 1960), psi	3,085
Approximate Pressure (January 1969), psi	2,310
Cumulative Oil Production (January 1, 1969)	2,740,427
Recovery factor, Bbl Oil/psi	3,540
Estimated Ultimate Oil Recovery, Bbl	10,900,000
Estimated Remaining Oil Reserves (January 1, 1969), Bbl	8,160,000
Estimated Total Production Area, acres	10,880
Oil Price, \$/Bbl	3.31

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
Pool K EXHIBIT NO. 6
CASE NO. 4160

BAILEY, SIPES, WILLIAMSON & RUNYAN, INC.
1100 V & J TOWER MIDLAND, TEXAS 79701
L. D. SIPES, JR., P.E./sj JULY 22, 1969

CALCULATION OF THEORETICAL RESERVOIR
PRESSURE AT ABANDONMENT

Abandonment Conditions:

Oil rate, Bbl/D	15
Water rate, Bbl/D	45
Fluid viscosity, cp	0.51
Formation capacity, darcy-feet	18.7
(Core analysis Chambers & Kennedy - Mobil Federal No. 1 E-28-8-36)	
Wellbore pressure, psi	10

For 160 acre spacing

$$P_e - P_w = \frac{Q \mu \ln \frac{r_e}{r_w}}{7.07 kh}$$

$$P_e - 0 = \frac{(15 \times 1.2 + 45)(0.51)(\ln 1491/1)}{(7.07)(18.7)}$$

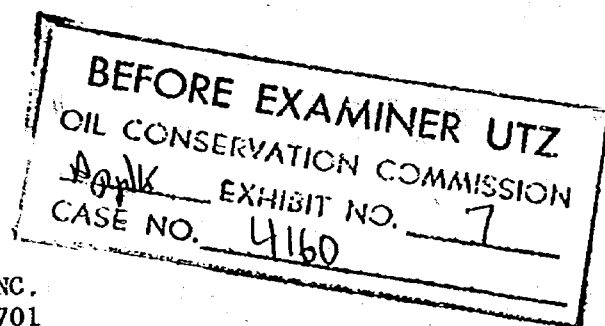
$$P_e = 10 + 1.8 = \underline{\underline{12 \text{ psi}}}$$

For 80 acre spacing

$$P_e - 10 = \frac{(15 \times 1.2 + 45)(0.51)(\ln 1054/1)}{(7.07)(18.7)}$$

$$P_e = \underline{\underline{12 \text{ psi}}}$$

BAILEY, SIPES, WILLIAMSON & RUNYAN, INC.
1100 V & J TOWER MIDLAND, TEXAS 79701
L. D. SIPES, JR., P.E./sj JULY 22, 1969



WELL ECONOMICS
MIDDLE ALLISON-SOUTH PRAIRIE FIELDS
BOUGH C ZONE

Calculation of 87.5% Working Interest Income Assuming All Wells
Drilled at the Same Time

Ultimate Recovery, Bbl.		10,900,000
Well Spacing, acres		<u>160</u>
Number of Wells	80	68
Average Ultimate Recovery per Well, Bbl.	136	
Gross Revenue ⁽¹⁾ , \$	80,200	160,400
Economic Life, years	220,500	441,000
Operating Costs @ \$1,225/month	5	10
Total Net Revenue, \$	73,500	147,000
Development Cost, \$ (including SWD facilities)	147,000	294,000
Net Profit (Loss), \$	215,000	215,000
	(68,000)	79,000

(1) Working interest income \$2.75/gross barrel after severance taxes

BAILEY, SIPES, WILLIAMSON & RUNYAN, INC.
1100 V & J TOWER MIDLAND, TEXAS 79701
L. D. SIPES, JR., P.E./sj JULY 22, 1969

BEFORE EXAMINER UTZ	
OIL CONSERVATION COMMISSION	
EXHIBIT NO.	8
CASE NO.	4160

CLARENCE E. HINKLE
W. E. BONDURANT, JR.
S. B. CHRISTY IV
LEWIS C. COX, JR.
PAUL W. EATON, JR.
CONRAD E. COFFIELD
HAROLD L. HENSLEY, JR.
STUART D. SHANOR
C. D. MARTIN
PAUL J. KELLY, JR.

LAW OFFICES
HINKLE, BONDURANT & CHRISTY
600 HINKLE BUILDING
ROSWELL, NEW MEXICO 88201

June 19, 1969

MAIN OFFICE

'69 JUN 23 AM 9 16

MIDLAND, TEXAS OFFICE
521 MIDLAND TOWER
(915) MU 3-4891

TELEPHONE (505) 622-6510
POST OFFICE BOX 10

Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

Attention: Dan Nutter

Gentlemen:

We enclose in triplicate application of Roger C. Hanks for revision of the definition of the South Prairie-Cisco Pool and the Middle Allison-Pennsylvanian Pool to include all of Section 29 and the N $\frac{1}{2}$ Section 32, Township 8 South, Range 36 East in the Middle Allison-Pennsylvanian Pool. This is the application concerning which I talked to Dan Nutter by telephone and it is my understanding that it will appear on the docket for July 9.

Yours very truly,

HINKLE, BONDURANT & CHRISTY

By *[Signature]*

CEH:cs
Enc.

Case 4160

DOCKET MAILED

Date 7-11-69

DOCKET MAILED

Date 6-25-69

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

APPLICATION OF ROGER C. HANKS TO)
REDEFINE THE SOUTH PRAIRIE-CISCO)
POOL, ROOSEVELT COUNTY, AND THE)
MIDDLE ALLISON - PENNSYLVANIAN)
POOL, LEA AND ROOSEVELT COUNTIES,)
SO AS TO DELETE FROM THE SOUTH)
PRAIRIE-CISCO POOL THE NE $\frac{1}{4}$ SECTION)
29, TOWNSHIP 8 SOUTH, RANGE 36 EAST,)
AND TO ADD ALL OF SECTION 29 AND)
THE N $\frac{1}{2}$ SECTION 32 TO THE MIDDLE)
ALLISON-PENNSYLVANIAN POOL.)

Case 4160

Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

Comes Roger C. Hanks, acting through the undersigned attorneys, and hereby makes application to redefine the South Prairie-Cisco Pool, Roosevelt County, and the Middle Allison-Pennsylvanian Pool, Lea and Roosevelt Counties, so as to delete from the South Prairie-Cisco Pool the NE $\frac{1}{4}$ Section 29, Township 8 South, Range 36 East, and to add all of Section 29 and the N $\frac{1}{2}$ Section 32 to the Middle Allison-Pennsylvanian Pool, and in support thereof respectfully shows:

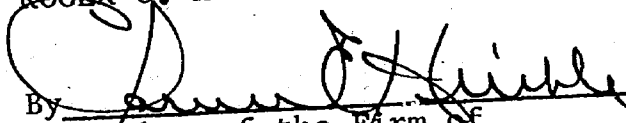
1. That applicant has completed a well producing from the Bough "C" formation in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ Section 29, Township 8 South, Range 36 East, N.M.P.M. Roosevelt County. There are other non-producing wells which have been completed between the applicant's well and other wells which are producing from the South Prairie-Cisco Pool and it is believed that applicant's well is producing from the same formation as that which is designated as the Middle Allison-Pennsylvanian Pool. There have been other wells completed to the north of the north boundary of the Middle Allison-Pennsylvanian Pool which indicate that all of Section 29 and the N $\frac{1}{2}$ Section 32 may be productive from the Middle Allison-Pennsylvanian Pool.

2. Based upon all available information, applicant believes that his well located in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ Section 29, Township 8 South, Range 36 East should be classed as being within the Middle Allison-Pennsylvanian Pool instead of the South Prairie-Cisco Pool and should be subject to the temporary special pool rules of said pool providing for 160 acre spacing and proration units.

3. Applicant requests that this matter be set down for the examiner's hearing to be held on July 9, 1969.

Respectfully submitted,

ROGER C. HANKS

By 
Member of the Firm of
HINKLE, BONDURANT & CHRISTY
Box 10
Roswell, New Mexico 88201

CLARENCE E. HINKLE
W. E. BONDURANT, JR.
S. B. CHRISTY IV
LEWIS C. COX, JR.
PAUL W. EATON, JR.
CONRAD E. COFFIELD
HAROLD L. HENSLEY, JR.
STUART D. SHANOR
C. D. MARTIN
PAUL J. KELLY, JR.

LAW OFFICES
HINKLE, BONDURANT & CHRISTY
600 HINKLE BUILDING
ROSWELL, NEW MEXICO 88201

July 3, 1969

MIDLAND, TEXAS OFFICE
821 MIDLAND TOWER
(915) 43-4691
JUL 8 29
TELEPHONE (915) 822-6510
POST OFFICE BOX 10

*sub, case
file 4160*

Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

We enclose in triplicate application of Roger C. Hanks to redefine the South Prairie-Cisco Pool and the Middle Allison-Pennsylvanian Pool so as to delete from the South Prairie-Cisco Pool the NW $\frac{1}{4}$ Section 28 and NE $\frac{1}{4}$ Section 29 and to add all of Section 29, SE $\frac{1}{4}$ Section 30 and N $\frac{1}{2}$ Section 32, Township 8 South, Range 36 East to the Middle Allison-Pennsylvanian Pool.

I discussed this matter with Dan Nutter by telephone and explained that Roger Hanks now plans to drill additional wells in the N $\frac{1}{2}$ Section 28 and before doing so desires that this acreage be considered as being within the Middle Allison-Pennsylvanian Pool by deleting the NW $\frac{1}{4}$ Section 28 and NE $\frac{1}{4}$ Section 29 from the South Prairie-Cisco Pool and extending the Middle Allison-Pennsylvanian Pool to include Section 29. Under the existing rules the acreage in Section 28 would be considered as being within the Middle Allison-Pennsylvanian Pool as it is within one mile thereof.

Case No. 4160 as originally filed by Roger Hanks for the same purpose is included on the examiner's docket for July 9. This will be dismissed and it is our understanding that this case will be readvertised to appear on the examiner's docket for July 23.

Yours sincerely,

HINKLE, BONDURANT & CHRISTY

By *Clarence E. Hinkle*

CEH:cs
Enc.
cc: Roger Hanks

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

APPLICATION OF ROGER C. HANKS TO
REDEFINE THE SOUTH PRAIRIE-CISCO
POOL, ROOSEVELT COUNTY, AND THE
MIDDLE ALLISON-PENNSYLVANIAN POOL,
LEA AND ROOSEVELT COUNTIES SO AS
TO DELETE FROM THE SOUTH PRAIRIE-
CISCO POOL THE NW $\frac{1}{4}$ SECTION 28, NE $\frac{1}{4}$
SECTION 29, TOWNSHIP 8 SOUTH, RANGE
36 EAST, ROOSEVELT COUNTY AND TO ADD
ALL OF SECTION 29, SE $\frac{1}{4}$ SECTION 30,
N $\frac{1}{2}$ SECTION 32, TOWNSHIP 8 SOUTH, RANGE
36 EAST TO THE MIDDLE ALLISON-
PENNSYLVANIAN POOL.

Sm
file - Case
4160

Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

Comes Roger C. Hanks, acting through the undersigned attorneys and hereby makes application to redefine the South Prairie-Cisco Pool, Roosevelt County, and the Middle Allison-Pennsylvanian Pool, Lea and Roosevelt Counties so as to delete from the South Prairie-Cisco Pool the NW $\frac{1}{4}$ Section 28, NE $\frac{1}{4}$ Section 29, Township 8 South, Range 36 East, Roosevelt County and to add all of Section 29, SE $\frac{1}{4}$ Section 30, N $\frac{1}{2}$ Section 32, Township 8 South, Range 36 East, N.M.P.M. to the Middle Allison-Pennsylvanian Pool.

1. That applicant has completed a well producing from the Bough "C" formation in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ Section 29, Township 8 South, Range 36 East, N.M.P.M. Roosevelt County. There are other non-producing wells which have been completed between the applicant's well and other wells which are producing from the South Prairie-Cisco Pool and it is believed that applicant's well is producing from the same formation as that which is designated as the Middle Allison-Pennsylvanian Pool. There have been other wells completed to the north of the north boundary of the Middle Allison-Pennsylvanian Pool which indicate that all of Section 29, SE $\frac{1}{4}$ Section 30, N $\frac{1}{2}$ Section 32, Township 8 South, Range 36

East may be productive from the Middle Allison-Pennsylvanian Pool.

2. Applicant contemplates further drilling operations in the N $\frac{1}{2}$ Section 28 which will be within one mile of the Middle Allison-Pennsylvanian Pool as proposed to be redefined.

3. Based upon all available information, applicant believes that his well located in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ Section 29, Township 8 South, Range 36 East, N.M.P.M. should be classed as being within the Middle Allison-Pennsylvanian Pool instead of the South Prairie-Cisco Pool and that all of Section 29, SE $\frac{1}{4}$ Section 30 and N $\frac{1}{2}$ Section 32, Township 8 South, Range 36 East should be subject to the temporary special pool rules heretofore adopted for the Middle Allison-Pennsylvanian Pool providing for 160 acre spacing and 80 acre allowables.

4. Applicant requests that this matter be set down for the next examiner's hearing.

RESPECTFULLY SUBMITTED,

ROGER C. HANKS

By 

Member of the Firm of
HINKLE, BONDURANT & CHRISTY
Box 10
Roswell, New Mexico 88201

Clarence Linker 4/30/69 2:25 PM
 Continue Case 460 on 7/9 and
 readvertise:

delete NW/28 and NE/29
 8-36 from S. Prairie Cisco
 Roosevelt Co.

extend Middle Allison-Penn
 T8S R36E Roosevelt

~~Sec 28 all~~ drop

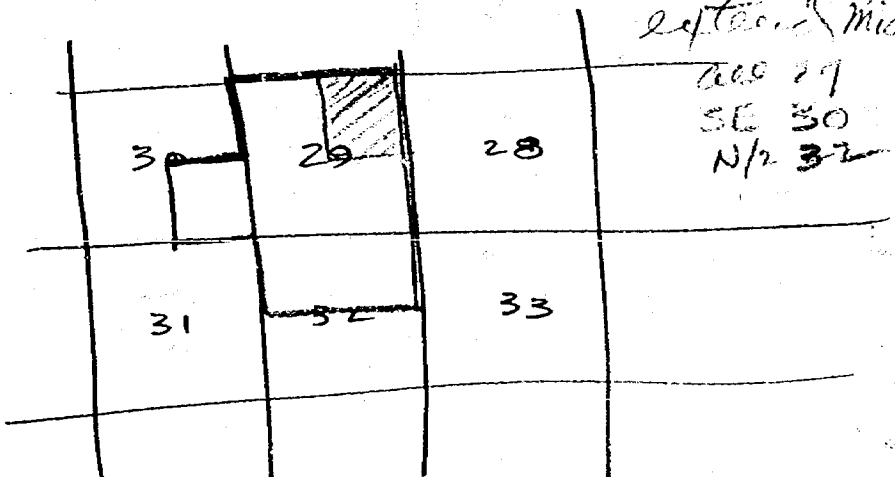
Sec 29 all
~~Sec 30 SE 1/4~~
~~Sec 32 N 1/2~~

Sec 33: W 1/2 NE 1/4

probably
 should be
 NW 1/4 or
 W 1/2 NW 1/4

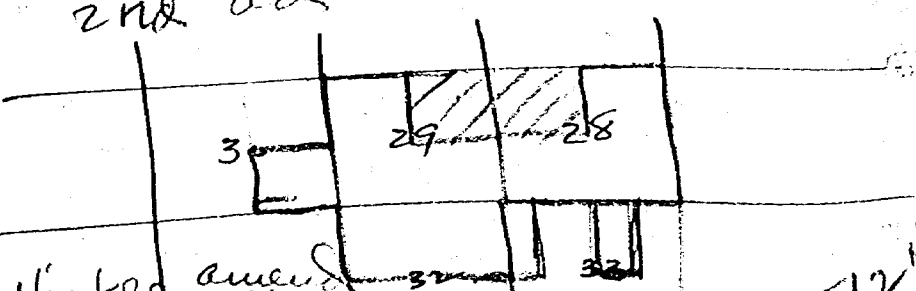
1st ad

delete
 NE 29 S Prairie
 extend Middle



all 29
 SE 30
 N 1/2 32

2nd ad



Linker and
 delete NW 1/2 NE 29
 extend all 28 & 29
 SE 30 N 1/2 32 W 1/2 NE 33
 change to not incl
 29 in extension

should

be W 1/2 NW 1/4
 33?
 in 160 ac part?

ROGER C. HANKS

606 WALL TOWERS WEST
MIDLAND, TEXAS 79701

MAIN OFFICE

PH 1 50
JUL 9 1969

A/C 915 602-3764

June 30, 1969

Solar Oil Company
2101 West Texas
Midland, Texas 79701

file - Case 4160

Re: Application of Roger C.
Hanks to re-define the South
Prairie Cisco Pool and the
Middle Allison Pennsylvanian
Pool in Roosevelt and Lea
Counties, New Mexico for
160-acre spacing and 80-acre
allowables.

Gentlemen:

The undersigned respectfully requests your support in the above hearing scheduled by the New Mexico Oil Conservation Commission on July 9, 1969, but will be probably the last hearing date in July or the first hearing in August.

The purpose of the hearing is to show evidence to the Oil Conservation Commission that, in effect, the Middle Allison Pennsylvanian Pool and the South Prairie Cisco Pool are one in the same reservoir, consequently, the applicant requests that the South Prairie Cisco Pool be re-defined as the same as the Middle Allison Pennsylvanian Pool, granting to operators, 160-acre spacing with voluntary 80-acre allowable.

Evidence will be presented to conclusively show the Oil Conservation Commission that the zones are one in the same and since the Commission has previously approved 160-acre spacing for the Middle Allison Pennsylvanian, they will, hopefully, extend this area to cover the old South Prairie Cisco Pool.

*Recket Mailed
7-11-69*

South Prairie Cisco Pool and
Middle Allison Pennsylvanian Pool
June 30, 1969

Page - 2 -

Your support concerning this application is respectfully
requested by the undersigned. Please show your approval
or disapproval of this application by signing and return-
ing one copy of the enclosed letter.

Very truly yours,

Roger C. Hanks
Roger C. Hanks

RCH:kw

Company SOLAR OIL COMPANY

Date 2 July 69

Approved _____

Disapproved ☒ *DM Overy*

cc: N. M. O. & G. C., Santa Fe, N. M.

DRAFT

GMH/esr

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

RECORDS CENTER

CASE No. 4160

Order No. R- 3806

NOMENCLATURE

APPLICATION OF ROGER C. HANKS
FOR POOL REDELINEATION, ROOSEVELT
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 23, 1969,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this day of July, 1969, the Commission, a
quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, and being fully advised
in the premises,

FINDS:

(1) That due public notice having been given as required by
law, the Commission has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, Roger C. Hanks, seeks ~~the redelinea-~~
~~tion of certain pool boundaries to include~~ the deletion of the
NW/4 and NE/4 of Sections 28 and 29, respectively, from the
South Prairie-Cisco Pool and the extension of the Middle Allison-
Pennsylvanian Pool to include all of Section 29, the SE/4 of
Section 30, ^{and} the N/2 of Section 32, ~~and the N/2 of Section 33~~,
all in Township 8 South, Range 36 East, NMPM, Roosevelt County,
New Mexico.

(3) That the NE/4 of said Section 29 should be
deleted from the South Prairie-Cisco Pool.

(4) That the NW/4 of said Section 28 should not be
deleted from the South Prairie-Cisco Pool.

(5) That the Middle Allison - Pennsylvanian Pool
should be extended to include all of said Section 29, the SE/4
of Section 30, and the N/2 of Section 32.

the deletion and extension as described in finding (3) and (4)
(4) That ~~approval of the subject application~~ will not violate correlative rights nor cause waste.

IT IS THEREFORE ORDERED:

(1) That the horizontal limits of the South Prairie-Cisco Pool, ~~Lea County~~ *Roosevelt County*, New Mexico, are hereby contracted by the deletion therefrom of the following-described area:

TOWNSHIP 8 SOUTH, RANGE 36 EAST, NMPM
~~Section 28: NW/4~~
Section 29: NE/4 ✓

(2) That the horizontal limits of the Middle Allison-Pennsylvanian Pool, Lea and Roosevelt Counties, New Mexico, are hereby extended to include therein the following-described area:

ROOSEVELT COUNTY, NEW MEXICO
TOWNSHIP 8 SOUTH, RANGE 36 EAST, NMPM
Section 29: All
Section 30: SE/4
Section 32: N/2
~~Section 33: N/2~~

(3) That the location of any well which, by virtue of this extension, is presently drilling to or completed in the Middle Allison-Pennsylvanian Pool or in the Bough "C" zone of the Pennsylvanian formation within one mile thereof is hereby approved; that the operator of any such well having an unorthodox location shall notify the Hobbs District Office of the Commission in writing of the name and location of the well on or before

August 15, 1969.

under for (4)

of this extension, is subject to the Middle Allison-Pennsylvanian Pool rules providing for 160-acre spacing or proration units, shall have 60 days from the effective date of this order in which to file new Forms C-102 dedicating 160 acres to said well or to obtain a non-standard unit approved by the Commission. Pending such compliance, the well shall receive a maximum allowable in the same proportion to a standard allowable for the pool that the

-3-

CASE No. 4160

acreage dedicated to the well bears to a standard unit for the pool. Failure to file Forms C-102 dedicating a standard unit to the well or to obtain a non-standard unit approved by the Commission within said 60-day period shall subject the well to cancellation of allowable.

(5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

CASE 4161: Application of ROGER
C. HANKS for special rules for
the NORTH MESCALERO-CISCO POOL.