

CASE 3667:

SOUTHEASTERN NEW MEXICO
NOMENCLATURE

CASE No.
3667

Application,
TRANSCRIPTS,
SMALL Exhibits
ETC.

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. 3667
Order No. R-3329

THE APPLICATION OF THE OIL CONSERVATION
COMMISSION UPON ITS OWN MOTION FOR AN
ORDER CREATING AND EXTENDING CERTAIN POOLS
IN CHAVES, LEA, AND ROOSEVELT COUNTIES,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 18, 1967, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 23rd day of October, 1967, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

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

(2) That there is need for the creation of a new oil pool in Lea County, New Mexico, for the production of oil from the Middle Pennsylvanian formation, said pool to bear the designation of Vacuum-Middle Pennsylvanian Pool. Said Vacuum-Middle Pennsylvanian Pool was discovered by Mobil Oil Corporation Bridges State No. 121, located in Unit L of Section 13, Township 17 South, Range 34 East, NMPM. It was completed in Middle Pennsylvanian on August 21, 1967. The top of perforations is 10,436 feet. Special vertical limits: top pool at 10,325 feet, bottom pool at 10,883 feet. Type log: Mobil Oil Corporation State Bridges No. 96, located in Unit H of Section 26, Township 17 South, Range 34 East, NMPM.

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Further, that the assignment of an oil discovery allowable to said discovery well should be continued pending further study.

(3) That there is need for the creation of a new oil pool in Lea County, New Mexico, for the production of oil from the Ellenburger formation, said pool to bear the designation of East Brunson-Ellenburger Pool. Further, that the discovery well for said pool, Texas Pacific Oil Company's Ella Drinkard No. 2, located in Unit E of Section 25, Township 22 South, Range 37 East, NMPM, is entitled to and should receive a bonus discovery oil allowable in the amount of 38,915 barrels to be assigned over a two-year period. The top of the perforations in said well is 7783 feet.

(4) That there is need for the creation of a new oil pool in Lea County, New Mexico, for the production of oil from the Granite Wash formation, said pool to bear the designation of East Brunson-Granite Wash Pool. Further, that the discovery well for said pool, Texas Pacific Oil Company's Ella Drinkard No. 2, located in Unit E of Section 25, Township 22 South, Range 37 East, NMPM, is entitled to and should receive a bonus discovery oil allowable in the amount of 210 barrels to be assigned in a two-year period. The top of the perforations in said well is 7843 feet.

(5) That the proposed creation of a new pool in Section 27, Township 8 South, Range 30 East, NMPM, Chaves County, New Mexico, for the production of oil from the San Andres formation should be dismissed at the request of the applicant.

(6) That there is need for certain extensions to the Cato-San Andres Pool in Chaves County, New Mexico, the Chaveroo-San Andres Pool in Chaves and Roosevelt Counties, New Mexico, the Cary-Montoya Pool, the Flying "M" San Andres Pool, the East Hightower-Lower Pennsylvanian Pool, the Middle Lane-Permo Pennsylvanian Pool, the Moore-Wolfcamp Gas Pool, the Morton-Wolfcamp Pool, and the North Vacuum-Abo Pool, all in Lea County, New Mexico.

IT IS THEREFORE ORDERED:

(a) That a new pool in Lea County, New Mexico, classified as an oil pool for Middle Pennsylvanian production, is hereby created and designated as the Vacuum-Middle Pennsylvanian Pool, consisting of the following-described area:

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TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM

Section 13: SW/4

Special vertical limits: top pool at 10,325 feet, bottom pool at 10,883 feet. Type Log: Mobil Oil Corporation's State Bridges No. 96, located in Unit H of Section 26, Township 17 South, Range 34 East, NMPM.

(b) That a new pool in Lea County, New Mexico, classified as an oil pool for Ellenburger production, is hereby created and designated as the East Brunson-Ellenburger Pool, consisting of the following-described area:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM

Section 25: NW/4

That the discovery well for said pool, Texas Pacific Oil Company's Ella Drinkard Well No. 2, located in Unit E of Section 25, Township 22 South, Range 37 East, NMPM, is hereby authorized an oil discovery allowable of 38,915 barrels to be assigned to said well at the rate of 54 barrels per day in accordance with Rule 509 of the Commission Rules and Regulations.

(c) That a new pool in Lea County, New Mexico, classified as an oil pool for Granite Wash production, is hereby created and designated as the East Brunson-Granite Wash Pool, consisting of the following-described area:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM

Section 25: NW/4

That the discovery well for said pool, Texas Pacific Oil Company's Ella Drinkard Well No. 2, located in Unit E of Section 25, Township 22 South, Range 37 East, NMPM, is hereby authorized an oil discovery allowable of 210 barrels to be assigned by the district office in accordance with Rule 509 of the Commission Rules and Regulations.

(d) That the proposed creation of a new pool in Chaves County, New Mexico, classified as an oil pool for San Andres production, designated as the South Cato-San Andres Pool, consisting of the following-described area:

TOWNSHIP 8 SOUTH, RANGE 30 EAST, NMPM

Section 27: SW/4

is hereby dismissed.

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(e) That the Cary-Montoya Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM

Section 16: S/2
Section 21: NE/4

(f) That the Cato-San Andres Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 7 SOUTH, RANGE 30 EAST, NMPM

Section 36: SW/4

TOWNSHIP 8 SOUTH, RANGE 30 EAST, NMPM

Section 1: W/2
Section 5: SE/4
Section 20: NE/4
Section 22: W/2 and SE/4
Section 26: W/2
Section 27: S/2

(g) That the Chaveroo-San Andres Pool in Chaves and Roosevelt Counties, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 7 SOUTH, RANGE 32 EAST, NMPM

Section 36: N/2

TOWNSHIP 8 SOUTH, RANGE 33 EAST, NMPM

Section 8: SE/4
Section 9: SW/4
Section 11: SW/4
Section 16: NW/4

(h) That the Flying "M" San Andres Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM

Section 29: SW/4
Section 30: NE/4

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(i) That the East Hightower-Lower Pennsylvanian Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 12 SOUTH, RANGE 33 EAST, NMPM
Section 25: NE/4

(j) That the Middle Lane-Permo Pennsylvanian Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 10 SOUTH, RANGE 33 EAST, NMPM
Section 11: N/2
Section 13: SW/4
Section 15: E/2 NW/4 and SW/4

(k) That the Moore-Wolfcamp Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 11 SOUTH, RANGE 32 EAST, NMPM
Section 23: E/2

(l) That the Morton-Wolfcamp Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 15 SOUTH, RANGE 34 EAST, NMPM
Section 12: SW/4

(m) That the North Vacuum-Abo Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
Section 13: SW/4
Section 24: NE/4

IT IS FURTHER ORDERED:

That the effective date of this order and all creations and extensions included herein shall be November 1, 1967.

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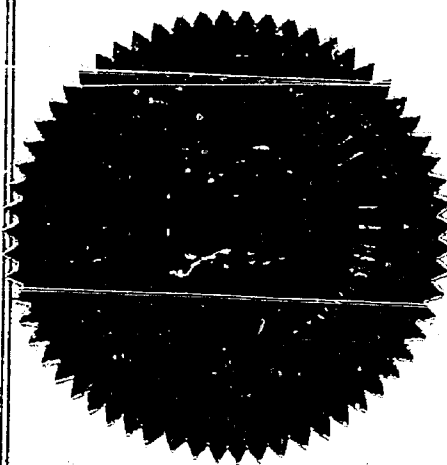
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


DAVID F. CARGO, Chairman


GUYTON B. HAYS, Member


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



CH/

Ex. # 1

TESTIMONY

As a representative of Mobil Oil Corporation, I would like to first express Mobil's views regarding the Commission's recently enacted Rule concerning Oil Discovery Allowable.

It is Mobil's opinion that Rule 509 of the New Mexico Oil Conservation Commission is one of the most foresighted regulations enacted by an oil regulating body. Only through such incentive programs will a State produce an economic atmosphere which will inspire operators to actively seek out the hydrocarbon reserves of that State. Not only is the discovery of new reserves vital to the economy of a State but, as witnessed during the recent Middle East crisis, it is Mobil's opinion that an increase in the producing capabilities of the nation is a forthcoming necessity.

Mobil therefore wishes to commend the Conservation Commission of New Mexico for having the foresight and leadership to prepare for the future.

Mobil Oil Corporation, while in complete accordance with the aims and intentions of Rule 509, wishes now to present testimony to the Commission in order that a fair and equitable precedent be established for future cases falling under this rule.

Mobil Oil Corporation, upon completion of their Bridges State Well No. 121, filed documents necessary for granting the well a bonus allowable under New Mexico's Rule 509. Owing to the fact that Mobil's application was one of the first wells considered for Discovery Bonus Allowable and application of the rule was made more difficult by multiple pay zones in that well,

Mobil urges that the bonus allowable was not accurately computed for Bridges State Well No. 121.

Mobil's Bridges State Well No. 121 was completed as a triple completion in the Abo at 8,485', the Upper Pennsylvanian at 10,108', and in the discovery reservoir, the Middle Penn at 10,436'. In this well, grant of a discovery oil allowable, under Rule 509, would therefore be determined by a depth factor multiplied by 5. The correct depth factor employed depends upon the location of the top perforation in the discovery formation and the type of well involved. In our case the top perforation in the Middle Penn discovery zone is at 10,436'.

Had Bridges State No. 121 been a single discovery completion, Rule 509 could have easily been applied and discovery allowable would have been calculated by multiplying 5 times the distance in feet from the top perforation in the discovery zone to the surface of the earth.

Also, had Bridges State No. 121 been a completion wherein there were multiple discoveries, there would probably have been no confusion in applying Rule 509. In that instance, using paragraph two on multiple completions, the uppermost discovery zone would have its depth factor measured from the top perforation upward to the surface of the earth. Lower discovery zones would have their depth factor measured from their top perforation upward to the next higher newly discovered zone.

Mobil urges that the discovery bonus allowable for their Bridges State Well No. 121 was miscalculated owing to the misapplication of paragraph 2, "Multiple Completions".

Paragraph 2, states that "The discovery allowable for the uppermost pool shall be based on the depth from the surface of the ground to the top of the perforations".

Under this explicit wording, it is evident that the uppermost discovery reservoir in a well will have its discovery bonus calculated from depths extending from the top perforation to the surface. Paragraph 2 continues to state that "The discovery allowable for each lower pool shall be based on the distance from the bottom of the perforations in the next higher newly discovered oil pool to the top of the perforations in said lower pool".

By its explicit wording, paragraph 2 will be applicable for wells in which there are multiple discovery pools. Only in multiple discovery wells will one be able to obtain a limited distance factor for a zone measured from, and now quoting from paragraph 2, "...from the bottom of the perforations in the next higher newly discovered oil pool to the top of the perforations in said lower pool".

Owing to the misapplication of paragraph 2, Mobil's Bridges State No. 121 Discovery Bonus Allowable was calculated using a distance from the top of the Middle Penn, the newly discovered pool, to the next higher pool. But, contrary to paragraph 2, that next higher pool, the Upper Penn, in Bridges State No. 121 was not a, quote "...next higher newly discovered pool".

Bonus allowable for Bridges State No. 121 should therefore be calculated by utilizing a distance factor extending from the top perforation of the Middle Penn discovery pool upward to the surface of the ground.

To calculate a limited discovery allowable by methods set out in Rule 509, paragraph 2, when the subject well is a multiple completion with only one discovery pool, is contrary to the explicit wording of the Rule. Limiting the distance to the next higher producing zone is contrary to the rule which states "...next higher NEWLY DISCOVERED oil pool". In Bridges State No. 121, there is no next higher newly discovered oil pool. The Middle Penn is the UPPERMOST discovery pool and distance should therefore be measured to the surface of the ground as set forth in Paragraph 2 as a standard for the uppermost discovery pool.

Mobil agrees that paragraph 2 is a necessary and proper standard for a rule such as Rule 509. In multiple discoveries, to hold otherwise would inequitably allocate an unproportionate share of production to a single well. But, to apply only the limiting portion of paragraph 2 to single discoveries in a multiply completed well, would also create injustice.

As previously pointed out, such misapplication would be contrary to the express wording of the statute. In addition, such a practice would be contrary to the intent of the Rule. Where possible, new discoveries might be made by completing different horizons in areas of known production, a prudent operator would not be motivated to undertake expensive evaluation operations if the rewards would be drastically limited. To calculate bonus discovery allowable contrary to the rule would also encourage operators to perpetrate a sham upon the Commission. Drilling permits would be requested for probable discovery zones and singly completed in those zones in order to receive grants of full bonus discovery allowables. Subsequent to the granting of the bonus allowable, the operator could

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multiply complete in other known producing horizons, thereby avoiding the Commission's present limited interpretation of paragraph 2.

Mobil therefore requests that the discovery bonus allowable for Bridges State No. 121 be based on a distance factor extending from the top perforation of the Middle Penn, upward to the surface of the ground.

FLHart/vp
10/13/67

J. O. SETH (1883-1963)

A. K. MONTGOMERY
WM. FEDERICI
FRANK ANDREWS
FRED C. HANNAHS
RICHARD S. MORRIS
SUMNER G. BUELL
SETH D. MONTGOMERY

MONTGOMERY, FEDERICI & ANDREWS

ATTORNEYS AND COUNSELORS AT LAW

350 EAST PALACE AVENUE
SANTA FE, NEW MEXICO 87501

POST OFFICE BOX 2307
AREA CODE 505
TELEPHONE 982-3876

October 13, 1967

Handwritten: 3667
New Mexico Oil Conservation Comm.
State Land Office Building
Santa Fe, New Mexico

ATTN: Mr. Daniel S. Nutter
Chief Engineer

RE: Application of Shell Oil Company for a Dis-
covery Allowable and Creation of a New Pool;
Shell Hodges Federal A-2, Section 27
T.8 S., R.30 E., Chaves County, New Mexico

Gentlemen:

Shell Oil Company wishes to withdraw its application in
the above matter, which application is set for hearing
before the Commission on October 18, 1967.

We understand that a hearing is scheduled to extend the
horizontal limits of the Cato Pool to include the subject
well and the acreage that is dedicated to it.

Very truly yours,

Richard S. Morris

RSM:lg

cc: Mr. J. E. R. Sheeler
Division Production Manager
Western Division
Shell Oil Company
P. O. Box 1509
Midland, Texas 79704

MAILED
OCT 16 AM '67

Docket No. 32-67

DOCKET: REGULAR HEARING - WEDNESDAY - OCTOBER 18, 1967

OIL CONSERVATION COMMISSION - 9 A.M., MORGAN HALL, STATE LAND OFFICE BUILDING,
SANTA FE, NEW MEXICO

- ALLOWABLE: (1) Consideration of the oil allowable for November, 1967;
- (2) Consideration of the allowable production of gas for November, 1967, from thirteen prorated pools in Lea, Eddy and Roosevelt Counties, New Mexico. Consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba and Sandoval Counties, New Mexico, for November, 1967.

CASE 3664: Application of William A. and Edward R. Hudson for salt water disposal, Eddy County, New Mexico. Applicants, in the above-styled cause, seek authority to dispose of produced salt water into the Lower San Andres formation in the interval from 4125 feet to 4905 feet in their Puckett "A" Well No. 16 located 2180 feet from the North line and 660 feet from the East line of Section 24, Township 17 South, Range 31 East, Maljamar Pool, Eddy County, New Mexico.

CASE 3665: Application of William A. and Edward R. Hudson for an exception to Order No. R-3221, Eddy County, New Mexico. Applicants, in the above-styled cause, seek an exception for a temporary period of one year to the provisions of Order No. (2) of Commission Order No. R-3221, which, effective January 1, 1968, prohibits the surface disposal of water produced in conjunction with the production of oil from any waterflood or pressure maintenance project. The exception sought would be for applicants' waterflood project operated on their Puckett "A" and Puckett "B" leases in Sections 24 and 25, Township 17 South, Range 31 East, Maljamar Pool, Eddy County, New Mexico. Disposal pits affected are in Unit B of said Section 24 and Unit F of said Section 25.

CASE 3666: Application of Kennedy Oil Company and Newmont Oil Company for an exception to Order No. R-3221, Eddy County, New Mexico. Applicants, in the above-styled cause, seek an exception to the provisions of Order No. (2) of the Commission Order No. R-3221 which, effective January 1, 1968, prohibits the surface disposal of water produced in conjunction with the production of oil from any waterflood or pressure maintenance project. The exception sought would be for applicants' lands which are or which will be covered by waterflood operations in the Square Lake Pool, Eddy County, New Mexico, said lands being included in the following described area:

Sections 32 through 36, Township 16 South, Range 30 East;
Sections 19 through 22 and 27 through 34, Township 16
South, Range 31 East, and
Sections 2 and 4, Township 17 South, Range 30 East.

October 18, 1967 - Regular Hearing

Docket No. 32-67

CASE 3667: Southeastern New Mexico nomenclature case calling for an order for the creation of four new oil pools and the assignment of oil discovery allowables therein, and for the extension of certain other pools in Lea and Chaves Counties, New Mexico.

(a) Create a new pool in Lea County, New Mexico classified as an oil pool for Middle Pennsylvanian production and designated as the Vacuum-Middle Pennsylvanian Pool, comprising the following-described acreage:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
SECTION 13: SW/4

Further, for the assignment of approximately 1,255 barrels of oil discovery allowable to the discovery well, Mobil Oil Corporation's Bridges State Well No. 121, located in Unit L of said Section 13.

(b) Create a new pool in Lea County, New Mexico, classified as an oil pool for Ellenburger production and designated as the East Brunson-Ellenburger Pool, comprising the following-described acreage:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
SECTION 25: NW/4

Further, for the assignment of approximately 38,915 barrels of oil discovery allowable to the discovery well, Texas Pacific Oil Company's Ella Drinkard Well No. 2, located in Unit E of said Section 25.

(c) Create a new pool in Lea County, New Mexico, classified as an oil pool for Granite Wash production and designated as the East Brunson-Granite Wash Pool, comprising the following described acreage:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
SECTION 25: NW/4

Further, for the assignment of approximately 210 barrels of oil discovery allowable to the discovery well, Texas Pacific Oil Company's Ella Drinkard Well No. 2, located in Unit E of said Section 25.

(d) Create a new pool in Chaves County, New Mexico, classified as an oil pool for San Andres production and designated as the South Cato San Andres Pool, comprising the following described acreage:

TOWNSHIP 8 SOUTH, RANGE 30 EAST, NMPM
SECTION 27: SW/4

Further, for the assignment of approximately 17,380 barrels of oil discovery allowable to the discovery well, Shell Oil Company's

October 18, 1967 - Regular Hearing

Docket No. 32-67

Hodges Federal "A" Well No. 2, located in Unit M of said Section 27.

- (e) Extend the Cary-Montoya Pool to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
SECTION 16: S/2
SECTION 21: NE/4

- (f) Extend the Cato-San Andres Pool to include therein:

TOWNSHIP 7 SOUTH, RANGE 30 EAST, NMPM
SECTION 36: SW/4

TOWNSHIP 8 SOUTH, RANGE 30 EAST, NMPM
SECTION 1: W/2
SECTION 20: NE/4
SECTION 22: NW/4 and SE/4
SECTION 26: W/2
SECTION 27: S/2

- (g) Extend the Chaveroo-San Andres Pool to include therein:

TOWNSHIP 8 SOUTH, RANGE 33 EAST, NMPM
SECTION 8: SE/4
SECTION 9: SW/4
SECTION 16: NW/4

- (h) Extend the Flying "M" San Andres Pool to include therein:

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM
SECTION 29: SW/4
SECTION 30: NE/4

- (i) Extend the East Hightower-Lower Pennsylvanian Pool to include therein:

TOWNSHIP 12 SOUTH, RANGE 33 EAST, NMPM
SECTION 25: NE/4

- (j) Extend the Middle Lane-Permo Pennsylvanian Pool to include therein:

TOWNSHIP 10 SOUTH, RANGE 33 EAST, NMPM
SECTION 11: N/2
SECTION 13: SW/4
SECTION 15: E/2 NW/4

- (k) Extend the Moore-Wolfcamp Gas Pool to include therein:

TOWNSHIP 11 SOUTH, RANGE 32 EAST, NMPM
SECTION 23: E/2

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October 18, 1967 - Regular Hearing

Docket No. 32-67

(l) Extend the Morton-Wolfcamp Pool to include therein:

TOWNSHIP 15 SOUTH, RANGE 34 EAST, NMPM
SECTION 12: SW/4

(m) Extend the North Vacuum-Abo Pool to include therein:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
SECTION 13: SW/4

TEXAS PACIFIC OIL COMPANY

P. O. Box 4067
Midland, Texas
September 22, 1967

Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. A. L. Porter, Jr.

Case 3667
Re: Application for Dual
Oil Discovery Allowable
Ella Drinkard No. 2
Undesignated Joins-Ellen-
burger & Undesignated
Granite Wash

Gentlemen:

In accordance with Statewide Rule 509, attached are copies of Form C-109, Application for Discovery Allowable and Creation of a New Pool, for Texas Pacific's Ella Drinkard No. 2, Unit E, Section 25, T-22-S, R-37-E, Undesignated Joins-Ellenburger and Undesignated Granite Wash, Lea County, New Mexico.

Texas Pacific is requesting approval of a discovery allowable of 38,915 barrels for the Joins-Ellenburger and 39,215 barrels for the Granite Wash.

Yours very truly,

J. E. Wootton
J. E. Wootton
District Superintendent

JIM:mc

cc: Operators listed on application

2cc: New Mexico Oil Conservation Commission
P. O. Box 1980
Hobbs, New Mexico
Attention: Mr. Joe D. Ramey

Attachment

DOCKET MAILED

Date 10-5-67

JK

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**NEW MEXICO OIL CONSERVATION COMMISSION
APPLICATION FOR DISCOVERY ALLOWABLE AND CREATION OF A NEW POOL**

Form C-109
Adopted 9-1-66

NOTE: This form is to be filed and attachments made in accordance with the provisions of Rule 509.
If discovery is claimed for more than one zone, separate forms must be filed for each.

Operator Texas Pacific Oil Company		Address P. O. Box 1069, Hobbs, New Mexico	
Lease Name Ella Drinkard		Well No. 2	County Lea
Well Location Unit Letter E ; 1650 Feet from The North Line and 660 Feet From the West Line of Section 25 , Township 22-S , Range 37-E , NMPM			
Suggested Pool Names (List in order of preference) 1. East Brunson Granite Wash 2. Drinkard Granite Wash 3. TP Granite Wash			
Name of Producing Formation Granite Wash*		Perforations 7843-7862	Date of Filing Form C-104 7-28-67
Was "Affidavit of Discovery" Previously Filed For This Well in this Pool? Yes		If Yes, Give Date of Filing 9-13-67	Date Well was Spudded 6-3-67
Total Depth 7895		Plugged Back Depth 7875	Depth Casing Shoe 7895
Tubing Depth 7816		Elevation (Gr., DF, RKB, RT, etc.) 3325 KB	
Oil Well Potential (Test to be taken only after all load oil has been recovered) 408 Bbls, Oil Per Day Based On 408 Bbls In 24 Hours; 10 Bbls Water Per Day Based On 10 Bbls In 24 Hours; Gas Production During Test: 328 MCF; Gas:Oil Ratio: 801 Method of Producing: Flowing Chk. Size 17/64"			

NEAREST PRODUCTION TO THIS DISCOVERY (Includes past and present oil or gas producing areas and zones whether this discovery is based on horizontal or vertical separation):

Pool Name Blinebry Gas	Name of Producing Formation Blinebry	Top of Pay 5371	Bottom of Pay 5850	Currently Producing? Yes
Horizontal Distance and Direction from Subject Discovery Well to the Nearest Well in this Pool 1205' East		Vertical Distance from Subject Discovery Zone to Producing Interval this Pool 1993'		

NEAREST COMPARABLE PRODUCTION (Includes past and present oil or gas production from this pay or formation only):

Pool Name Undesignated Granite Wash	Top of Pay 7292	Bottom of Pay 7306	Currently Producing? No
Horizontal Distance and Direction from Subject Discovery Well to the Nearest Well in this Comparable Pool 1 1/2 miles northeast			

Is "County Deep" Discovery Allowable Requested for Subject Discovery Well? No	If Yes, Give Name, Location, and Depth of Next Deepest Oil Production in this County
---	--

Is the Subject Well Multiple Completion? Yes	Is Discovery Allowable Requested for other Zone(s)? Yes	If Yes, Name all Such Formations Joins-Ellenburger	67 SEP 25 AM 8 50
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LIST ALL OPERATORS OWNING LEASES WITHIN ONE MILE OF THIS WELL (Attach additional sheet if necessary)

NAME	ADDRESS
Atlantic Richfield	Box 1978, Roswell, New Mexico
Skelly Oil Company	Box 730, Hobbs, New Mexico
Gulf Oil Corporation	Box 670, Hobbs, New Mexico
Western Oil Fields	Box 1137, Hobbs, New Mexico
Marathon Oil Company	Box 220, Hobbs, New Mexico
Phillips Oil Company	Box 1232, Odessa, Texas
Union Texas Petroleum Corp.	1300 Wilco Bldg., Midland, Texas
Campbell & Hedrick	Box 401, Midland, Texas
Pan American Petroleum Corp.	Box 68, Hobbs, New Mexico

Attach evidence that all of the above operators have been furnished a copy of this application. Any of said operators who intends to object to the designation of the subject well as a discovery well, eligible to receive a discovery allowable, must notify the appropriate District Office and the Santa Fe Office of the Commission of such intent in writing within ten days after receiving a copy of this application.

Remarks:

Above listed operators have been furnished a copy of this application this date.

CERTIFICATION

I hereby certify that all rules and regulations of the New Mexico Oil Conservation Commission have been complied with, with respect to the subject well, and that it is my opinion that a bona fide discovery of a hitherto unknown common source of oil supply has been made in said well. I further certify that the discovery allowable for the subject well, if authorized, will be produced from the subject zone in this well only. Further, that the information given herein and attached hereto is true and complete to the best of my knowledge and belief.

Signature

District Superintendent

Position

Date

NEW MEXICO OIL CONSERVATION COMMISSION
APPLICATION FOR DISCOVERY ALLOWABLE AND CREATION OF A NEW POOL

Form C-109
 Adopted 2-1-66

NOTE: This form is to be filed and attachments made in accordance with the provisions of Rule 509.
 If discovery is claimed for more than one zone, separate forms must be filed for each.

Operator Texas Pacific Oil Company		Address P. O. Box 1069, Hobbs, New Mexico	
Lease Name Ella Drinkard		Well No. 2	County Lea
Well Location Unit Letter E ; 1650 Feet from The North Line and 660 Feet From the West Line of Section 25 , Township 22-S , Range 37-E , NMPM			
Suggested Pool Names (List in order of preference) 1. East Brunson Ellenburger 2. Drinkard Ellenburger 3. TP Ellenburger			
Name of Producing Formation Joins-Ellenburger*		Perforations 7783-7801	Date of Filing Form C-104 8-15-67
Was "Affidavit of Discovery" Previously Filed For This Well in this Pool? Yes		If Yes, Give Date of Filing 9-13-67	Date Well was Spudded 6-3-67
Total Depth 7895		Plugged Back Depth 7875	Date Compl. Ready to Prod. 8-4-67
Depth Casing Shoe 7895		Tubing Depth 7780	Elevation (Gr., DF, RKB, RT, etc.) 3325 KB
Oil Well Potential (Test to be taken only after all load oil has been recovered) 370 Bbls. Oil Per Day Based On 370 Bbls In 24 Hours; 0 Bbls Water Per Day Based On 0 Bbls In 24 Hours; Gas Production During Test: 439 MCF; Gas-Oil Ratio: 1186 Method Of Producing: Flowing Chk. Size: 18/64"			

NEAREST PRODUCTION TO THIS DISCOVERY (Includes past and present oil or gas producing areas and zones whether this discovery is based on horizontal or vertical separation):

Pool Name Blinbry Gas	Name of Producing Formation Blinbry	Top of Pay 5371	Bottom of Pay 5850	Currently Producing? Yes
Horizontal Distance and Direction from Subject Discovery Well to the Nearest Well in this Pool 1205' East		Vertical Distance from Subject Discovery Zone to Producing Interval this Pool 1933'		

NEAREST COMPARABLE PRODUCTION (Includes past and present oil or gas production, from this pay or formation only):

Pool Name Brunson Ellenburger	Top of Pay 7882	Bottom of Pay 7940	Currently Producing? No
Horizontal Distance and Direction from Subject Discovery Well to the Nearest Well in this Comparable Pool 1½ miles northwest			

Is "County Deep" Discovery Allowable Requested for Subject Discovery Well? No	If Yes, Give Name, Location, and Depth of Next Deepest Oil Production in this County 7783
---	---

Is the Subject Well Multiple Completion? Yes	Is Discovery Allowable Requested for other Zone(s)? Yes	If Yes, Name all Such Formations Granite Wash
--	---	---

LIST ALL OPERATORS OWNING LEASES WITHIN ONE MILE OF THIS WELL (Attach additional sheet if necessary)

NAME	ADDRESS
Atlantic Richfield	Box 1978, Roswell, New Mexico
Skelly Oil Company	Box 730, Hobbs, New Mexico
Gulf Oil Corporation	Box 670, Hobbs, New Mexico
Western Oil Fields	Box 1137, Hobbs, New Mexico
Marathon Oil Company	Box 220, Hobbs, New Mexico
Phillips Oil Company	Box 1232, Odessa, Texas
Union Texas Petroleum Corp.	1300 Wilco Bldg., Midland, Texas
Campbell & Hedrick	Box 401, Midland, Texas
Pan American Petroleum Corp.	Box 68, Hobbs, New Mexico

Attach evidence that all of the above operators have been furnished a copy of this application. Any of said operators who intends to object to the designation of the subject well as a discovery well, eligible to receive a discovery allowable, must notify the appropriate District Office and the Santa Fe Office of the Commission of such intent in writing within ten days after receiving a copy of this application.

Remarks:
 Above listed operators have been furnished a copy of this application this date.

CERTIFICATION

I hereby certify that all rules and regulations of the New Mexico Oil Conservation Commission have been complied with, with respect to the subject well, and that it is my opinion that a bona fide discovery of a hitherto unknown common source of oil supply has been made in said well. I further certify that the discovery allowable for the subject well, if authorized, will be produced from the subject zone in this well only. Further, that the information given herein and attached hereto is true and complete to the best of my knowledge and belief.

District Superintendent

9-22-67

Mobil Oil Corporation

P.O. BOX 633
MIDLAND, TEXAS 79701

September 5, 1967

New Mexico Oil Conservation Commission - 2
P. O. Box 1980
Hobbs, New Mexico 88240

Attention Mr. John Runyan

Case 3667
APPLICATION FOR DISCOVERY ALLOWABLE
AND CREATION OF A NEW POOL
MOBIL OIL CORPORATION'S
BRIDGES STATE WELL NO. 121
LEA COUNTY, NEW MEXICO

Gentlemen:

Listed below are the additional items requested by the Commission in order that Mobil's application for discovery allowable and creation of a new pool for the subject well may be ruled on.

1. Form C-109
2. Form C-123
3. Exhibit No. 1 Well Status and Cross Section Location Map
4. Exhibit No. 2 N-S Cross Section Area of Bridges State No. 121

Should additional information regarding this matter be required, please advise.

Yours very truly,

Ira B. Stitt
Ira B. Stitt
Division Operations Engineer

ADBond/vp
Attachments

DOCKET MAILED

MAIN OFFICE
Date 10-5-67 ⁹⁶⁷ SEP 25 AM 8

**NEW MEXICO OIL CONSERVATION COMMISSION
APPLICATION FOR DISCOVERY ALLOWABLE AND CREATION OF A NEW POOL**

Form C-109
Adopted 9-1-66

NOTE: This form is to be filed and attachments made in accordance with the provisions of Rule 60A.
If discovery is claimed for more than one zone, separate forms must be filed for each.

Case 3667

Operator Mobil Oil Corporation		Address P. O. Box 633 - Midland, Texas	
Lease Name Bridges State		Well No. 121	County Lea
Well Location Unit Letter L ; 830 Feet from The South Line and 760 Feet From the West Line of Section 13 , Township 17 South , Range 34 East , NMPM			
Suggested Pool Names (List in order of preference) 1. Vacuum, Middle Penn 2. 3.			
Name of Producing Formation Penn.		Perforations 10,436 - 10,474'	Date of Filing Form C-104 August 21, 1967
Was "Affidavit of Discovery" Previously Filed For This Well in this Pool? Yes		If Yes, Give Date of Filing 8-29-67	Date Well was Spudded 7-3-67
Total Depth 10,550'		Plugged Back Depth 10,502'	Depth Casing Shoe 10,550'
Tubing Depth		Elevation (Gr., DF, RKB, RT, etc.) 4034 RKB	
Oil Well Potential (Test to be taken only after all load oil has been recovered): 468 Bbls, Oil Per Day Based On 117 Bbls In 6 Hours; 0 Bbls Water Per Day Based On _____ Bbls			
In _____ Hours; Gas Production During Test: _____ MCF; Gas-Oil Ratio: 833:1 Method Of Producing: Flow Chk. Size 20/64			

NEAREST PRODUCTION TO THIS DISCOVERY (Includes past and present oil or gas producing areas and zones whether this discovery is based on horizontal or vertical separation):

Pool Name Vacuum, Upper Penn.	Name of Producing Formation Upper Penn.	Top of Pay 10,107'	Bottom of Pay 10,148'	Currently Producing? Yes
Horizontal Distance and Direction from Subject Discovery Well to the Nearest Well in this Pool 1500' SE		Vertical Distance from Subject Discovery Zone to Producing Interval this Pool 250'		

NEAREST COMPARABLE PRODUCTION (Includes past and present oil or gas production from this pay or formation only):

Pool Name Unknown - None within radius of five miles.	Top of Pay	Bottom of Pay	Currently Producing?
Horizontal Distance and Direction from Subject Discovery Well to the Nearest Well in this Comparable Pool			

Is "County Deep" Discovery Allowable Requested for Subject Discovery Well? NO	If Yes, Give Name, Location, and Depth of Next Deepest Oil Production in this County
---	--

Is the Subject Well Multiple Completion? Yes	Is Discovery Allowable Requested for other Zone(s)? No	If Yes, Name all Such Formations
--	--	----------------------------------

LIST ALL OPERATORS OWNING LEASES WITHIN ONE MILE OF THIS WELL (Attach additional sheet if necessary)


NAME	ADDRESS
Texaco, Inc.	P. O. Box 728, Broadmoor Building Hobbs, New Mexico 88240
Permian Corporation	P. O. Box 3119, Midland, Texas 79701
Phillips Petroleum Company	P. O. Box 2130, Hobbs, New Mexico 88240
Scope Industries	Petroleum Life Building Midland, Texas 79701
Drilling & Exploration Company	1339 Houston Club Building Houston, Texas 77002

Attach evidence that all of the above operators have been furnished a copy of this application. Any of said operators who intends to object to the designation of the subject well as a discovery well, eligible to receive a discovery allowable, must notify the appropriate District Office and the Santa Fe Office of the Commission of such intent in writing within ten days after receiving a copy of this application.

Remarks: Zone of wildcat drlg 10,185 to 10,436	Perfs: N. Vac Abo 8485-8520 N. Vac Upper Pe 10,108-10,185 N. Vac Middle Pe 10,436-10,474
---	---

CERTIFICATION

I hereby certify that all rules and regulations of the New Mexico Oil Conservation Commission have been complied with, with respect to the subject well, and that it is my opinion that a bona fide discovery of a hitherto unknown common source of oil supply has been made in said well. I further certify that the discovery allowable for the subject well, if authorized, will be produced from the subject zone in this well only. Further, that the information given herein and attached hereto is true and complete to the best of my knowledge and belief.


10436
10185
251

251
255

E. C. Busch Division Production Geologist
 Haseltine Signature for Position Date **September 5, 1967**

REQUEST FOR THE EXTENSION OF AN EXISTING POOL

OR
THE CREATION OF A NEW POOL

Case 3667

TO: The Oil Conservation Commission
State of New Mexico

Date September 5, 19. 67

The Mobil Oil Corporation
Name of Operator

Bridges State
Name of Lease

121 Located 760 feet from the West line and 1880 feet
Well No.

from the South line of 13 17 S 34 E
Section Township Range

is outside the boundaries of any pool producing from the same formation. On the basis of the information submitted here-
with on form C-105, we hereby request that the.....

pool be extended to include the following described area.....

or that a new pool be created to include the following described area N 1/2 of SW 1/4, Section 13, T17S, R34E.

Suggested name: Vacuum - Middle Penn

MOBIL OIL CORPORATION

P. O. Box 633 Operator

Name of Producing Formation:.....

Middle Pennsylvanian

A. D. Bond
Representative
Proration Staff Assistant

SEP 11 AM 9 22

Mobil Oil Corporation

P.O. BOX 633
MIDLAND, TEXAS 79701

August 29, 1967

Case 3667

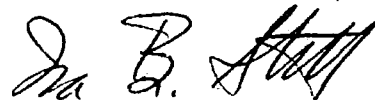
New Mexico Oil Conservation Commission - 3
State Land Office Building
Santa Fe, New Mexico 87501

AFFIDAVIT FOR DISCOVERY ALLOWABLE
AND CREATION OF NEW POOL
BRIDGES STATE WELL NO. 121
MIDDLE PENNSYLVANIAN FORMATION
SECTION 13, T-17-S, R-34-E,
LEA COUNTY, NEW MEXICO

Gentlemen:

Attached is an affidavit of Mr. W. Lloyd Haseltine attesting to Mobil's discovery of liquid hydrocarbons in the Middle Pennsylvanian formation. This affidavit is made for filing with the New Mexico Oil Conservation Commission as evidence of Mobil's discovery date claim for Discovery Allowable and Creation of New Pool for the subject well.

Yours very truly,



Ira B. Stitt
Division Operations Engineer

FLH/nab
Attachment
cc: NMOCC - Hobbs, New Mexico

LAND OFFICE D-10

67 AUG 30 PM 1 26

THE STATE OF TEXAS)
)
COUNTY OF MIDLAND)

BEFORE ME, the undersigned, personally appeared W. Lloyd Haseltine, known to me to be the Division Production Geologist of the Midland, Texas, Division of Mobil Oil Corporation and upon his oath being duly sworn did dispose and say:

I am the Division Production Geologist of the Midland Division of Mobil Oil Corporation and as such have reason to know that under a permit granted by the New Mexico Oil Conservation Commission to drill Mobil Oil Corporation's Bridges-State Well No. 121, Section 13, T-17-S, R-34-E, Lea County, New Mexico, Mobil Oil Corporation began drilling operations on July 3, 1967, at an authorized location 830 feet from the South line and 760 feet from the West line of the above described Section 13.

Casing was set to a depth of 10,550 feet in the well and casing was perforated into the Middle Pennsylvanian reservoir at depths of 10,436 to 10,474 feet. On August 22, 1967, it was determined that the Middle Pennsylvanian reservoir was productive of liquid hydrocarbons by flowing into stock tanks during an 18-1/2-hour period of 193 barrels of oil from the Middle Pennsylvanian reservoir. To my knowledge, there are no Middle Pennsylvanian producing wells within a 5-mile radius of Mobil Oil Corporation's Bridges-State Well No. 121.

This Affidavit is made for filing with the New Mexico Oil Conservation Commission as evidence of Mobil Oil Corporation's discovery date claim for bonus discovery allowable purposes.

Further, Affiant saith not.

W. Lloyd Haseltine
W. Lloyd Haseltine

SUBSCRIBED AND SWORN BEFORE ME, this 29th day of August, 1967.

NELDA TIMBERLAKE
Nelda Timberlake
Notary Public

My commission expires
June 1, 1969

MAIN OFFICE

'67 AUG 30 PM 1 26



SHELL OIL COMPANY

WESTERN DIVISION
P. O. BOX 1509
MIDLAND, TEXAS 79701

August 21, 1967

Case 3667

Subject: Application for Discovery Allowable
and Creation of a New Pool - Shell
Hodges Federal A-2 - San Andres
Formation - Section 27, T-8-S, R-30-E,
Chaves County, New Mexico

New Mexico Oil Conservation Commission
State Land Office Building
College Avenue
Santa Fe, New Mexico 87501

Gentlemen:

Shell Oil Company completed Shell Hodges Federal A-2 located 660' from the south line and 660' from the west line of Section 27, T-8-S, R-30-E, Chaves County, New Mexico as an oil discovery in the San Andres Slaughter Zone on August 8, 1967. Attached is a Discovery Allowable and Creation of a New Pool application for the subject well.

Shell Brown Federal A-1, the nearest Slaughter Zone production, is located approximately 6,650' northeast of Shell Hodges Federal A-2, and is separated from Shell Hodges Federal A-2 by a dry hole, Shell Hodges Federal A-1.

The Cato field, located north of the discovery well, produces from 3 intervals in the San Andres Slaughter Zone. The lower two intervals are water bearing in the southern part of the field and are separated from the upper interval by a dense anhydrite. The reservoir quality of the upper interval pinches out toward the south as shown by the Union of Texas Crosby A-1, Union of Texas Crosby 12, and the Shell Hodges Federal A-1, all dry holes. The subject discovery well is about 1 mile south of this line of dry holes.

Shell Oil Company hereby requests approval of the Application for Discovery Allowable and New Pool designation for the San Andres production located by Hodges Federal A-2. Offset operators have been advised of Shell's application.

Very truly yours,

J. E. R. Sheeler
J. E. R. Sheeler
Production Manager

Attachments

cc - NMOC, Hobbs, New Mexico

DOCKET MAILED

Date 10-5-67

**NEW MEXICO OIL CONSERVATION COMMISSION
APPLICATION FOR DISCOVERY ALLOWABLE AND CREATION OF A NEW POOL**

Form C-109
Adopted 9-1-66

NOTE: This form is to be filed and attachments made in accordance with the provisions of Rule 509.
If discovery is claimed for more than one zone, separate forms must be filed for each.

Case 3687

Operator Shell Oil Company		Address P. O. Box 1509, Midland, Texas 79701	
Lease Name Hodges Federal "A"		Well No. 2	County Chaves
Well Location Unit Letter M ; 660 Feet from The south Line and 660 Feet From the west Line of Section 27 , Township 8 South , Range 30 east , NMPM			
Suggested Pool Names (List in order of preference) 1. Cato South 2. 3.			
Name of Producing Formation San Andres	Perforations 3476, ' 3480, ' 3484, ' 3488, ' 3491, ' 3500, ' 3505, ' 3509, ' 3513, ' 3516, ' 3528'	Date of Filing Form C-104 8/18/67	
Was "Affidavit of Discovery" Previously Filed For This Well in this Pool? No	If Yes, Give Date of Filing N/A	Date Well was Spudded 8/4/67	Date Compl. Ready to Prod. 8/15/67
Total Depth 3700'	Plugged Back Depth 3664'	Depth Casing Shoe 3700'	Tubing Depth 3360'
Oil Well Potential (Test to be taken only after all load oil has been recovered) 151 Bbls, Oil Per Day Based On 63 Bbls In 10 Hours;		Elevation (Gr., DF, RKB, RT, etc.) 4167 DF	
In 125 Hours; Gas Production During Test: 825 MCF;		Method Of Producing: Flow Chk. Size 22/64"	

NEAREST PRODUCTION TO THIS DISCOVERY (Includes past and present oil or gas producing areas and zones whether this discovery is based on horizontal or vertical separation):

Pool Name Cato	Name of Producing Formation San Andres	Top of Pay 3200'	Bottom of Pay 3300'	Currently Producing? Yes
Horizontal Distance and Direction from Subject Discovery Well to the Nearest Well in this Pool 6,650' NE		Vertical Distance from Subject Discovery Zone to Producing Interval this Pool 0		

NEAREST COMPARABLE PRODUCTION (Includes past and present oil or gas production from this pay or formation only):

Pool Name Cato - San Andres	Top of Pay 3200'	Bottom of Pay 3300'	Currently Producing? Yes
Horizontal Distance and Direction from Subject Discovery Well to the Nearest Well in this Comparable Pool 6,650' NE			<i>234760 17,380</i>

Is "County Deep" Discovery Allowable Requested for Subject Discovery Well? No	If Yes, Give Name, Location, and Depth of Next Deepest Oil Production in this County N/A
---	--

Is the Subject Well Multiple Completion? No	Is Discovery Allowable Requested for other Zone(s)? N/A	If Yes, Name all Such Formations N/A
---	---	--

LIST ALL OPERATORS OWNING LEASES WITHIN ONE MILE OF THIS WELL (Attach additional sheet if necessary)

NAME	ADDRESS
Sinclair Oil Company	Box 1470, Midland, Texas 79701
Sun Oil Company	Box 1861, Midland, Texas 79701
Bell Petroleum Company	Box 1538, Midland, Texas 79701

Attach evidence that all of the above operators have been furnished a copy of this application. Any of said operators who intends to object to the designation of the subject well as a discovery well, eligible to receive a discovery allowable, must notify the appropriate District Office and the Santa Fe Office of the Commission of such intent in writing within ten days after receiving a copy of this application.

Remarks:

CERTIFICATION

I hereby certify that all rules and regulations of the New Mexico Oil Conservation Commission have been complied with, with respect to the subject well, and that it is my opinion that a bona fide discovery of a hitherto unknown, common source of oil supply has been made in said well. I further certify that the discovery allowable for the subject well, if authorized, will be produced from the subject zone in this well only. Further, that the information given herein and attached hereto is true and complete to the best of my knowledge and belief.

J. D. Duren

J. D. Duren

Signature

Staff Petrophysical Engineer

Position

August 23, 1967

Date

NONENCLATURE ADVERTISEMENT FOR OCTOBER, 1967
CASE _____

In the matter of the application of the Oil Conservation Commission of New Mexico upon its own motion for an order for the creation of new pools in Lea County, New Mexico, the contraction of vertical limits of an existing pool in Lea County, New Mexico, and the extension of certain existing pools in Chaves and Lea Counties, New Mexico, and giving notice to all persons and parties interested in the subject matter thereof to appear and show cause why such creations, ~~contraction of vertical limits~~, and extensions should not be made.

Check re perfs whether
a) CREATE A new pool in Lea County, New Mexico, classified as an oil pool for Middle Pennsylvanian production and designated as the Vacuum-Middle Pennsylvanian Pool. The discovery well is Mobil Oil Corporation, Bridges State No. 121, located in Unit L of Section 13, Township 17 South, Range 34 East, NMPM, with special vertical limits defined as being from 10,325 feet to 10,883 feet as in Mobil Oil Corporation, State Bridges No. 96, located in Unit H of Section 26, Township 17 South, Range 34 East, NMPM. Said pool described as: *Mobil has filed application for discovery allowable*

check w/ Hbs re these creation & discovery allow.
TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
SECTION 13: SW/4

Further, for the assignment of approximately _____ barrels of oil discovery allowable to the discovery well, Mobil Oil Corporation's Bridges State Well No. 121, located in Unit L of said Section 13.

b) CREATE A new pool in Lea County, New Mexico, classified as an oil pool for Ogallala production and designated as the Hobbs-Ogallala Pool. Said pool described as:

TOWNSHIP 18 SOUTH, RANGE 38 EAST, NMPM
SECTION 30: Units F, G, and J

Unnecessary
c) CONTRACT the vertical limits of the Vacuum-Lower Pennsylvanian Pool in Lea County, New Mexico, with special vertical limits defined as being from 10,883 feet to the top of the Pennsylvanian formation as in Mobil Oil Corporation, State Bridges No. 96, located in Unit H of Section 26, Township 17 South, Range 34 East, NMPM.

d) EXTEND the Cary-Montoya Pool in Lea County, New Mexico, to include therein:

✓ TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
SECTION 16: S/2
SECTION 21: NE/4

f) EXTEND the Cato-San Andres Pool in Chaves County, New Mexico, to include therein:

✓ TOWNSHIP 7 SOUTH, RANGE 30 EAST, NMPM
SECTION 36: SW/4

✓ TOWNSHIP 8 SOUTH, RANGE 30 EAST, NMPM
SECTION 1: W/2

✓ SECTION 20: NE/4

✓ SECTION 22: NW/4 and SE/4

✓ SECTION 26: W/2

✓ SECTION 27: S/2

SEP 11 1967

October, 1967 Nomenclature

g)X) EXTEND the Chaveroo-San Andres Pool in Chaves County, New Mexico, to include therein:

✓ TOWNSHIP 8 SOUTH, RANGE 33 EAST, NMPM
SECTION 8: SE/4
SECTION 9: SW/4
SECTION 15: NW/4

h)X) EXTEND the Flying "M"-San Andres Pool in Lea County, New Mexico, to include therein:

✓ TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM
SECTION 29: SW/4
SECTION 30: NE/4

i)X) EXTEND the East Hightower-Lower Pennsylvanian Pool in Lea County, New Mexico, to include therein:

✓ TOWNSHIP 12 SOUTH, RANGE 33 EAST, NMPM
SECTION 25: NE/4

j)X) EXTEND the Middle Lane-Permo Pennsylvanian Pool in Lea County, New Mexico, to include therein:

✓ TOWNSHIP 10 SOUTH, RANGE 33 EAST, NMPM
SECTION 11: N/2
SECTION 13: SW/4
SECTION 15: E/2 NW/4

k)X) EXTEND the Moore-Wolfcamp Gas Pool in Lea County, New Mexico, to include therein:

✓ TOWNSHIP 11 SOUTH, RANGE 32 EAST, NMPM
SECTION 23: E/2

l)X) EXTEND the Morton-Wolfcamp Pool in Lea County, New Mexico, to include therein:

✓ TOWNSHIP 15 SOUTH, RANGE 34 EAST, NMPM
SECTION 12: SW/4

m)X) EXTEND the North Vacuum-Abo Pool in Lea County, New Mexico, to include therein:

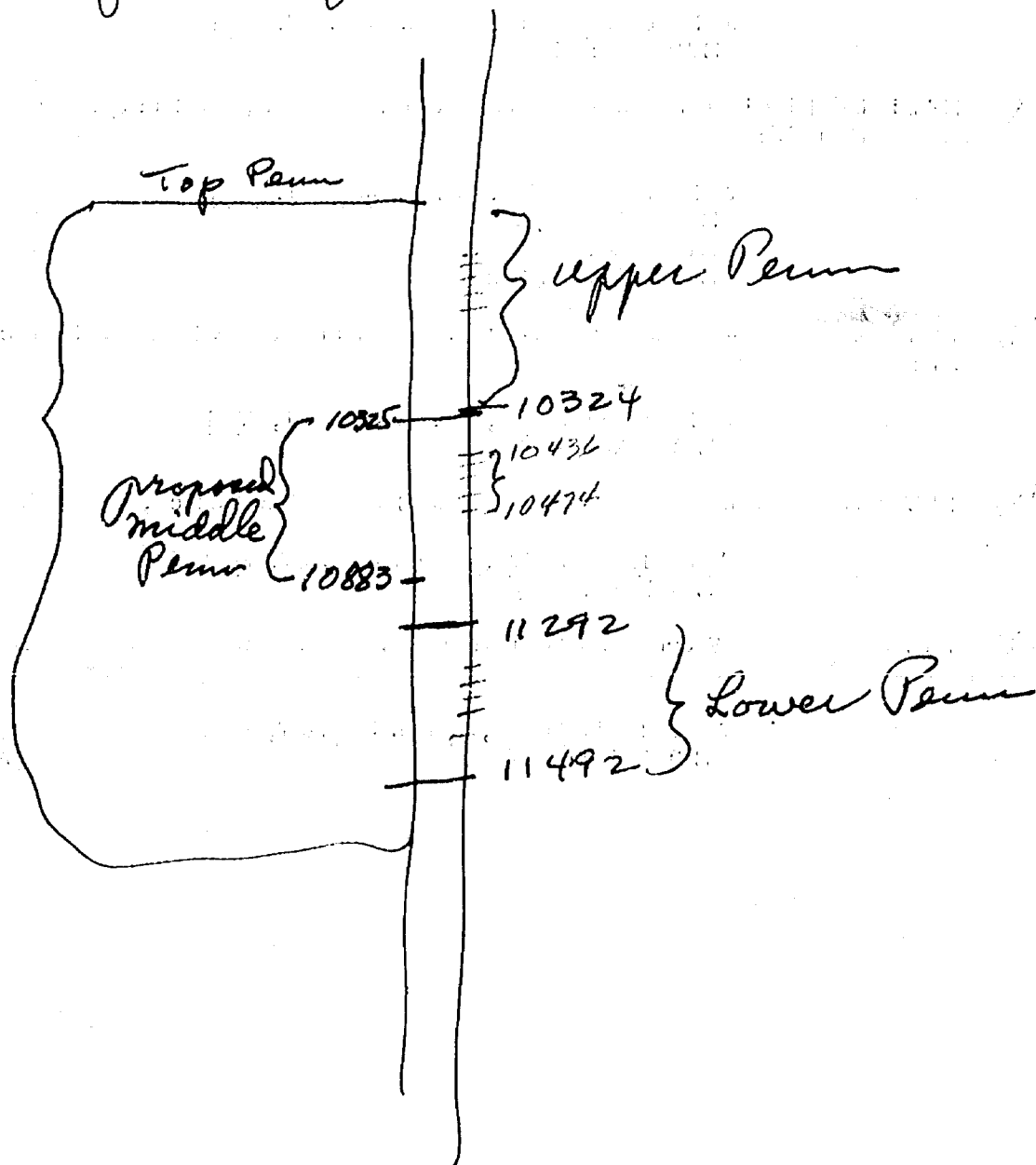
✓ TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
SECTION 13: SW/4

Vacuum Upper Penn vertical limits:
log of Bridges St # 96 H 26 17 34

Penn form above 10,324

Lower Penn:

Penn form from 11,292 to 11,492



MR. PORTER: We are going to take up next the nomenclature case for Southeast New Mexico Number 3667.

MR. HATCH: Case 3667, Southeastern New Mexico nomenclature case, calling for an order for the creation of four new pools and the assignment of oil discovery allowables therein, and the extension of certain other pools in Lea and Chavez Counties, New Mexico.

(Witness sworn)

J O E D. R A M E Y, called as a witness on behalf of the Oil Conservation Commission, having first been duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. HATCH:

Q Would you state your name and position for the record.

A Joe D. Ramey, Supervisor of the Commission's District 1 at Hobbs.

Q Are you prepared to make recommendations to the Commission concerning the creation of four new oil pools and the assignment of oil discovery allowables therein and the extension of certain other pools in Lea and Chavez Counties in New Mexico?

A Yes, sir. There will only be three new pools.

Paragraph D will be dismissed.

MR. PORTER: Paragraph D or B?

THE WITNESS: D.

MR. PORTER: D

Q (By Mr. Hatch) Have you or someone under your supervision prepared an exhibit or exhibits relative to your recommendations?

A Yes, we have.

Q Would you refer to what exhibit that is, please?

A Southeast New Mexico, nomenclature Exhibit 1. It contains paragraphs A through M with the exception that D will be dismissed.

Q Would you refer to Exhibit 1 and to paragraphs A, B, C, and D, Case 3667 and make your recommendations to the Commission concerning the creation of new oil pools in Lea and Chavez Counties? Would you take one at a time?

A Yes, sir. Paragraph A, it is recommended that a new oil pool be created and designated as the vacuum-Middle Pennsylvanian, vertical limits to be the Pennsylvanian B formation and the horizontal limits as shown in paragraph 1.

The discovery well is the Mobile Oil Corporation Bridges State No. 121. It is located in Unit L of Section 13 Township 17 South, Range 34 East. The well was completed on

August 21, 1967 and the top of the perforations is at 10,436 feet.

Now, this has special vertical limits which are shown on Exhibit 1, paragraph A.

The docket also states that there was advertised for an assignment of approximately 1255 barrels of discovery allowable and I understand that Mobil has a statement concerning this which this would probably be the best time to hear that.

MR. PORTER: I think probably it would. Mr. Sperling do you have something concerning paragraph A at this time?

MR. SPERLING: Yes, I do, Mr. Porter. I am J. E. Sperling of Albuquerque representing Mobil Corporation. We do have a statement which we would like to present at this time through Mr. Hart of Mobil's office in Midland. The question here apparently involves an interpretation of Rule 509 of the Commission with reference to the assignment of the discovery allowable.

As the docket indicates, apparently the initial computation of the discovery allowable by the Commission indicates the assignment of 1250 barrels plus, as an allowable.

It is Mobil's position, which we will explain in

a few minutes, that the Rule contemplates a different calculation than that based upon the language of the Rule. Does the Commission desire that Mr. Hart of Mobil be sworn?

MR. PORTER: I think it might be well, there might be some questions, Mr. Sperling.

(Witness sworn)

MR. PORTER: Mr. Hart, you may make your statement from there if you would like.

MR. HART: As a representative of Mobil Oil Corporation, I would like to first express Mobil's views regarding the Commission's recently enacted Rule concerning Oil Discovery Allowable.

It is Mobil's opinion that Rule 509 of the New Mexico Oil Conservation Commission is one of the most foresighted regulations enacted by an oil regulatory body. Only through such incentive programs will a State produce an economic atmosphere which will inspire operators to actively seek out the hydrocarbon reserves of that State. Not only is the discovery of new reserves vital to the economy of a State but, as witnessed during the recent Middle East crisis, it is Mobil's opinion that an increase in the producing capabilities of the nation is a forthcoming necessity.

Mobil therefore wishes to commend the Conservation

Commission of New Mexico for having the foresight and leadership to prepare for the future.

Mobil Oil Corporation, while in complete accordance with the aims and intentions of Rule 509, wishes now to present testimony to the Commission in order that a fair and equitable precedent be established for future cases falling under this rule.

Mobil Oil Corporation, upon completion of their Bridges State Well No. 121, filed documents necessary for granting the well a bonus allowable under New Mexico's Rule 509. Owing to the fact that Mobil's application was one of the first wells considered for Discovery Bonus Allowable and application of the rule was made more difficult by multiple pay zones in that well, Mobil urges that the bonus allowable was not accurately computed for Bridges State Well No. 121.

Mobil's Bridges State Well No. 121 was completed as a triple completion in the Abo at 8,485, the Upper Pennsylvanian at 10,108 and the discovery reservoir, the Middle Penn at 10,436. In this well, grant of a discovery oil allowable, under Rule 509, would therefore be determined by a depth factor multiplied by 5. The correct depth factor employed depends upon the location of the top perforation of the discovery formation and the type of well

involved. In our case the top perforation in the Middle Penn discovery zone is at 10,436 feet.

Had Bridges State Well 121 been a single discovery completion, Rule 509 could have easily been applied and discovery allowable would have been calculated by multiplying 5 times the distance in feet from the top perforation in the discovery zone to the surface of the earth.

Also, had Bridges State No. 121 been a completion wherein there were multiple discoveries, there would probably have been no confusion in applying Rule 509. In that instance, using paragraph two on multiple completions, the uppermost discovery zone would have had its depth factor measured from the top perforation upward to the surface of the earth. Lower discovery zones would have their depth factor measured from their top perforation upward to the next newly discovered zone.

Mobil urges that the discovery bonus allowable for their Bridges State Well No. 121 was miscalculated owing to the misapplication of paragraph 2, "Multiple Completions".

Paragraph 2, states that "The discovery allowable for the uppermost pool shall be based on the depth from the

surface of the ground to the top of the perforations".

Under this explicit wording, it is evident that the uppermost discovery reservoir in a well will have its discovery bonus calculated from depths extending from the top perforation to the surface. Paragraph 2 continues to state that "The discovery allowable for each lower pool shall be based on the distance from the bottom of the perforations in the next higher newly discovered oil pool to the top of the perforations in said lower pool".

By its explicit wording, paragraph 2 will only be applicable for wells in which there are multiple discovery pools. Only in multiple discovery wells will one be able to obtain a limited distance factor for a zone measured from, and now quoting from paragraph 2, "...from the bottom of the perforations in the next higher newly discovered oil pool to the top of the perforations in said lower pool".

Owing to the misapplication of paragraph 2, Mobil's Bridges State No. 121 Discovery Bonus Allowable was calculated using a distance from the top of the Middle Pennsylvanian, the newly discovered pool, to the next higher pool. But, contrary to paragraph 2, that next higher pool, the Upper Pennsylvanian, in Bridges State No. 121 was not a, quote "...next higher newly discovered pool".

Bonus allowable for Bridges State No. 121 should therefore be calculated by using a distance factor extending from the top perforation of the Middle Pennsylvanian discovery pool upward to the surface of the ground.

To calculate a limited discovery allowable by methods set out in Rule 509, Paragraph 2, when the subject well is a multiple completion with only one discovery pool, is contrary to the explicit wording of the Rule. Limiting the distance to the next higher producing zone is contrary to the rule which states " ...next higher newly discovered oil pool". In Bridges State No. 121, there is no next higher newly discovered oil pool. The Middle Pennsylvanian is the UPPERMOST discovery pool and distance should therefore be measured to the surface of the ground as set forth in Paragraph 2 as a standard for the uppermost discovery pool.

Mobil agrees that Paragraph 2 is a necessary and proper standard for a rule such as 509. In multiple discoveries, to hold otherwise would inequitably allocate an unproportionate share of production to a single well. But, to apply only the limiting portion of Paragraph 2 to single discoveries in a multiply completed well, would also create injustice.

As previously pointed out, such misapplication

would be contrary to the express wording of the statute.

In addition, such a practice would be contrary to the intent of the Rule. Where possible, new discoveries might be made by completing different horizons in areas of known production, a prudent operator would not be motivated to undertake expensive evaluation operations if the rewards would be drastically limited. To calculate bonus discovery allowable contrary to the rule would also encourage operators to ~~perpetrate~~ a sham upon the Commission. Drilling permits would be requested for probable discovery zones and singly completed in those zones in order to receive grants of full bonus discovery allowables. Subsequent to the granting of the bonus allowable, the operator could multiply complete in other known producing horizons, thereby avoiding the Commission's present limited interpretation of Paragraph 2.

Mobil therefore requests that the discovery bonus allowable for Bridges State No. 121 be based on a distance factor extending from the top perforation of the Middle Pennsylvanian, upward to the surface of the ground.

MR. SPERLING: Mr. Porter, I think it might be well to offer Mr. Hart's testimony in a form of a statement so that it can be studied.

MR. PORTER: Would you like to enter that as an

exhibit in the case?

MR. SPERLING: Yes, I would. I would like to have the reporter mark it as Mobil Statement.

MR. PORTER: Mark that as Mobil Exhibit No. 1.

(Whereupon, Mobil's Exhibit No. 1 was marked for identification.)

MR. PORTER: If there are no objections the exhibit will be admitted.

(Whereupon, Mobil's Exhibit No. 1 was admitted into evidence.)

MR. PORTER: Mr. Sperling, did you have something else?

MR. SPERLING: No, Mr. Porter, I think the statement clearly sets forth the position of Mobil with reference to the computation of the allowable. It is simply a question of whether newly discovered oil pool means what it says.

MR. PORTER: Mr. Nutter, do you have anything concerning this at the present time?

MR. NUTTER: Not really, Mr. Porter. It is my feeling on this, I wrote this notice for this case and it is my feeling on this that the intent of the Commission in writing this rule was to provide an incentive for wildcat drilling. In my opinion this particular well being projected

originally as an Abo-Wolfcamp and upper Pennsylvanian Development Well was not drilled as a wildcat well. The Abo was dry -- I mean the Wolfcamp was dry. The well was completed as an Abo Development well, an upper Pennsylvanian Development well and then approximately 251 feet of wildcat drilling occurred from the base of the upper Pennsylvanian Pool down to the Middle Pennsylvanian Pool. Based on this amount of wildcat footage which was drilled, this notice was prepared for 1255 barrels of discovery allowable. I think that it was a misconception on the part of Mobil to interpret a development well as being a wildcat well from the surface of the ground down to two known pays and for that reason I still believe that 1255 barrels is the amount of discovery allowable to which the well is entitled. I consider the well a development well for 10,180 feet -- 108 feet.

MR. PORTER: In view of the development here, the Commission is going to continue paragraph A until the next regular hearing on November 15. This paragraph will be re-advertised as a part of the next nomenclature case.

For the Commission to make a ruling on this at the present time, it would have to be, we think, limited to the limits of the advertisement which is 1255 barrels. The Commission would like to have more latitude in that, in

considering what the proper solution should be so the Commission and its staff will consider the testimony that has been presented here in the form of this statement, between now and the time that we advertise for the November hearing, and the advertisement for the November docket will perhaps be less restrictive as to the amount that can be considered.

We will continue that paragraph A until the November hearing.

MR. HATCH: Excuse me, will the entire paragraph be continued or should the pool be created?

MR. PORTER: No the pool should be created. The only thing we will continue and readvertise is the matter of the bonus and I think we can notify the Mobil prior to that hearing as to whether it is the feeling of the staff or the Commission that it will be necessary for them to again appear and present testimony or answer, questions and so forth.

MR. SPERLING: Then I take it that I understood you correctly, Mr. Porter, there is no question so far as the establishment of the new pool is concerned --

MR. PORTER: No --

MR. SPERLING: And the new discovery.

MR. PORTER: It is a new pool and a new discovery.

The only question is the matter of the bonus, so would you proceed with the balance of the case, Mr. Ramey?

THE WITNESS: All right. Paragraph B, it is recommended that a new oil pool be created and designated as the East Brunson-Ellenburger Pool. Vertical limits to be the joined section of the Ellenburger and the horizontal limits as shown on paragraph B. The discovery well was the Texas Pacific Oil Company Ella Drinkard Well No. 2 located in Unit E, Section 25, Township 22 South, Range 37 East and was completed on August 4, 1967. Top of the perforations is at 7,783' feet.

It is further recommended that 38,915 barrels of oil discovery allowable be assigned to this well.

Paragraph C, it is recommended that a new oil pool be created and designated as the East Brunson Granite Wash Pool. Vertical limits to be the Granite Wash formation and the horizontal limits as shown in paragraph C of Exhibit 1. The discovery well is the same well as mentioned in paragraph B which is the Texas Pacific Oil Company's Ella Drinkard No. 2. This well was completed on July 26, 1967 and the top of the perforations is at 7,843' feet.

In paragraph C it is recommended that 210 barrels of oil discovery allowable be assigned this well. Here is the

case where we have a multiple discovery well, so the second discovery is from the base of the upper perforated zone which is at 7,801 feet down to the top of the lower perforated zone which is at 7,843 feet.

As I stated before, paragraph D will be dismissed at request of the applicant. And then the remainder of the paragraphs calling for extensions of pools, paragraph E is the same as advertised on the docket, paragraph F, I have the following additions. In Township 8 South, Range 30 East, Section 5, the Southeast quarter; in Section 22, the Southwest quarter. Paragraph G, I have the following additions; in Township 8 South, Range 33 East, Section 11, the Southwest quarter and Township 7 South, Range 32 East, Section 36, the North half.

Paragraphs H and I are shown on the docket. I have an addition in paragraph J in Township 10 South, Range 33 East, Section 15, the Southwest quarter. Paragraphs K and L are as shown. Paragraph M an addition in Township 17 South, Range 34 East, Section 24, Northeast quarter.

Q (By Mr. Hatch) Do you recommend that the pools be extended as advertised and as corrected by you in paragraphs E through M?

A Yes, sir, I do.

Q You previously testified that Exhibit 1 was prepared by you and under your supervision.

A Yes, sir, that's correct.

MR. HATCH: I would like to move the introduction of Exhibit 1 into evidence at this time.

MR. PORTER: If there are no objections the exhibit will be admitted.

(Whereupon, Oil Conservation Commission's Exhibit No. 1 was admitted into evidence.)

MR. PORTER: Are there any questions of Mr. Ramey?

CROSS EXAMINATION

BY MR. PORTER:

Q Mr. Ramey, now you moved for dismissal of paragraph D. Did that apply only to that portion concerning the discovery allowable?

A No, sir. That is the entirety for the creation of a new pool. I think this has turned out to be an extension of the Cato.

Q At least there is some reason to believe it might be at this time.

A Yes, sir, that is our opinion.

MR. NUTTER: I believe, Mr. Porter, that Shell has

submitted a letter requesting dismissal of this.

MR. PORTER: Paragraph D will be dismissed and the balance of the case will be taken under advisement.

Q (By Mr. Porter) You have already acted on portions of paragraph A.

A Yes, sir.

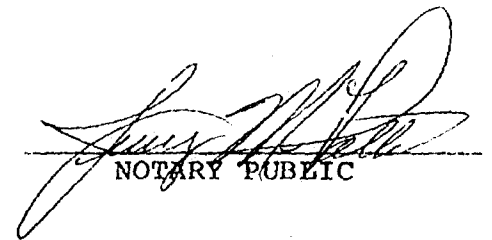
MR. PORTER: You may be dismissed.

(Witness excused)

STATE OF NEW MEXICO)
)
COUNTY OF NEW MEXICO)

I, JERRY M. POTTS, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me; and that the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.

Witness my Hand and Seal this 15th day of November, 1967



NOTARY PUBLIC

My Commission expires:

July 10, 1970.

CASE 3667: (a) CREATION OF A NEW OIL POOL

COUNTY LEA POOL VACUUM-MIDDLE PENNSYLVANIAN

TOWNSHIP 17 South RANGE 34 East NMFM

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

PURPOSE: One completed oil well capable of producing.

MOBIL OIL CORPORATION - Bridges State #121 in Unit I of Section 13-17-34.
Completed in Pennsylvanian "B" on August 21, 1967. Top of Perforations
10,436'.

Special Vertical Limits: From 10,325 feet to 10,883 feet. Type Log:
Mobil Oil Corporation State Bridges #96 in Unit II of Section 26-17-34.
Proposed pool boundary colored in red. SECTION 13: SW/4

CASE 3667: (b) CREATION OF A NEW OIL POOL

COUNTY LEA POOL EAST BRUNSON-ELLENBURGER

TOWNSHIP 22 South RANGE 37 East NMPM

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

PURPOSE: One completed oil well capable of producing.

TEXAS PACIFIC OIL COMPANY - Ella Drinkard #2 in Unit E of Section 25-22-37.

Completed in Ellenburger-Joins on August 4, 1967. Top of Perforations 7783'.

Proposed pool boundary colored in red. SECTION 25: NW/4

CASE 3667: (c) CREATION OF A NEW OIL POOL

COUNTY LEA POOL EAST BRUNSON-GRANITE WASH

TOWNSHIP 22 South RANGE 37 East NMPM

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

PURPOSE: One completed oil well capable of producing.

TEXAS PACIFIC OIL COMPANY - Ella Drinkard #2 in Unit E of Section 25-22-37.

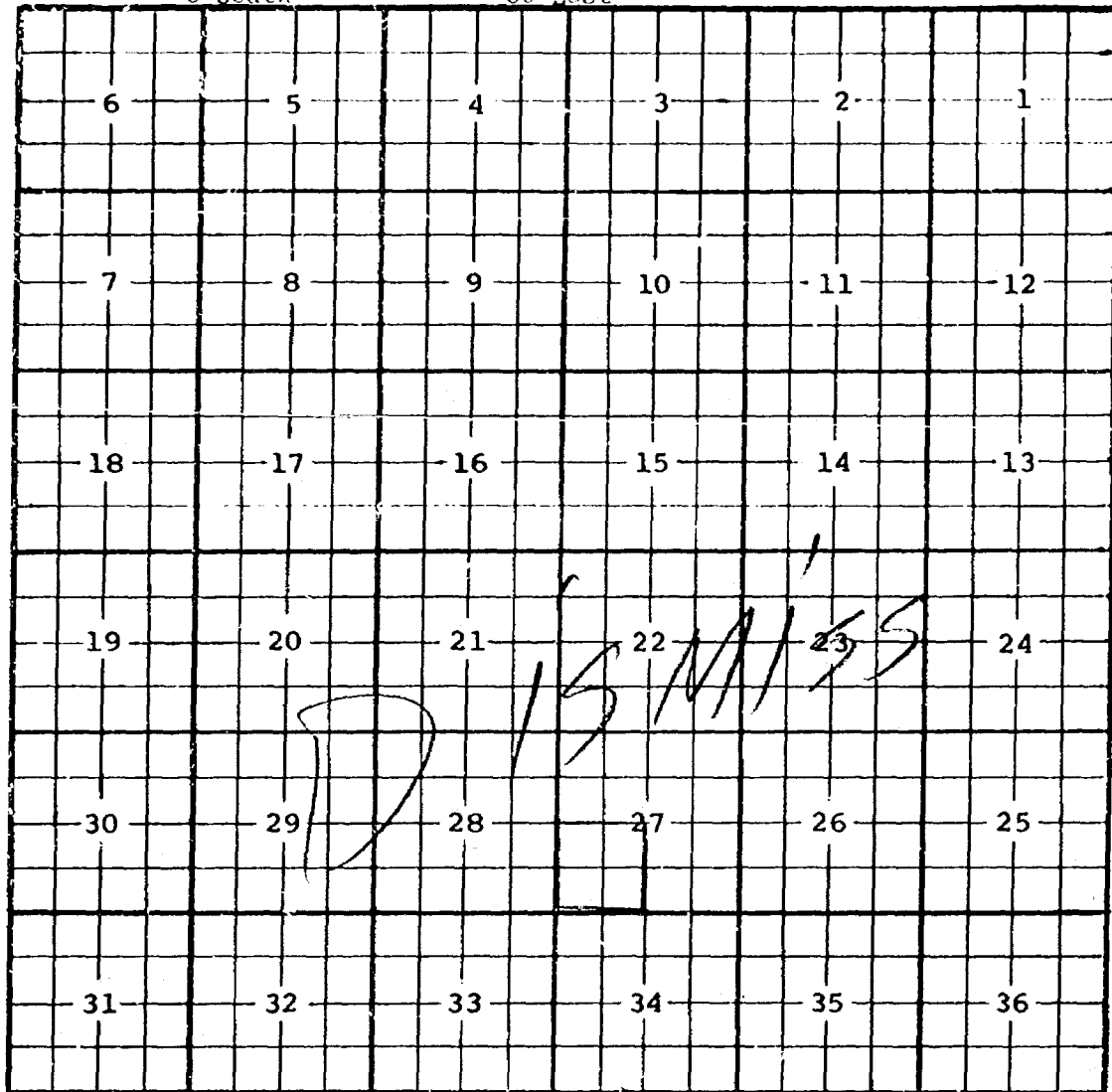
Completed in Granite Wash on July 26, 1967. Top of Perforations 7843'.

Proposed pool boundary colored in red. SECTION 25: NW/4

CASE 3667: (d) CREATION OF A NEW OIL POOL

COUNTY CHAVES POOL SOUTH CATO-SAN ANDRES

TOWNSHIP 8 South RANGE 30 East NMPM

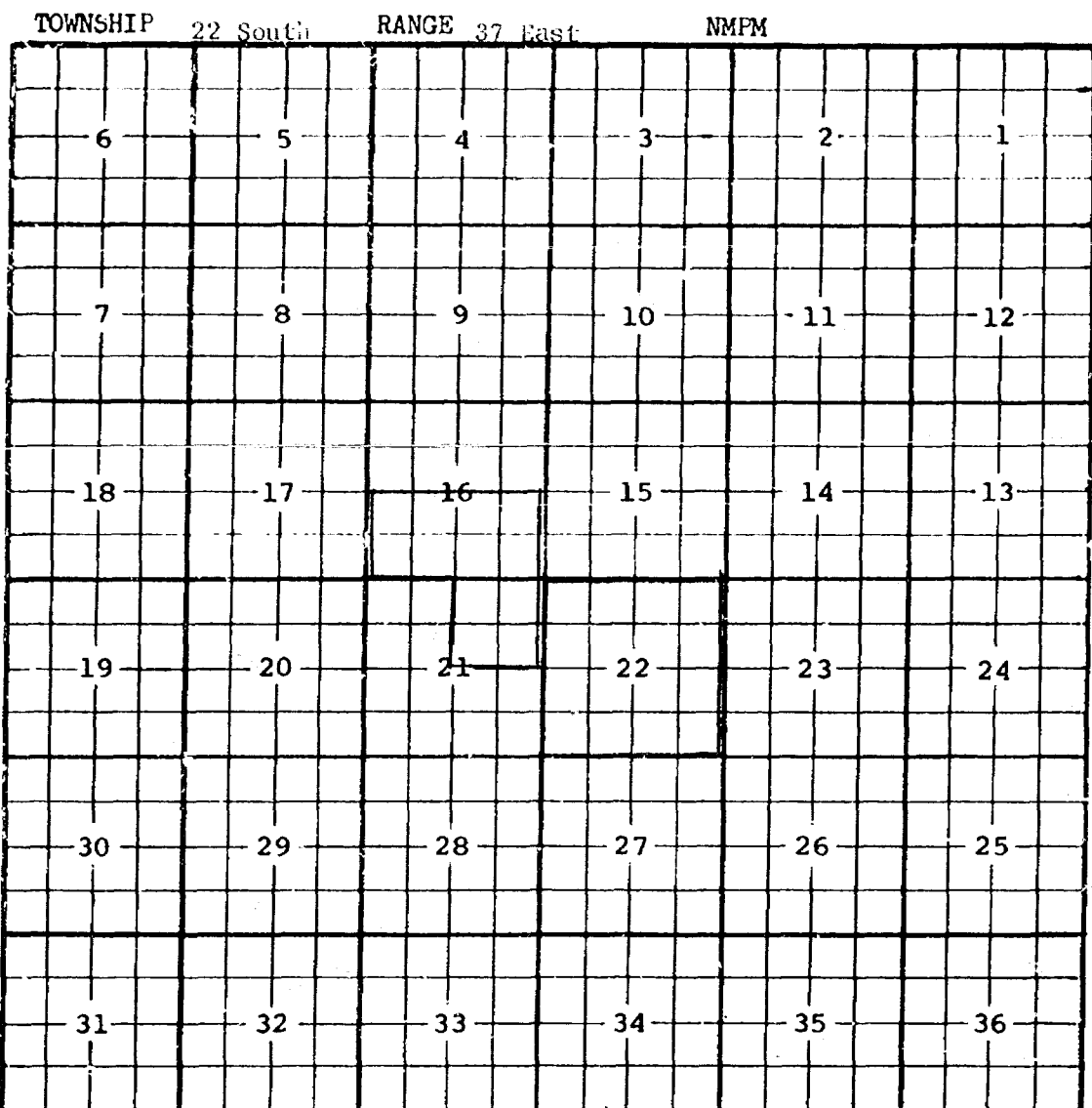


PURPOSE: Two completed oil wells capable of producing.

DISCOVERY WELL--SHELL OIL COMPANY -- Hodges "A" Federal #2 in Unit M of
Section 27-8-30. Completed in San Andres on August 15,
1967. Top of Perforations 3476'.

SHELL OIL COMPANY - Hodges A Federal #3 in Unit K of Section 27-8-30.
Completed in San Andres on September 29, 1967. Top of Perforations 3488'.
Proposed pool boundary colored in red. SECTION 27: SW/4

CASE 3667: (e) EXTENSION OF AN EXISTING OIL POOL
COUNTY LEA POOL CARY-MONTOYA



PURPOSE: One completed oil well capable of producing.

GULF OIL CORPORATION - R. E. Cole (NCT-A) #8 in Unit K of Section 16-22-37. Completed in Montoya on June 3, 1967. Top of Perforations 7284'. Pool boundary colored in red.

Proposed pool extensions colored in green. SECTION 16: S/2

SECTION 21: NE/4

CASE 3667: (f) EXTENSION OF AN EXISTING OIL POOL (Continued on next page)

COUNTY CHAVES POOL CATO-SAN ANDRES

TOWNSHIP 7 South RANGE 30 East NMPM

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

PURPOSE: Eight completed oil wells capable of producing.

SUN OIL COMPANY - New Mexico J State #1 in Unit K of Section 36-7-30.

Completed in San Andres on July 21, 1967. Top of Perforations 3495'.

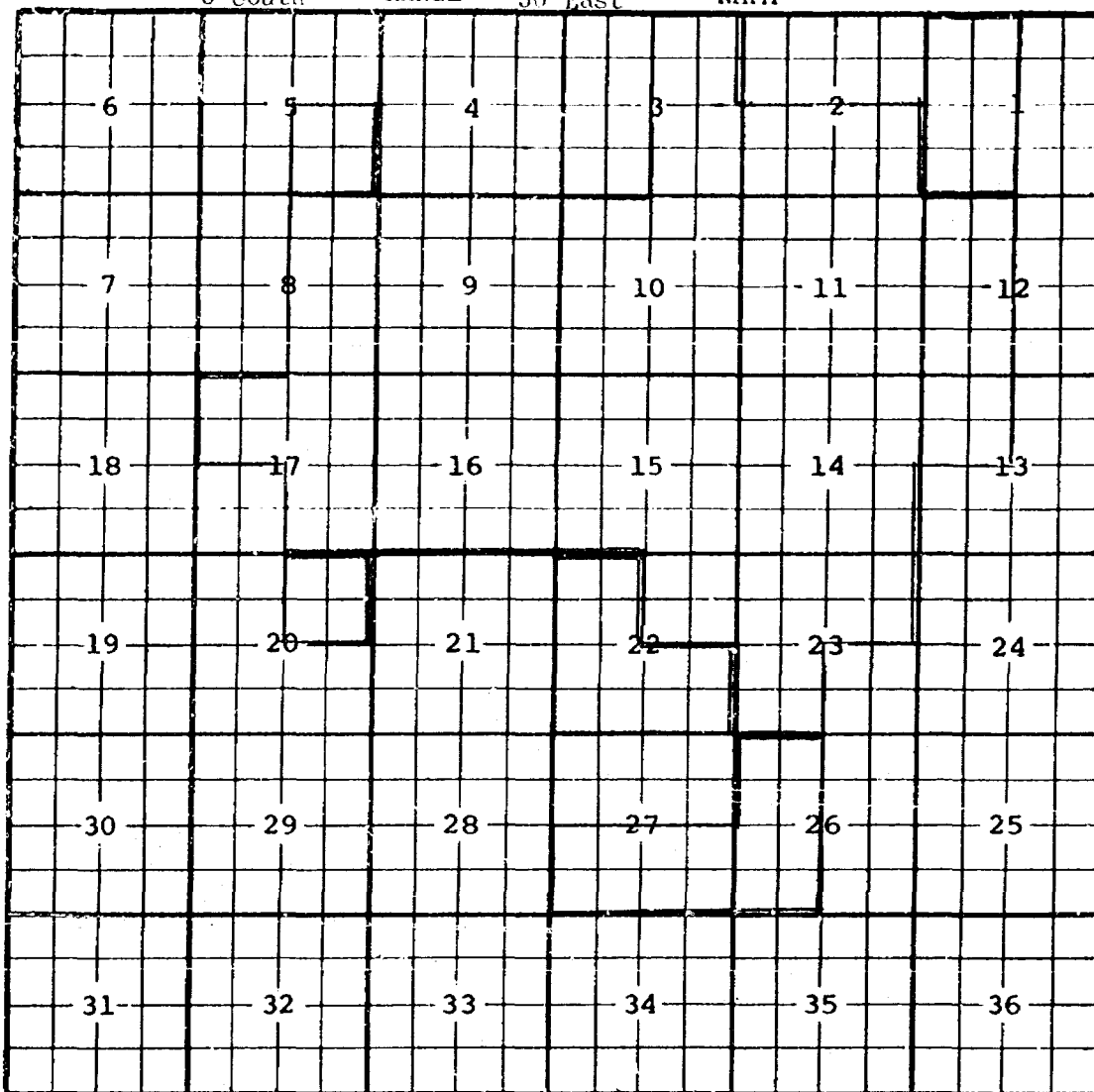
Pool boundary colored in red.

Proposed pool extensions colored in green. SECTION 36: SW/4

CASE 3667: (F) EXTENSION OF AN EXISTING OIL POOL (Continued)

COUNTY CHAVES POOL CATO-SAN ANDRES

TOWNSHIP 8 South RANGE 30 East NMFM



PURPOSE: As stated on preceding page, paragraph (f), Exhibit I. (Wells listed on attached sheet)

Pool boundary colored in red.

Proposed pool extensions colored in green. SECTION 1: W/2

SECTION 20: NE/4

SECTION 22: NW/4 and SE/4

SECTION 26: W/2

SECTION 27: S/2

ADDITIONS-----SECTION 5: SE/4

SECTION 22: SW/4

COUNTY	CHAVES	PGCL	CATO-SAN ANDRES
TOWNSHIP	8 South	RANGE	30 East NMPN

SINCLAIR OIL & GAS COMPANY - Sinclair 208 Federal #1 in Unit A of Section 20-8-30. Completed in San Andres on July 1, 1967. Top of Perforations 3339'.

SHELL OIL COMPANY - Brown Federal #1 in Unit P of Section 22-8-30. Completed in San Andres on July 16, 1967. Top of Perforations 3494'.

SHELL OIL COMPANY - Brown Federal #2 in Unit J of Section 22-8-30. Completed in San Andres on July 9, 1967. Top of Perforations 3462'.

SHELL OIL COMPANY - Brown Federal #3 in Unit I of Section 22-8-30. Completed in San Andres on July 27, 1967. Top of Perforations 3494'.

UNION TEXAS PETROLEUM CORPORATION - Winkler Federal #3 in Unit F of Section 22-8-30. Completed in San Andres on August 15, 1967. Top of Perforations 3458'.

SHELL OIL COMPANY - Brown "A" Federal #1 in Unit D of Section 26-8-30. Completed in San Andres on August 6, 1967. Top of Perforations 3532'.

SHELL OIL COMPANY - Brown "A" Federal #2 in Unit E of Section 26-8-30. Completed in San Andres on September 22, 1967. Top of Perforations 3536'.

ADDITION--LOHMANN OIL WELL SERVICE, INC. - Crosby #1 in Unit J of Section 5-8-30. Completed in San Andres on July 16, 1967. Top of Perforations 3139'.

ADDITION--SHELL OIL COMPANY - Hodges C Federal #1 in Unit K of Section 22-8-30. Completed in San Andres on September 19, 1967. Top of Perforations 3460'.

CASE 3667: (g) EXTENSION OF AN EXISTING OIL POOL (Continued)

COUNTY ROOSEVELT POOL CHAVEROO-SAN ANDRES

TOWNSHIP		7 South		RANGE		32 East		NMPM	
6		5		1		3		2	1
7		8		9		10		11	12
18		17		16		15		14	13
19		20		21		22		23	24
30		29		28		27		26	25
31		32		33		34		35	36

PURPOSE: As stated on preceding page, paragraph (g), Exhibit I.

ADDITION--TAYLOR PRUITT - Anderson State #4 in Unit G of Section 36-7-32.
Completed in San Andres on August 31, 1967. Top of Perforations
4183'.

ADDITION--TAYLOR PRUITT - Anderson State #8 in Unit B of Section 36-7-32.
Completed in San Andres on September 29, 1967. Top of Perfora-
tions 4180'.

ADDITION--TAYLOR PRUITT - KMS #3 in Unit F of Section 36-7-32. Completed
in San Andres on September 21, 1967. Top of Perforations 4164.5'.

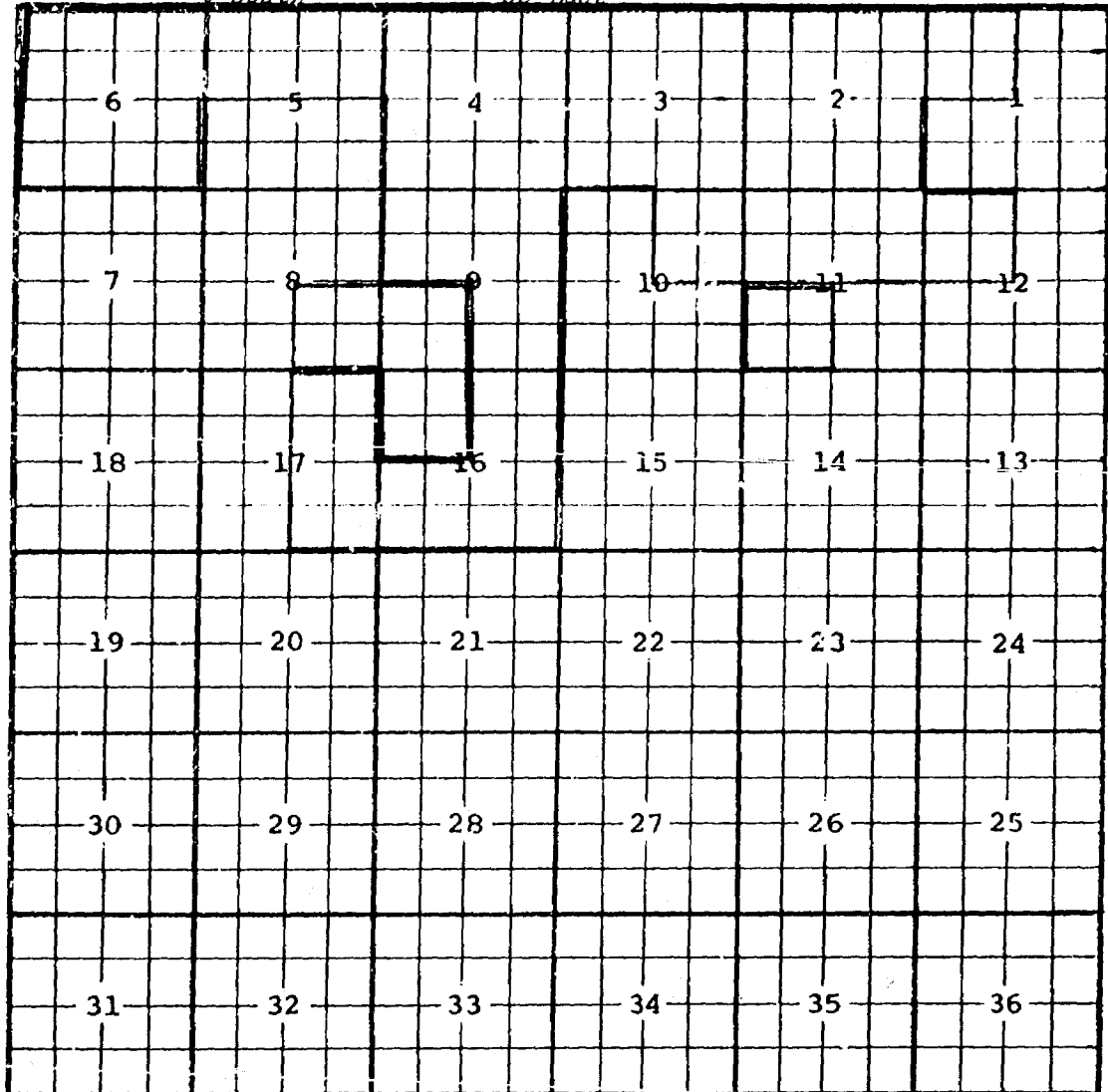
Pool boundary colored in red.

Proposed pool extensions colored in green. SECTION 36: N/2

CASE 3667: (E) EXTENSION OF AN EXISTING OIL POOL (Continued on next page)

COUNTY CHAVES POOL CHAVEROO-SAN ANDRES

TOWNSHIP 8 South RANGE 33 East NMFM



PURPOSE: One completed oil well capable of producing.

ADAM K. GRAFE ASSOCIATES, INC. AND THE WIL-Mc OIL CORPORATION - Atlantic-Richfield Federal #1 in Unit I of Section 8-8-33. Completed in San Andres on August 15, 1967. Top of Perforations 4261'.

ADDITION--SUNRAY DX OIL COMPANY - New Mexico X Federal #4 in Unit I of Section 11-8-33. Completed in San Andres on September 2, 1967. Top of Perforations 4331'.

Pool boundary colored in red.

Proposed pool extensions colored in green. SECTION 8: SE/4

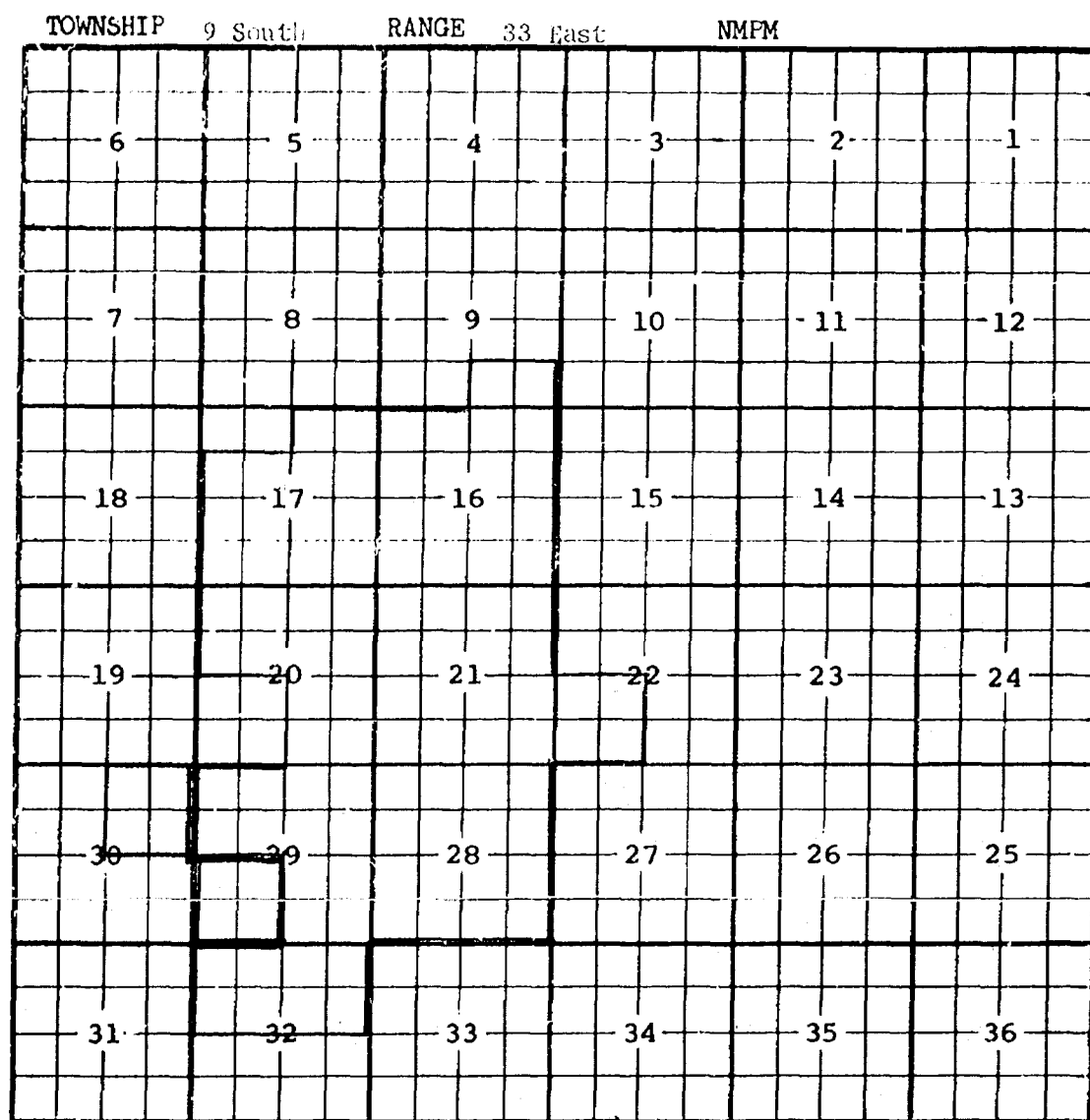
SECTION 9: SW/4

SECTION 16: NW/4

ADDITION-----SECTION 11: SW/4

CASE 3667: (b) EXTENSION OF AN EXISTING OIL POOL

COUNTY LEA POOL FLYING "M"-SAN ANDRES



PURPOSE: Three completed oil wells capable of producing.

COASTAL STATES GAS PRODUCING COMPANY - Nancy Trow et al #1 in Unit L of Section 29-9-33. Completed in San Andres on July 19, 1967. Top of Perforations 4348'.

COASTAL STATES GAS PRODUCING COMPANY - Nancy Trow et al #2 in Unit N of Section 29-9-33. Completed in San Andres on August 5, 1967. Top of Perforations 4367'.

BTA OIL PRODUCERS - Shell 672 Ltd. #1 in Unit G of Section 30-9-33. Completed in San Andres on August 15, 1967. Top of Perforations 4305'.

Pool boundary colored in red.

Proposed pool extensions colored in green. SECTION 29: SW/4

SECTION 30: NE/4

CASE 3667: (i) EXTENSION OF AN EXISTING OIL POOL

COUNTY LEA POOL EAST HIGHTOWER-LOWER PENNSYLVANIAN

TOWNSHIP 12 South			RANGE 33 East			NMPM		
6	5	4	3	2	1			
7	8	9	10	11	12			
18	17	16	15	14	13			
19	20	21	22	23	24			
30	29	28	27	26	25			
31	32	33	34	35	36			

PURPOSE: One completed oil well capable of producing.

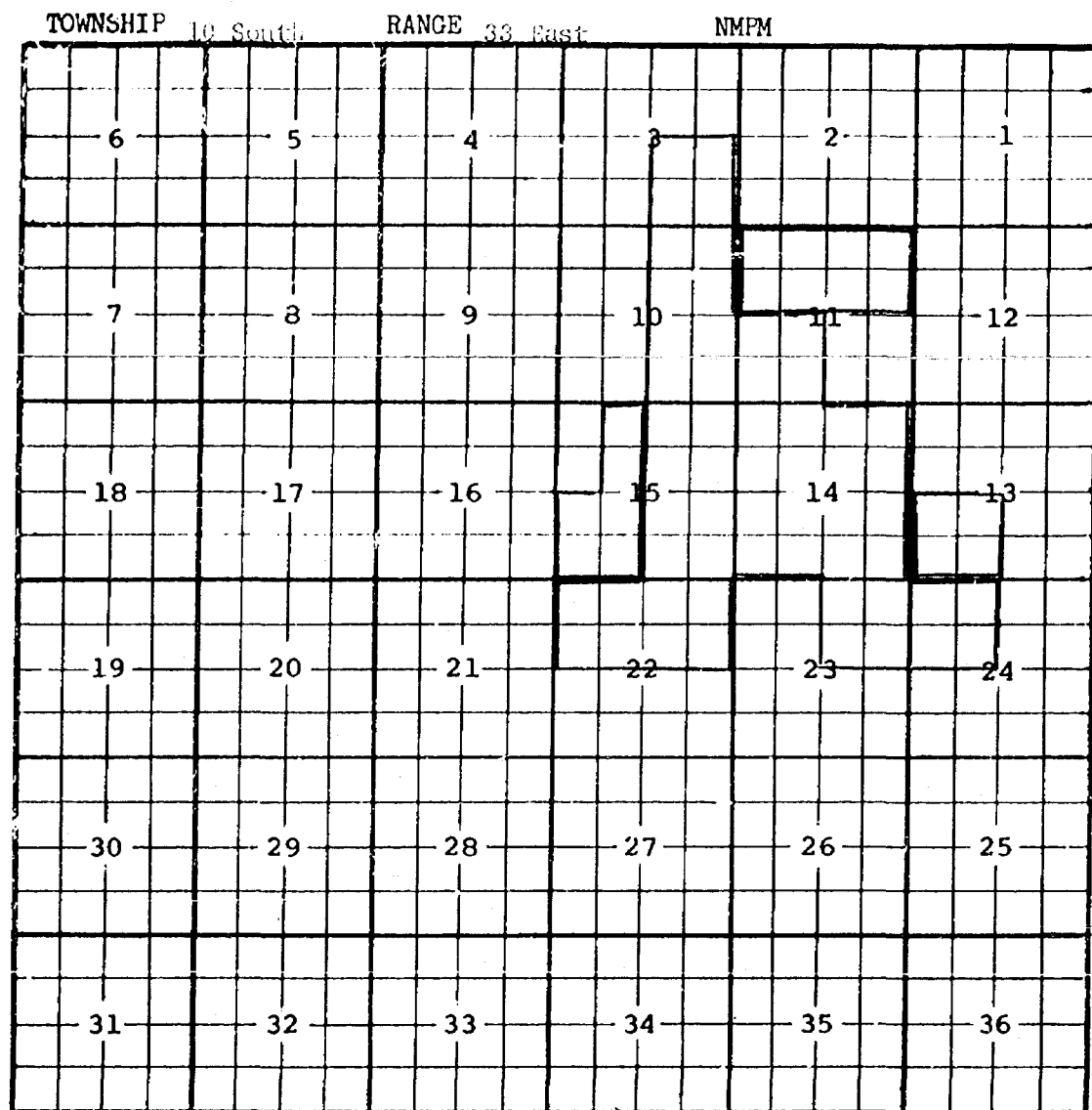
SAM BOREN - Shell-State #1 in Unit II of Section 25-12-33. Completed in Lower Pennsylvanian on August 11, 1967. Top of Perforations 10,257'.

Pool boundary colored in red.

Proposed pool extension colored in green. SECTION 25: NE/4

CASE 3667: (J) EXTENSION OF AN EXISTING OIL POOL

COUNTY LEA POOL MIDDLE LANE-PERMO PENNSYLVANIAN



PURPOSE: Four completed oil wells capable of producing.

MIDWEST OIL CORPORATION - State "I" #1 in Unit A of Section 11-10-33.

Completed in Bough C on August 15, 1967. Top of Perforations 9700'.

MIDWEST OIL CORPORATION - New Mexico "I" State #2 in Unit E of Section

11-10-33. Completed in Bough C on September 25, 1967. Top of Perforations

9680'.

THE SUPERIOR OIL COMPANY - State E #1 in Unit M of Section 13-10-33.

Completed in Bough C on August 4, 1967. Top of Perforations 9734'.

CHARLES B. READ - Gross #2 in Unit F of Section 15-10-33. Completed in

Bough C on August 7, 1967. Top of Perforations 9561'.

ADDITION--CHARLES B. READ - Aztec #2 in Unit N of Section 15-10-33. Com-

pleted in Bough "C" on September 23, 1967. Top of Perforations

9694.5'.

Pool boundary colored in red.

Proposed pool extensions colored in green.

ADDITION--SECTION 15: SW/4

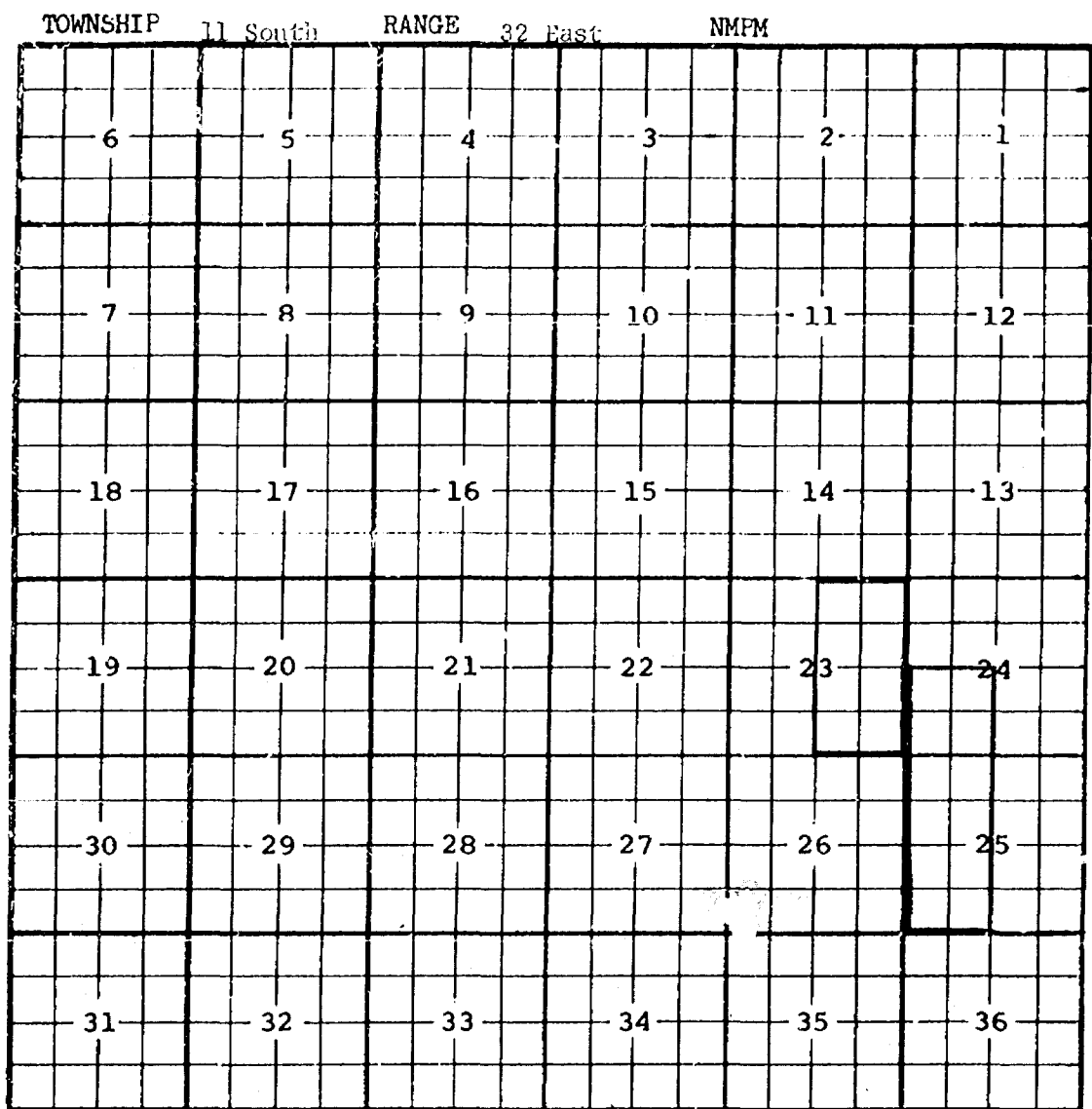
SECTION 11: N/2

SECTION 13: SW/4

SECTION 15: E/2 NW/4

CASE 3667: (k) EXTENSION OF AN EXISTING GAS POOL

COUNTY LEA POOL MCORE-WOLF CAMP GAS



PURPOSE: One completed gas well capable of producing.

AMERADA PETROLEUM CORPORATION - C. W. Robinson #2 in Unit II of Section 23-11-32. Completed in Wolfcamp on July 31, 1967. Top of Perforations 8257'.

Pool boundary colored in red.

Proposed pool extension colored in green. SECTION 23: E/2

CASE 3667: (1) EXTENSION OF AN EXISTING OIL POOL
COUNTY LEA POOL MORTON-WOLFCAMP

TOWNSHIP 15 South RANGE 34 East NMPM

6	5	4	3	2	1	
7	8	9	10	11	12	
18	17	16	15	14	13	
19	20	21	22	23	24	
30	29	28	27	26	25	
31	32	33	34	35	36	

PURPOSE: One completed oil well capable of producing.
UNION OIL COMPANY OF CALIFORNIA - Reed #1 in Unit N of Section 12-15-34.
Completed in Wolfcamp on August 16, 1967. Top of Perforations 10,423'.
Pool boundary colored in red.
Proposed pool extension colored in green. SECTION 12: SW/4

CASE 3667: (m) EXTENSION OF AN EXISTING OIL POOL

COUNTY LEA POOL NORTH VACUUM-ABO

TOWNSHIP 17 South RANGE 34 East NMFM

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

PURPOSE: One completed oil well capable of producing.

MOBIL OIL CORPORATION - Bridges State #120 in Unit N of Section 13-17-34.
Completed in Abo on July 11, 1967. Top of Perforations 8514'.

ADDITION--MOBIL OIL CORPORATION - State "G" #4 in Unit B of Section 24-
17-34. Completed in Abo on August 21, 1967. Top of Perfora-
tions 8523'.

Pool boundary colored in red.

Proposed pool extensions colored in green. SECTION 13: SW/4

ADDITION-----SECTION 24: NE/4