

Case No.

24

Application, Transcript,
Small Exhibits, Etc.

OIL CONSERVATION COMMISSION

December 30, 1940

C
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P
Y

Honorable Ernest A. Hanson
Oil & Gas Supervisor
Department of the Interior
Roswell, New Mexico

Re: Cases Nos. 21-B, 22, 23, 24 and 25.

My dear Mr. Hanson:

Under separate cover you are being sent the transcripts in the hearings held recently in the above captioned cases.

With kindest personal regards,

Cordially yours,

Carl B. Livingston
Attorney

CBL:ik

OIL CONSERVATION COMMISSION

December 4, 1940

Mr. G. H. Card
Stanolind Oil & Gas Company
Fair Building
Fort Worth, Texas

C
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P
Y
Re: Case No. 24, Petition of R. W. Fair, et al.,
for well location in NE $\frac{1}{4}$ SW $\frac{1}{4}$, Sec. 32-17S-30E.,
Loco Hills, closer to unit boundary than per-
mitted by rules of Commission.

Re: Case No. 25, Petition of Frank B. Hadlock for
well location in W $\frac{1}{2}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$, Sec. 16-20S-32E.,
Halfway Pool, closer to unit boundary than
permitted by rules of Commission.

My dear George:

Your inquiry of November 29 to Mr. Andreas has been for-
warded to this office for reply.

As to Case No. 24, among other things, the petitioners
recite:

"In order to avoid the hazards of drilling a dry
well and to make the production of oil as certain
as possible and to be sure that the new well is
located on the structure at the best point it is
desired to drill said well approximately one hundred
and fifteen (115) feet south of the north boundary
line and one hundred and fifteen (115) feet east of
the west boundary line."

As to Case No. 25, the petitioner is indefinite as to
exact location, other than he desires a location 150 feet from
the west boundary of his particular 40-acre unit, as noted in
the second portion of the caption. Among other things is the
statement:

"A few years ago the Western Drilling Co. of Artesia
drilled a dry hole on this forty of mine and what I
want to do is to drill, and to stay as far away from
the dry hole as I can, and that would be still too

OIL CONSERVATION COMMISSION

Mr. G. H. Card

-2-

12/4/40

close, as I understand it drops to the east fairly fast. Would I be allowed to set my location 190 feet from my west line in this case?"

C
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This petition is very informal - in the form of a letter - and was accepted as a petition in order that that matter may be heard during the same session of the Commission with a number of other matters on docket. However, the petitioner, Mr. Frank B. Hadlock, 403 Bassett Tower, El Paso, Texas, advises the writer by letter that he does not now wish to go ahead with his petition, and he desires to know whether the matter may be brought up later. In reply, he was advised that his letter will be recommended to the Commission to be treated as a motion for dismissal without prejudice, in which event he may reinstate the case as a new case later, but it would not be simpler to go ahead with the matter than to reinstate the case, provided he really desires the unorthodox location and is in a position to receive sanction of the waiver of the adjoining unit holder or holders affected.

Very truly yours,

OIL CONSERVATION COMMISSION

By Carl B. Livingston
Attorney

CBL:k

cc - Mr. G. H. Card
c/o Hotel Tulsa
Tulsa, Oklahoma

cc - Mr. A. Andreas
New Mexico State Geologist
c/o Hotel Tulsa
Tulsa, Oklahoma

STANOLIND OIL AND GAS COMPANY

FAIR BUILDING

FORT WORTH, TEXAS

PRODUCING DEPARTMENT
J. H. MOYAR
DIVISION SUPERINTENDENT

November 29, 1940

File: GHC-3910-5

Subject: Hearings before New Mexico Oil
Conservation Commission

Mr. A. Andreas, State Geologist
New Mexico Oil Conservation Commission,
Santa Fe, New Mexico.

Dear Sir:

In the calendar showing the hearings that have been set by the Commission for December 11th and 12th, which was forwarded to us by Mr. Livingston, there are two cases on which we wish that you would kindly forward us additional information. Case No. 24 is the application of Fair, Aston, Scheurich, Hatch, Cole, Johnson and Franklin for the location of a well in Loco Hills. Case No. 25 is the application of Hadlock for a well in the Halfway Pool. We wish that you would kindly advise the footage from the nearest lease lines, and from the nearest wells for both of these applications.

With kindest personal regards.

Yours very truly,

STANOLIND OIL AND GAS COMPANY

J. H. Moyar

By

J. H. Card

GHC/ab

*Card: Please answer
only*

November 27, 1940

Honorable Chas. A. Scheurich
Clovis, New Mexico

Dear Mr. Scheurich:

Enclosed please find calendar giving
consecutive order of hearings set by the Commis-
sion. All interested parties are requested to
be ready.

Very truly yours,

OIL CONSERVATION COMMISSION

By Carl B. Livingston
Attorney

CBL:ik
Enc.

November 27, 1940

Honorable Carl A. Hatch
Senator for New Mexico
Washington, D. C.

My dear Senator Hatch:

Enclosed please find calendar giving
consecutive order of hearings set by the Commis-
sion. All interested parties are requested to
be ready.

Very truly yours,

OIL CONSERVATION COMMISSION

By Carl B. Livingston
Attorney

CBL:ik
Enc.

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PRESIDENT

NEWCOMB CARLTON
CHAIRMAN OF THE BOARD

J. C. WILLEVER
FIRST VICE-PRESIDENT

Send the following message, subject to the terms on back hereof, which are hereby agreed to

SANTA FE, NEW MEXICO
NOVEMBER 25, 1940

MR. C. A. SCHEURICH
CLOVIS, NEW MEXICO

HEARING OF PETITION FAIR ET AL SET DECEMBER TWELFTH

CARL B. LIVINGSTON, ATTORNEY
OIL CONSERVATION COMMISSION

(Charge to
Oil Conservation Commission)

CLASS OF SERVICE
This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable symbol above or preceding the address.

WESTERN UNION (50)

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SYMBOLS
DL = Day Letter
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R. B. WHITE
PRESIDENT

NEWCOMB CARLTON
CHAIRMAN OF THE BOARD

J. C. WILLEVER
FIRST VICE-PRESIDENT

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CARL LIVINGSTON ATTY=

1940 NOV 25 PM 12 54

LAND OFFICE SF=

IS IT SO OUR HEARING HAS BEEN SET FOR DECEMBER 12TH PLEASE ADVISE AS HAVE TO NOTIFY SENATOR HATCH SO HE CAN BE HERE FOR SET DATE=

C A SCHEURICH.

12.

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

OIL CONSERVATION COMMISSION

November 13, 1940

C
O
P
Y

Honorable Carl A. Hatch
Senator for New Mexico
Washington, D. C.

Re: Petition of R. W. Fair, et al., for a
closer spacing to the boundary than is
authorized under existing orders of the
Commission - NE-SW 1/4, Sec. 22-17S-30E.

My dear Senator Hatch:

With reference to the above captioned petition,
enclosed please find carbon copy of my letter of this
date to Mr. Charles A. Scheurich of Clovis, which is
self-explanatory.

With kindest personal regards,

Cordially yours,

Carl B. Livingston
Attorney

CBL:ik
Enc.

OIL CONSERVATION COMMISSION

November 12, 1940

Mr. Charles A. Scheurich
Clovis, New Mexico

Re: Petition of R. V. Fair, et al., for a closer
spacing to the boundary than is authorized
under existing orders of the Commission -
NE4SE4, Sec. 34-17S-20E.

Dear Mr. Scheurich:

The petition in the above captioned matter, sub-
mitted in the letter from Honorable Carl A. Hatch under
date of November 11, will be brought before the Commission
for consideration just as early as is possible. However,
the Commission will not meet on the 15th, the date hereto-
fore set, in view of the fact that the Governor was called
to Nevada and Mr. A. Andreas, another member of the Com-
mission, was called to an Interstate Oil Compact Commission
Sub-committee meeting in Chicago. However, rest assured
that the petition in question will come before the Com-
mission for its consideration just as soon as is possible
for the Commission to meet.

In the belief that the hearing upon this matter
would meet the convenience of the petitioners if held
at Artesia, I shall point that matter out to the Commission
at its meeting. In view of the fact that two other matters,
which also involve the Eddy County Area, require an order
for a hearing, possibly the Commission would deem it more
expedient to hear all of the matters pertaining to Eddy
County at Artesia at the same time. This is merely a
suggestion, but the Commission alone can, of course, decide
this matter.

Very truly yours,

Carl B. Livingston
Attorney

CBL:lk
cc - Honorable Carl A. Hatch
Senator for New Mexico
Washington, D. C.

HENRY F. ASHURST, ARIZ., CHAIRMAN
WILLIAM H. KING, UTAH
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ALEXANDER WILEY, WIS.
ROBERT A. TAFT, OHIO

United States Senate

COMMITTEE ON THE JUDICIARY

Clovis, New Mexico,
November 11, 1940.

Mr. Carl Livingston,
State Land Office,
Santa Fe, New Mexico.

My dear Carl:

I have prepared and enclose the application for the drilling permit which I discussed with you Saturday morning. I hope you can get the matter prepared to lay before the Commission the 15th so that the necessary publication can start immediately and the day of hearing be set at the earliest possible time. We desire very much to get started on this new location quickly.

Unfortunately I have been called out of town and am leaving tonight for Reno to attend Senator Pittman's funeral. From there I shall go to Washington, but will return to the State before the hearing date.

I wish you would advise Mr. Charles A. Scheurich at Clovis of the date of the hearing and he can wire me the date so that I can return.

Thanking you for your many courtesies and with regards, I am

Very truly yours,

Carl A. Hatch

CAH-FO

BEFORE THE OIL CONSERVATION
COMMISSION OF THE STATE
OF NEW MEXICO

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

CASE NO. 24.

THE PETITION OF R. W. FAIR, BERT ASTON,
CHARLES A. SCHEURICH, CARL A. HATCH,
J. R. COLE, SIDNEY JOHNSON AND ANNA FRANKLIN,
FOR A LOCATION FOR A WELL FOR OIL AND GAS IN
THE NORTHWEST CORNER OF THE NE $\frac{1}{4}$ SW $\frac{1}{4}$, SECTION
32, T. 17 S., R. 30 E., (LOCO HILLS), FOR
STRUCTURAL REASONS, AT A POINT CLOSER TO THE
BOUNDARY LINE OF SAID 40-ACRE TRACT THAN IS
PERMITTED BY PRESENT RULES OF THE COMMISSION.

ORDER NO. 322.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at nine o'clock A. M., December
12, 1940, at Santa Fe, New Mexico.

NOW, on the same said date, the Commission having before it
for consideration the testimony adduced at the hearing of said case
and being fully advised in the premises, the Commission finds:

F I N D I N G S

1. That notice by publication of the filing of the appli-
cation herein, the time and the place of the hearing thereon, and
the purpose of said hearing, have been regularly given in all
respects as required by law, and the Commission has jurisdiction
of the subject matter embraced in said petition and of the parties
interested therein, and jurisdiction to issue and promulgate the
hereinafter prescribed order.

2. That geological sub-surface structural conditions appear
to be such within the NE $\frac{1}{4}$ SW $\frac{1}{4}$, Section 32, Township 17 South, Range
30 East, N.M.P.M., as to make a well location in accordance with
existing rules of the Commission to be less likely to result in
the production of oil in commercial quantities, and that it further

appears to the Commission that because of said structural conditions a well location one hundred fifteen (115) feet south of the north boundary line and one hundred fifteen (115) feet east of the west boundary line of said 40-acre tract is more likely to produce oil in commercial quantities. That none of the parties interested in the adjoining 40-acre units affected appeared and objected, but Mr. Bert Aston, for himself and other associated parties in interest in said adjoining 40-acre units affected, under oath waived the objection to the location sought by the Petitioners.

3. That said location petitioned for appears to be a reasonable and practicable location which will not create waste.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED that the Petitioners are hereby allowed to fix the well location petitioned for as follows: At a point one hundred fifteen (115) feet south of the north boundary line and one hundred fifteen (115) feet east of the west boundary line of the NE $\frac{1}{4}$ SW $\frac{1}{4}$, Section 32, Township 17 South, Range 30 East, N.M.P.M., subject to the usual administrative requirement of filing in triplicate with the Commission a Notice of Intention to Drill upon Form C-101, setting out the location herein granted.

OIL CONSERVATION COMMISSION

By *Frank Worden*
Commissioner of Public Lands

By *A. Anderson*
State Geologist

CASE NO. 24

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

THE PETITION OF R. W. FAIR, BERT ASTON, CHARLES A. SCHEURICH, CARL A. HATCH, J. R. COLE, SIDNEY JOHNSON AND ANNA FRANKLIN, FOR A LOCATION FOR A WELL FOR OIL AND GAS IN THE NORTHWEST CORNER OF THE NE $\frac{1}{4}$ SW $\frac{1}{4}$, SECTION 32, T. 17 S., R. 30 E., (LOCO HILLS), FOR STRUCTURAL REASONS, AT A POINT CLOSER TO THE BOUNDARY LINE OF SAID 40-ACRE TRACT THAN IS PERMITTED BY PRESENT RULES OF THE COMMISSION.

TRANSCRIPT OF PROCEEDINGS AT HEARING IN THE
CITY HALL BUILDING
SANTA FE, NEW MEXICO
DECEMBER 12, 1940

Pursuant to order of the Commission, duly made and entered, setting December 12, 1940, at nine o'clock, A. M., for hearing in the above entitled matter, said hearing was convened at nine o'clock A. M. December 12, 1940, in the City Hall Building, Santa Fe, New Mexico, the Commission sitting as follows:

HON. FRANK WORDEN, Commissioner of Public Lands, Secretary
HON. A. ANDREAS, State Geologist
HON. CARL B. LIVINGSTON, Attorney for the Commission

APPEARANCES:

<u>NAME</u>	<u>COMPANY</u>	<u>ADDRESS</u>
Chas. A. Aston	Aston & Fair	Smith, N. M.
Wirt Franklin	Anna Franklin	Ardmore, Okla.
C. A. Scheurich	" "	Clovis, N. M.
G. H. Card	Stanolind	Ft. Worth, Texas
Ed Downing	Magnolia Pet. Co.	Kermit, Texas
Edgar Kraus	Atlantic Rfg. Co.	Carlsbad, N. M.
D. R. McKeithan	Phillips Pet. Co.	Bartlesville, Okla.
C. A. Daniels	" " "	Amarillo, Texas
Glenn Staley	Proration Office	Hobbs, N. M.
A. E. Willig	The Texas Co.	Ft. Worth, Texas
Carl A. Hatch	Attorney	Clovis, N. M.
Bert Aston		Smith, N. M.

The hearing was called to order by Mr. Frank Worden, who thereupon requested Mr. Livingston to read the call of the hearing as follows:

"NOTICE FOR PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

The Oil Conservation Commission, by law invested with jurisdiction as the oil and gas regulatory body of the State of New Mexico, hereby gives notice of the following public hearing to be held at the Capitol, Santa Fe, New Mexico:

Case No. 24.

The petition of R. W. Fair, Bert Aston, Charles A. Scheurich, Carl A. Hatch, J. R. Cole, Sidney Johnson and Anna Franklin, for a location for a well for oil and gas in the northwest corner

of the NE¹/₄SW¹/₄, Section 32, T. 17 S., R. 30 E. (Loco Hills), for structural reasons, at a point closer to the boundary line of said 40-acre tract than is permitted by present rules of the Commission. This case is set for 9:00 A. M., December 12, 1940.

Any person having any interest in the subject of the said hearing shall be entitled to be heard.

Given under the seal of said Commission at Santa Fe, New Mexico, on November 25, 1940."

BY MR. WORDEN: We are ready to proceed.

BY SENATOR HATCH: I will call Bert Aston. First, I will state this request is caused by the fact we have already drilled one dry hole, and we think this tract ought to produce, but we want to get just as far away from that dry hole as possible.

BERT ASTON,

being called as a witness on behalf of the petitioners, and being first duly sworn, was examined by Senator Hatch, and testified as follows:

DIRECT EXAMINATION

Q Your name is Bert Aston, and you reside at Smith, New Mexico?

A Yes, sir.

Q In Eddy County. Are you acquainted with the ownership of lease B-4108, covering the NE¹/₄SW¹/₄ of Sec. 32, T. 17 S., R. 30 E.?

A I am.

Q Who is the owner of that lease?

A That lease is jointly owned by Mr. Schourish, Aston & Fair, a partnership, Jim Cole, Mr. Johnson and Senator Hatch and Mrs. Franklin.

Q You are also acquainted with the ownership of the adjoining SE¹/₄SW¹/₄ of Sec. 32?

A I am.

Q Who owns those leases?

A Aston & Fair and R. W. Fair.

Q You are the Aston?

A Yes, sir.

Q You speak for the firm?

A In both cases, both for Fair individually and the partnership.

Q The persons who own this forty, also own the forty immediately west?

A That is right.

Q All of the surrounding 40's are owned by these individuals?

A That is right.

Q There are no conflicting interests?

A There are none.

Q So far as Aston & Fair are concerned, they are willing that a well should be drilled closer to the boundary than is permitted by the Commission?

BY MR. WORDEN: They have expressed their willingness --

A To sign any waivers necessary in this matter.

Q Speaking for that partnership, you say you are agreeable to this possible location?

A Yes, sir, and am willing to sign any waivers necessary.

Q There was another well drilled in this particular 40?

A Yes.

Q Explain what happened.

A We drilled a well on the southwest corner of the same forty, and 660 feet directly north of the well, it dropped 32 feet in 660 feet. Following the drilling of that well, Aston & Fair immediately backed off and drilled a ring, really, around it, the last one being Schuerich No. 3, owned by this same group on the same basic lease, to define the confines of that region, or whatever it is. It dropped that 30 feet, and we have production all around this forty, and the contour would lead us to believe that drawing a line from this well (indicating) to this well (indicating) which are both good producers, in the very corner we would have the opportunity to recover what oil might be in that forty acres, because that is evidently some sort of a fault or a drop that is very narrow, because we have gone a quarter of a mile north and crossed it, and north-west and southwest, so it must be some sort of a very narrow local condition.

Q Barring the hazards of drilling, you think there is a chance on this location?

A It would be my opinion if you go between those two wells we would have a good enough chance to get oil to justify the expense of looking into the sand.

BY SENATOR HATCH: I believe that is all.

BY MR. ANDREAS: You say there is no objection?

A I represent the other owner, and under oath I have made the statement that we are willing to sign a waiver.

BY MR. ANDREAS: What is the foot --

A 110 feet. It is the only productive formation at this point, and it is my honest opinion if you don't drill a well in that vicinity there will be an actual waste of oil that will never, never be recovered under that section, it will be lost for all time.

BY MR. WORDEN: Anybody present here who has any objections to changing this location and making a special location of it?

(No answer)

If there is nothing further pertaining to Case No. 24, it will be closed.

C E R T I F I C A T E

I hereby certify that the foregoing and attached three and a quarter pages of typewritten matter are a true, complete and correct transcript of the shorthand notes taken by me in Case No. 24 before the Oil Conservation Commission on the 12th day of December, 1940, and by me extended into typewriting.

Witness my hand this 22nd day of December, 1940

Ester Barton

NOTICE FOR PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

The Oil Conservation Commission, by law invested with jurisdiction as the oil and gas regulatory body of the State of New Mexico, hereby gives notice of the following public hearings to be held at the Capitol, Santa Fe, New Mexico:

Case No. 23.

The petition of the Operators' Committee for the operators in the Loco Hills Pool in Eddy County, in connection with the proposal of a collective pressure maintenance program for said Pool, for an order from the Commission permitting a ten percent increase over and above the normal allowable for each month until the principal investment in said pressure maintenance program has been amortized; the production of the monthly allowable of wells selected as input wells from another well or wells owned by the operator, preferably on the same basic lease, in order to preclude the penalizing of operators whose wells are used as input wells -- with special reference to the following wells proposed to be so used: R. W. Fair-Brainard #6, and Bassett & Birney #6B-State. This case is set for 2:00 P. M., December 11, 1940.

Case No. 24.

✓ The petition of R. W. Fair, Bert Aston, Charles A. Scheurich, Carl A. Hatch, J. R. Cole, Sidney Johnson and Anna Franklin, for a location for a well for oil and gas in the northwest corner of the NE $\frac{1}{4}$ SW $\frac{1}{4}$, Section 32, T. 17 S., R. 30 E., (Loco Hills), for structural reasons, at a point closer to the boundary line of said 40-acre tract than is permitted by present rules of the Commission. This case is set for 9:00 A. M., December 12, 1940.

Case No. 21-B (Gas-Oil Ratio).

The adoption of a final gas-oil ratio order for the producing fields in Eddy County and other areas in New Mexico except Lea County, recessed in Case No. 21 from the hearing of August 29, 1940, to November 15, 1940, and not heard at said latter date, is now set for hearing on December 12, 1940, at 2:00 P. M.

Any person having any interest in the subject of the said hearings shall be entitled to be heard.

Given under the seal of said Commission at Santa Fe, New Mexico, on November 25, 1940.

OIL CONSERVATION COMMISSION

By (Sgd.) FRANK WORDEN
Commissioner of Public Lands

By (Sgd.) A. ANDREAS
State Geologist

*copy of publication
in case # 23
(SEAL)*

CALENDAR OF SETTING OF HEARINGS BEFORE
THE NEW MEXICO OIL CONSERVATION COMMISSION
AT SANTA FE, NEW MEXICO, DURING
DECEMBER 11 and 12, 1940.

CASE NO. 22, set for hearing 9:00 A. M., December 11, 1940, upon the petition of Anderson-Prichard Oil Corporation and Stanolind Oil & Gas Company, for themselves and for other operators in that part of the Langlie Pool, Lea County, lying generally in Sections 4, 5, 8 and 9, T. 25 S., R. 37 E., W.B.P.M., for an order by the Commission regarding the unitization, repressuring, or other conservation measures as to that portion of said Pool in order to increase the ultimate recovery therefrom.

CASE NO. 23, set for hearing 2:00 P. M., December 11, 1940, upon the petition of the Operators' Committee for the operators in the Loco Hills Pool in Eddy County, in connection with the proposal of a collective pressure maintenance program for said Pool, for an order from the Commission permitting a ten percent increase over and above the normal allowable for each month until the principal investment in said pressure maintenance program has been amortized; the production of the monthly allowable of wells selected as input wells from another well or wells owned by the operator, preferably on the same basic lease, in order to preclude the penalizing of operators whose wells are used as input wells -- with special reference to the following wells proposed to be so used: R. W. Fair-Brainard #6, and Bassett & Birney #6B-State.

CASE NO. 24, set for hearing 9:00 A. M., December 12, 1940, upon the petition of R. W. Fair, Bert Aston, Charles A. Scheurich, Carl A. Hatch, J. R. Cole, Sidney Johnson and Anna Franklin, for a location for a well for oil and gas in the northwest corner of the NE $\frac{1}{4}$ SE $\frac{1}{4}$, Section 22, T. 17 S., R. 20 E., (Loco Hills), for structural reasons, at a point closer to the boundary line of said 40-acre tract than is permitted by present rules of the Commission.

CASE NO. 25, set for hearing 10:00 A. M., December 12, 1940, upon the petition of Frank B. Hadlock for a well location in the W $\frac{1}{2}$ N $\frac{1}{2}$ E $\frac{1}{2}$, Sec. 16, T. 20 S., R. 32 E. (Halfway Pool), for structural reasons, closer to the exterior unit boundary than is conformable to existing rules of the Commission.

CASE No. 21-B, set for hearing 2:00 P. M., December 12, 1940, upon the adoption of a final gas-oil ratio order for the producing fields in Eddy County and other areas in New Mexico except Lea County, recessed in Case No. 21 from the hearing of August 29, 1940, to November 15, 1940, and not heard at said latter date.

* * * * *

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO.

IN THE MATTER OF THE APPLICATION OF ASTON & FAIR
AND ASSOCIATES FOR A CLOSER PLACING PERMIT
THAN IS AT PRESENT PERMITTED BY THE
RULES OF THE COMMISSION.

TO THE HONORABLE OIL CONSERVATION COMMISSION, STATE OF NEW
MEXICO:

The undersigned, R. W. FAIR, BERT ASTON, CHARLES A. SCHEURICH, CARL A. HATCH, J. R. COLE, SIDNEY JOHNSON and ANNA FRANKLIN, being the owners of a certain oil and gas lease, No. B4108, embracing the N $\frac{1}{2}$ S $\frac{1}{2}$, Section 32, Township 17 S., R. 30 E., Eddy County, New Mexico, are desirous of securing permission to drill a well for oil and gas in the Northwest corner of the NE $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Section 32, Township 17 S., R. 30 E., at a point closer to the boundary line of said forty acre tract than is permitted by present rules of the Commission, and said owners, in support of such request respectfully submit as follows:

That they have heretofore drilled one well in said forty acre tract previously described, which well failed to produce either oil or gas in commercial quantities;

That after drilling said well the owners of said lease drilled another well in the forty acre tract immediately adjoining on the west, which well is now producing oil and gas in commercial quantities;

That Aston and Fair drilled a producing well in the forty acre tract immediately adjoining the tract in question on the north;

That immediately south of said forty acre tract a producing oil well was drilled by Talmadge and others and other producing

wells surround the forty acre tract in question;

That the wells drilled in the tracts immediately west and north of the forty acre tract in question convinced these owners that the first well was faultily located and on account of structural conditions it is very probable that if permission be granted to drill in the extreme northwest corner of said forty acre tract that oil in commercial quantities will be produced and said owners are desirous of drilling said well in the extreme northwest corner and closer to the boundary lines than present rules of the Commission permit.

In order to avoid the hazards of drilling a dry well and to make the production of oil as certain as possible and to be sure that the new well is located on the structure at the best point it is desired to drill said well approximately one hundred and fifteen (115) feet south of the north boundary line and one hundred and fifteen (115) feet east of the west boundary line.

That the owners of the adjoining footage all consent to the drilling of said well in the new location; that it will be to the interest of the owners of said lease and to the State of New Mexico to have said well located at a point where production of oil will be reasonably certain.

In consideration of the foregoing matters the undersigned have attached a plat which is marked Exhibit A, showing the location of present producing wells; the location of the dry hole which is identified as "ASTON & FAIR STATE 1B" and the proposed new location which is marked in red on said plat as ASTON & FAIR, SCHLEURICH STATE 4", and said owners respectfully request the Commission to give notice as provided by the rules and that the hearing be held on the earliest possible date; that petitioners be permitted to submit proof

in support of this application and that the Commission make
and execute all necessary and proper orders in considera-
tion of the premises.

K W Fair

Bert Aston

Chas. A. Schenck

Carl A. Hatch

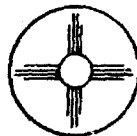
J R Cole

Sidney Johnson

Anna Franklin

ASTON & FAIR, INC.
PRODUCERS
OIL AND GAS

"The Sunshine State"



Loco Hills Field Office
Smith, New Mex.

R. W. FAIR, PRESIDENT
C. A. SCHEURICH, VICE-PRES.
BERT ASTON, SEC.-TREAS.

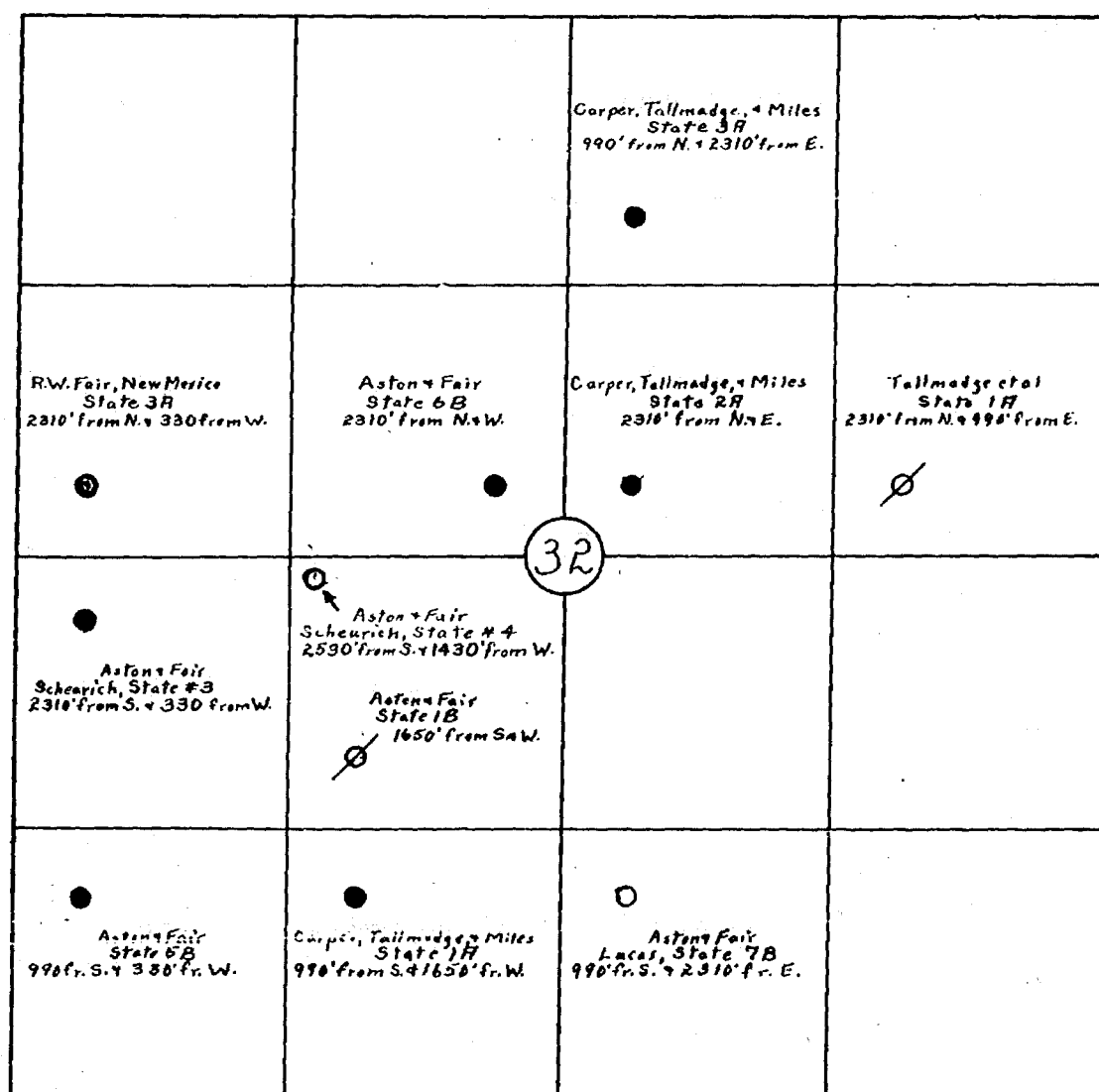


Exhibit "A"

Case # 35

CASE 25

PETITION OF FRANK E. HADLOCK FOR
UNORTHODOX WELL LOCATION.

Re for

Submitted by the undersigned on Dec. 12, 1943