

Case No.

34

Application, Transcript,
Small Exhibits, Etc.

CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

P. O. Box 371

September 28, 1942

C
O
P
Y

Honorable Glenn Staley
Proration Office
Hobbs, New Mexico

Dear Glenn:

Re: Case No. 34 - 100 barrels allowable Barber
Pool - War projects in New Mexico

Enclosed please find copy of Order No. 467, in
the above captioned case.

When you have this mimeographed, please send us
several copies.

Very truly yours,

Carl B. Livingston
Carl B. Livingston
Chief Clerk & Legal Advisor

CHL:MS

FEDERAL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

P. O. Box 871

September 28, 1942

Mr. Neil Wills
Carlsbad, New Mexico

Re: Case No. 34 - 100 barrels allowable Barber
Pool - War projects in New Mexico.

Dear Mr. Wills:

Enclosed please find copy of Order No. 467, in
the above captioned case.

Very truly yours,

Carl B. Livingston

Carl B. Livingston
Chief Clerk & Legal Advisor

CBL:MS

C
O
P
Y

CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

P. O. Box 371

September 28, 1942

Mr. Walter P. Luck
Vice-President & Attorney
New Mexico Asphalt & Refining Company
Artesia, New Mexico

Re: Case No. 34 - 100 barrels allowable Barber
Pool - War projects in New Mexico.

Dear Mr. Luck:

Enclosed please find copy of Order No. 467, in
the above captioned case.

Very truly yours,

Carl B. Livingston

Carl B. Livingston
Chief Clerk & Legal Advisor

CEL:MS

C

O

P

Y

CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

P. O. Box 871

August 4, 1942

Mr. Walter P. Luck
Vice-President & Attorney
New Mexico Asphalt & Refining Company
Artesia, New Mexico

Dear Mr. Luck:

Enclosed please find Notice of Hearing for Case No. 34. You were heretofore advised that said hearing was to be August 14. Said hearing has been changed to August 28, 2 P.M., Santa Fe. The Notice of Hearing of changed date is therefore being republished.

Very truly yours,

Carl B. Livingston
Chief Clerk & Legal Advisor

CBL:MS

C
O
P
Y

CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

P. O. Box 871

August 4, 1942

C
O
P
Y

Daily Current Argus
Carlsbad, New Mexico

Santa Fe New Mexican
Santa Fe, New Mexico

Re: Case No. 34 - Notice for Publication

Gentlemen:

Please publish the enclosed notice once, immediately.
Please proof read the notice carefully and send a copy of the
paper carrying such notice.

UPON COMPLETION OF THE PUBLICATION, PLEASE SEND
PUBLISHER'S AFFIDAVIT.

For payment please submit statement in duplicate
accompanied by voucher executed in duplicate. The vouchers
must be signed by a notary in the space provided on the back
of the voucher. The necessary voucher blanks are enclosed.

Very truly yours,

Carl B. Livingston
Chief Clerk & Legal Advisor

CSL:MS

ALL OPERATORS OF SOUTHEASTERN NEW MEXICO.

CONTINUED:

The Oil Conservation Commission has rendered the following decision in Case No. 34 - Order No. 467:

CASE NO. 34
ORDER NO. 467

THE APPLICATION OF THE NEW MEXICO ASPHALT & REFINING COMPANY THAT THE BARBER AREA, HIDEY COUNTY, NEW MEXICO, (BEING ASPHALTIC BASE PRODUCTION) BE ALLOWED TO PRODUCE 100 BARRELS PER DAY PER UNIT OF PRODUCTION FOR A LIMITED PERIOD IN ORDER TO FILL THE APPLICANT'S REQUIREMENTS OF 1500 BARRELS DAILY OF THE TYPE OF CRUDE OIL PRODUCED IN SAID AREA FOR THE PURPOSE OF MAINTAINING DELIVERIES OF ASPHALT AND ROAD OILS TO THE U. S. ARMY ENGINEERS FOR AIR BASE PROJECTS THROUGHOUT NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at two o'clock P.M., August 28, 1942 at Santa Fe, New Mexico, before the Oil Conservation Commission of the State of New Mexico, hereinafter referred to as the "Commission".

NOT, on this 26th day of September, 1942, the Commission having before it for consideration the testimony adduced at the hearing of said case and being fully advised in the premises;

IT IS THEREFORE ORDERED:

SECTION 1. That the respective units of production within the Barber Area, producing asphaltic base crude oil, be and are hereby allowed to produce over and above the current allowable insofar as such units are capable and insofar as such may be done without waste, up to 100 barrels of crude oil daily for purchase by the New Mexico Asphalt and Refining Company for the express purpose of supplying the U. S. Army Engineers with asphalt and road oils to be used in the construction of air base projects in the State of New Mexico; produced, however, as follows:

A. That the New Mexico Asphalt and Refining Company first purchase the current allowable of crude oil of similar type meeting the requirements of the U. S. Army Engineers, produced in southeastern New Mexico and tendered to such purchaser.

B. That the New Mexico Asphalt and Refining Company make use of such excess allowable strictly for the purpose above named.

C. That the New Mexico Asphalt and Refining Company make application for each production month to the Commission and receive approval thereof for the purchase of such excess allowable, naming the particular war project for which the asphaltic product of such excess oil is destined;

CASE NO. 34 - ORDER NO. 467 -CONT'D

and that not later than the 25 of the month, succeeding the month in which such excess oil is run, file with the Commission a detailed report as to deliveries of the asphaltic product derived from such excess oil to the respective war projects.

SECTION 2. Subject to all the foregoing, this Order is effective for the period of the proration months of September, October and November, 1942.

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

OIL CONSERVATION COMMISSION

(SEAL OF OIL
CONSERVATION COMMISSION
OF NEW MEXICO)

(SGD) JOHN E. HILES
JOHN E. HILES, CHAIRMAN

H. R. RODGERS, MEMBER

(SGD) JOHN M. KELLY
JOHN M. KELLY, SECRETARY

Hearings will be held on October 29, 1942, to consider the following Cases No. 36; No. 37; No. 38.

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 hearing to be held at Santa Fe, New Mexico.

Case No. 36

In the matter of the petition of the Operators' Committee under Maljamar Cooperative Repressuring Agreement, with regard to a certain area within the Maljamar Field, Lea County, for an order approving the following, and such other matters and things incident thereto as may be required by law to be approved by the Oil Conservation Commission: Unitization of gas, selection of key or in-put wells, manner of computation and compensation for loss to proration units upon which are located key or in-put wells, and the prohibition of a top allowable exceeding 44 barrels per proration unit per day. This case is re-set for 2 o'clock P.M., October 29, 1942.

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

The foregoing Notice of Publication was made pursuant to the direction of the Commission at its Executive Meeting September 26, 1942.

NOTICE FOR PUBLICATION-CONT'D

Given under the seal of said Commission at Santa Fe, New Mexico, on September 28, 1942.

(SEAL)

OIL CONSERVATION COMMISSION
BY: (SGD) John M. Kelly
Secretary

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 hearing to be held at Santa Fe, New Mexico.

Case No. 37

In the matter of the petition of the New Mexico Oil and Gas Association for an order fixing the boundaries of the various fields in Eddy and Lea Counties with certain changes. This case is re-set for 2 o'clock P.M., October 29, 1942.

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

The foregoing Notice of Publication was made pursuant to the direction of the Commission at its Executive Meeting September 26, 1942.

Given under the seal of said Commission at Santa Fe, New Mexico, on September 28, 1942.

(SEAL)

OIL CONSERVATION COMMISSION
BY (SGD) JOHN M. KELLY, SECRETARY

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 hearing to be held at Santa Fe, New Mexico:

Case No. 38

In the matter of the application of the New Mexico Asphalt and Refining Company to amend Order No. 467 of this Commission to the end that the West Lusk Area and the Barber Area, Eddy County, New Mexico, (being asphaltic base production) be allowed to produce 100 barrels per day per unit of production for a limited period embracing the production months of September, October and November, 1942, in order to fill the

NOTICE FOR PUBLICATION - CONT'D

applicant's requirements of 1500 barrels daily of the type of crude oil produced in said areas for the purpose of maintaining deliveries of asphalt and road oils to the U. S. Army Engineers for air base projects throughout New Mexico and Texas. This case is set for 2 o'clock P.M., October 29, 1942.

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

The foregoing Notice of Publication was made pursuant to the direction of the Commission at its Executive Meeting September 26, 1942.

Given under the seal of said Commission at Santa Fe, New Mexico, on September 28, 1942.

OIL CONSERVATION COMMISSION

BY (SGD) JOHN M. KELLY
SECRETARY

(S'AL)

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. 34

ORDER NO. 467

THE APPLICATION OF THE NEW MEXICO
ASPHALT & REFINING COMPANY THAT THE
BARBER AREA, EDDY COUNTY, NEW MEXICO, (BEING
ASPHALTIC BASE PRODUCTION) BE ALLOWED TO
PRODUCE 100 BARRELS PER DAY PER UNIT OF
PRODUCTION FOR A LIMITED PERIOD IN ORDER TO
FILL THE APPLICANT'S REQUIREMENTS OF 1500
BARRELS DAILY OF THE TYPE OF CRUDE OIL
PRODUCED IN SAID AREA FOR THE PURPOSE OF
MAINTAINING DELIVERIES OF ASPHALT AND ROAD
OILS TO THE U. S. ARMY ENGINEERS FOR AIR BASE
PROJECTS THROUGHOUT NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at two o'clock P.M., August 28, 1942, at Santa Fe, New Mexico, before the Oil Conservation Commission of the State of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 26th day of September, 1942, the Commission having before it for consideration the testimony adduced at the hearing of said case and being fully advised in the premises;

IT IS THEREFORE ORDERED:

SECTION 1. That the respective units of proration within the Barber Area, producing asphaltic base crude oil, be and are hereby allowed to produce over and above the current allowable insofar as such units are capable and insofar as such may be done without waste, up to 100 barrels of crude oil daily for purchase by the New Mexico Asphalt and Refining Company for the express purpose of supplying the U.S. Army Engineers with asphalt and road oils to be used in the construction of air base projects in the State of New Mexico; provided, however, as follows:

A. That the New Mexico Asphalt and Refining Company first purchase the current allowable of crude oil of similar type meeting the requirements of the U.S. Army Engineers, produced in southeastern New Mexico and tendered to such purchaser.


B. That the New Mexico Asphalt and Refining Company make use of such excess allowable strictly for the purpose above named.

C. That the New Mexico Asphalt and Refining Company make application for each proration month to the Commission and receive approval thereof for the purchase of such excess allowable, naming the particular war project for which the asphaltic product of such excess oil is destined; and that not later than the 25 of the month, succeeding the month in which such excess oil is run, file with the Commission a detailed report as to deliveries of the asphaltic product derived from such excess oil to the respective war projects.

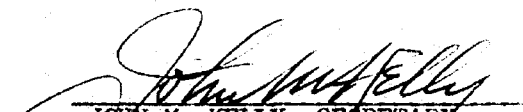
SECTION 2. Subject to all the foregoing, this Order is effective for the period of the proration months of September, October and November, 1942.

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

OIL CONSERVATION COMMISSION


JOHN E. MILES, CHAIRMAN

H. R. RODGERS, MEMBER


JOHN M. KELLY, SECRETARY

CASE NO. 34

BEFORE THE OIL CONSERVATION COMMISSION OF THE
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF THE NEW MEXICO ASPHALT AND REFINING COMPANY THAT THE BARBER AREA, EDDY COUNTY, NEW MEXICO (being asphaltic base production) BE ALLOWED TO PRODUCE 100 BARRELS PER DAY PER UNIT OF PRODUCTION FOR A LIMITED PERIOD IN ORDER TO FILL THE APPLICANT'S REQUIREMENTS OF 1500 BARRELS DAILY OF THE TYPE OF CRUDE OIL PRODUCED IN SAID AREA FOR THE PURPOSE OF MAINTAINING DELIVERIES OF ASPHALT AND ROAD OILS TO THE U. S. ARMY ENGINEERS FOR AIR BASE PROJECTS THROUGHOUT NEW MEXICO.

Pursuant to notice by the Commission, duly made and published, setting August 28, 1942, at two o'clock, P. M., for hearing in the above entitled matter, said hearing was convened on said day, at said hour, in the office of the Governor of New Mexico, at Santa Fe, New Mexico, the Commission sitting as follows:

HON. JOHN E. MILES, Governor of New Mexico, Chairman
HON. JOHN M. KELLY, State Geologist, Secretary
HON. H. R. RODGERS, Commissioner of Public Lands, Member
HON. CARL B. LIVINGSTON, Chief Clerk and Legal Advisor.

APPEARANCES:

<u>Name</u>	<u>Company</u>
C. J. Dexter	Premier Petroleum Corp.
Chuck Aston	Franklin Pet. Corp.
Fred Brainard	Brainard & Guy
P. B. English	P. B. English
Leo R. Manning	State Land Office
Bert Aston	Franklin Pet. Corp.
Fred L. Jacobs	Loco Hills Pressure Maintenance, Inc.
George W. Selinger	Skelly Oil Co., Tulsa, Okla.
J. N. Dunlavey	Skelly Oil Co., Hobbs
J. O. Seth	Spectator
Neil H. Wills	Carlsbad, N. M.
Ellis A. Hall	E. A. Hall
B. A. Bowers	Rep. Helen M. Bowers and Katherine Bowers
W. L. Cooper	Plains Production Co.
Glenn Staley	Lea County Operators
J. M. Rush	Trinity Drg. Co.
H. B. Hurley	Continental Oil Co.
E. P. Keeler	Continental Oil Co.
Walter P. Luck	N. M. Asphalt & Rfg. Co.

The meeting was called to order by the Chairman, who requested the Chief Clerk to read the Call of the meeting, which was read by Mr. Livingston, 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 hearing to be held at the Capitol, Santa Fe, New Mexico:

Case No. 34

In the matter of the application of the New Mexico Asphalt and Refining Company that the Barber Area, Eddy County, New Mexico, (being asphaltic base production) be allowed to produce 100 barrels per day per unit of production for a limited period in order to fill the applicant's requirements of 1500 barrels daily of the type of crude oil produced in said area for the purpose of maintaining deliveries of asphalt and road oils to the U. S. Army Engineers for air base projects throughout New Mexico. This case is set for 2 o'clock P. M., August 28, 1942.

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

The foregoing Notice of Publication was made pursuant to the direction of the Commission at its Executive Meeting August 3, 1942.

Given under the seal of said Commission at Santa Fe, New Mexico, on August 3, 1942.

OIL CONSERVATION COMMISSION

BY (SGD) JOHN M. KELLY
SECRETARY"

SEAL

BY MR. LIVINGSTON: The Commission is now ready to proceed upon Case No. 34. Mr. Luck, Counsel for Petitioner, will present his case.

NEIL H. WILLS,

being called as a witness, and being first duly sworn to tell the truth, the whole truth, and nothing but the truth, was examined by Mr. Luck, and testified as follows:

DIRECT EXAMINATION

Q Mr. Wills, you are the owner of the P.C.A. Pool in the Barber Area?

BY MR. SELINGER: I would like to enter my appearance in this case: My name is George W. Selinger, representing the Skelly Oil

Company.

BY MR. LUCK: (To the witness)

Q You are the operator of the P.C.A. Pool in the Barber Area?

A Yes, sir.

Q In Eddy County, New Mexico?

A Yes sir.

Q How many wells do you have?

A I believe sixteen.

Q From these sixteen wells you have been producing your back allowable?

A Yes, sir, for the past nine months.

Q How much daily have you been producing?

A We have been producing very nearly 800 barrels a day.

Q Are you caught up on your back allowable?

A In Section 15.

Q If you are not permitted to produce those wells -- what is the allowable for those wells?

A The allowable is 34 barrels a day for five of the wells, about 170 barrels a day.

Q You are a geologist?

A Yes sir.

Q Where did you obtain your training?

A The Colorado School of Mines.

Q How many years experience have you had as a geologist?

A Since I graduated in 1925.

BY MR. SELINGER: As far as our company is concerned, we will admit his qualifications.

BY MR. KELLY: The Commission will admit his qualifications.

BY MR. LUCK:

Q In your opinion, would it damage the reservoir to produce your wells as you have been producing them?

A In my opinion, I do not think it would, although I do not think I can qualify as a petroleum engineer.

Q Have you ever discussed this matter with Mr. Hanson, of the U. S. Geological Survey?

A Yes, sir.

Q Of the U. S. G. S. in Roswell?

A Yes, sir.

Q Do you know what he thinks?

A I think he is of the opinion that 100 barrels a day would not cause physical waste.

Q I will ask you if this is a letter you received from Mr. Hanson?

A Yes, sir.

BY MR. LUCK: We would like to offer this letter in evidence.

BY MR. KELLY: The Commission will accept it.

(Marked Exhibit No. 1)

Q Who are the rest of the producers in that area?

A Mr. Hargrave and Mr. Eastham and Mr. Keyes. Hargrave & Eastham are partners.

Q How many wells are you drilling now?

A We are completing one right now.

Q And you are the producer?

A Yes, sir.

BY MR. KELLY: Where is that well located?

A In Section 15.

BY MR. LUCK:

Q You have a contract with the New Mexico Asphalt & Refining Company for the production of crude oil?

A Yes, sir.

Q Unless you get an increase in your allowable --

BY MR. KELLY:

Q Mr. Luck, will you state how much crude Mr. Wills has to deliver?

BY MR. LUCK: There is no special number of barrels, but we much, or should deliver our requirements.

A (By the witness) I believe it is our desire to try to deliver their requirements, but there is no penalty for not, as I remember the contract.

BY MR. LUCK:

Q During the past month, what was your rate of withdrawal?

A I believe we sold about 800 barrels a day.

BY MR. KELLY:

Q In your opinion, how many of your wells, and what wells, are

capable of making 100 barrels a day, by some designation?

How many wells, and where are the wells located?

A Well, I believe all five of these wells will make 100 barrels a day. However, we are not producing that much from them. I believe the average was 75 to 80 barrels during August.

Q Have you any other wells making 100 barrels a day?

A The older wells, in Section 20; we have a large back allowable on those wells.

Q Those wells have produced longer?

A Section 20, the wells are five years old, and Section 15 is only two years old.

CROSS EXAMINATION By Mr. Selinger:

Q Mr. Wills, the type of crude from the wells in the Barber Pool, does that type differ from the crude produced from wells in other parts of the state?

A It is a lower gravity, asphalt base oil. So far as I know, it is the only oil of that type, with the exception of the Getty Pool.

Q With respect to the Barber Pool, where is the location of the Getty Pool?

A Three miles west.

BY MR. KELLY:

Q In order to clarify the location of these wells, with reference to the proration area, are these pools within the same area?

A You are speaking of the proration area?

Q I am speaking of the proration area.

A I believe the P.C.A. Pool is in the proration area of the Barber Pool.

Q I refer to the Getty and Barber Proration Area.

A They adjoin.

BY MR. SELINGER:

Q With the exception of these two pools, there is no other asphaltic base crude in the state, so far as you know?

A As far as I know.

Q You feel that whatever demand is made for this type of crude, it should be spread over all areas producing this type of crude?

A Oh, yes.

Witness dismissed

BY MR. LUCK: I would like to offer these letters in evidence.

We have a letter here from Hargrave & Eastham.

(Marked Exhibit No. 2)

A letter from Keyes & Atwood.

(Marked Exhibit No. 3)

And a letter from Neil H. Wills.

(Marked Exhibit No. 4)

We offer these letters in evidence.

BY MR. KELLY: They will be received.

WALTER P. LUCK,

being first duly sworn to tell the truth, the whole truth,
and nothing but the truth, testified as follows:

BY MR. LUCK: My name is Walter P. Luck, Vice-president of the New Mexico Asphalt & Refining Company, of Artesia, New Mexico.

We have a contract with Neil H. Wills, and Hargrave & Eastham, and with F. G. Keyes, in the Barber area, to purchase their crude. Our requirements will be about 1500 barrels per day, but the pool will not produce that much oil. We have a contract with the United States Army Engineers, at Albuquerque, to deliver asphalt and road oil to a total of five million barrels, and we will be busy until next spring on this contract, and unless we get the crude oil, we cannot meet these contracts.

That is all.

BY MR. KELLY:

Q Has your company made an analysis of other crudes to sell to the Army, that are asphaltic base crudes?

A Yes, sir, I have them here.

Q Will you produce them for the record?

A Yes, with the understanding I may have them back.

Q What do the analyses show?

A This is Analysis C-4785, made by E. W. Saybolt & Company, of the Halfway Pool, submitted by the North Shore Corporation. It shows Vacuum distillation indicates this stock not suitable for asphalt.

(Marked Exhibit No. 5)

Analysis C-4868, by E. W. Saybolt & Company of Corpus Christi, Texas, covering oil for the Montiula Oil Company. It shows Vacuum distillation indicates the stock not suitable for asphalt.

(Marked Exhibit No. 6)

Analysis C-4770, of Half Way Field, submitted by the Argo Oil Corporation, analysis made by the E. W. Saybolt & Company, of Corpus Christi. The analysis shows Vacuum distillation indicates this stock not suitable for asphalt.

There is one other additional area that produces asphalt base crude, and that is the Culberson & Irvine area. They have one well that has a small percentage of asphalt in it, and we are buying that also. That is not under consideration in this hearing today.

Q Are you willing to buy equitably all crude that meets the chemical specifications for crude called for under your contract?

A Yes, sir, no discrimination.

Q If the crude offered from some other field meets the specifications, you would buy it at the same rate as that from this Barber Pool?

A Yes, sir.

BY MR. LIVINGSTON:

Q How does the petroleum of the Getty area compare with this Barber Pool?

A The Getty crude is asphaltic. We are buying that crude. Incidentally, they made another contract for part of their crude. We are not buying all of it. About 125 barrels goes to the potash industry.

Q You are buying all that is offered?

A Yes, sir, all that is available.

Witness dismissed.

BY MR. KELLY: We would like to put Mr. Wills back on the stand for one more question.

Q Mr. Wills, as a producer in that area, if the Commission should grant the increase asked for from the wells capable of making it, would you be willing, after your contract with the New Mexico Asphalt & Refining Company is finished, to cut back to the current allowable? In other words, if the Commission granted this as advance allowable, would you be willing to produce, after that, at a rate not to exceed 33% of the current allowable?

A I would rather produce currently than do that. We might get a higher rate by selling now, then we might be penalized twice. The price is not going down, but it might go up.

Q You would rather not be cut back after you have finished this contract?

A I would rather not. I would rather produce currently the allowable now, than have it taken back over the next two or three years.

Q Should the Commission grant the increase so that you could produce at the present rate, you will be willing to produce at that rate?

A We would be willing to cooperate with the refinery company on this defense work, but as producers we are not asking for the increase.

BY MR. LUCK: You are here in a technical capacity, rather than as a producer?

A Yes, and we are trying to cooperate with the refinery. But as producers, we are not asking for the increase.

Witness dismissed.

BY MR. SELINGER: I would like to make one statement. We are against special allowables unless they are of state-wide benefit. We feel that whenever there is a demand for crude, it should be spread, if possible, to enable all producers to participate. That is the reason we were very particular to ascertain if that is the way this company feels. We think New Mexico is entitled to a lot of consideration, and we think New Mexico should be interested. We feel if this refinery needs crude, the demand should be spread over all areas producing that type of crude. While we are against selective buying, we think that has been wiped out in this particular hearing, and the Commission should grant this order so that the area embraced ---

BY MR. KELLY: (Interrupting) The Commission would like to call you as a witness.

GEORGE A. SELINGER,

being called as a witness, and being first duly sworn to tell the truth, the whole truth, and nothing but the truth, was examined by Mr. Kelly, and testified as follows:

Q We have one question: As to crude of this type, if Mr. Luck offered to buy crude from your company, would you sell him your available crude?

A Yes, sir, depending upon the economic terms, we are, and we would be willing to sell the crude available. I might say we are under contract at the present time with the Union Potask Company for so much crude every day. The exact details I don't know, but they might be presented to the Department.

Q Do you know whether or not your company is selling to Mr. Luck all crude over and above your previous contract?

A Yes, sir, it is my understanding.

BY MR. LUCK:

Q You have no objections to this request?

A No, we do not have any objection to any purchaser who will spread his purchases over all fields producing this type of crude.

Q You understand this particular type of crude, and the allowable would not affect the lighter crudes?

A That is my understanding.

BY MR. KELLY: In what way do you mean it would not affect the lighter crudes?

BY MR. LUCK: This is a separate and distinct market.

Witness dismissed.

BY MR. COOPER, of the Plains Production Company: Mr. Kelly, if this request is tranted, I understand it extends to all wells in this field?

BY MR. KELLY: This application is limited to the Barber Area.

BY MR. COOPER: The application is, but the question is (Addressing Mr. Luck) if other fields produce this type of crude, would you be willing to purchase from them?


BY MR. LUCK: We would, yes, sir.

BY MR. KELLY: The Commission will take the request under advisement.

C E R T I F I C A T E

I hereby certify that the foregoing and attached nine and a fraction pages of typewritten matter are a true, correct and complete transcript of the shorthand notes taken by me on August 28, 1942, in Case No. 34, before the Oil Conservation Commission of New Mexico, and by me extended into typewriting.

Witness my hand this 19th day of September, 1942.


Esther Barton

4th
CB.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P. O. Box 997
Roswell, New Mexico
July 27, 1942

Mr. Neil H. Wills
P. O. Box 529
Carlsbad, New Mexico

Leases Las Cruces,
029096 (a) & (o)
029171 (a) & (o)
060150

Dear Mr. Wills:

In view of the opinion of this office that no injury to the oil reservoirs will be caused by increasing the daily rate of production from said leases in the Barber area, Eddy County, New Mexico, and because of the need without other available sources of supply, shown by New Mexico Asphalt & Refining Company, for asphalts and road oils in connection with the war effort, no objection is offered to a maximum production rate of 100 barrels per proration unit in said area provided that approval of such rate is obtained under the State proration authority of the New Mexico Oil Conservation Commission.

Yours very truly,

Ernest A. Hanson

ERNEST A. HANSON,
Supervisor, Oil and Gas Operations.

cc: New Mexico ✓
Asphalt & Ref. Co.
Artesia, N. M.



212
93

Harris G. Eastham Jr.

P. O. BOX 630

Midland, Texas

July 30, 1942.

New Mexico Oil Conservation Commission,
Santa Fe,
New Mexico.

Attention of Mr. Kelly.

Gentlemen:-

Referring to application of Mr. Neil H. Wills of Carlsbad, New Mexico, through the New Mexico Asphalt & Refining Company, for a continuation of the rate of oil production from his wells in the Barber area, Eddy County, New Mexico, which would be at the rate of 100 barrels per day, being producers and operating two wells in the same area, we offer no objection to this allowable and join in the request that the Barber area be permitted to produced as petitioned by Mr. Wills and the New Mexico Asphalt & Refining Company.

Very truly yours,

HARGRAVE & EASTHAM

BY: 

4-3
9/3

New Mexico Asphalt & Rfg. Co.,
Artesia, New Mex.

Roswell, New Mexico.
July 29 1942.

Gentlemen:-

Owing to the existing emergency of asphalt oil for
defence work, we are agreeable to running one hundred bbls.
per day from wells located in the Barber Pool, located in Eddy
County.

Yours very truly,

Keyes & Atwood.

by *A. G. Keyes*

4
at CB

NEIL H. WILLS

P. O. BOX 529

CARLSBAD, N. M.

July 28,
1942

New Mexico Asphalt & Refining Company
Artesia, New Mexico

Attention: Mr. Walter P. Luck

Dear Sir:

I am enclosing a copy of a letter from Mr. Ernest A. Hanson, Supervisor, Oil & Gas Operations, U. S. Geological Survey, which is self-explanatory. For your information, Leases 029096 (a) and (c) are the Colglazier lease in Section 20, Leases 029171 (a) and (c) are the Keyes Lease in Section 15, and Lease 060150 is the Hargrave Lease in Section 15, all in T 20 S, R 30 E, Barber Area, Eddy County, New Mexico.

In the Barber Area, production is found from porous lime members of the basal Yates sand formation. There is a negligible quantity of gas produced with the oil, and as a result there are no flowing wells in the area. Pushing the oil into the hole and towards the surface is an apparently inexhaustible water drive of "sulphur" water. In my opinion as long as a barrel of sulphur water replaces a barrel of oil that is taken from the pay, the rate of production could be increased to 500 bbls. per day, or greater, without injury to the reservoir and without physical waste.

As an operator in the area, there can be no objection on my part to the establishing of a special allowable of 100 bbls. daily for each 40-acre producing unit, if, in the opinion of the New Mexico Oil Conservation Commission, such a rate is necessary and desirable.

Very truly yours,

Neil H. Wills

NHW/lr

CONTINUED SHEET 42

SAMPLE OF CRUDE MARKED "HALEWAY POOL, LEA COUNTY, NEW MEXICO"
 SUBMITTED BY AND FOR ACCOUNT OF NORTH SHORE CORPORATION,
 FIRST NATIONAL BANK BUILDING
 MIDLAND, TEXAS

CORPUS CHRISTI, TEXAS
 MAY 15, 1942 (22) 647

	HEAVY GAS OIL FR. NO. 2 OIL	RESIDUE	LOSS
YIELD	27.0%	27.0%	1.0%
GRAVITY	25.2°	14.1°	
FLASHPOINT, POCO	325°F		
FLASHPOINT, COC		470°	
FIREPOINT, COC		655°F	
VISCOSITY, SAY-UNIV @ 100°F	150"		
VISCOSITY, SAY-FUROL @ 210°F		75"	
POURPOINT, ASTM D97-39	65°F	65°F	
COLOR,	2½ NFA		
SULFUR, ASTM D129-39	0.89%	1.21%	
ANILINE POINT	174°F		
DIESEL INDEX	43.8		
INITIAL BOILING POINT	630°F		
5% OVER @	662		
10	675		
20	690		
30	698		
40	718		
50	723		
60	728		
70	738		
80	749		
90	760+		

NOTE -
 VACUUM
 DISTILLATION
 INDICATES
 THIS STOCK
 NOT SUITABLE
 FOR ASPHALT

RECAPITULATION

NUMBER	NO. 1	NO. 2
350 E.P. GASOLINE	13.0%	
#2 GAS OIL FR. 350 E.P.	32.0	
400 E.P. GASOLINE		18.0%
#2 GAS OIL FR. 400 E.P.		27.0
HEAVY GAS OIL FR. #2 OIL	27.0	27.0
RESIDUE	27.0	27.0
LOSS	1.0	1.0
TOTAL	100.0%	100.0%

E. W. SAYBOLT & COMPANY

BY

Paul Stone
 PAUL STONE

DEPUTY INSPECTOR OF PETROLEUM
 APPROVED BY NEW YORK PRODUCE EXCHANGE

E. W. SAYBOLT & CO.

INSPECTORS OF PETROLEUM

CERTIFICATE OF ANALYSIS C-4868

CRUDE OIL < NO MARKINGS >

SUBMITTED - WAYBILLED FROM ODessa, TEXAS, 5-15-42
BY MONTIULA OIL COMPANY

A/C MONTIULA OIL COMPANY
VAL, NEW MEXICO

CORPUS CHRISTI, TEXAS
JUNE 5, 1942 <22> 698

CHARACTERISTICS OF CRUDE

GRAVITY, API @ 60°F 27.1°
FLASHPOINT, °C 135°F
FIREPOINT, °C 185°F
VISCOSITY, SAY-UNIV @ 100°F 127"
POURPOINT, ASTM D97-39 BELOW 0°F
S. S. & W., CENTRIFUGE 0.1%
SULFUR, ASTM D129-39 0.60%
CARBON RESIDUE, CONRADSON 3.8%

ENGLER DISTILLATION

10.9. P. 24.0°F 35% OVER @ 630°F
5% OVER @ 370 40 652
10 430 45 673
15 486 50 687
20 524 55 700
25 564 60 708
30 596 65 714

10,000 CCS CHARGED TO SAYBOLT LABORATORY STILL - GASOLINE CONTENT OBTAINED THROUGH FRACTIONATING COLUMN AT ATMOSPHERIC PRESSURE - GAS OIL REMOVED THROUGH TOWER BY VACUUM - BAROMETRIC PRESSURE AT TIME OF RUN 763 MM HG - VACUUM PRESSURE MAINTAINED THROUGHOUT 761 MM HG -

	400 E.P. GASOLINE	#2 GAS OIL FR. 400 E.P.	HVY GAS OIL FR. #2 OIL	RESIDUE	LOSS
YIELD	8.0%	30.0%	33.0%	28.0%	1.0%
GRAVITY, API @ 60°F	52.0°	34.3°	24.3°	17.0°	
GRAVITY, SPECIFIC @ 77°F				0.9471	
FLASHPOINT, °F		188 PMCC	340 PMCC	585 COC	
FIREPOINT, °F				665 COO	
VISCOSITY, SAY-UNIV @ 100°F		37"	220"	60"	
VISCOSITY, SAY-FUROL @ 210°F				50°F	
POURPOINT, ASTM D97-39		BELOW 0°F	55°F		
COLOR	+30 SAY	LT. 1 NPA	3 NPA		
SULFUR, ASTM D90-34T	0.22%				
SULFUR, ASTM D129-39		0.34%	0.62%	0.72%	
DOCTOR TEST	POSITIVE				
PENETRATION @ 77°F				350+	
MELTING POINT				BELOW ATMOS. TEMP.	
SOLUBILITY, IN COL.				99.9%	
CORROSION, 3 HRS. @ 122°F	DOES NOT PASS				
VAPOR PRESSURE, REID @ 100°F	0.6#				
OCTANE NO., ASTM-CFR	53<52.7>				
ANILINE POINT		154°F	176°F		
DIESEL INDEX		52.9	112.7		
INITIAL BOILING POINT	186°F	426°F	636°F		
5% OVER @	240	454	690		
10	254	464	700		
20	274	480	710		
30	290	492	720		
40	300	504	730		
50	312	519	740		
60	324	536	750		
70	336	554	760+		
80	346	576			
90	360	594			
95	374	608			
END POINT	396	626			
RECOVERY	98.0%	98.5%			
RESIDUE	1.0	1.3			
LOSS	1.0	0.2			

NOTE -
VACUUM
DISTILLATION
INDICATES THIS
STOCK NOT
SUITABLE FOR
ASPHALT.

RECAPITULATION

400 E.P. GASOLINE 8.0%
#2 GAS OIL FR. 400 EP 30.0
HVY GAS FR. #2 OIL 33.0
RESIDUE 28.0
LOSS 1.0
TOTAL 100.0%

CABLE ADDRESS: SAY.
ALL CODES USED SPECIFY
TELEPHONE, CORPUS CHRISTI 445
SPECIALISTS IN TANK CALIBRATING
INSPECTION OF BULK CARGOES AND
ALL OTHER SERVICES

E. W. SAYBOLT & CO.

INSPECTORS OF PETROLEUM

P. O. BOX 1128
CORPUS CHRISTI, TEXAS

LABORATORIES
NEW YORK, N. Y.
PHILADELPHIA, PA.
ST. LOUIS, MO.
HOUSTON, TEX.
CORPUS CHRISTI, TEX.
VICTORIA, CANADA
AMSTERDAM, HOLLAND

DEPENDABLE INSPECTION SERVICE AT ALL PORTS ON THE ATLANTIC, GULF AND PACIFIC COASTS

CERTIFICATE OF ANALYSIS 0-4770

SAMPLE OF CRUDE MARKED "HALF WAY FIELD, LEA COUNTY, NEW MEXICO"

FROM SUBMITTED BY ARGO OIL CORPORATION

A/C ARGO OIL CORPORATION
FORT WORTH NATIONAL BANK BLDG.
FORT WORTH, TEXAS

CORPUS CHRISTI, TEXAS
MAY 14, 1942 <22> 625

CHARACTERISTICS OF CRUDE

GRAVITY, API @ 60°F
COLOR
FLASHPOINT, °C
FIREPOINT, °C
VISCOSITY, SAY-UNIV @ 100°F
H. S. & W. CENTIFUGE
POURPOINT, ASTM D97-39
SULFUR, ASTM D129-39
CARBON RESIDUE, CONRADSON

26.1°
BROWN
155°F
135°F
146"
0.1%
BELOW 0°F
0.46%
2.1%

ENGLER DISTILLATION

222°F 35% OVER @ 636°F
382 40 649
437 45 670
490 50 684
531 55 695
568 60 705
605

10,000 GOS CHARGED TO SAYBOLT LABORATORY STILL - GASOLINE CONTENT OBTAINED THROUGH FRACTIONATING COLUMN AT ATMOSPHERIC PRESSURE - GAS OIL REMOVED THROUGH TOWER BY VACUUM - BAROMETRIC PRESSURE AT TIME OF RUN 759 MM HG - VACUUM PRESSURE MAINTAINED THROUGHOUT 735 MM HG -

	400 F.O.P. NAPHTHA	NO. 2 OIL FROM 400 F.P.	NO. 1 OIL FROM NO. 2 OIL	RESIDUE	LOSS
YIELD	7.0%	28.6%	33.0%	31.4%	1.0%
GRAVITY, API @ 60°F	51.0°	33.9°	24.1°	16.5°	
FLASHPOINT, °F		200 PMOC	320 PMOC	580 000	
FIREPOINT, °F				670 000	
VISCOSITY, SAY-UNIV @ 100°F		36"	197"		
VISCOSITY, SAY-FLUOL @ 122°F				1032"	
POURPOINT, ASTM D97-39		BELOW 0°F	40°F	60°F	
COLOR, SAYBOLT	+ 30	LT. 1	2 1/2 NPA	BROWN	
SULFUR, ASTM D30-34T	0.14%				
SULFUR, ASTM D129-39		0.26%	0.46%	0.64%	
DOCTOR TEST	POSITIVE				
CORROSION, ASTM D140-30	DOES NOT PASS				
VAPOR PRESSURE, REIC@100°F	0.5%				
OCTANE NO., ASTM-OK	52 <52.4>				
ANILINE POINT		152°F	170°F		
DIESEL INDEX		51.5	41.0		
INITIAL BOILING POINT	194°F	436°F	610°F		
5% OVER @	250	466	666		
10	261	475	678		
20	282	485	690		
30	297	497	701		
40	311	510	710		
50	323	523	719		
60	332	537	729		
70	342	553	737		
80	352	570	750		
90	367	588	760		
95	378	600			
END POINT	394	614			
RECOVERY	98.0%	98.5%			
RESIDUE	1.0	1.4			
LOSS	1.0	0.1			

NOTE -
VACUUM
DISTILLATION
INDICATED
THIS STOCK
NOT SUITABLE
FOR ASPHALT

RECAPITULATION
400 F.O.P. NAPHTHA 7.0%
#1 OIL FROM 400 F.P. 28.6%
#2 OIL FROM #2 OIL 33.0%
RESIDUE 31.4%
LOSS 1.0%
TOTAL 100.0%

E. W. SAYBOLT & CO.

Paul Stone

INSPECTOR GENERAL OF PETROLEUM
APPROVED BY ARGO OIL CORPORATION

Affidavit of Publication

State of New Mexico,
County of Eddy, ss.

F. B. Rigdon, being first duly sworn,
on oath says:

That he is publisher of the Daily Current-Argus, a newspaper published daily at the city of Carlsbad, in said county of Eddy, State of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of this state wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in a supplement thereof on the dates as follows, to-wit:

.....August 10....., 19 42
....., 19.....
....., 19.....
....., 19.....

that the cost of publication is \$ 3.52.....,
and that payment therefor has been made
and will be assessed as court costs.

F. B. Rigdon

Subscribed and sworn to before me this

11th day of August, 19 42

L. J. Young
Notary Public.

My commission expires 5-4-46

(Published in the Daily Current-Argus August 10, 1942)

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 hearing to be held at the Capitol, Santa Fe, New Mexico:

Case No. 34

In the matter of the application of the New Mexico Asphalt and Refining Company that the Barber Area, Eddy County, New Mexico, (being asphaltic base production) be allowed to produce 100 barrels per day per unit of production for a limited period in order to fill the applicant's requirements of 1500 barrels daily of the type of crude oil produced in said area for the purpose of maintaining deliveries of asphalt and road oils to the U. S. Army Engineers for air base projects throughout New Mexico. This case is set for 2 o'clock P. M., August 28, 1942.

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

The foregoing Notice of Publication was made pursuant to the direction of the Commission at its Executive Meeting August 3, 1942.

Given under the seal of said Commission at Santa Fe, New Mexico, on August 3, 1942.

OIL CONSERVATION
COMMISSION

By (sgd) JOHN M. KELLY,
Secretary.

(SEAL)

**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 hearing to be held at the Capitol, Santa Fe, New Mexico:

Case No. 34

In the matter of the application of the New Mexico Asphalt and Refining Company that the Barber Area, Eddy County, New Mexico, (being asphaltic base production) be allowed to produce 100 barrels per day per unit of production for a limited period in order to fill the applicant's requirements of 1500 barrels daily of the type of crude oil produced in said area for the purpose of maintaining deliveries of asphalt and road oils to the U. S. Army engineers for air base projects throughout New Mexico. This case is set for 2 o'clock P. M., August 28, 1942.

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

The foregoing Notice of Publication was made pursuant to the direction of the Commission at its Executive Meeting August 3, 1942.

Given under the seal of said Commission at Santa Fe, New Mexico, on August 3, 1942.

**OIL CONSERVATION
COMMISSION**

By (Sgd.) JOHN M. KELLY,
(Seal) Secretary.
Publ. Aug. 5, 1942.

lines, times, \$

Tax \$

Total \$ 3.60

Received payment,

By

Affidavit of Publication

State of New Mexico, }
County of Santa Fe } ss.

I, A. N. Morgan, being first duly sworn, declare and say that I am the ~~(Business Manager)~~ (Editor) of the Santa Fe New Mexican, a daily newspaper, published in the English Language, and having a general circulation in the City and County of Santa Fe, State of New Mexico, and being a newspaper duly qualified to publish legal notices and advertisements under the provisions of Chapter 167 of the Session Laws of 1937; that the publication, a copy which is hereto attached, was published in said paper once each week for 1 consecutive weeks, and on the same day of each week in the regular issue of the paper during the time of publication, and that the notice was published in the newspaper proper, and not in any supplement, once each week for 1 weeks consecutively, the first publication being on the 5th day of August, 1942, and the last publication on the _____ day of _____, 19____; that payment for said advertisement has been (duly made), or (assessed as court costs); that the undersigned has personal knowledge of the matters and things set forth in this affidavit.

A. N. Morgan

Manager.

Subscribed and sworn to before me, this 7th day of August, A. D., 1942

Anna K. Orin

Notary Public.

My Commission expires

June 11, 1945

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 hearing to be held at the Capitol, Santa Fe, New Mexico:

Case No. 34

In the matter of the application of the New Mexico Asphalt and Refining Company that the Barber Area, Eddy County, New Mexico, (being asphaltic base production) be allowed to produce 100 barrels per day per unit of production for a limited period in order to fill the applicant's requirements of 1500 barrels daily of the type of crude oil produced in said area for the purpose of maintaining deliveries of asphalt and road oils to the U. S. Army Engineers for air base projects throughout New Mexico. This case is set for 2 o'clock P.M., August 28, 1942.

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

The foregoing Notice of Publication was made pursuant to the direction of the Commission at its Executive Meeting August 3, 1942.

Given under the seal of said Commission at Santa Fe, New Mexico, on August 3, 1942.

OIL CONSERVATION COMMISSION

BY (SGD) JOHN M. KELLY
SECRETARY

SEAL

Affidavit of Publication

State of New Mexico,
County of Eddy, ss.

F. B. Rigdon, being first duly sworn,
on oath says:

That he is publisher of the Daily Current-Argus, a newspaper published daily at the city of Carlsbad, in said county of Eddy, State of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of this state wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in a supplement thereof on the dates as follows, to-wit:

August 2	42
.....	19.....
.....	19.....
.....	19.....
.....	19.....

that the cost of publication is \$3.52.....,
and that payment therefor has been made
and will be assessed as court costs.

Subscribed and sworn to before me this

3rd day of August, 1942

Notary Public.

My commission expires 5-4-46

14.

(Published in the Daily Current-Argus August 2, 1942).

NOTICE OF 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 hearing to be held at the Capitol, Santa Fe, New Mexico:

Case No. 34

In the matter of the application of the New Mexico Asphalt and Refining Company that the Barber Area, Eddy County, New Mexico, (being asphaltic base production) be allowed to produce 100 barrels per day per unit of production for a limited period in order to fill the applicant's requirements of 1500 barrels daily of the type of crude oil produced in said area for the purpose of maintaining deliveries of asphalt and road oils to the U. S. Army Engineers for air base projects throughout New Mexico. This case is set for 2 o'clock P. M., August 14, 1942. Any person having any interest in the subject of said hearing shall be entitled to be heard.

The foregoing Notice of Publication was made pursuant to the direction of the Commission at its Executive Meeting July 31, 1942.

Given under the seal of said Commission at Santa Fe, New Mexico, on July 31, 1942.

OIL CONSERVATION
COMMISSION

By (sgd) JOHN M. KELLY,
Secretary.

(SEAL)

NOTICE OF 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 hearing to be held at the Capitol, Santa Fe, New Mexico:

Case No. 34

In the matter of the application of the New Mexico Asphalt and Refining Company that the Barber Area, Eddy County, New Mexico, (being asphaltic base production) be allowed to produce 100 barrels per day per unit of production for a limited period in order to fill the applicant's requirements of 1500 barrels daily of the type of crude oil produced in said area for the purpose of maintaining deliveries of asphalt and road oils to the U. S. Army Engineers for air base projects throughout New Mexico. This case is set for 2 o'clock P. M., August 14, 1942.

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

The foregoing Notice of Publication was made pursuant to the direction of the Commission at its Executive Meeting July 31, 1942.

Given under the seal of said Commission at Santa Fe, New Mexico, on July 31, 1942.

OIL CONSERVATION
COMMISSION,

By (Sgd.) JOHN M. KELLY,
(Seal) Secretary
Publ. Aug. 1, 1942.

Affidavit of Publication

State of New Mexico, }
County of Santa Fe } ss.

I, A. N. Morgan, being first duly sworn, declare and say that I am the ~~Business Manager~~ (Editor) of the Santa Fe New Mexican, a daily newspaper, published in the English Language, and having a general circulation in the City and County of Santa Fe, State of New Mexico, and being a newspaper duly qualified to publish legal notices and advertisements under the provisions of Chapter 167 of the Session Laws of 1937; that the publication, a copy which is hereto attached, was published in said paper once each week for 1 consecutive weeks, and on the same day of each week in the regular issue of the paper during the time of publication, and that the notice was published in the newspaper proper, and not in any supplement, once each week for 1 weeks consecutively, the first publication being on the 1st day of August, 1942, and the last publication on the _____ day of _____, 19____; that payment for said advertisement has been (duly made), or (assessed as court costs); that the undersigned has personal knowledge of the matters and things set forth in this affidavit.

A. N. Morgan

Manager.

Subscribed and sworn to before me, this 7th
day of August, A. D., 1942

Anna K. Ormrod

Notary Public.

My Commission expires

June 11, 1945

Received payment,

By _____

44 lines, one time at \$ 3.52

lines, _____ times, \$ _____

Tax \$ _____

Total - - - - - \$ 3.52

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 hearing to be held at the Capitol, Santa Fe, New Mexico:

Case No. 34.

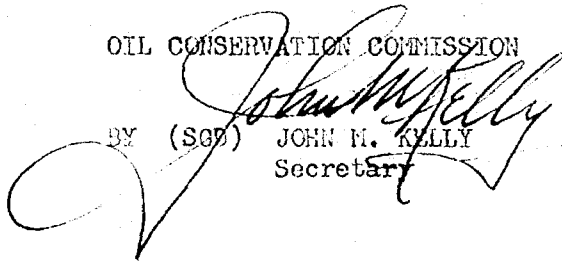
In the matter of the application of the New Mexico Asphalt and Refining Company that the Barber Area, Eddy County, New Mexico, (being asphaltic base production) be allowed to produce 100 barrels per day per unit of production for a limited period in order to fill the applicant's requirements of 1500 barrels daily of the type of crude oil produced in said area for the purpose of maintaining deliveries of asphalt and road oils to the U. S. Army Engineers for air base projects throughout New Mexico. This case is set for 2 o'clock P.M., August 14, 1942.

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

The foregoing Notice of Publication was made pursuant to the direction of the Commission at its Executive Meeting July 31, 1942.

Given under the seal of said Commission at Santa Fe, New Mexico, on July 31, 1942.

OIL CONSERVATION COMMISSION

BY (SGT)  JOHN M. KELLY
Secretary

SEAL

IN THE MATTER

OF

NEW MEXICO ASPHALT & REFINING COMPANY
APPLICATION FOR INCREASE IN ALLOWABLE
PER UNIT OF PRODUCTION IN THE BARBER
AREA, EDDY COUNTY, NEW MEXICO.

TO THE HONORABLE
NEW MEXICO OIL CONSERVATION COMMISSION:

Now comes New Mexico Asphalt & Refining Company of Artesia, New Mexico, and respectfully requests that the Barber Area in Eddy County, New Mexico (producing asphaltic base crude) be allowed to produce as much as 100 barrels per day per unit of production, for a limited period, from September 1, 1942, to December 1, 1942, for the following reasons, to-wit:

I.

Your petitioner has contracted for the purchase of, and is purchasing, all of the crude oil, (being approximately 1200 barrels per day), now being produced in the Barber Area, the operators producing the oil from said area being Neil H. Wills, Hargrave & Eastham, and F. G. Keyes; that some of the units of production in said area have been producing as much as 100 barrels per day per unit by virtue of back-allowables assigned to this area by your Commission; that the crude oil produced from said units of production from said area has an asphaltic base and represents approximately seventy-five (75%) per cent of all asphaltic crude available in the State of New Mexico; that by September 1, 1942, operator, Neil H. Wills, will have exhausted the back-allowable heretofore assigned to him by your Commission in that portion of said Barber Area commonly referred to by said Neil H. Wills as the PCA pool, which will result in a great reduction in the allowable crude oil available for delivery to your petitioner.

II.

That your petitioner has contracts for the delivery of asphalt and road oils to the U. S. Army Engineers, which is to be used for air base projects throughout the State of New Mexico;

that your petitioner requires a minimum of 1500 barrels of asphaltic base crude oil daily for processing at its refinery in order to fill its commitments for the delivery of asphalt and road oils to said U. S. Army Engineers for the purposes stated; that, unless each unit of production in said Barber Area be allowed to produce as much as 100 barrels per day, your petitioner will have insufficient asphaltic base crude oil to supply the U. S. Army Engineers with asphalt and road oils to be used in the construction of air base projects in the State of New Mexico; that the delivery of said material to said U. S. Army air base projects is essential to National Defense.

III.

That there is not available from any other source within the State of New Mexico asphaltic base crude oil sufficient to supply yours petitioner for the purposes stated.

IV.

That no damage will result to the Barber Area reservoir by granting said increase in allowable.

Respectfully submitted:

NEW MEXICO ASPHALT & REFINING COMPANY

BY:

Walter J. Luck
Vice-President.

New Mexico Asphalt & Refining Co.

Petroleum Products

Artesia, New Mexico

Phone
750 & 751

P. O. Box
306

July 30, 1942.

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

Gentlemen:

On behalf of Mr. Neil H. Mills of Carlsbad, New Mexico, and ourselves, we respectfully request that the wells in the Barber Area, Eddy County, New Mexico, (being asphaltic base production), be allowed to produce 100 barrels per day for the following reasons, to-wit:

We have entered into a contract with Mr. Neil H. Mills for the purchase of all of his asphaltic base crude oil for our refinery requirements at Artesia, N.M. Our requirements are 1500 barrels daily of this type of crude and unless the allowable of the wells in question is increased to 100 barrels per day, we will have insufficient crude to operate our asphalt plant and maintain deliveries of asphalt and road oils to the U. S. Army Engineers for air base projects throughout New Mexico. For your information, we have contracts direct with the U. S. Engineers and with prime contractors for them for asphalt and road oils in quantities that will require the processing of at least 1500 barrels of asphaltic base crude oil per day at our refinery.

The daily total of asphaltic base crude oil available, taking into consideration the increased allowable requested hereby, to us is approximately 1500 barrels and no additional oil can be procured in the State of New Mexico to augment this total.

If this special allowable is granted it will not result in physical waste to the reservoir in question.

All parties at interest have consented to the proposed increase in production requested.

We are submitting letters from interested parties in support of this application.

Respectfully submitted:

WPL:W

NEW MEXICO ASPHALT & REFINING COMPANY

BY:

Walter P. Luck
Vice-President.

P.S. We respectfully request that you consider this letter as our application for increase in allowable until formal application may be prepared and filed, which applicant agrees to do before the date of hearing.

NEW MEXICO ASPHALT & REFINING COMPANY

BY:

Walter P. Luck
Vice-President + attorney