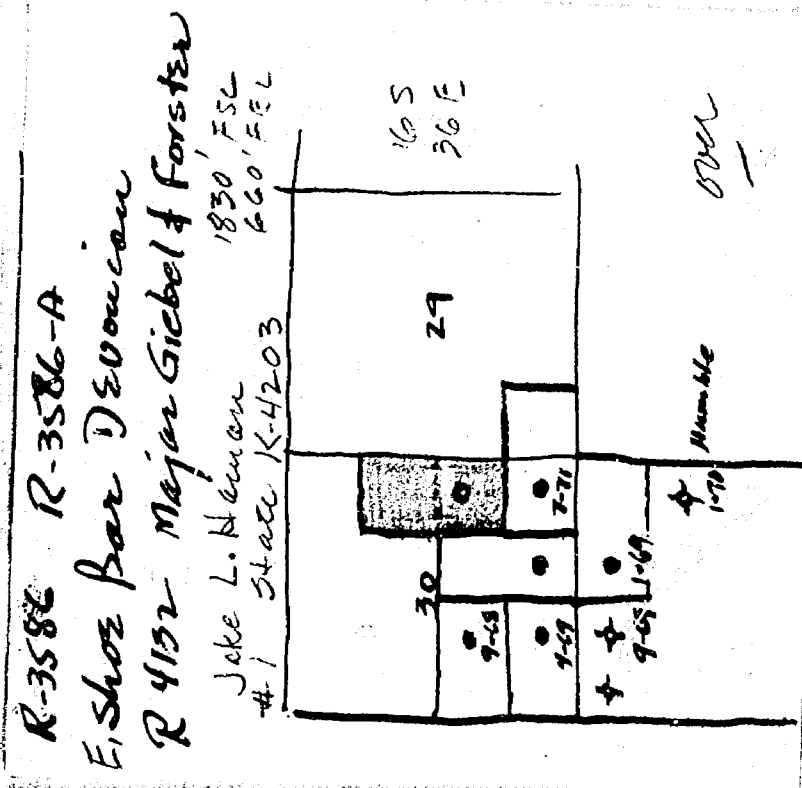


CASE 4622: Application of JAKE L.  
HAMON FOR A non-standard unit,  
Lea County, New Mexico.



Joe L. Hamon  
R-3586-A  
E. Shor Bar Devonian  
R 4132 Major Giebel & Forster

Case Number  
4622

Application

Transcripts

Small Exhibits

ETC.

dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVERT ONE

209 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO

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

November 10, 1971  
Examiner Hearing

IN THE MATTER OF:

Application of Jake L. Hamon  
for a non-standard unit, Lea  
County, New Mexico.

Case No. 4622

BEFORE: DANIEL S. NUTTER, EXAMINER

TRANSCRIPT OF HEARING

1 MR. NUTTER: We will call next Case No. 4622.

2 MR. HATCH: Case 4622. Application of Jake L. Hamon  
3 for a non-standard unit, Lea County, New Mexico.

4 MR. HINKLE: Clarence Hinkle, Hinkle, Bondurant, Cox  
5 and Eaton, appearing on behalf of Jake L. Hamon. We have one  
6 witness and four exhibits.

7 (Whereupon, Applicant's Exhibits 1 through 4 were  
8 marked for identification.)

9 (Witness sworn)

10 JOHN E. CASEY

11 having been first duly sworn, according to law, upon his oath  
12 testified as follows:

13 DIRECT EXAMINATION

14 BY MR. HINKLE:

15 Q State your name, your residence, and by whom you are  
16 employed.

17 A My name is John E. Casey. I live in Midland, Texas, and  
18 I am employed by Jake L. Hamon.

19 Q Have you previously testified before the Commission?

20 A Yes, sir, I have.

21 Q And your qualifications as a petroleum geologist are a  
22 matter of record with the Commission?

23 A Yes, sir, they are.

24 Q Are you familiar with the application of Jake L. Hamon in  
25 this case?

- 1 A Yes, sir.
- 2 Q What is Mr. Hamon seeking to accomplish?
- 3 A Well, we want to get an 80-acre unit for our well. It will
- 4 be a non-standard proration unit, 80 acres.
- 5 Q Consisting of what?
- 6 A Well, it would consist of the -- let's see, the northeast
- 7 quarter of the southeast quarter and the southeast quarter
- 8 of the northeast quarter of Section 30, Township 16 South,
- 9 Range 36 East.
- 10 Q Now, this is in the East Shoe Bar-Devonian pool?
- 11 A East Shoe Bar field, Devonian, yes, sir.
- 12 Q Have you prepared or has there been prepared under your
- 13 direction certain exhibits for introduction in this case?
- 14 A Yes, sir.
- 15 Q Refer to Exhibit 1 and explain what this is and what it
- 16 shows.
- 17 A Exhibit 1 is a plat on which we show the position of our
- 18 well and the proposed proration unit as outlined in red,
- 19 and its position with the Shoe Bar field and the East Shoe
- 20 Bar and the Lovington West to the south.
- 21 Q Does it also show the ownership of the lease hold interest
- 22 in the area?
- 23 A Yes, sir. We show all the lease hold interest.
- 24 Q Has the well which is shown circled in red there already
- 25 been started?

- 1 A Yes, sir, it has.
- 2 Q What is the present status of the well?
- 3 A Yesterday morning that well was at a depth of 6605, and
- 4 we made 400 feet the day before, so I estimate about 7000
- 5 this morning.
- 6 Q Refer to Exhibit No. 2 and explain what this shows.
- 7 A Exhibit 2 is a structure map on the top of the Devonian
- 8 in the East Shoe Bar field. On it, of course, we show the
- 9 proration unit desired and our well as it is currently
- 10 drilling.
- 11 Q What is this contoured on?
- 12 A What? It is on the Devonian horizon. It is a producing
- 13 pay in the field.
- 14 Q Contour intervals of what?
- 15 A In the field it is in the Shoe Bar East. We have a fifty
- 16 foot contour interval in the Shoe Bar to the west. The
- 17 contour interval is 250 feet, and we just show it with
- 18 respect to the field currently being developed.
- 19 Q Well, this shows all of the wells that have been drilled
- 20 in the East Shoe Bar pool?
- 21 A Yes, sir, it does.
- 22 Q What wells are owned by Hamon in the pool?
- 23 A In Section 30 we have wells 1 and 2 on the State K-33 lease.
- 24 In the same section we have recently completed our No. 3
- 25 McKay 33 and to the south in Section 31 we have our No. 1

1 State A 1320.

2 Q Now, who is the operator or owner of the well located in  
3 the southeast of the southeast of 30?

4 A Major Geibel Forster.

5 Q Now, what acreage is dedicated to that well?

6 A The acreage dedicated to that well is the 40 acre tract  
7 under the drill site and then the southwest of the southwest  
8 of Section 29.

9 Q And that has been heretofore proved by the Commission as  
10 a non-standard proration unit?

11 A Yes, sir, it was.

12 Q Under the pool rules for the East Shoe Bar pool a standard  
13 unit consisted of either the north half or the south half  
14 or the east half or the west half of a quarter-section,  
15 does it not?

16 A Yes, sir, that's true.

17 Q Now, after the well was drilled in the southeast of the  
18 southeast did Hamon drill the State 3-K-33 in the southwest  
19 of the southeast of 30?

20 A Yes, sir, that's right.

21 Q And when was that completed?

22 A That well was completed October 20 of this year, our No. 3  
23 K-33.

24 Q Now, this plat or map here was prepared after all of these  
25 wells and all of the information was available?



1 A Yes, sir.

2 Q And this shows, does it not, that Hamon's No. 3 well is a  
3 little bit higher than the other wells in the southeast  
4 southeast?

5 A Yes, sir. We show it to be 24 feet higher structurally.

6 Q Now, refer to Exhibit No. 3 and explain that.

7 A All right, sir. This plat is contoured on the top of the  
8 Devonian pay. The pay zone as we defined it or tried to,  
9 the porosity zone, the top of the porosity zone in the  
10 Devonian.

11 Well, it appears that this zone is about forty feet  
12 below the top of the Devonian.

13 Q As shown on Exhibit 2?

14 A Yes, sir. It can be seen here on our map, Exhibit 3, in  
15 comparing it with the top of the Devonian on Exhibit 2 that  
16 we estimate the porosity zone to be about forty feet below  
17 the top of the Devonian.

18 Q Does this also show the oil-water contact?

19 A Yes, sir. A minus 9105 which is the original oil-water  
20 contact of this field.

21 Q And in your opinion that would define approximately the  
22 productive limits of the pool?

23 A Yes, sir, I believe so.

24 Q Is it water drive?

25 A Yes, sir.

- 1 Q And in your opinion would all of the proposed non-standard  
2 units to be dedicated to the Jake L. Hamon State 1-K-4203  
3 be productive?
- 4 A Yes, sir, I believe it would.
- 5 Q Now, refer to Exhibit 4 and explain what that shows.
- 6 A Exhibit 4 is a map on which we have taken the oil-water  
7 contact and used that as the productive limit of the field,  
8 what we think would be --
- 9 Q Substantially the same as No. 3?
- 10 A Yes, sir, that's true.
- 11 Q Do you know whether or not the working interest, the  
12 royalty, overriding royalties are uniform under the proposed  
13 non-standard unit to be dedicated to the Jake L. Hamon  
14 State No. 1?
- 15 A I believe it will be all uniform, yes, sir.
- 16 Q Do you have any further comments with respect to this or  
17 any of the other exhibits?
- 18 A No, sir. I believe that covers it.
- 19 Q In your opinion will the approval of this non-standard unit  
20 and the production as obtained be in the interest of  
21 conservation and prevention of waste?
- 22 A Yes, sir, I do.
- 23 Q And intended to protect correlative rights?
- 24 A Yes, sir.
- 25 Q Have all of the offset owners to the Hamon State No. 1

dearnley-meier reporting service

1 K-4203 been furnished with copies of that application?

2 A Yes, sir, they have.

3 Q Have you had any objections to the application?

4 A No, sir, not that I know of.

5 MR. HINKLE: We would like to offer in evidence  
6 Exhibits 1 through 4.

7 MR. NUTTER: Applicant's Exhibits 1 through 4 will  
8 be admitted in evidence, but I have got a question here. What  
9 was your question and what was your testimony regarding Exhibit  
10 4 again, please?

11 THE WITNESS: The same as our Exhibit 3. It just  
12 shows the -- we have taken the --

13 MR. NUTTER: Well, what I have got here for Exhibit 4  
14 just shows a very small area outlined in green dots and it must  
15 not be what you have got there.

16 THE WITNESS: No, sir, it isn't. That was our  
17 Exhibit 1.

18 MR. HINKLE: That isn't it. I'm sorry. That was just  
19 the plat location.

20 MR. NUTTER: Okay. Then that's fine.

21 MR. HINKLE: I guess I marked that one wrong.

22 MR. NUTTER: And so Exhibit 4, then, shows that the  
23 oil-water contact was pretty well outlined, the limits of the  
24 pool as depicted on the other exhibit?

25 THE WITNESS: Yes, sir.

1 MR. NUTTER: I see. Applicant's Exhibits 1 through  
2 1 will be admitted in evidence.

3 CROSS-EXAMINATION

4 BY MR. NUTTER:

5 Q Mr. Casey, what date was the Major Geibel Forster well  
6 completed, please?

7 A The Major Geibel Forster well was completed July 15, '71.

8 Q And do you by any chance know the number of the order that  
9 approved that non-standard unit?

10 A No, sir. I do not have that.

11 Q That is the one that we had the hearing on?

12 A Yes, sir.

13 Q And the Commission approved the unit?

14 A Yes, sir, right, yes, sir.

15 MR. HINKLE: Yes, sir.

16 Q Well, we can find out what that order number was. And  
17 they completed their well in July of 1971?

18 A Yes, sir.

19 Q And your No. 3 well has recently been drilled as a west  
20 offset to that well?

21 A Yes, sir.

22 Q And now it is your intent to offset the well to the north  
23 with the proposed well with the well that is drilling on  
24 the proposed non-standard unit?

25 A Yes, sir.

1 Q What is the productive capacity at the present time of the  
2 Forster well?

3 A That well is making about 253 barrels of oil per day, and  
4 no water. That is according to our information we have  
5 gotten from them.

6 Q And how about your new well, Mr. Casey?

7 A Our well for the last fourteen days of October made 303.13  
8 barrels of oil per day of water.

9 MR. NUTTER: Are there any further questions of the  
10 witness?

11 MR. HATCH: I am assuming, but I don't know if he has  
12 testified as to what has been dedicated. What is the dedicated  
13 acreage to the well on the southwest of the southeast? Would  
14 that be the west half of it?

15 THE WITNESS: West half of the southeast, yes, sir.

16 MR. HINKLE: In that connection, George, there was a  
17 communitization agreement entered in to approved by the State  
18 for that because they are separate leases.

19 MR. NUTTER: Are there further questions of the  
20 witness? He may be excused.

21 (Witness excused)

22 MR. NUTTER: Do you have anything further, Mr. Hinkle?

23 MR. HINKLE: That's all.

24 MR. NUTTER: Does anyone have anything they wish to  
25 offer in Case No. 4622? We'll take the case under advisement.

I N D E X

<u>WITNESS</u>	<u>PAGE</u>
JOHN E. CASEY	
Direct Examination by Mr. Hinkle	2
Cross-Examination by Mr. Nutter	9

E X H I B I T S

<u>MARKED</u>	<u>PAGE</u>
Applicant's Exhibits 1 through 4	2

<u>OFFERED</u>	<u>PAGE</u>
Applicant's Exhibits 1 through 4	8

1 STATE OF NEW MEXICO )  
2 )  
3 COUNTY OF BERNALILLO )

4 I, LINDA MALONE, Court Reporter, do hereby certify that  
5 the foregoing and attached Transcript of Hearing before the  
6 New Mexico Oil Conservation Commission was reported by me;  
7 that the same is a true and correct record of the said  
8 proceedings, to the best of my knowledge, skill and ability.  
9  
10  
11  
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21

*Linda Malone*  
Court Reporter

22 I do hereby certify that the foregoing is  
23 a complete record of the proceedings in  
24 the Bernalillo hearing of Case No. 4622  
25 heard by me on 11/10/71.

*[Signature]* Examiner  
New Mexico Oil Conservation Commission



## OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO  
P.O. BOX 2038 - SANTA FE  
87501

GOVERNOR  
BRUCE KING  
CHAIRMAN

LAND COMMISSIONER  
ALEX J. ARMIJO  
MEMBER

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

November 16, 1971

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

Re: Case No. 4622  
Order No. R-4220  
Applicant:  
JAKE L. HAMON

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 \_\_\_\_\_



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. 4622  
Order No. R-4220

APPLICATION OF JAKE L. HAMON  
FOR A NON-STANDARD UNIT,  
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 10, 1971, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 16th day of November, 1971, 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, Jake L. Hamon, seeks approval of an 80-acre non-standard oil proration unit in the East Shoe Bar-Devonian Pool, comprising the NE/4 SE/4 and SE/4 NE/4 of Section 30, Township 16 South, Range 36 East, NMPM, Lea County, New Mexico, to be dedicated to his State K-4203 Well No. 1 to be located 1830 feet from the South line and 660 feet from the East line of said Section 30.
- (3) That the proposed non-standard proration unit can be efficiently and economically drained and developed by the subject well.
- (4) That approval of the subject application will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an

-2-

CASE NO. 4622  
Order No. R-4220

excessive number of wells, and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That an 80-acre non-standard oil proration unit in the East Shoe Bar-Devonian Pool comprising the NE/4 SE/4 and SE/4 NE/4 of Section 30, Township 16 South, Range 36 East, ~~NMPN~~, Lea County, New Mexico, is hereby established and dedicated to the Jake L. Hamon State K-4203 Well No. 1 to be located 1830 feet from the South line and 660 feet from the East line of said Section 30.

(2) 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



*Bruce King*  
BRUCE KING, Chairman

*Alex J. Armiijo*  
ALEX J. ARMIJO, Member

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

S E A L

dr/

CASE 4563: Continued from the October 27, 1971, Examiner Hearing

Application of Corinne Grace for special gas-oil ratio limitation and pressure maintenance project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to produce her State Well No. 1 located in Unit A of Section 1, Township 15 South, Range 29 East, Double L-Queen Pool, Chaves County, New Mexico, with no gas-oil ratio limitation, strip the liquids, and institute a pressure maintenance project by the injection of all said gas back into the producing formation through her State Well No. 2 located in Unit B of said Section 1. Applicant further seeks to transfer an oil allowable from said Well No. 2 to said Well No. 1.

CASE 4621: Application of Jack L. McClellan for a dual completion, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of his Bar-J Federal Well No. 1 located in Unit E of Section 15, Township 6 South, Range 27 East, Chaves County, New Mexico, in such a manner as to produce oil from an undesignated Siluro-Devonian pool through tubing and gas from the Haystack-Cisco Gas Pool through the casing-tubing annulus.

CASE 4622: Application of Jake L. Hamon for a non-standard unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an 80-acre non-standard oil proration unit comprising the NE/4 SE/4 and SE/4 NE/4 of Section 30, Township 16 South, Range 36 East, East Shoe Bar-Devonian Pool, Lea County, New Mexico, to be dedicated to a well to be drilled 1830 feet from the South line and 660 feet from the East line of said Section 30.

CASE 4623: In the matter of the hearing called by the Oil Conservation Commission upon its own motion to consider the amendment of the definition of a gas well as it appears in its Rules and Regulations to read as follows:

"Gas well shall mean a well producing gas or natural gas from a gas pool or a well with a gas-oil ratio in excess of 100,000 cubic feet of gas per barrel of oil producing from an oil pool."

DOCKET: EXAMINER HEARING - WEDNESDAY - NOVEMBER 10, 1971

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 4617: Application of Tenneco Oil Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a unit area comprising 520 acres, more or less, of Federal lands in Section 3, Township 19 South, Range 32 East, Lusk-Seven Rivers Pool, Lea County, New Mexico.

CASE 4618: Application of Tenneco Oil Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Lusk-Seven Rivers Pool by the injection of water through one well located in the SE/4 NW/4 of Section 3, Township 19 South, Range 32 East, Lea County, New Mexico.

CASE 4619: Application of Corinne Grace for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface of the ground down to and including the Morrow formation underlying the N/2 of Section 25, Township 22 South, Range 26 East, which acreage is within one mile of the South Carlsbad-Morrow Gas Pool, Eddy County, New Mexico. Said acreage to be dedicated to a well to be drilled to the Morrow formation at a location 1980 feet from the North and East lines of said Section 25. Also to be considered will be the costs of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges of supervision of said well.

CASE 4620: Application of Corinne Grace for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface of the ground down to and including the Morrow formation underlying the N/2 of Section 24, Township 22 South, Range 26 East, which acreage is in the vicinity of the South Carlsbad-Morrow Gas Pool, Eddy County, New Mexico. Said acreage to be dedicated to a well to be drilled to the Morrow formation at a location 1980 feet from the North and East lines of said Section 24. Also to be considered will be the costs of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.

JAKE L. HAMON

OIL PRODUCER

908 VAUGHN BUILDING

MIDLAND, TEXAS

October 18, 1971

RECEIVED

OCT 21 1971

OIL CONSERVATION COMMISSION

*AW*

*Case 46231*

Oil Conservation Commission  
P.O. Box 871  
Santa Fe, New Mexico 87501

Gentlemen:

Jake L. Hamon hereby wishes to apply for a non-standard 80 acre proration unit in the East Shoe Bar-Devonian Field to consist of the NE/4 of the SE/4 and the SE/4 of the NE/4 of Section 30, T-16-S, R-36-E, Lea County, New Mexico. Oil Conservation Forms C-101 and C-102 have been delivered for processing to your district office in Hobbs.

Earlier this year precedent for non-standard units of this type was set in this field by the approval of the MGF Oil Corporation No. 1 Mobil State location in Section 30, T-16-S, R-36-E.

Offset operators have been notified by registered mail as of this date. Copies of the letters of notification and registration receipts are attached.

Any help which you can afford in getting an early approval of this application will be greatly appreciated.

Very truly yours,

Jake L. Hamon

By:

*H.W. Shaw*  
H.W. Shaw

Production Superintendent

HWS/jwp

encls

DOCKET MAILED

Date 10-28-71

JAKE L. HAMON  
OIL PRODUCER  
908 VAUGHN BUILDING  
MIDLAND, TEXAS

October 18, 1971

RECEIVED  
OCT 20 1971  
OIL CONSERVATION COMM.  
SANTA FE

Case 4628

MGF Oil Corporation  
1126 Vaughn Building  
Midland, Texas 79701

Gentlemen:

We wish hereby to notify you that of this date, Jake L. Hamon has filed an application to drill his State K-4203 No. 1 well in the Shoebar East, Devonian Field. The location for this well is 1830' FSL & 660' FEL of Section 30, T-16-S, R-36-E, Lea County, New Mexico. The proposed 80 acre proration unit would include the NE/4 of the SE/4 and the SE/4 of the NE/4 of said Section 30.

Copies of the Form C-101 Notice of Intention to Drill and Form C-102 Well Location and Acreage Dedication Plat along with waiver letters were hand delivered to you on this date.

Very truly yours,

Jake L. Hamon

By:

H.W. Shaw

Production Superintendent

HWS/jwp

JAKE L. HAMON  
OIL PRODUCER  
908 VAUGHN BUILDING  
MIDLAND, TEXAS

October 18, 1971

RECEIVED  
OCT 21 1971  
OIL CONSERVATION COMM.  
MIDLAND, TEXAS

*Case 4623*

Roger C. Hanks  
Wilco Building  
Midland, Texas 79701

Gentlemen:

We wish hereby to notify you that of this date, Jake L. Hamon has filed an application to drill his State K-4203 No. 1 well in the Shoebar East, Devonian Field. The location for this well is 1830' FSL & 660' FEL of Section 30, T-16-S, R-36-E, Lea County, New Mexico. The proposed 80 acre proration unit would include the NE/4 of the SE/4 and the SE/4 of the NE/4 of said Section 30.

Copies of the Form C-101 Notice of Intention to Drill and Form C-102 Well Location and Acreage Dedication Plat along with waiver letters were hand delivered to you on this date.

Very truly yours,

Jake L. Hamon

By:

*H. W. Shaw*  
H. W. Shaw

Production Superintendent

HWS/jwp

No. 417440

58 53

**RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)**

SENT TO <i>MAFOL Corp.</i>		POSTMARK OR DATE  5:00 PM 18 NOV 71
STREET AND NO. <i>1126 Vaughn Bldg</i>		
P.O., STATE AND ZIP CODE <i>Midland, Texas 79701</i>		
OPTIONAL SERVICES FOR ADDITIONAL FEES		
RETURN RECEIPT SERVICES	1. Shows to whom and date delivered ..... 15¢ With delivery to addressee only ..... 65¢ 2. Shows to whom, date and where delivered .. 35¢ With delivery to addressee only ..... 85¢	
DELIVER TO ADDRESSEE ONLY ..... 50¢		
SPECIAL DELIVERY (2 pounds or less) ..... 45¢		
POD Form 3800 July 1969		NO INSURANCE COVERAGE PROVIDED— NOT FOR INTERNATIONAL MAIL (See other side) * GPO: 1970 O-297-488

RECEIVED  
OCT 20 1971  
OIL CONSERVATION COMM.  
ALBUQUERQUE, N.M.

*Case 4623*

No. 417441

58 53

**RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)**

SENT TO <i>Roger C. Hanks</i>		POSTMARK OR DATE  5:00 PM 18 NOV 71
STREET AND NO. <i>2100 Wilco Bldg</i>		
P.O., STATE AND ZIP CODE <i>Midland, Tex 79701</i>		
OPTIONAL SERVICES FOR ADDITIONAL FEES		
RETURN RECEIPT SERVICES	1. Shows to whom and date delivered ..... 15¢ With delivery to addressee only ..... 65¢ 2. Shows to whom, date and where delivered .. 35¢ With delivery to addressee only ..... 85¢	
DELIVER TO ADDRESSEE ONLY ..... 50¢		
SPECIAL DELIVERY (2 pounds or less) ..... 45¢		
POD Form 3800 July 1969		NO INSURANCE COVERAGE PROVIDED— NOT FOR INTERNATIONAL MAIL (See other side) * GPO: 1970 O-297-488



CLARENCE E. HINKLE  
W. E. BONDURANT, JR.  
LEWIS C. COX, JR.  
PAUL W. EATCH, JR.  
CONRAD E. COFFIELD  
HAROLD L. HENSLEY, JR.  
STUART D. SHANOR  
  
C. D. MARTIN  
PAUL J. KELLY, JR.  
J. M. LITTLE

LAW OFFICES  
HINKLE, BONDURANT, COX & EATON

600 HINKLE BUILDING

POST OFFICE BOX 10

ROSWELL, NEW MEXICO 88201

October 27, 1971

TELEPHONE (505) 622-6510

*Case 4622*

MIDLAND, TEXAS OFFICE  
521 MIDLAND TOWER  
(915) 683-4691

RECEIVED  
OCT 28 1971  
OIL CONSERVATION COMM.  
SANTA FE

*[Handwritten signature]*

Oil Conservation Commission  
Box 2088  
Santa Fe, New Mexico 87501

Gentlemen:

We enclose herewith in triplicate application of Jake L. Hamon for an unorthodox well location in the East Shoe Bar-Devonian Pool about which the writer called Dan Nutter several days ago and which we understand will be placed on the docket for the examiner's hearing on November 10.

Yours very truly,

HINKLE, BONDURANT, COX & EATON

By *Clarence E. Hinkle*  
*cd*

CEH:cs  
Enc.

DOCKET MADE  
Date 10-28-71

RECEIVED

OCT 28 1971

BEFORE THE OIL CONSERVATION COMMISSION  
OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

APPLICATION OF JAKE L. HAMON FOR  
APPROVAL OF A NON-STANDARD PRORATION  
UNIT CONSISTING OF THE NE $\frac{1}{4}$ SE $\frac{1}{4}$  AND  
SE $\frac{1}{4}$ NE $\frac{1}{4}$  SECTION 30, TOWNSHIP 16 SOUTH,  
RANGE 36 EAST IN THE EAST SHOE BAR-  
DEVONIAN POOL, LEA COUNTY, NEW MEXICO  
TO BE DEDICATED TO THE JAKE L. HAMON  
NO. 1 STATE K-4203 WELL LOCATED 1830  
FEET FROM THE SOUTH LINE AND 660 FEET  
FROM THE EAST LINE OF SAID SECTION.

*Case 4622*

Oil Conservation Commission  
Box 2088  
Santa Fe, New Mexico 87501

Comes Jake L. Hamon, acting by and through the undersigned attorneys, and hereby makes application for approval of a non-standard proration unit consisting of the NE $\frac{1}{4}$ SE $\frac{1}{4}$  and SE $\frac{1}{4}$ NE $\frac{1}{4}$  Section 30, Township 16 South, Range 36 East in the East Shoe Bar-Devonian Pool, Lea County, New Mexico to be dedicated to the Jake L. Hamon No. 1 State K-4203 Well located 1830 feet from the south line and 660 feet from the east line of said section, and in support thereof respectfully shows:

1. That applicant intends to drill a well projected to produce from the East Shoe Bar-Devonian Pool to be located 1830 feet from the south line and 660 feet from the east line of Section 30, Township 16 South, Range 36 East which will be located in the NE $\frac{1}{4}$ SE $\frac{1}{4}$  of said section. Applicant is the owner of State Lease K-4203 issued by the Commissioner of Public Lands on June 16, 1964 embracing the NE $\frac{1}{4}$ SE $\frac{1}{4}$  and S $\frac{1}{2}$ N $\frac{1}{2}$  Section 30 and desires to dedicate the NE $\frac{1}{4}$ SE $\frac{1}{4}$  and SE $\frac{1}{4}$ NE $\frac{1}{4}$  of said section to the well.

2. Under the special pool rules adopted for the East Shoe Bar-Devonian Pool which provides for 80 acre spacing, a standard spacing and proration unit consists of the N $\frac{1}{2}$ , S $\frac{1}{2}$ , E $\frac{1}{2}$  or W $\frac{1}{2}$  of a governmental quarter section. Upon the application of Major, Giebel & Forster, the Commission granted an exception to said rule and approved a non-standard oil proration unit consisting of the SE $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 30 and the SW $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 29, Township 16 South, Range 36 East. A producing well has been completed in the SE $\frac{1}{4}$ SE $\frac{1}{4}$  Section 30. Applicant has completed a well in the SW $\frac{1}{4}$ SE $\frac{1}{4}$  Section 30 and the W $\frac{1}{2}$ SE $\frac{1}{4}$  of the section

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BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

APPLICATION OF JAKE L. HAMON FOR  
APPROVAL OF A NON-STANDARD PRORATION  
UNIT CONSISTING OF THE NE $\frac{1}{4}$ SE $\frac{1}{4}$  AND  
SE $\frac{1}{4}$ NE $\frac{1}{4}$  SECTION 30, TOWNSHIP 16 SOUTH,  
RANGE 36 EAST IN THE EAST SHOE BAR-  
DEVONIAN POOL, LEA COUNTY, NEW MEXICO  
TO BE DEDICATED TO THE JAKE L. HAMON  
NO. 1 STATE K-4203 WELL LOCATED 1830  
FEET FROM THE SOUTH LINE AND 660 FEET  
FROM THE EAST LINE OF SAID SECTION.

*Case 4622*

Oil Conservation Commission  
Box 2088  
Santa Fe, New Mexico 87501

Comes Jake L. Hamon, acting by and through the undersigned attorneys, and hereby makes application for approval of a non-standard proration unit consisting of the NE $\frac{1}{4}$ SE $\frac{1}{4}$  and SE $\frac{1}{4}$ NE $\frac{1}{4}$  Section 30, Township 16 South, Range 36 East in the East Shoe Bar-Devonian Pool, Lea County, New Mexico to be dedicated to the Jake L. Hamon No. 1 State K-4203 Well located 1830 feet from the south line and 660 feet from the east line of said section, and in support thereof respectfully shows:

1. That applicant intends to drill a well projected to produce from the East Shoe Bar-Devonian Pool to be located 1830 feet from the south line and 660 feet from the east line of Section 30, Township 16 South, Range 36 East which will be located in the NE $\frac{1}{4}$ SE $\frac{1}{4}$  of said section. Applicant is the owner of State Lease K-4203 issued by the Commissioner of Public Lands on June 16, 1964 embracing the NE $\frac{1}{4}$ SE $\frac{1}{4}$  and S $\frac{1}{2}$ N $\frac{1}{2}$  Section 30 and desires to dedicate the NE $\frac{1}{4}$ SE $\frac{1}{4}$  and SE $\frac{1}{4}$ NE $\frac{1}{4}$  of said section to the well.

2. Under the special pool rules adopted for the East Shoe Bar-Devonian Pool which provides for 80 acre spacing, a standard spacing and proration unit consists of the N $\frac{1}{2}$ , S $\frac{1}{2}$ , E $\frac{1}{2}$  or W $\frac{1}{2}$  of a governmental quarter section. Upon the application of Major, Giebel & Forster, the Commission granted an exception to said rule and approved a non-standard oil proration unit consisting of the SE $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 30 and the SW $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 29, Township 16 South, Range 36 East. A producing well has been completed in the SE $\frac{1}{4}$ SE $\frac{1}{4}$  Section 30. Applicant has completed a well in the SW $\frac{1}{4}$ SE $\frac{1}{4}$  Section 30 and the W $\frac{1}{2}$ SE $\frac{1}{4}$  of the section


has been dedicated to said well. Due to the granting of the exception above referred to, applicant desires approval of a non-standard oil proration unit to be dedicated to the well which applicant proposes to drill in the NE $\frac{1}{4}$ SE $\frac{1}{4}$  of said Section 30.

3. The ownership of the leasehold interests and royalty under the proposed non-standard unit is uniform and the approval of such non-standard unit will afford applicant the opportunity to produce its just and equitable share of the oil in the East Shoe Bar-Devonian Pool and will prevent the economic loss caused by the drilling of unnecessary wells, as well as avoid the augmentation of risk arising from the drilling of an excessive number of wells and will otherwise prevent waste and protect correlative rights.

4. Applicant requests that this matter be set down for hearing at the examiner's hearing on November 10.

Respectfully submitted,

JAKE L. HAMON

By   
Member of the Firm of  
HINKLE, BONDURANT, COX & EATON  
Attorneys for Applicant  
Box 10  
Roswell, New Mexico 88201

DRAFT

GMH/dr

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

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

*add*  
CASE No. 4622

Order No. R- 41220  
*11-15-71*

APPLICATION OF JAKE L. HAMON  
FOR A NON-STANDARD UNIT,  
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 10, 1971,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this \_\_\_\_\_ day of November, 1971, 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.

*[Signature]*  
(2) That the applicant, Jake L. Hamon, is the owner and  
operator of the NE/4 SE/4 and SE/4 NE/4 of Section 38, Township 16  
South, Range 36 East, NMPM, Lea County, New Mexico.

*Jake L. Hamon,*

(2) That the applicant seeks approval of an 80-acre non-standard oil proration unit in the East Shoe Bar-Devonian Pool,

comprising the NE/4 SE/4 and SE/4 NE/4 of ~~Section 30~~ <sup>Section 30, Township 16 S, Range 36 East, NMPM, Lea County, New Mexico</sup>

to be dedicated to his State K-4203 well No. 1 to be

located 1830 feet from the South line and 660 feet from the East line of said Section 30.

(3) That the proposed non-standard proration unit can be efficiently and economically drained and developed by the subject well.

(4) That approval of the subject application will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That an 80-acre non-standard oil proration unit in the East Shoe Bar-Devonian Pool comprising the NE/4 SE/4 and SE/4 NE/4 of Section 30, Township 16 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby established and dedicated to ~~him~~ the Jake L. Hamon

State K-4203 well No. 1 to be located 1830 feet from the South line and 660 feet from the East line of said Section 30.

(2) That this order shall become effective the date the Hobbs District Office of the Commission is notified that the above-described well has a casinghead gas connection.

-3-

CASE No. 4622

Order No. R-

(2) (a) 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.