

Case No.

1075

Application, Transcript,  
Small Exhibits, Etc.

CASE 1075: Humble Oil application for unorthodox location for its Charles T. Bates #1 Well in Crosby Devonian Pool Sec. 29-25S-37E

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

June 19, 1956

C  
O  
P  
Y

Mr. Howard Bratton  
Hervey, Dow & Hinkle  
P.O. Box 547  
Roswell, New Mexico

Dear Sir:

On behalf of your client, Humble Oil and Refining Company,  
we enclose two copies of Order R-809 issued June 8, 1956, by the  
Oil Conservation Commission in Case 1075, which was heard on May  
23rd at Hobbs.

Very truly yours,

A. L. Porter, Jr.  
Secretary - Director

brp  
Encls.

BEFORE THE  
OIL CONSERVATION COMMISSION  
Hobbs, New Mexico  
May 23, 1956

\*\*\*\*\*  
IN THE MATTER OF: )  
CASE NO. 1075 )  
\*\*\*\*\*

TRANSCRIPT OF PROCEEDINGS

BEFORE THE  
OIL CONSERVATION COMMISSION  
Hobbs, New Mexico  
May 23, 1956

\*\*\*\*\*

In the matter of the application of Humble Oil  
& Refining Company for an order granting an ex-  
ception to Section 2 (c) of the Special Rules  
and Regulations of the Crosby Devonian Pool as  
set forth in Order R-639 in establishment of an  
unorthodox location for its Charles T. Bates No.  
1 Well in the Crosby Devonian Pool in Section 29,  
Township 25 South, Range 37 East, Lea County, New  
Mexico.

CASE NO. 1075

Applicant, in the above-styled cause, seeks an  
order granting an unorthodox location for its  
Charles T. Bates No. 1 Well to be drilled in the  
Crosby Devonian Pool at a location 920 feet from  
the North line and 2170 feet from the West line  
of Section 29, Township 25 South, Range 37 East,  
Lea County, New Mexico; said request for un-  
orthodox location is necessitated by surface  
obstructions.

\*\*\*\*\*

DIRECT EXAMINATION

by Warren W. Mankin, Examiner

EXAMINER MANKIN: The next case is Case 1075, the application of Humble Oil  
and Refining Company for an order granting exception to Section 2 (c) of the  
Special Rules and Regulations of the Crosby-Devonian Pool as set forth in  
Order R-639 in the establishment of an unorthodox location for a well in Lea  
County, New Mexico.

HOWARD BRATTON: I am Howard Bratton, representing the Humble Oil and Refining  
Company. Mr. Graybill will take the stand.

J. W. GRAYBILL

called as a witness, after having been first duly sworn testified as follows:

BY BRATTON:

Q. Would you state your name please?

A. J. W. Graybill.

Q. What is your occupation, Mr. Graybill, by whom are you employed?

A. Assistant Division Petroleum Engineer of the Western Division of the Humble Oil and Refining Company.

Q. Does that include Lea County, New Mexico?

A. Yes, sir.

Q. How long have you been so engaged, Mr. Graybill?

A. 26 years.

Q. As such, has your work and your supervision included the area of Lea County, New Mexico, during that period of time?

A. Yes, sir.

Q. During all that period of time, has your occupation and has your position been the same? What positions have you occupied?

A. I advanced from Junior Petroleum Engineer to Assistant Division Petroleum Engineer. I have been Assistant Division Petroleum Engineer since 1935.

MR. BRATTON: Are the qualifications of the witness satisfactory to the Commission?

MR. MANKIN: They are. Will you please speak directly into the microphone, Mr. Graybill? With the air-conditioning here we need to be sure we get it for the transcript.

MR. BRATTON: Will you state the purpose of this hearing, Mr. Graybill?

A. Humble Oil and Refining Company seeks an order granting an unorthodox location for its Charles T. Bates No. 1 in the Crosby-Devonian Pool in Section 29, Township 25 South, Range 37 East, Lea County, New Mexico. The location sought is in the NE/4 of the NW/4 of Section 29 and is 920 feet from the North line and 2170 feet from the West line of the above-mentioned section. This location is unorthodox in that it is less than 660 feet from the tract boundary and violates Section 2 (b) of the Special Crosby-Devonian Rules as set forth in Order R-639.

Q. Mr. Graybill, you have prepared a map of the area?

A. Yes, sir.

Q. Explain what this map shows with relation to the area in question, Mr. Graybill?

MR. GURLEY: Excuse me just a minute. Mr. Bratton, how many copies of this do you have?

MR. BRATTON: Four.

MR. GURLEY: It is customary to have five.

MR. MANKIN: Could we have another copy, please, for our staff?

A. This plat is enlarged to scale of the NE/4 of the NW/4 of Section 29, and shows the surface obstructions at present that require this location to be unorthodox. In the first place, the orthodox location is located 660 feet from the North and 1980 feet from the West, would be approximately in the center of New Mexico State Highway 18, the other obstructions are the Texas-New Mexico Railway, El Paso Natural Gas Company industrial yard, the City of Jal, New Mexico residential dedicated area, which eliminates moving the location west or southwest. The location of R. Olsen Industrial Area occupying the NE/4 of the tract prevents moving the location directly east. The location presently sought is within the minimum workable area required by a drilling operation and is as close as permitted by the industrial area to the North.

Q. Have you prepared a map showing the ownership of the operating rights in the area in consideration and the status of the development within the area?

A. Yes, sir.

Q. I would like to have this map marked as Humble's Exhibit No. 2. Mr. Graybill are you familiar with the development in the area under consideration of the Crosby-Devonian?

A. Yes, sir.

Q. In your opinion, will the granting of this order be necessary to prevent waste and protect correlative rights?

A. Yes, sir.

Q. In your opinion, will the granting of this order injure the owner of any operating rights within the area?

A. In my opinion, it will not.

Q. Have you sought waivers from the owners of the operating rights within the area?

A. Yes, sir.

Q. Do you have them with you?

A. Yes, sir.

MR. BRATTON: Mr. Examiner, we have waivers from all of the operators within the area. We will be glad to submit them to the Commission if they are of interest to the Commission. We can mark them as one Exhibit and submit all of them.

MR. MANKIN: It will not be necessary if you are prepared to make a statement to that effect-- that they were obtained from all offset operators.

Q. Have you obtained waivers from all of the offset operators within this area, Mr. Graybill?

A. Yes, sir.

Q. Do you have those waivers and are they available for the Commission if the Commission so desires?

A. They are, sir.

Q. Do you have any further statement that you care to make in connection with this matter, Mr. Graybill?

A. No, sir, I don't.

MR. BRATTON: I would like to enter in evidence, Humble's Exhibits 1 and 2.

MR. MANKIN: Is there objection in entering Humble's Exhibits 1 and 2 in this case? If not, they will be so entered. Mr. Graybill, would you list the names of those persons which you have received waivers from?



MR. GRAYBILL; We have a list of them which we will submit to the Commission as Exhibit No. 3, marked Humble's Exhibit No. 3.

MR. MANKIN: Is there objection to entering Exhibit No. 3 in this case? If not it will be so entered. For the record, I would prefer to indicate who these operators are so that everyone is aware of it: R. Olsen, R. Olsen Oil Company, Amerada Petroleum Corporation, Anderson Prichard, Sun Oil Company, E. A. Culbertson, Wallace A. W. Irwin, Atlantic Refining, W. B. Redman, Sinclair Oil and Gas, Cities Service Oil and Gas, Argo Oil Corporation, A. Wittingham, Peerless Oil and Gas, Hugh Cordigan and Continental Oil Company. Do you have anything further in this case, Mr. Bratton.

MR. BRATTON: We would like to call the attention of the Commission to the fact that on the Docket this case is listed as a request as an Exception to Section 2 (c). We believe it is an Exception to 2 (b) of Rule R-639. I don't believe that it makes any difference in the purpose of the ----

MR. GURLEY: You don't happen to have a copy of that order here available with you?

MR. BRATTON: I believe that shows 2 (b) to be the spacing portion of the order.

MR. GURLEY: Yes, I believe that's right. Do you move at this time that your record be amended to show that paragraph?

MR. ERATTON: Yes, sir, I will.

MR. MANKIN: We will consider it as an exception to Section 2 (b) of the Special Rules and Regulations of the Crosby-Devonian Pool as set forth in Order R-639 in this case. Do you have anything further, Mr. Bratton?

MR. BRATTON: Nothing in this case. We would like to file a letter with the Commission relative to Mr. House's letter which requested this hearing. The letter which we desire to file at this time shows a lease designation plat which has been amended in some regards and we would merely like to file that with the Commission. We do not desire to enter it in the record of the case as I don't

believe it is evidence in the case.

MR. MANKIN: So your original application of May 1st, you are amending that particular portion of your letter dated May 1st in this letter dated May 22nd in which the lease ownership plat has been changed.

MR. BRATTON: That is correct.

MR. MANKIN: And which is, likewise, reflected by your Exhibit No. 2 as presented in this case?

MR. BRATTON: Yes, sir.

MR. MANKIN: Anything further?

MR. BRATTON: We have nothing further.

MR. MANKIN: Is there question of the witness in this case? If there is no question of the witness, the witness may be excused. Is there any statements to be made in this case? If not, we will take the case under advisement.

STATE OF NEW MEXICO )  
                              :       ss  
COUNTY OF SANTA FE )

I, Nancy Chowning, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission Examiner at Hobos, New Mexico, is a true and correct record, to the best of my knowledge, skill and ability.

Dated at Santa Fe, New Mexico this 25th day of September, 1956.

Nancy Chowning

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. 1075  
Order No. R-809

IN THE MATTER OF THE APPLICATION  
OF THE HUMBLE OIL AND REFINING  
COMPANY FOR AN ORDER GRANTING  
APPROVAL OF AN UNORTHODOX GAS WELL  
LOCATION FOR THEIR C. T. RATES WELL  
NO. 1 IN EXCEPTION TO SECTION 2 (b)  
OF THE SPECIAL RULES AND REGULATIONS  
FOR THE CROSBY-DEVONIAN POOL, AS SET  
FORTH IN ORDER R-839. SAID WELL TO  
BE LOCATED 920 FEET FROM THE NORTH  
LINE AND 2170 FEET FROM THE WEST LINE  
OF SECTION 29, TOWNSHIP 25 SOUTH,  
RANGE 37 EAST, NMPM, LEA COUNTY, NEW  
MEXICO, IN THE CROSBY DEVONIAN POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m.  
on May 23, 1956, at Hobbs, New Mexico, before Warren W. Mankin,  
Examiner duly appointed by the Oil Conservation Commission of  
New Mexico in accordance with Rule 1214 of the Rules and Re-  
gulations of the New Mexico Oil Conservation Commission.

NOW, on this 8<sup>th</sup> day of June 1956, the Commission,  
a quorum being present, having considered the application and the  
evidence adduced and the recommendations of the Examiner, Warren  
W. Mankin, and being fully advised in the premises,

FINDS:

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

(2) That the Humble Oil and Refining Company, applicant  
in this case, is the owner of patented oil and gas leases covering  
among other lands the NW/4 of Section 29, Township 25 South, Range  
37 East, NMPM, Lea County, New Mexico.

(3) That applicant proposes to drill a gas well in  
the Crosby Devonian Pool, said well to be located 920 feet from  
the North line and 2170 feet from the West line of Section 29,  
Township 25 South, Range 37 East, NMPM, Lea County, New Mexico.

-2-  
Order No. R-809

(4) That denial of this application will deprive applicant of a fair opportunity to recover its just and equitable share of the gas under the NW/4 of said Section 29.

(5) That the drilling and production of the proposed well at the location due to surface obstruction and in the manner stated above will not cause but will prevent waste and will protect correlative rights.

IT IS THEREFORE ORDERED:

That the application of the Humble Oil and Refining Company for an order granting approval of an unorthodox gas well location for its C. T. Bates Well No. 1 in the Crosby-Devonian Pool to be located 920 feet from the North line and 2170 feet from the West line of Section 29, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, be and the same is hereby approved and granted.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*John F. Simms*  
JOHN F. SIMMS, Chairman

*E. S. Walker*  
E. S. WALKER, Member

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



1r/

DOMESTIC SERVICE	
Check the class of service desired; otherwise this message will be sent at the full rate telegram	
FULL RATE TELEGRAM	<input checked="" type="checkbox"/>
DAY LETTER	<input type="checkbox"/>
NIGHT LETTER	<input type="checkbox"/>

# WESTERN UNION

1206 10-51

W. P. MARSHALL, PRESIDENT

INTERNATIONAL SERVICE	
Check the class of service desired; otherwise the message will be sent at the full rate	
FULL RATE	<input type="checkbox"/>
LETTER TELEGRAM	<input type="checkbox"/>
SHIP RADIOGRAM	<input type="checkbox"/>

NO. WDS.-CL. OF SVC.	PD. OR COLL.	CASH NO.	CHARGE TO THE ACCOUNT OF	TIME FILED
			Oil Conservation Commission	9 A.M.

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

**5-25-56**

**HUMBLE OIL & REFINING COMPANY  
HUMBLE BUILDING  
ATTENTION: JOHN HOUSE  
MIDLAND, TEXAS**

**REFERENCE CASE NO. 1075. NONSTANDARD LOCATION IS HEREBY APPROVED**

**FOR HUMBLE'S C. T. BATES WELL NO. 1, LOCATED 920 FEET FROM NORTH  
LINE AND 2170 FEET FROM THE WEST LINE OF SECTION 29, TOWNSHIP 25**

**SOUTH, RANGE 37 EAST, IN CROSBY DEVONIAN POOL OF LEA COUNTY.**

**FORM C-101 WILL NOW BE APPROVED.**

**A. L. PORTER,  
SECRETARY-DIRECTOR  
N.M. OIL CONSERVATION COMMISSION**

List of owners surrounding Humble's Charles T. Bates lease Section 29, T-25-S, R-37-E, in the Crosby Devonian Pool, Lea County, New Mexico, who have executed waivers approving unorthodox location 920 feet from the north line and 2170 feet from the west line of above section.

R. Olson  
Dallas, Texas

R. Olson Oil Company  
Liberty Bank Building  
Oklahoma City, Oklahoma

Amerada Petroleum Corporation  
Attn. R. S. Christie  
Box 2040  
Tulsa, Oklahoma

Anderson Prichard Oil Corporation  
Midland, Texas

Sun Oil Company  
Roswell, New Mexico

E. A. Culbertson  
Petroleum Life Building  
Midland, Texas

Wallace W. Irwin  
Petroleum Life Building  
Midland, Texas

The Atlantic Refining Company  
Box 871  
Midland, Texas

M. B. Rudman  
Josephine Rudman  
5738 Central Expressway  
Dallas, Texas

Sinclair Oil & Gas Company  
Box 1470  
Midland, Texas

Cities Service Oil Company  
Fort Worth, Texas

Argo Oil Corporation  
Box 432  
Midland, Texas  
Attn. Jack Bailey

A. Winningham  
Ima Hays  
G. M. Jenkins  
Box 585  
Amarillo, Texas

Peerless Oil & Gas Company  
Milam Building  
San Antonio 5, Texas  
Attn. W. B. Chapman

Hugh Corrigan  
Route 2,  
Vero Beach, Florida

Continental Oil Company  
Fort Worth, Texas

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
*Humble*  
1075

**HUMBLE OIL & REFINING COMPANY**

**MIDLAND, TEXAS**

May 22, 1956

*Case #1095*

J. W. HOUSE

In re: Unorthodox Location - Charles T.  
Bates No. 1, 920 feet from North  
line, 2170 feet from West line,  
Sec. 29, T-25-S, R-37-E, Crosby  
Devonian Pool, Lea County, N. M.

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

Gentlemen:

Refer to Mr. J. W. House's letter of May 1, 1956, relating to an  
unorthodox location on our Charles T. Bates Lease, Crosby Devonian Pool, Lea  
County, New Mexico. Kindly destroy the "lease designation plat" attached to  
that letter and substitute the one attached hereto, as it shows more completely  
the ownership surrounding Humble's Charles T. Bates Lease.

Yours very truly,

HUMBLE OIL & REFINING COMPANY

J. W. HOUSE,  
Division Superintendent

By: *L. H. Byrd*  
L. H. Byrd,  
Asst. Div. Superintendent

JWG/se  
Attachment

Sworn to and subscribed before me this 22nd day of May 1956.

SHIRLEY J. ELMER  
Notary Public in and for Midland County





**HUMBLE OIL & REFINING COMPANY**

**MIDLAND, TEXAS**

May 1, 1956

J. W. HOUSE

In re: Unorthodox Location - Charles T.  
Bates No. 1, 920 feet from North  
line, 2170 feet from West line,  
Sec. 29, T-25-S, R-37-E, Crosby  
Devonian Pool, Lea County, N. M.

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

Gentlemen:

On April 30, 1956, we filed with your Hobbs office our Notice of Intention to Drill, Form C-101, for our Charles T. Bates No. 1, as a Crosby Devonian Field test at a location 920 feet from the North line, 2170 feet from the West line, Section 29, T-25-S, R-37-E, Lea County, New Mexico. The necessity for the unorthodox location is based on the fact that a regular location would have fallen on State Highway 18. Considering the highway and the industrial area of Olson Drilling Company, this location was staked as near as practical to an orthodox location.

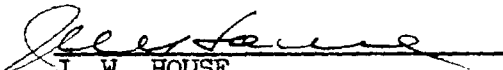
We request that you schedule an examiner hearing at Hobbs, New Mexico, on May 23, 1956, to consider this application for approval of this unorthodox location in the Crosby Devonian Field.

We have attached a mailing list of all offset operators who have been furnished a copy of this application by certified mail. Waivers have been requested from the offset operators.

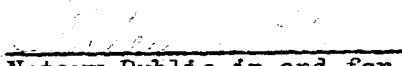
I hereby certify that the information given above is true and complete to the best of my knowledge.

Yours very truly,

HUMBLE OIL & REFINING COMPANY

  
J. W. HOUSE,  
Division Superintendent

Sworn to and subscribed before me this 1st day of May 1956.

  
SHIRLEY J. ELMER  
Notary Public in and for Midland County

AJT/se  
Attachments

R. Olsen  
Box Z  
Jal, New Mexico

R. Olsen Oil Company  
Liberty Bank Building  
Oklahoma City, Oklahoma

Amerada Petroleum Corporation  
Attn: R. S. Christie  
Box 2040  
Tulsa, Oklahoma

Anderson Prichard Oil Corporation  
Box 2197  
Hobbs, New Mexico

Sun Oil Company  
Box 2792  
Odessa, Texas

E. A. Culbertson  
Petroleum Life Building  
Midland, Texas

Wallace W. Irwin  
Petroleum Life Building  
Midland, Texas

The Atlantic Refining Company  
Box 871  
Midland, Texas

E. G. Rodman  
Box 591  
Odessa, Texas

Sinclair Oil & Gas Company  
Box 1470  
Hobbs, New Mexico

Cities Service Oil Company  
Box 97  
Hobbs, New Mexico

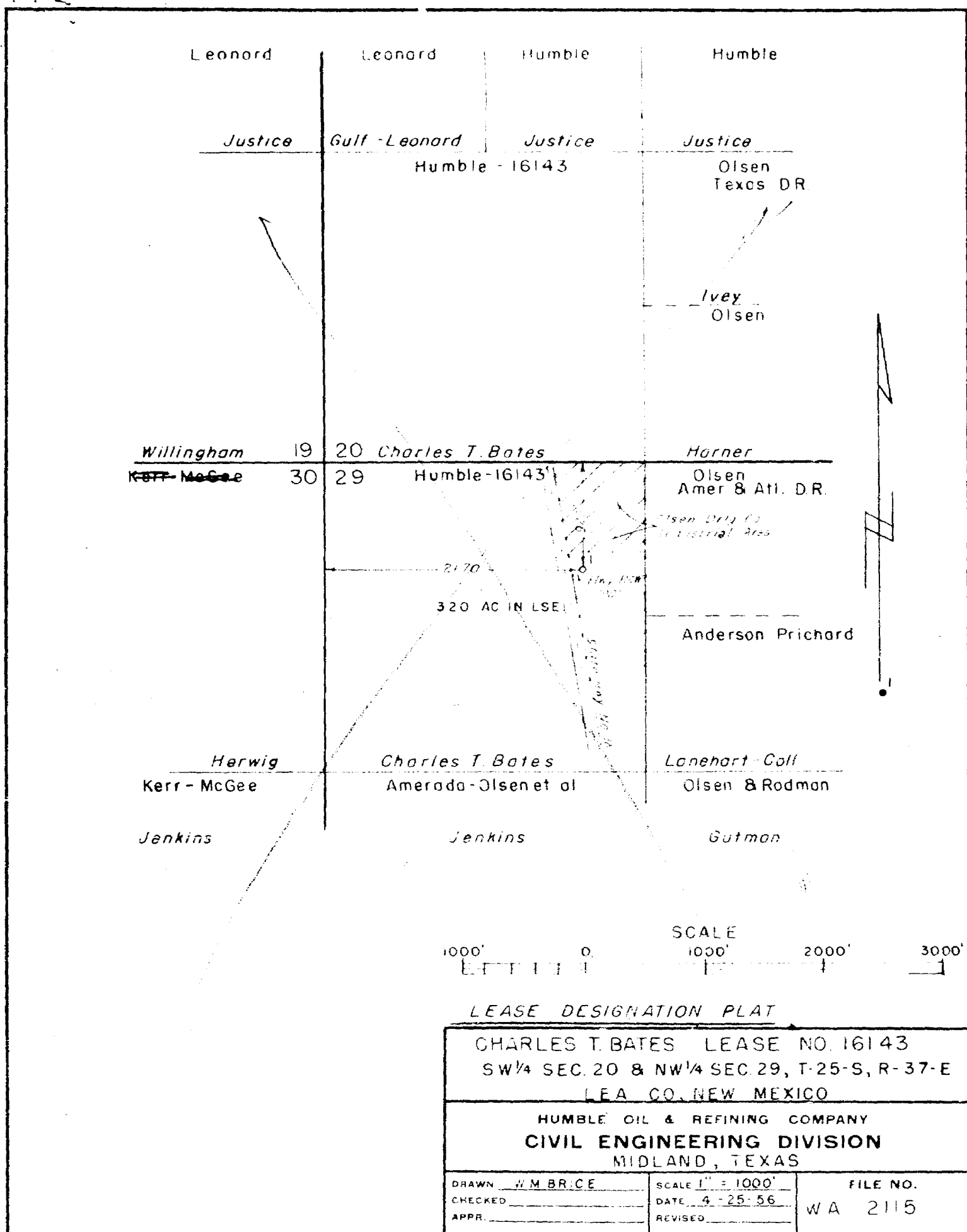
Argo Oil Corporation  
Box 432  
Midland, Texas  
Attn: Jack Bailey

R. Winningham  
Box 585  
Amarillo, Texas

Peerless Oil & Gas Company  
Milam Building  
San Antonio 5, Texas  
Attn: W. B. Chapman

Paul Corrigan  
(Address Unknown)

Continental Oil Company  
323 Petroleum Building  
Roswell, New Mexico



1/2 MILE SE. OF JAL NEW MEXICO

CROSBY-DEVONIAN FIELD

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. 861  
Order No. R-639

THE APPLICATION OF THE OIL  
CONSERVATION COMMISSION ON ITS  
OWN MOTION FOR AN ORDER CREATING  
AND DESIGNATING A NEW POOL TO BE  
KNOWN AS THE CROSBY-DEVONIAN POOL  
FOR THE PRODUCTION OF GAS FROM THE  
DEVONIAN FORMATION, SUCH POOL TO  
CONSIST OF ALL OF SECTION 28, TOWN-  
SHIP 25 SOUTH, RANGE 37 EAST, NMPM,  
LEA COUNTY, NEW MEXICO; AND FOR  
THE ESTABLISHMENT OF POOL RULES,  
DRILLING UNITS, WELL SPACING AND  
OTHER RELATED MATTERS FOR SAID POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. March 16, 1955, and was continued to April 20, 1955, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 27th., day of May, 1955, the Commission, a quorum being present, having considered the record and testimony adduced, and being fully advised in the premises,

FINDS:

- (1) That due notice of the time and place of hearing having been given as required by law, the Commission has jurisdiction of this case and the subject matter thereof.
- (2) That Anderson-Prichard Oil Corporation did complete its American Republics-Federal No. 1 discovery well in the NE/4 SW/4 of Section 28, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico on or about January 18, 1955.
- (3) That said well potentialled 30,000 MCF of gas per day on an absolute open flow test from the Devonian formation in the depth interval of 8270 to 8390 feet.
- (4) That said well discovered a new common source of supply in this area.

(5) That sufficient evidence was presented to the Commission as to the probable areal extent and directional trend of the newly discovered common source of supply to justify the creation of the new pool as contemplated.

(6) That in conformity with the practices of the Commission, a pool should be created, defined and classified including such acreage as appears to cover the newly discovered source of supply.

(7) That the probable areal extent of the common source of supply is limited, and as a result thereof a proration unit of more than 160 acres could cause the inclusion in units of acreage that cannot reasonably be assumed to be productive of gas.

(8) That one well will efficiently and economically drain at least 160 acres of the said common source of supply.

(9) That in order to provide for the orderly development of the common source of supply, and to prevent waste, drilling units of 160 acres, well-spacing regulations, and a casing program should be established for said common source of supply.

IT IS THEREFORE ORDERED:

(1) That the Crosby-Devonian Gas Pool is hereby created, and that said pool shall consist of the following described acreage:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM  
All of Section 28

(2) That effective on the date of this order, the following Rules and Regulations shall apply to wells hereafter drilled, completed, or recompleted to the Devonian formation in the Crosby-Devonian Gas Pool area, as defined above, in addition to the Commission's applicable rules, regulations and orders heretofore or hereafter adopted, to the extent not to conflict herewith;

SPECIAL RULES AND REGULATIONS FOR  
THE CROSBY-DEVONIAN POOL

SECTION 1. Any well drilled one mile or less from the outer horizontal boundary of the Crosby-Devonian Gas Pool, and drilled to the Devonian formation, shall be spaced, drilled, operated, and prorated in accordance with the rules and regulations in effect in the said Crosby-Devonian Gas Pool.

SECTION 2. No well shall be drilled, completed or recompleted, and no Notice of Intention to Drill or drilling permit shall be approved, unless,

- (a) Such well be located on a designated drilling unit of not less than 160 acres of land, more or less, said acreage to be substantially in the form of a square conforming to a legal sub-division (quarter-section) of the U. S. Public Lands Survey, in which unit all the interests are consolidated by pooling agreement or otherwise, and on which unit no other well is completed or approved for completion in said pool.
- (b) Such well shall be located not closer than 660 feet to any outer boundary line of the tract, nor closer than 330 feet to any quarter-quarter section or sub-division inner boundary, nor closer than 1320 feet to a well drilling to or capable of producing from the same pool.
- (c) The pooling of properties or parts thereof shall be permitted, and if not agreed upon may be required in any case when and to the extent that the smallness or shape of a separately owned tract would, under the enforcement of a uniform spacing plan, deprive or tend to deprive the owner of such tract of the opportunity to recover its just and equitable share of the natural gas in said pool, provided that the owner of any tract that is smaller than a drilling unit established for the pool shall not be deprived of the right to drill on and produce from such tract if same can be done without waste; but in such case the allowable production from such tract, as compared with the allowable production therefrom if such tract were a full 160-acre unit area shall be in the ratio of the area of such non-standard proration unit expressed in acres to the area of the standard 160-acre proration unit.

**SECTION 3.** The casing program for the field shall include three strings of casing set in accordance with the following plan:

- (a) The surface string shall be new or reconditioned pipe with a mill test of not less than two thousand (2,000) pounds per square inch and shall be set and cemented at a depth of approximately five hundred (500) feet, such depth being sufficient to protect the fresh water bearing sands of the Santa Rosa Formation.

Cementing shall be by the pump-and-plug method, and sufficient cement shall be used to fill the annular space back of the pipe to the surface of the ground or

(a) (continued)

the bottom of the cellar. Cement shall stand a minimum of sixteen (16) hours under pressure and a total of twenty-four (24) hours before drilling the plug or initiating pressure tests. Before drilling the plug, this string shall be tested by the application of at least one thousand (1,000) pounds per square inch and, if at the end of thirty (30) minutes the pressure shows a drop of one hundred fifty (150) pounds per square inch or more, the cementing job shall be condemned. After corrective measures have been taken, the pipe shall again be tested in the same manner.

- (b) The intermediate string shall consist of new or reconditioned pipe that has been tested to two thousand (2,000) pounds per square inch and shall be set at approximately thirty-six hundred (3,600) feet. Cementing shall be by the pump-and-plug method, and sufficient cement shall be used to fill the calculated annular space back of the pipe to a point one hundred (100) feet above the top of the Salado formation. The cement shall stand a minimum of twenty-four (24) hours under pressure and a total of thirty (30) hours before drilling plug or initiating tests. Casing shall be tested by the application of at least twelve hundred (1200) pounds per square inch pump pressure. If, at the end of thirty (30) minutes, the pump pressure shows a drop of one hundred (100) pounds per square inch or more, the cementing job shall be condemned. After corrective measures have been taken, the pipe shall again be tested in the same manner.
- (c) The producing or oil string shall be new or reconditioned casing that has been tested to four thousand (4,000) pounds per square inch and shall be set at a depth not less than the top of the Devonian formation. Cementing shall be with a minimum of three hundred fifty (350) sacks of cement applied by the pump and plug method and shall stand a minimum of twenty four (24) hours under pressure and a total of forty eight (48) hours before drilling the plug or initiating tests. After cementing, the casing shall be tested by pump pressure of at least fifteen hundred (1,500) pounds per square inch for a period of at least thirty (30) minutes. If, at the end of 30 minutes the pressure shows a drop of one hundred (100) pounds per square inch or more, the cementing job shall be condemned. After corrective measures have been taken, the pipe shall again be tested in the same manner.



-5-

Order No. R-639

SECTION 4. All additional lands located within one mile of any land in the pool defined above or as it may be extended shall conform to these Rules and Regulations; provided, that by order of the Commission the pool may be redesignated from time to time so as to embrace other lands in the vicinity which are believed to be capable of production from the Devonian formation, whether or not such land shall have been at one time included in another designated field or pool.

IT IS FURTHER ORDERED, that the Commission retains jurisdiction of this case for such other and further order or orders in the premises as may become necessary in order to make spacing and other adjustments to protect correlative rights and further prevention of waste.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

JOHN F. SIMMS, Chairman

E. S. WALKER, Member

W. B. MACEY, Member and Secretary

S E A L

ir