

CASE 5691: HANSON OIL CORP. FOR
AN UNORTHODOX OIL WELL LOCATION,
/ EDDY COUNTY, NEW MEXICO

CASE NO.

5691

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.

Dockets Nos. 21-76 and 22-76 are tentatively set for hearing on August 4 and August 18, 1976. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 7, 1976
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. Matter, Examiner, or Richard L. Stamets, Alternate Examiner:

- CASE 5704: Application of Gulf Oil Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Drinkard and Blinebry production in the wellbore of its H. T. Mattern (NCT-B) Well No. 16 located in Unit D of Section 31, Township 21 South, Range 37 East, Lea County, New Mexico. Applicant further seeks an administrative procedure for approval of additional commingling authority on this lease.
- CASE 5705: Application of Gulf Oil Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Drinkard and Blinebry production in the wellbore of its H. T. Mattern (NCT-C) Wells Nos. 5 and 8, located, respectively, in Units I and A of Section 18, Township 21 South, Range 37 East, Lea County, New Mexico. Applicant further seeks an administrative procedure for approval of additional commingling authority on this lease.
- CASE 5706: Application of Gulf Oil Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Drinkard and Blinebry production in the wellbore of its William A. Ramsay (NCT-B) Well No. 6 in Unit H of Section 25, Township 21 South, Range 36 East, Lea County, New Mexico. Applicant further seeks an administrative procedure for approval of additional commingling authority on this lease.
- CASE 5707: Application of Harrington Transportation Inc. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox gas well location of its Llano Inc. Terry Well No. 1, to be drilled at a point 1650 feet from the North line and 1980 feet from the East line of Section 14, Township 18 South, Range 26 East, Atoka-Pennsylvanian Gas Pool, Eddy County, New Mexico.
- CASE 5708: Application of Roger C. Hanks for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Devonian formation through the approximate interval from 10,300 feet to 10,550 feet in his King Disposal Well No. 1 located in Unit C of Section 9, Township 20 South, Range 25 East, Eddy County, New Mexico.
- CASE 5709: Application of Tahoe Oil and Cattle Company for an exception to the provisions of Order No. R-3221, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks, as an exception to the provisions of Commission Order No. R-3221, permission to construct and operate an earthen salt water disposal pit in the NW/4 SW/4 of Section 2, Township 20 South, Range 30 East, Eddy County, New Mexico.
- CASE 5710: Application of Benson-Montin-Greer Drilling Corporation for two non-standard gas proration units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the two following described non-standard gas proration units in Township 32 North, Range 13 West, Ute Dome-Dakota Gas Pool, San Juan County, New Mexico:
- a 250.64-acre unit comprising the N/2 of Section 30 to be dedicated to applicant's La Plata F-30 Well No. 2, located 900 feet from the North line and 827 feet from the West line of said Section 30;
- a 250.80-acre unit comprising the S/2 of Section 30 to be dedicated to applicant's La Plata K-30 Well No. 1 located 1503 feet from the South line and 825 feet from the West line of said Section 30.
- CASE 5691: (Readvertised and Reopened)
- Application of Hanson Oil Corporation for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 990 feet from the North line and 2600 feet from the West line of Section 25, Township 26 South, Range 31 East, North Mason-Delaware Pool, Eddy County, New Mexico.
- CASE 5702: Application of Cities Service Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Tubb Gas Pool and Drinkard Oil Pool production in the wellbore of its Brunson "B" Well No. 7 located in Unit N of Section 3, Township 22 South, Range 37 East, Lea County, New Mexico.

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date

JUNE 9, 1976

TIME: 9:00 A.M.

NAME	REPRESENTING	LOCATION
Dalton Kinchloe	Hanson Oil Corp	Roswell, NM
J. E. Sperry	modest partnership	Albuquerque
AK Kendrick	Occo	Albuquerque
John Seery	Nobil	Midland
John Kellaher	Kellaher & Fox	Santa Fe
Tom Kugan	Dugan Prod Corp	Jaramila
Rick Tully	" "	"
Tom Kellaher	Kellaher & Fox	Santa Fe
Elmer Stutz	Cities Service Oil	Midland

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
June 9, 1976

EXAMINER HEARING

IN THE MATTER OF:

Application of Hanson Oil Corporation) CASE
for an unorthodox oil well location,) 5691
Eddy County, New Mexico.)

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil Conservation Commission: William F. Carr, Esq.
Legal Counsel for the Commission
State Land Office Building
Santa Fe, New Mexico

For the Applicant: Jason W. Kellahin, Esq.
KELLAHIN & FOX
Attorneys at Law
500 Don Gaspar
Santa Fe, New Mexico

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General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

I N D E X

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1 MR. NUTTER: We will call next Case Number 5691.

2 MR. CARR: Case 5691, application of Hanson Oil
3 Corporation for an unorthodox oil well location, Eddy County,
4 New Mexico.

5 MR. KELLAHIN: If the Examiner please, Jason Kellahin,
6 Kellahin and Fox, appearing for the applicant. We have one
7 witness to be sworn.

8 (THEREUPON, the witness was duly sworn.)

9
10 DALTON KINCHELOE

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

13
14 DIRECT EXAMINATION

15 BY MR. KELLAHIN:

16 Q Would you state your name, please?

17 A Dalton Kincheloe.

18 Q Would you spell that, please?

19 A K-i-n-c-h-e-l-o-e.

20 Q In what business are you engaged in, Mr. Kincheloe?

21 A I'm an independent geologist and operator in
22 Roswell.

23 Q In connection with your work as an independent
24 geologist, have you been employed by Hanson Oil Corporation
25 in Case 5691?

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1 A. I have.

2 Q Mr. Kincheloe, have you ever testified before the
3 Oil Conservation Commission or one of its examiners?

4 A. No, sir.

5 Q For the benefit of the Examiner would you briefly
6 outline your education and experience as a geologist?

7 A I have a degree in geology from the University of
8 New Mexico. I worked for the State Engineers office for two
9 years as an administrative engineer. I worked for Gulf Oil
10 Corporation from 1952 to 1962 and I have been an independent
11 geologist in Roswell since 1962.

12 MR. KELLAHIN: Are the witness's qualifications
13 acceptable.

14 MR. NUTTER: Yes, they are.

15 Q (Mr. Kellahin continuing.) Mr. Kincheloe, are you
16 familiar with the application of Hanson Oil Corporation in
17 Case 5691?

18 A Yes, sir.

19 Q Briefly, what does the applicant propose in this
20 case?

21 A We propose to move the location of a well away
22 from a well that has been used as a water injection well to a
23 non-standard location.

24 Q Referring to what has been marked as Exhibit Number
25 One, would you refer to that exhibit and explain what is sought

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1 in this case?

2 A Exhibit Number One is a combination land and
3 structural combined map to show the location of the owners of
4 the offset leases, the proposed location and the other wells
5 in the section.

6 Q Now, there is a well with a colored star around it,
7 what is that well?

8 A That is the well that was converted to a water
9 injection well in 1971.

10 Q What is the source of the water being injected in
11 that well?

12 A Water from the Hanson Corporation lease, Section 25.

13 Q What formation is water being injected into?

14 A Into the Delaware sand.

15 Q Is that the same sand that is involved in your
16 application for the non-standard unit?

17 A It is.

18 Q You are injecting into the same formation then?

19 A Yes, sir.

20 Q What is the significance of the star around that
21 well?

22 A Basically, we calculated that we would have approxi-
23 mately ten point eight acres completely saturated from the
24 base of the casing to the bottom of the hole, which is in the
25 upper Delaware sand.

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1 Q That is from the water injection?

2 A Yes, that is from the water that we have injected
3 into the well.

4 Q Go ahead.

5 A The idea of the star being that obviously we don't
6 know that the water stayed just immediately around the well
7 but it does fall in that area there so a location three, thirty
8 away from the line there might put us in the water in that
9 particular section and we would lose a certain amount of
10 oil which we hope to recover by the proposed well.

11 Q In your opinion would that water be recovered if you
12 do not drill at the proposed location?

13 A No, sir, I do not think it would be.

14 Q Now, referring to what has been marked as Exhibit
15 Number Two, would you identify that exhibit?

16 A This is a two-well cross section extending from the
17 No. 11 which is the injection well, back to the southeast to
18 the No. 9, designated as Well F on the cross section. It
19 passes through approximately where the new well is proposed.

20 This cross section shows the top of the Delaware
21 line in red, the top of the trapped sand in red and everything
22 has been flattened on the trapped sand so the correlation of
23 reds is pretty obvious.

24 It also shows that the No. 11 well has casing set
25 at about forty-one, ninety and that the bottom of the hole is

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1 forty-one, ninety-nine. I think it is actually forty-two, oh,
2 two but it is very close.

3 It shows that there is a section immediately above
4 the casing that should be productive because it is productive
5 in the wells to the southeast and to the east but on this
6 particular well the casing was set deep in the pay.

7 I feel like that oil there will be lost if we don't
8 drill a well somewhere in the point along side.

9 Q That is the zone then that you are seeking to
10 develop in your proposed well?

11 A We intend to evaluate the entire Delaware section
12 We plan to core from the top of the Delaware down to the Olds
13 pay. The upper pay in the Delaware is the Ramsey, you go
14 through the Ramsey which is fifty or sixty feet thick, the
15 Ford shale, approximately twenty feet thick and then the Olds'
16 porosities which vary in location from six to fifteen feet.

17 Q You are going to core the entire section on those
18 two zones?

19 A That's right.

20 Q Now, referring to what has been marked as Exhibit
21 Number Three, would you identify that exhibit?

22 A Exhibit Number Three is a cross section, using the
23 No. 11 injection well, northeast to the No. 13 Well, the 12,
24 Continental Eight No. 2 and then southeast over into the
25 bottom of Section 31. Just the tail-end well.

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1 The section was made to show the various pay zones
2 which we feel are present.

3 The Hanson No. 12, which is D, was reworked with the
4 intention of evaluating the Olds pay zone from about forty-two
5 ninety to forty-three, twenty there. After coring from the
6 bottom of the old hole, additional oil saturation was found
7 in the core and then again at forty-two ninety to ninety-six.
8 Porosity is obvious on the logs and the stuff between forty-
9 two, ninety and forty-three hundred there which should be
10 productive. The core didn't really fit the porosity, it
11 appears that it was a little bit high but an attempt was
12 made to complete the Olds zone by setting a Lynes packer at
13 about the minus eleven, oh, five datum and treating the bottom
14 section. Well, the packer failed, it didn't treat, the
15 operator picked the packer up and set it back in the casing
16 and retreated the entire section. In this treatment, most of
17 the treatment went to the zone that had been producing and
18 very little additional oil was recovered, about a barrel a
19 day was all.

20 MR. NUTTER: Which would be the Olds productive
21 interval on this well then?

22 A. The Olds productive zone will be there from that
23 minus ten, sixty-seven to minus eleven, oh, five, sir, and
24 also from about forty-two, ninety to about forty-three
25 hundred there and we hope to catch that zone updip slightly

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1 in the No. 15 Well.

2 Continental has drilled through that section and
3 that is Well No. E but unfortunately they didn't production
4 test the Olds' section. The logs calculate water, I expect it
5 would be water and so they came back and perforated from
6 nineteen, fifty to about nineteen, sixty-five there and are
7 producing that section.

8 Q Would you be updip from that well?

9 A We will be updip from that well approximately
10 seventy-five feet.

11 Q You would not anticipate encountering water in
12 that zone there?

13 A That's something we don't know, we're going to
14 drill for it. We hope not.

15 Q Did you finish your testimony on that exhibit?

16 A Yes, sir.

17 Q Referring to what has been marked Exhibit Number
18 Four, would you identify that exhibit?

19 A This is strictly a copy of the water injected into
20 the Hanson No. 11 Well since June of 1971 through May of
21 1976, a total of a hundred and eighty-four thousand, seven
22 hundred and fifty-nine barrels.

23 Q And using that figure then did you make a volumetric
24 calculation just to establish the flooded zone in your Exhibit
25 Number One?

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1 A I did.

2 Q Referring to Exhibit Number Five would you identify
 3 that exhibit, please?

4 A This is a cost estimate from Hanson Oil Company as
 5 to the money they are going to spend to evaluate the No. 15
 6 Well. It is a total of a hundred and thirty-one thousand
 7 dollars.

8 Q Now, did you notify all of the offset operators?

9 A We did. On May 20th we mailed each offset operator
 10 a letter requesting their approval for us to drill this well,
 11 stating the location and we received answers from some of
 12 them.

13 Q Did you receive an answer from Texaco?

14 A No, we did not.

15 Q That would be the owner offsetting you immediately
 16 to the north?

17 A That would be nine-hundred-and-ninety feet from us
 18 to the north there.

19 Q Would the location crowd their line any closer
 20 than a standard location?

21 A No, sir.

22 Q Actually it would be farther away?

23 A It would be farther away.

24 Q Are the letters and consents marked Exhibit Number
 25 Six?

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1 A. Yes, sir.

2 Q Mr. Kincheloe, were Exhibits One through Five
3 prepared by you or under your supervision?

4 A. Yes, sir.

5 Q And Number Six is copies of letters that you
6 received?

7 A. Received by Hanson.

8 MR. KELLAHIN: At this time I would like to offer
9 into evidence Exhibits One through Six.

10 MR. NUTTER: Applicant's Exhibits One through Six
11 will be entered into evidence.

12 (THEREUPON, Applicant's Exhibits One through
13 Six were admitted into evidence.)

14 MR. KELLAHIN: That completes our testimony, Mr.
15 Nutter.

16

17 CROSS EXAMINATION

18 BY MR. NUTTER:

19 Q Mr. Kincheloe, this No. 11 Well, it's not a water-
20 flood well, it's a disposal well, is that right?

21 A. That's right.

22 Q Did that well produce prior to the time it was put
23 on disposal?

24 A. Twenty-two thousand barrels.

25 Q And now you feel that the injection of water into

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1 the zone has pushed some residual oil that was remaining in
2 there over towards the location where you are proposing to
3 drill at this time?

4 A Yes, sir. Primarily we want to get as far away
5 from it as possible and still stay in the forty-acre block.

6 Q Do you believe that the disposal into the Delaware
7 formation in that well will actually enhance the amount of
8 recovery that you will be able to get from this location?

9 A Well, I wouldn't think it would hurt it as long as
10 we don't walk right into the water.

11 Q Are there any active waterfloods being conducted in
12 this North Mason-Delaware Pool?

13 A Not to my knowledge, sir. We have one other well
14 that is an injection well, that's No. 7. It's down there to
15 the southeast, south of the 9.

16 Q It would be downdip from the producing well, to the
17 west of it then, wouldn't it?

18 A It's downdip and slightly east but it is mostly
19 south.

20 Q And Hanson Oil Company does own the forty-acre tract
21 immediately offsetting this proposed location to the east,
22 that's where your No. 13 is?

23 A Yes, sir.

24 Q And does Hanson own the location where the No. 9 is,
25 that's a Hanson well also?

1 A Yes, sir, the well is in the section. As a matter
2 of fact, they own the whole section. The northwest-northwest
3 hasn't been drilled and a hundred and twenty acres in the
4 southeast quarter.

5 Q Was No. 11 actually considered as an edge well to
6 the pool when it was drilled?

7 A I think so.

8 MR. NUTTER: Are there any further questions of
9 this witness? He may be excused.

10 (THEREUPON, the witness was excused.)

11 MR. NUTTER: Do you have anything further,
12 Mr. Kellahin?

13 MR. KELLAHIN: That's all.

14 MR. NUTTER: Does anyone have anything they wish to
15 offer in Case Number 5691?

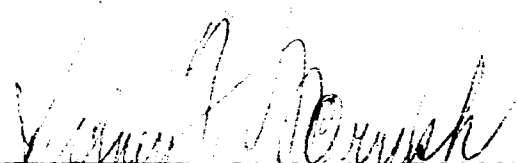
16 We will take the case under advisement.
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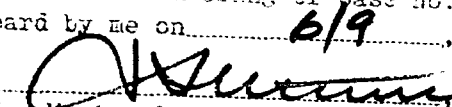
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Phone (505) 982-9212

REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand 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.


Sidney F. Morrish, C.S.R.

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Phone (505) 982-9212

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 5691
heard by me on 6/9, 19 76.
 Examiner
New Mexico Oil Conservation Commission

KELLAHIN AND FOX
ATTORNEYS AT LAW
800 DON GASPAR AVENUE
POST OFFICE BOX 1789
SANTA FE, NEW MEXICO 87501

JASON W. KELLAHIN
ROBERT E. FOX
W. THOMAS KELLAHIN

TELEPHONE 982-4315
AREA CODE 505

June 11, 1976

file

Mr. Daniel S. Nutter
Oil Conservation Commission
P.O. Box 2088
Santa Fe, New Mexico 87502

Re: Case No. 5691, application of Hanson Oil Corporation
for Unorthodox Well Location

Dear Dan:

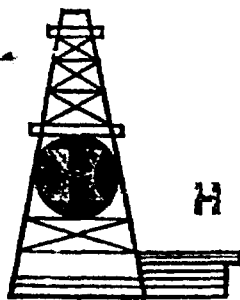
Enclosed are copies of the consent of Gulf Oil Corporation
to the proposed location of the Hanson well in the North
Mason-Delaware Pool. The consents of all other except
Texaco were submitted at the hearing June 9,

Sincerely,

Jason

Jason W. Kellahin

JWK/ma



HANSON OIL CORPORATION

P. O. BOX 1515

ROSWELL, NEW MEXICO 88201

PHONE AC 505-622-7330

May 20, 1976

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

RECEIVED JUN 8 1976



Gulf Oil Corporation - U. S.
Hobbs
New Mexico 88240

Attention: Mr. Chuck Borland

Re: Hanson Oil Corporation
Unorthodox Well Location
NE $\frac{1}{4}$ NW $\frac{1}{4}$ Sec. 25-26S-31E, N.M.P.M.
North Mason-Delaware Pool
Eddy County, New Mexico

Gentlemen:

Hanson Oil Corporation proposes to drill a well on the above captioned lands, 2600' FWL and 990' FNL of Section 25, T. 26 S., R. 31 E.

This letter is to advise you of the foregoing as you are an offset operator.

If you have no objection to this location, please sign in the space provided below for your signature, and return one signed copy to this office for further handling within ten (10) days from the date hereof.

Thank you.

Yours very truly,

HANSON OIL CORPORATION

Reagan S. Sweet
Reagan S. Sweet
Vice-President, Management

RSS:jmc

ACCEPTED AND AGREED - NO OBJECTION

GULF OIL CORPORATION

By: *W. C. Palmer*
W. C. PALMER
District Engineer

RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO		POSTMARK OR DATE
Gulf Oil Corporation - U. S.		
STREET AND NO.		
Hobbs, N.M. 88240		
P.O., STATE AND ZIP CODE		
Attn: Chuck Borland		5-24-76
OPTIONAL SERVICES FOR ADDITIONAL FEES		
RETURN	1. Shows to whom and date delivered	15¢
RECEIPT	With delivery to addressee only	65¢
SERVICES	2. Shows to whom, date and where delivered	35¢
	With delivery to addressee only	85¢
	DELIVER TO ADDRESSEE ONLY	50¢
	SPECIAL DELIVERY (extra fee required)	

No. 038460

PS Form 3800
Apr. 1971

NO INSURANCE COVERAGE PROVIDED—
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(See other side)

RGPO: 1971 O-351-151

N. Mason-Delaware Pool

SENDER: Complete items 1 and 2.
Add your address in the "RETURN TO" space on
reverse.

1. The following service is requested (check one):
- ☐ Show to whom and date delivered..... 15¢
- ☐ Show to whom, date, & address of delivery.. 35¢
- ☐ DELIVER ONLY TO ADDRESSEE and
show to whom and date delivered..... 65¢
- ☐ DELIVER ONLY TO ADDRESSEE and
show to whom, date, and address of
delivery 85¢

2. ARTICLE ADDRESSED TO:

Gulf Oil Corporation-U.S.
Hobbs, N.M. 88240

Attn: Mr. Chuck Borland

3. ARTICLE DESCRIPTION:
REGISTERED NO. CERTIFIED NO. INSURED NO.

038460

(Always obtain signature of addressee or agent)

I have received the article described above.

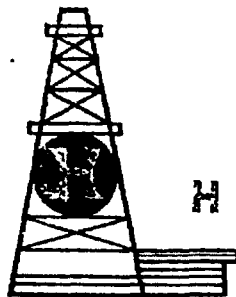
SIGNATURE

DATE OF DELIVERY
MAY 25 1976

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S
INITIALS



HANSON OIL CORPORATION

P. O. BOX 1515

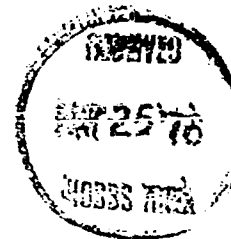
ROSWELL, NEW MEXICO 88201

PHONE AC 505-622-7330

May 20, 1976

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

RECEIVED JUN 3 1976



Gulf Oil Corporation - U. S.
Hobbs
New Mexico 88240

Attention: Mr. Chuck Borland

Re: Hanson Oil Corporation
Unorthodox Well Location
NE 1/4 NW 1/4 Sec. 25-26S-31E, N.M.P.M.
North Mason-Delaware Pool
Eddy County, New Mexico

Gentlemen:

Hanson Oil Corporation proposes to drill a well on the above captioned lands, 2600' FWL and 990' FNL of Section 25, T. 26 S., R. 31 E.

This letter is to advise you of the foregoing as you are an offset operator.

If you have no objection to this location, please sign in the space provided below for your signature, and return one signed copy to this office for further handling within ten (10) days from the date hereof.

Thank you.

Yours very truly,

HANSON OIL CORPORATION

Reagan S. Sweet

Reagan S. Sweet
Vice-President, Management

RSS:jmc

ACCEPTED AND AGREED - NO OBJECTION

GULF OIL CORPORATION

By: *W. C. Palmer*
W. C. PALMER
District Engineer

RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

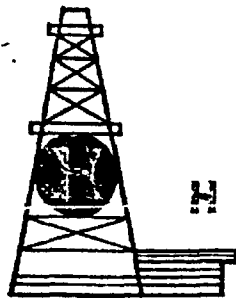
SENT TO		POSTMARK OR DATE
Gulf Oil Corporation - U. S.		
STREET AND NO.		
Hobbs, N.M. 88240		
P.O., STATE AND ZIP CODE		
Attn: Chuck Borland		5-24-76
OPTIONAL SERVICES FOR ADDITIONAL FEES		
RETURN RECEIPT SERVICES	1. Shows to whom and date delivered	15¢
	With delivery to addressee only	65¢
	2. Shows to whom, date and where delivered	35¢
	With delivery to addressee only	85¢
	DELIVER TO ADDRESSEE ONLY	50¢
	SPECIAL DELIVERY (extra fee required)	

PS Form 3800
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL (See other side)

No. 038460

N. Mason-Delaware Pool

● SENDER: Complete items 1 and 2. Add your address in the "RETURN TO" space on reverse.	
1. The following service is requested (check one): <input type="checkbox"/> Show to whom and date delivered..... 15¢ <input type="checkbox"/> Show to whom, date, & address of delivery.. 35¢ <input type="checkbox"/> DELIVER ONLY TO ADDRESSEE and show to whom and date delivered..... 65¢ <input type="checkbox"/> DELIVER ONLY TO ADDRESSEE and show to whom, date, and address of delivery 85¢	
2. ARTICLE ADDRESSED TO: Gulf Oil Corporation-U.S. Hobbs, N.M. 88240 Attn: Mr. Chuck Borland	
3. ARTICLE DESCRIPTION: REGISTERED NO. CERTIFIED NO. INSURED NO.	038460
(Always obtain signature of addressee or agent) I have received the article described above. SIGNATURE <i>[Signature]</i>	
4. DATE OF DELIVERY MAY 25 1976	5. ADDRESS (Complete only if requested)
6. UNABLE TO DELIVER BECAUSE: _____ CLERK'S INITIALS _____	



HANSON OIL CORPORATION

P. O. BOX 1515

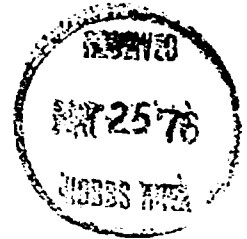
ROSWELL, NEW MEXICO 89201

PHONE AC 505-622-7330

May 20, 1976

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

RECEIVED JUN 8 1976



Gulf Oil Corporation - U. S.
Hobbs
New Mexico 88240

Attention: Mr. Chuck Borland

Re: Hanson Oil Corporation
Unorthodox Well Location
NE 1/4 Sec. 25-26S-31E, N.M.P.M.
North Mason-Delaware Pool
Eddy County, New Mexico

Gentlemen:

Hanson Oil Corporation proposes to drill a well on the above captioned lands, 2600' FWL and 990' FNL of Section 25, T. 26 S., R. 31 E.

This letter is to advise you of the foregoing as you are an offset operator.

If you have no objection to this location, please sign in the space provided below for your signature, and return one signed copy to this office for further handling within ten (10) days from the date hereof.

Thank you.

Yours very truly,

HANSON OIL CORPORATION

Reagan S. Sweet

Reagan S. Sweet
Vice-President, Management

RSS:jmc

ACCEPTED AND AGREED - NO OBJECTION

GULF OIL CORPORATION

By: *W. C. Palmer*
W. C. PALMER
District Engineer

RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO		POSTMARK OR DATE
Gulf Oil Corporation - U. S.		
STREET AND NO.		
Hobbs, N.M. 88240		
P.O., STATE AND ZIP CODE		5-24-76
Attn: Chuck Borland		
OPTIONAL SERVICES FOR ADDITIONAL FEES		
RETURN	1. Shows to whom and date delivered	15¢
RECEIPT	With delivery to addressee only	25¢
SERVICES	2. Shows to whom, date and where delivered	35¢
	With delivery to addressee only	85¢
DELIVER TO ADDRESSEE ONLY		50¢
SPECIAL DELIVERY (extra fee required)		

PS Form 3800
Apr. 1971

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL

(See other side)

6-0201-1074 O-551-024

No. 038460

N. Mason-Delaware Pool

ENDER: Complete items 1 and 2. Add your address on the "RETURN TO" space on reverse.	
1. The following service is requested (check one):	
<input type="checkbox"/> Show to whom and date delivered.....	15¢
<input type="checkbox"/> Show to whom, date, & address of delivery.....	35¢
<input type="checkbox"/> DELIVER ONLY TO ADDRESSEE and show to whom and date delivered.....	65¢
<input type="checkbox"/> DELIVER ONLY TO ADDRESSEE and show to whom, date, and address of delivery	85¢
2. ARTICLE ADDRESSED TO:	
Gulf Oil Corporation-U.S. Hobbs, N.M. 88240 Attn: Mr. Chuck Borland	
3. ARTICLE DESCRIPTION:	REGISTERED NO. CERTIFIED NO. INSURED NO.
	038460
(Always obtain signature of addressee or agent)	
I have received the article described above:	
SIGNATURE <i>[Signature]</i>	
4. DATE OF DELIVERY	MAY 25 1976
5. ADDRESS (Complete only if requested)	
6. UNABLE TO DELIVER BECAUSE:	CLERK'S INITIALS

HANSON NORTH MASON - SWD WELL #11
June 71 thru May 76

1971
June - 4121
July - 5196
August - 6166
September - 5821
October - 4609
November - 4200
December - 5198

1972
January - 5198
February - 3837
March - 4026
April - 7085
May - 4900
June - 3905
July - 2313
August - 5087
September - 2622
October - 2678
November - 2302
December - 1898

1973
January - 3389
February - 2127
March - 2149
April - 2391
May - 2139
June - 2859
July - 1276
August - 1243
September - 1550
October - 3105
November - 2259
December - 2210

1974
January - 2314
February - 2476
March - 2054
April - 1838
May - 1618
June - 2117
July - 1533
August - 1859
September - 2167
October - 2047
November - 1968
December - 2302

1975
January - 1919
February - 2098
March - 2113
April - 1527
May - 2604
June - 1949
July - 2348
August - 2103
September - 2157
October - 2666
November - 3939
December - 3939

1976
January - 4183
February - 4013
March - 4848
April - 5552
(Estimate) * May - 4649

Total Disposed Water - 184,759

BEFORE EXAMINER NUTTER	
OIL CONSERVATION COMMISSION	
<u>Hanson</u>	EXHIBIT NO. <u>4</u>
CASE NO. <u>5691</u>	

Hanson Oil Corporation

ESTIMATE OF COST TO DRILL

Well No. 15 Lease Hanson Federal Depth Estimated 4400
 Location Sec. 25, T 26-S, R 31-E County Eddy State New Mexico
2310 From West Line, 990 From North Line

INTANGIBLE COSTS

LOCATION and ROAD

Survey	\$ 250.00	
Road Grade and Surfacing	feet	
Location Grade and Surfacing	2,800.00	
Filling Pits and Clean up Location	500.00	
Fencing Location and Pits	500.00	
Elevation and Well Sign	100.00	
Surface Damage	500.00	
Other Costs Legal	1,000.00	\$ 5,650.00

DRILLING 4400 ft. on footage basis, ft. on Day Work.

ft. on footage basis at \$ 6.50 per foot	\$ 28,600.00	
Days Rig Time at \$		
" "		
" "		
Drill Pipe Rental		
Bits at \$		
"		
"		
Reamer Cutter		\$ 28,600.00

CORING and REAMING 140 ft. to be cored while on footage basis.

2 Days Rig Time at \$ 2200.00	\$ 4400.00	
" "		
Core Bits and Coring Equipment	2,074.00	
Bits and Reamer Cutters to Ream Cored Hole		
Core Analysis	1,320.00	
		\$ 7,794.00

CEMENT and CEMENTING

Sacks Cement () () at \$	\$ ---	
Cementing Services (in. \$) (in. \$)		
Float Equipment (in. \$) (in. \$)		
Scratchers and Centralizers Cement surface - circulate	1,604.00	
Stage Cementing Equipment		
Welding Services	100.00	
		\$ 1,704.00

LOGGING

Electric Logging	\$ 4,452.00	
Gamma Ray-Neutron		
Micrologging		
Laterologging		
Caliper Logging		
Temperature Surveys	236.00	
		\$ 4,688.00

BEFORE EXAMINER NUTTER

OIL CONSERVATION COMMISSION

EXHIBIT NO. 5

CASE NO. 5691

TECHNICAL SUPERVISION

Geological	\$ 500.00	
Engineering	500.00	\$ 1,000.00

TESTING

Days Rig Time (DST and Samples)	\$ ---	
Drill Stem Tests		\$ ---

MUD (Including hauling)	\$ 3,000.00
-------------------------	-------------

WATER	\$ 1,860.00
-------	-------------

FUEL	\$ ---
------	--------

LABOR and SUPERVISION	\$ ---
-----------------------	--------

HAULING

Casing (in. \$) (in. \$)	\$ 500.00
Test Tanks and Testing Equipment	500.00
Miscellaneous	1,000.00

OTHER COSTS Drilling & Completion Charge

Gross Reciepts tax (4%)	\$ 1,144.00
Pit Lines	1,300.00

Unforseen Cost Factor	10,000.00

TOTAL INTANGIBLE COST \$ 68,240.00

TANGIBLE COSTS

WELL EQUIPMENT

450	ft.	8 5/8 in.	24#	ST & C	Casing	\$ 3,023.69	
	ft.	in.			"	---	
	ft.	in.			"	---	
X				Casing Head with Valves and Fitting		1,000.00	
X				"	"	---	\$ 4,023.69

TEMPORARY EQUIPMENT

_____	ft.	_____	in.	Water and Gas Lines	_____	\$	---
_____	ft.	_____	in.	"	"	_____	---
_____				Brl. Test Tanks	_____		---
_____				Brl. Water or Mud Storage Tanks	_____		---
Pipe, Valves and Fittings to connect tanks					_____		---
Cattle Guards					_____		---
_____					_____		---
						\$	-----
				TOTAL TANGIBLE COST	_____	\$	4,023.69

TOTAL TANGIBLE COST \$ 4,023.69

Total Intangible Cost \$ 68,240.00

Total Tangible Cost 4,023.69

COST TO PLUG:	1	Days Rig Time at \$ 2200.00	\$ 2200.00	
Cement and cementing services			1000.00	
Locating free point of casing				
Cutting casing				
Pulling casing				
Hauling salvable material to yard			500.00	3,700.00
				\$ 75,963.69

LESS SALVABLE MATERIAL

	ft.	in.	Casing	\$ ---	
	ft.	in.	"	---	
	ft.	in.	"	---	
	ft.	in.	"	---	
			Well Head Equipment	---	
			Water and Gas Lines	---	
			Tanks, Separators, Pipe and Fittings	---	
			Cattle Guards, etc.	---	
				---	\$ -----
					\$ 75,963.69

COST OF DRY HOLE \$ 75,963.69

INTANGIBLE COSTS

COMPLETION COSTS

Rig Time	Days at \$	\$ ---	
Well Servicing Rig	3 Days at \$ 50.00 / Hour	1,500.00	
Cement and Cementing Production String		2,925.00	
Float Equipment		---	
Scratchers and Centralizers		---	
Stage Cementing Equipment		---	
Perforating Services		1,895.80	
Acidizing — Fracturing		8,929.60	
Logging		---	
Cellar Walls and Cover		---	
Hauling		500.00	
Roustabout Labor		1,000.00	
Anchors		295.00	\$ 17,045.40

TANGIBLE COSTS

4400	ft.	4 1/2	in.	10.5#	Casing	\$ 13,824.80	
	ft.		in.		"	---	
	ft.		in.		"	---	
	ft.		in.		"	---	
	ft.		in.		"	---	
4400	ft.	2 3/8	in.		Tubing	8,228.00	
	ft.		in.		"	---	
X				in.	Casing Head w/Valves and fittings	---	
					Tubing Head and Christmas Tree	1,500.00	
					Pumping equipment: pump, engine, etc., installed Electrified	6,500.00	
					Sucker rods, polished rod, well head fittings, etc.	4,845.00	
					Flow Line, Installed	2,000.00	
					Other permanent surface equipment installed	---	
						---	\$ 36,897.80

ESTIMATED WELL COSTS

Sub Total \$126,208.89

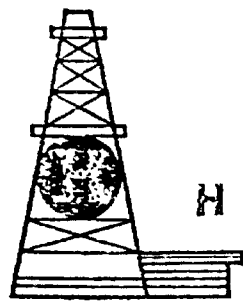
Tax 5,090.50

Total \$131,299.39

Date April 28, 1976

Prices of goods, services, equipment are
as of April 23, 1976 and are subject to
change.

Prepared by *Reagan Shaw*
Approved by: _____



HANSON OIL CORPORATION

P. O. BOX 1515

ROSWELL, NEW MEXICO 88201

PHONE AC 505-622-7330

RECEIVED MAY 25 1976

May 20, 1976

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

American Petrofina
Post Office Box 1311
Big Spring, Texas 79720

Attention: Mr. J. C. Chapman

Re: Hanson Oil Corporation
Unorthodox Well Location
NE 1/4 Sec. 25-26S-31E, N.M.P.M.
North Mason-Delaware Pool
Eddy County, New Mexico

Gentlemen:

Hanson Oil Corporation proposes to drill a well on the above captioned lands, 2600' FWL and 990' FNL of Section 25, T. 26 S., R. 31 E.

This letter is to advise you of the foregoing as you are an offset operator.

If you have no objection to this location, please sign in the space provided below for your signature, and return one signed copy to this office for further handling within ten (10) days from the date hereof.

Thank you.

Yours very truly,

HANSON OIL CORPORATION

Reagan S Sweet
Reagan S. Sweet
Vice-President, Management

RSS:jmc

ACCEPTED AND AGREED - NO OBJECTION

American Petrofina Company of Texas

By: *R.C. Bott* R. C. Bott
5-24-76

RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO		POSTMARK OR DATE
American Petrofina (J.C. Chapman)		
STREET AND NO.		
P. O. Box 1311		
P.O., STATE AND ZIP CODE		
Big Spring, Texas 79720		5-20-76
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 (extra fee required)		

PS Form 3800
Apr. 1971

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL

(See other side)
© GPO: 1971 O - 551-614

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
Hanson EXHIBIT NO. 6
CASE NO. 5691

No. 038455

N. Mason-Delaware Pool

● SENDER: Complete items 1 and 2. Add your address in the "RETURN TO" space on reverse.	
1. The following service is requested (check one). <input type="checkbox"/> Show to whom and date delivered..... 15¢ <input type="checkbox"/> Show to whom, date, & address of delivery.. 35¢ <input type="checkbox"/> DELIVER ONLY TO ADDRESSEE and show to whom and date delivered..... 65¢ <input type="checkbox"/> DELIVER ONLY TO ADDRESSEE and show to whom, date, and address of delivery 85¢	
2. ARTICLE ADDRESSED TO: American Petrofina (J.C. Chapman) P.O. Box 1311 Big Spring, Texas 79720	
3. ARTICLE DESCRIPTION: REGISTERED NO. 038455	INSURED NO.
(Always obtain signature of addressee or agent)	
I have received the article described above. SIGNATURE <i>Robert E. Smith</i>	
4. DATE OF DELIVERY	POSTMARK
5. ADDRESS (Complete only if requested)	
6. UNABLE TO DELIVER BECAUSE:	CLERK'S INITIALS



RECEIVED JUN 4 1976

AMERICAN PETROFINA COMPANY OF TEXAS

POST OFFICE BOX 1311 • BIG SPRING, TEXAS 79720

June 3, 1976

Hanson Oil Corporation
P. O. Box 1515
Roswell, New Mexico 88201

Attention Mr. Reagan S. Sweet

Gentlemen:

Drill and Equip Hanson Federal Well No. 15
North Mason (Delaware) Pool, Eddy Co., NM

American Petrofina Company of Texas approves the drilling of the subject well to be located 2600' FWL & 990' FNL of Section 25, T-26S, R-31E, Eddy Co., NM.

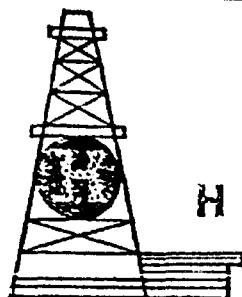
Attached is a list of drilling and completion information we would like to have on this well.

Yours very truly,

R. C. Bott
District Mgr. of Production

fcf

attachment



HANSON OIL CORPORATION

P. O. BOX 1515

ROSWELL, NEW MEXICO 88201

PHONE AC 505-622-7330

May 20, 1976

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Read & Stevens
Post Office Box 1822
Roswell, New Mexico 88201

RECEIVED JUN 4 1976

Re: Hanson Oil Corporation
Unorthodox Well Location
NE 1/4 Sec. 25-26S-31E, N.M.P.M.
North Mason-Delaware Pool
Eddy County, New Mexico

Gentlemen:

Hanson Oil Corporation proposes to drill a well on the above captioned lands, 2600' FWL and 990' FNL of Section 25, T. 26 S., R. 31 E.

This letter is to advise you of the foregoing as you are an offset operator.

If you have no objection to this location, please sign in the space provided below for your signature, and return one signed copy to this office for further handling within ten (10) days from the date hereof.

Thank you.

Yours very truly,

HANSON OIL CORPORATION

Reagan S. Sweet

Reagan S. Sweet
Vice-President, Management

RSS:jmc

ACCEPTED AND AGREED - NO OBJECTION
READ & STEVENS, INC.

By: *Charles B. Read*

Charles B. Read - President

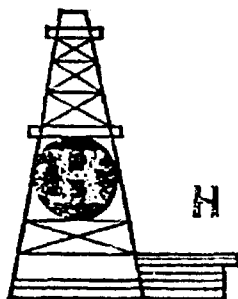
RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO		POSTMARK OR DATE
Read & Stevens		
STREET AND NO.		
Post Office Box 1822		
P.O., STATE AND ZIP CODE		5-20-76
Roswell, N.M. 88201		
OPTIONAL SERVICES AND ADDITIONAL FEES		
1. Shows to whom and date delivered 15¢		
RETURN	With delivery to addressee only 65¢	
RECEIPT	2. Shows to whom, date and where delivered 35¢	
SERVICES	With delivery to addressee only 85¢	
DELIVER TO ADDRESSEE ONLY 50¢		
SPECIAL DELIVERY (extra fee required)		
PS Form 3800 NO INSURANCE COVERAGE PROVIDED— (See other side) Apr. 1971 NOT FOR INTERNATIONAL MAIL		

No. 038459

North Mason-Delaware Pool

● SENDER: Complete items 1 and 2. Add your address in the "RETURN TO" space on reverse.	
1. The following service is requested (check one). <input type="checkbox"/> Show to whom and date delivered..... 15¢ <input type="checkbox"/> Show to whom, date, & address of delivery.. 35¢ <input type="checkbox"/> DELIVER ONLY TO ADDRESSEE and show to whom and date delivered..... 65¢ <input type="checkbox"/> DELIVER ONLY TO ADDRESSEE and show to whom, date, and address of delivery 85¢	
2. ARTICLE ADDRESSED TO: Read & Stevens P. O. Box 1822 Roswell, N.M. 88201	
3. ARTICLE DESCRIPTION: REGISTERED NO. 038459	INSURED NO.
(Always obtain signature of addressee or agent)	
I have received the article described above. SIGNATURE <i>[Signature]</i>	
4. DATE OF DELIVERY	
5. ADDRESS (Complete only if requested)	
6. UNABLE TO DELIVER BECAUSE:	
CLERK'S INITIALS <i>[Initials]</i>	



HANSON OIL CORPORATION

P. O. BOX 1515

ROSWELL, NEW MEXICO 88201

PHONE AC 505-622-7330

May 20, 1976

RECEIVED MAY 1 1976

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Continental Oil Company
Post Office Box 460
Hobbs, New Mexico 88240

Attention: Mr. Paul Thompson

Re: Hanson Oil Corporation
Unorthodox Well Location
NE $\frac{1}{4}$ NW $\frac{1}{4}$ Sec. 25-26S-31E, N.M.P.M.
North Mason-Delaware Pool
Eddy County, New Mexico

Gentlemen:

Hanson Oil Corporation proposes to drill a well on the above captioned lands, 2600' FWL and 990' FNL of Section 25, T. 26 S., R. 31 E.

This letter is to advise you of the foregoing as you are an offset operator.

If you have no objection to this location, please sign in the space provided below for your signature, and return one signed copy to this office for further handling within ten (10) days from the date hereof.

Thank you.

Yours very truly,

HANSON OIL CORPORATION

Reagan S. Sweet
Reagan S. Sweet
Vice-President, Management

RSS:jmc

ACCEPTED AND AGREED - NO OBJECTION

By:

L. P. Thompson
L. P. Thompson
Division Manager
CONTINENTAL OIL COMPANY

May 24, 1976

RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO		POSTMARK OR DATE
Continental Oil Co. (Paul Thompson)		
STREET AND NO.		
P. O. Box 460		
P.O., STATE AND ZIP CODE		
Hobbs, N.M. 88240		5-20-76
OPTIONAL SERVICES FOR ADDITIONAL FEES		
RETURN	1. Shows to whom and date delivered	15¢
RECEIPT	With delivery to addressee only	65¢
SERVICES	2. Shows to whom, date and where delivered	35¢
	With delivery to addressee only	85¢
DELIVER TO ADDRESSEE ONLY		50¢
SPECIAL DELIVERY (extra fee required)		

PS Form 3800
Apr. 1973

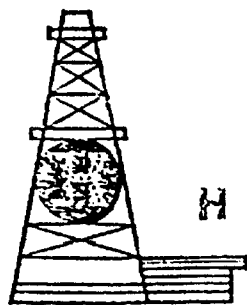
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL

(See other side)
GPO : 1974 O - 551-454

No. 038456

N. Mason-Delaware Pool

<p>● SENDER: Complete items 1 and 2. Add your address in the space on reverse.</p>		<p>RETURN TO:</p>	
<p>1. The following service is requested (check one):</p> <p><input type="checkbox"/> Show to whom and date delivered..... 15¢</p> <p><input type="checkbox"/> Show to whom, date, & address of delivery.. 35¢</p> <p><input type="checkbox"/> DELIVER ONLY TO ADDRESSEE and show to whom and date delivered..... 65¢</p> <p><input type="checkbox"/> DELIVER ONLY TO ADDRESSEE and show to whom, date, and address of delivery 85¢</p>			
<p>2. ARTICLE ADDRESSED TO:</p> <p>Conoco (Paul Thompson)</p> <p>Box 460, Hobbs, N.M. 88240</p>			
<p>3. ARTICLE DESCRIPTION:</p> <p>REGISTERED NO. 038456</p> <p>CERTIFIED NO. INSURED NO.</p>		<p>(Always obtain signature of addressee or agent)</p> <p>I have received the article described above.</p> <p>SIGNATURE</p> <p><i>Paul Thompson</i></p>	
<p>4. DATE OF DELIVERY</p> <p>2/21/76</p>		<p>POSTMARK</p> <p>ALBUQUERQUE, N.M.</p> <p>2/21/76</p>	
<p>5. ADDRESS (Complete only if requested)</p>			
<p>6. UNABLE TO DELIVER BECAUSE:</p> <p>CLERK'S INITIALS</p> <p><i>OT</i></p>			



HANSON OIL CORPORATION

P. O. BOX 1515

ROSWELL, NEW MEXICO 89201

PHONE AC 503-622-7330

May 20, 1976

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Texaco, Inc.
Post Office Box 3109
Midland, Texas 79701

Attention: Mr. Darrell Smith

Re: Hanson Oil Corporation
Unorthodox Well Location
NE1/4 Sec. 25-26S-31E, N.M.P.M.
North Mason-Delaware Pool
Eddy County, New Mexico

Gentlemen:

Hanson Oil Corporation proposes to drill a well on the above captioned lands, 2600' FWL and 990' FNL of Section 25, T. 26 S., R. 31 E.

This letter is to advise you of the foregoing as you are an offset operator.

If you have no objection to this location, please sign in the space provided below for your signature, and return one signed copy to this office for further handling within ten (10) days from the date hereof.

Thank you.

Yours very truly,

HANSON OIL CORPORATION

Reagan Sweet
Reagan S. Sweet
Vice-President, Management

RSS:jmc

ACCEPTED AND AGREED - NO OBJECTION

By: _____

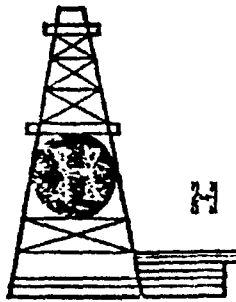
RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO		POSTMARK OR DATE
Texaco, Inc. (Darrell Smith)		
STREET AND NO.		
P. O. Box 3109		
P.O., STATE AND ZIP CODE		
Midland, Texas 79701		5-20-76
OPTIONAL SERVICES FOR ADDITIONAL FEES		
RETURN	1. Shows to whom and date delivered	15¢
RECEIPT	With delivery to addressee only	65¢
SERVICES	2. Shows to whom, date and where delivered	35¢
	With delivery to addressee only	85¢
DELIVER TO ADDRESSEE ONLY		50¢
SPECIAL DELIVERY (extra fee required)		

PS Form 3800
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL (See other side)
GPO : 1974 O - 531-454

No. 038457

1. The following service is requested (check one). <input type="checkbox"/> Show to whom and date delivered..... 15¢ <input type="checkbox"/> Show to whom, date, & address of delivery.. 35¢ <input type="checkbox"/> DELIVER ONLY TO ADDRESSEE and show to whom and date delivered..... 65¢ <input type="checkbox"/> DELIVER ONLY TO ADDRESSEE and show to whom, date, and address of delivery 85¢		2. ARTICLE ADDRESSED TO: Texaco, Inc. (Darrell Smith) P. O. Box 3109 Midland, Texas 79701	
3. ARTICLE DESCRIPTION: REGISTERED NO. 038457 CERTIFIED NO. INSURED NO.		4. DATE OF DELIVERY 5/21/76 SIGNATURE <i>Darrell Smith</i> POSTMARK MIDLAND, TX MAY 21 1976	
5. ADDRESS (Complete only if requested)		6. UNABLE TO DELIVER BECAUSE: SPQ CLERK'S INITIALS	



HANSON OIL CORPORATION

P. O. BOX 1515

ROSWELL, NEW MEXICO 88201

PHONE AC 505-622-7330

May 20, 1976

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Gulf Oil Corporation - U. S.
Hobbs
New Mexico 88240

Attention: Mr. Chuck Borland

Re: Hanson Oil Corporation
Unorthodox Well Location
NE 1/4 Sec. 25-26S-31E, N.M.P.M.
North Mason-Delaware Pool
Eddy County, New Mexico

Gentlemen:

Hanson Oil Corporation proposes to drill a well on the above captioned lands, 2600' FWL and 990' FNL of Section 25, T. 26 S., R. 31 E.

This letter is to advise you of the foregoing as you are an offset operator.

If you have no objection to this location, please sign in the space provided below for your signature, and return one signed copy to this office for further handling within ten (10) days from the date hereof.

Thank you.

Yours very truly,

HANSON OIL CORPORATION

Reagan S. Sweet
Reagan S. Sweet
Vice-President, Management

RSS:jmc

ACCEPTED AND AGREED - NO OBJECTION

By: _____

RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO		POSTMARK OR DATE
Gulf Oil Corporation - U. S.		
STREET AND NO.		
Hobbs, N.M. 88240		
P.O., STATE AND ZIP CODE		
Attn: Chuck Borland		5-24-76
OPTIONAL SERVICES FOR ADDITIONAL FEES		
RETURN	1. Shows to whom and date delivered	15¢
RECEIPT	2. Shows to whom, date and where delivered	65¢
SERVICES	3. Shows to whom, date and where delivered	35¢
DELIVERY TO ADDRESSEE ONLY	4. Shows to whom, date and where delivered	85¢
SPECIAL DELIVERY (extra fee required)		50¢

NO INSURANCE COVERAGE PROVIDED— (See other side)
NOT FOR INTERNATIONAL MAIL

No. 038460

N Mason-Delaware Pool

SENDER: Complete items 1 and 2. "RETURN TO" space on reverse. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one):

☐ Show to whom and date delivered..... 15¢

☐ Show to whom, date, & address of delivery.. 35¢

☐ DELIVER ONLY TO ADDRESSEE and show to whom and date delivered..... 65¢

☐ DELIVER ONLY TO ADDRESSEE and show to whom, date, and address of delivery 85¢

2. ARTICLE ADDRESSED TO:

Gulf Oil Corporation-U.S.
Hobbs, N.M. 88240

Attn: Mr. Chuck Borland

3. ARTICLE DESCRIPTION:

REGISTERED NO. 038460 CERTIFIED NO. INSURED NO.

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE

4. DATE OF DELIVERY

MAY 25 1976

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

HANSON NORTH MASON - SWD WELL #11
June 71 thru May 76

1971
June - 4121
July - 5196
August - 6166
September - 5821
October - 4609
November - 4200
December - 5198

1972
January - 5198
February - 3837
March - 4026
April - 7085
May - 4900
June - 3905
July - 2313
August - 5087
September - 2622
October - 2678
November - 2302
December - 1898

1973
January - 3389
February - 2127
March - 2149
April - 2391
May - 2139
June - 2859
July - 1276
August - 1243
September - 1550
October - 3105
November - 2259
December - 2210

1974
January - 2314
February - 2476
March - 2054
April - 1838
May - 1618
June - 2117
July - 1533
August - 1859
September - 2167
October - 2047
November - 1968
December - 2302

1975
January - 1919
February - 2098
March - 2113
April - 1527
May - 2604
June - 1949
July - 2348
August - 2103
September - 2157
October - 2666
November - 3939
December - 3939

1976
January - 4183
February - 4013
March - 4848
April - 5552

(Estimate) * May - 4649

Total Disposed Water - 184,759

Exhibit 4
Case 5691

Hanson Oil Corporation

ESTIMATE OF COST TO DRILL

Well No. 15 Lease Hanson Federal Depth Estimated 4400

Location Sec. 25, T 26-S, R 31-E County Eddy State New Mexico

2310 From West Line, 990 From North Line
LOCATION and ROAD

Survey	\$ 250.00	
Road Grade and Surfacing	feet	
Location Grade and Surfacing	2,800.00	
Filling Pits and Clean up Location	500.00	
Fencing Location and Pits	500.00	
Elevation and Well Sign	100.00	
Surface Damage	500.00	
Other Costs Legal	1,000.00	\$ 5,650.00

DRILLING	4400 ft. on footage basis,	ft. on Day Work.	
	ft. on footage basis at \$ 6.50	per foot	\$ 28,600.00
	Days Rig Time at \$	\$	
	" "		
	" "		
Drill Pipe Rental			
	Bits at \$	\$	
	"		
	"		
Reamer Cutter			
			\$ 28,600.00

CORING and REAMING	140 ft. to be cored while on footage basis.	
	2 Days Rig Time at \$ 2200.00	\$ 4400.00
	" "	\$ 4,400.00
Core Bits and Coring Equipment		2,074.00
Bits and Reamer Cutters to Ream Cored Hole		
Core Analysis		1,320.00
		\$ 7,794.00

CEMENT and CEMENTING		
	Sacks Cement () () at \$	\$ ---
Cementing Services (in. \$) (in. \$)		---
Float Equipment (in. \$) (in. \$)		---
Scratchers and Centralizers	Cement surface - circulate	1,604.00
Stage Cementing Equipment		---
Welding Services		100.00
		\$ 1,704.00

LOGGING		
Electric Logging		\$ 4,452.00
Gamma Ray-Neutron		---
Micrologging		---
Laterologging		---
Caliper Logging		---
Temperature Surveys		236.00
		\$ 4,688.00

TECHNICAL SUPERVISION		
Geological		\$ 500.00
Engineering		500.00
		\$ 1,000.00

TESTING		
	Days Rig Time (DST and Samples)	\$ ---
	Drill Stem Tests	\$ ---
MUD (Including hauling)		\$ 3,000.00
WATER		\$ 1,860.00
FUEL		---
LABOR and SUPERVISION		---

HAULING		
Casing (in. \$) (in. \$)		\$ 500.00
Test Tanks and Testing Equipment		500.00
Miscellaneous		---
		1,000.00

OTHER COSTS	Drilling & Completion Charge	\$ 500.00
	Gross Receipts tax (4%)	1,144.00
	Pit Lines	1,300.00

	Unforeseen Cost Factor	10,000.00

TOTAL INTANGIBLE COST. \$ 68,240.00

Exhibit 5
Case 5691

TANGIBLE COSTS

WELL EQUIPMENT

450	ft	8 5/8 in.	24# ST & C	Casing	\$ 3,023.69	
	ft	in.		"	---	
	ft	in.		"	---	
X			Casing Head with Valves and Fitting		1,000.00	
X			"	"	---	\$ 4,023.69

TEMPORARY EQUIPMENT

	ft	in.	Water and Gas Lines		\$ ---	
	ft	in.	"	"	---	
			Brl. Test Tanks		---	
			Brl. Water or Mud Storage Tanks		---	
			Pipe, Valves and Fittings to connect tanks		---	
			Cattle Guards		---	
					---	\$ ---
			TOTAL TANGIBLE COST			\$ 4,023.69

Total Intangible Cost \$ 68,240.00

Total Tangible Cost 4,023.69

COST TO PLUG:	1	Days Rig Time at \$ 2200.00	\$ 2200.00		
Cement and cementing services			1000.00		
Locating free point of casing					
Cutting casing					
Pulling casing					
Hauling salvable material to yard			500.00	3,700.00	\$ 75,963.69

LESS SALVABLE MATERIAL

	ft	in.	Casing	\$ ---	
	ft	in.	"	---	
	ft	in.	"	---	
	ft	in.	"	---	
			Well Head Equipment	---	
			Water and Gas Lines	---	
			Tanks, Separators, Pipe and Fittings	---	
			Cattle Guards, etc.	---	
				---	\$ ---
			COST OF DRY HOLE		\$ 75,963.69

INTANGIBLE COSTS

COMPLETION COSTS

Rig Time	Days at \$	\$ ---	
Well Servicing Rig	3 Days at \$ 50.00 / Hour	1,500.00	
Cement and Cementing Production String		2,925.00	
Float Equipment		---	
Scratchers and Centralizers		---	
Stage Cementing Equipment		---	
Perforating Services		1,895.80	
Acidizing — Fracturing		8,929.60	
Logging		---	
Cellar Walls and Cover		---	
Hauling		500.00	
Roustabout Labor		1,000.00	
Anchors		295.00	\$ 17,045.40

TANGIBLE COSTS

4400	ft	4 1/2 in.	10.5#	Casing	\$ 13,824.80	
	ft	in.		"	---	
	ft	in.		"	---	
	ft	in.		"	---	
	ft	in.		"	---	
4400	ft	2 3/8 in.		Tubing	8,228.00	
	ft	in.		"	---	
X			in. Casing Head w/Valves and fittings		---	
			Tubing Head and Christmas Tree		1,500.00	
			Pumping equipment: pump, engine, etc., installed Electrified		6,500.00	
			Sucker rods, polished rod, well head fittings, etc.		4,345.00	
			Flow Line, Installed		2,000.00	
			Other permanent surface equipment installed		---	
					---	\$ 36,897.80

ESTIMATED WELL COSTS

Sub Total \$126,208.89

Tax 5,090.50

Total \$131,299.39

Date April 28, 1976

Prices of goods, services, equipment are
as of April 28, 1976 and are subject to
change.

Prepared by *Regan Row*
Approved by: _____

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
July 7, 1976

EXAMINER HEARING

IN THE MATTER OF:

Application of Hanson Oil Corporation)	CASE
for an unorthodox oil well location,)	5691
Eddy County, New Mexico.)	(Reopened &
)	Readvertised

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil	William F. Carr, Esq.
Conservation Commission:	Legal Counsel for the Commission
	State Land Office Building
	Santa Fe, New Mexico

For the Applicant:	Jason W. Kellahin, Esq.
	KELLAHIN & FOX
	Attorneys at Law
	500 Don Gaspar
	Santa Fe, New Mexico

sid morrish reporting service

General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

1 MR. NUTTER: We will call Case Number 5691.

2 MR. CARR: Case 5691, application of Hanson Oil
3 Corporation for an unorthodox oil well location, Eddy County,
4 New Mexico.

5 MR. KELLAHIN: If the Examiner please, Jason Kellahin
6 of Kellahin and Fox. I was the attorney for the applicant in
7 this case and because of an error in the advertising it had
8 to be re-advertised. The case has already been presented to
9 the Commission.

10 MR. NUTTER: Case 5691 was originally heard by the
11 Examiner on June 9th, 1976, after which time it was discovered
12 an error in the advertisement. Are there appearances now in
13 Case Number 5691?

14 No appearance, the case will be taken under advise-
15 ment.

sid morrish reporting service
General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

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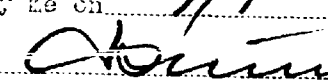
24

25

REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand 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.


Sidney F. Morrish, C.S.R.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 5691,
heard by me on 7/7, 1976.
 Examiner
New Mexico Oil Conservation Commission

sid morrish reporting service
General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

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. 5691
Order No. R-5237

APPLICATION OF HANSON OIL CORPORATION
FOR AN UNORTHODOX OIL WELL LOCATION,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 7, 1976,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 14th day of July, 1976, 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, Hanson Oil Corporation, seeks
approval of an unorthodox oil well location 990 feet from the
North line and 2600 feet from the West line of Section 25, Township
26 South, Range 31 East, NMPM, North Mason-Delaware Pool, Eddy
County, New Mexico.

(3) That the NE/4 NW/4 of said Section 25 is to be dedicated
to the well.

(4) That a well at said unorthodox location will better
enable applicant to produce the oil underlying the proration unit.

(5) That no offset operator objected to the proposed
unorthodox location.

(6) That approval of the subject application will afford the
applicant the opportunity to produce its just and equitable share
of the oil in the subject pool, will prevent the economic loss
caused by the drilling of unnecessary wells, avoid the augmenta-
tion of risk arising from the drilling of an excessive number of
wells, and will otherwise prevent waste and protect correlative
rights.

-2-

Case No. 5691
Order No. R-5237

IT IS THEREFORE ORDERED:

(1) That Hanson Oil Corporation is hereby authorized to drill its Hanson Well No. 15 at an unorthodox oil well location for the Delaware formation at a point 990 feet from the North line and 2600 feet from the West line of Section 25, Township 26 South, Range 31 East, NMPM, North Mason-Delaware Pool, Eddy County, New Mexico.

(2) That the NE/4 NW/4 of said Section 25 shall be dedicated to the above-described well.

(3) 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

PHIL R. LUCERO, Chairman



Emery C. Arnold
EMERY C. ARNOLD, Member

Joe D. Ramey
JOE D. RAMEY, Member & Secretary

S E A L

kr/

72

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 5691

Order No. R- 5237

APPLICATION OF HANSON OIL CORPORATION
FOR AN UNORTHODOX OIL WELL LOCATION,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

72

This cause came on for hearing at 9 a.m. on July 7, 19 76,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this July day of July, 19 76, 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, Hanson Oil Corporation, seeks
approval of an unorthodox oilwell location 990 feet from the North
line and 2600 feet from the West line of Section 25, Township
26 South, Range 31 East, NMPM, ~~to test the~~
~~formation,~~ North Mason-Delaware Pool,
Eddy County, New Mexico.

(3) That the ~~NE 1/4 NW 1/4~~ of said Section 25 is to be dedicated to the
well.

(4) That a well at said unorthodox location will better enable
applicant to produce the oil underlying the proration unit.

(5) That no offset operator objected to the proposed unorthodox
location.

Case No. 5691

Order No. R- _____

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil in the subject pool, 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 will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

~~That~~ an unorthodox oil well location for the Delaware formation ~~is hereby approved for a well to be located~~ at a point 990 feet from the North line and 2600 feet from the West line of Section 25, Township 26 South, Range 31 East NMPM, North Mason-Delaware Pool, Eddy County, New Mexico.

(2) That the NE 1/4 NW 1/4 of said Section 25 shall be dedicated to the above-described well.

(3) 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.

(1) That Hanson Oil Corporation is hereby authorized to drill its Hanson Well No. 15 at

Dockets Nos. 17-76 and 18-76 are tentatively set for hearing on June 16 and June 23, 1976. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 9, 1976

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. Mutter, Examiner, or Richard L. Stamets, Alternate Examiner:

- CASE 5690: Application of Mobil Oil Corporation for amendment of Order No. R-5120, Lea County, New Mexico. Applicant, in the above-styled cause, seeks amendment of Order No. R-5120, which order provided for the simultaneous dedication of a 320-acre non-standard gas proration unit, comprising the W/2 SW/4 and SE/4 SW/4 of Section 28 and the NW/4 and the SW/4 NE/4 of Section 33, Township 21 South, Range 37 East, Eumont Gas Pool, Lea County, New Mexico, to applicant's E. O. Carson Wells Nos. 4 and 22, located at unorthodox locations in Units M and L, respectively, of said Section 28. Applicant seeks amendment of said Order No. R-5120 by authorizing the simultaneous dedication of said unit to the previously approved E. O. Carson Wells Nos. 4 and 22 and to its E. O. Carson Well No. 23 located 1980 feet from the North line and 2640 feet from the West line of Section 33, Township 21 South, Range 37 East, Lea County, New Mexico.
- CASE 5689: Application of Dalport Oil Corporation for an unorthodox oil well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Jones Federal Well No. 4 to be drilled 990 feet from the South line and 1477 feet from the West line of Section 22, Township 15 South, Range 29 East, South Lucky Lake-Queen Pool, Chaves County, New Mexico.
- CASE 4843: (Reopened)
In the matter of Case 4843 being reopened pursuant to the provisions of Order No. R-4435-A, which order extended the special pool rules for the Southeast Chaves Queen Gas Area, Chaves County, New Mexico, including a provision for 320-acre spacing and proration units for gas wells. All interested parties may appear and show cause why said Order No. R-4435 should not be rescinded.
- CASE 5691: Application of Hanson Oil Corporation for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 990 feet from the North line and 2600 feet from the West line of Section 25, Township 26 South, Range 31 East, North Mason-Delaware Pool, Eddy County, New Mexico.
- CASE 5692: Application of Cities Service Oil Company for a dual completion and downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Owen "A" Well No. 1 located in Unit P of Section 35, Township 21 South, Range 37 East, Lea County, New Mexico, completing said well in such a manner as to commingle Blinebry and Drinkard oil production and to dually complete said zones with the Wantz-Granite Wash Pool.
- CASE 5670: (Continued from May 12, 1976 Examiner Hearing)
Application of Read & Stevens, Inc. for an unorthodox location and directional drilling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to deviate its Harris-Federal Well No. 3, the surface location of which is 660 feet from the South line and 1990 feet from the East line of Section 27, Township 15 South, Range 28 East, Chaves County, New Mexico, by directionally drilling said well from a kick-off point at approximately 6000 feet and bottoming it at an unorthodox location in the Pennsylvanian formation within 250 feet of a point 990 feet from the South line and 1650 feet from the East line of said Section 27, the S/2 of the Section to be dedicated to the well.
- CASE 5688: Application of Dugan Production Corporation for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Tapacito-Pictured Cliffs and Blanco-Mesa Verde production in the wellbore of its Jicarilla E Well No. 1, located in Unit M of Section 21, Township 26 North, Range 3 West, Rio Arriba County, New Mexico.
- CASE 5693: Application of Jerome P. McHugh for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to downhole commingle Fruitland and Pictured Cliffs production in that area described as being all of Township 24 through 26 North, Ranges 9 through 15 West, San Juan County, New Mexico, excluding however, those lands within the boundaries of the Ballard-, Fulcher Kutz-, and West Kutz- and also those lands within the boundary of the Gallegos Canyon Unit Area.

Care 5671

KELLAHIN AND FOX
ATTORNEYS AT LAW
500 DON GASPAR AVENUE
POST OFFICE BOX 1769
SANTA FE, NEW MEXICO 87501

JASON W. KELLAHIN
ROBERT E. FOX
W. THOMAS KELLAHIN

TELEPHONE 982-4315
AREA CODE 505

May 17, 1976

Mr. Joe Ramey
New Mexico Oil Conservation
Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Mr. Ramey:

Enclosed please find the original and two copies
of the application of Hanson Oil Corporation for approval
of an unorthodox well location, Eddy County, New Mexico.
We would appreciate this being set for hearing June 9,
1976.

Yours very truly,

Jason W. Kellahin

Jason W. Kellahin

JWK:kjf

Enclosure

BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF HANSON OIL CORPORATION FOR
APPROVAL OF AN UNORTHODOX WELL
LOCATION, EDDY COUNTY, NEW MEXICO

A P P L I C A T I O N

Comes now HANSON OIL CORPORATION and applies to the Oil Conservation Commission of New Mexico for approval of an unorthodox well location in the North Mason-Delaware Pool, Eddy County, New Mexico, and in support thereof would show the Commission:

1. Applicant proposes to drill a well for production from the Delaware formation, the well to be located 2600 feet from the West line, and 990 feet from the North line of Section 25, Township 26 South, Range 31 East, N.M.P.M., Eddy County, New Mexico.

2. A well located as proposed by applicant will enable it to better drain the reservoir, and recover hydrocarbons that would not otherwise be recovered.

3. Approval of the unorthodox well location as requested is in the interests of conservation and the correlative rights, including the rights of all interest owners in the area will be fully protected.

WHEREFORE applicant prays that this application be set for hearing before the Commission or the Commission's duly appointed examiner, and that after notice and hearing as required by law, the Commission approve the unorthodox well location as requested.

Respectfully submitted,

HANSON OIL CORPORATION

By Jason W. Kellahin
Kellahin & Fox
P. O. Box 1769
Santa Fe, New Mexico 87501

Attorneys for Applicant

BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF HANSON OIL CORPORATION FOR
APPROVAL OF AN UNORTHODOX WELL
LOCATION, EDDY COUNTY, NEW MEXICO

A P P L I C A T I O N

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Respectfully submitted,

HANSON OIL CORPORATION

By Jason W. Kellahin
Kellahin & Fox
P. O. Box 1769
Santa Fe, New Mexico 87501

Attorneys for Applicant

BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF HANSON OIL CORPORATION FOR
APPROVAL OF AN UNORTHODOX WELL
LOCATION, EDDY COUNTY, NEW MEXICO

A P P L I C A T I O N

Comes now HANSON OIL CORPORATION and applies to the Oil Conservation Commission of New Mexico for approval of an unorthodox well location in the North Mason-Delaware Pool, Eddy County, New Mexico, and in support thereof would show the Commission:

1. Applicant proposes to drill a well for production from the Delaware formation, the well to be located 2600 feet from the West line, and 990 feet from the North line of Section 25, Township 26 South, Range 31 East, N.M.P.M., Eddy County, New Mexico.

2. A well located as proposed by applicant will enable it to better drain the reservoir, and recover hydrocarbons that would not otherwise be recovered.

3. Approval of the unorthodox well location as requested is in the interests of conservation and the correlative rights, including the rights of all interest owners in the area will be fully protected.

WHEREFORE applicant prays that this application be set for hearing before the Commission or the Commission's duly appointed examiner, and that after notice and hearing as required by law, the Commission approve the unorthodox well location as requested.

Respectfully submitted,

HANSON OIL CORPORATION

By Jason W. Kellahin
Kellahin & Fox
P. O. Box 1769
Santa Fe, New Mexico 87501

Attorneys for Applicant

Application

Phoned in By Dalton
Kinchloe to RLS 5-12-76
622-7246

Hanson Oil Corporation for
under the low producing well location
990 N and 2600 W Sec 25-26S-31E
N. Mason - Delaware Pool, Eddy
County, N.M.

Advised him of necessity to
file written application within
10 days of hearing date.