

CASE 4045: Application of H & S
OIL CO. FOR AMENDMENT TO ORDER
R-3357 as amended by R-3357-A.

7-26-28
C. H. R.

Case Number

4045

Application

Transcripts.

Small Exhibits

ETC.

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SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

1120 SIMMS BLDG. • P. O. BOX 1092 • PHONE 243-6691 • A. BUEQUERQUE, NEW MEXICO



BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
February 26, 1969

EXAMINER HEARING

IN THE MATTER OF:

Application of H & S Oil Company)
for an amendment to Order No.)
R-3357, as amended by Order No.)
R-3357-A, Eddy County, New Mexico)
-----)

Case No. 4045

BEFORE: Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

MR. UTZ: Case 4045.

MR. HATCH: Case 4045. Continued from the February 5, 1969, Examiner Hearing. Application of H & S Oil Company for an amendment to Order No. R-3357, as amended by Order No. R-3357-A, Eddy County, New Mexico.

MR. LOSEE: Mr. Examiner, A. J. Losee, of Artesia. I have no witnesses, and I would like to move the introduction of the testimony and the documentary evidence in Case Number 3699, which resulted in Order R-3357, and, also, in Case Number 3801, which resulted in Order R-3357-A- -

MR. UTZ: What were these cases?

MR. LOSEE: The first case was authority to convert about eight wells to water injection, including -- let me get my well numbers right -- the authorization to convert the Roach Drilling Company, Leonard Well Number 18, as an injection well. Subsequently, the operator changed the pattern, and in Case 3801, completely moved it over. And, as a result, this Leonard Well was deleted and was intended to be as a producer. But because of mechanical troubles in the proposed injection well, he's going

to revert back to the Poach Drilling Company,
Leonard Well Number 18. And I think the Record,
in Case 3699, which authorized this well as an in-
jection well, will support the application.

MR. UTZ: In other words, you intend to
complete the well in the manners approved in P-3356?

MR. LOSEE: Yes -- 3357; the original order.

MR. UTZ: Well, wasn't the original order
approved in '56?

MR. LOSEE: In 1956? Yes.

MR. UTZ: No, I mean in 3356- -

MR. LOSEE: No, 3357.

MR. LOSEE: I thought that was the one that
was deleted.

MR. LOSEE: No, "A" deleted it. It was --
3357 was the original and "A" deleted it. We're back
here with "B" to put it back in.

MR. UTZ: Oh, all right.

MR. LOSEE: Hopefully, "B".

MR. UTZ: Without objection, the Record of
Cases 3699 and 3801 will be entered into the Record
as Case 4045. The case will be taken under advisement.

* * * * *

I N D E X

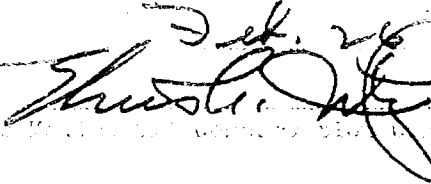
Case Discussion. 2 - 3

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, CA PENLEY, Court Reporter 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.



CA PENLEY - COURT REPORTER

FILED
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dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

1120 SIMAS BLDG. • P. O. BOX 1092 • PHONE 243-6191 • ALBUQUERQUE, NEW MEXICO

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
February 5, 1969

EXAMINER HEARING

IN THE MATTER OF:)

Application of H & S Oil Company for an)
amendment to Order No. R-3357, as amended) Case No. 4045
by Order No. R-3357-A, Eddy County, New)
Mexico.)

BEFORE: Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
February 5, 1969

EXAMINER HEARING

IN THE MATTER OF:)

Application of H & S Oil Company for an)
amendment to Order No. R-3357, as amended) Case No. 4045
by Order No. R-3357-A, Eddy County, New)
Mexico.)

BEFORE: Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

MR. NUTTER: Call Case 4045.

MR. HATCH: Case 4045. Application of H & S Oil Company for an amendment to Order No. R-3357, as amended by Order No. R-3357-A, Eddy County, New Mexico. We have been contacted by a Mr. Joe Carson, and he has requested this case be continued to February the 26th.

MR. NUTTER: Mr. Carson is attorney for H & S Oil Company? At the request of applicant, Case No. 4045 will be continued to 9 AM, February 26, at the Examiner Hearing at this same place.

I, GLENDA BURKS, Court Reporter 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.

Alma Burke
COURT REPORTER

I do hereby certify that the foregoing is
a correct copy of the
the
Date: 2/5 4045
69
New Mexico Oil Conservation Commission

OIL CONSERVATION COMMISSION

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

March 13, 1969

Mr. A. J. Losee
Attorney at Law
Post Office Box 239
Artesia, New Mexico 88210

Dear Sir:

Reference is made to Commission Order No. R-3357-B, recently entered in Case No. 4045, amending Order No. R-3357-A, which approved the H & S West Artesia Unit Waterflood Project as revised.

The subject Order No. R-3357-B authorizes injection into the Roach Drilling Company Leonard Well No. 18, located in Unit D of Section 17, Township 18 South, Range 28 East, which shall be equipped with tubing set in a packer located as near to the uppermost perforation as is practicable.

As to allowable, our calculations indicate that when all of the authorized injection wells have been placed on active injection, the maximum allowable which this project will be eligible to receive under the provisions of Rule 701-E-3 is 714 barrels per day when the Southeast New Mexico normal unit allowable is 42 barrels per day or less. This allowable reflects no change in the calculated allowable for the project as authorized by Order No. R-3357-A.

Please report any error in this calculated maximum allowable immediately, both to the Santa Fe office of the Commission and the appropriate district proration office.

In order that the allowable assigned to the project may be kept current, and in order that the operator may fully benefit from the allowable provisions of Rule 701, it behooves him to promptly notify both of the aforementioned Commission offices by letter of

OIL CONSERVATION COMMISSION

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

-2-

Mr. A. J. Losee
Attorney at Law
Post Office Box 239
Artesia, New Mexico

March 13, 1969

C any change in the status of wells in the project area, i.e., when active injection commences, when additional injection or producing wells are drilled, when additional wells are acquired through purchase or unitization, when wells have received a response to water injection, etc.

O Your cooperation in keeping the Commission so informed as to the status of the project and the wells therein will be appreciated.

Very truly yours,

P
A. L. PORTER, Jr.
Secretary-Director

Y ALP/DSN/ir

cc: Oil Conservation Commission Offices in Hobbs and Artesia

Mr. D. E. Gray, State Engineer Office, Santa Fe, New Mexico

Dear Sir:

Reference is made to Commission Order No. R-3357-E, entered in Case No. 4045, approving the amending Order No. R-3357-B, which ^{recently} approved the MSX West Certain Bank Water flood Project as revised.

The subject order No R-3357-B authorizes injection into the ~~Leonard State~~ ^{Leonard} well located ^{near} ~~near~~ ^{near} Leonard Well No. 18, located in Unit D of Section 17, T.18S, R.28E, which shall be equipped with tubing set in a pocket located at ~~approximately~~ ^{near} the uppermost perforation. As far as allowable, our calculations indicate that when all of the authorized injection wells have been placed on active injection, the maximum allowable which this project will be eligible to receive under the provisions of Rule 701-E-3 is 714 barrels per day when the Southeast New Mexico normal unit allowable is 42 barrels per day or less. ~~This allowable reflects no change in the calculated allowable for the~~ Please report any error in this calculated maximum allowable immediately, both to the Santa Fe office of the Commission and the appropriate district proration office.

In order that the allowable assigned to the project may be kept current, and in order that the operator may fully benefit from the allowable provisions of Rule 701, it behooves him to promptly notify both of the aforementioned Commission offices by letter of any change in the status of wells in the project area, i.e., when active injection commences, when additional injection or producing wells are drilled, when additional wells are acquired through purchase or unitization, when wells have received a response to water injection, etc.

Your cooperation in keeping the Commission so informed as to the status of the project and the wells therein will be appreciated.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

cc: OCC: Hobbs x
Artesia x
Aztec

USGS

Mr. Frank Irby, State Engineer Office, Santa Fe, New Mexico

Mr. D. E. Gray

Project as authorized by Order
No. R-3357-A.

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. 3801
Order No. R-3357-A

APPLICATION OF H & S OIL COMPANY
FOR AN AMENDMENT TO ORDER NO.
R-3357, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 10, 1968,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 15th day of July, 1968, the Commission, a
quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, and being fully advised
in the premises,

FINDS:

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

(2) That by Order No. R-3357, dated December 22, 1967, the
Commission authorized the institution of the H & S West Artesia
Unit Waterflood Project in the West Artesia Grayburg Unit Area,
Artesia Pool, by the injection of water into the Grayburg forma-
tion through the following-described wells in Township 18 South,
Range 28 East, NMPM, Eddy County, New Mexico:

<u>Lease Name</u>	<u>Well No.</u>	<u>Unit</u>	<u>Section</u>
J. E. Beddingfield - Spurk	1	H	7
Cities Service - Mell	2	P	7
Tenneco - State	1	D	8
Roach and Shepard - Humble State	1	F	8
Roach and Shepard - Signal State	1	L	8
Kincaid & Watson - Signal State	1	H	8
H & S Oil Co. - Wilson State	1	J	8
Roach Drilling Co. - Leonard	1	D	17

-2-

CASE No. 3801

Order No. R-3357-A

(3) That the applicant, H & S Oil Company, seeks amendment of Order No. R-3357 to substitute six injection wells located in said Sections 7 and 8 for the eight injection wells authorized by said order.

(4) That approval of the subject application will not violate correlative rights and will permit a more efficient water injection pattern to be maintained, thereby preventing waste.

IT IS THEREFORE ORDERED:

(1) That Order No. R-3357, dated December 22, 1967, is hereby amended to authorize, in lieu of the eight water injection wells presently authorized therein, the following-described water injection wells in Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico:

<u>Lease Name</u>	<u>Well No.</u>	<u>Unit</u>	<u>Section</u>
Nix & Curtis - TP State	13	I	7
Nix & Curtis - Gulf State	1	C	8
Roach & Shepard - Humble State	4	E	8
Kincaid & Watson - Marathon	6	G	8
Roach & Shepard - Signal State	11	K	8
Cities Service - Mell	17	M	8

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe
designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

GUYTON B. HAYS, Member

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

S E A L

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

esr/

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. 3699
Order No. R-3357

APPLICATION OF H & S OIL COMPANY
FOR A WATERFLOOD PROJECT, EDDY
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on December 20, 1967, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 22nd day of December, 1967, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

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

(2) That the applicant, H & S Oil Company, seeks permission to institute a waterflood project in its West Artesia Grayburg Unit Area, Artesia Pool, by the injection of water into the Grayburg formation through eight injection wells in Sections 7, 8, and 17, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico.

(3) That the wells in the project area are in an advanced state of depletion and should properly be classified as "stripper" wells.

(4) That the proposed waterflood project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

-2-

CASE No. 3699

Order No. R-3357

(5) That the subject application should be approved and the project should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the applicant, H & S Oil Company, is hereby authorized to institute a waterflood project in its West Artesia Grayburg Unit Area, Artesia Pool, by the injection of water into the Grayburg formation through the following-described wells in Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico:

<u>Lease Name</u>	<u>Well No.</u>	<u>Unit</u>	<u>Section</u>
J. E. Beddingfield - Spurk	1	H ✓	7
Cities Service - Mell	2	P ✓	7
Tenneco - State	1	D ✓	8
Roach and Shepard - Humble State	1	F ✓	8
Roach and Shepard - Signal State	1	L ✓	8
Kincaid & Watson - Signal State	1	H ✓	8
H & S Oil Co. - Wilson State	1	J ✓	8
Roach Drilling Co. - Leonard	1	D ✓	17

PROVIDED HOWEVER, that the above-described J. E. Beddingfield-Spurk Well No. 1 shall not comprise any part of said waterflood project until such time as the SE/4 NE/4 of Section 7, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico, is committed to the West Artesia Grayburg Unit.

(2) That the subject waterflood project is hereby designated the H & S West Artesia Unit Waterflood Project and shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(3) That monthly progress reports of the waterflood project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

-3-

CASE No. 3699

Order No. R-3357

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

S E A L

esr/



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

GOVERNOR
DAVID F. CARGO
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMijo
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

March 5, 1969

Mr. A. J. Losee
Attorney at Law
Post Office Box 239
Artesia, New Mexico 88210

Re: Case No. 4045
Order No. R-3357-2
Applicant:
H & S Oil Company

Dear Sir:

Enclosed herewith is a copy of the above-referenced Commission order recently entered in the subject case. Letter pertaining to conditions of approval and maximum allowable to follow.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC X
Artesia OCC X
Aztec OCC _____
State Engineer X

Other _____

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. 4045
Order No. R-3357-B

APPLICATION OF H & S OIL COMPANY
FOR AN AMENDMENT TO ORDER NO. R-
3357, AS AMENDED BY ORDER NO. R-
3357-A, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 26, 1969,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 5th day of March, 1969, the Commission, a
quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, and being fully advised
in the premises,

FINDS:

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

(2) That by Order No. R-3357, as amended by Order No. R-
3357-A, the Commission authorized the applicant, H & S Oil Company,
to institute the H & S West Artesia Unit Waterflood Project in the
West Artesia Grayburg Unit Area, Artesia Pool, by the injection
of water into the Grayburg formation through six injection wells
located in Sections 7 and 8, Township 18 South, Range 28 East,
NMPM, Eddy County, New Mexico.

(3) That the applicant, H & S Oil Company, now seeks amend-
ment of Order No. R-3357, as amended by Order No. R-3357-A, to
delete the Cities Service-Mall Well No. 17, located in Unit M of
said Section 8, and to substitute in lieu thereof as a water
injection well the Roach Drilling Company-Leonard Well No. 18,

-2-

CASE No. 4045
Order No. R-3357-B

formerly the Leonard Well No. 1, located in Unit D of Section 17, same township and range, which well had been included in the original authorization in Order No. R-3357.

(4) That approval of the subject application will not violate correlative rights and should increase the efficiency of the H & S West Artesia Unit Waterflood Project and result in greater ultimate recovery of oil, thereby preventing waste.

IT IS THEREFORE ORDERED:

(1) That Order No. R-3357, as amended by Order No. R-3357-A, is hereby further amended by deleting from the water injection wells authorized for the H & S West Artesia Unit Waterflood Project in the West Artesia Grayburg Unit Area, Artesia Pool, the Cities Service-Mell Well No. 17, located in Unit M of Section 8, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico, and substituting in lieu thereof as a water injection well the Roach Drilling Company-Leonard Well No. 18, located in Unit D of Section 17, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

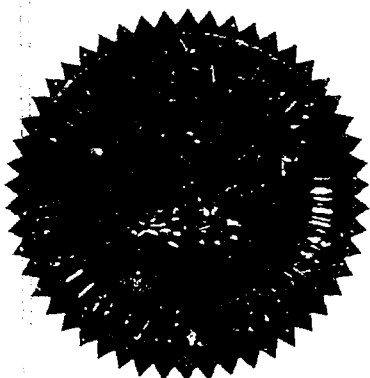
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


DAVID F. CARGO, Chairman


ALEX J. ARMILJO, Member


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



ear/

4045

Heard 2-26-69

Rec. 2-28-69.

Oppose amendment of R-3357-A
It included The Roach-Leonard #18
~~well~~ D-17-185-28E as an
injection well in place of
the Lewis Service Well #1, P-7
185-28E. This well was approved
as an injection well in R-3357
& should be approved on the same
basis.

Thus A. R. R.

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 26, 1969

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

The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, Alternate Examiner:

- CASE 4052:** Application of Mobil Oil Corporation for a pool creation and discovery allowable, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the creation of the Lightsap-Pennsylvanian Pool in Chaves County, New Mexico, comprising the NE/4 NE/4 of Section 7, Township 8 South, Range 30 East, and for the assignment of approximately 35,650 barrels of oil discovery allowable to the discovery well, its C. L. O'Brien Well No. 1 located in Unit A of said Section 7.
- CASE 4036:** (Continued from the February 5, 1969, Examiner Hearing) Application of Mobil Oil Corporation for a dual completion, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its C. L. O'Brien Well No. 1 located in Unit A of Section 7, Township 8 South, Range 30 East, Chaves County, New Mexico, to produce oil from an undesignated Pennsylvanian oil pool and the Lightsap (Devonian) Pool through parallel strings of tubing.
- CASE 4053:** Application of El Paso Products Company for special pool rules, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special rules for the Gallegos-Gallup Pool, San Juan County, New Mexico, including provisions for the classification of oil and gas wells, 80-acre spacing for oil wells, and 320-acre spacing for gas wells.
- CASE 4054:** Application of Amarada Petroleum Corporation for an unorthodox oil well location and amendment to Order No. R-2197, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a producing oil well at an unorthodox location 1250 feet from the West line and 2220 feet from the South line of Section 28, Township 24 South, Range 31 East, in its Langlie Matrix Wellbore Unit Waterflood Project, Langlie-Matrix Pool, Lea County, New Mexico. Applicant also seeks the amendment of Order No. R-2197, which order authorized said waterflood project, to establish an administrative procedure whereby said project could be expanded to include additional lands and injection wells and producing wells as needed and unorthodox locations as may be necessary to complete an efficient injection and producing pattern without the necessity of showing well response.

- CASE 4055: Application of Albert Gackle for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Seven Rivers formation in the open-hole interval from approximately 3290 feet to 3620 feet in his George Etz Well No. 3 located in Unit N of Section 27, Township 23 South, Range 36 East, Jalmat Pool, Lea County, New Mexico.
- CASE 4056: Application of Albert Gackle for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Lower Queen formation in the perforated interval from approximately 3642 feet to 3699 feet in his Sinclair "A" State Well No. 5 located in Unit I of Section 23, Township 23 South, Range 36 East, Langlie-Mattix Pool, Lea County, New Mexico.
- CASE 4057: Application of Charles B. Read for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special rules for the Quail-Queen Pool, Lea County, New Mexico, including a provision for 80-acre spacing and proration units.
- CASE 4058: Application of Hiram W. Keith and Dalton Haines for salt water disposal, Lea County, New Mexico. Applicants, in the above-styled cause, seek authority to dispose of produced salt water into the Seven Rivers formation in the open-hole interval from approximately 3874 feet to 3951 feet in their State Well No. 2 located in Unit K of Section 16, Township 21 South, Range 34 East, West Wilson Pool, Lea County, New Mexico.
- CASE 4059: Application of Hiram W. Keith and Dalton Haines for salt water disposal, Eddy County, New Mexico. Applicants, in the above-styled cause, seek authority to dispose of produced salt water into the Delaware formation in the open-hole interval from approximately 4030 feet to 4158 feet in their Eddy "AGA" State Well No. 2 located 660 feet from the North line and 1650 feet from the West line of Section 36, Township 26 South, Range 31 East, North Mason-Delaware Pool, Eddy County, New Mexico.
- CASE 4060: Application of Sidney Lanier for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Yates-Seven Rivers formations in the open-hole interval from approximately 3402 feet to 3650 feet in his I. B. Ogg "A" Well No. 5 located in Unit J of Section 35, Township 24 South,

(Case 4060 continued)

Range 36 East, Jalmat Yates-Seven Rivers Pool, Lea County, New Mexico.

CASE 4061: Application of Millard Deck Oil Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Seven Rivers and Queen formations in the open-hole interval from approximately 3752 feet to 3872 feet in its Atha Well No. 1 located in Unit M of Section 31, Township 21 South, Range 36 East, South Eunice Pool, Lea County, New Mexico.

CASE 4062: Application of Kersey & Company for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Queen formation in the perforated interval from approximately 1835 feet to 1870 feet in the Bass Well No. 3 located in Unit F of Section 12, Township 19 South, Range 28 East, East Millman Queen-Grayburg Pool, Eddy County, New Mexico.

CASE 4063: Application of Kerr-McGee Corporation for the creation of a new gas pool and special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new pool for the production of gas from the Morrow formation by its Nix Well No. 1 located in Unit L of Section 11, Township 19 South, Range 26 East, Eddy County, New Mexico, and for the promulgation of special pool rules therefor, including a provision for 640-acre spacing.

CASE 4064: Application of Atlantic Richfield Company for salt water disposal, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in the perforated interval from approximately 4207 feet to 4286 feet in its Tucker Well No. 4 located in Unit O of Section 23, Township 7 South, Range 32 East, Chaveroo-San Andres Pool, Roosevelt County, New Mexico.

CASE 4065: Application of Humble Oil & Refining Company for an unorthodox oil well location and reclassification of a water well to an oil well, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to have its New Mexico State "S" Water Source Well No. 4 (CP-427), located at an unorthodox oil well location 650 feet from the West line and 175 feet from the

South line of Section 2, Township 22 South, Range 37 East, Lea County, New Mexico, reclassified as an oil well for the production of oil an undesignated San Andres Oil Pool and authority to produce same as an oil well.

- CASE 4066: Application of Humble Oil & Refining Company for the consolidation of two non-standard gas proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the consolidation of two existing non-standard 320-acre gas proration units into one standard 640-acre unit comprising all of Section 26, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, to be dedicated to its New Mexico State "G" Wells Nos. 2 and 4 located in Units P and G, respectively, of said Section 26. Applicant further seeks authority to produce the allowable assigned to said unit from either of said wells in any proportion.
- CASE 4067: Application of Benson-Montin-Greer Drilling Corporation for special pool rules, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the La Plata-Gallup Pool, San Juan County, New Mexico, including a provision for 160-acre spacing and proration units. Applicant further requests that said special rules provide that the unit allowable for a 160-acre unit in said pool be allocated on the basis of four times the normal unit allowable for Northwest New Mexico, and that no credit be given for depth factors. Applicant further requests that said special rules be limited in their application to the exterior boundaries of the La Plata-Mansos Unit Area.
- CASE 4068: Application of Martin Yates III for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Delaware formation in its Yates & Hanson McCord Well No. 1 located in Unit E of Section 22, Township 23 South, Range 26 East, Dark Canyon Field, Eddy County, New Mexico. Applicant further seeks a procedure whereby its Gordie King Well No. 2 located in Unit K of said Section 22 may be approved for the disposal of salt water without the requirement of notice and hearing.

← CASE 4045: (Continued from the February 5, 1969 Examiner Hearing)
Application of H & S Oil Company for an amendment to Order No. R-3357, as amended by Order No. R-3357-A, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-3357, as amended by Order No. R-3357-A, which order authorized the H & S West Artesia Unit Waterflood Project. Applicant proposes to substitute the Roach Drilling Company-Leonard Well No. 18 located in Unit D of Section 17 as a water injection well in said project in lieu of the Cities Service-Mell Well No. 17 located in Unit M of Section 8, both in Township 18 South, Range 28 East, Artesia Pool, Eddy County, New Mexico.

CASE 4069: Application of Union Oil Company of California for the creation of a new pool, assignment of discovery allowable, and the promulgation of special pool rules, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks the creation of a new Devonian oil pool for its Midway State Well No. 1 located in Unit F of Section 12, Township 17 South, Range 36 East, Lea County, New Mexico, and for the assignment of an oil discovery allowable in the amount of approximately 57,380 barrells to said well. Applicant further seeks the promulgation of special pool rules for said pool, including a provision for 80-acre proration units.

CASE 4070: Application of C. E. LaRue and B. N. Muncy, Jr., for salt water disposal, Lea County, New Mexico. Applicants, in the above-styled cause, seek authority to dispose of produced salt water into the salt and Yates formations in the open-hole interval from approximately 1254 feet to 3000 feet in the La Rue-Muncy John "B" Well No. 2 located in Unit A of Section 35, Township 17, South, Range 32, East, Maljamar Grayburg-San Andres Pool, Lea County, New Mexico.

Joe Carson
says to continue
Case 4045 (H+S
Oil Co.)

to Feb. 26th -

Also, if there is
any problem to
please call him
in Loebe's Office

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 5 1969

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

The following cases will be heard before Daniel S. Nutter, Examiner,
or Elvis A. Utz, Alternate Examiner:

CASE 4036: Application of Mobil Oil Corporation for a dual completion, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its C. L. O'Brien Well No. 1 located in Unit A of Section 7 Township 8 South, Range 30 East, Chaves County, New Mexico, to produce oil from an undesignated Pennsylvanian oil pool and the Lightcap (Devonian) Pool through parallel strings of tubing.

CASE 3975 (Reopened):

In the matter of Case No. 3975 being reopened pursuant to the provisions of Order No. R-3618, which order established 80-acre spacing units for the East Bluitt-San Andres Pool, Roosevelt County, New Mexico, for a period of approximately two months. All interested parties may appear and present evidence as to whether the subject area is indeed a separate common source of supply or an extension of the Bluitt-San Andres Gas Pool.

CASE 4010: (Continued from December 27, 1968 and January 8, 1969 Examiner Hearings)

Application of John H. Trigg for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Grayburg-San Andres formations through his Empire "J" Federal Well No. 1 located in Unit P of Section 1, Township 18 South, Range 26 East, Red Lake Grayburg-San Andres Pool, Eddy County, New Mexico.

CASE 4037: Application of Anadarko Production Company for several waterflood projects and waterflood buffer zones, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute several waterflood projects by the injection of water into the Grayburg and San Andres formations of the Square Lake Pool by the conversion to water injection of its Etz Federal Well No. 3 and its Grier Well No. 14 located, respectively, in Sections 19 and 20 of Township 16 South, Range 31 East, Eddy County, New Mexico. Applicant further seeks the designation of the S/2 SW/4 of said Section 19, the N/2 SE/4 of said Section 19, and the N/2 SE/4 of said Section 20 as waterflood buffer zones with capacity allowables.

- CASE 4038:** Application of Kennedy Oil Company for a waterflood project and waterflood buffer zone, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Grayburg and San Andres formations of the Square Lake Pool by the conversion to water injection of its Carper Federal Well No. 2 located in Unit K of Section 19, Township 16 South, Range 31 East, Eddy County, New Mexico. Applicant further seeks the designation of the N/2 SW/4 of said Section 19 as a waterflood buffer zone with capacity allowable.
- CASE 4039:** The application of the Oil Conservation Commission upon its own motion for an order granting an exception to the ninth paragraph of Chapter II, Section 2 of Order No. R-333-F to permit shutting in gas wells for the required shut-in test at some period during the 1969 test season other than immediately following the 7-day deliverability flow test; further to permit measuring the shut-in test pressure during the 8th to 15th day of shut-in of the well rather than on the 8th day as presently required. The above exceptions would be for the 1969 annual deliverability test season only and would be applicable to all wells in San Juan, Rio Arriba, McKinley and Sandoval Counties, New Mexico, subject to the testing requirements of Chapter II of Order No. R-333-F.
- CASE 4023:** (Continued and readvertised from the January 15, 1969 Regular Hearing)
- Application of Ernest A. Hanson for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Queen formation in the perforated interval from approximately 1724 feet to 1736 feet in his Welch Federal Well No. 2 located 1650 feet from the North line and 2310 feet from the West line of Section 22, Township 19 South, Range 28 East, East Millman Queen-Grayburg Pool, Eddy County, New Mexico.
- CASE 4040:** Application of Cities Service Oil Company for the institution of gas prorationing in the Buffalo Valley-Pennsylvanian Gas Pool, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the limitation of gas production from the Buffalo Valley-Pennsylvanian Gas Pool in Chaves County, New Mexico, to reasonable market demand and to the capacity of gas transportation facilities, and that the subject pool be governed by the general rules and regulations for the prorated gas pools of Southeastern New Mexico insofar as said general rules and regulations are not inconsistent with the special rules and regulations governing the subject pool. Further, the applicant proposes that the allowable production from the pool be allocated among the wells in the pool on a 100% surface acreage basis.

CASE 4041: Application of Panhandle Petroleum Company, Inc. for salt water injection, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to inject produced salt water into the Queen formation in the perforated interval from 4955 feet to 5030 feet in its Texaco Moran Well No. 2, located in Unit H of Section 22, Township 19 South, Range 35 East, Pearl Queen Pool, Lea County, New Mexico.

CASE 4042: Application of El Paso Natural Gas Company for an amendment to Order No. R-2948, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-2948, which order established a number of non-standard gas proration units in the Basin-Dakota Gas Pool, Rio Arriba County, New Mexico. Applicant proposes to change the acreage dedication comprising units 12 and 13 of Township 28 North, Range 6 West and Units 16 and 17 of Township 28 North, Range 7 West to comprise the following:

<u>TOWNSHIP 28 NORTH, RANGE 6 WEST</u>		
Unit	Acres	Description
12	320	Section 33: N/2
13	330.71	Section 33: S/2

<u>TOWNSHIP 28 NORTH, RANGE 7 WEST</u>		
Unit	Acres	Description
16	320	Section 35: N/2
17	322.40	Section 35: S/2

CASE 4017: [Continued from the January 8, 1969 Examiner Hearing]
Application of Corinne Davis for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying Section 8, Township 21 South, Range 24 East, North Indian Hills-Morrow Gas Pool, Eddy County, New Mexico. Said acreage to be dedicated to a well to be drilled in the SE/4 of said Section 8. Also to be considered will be the costs of drilling said well, a charge for the risk involved a provision for the allocation of actual operating costs, and the establishment of charges for expansion of said well.

CASE 4043: Application of David Fasken for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying Section 8, Township 21 South, Range 24 East, North Indian Hills-Morrow Gas Pool, Eddy County, New Mexico. Said acreage to be dedicated to a well to be drilled 1980 feet from the North line and 2105 feet from the East line of said Section 8. Also to be considered will be the costs of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well. Case No. 4043 will be consolidated for purposes of hearing with Case No. 4017 which is the application of Corinne Grace for compulsory pooling of the same section.

CASE 4044: Application of Continental Oil Company for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the consolidation of two existing non-standard gas proration units into one 481-acre unit comprising the E/2 and E/2 W/2 of Section 3, Township 20 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, to be dedicated to its Reed A-3 Wells Nos. 2 and 3 located in Units H and I, respectively of said Section 3, to be effective as of January 1, 1967. Applicant further seeks authority to produce the allowable assigned to said unit from either of the aforesaid wells in any proportion.

CASE 4045: Application of H & S Oil Company for an amendment to Order No. R-3357, as amended by Order No. R-3357-A, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-3357, as amended by Order No. R-3357-A, which order authorized the H & S West Artesia Unit Waterflood Project. Applicant proposes to substitute the Roach Drilling Company-Leonard Well No. 18 located in Unit D of Section 17 as a water injection well in said project in lieu of the Cities Service-Mell Well No. 17 located in Unit M of Section 8, both in Township 18 South, Range 28 East, Artesia Pool, Eddy County, New Mexico.

CASE 4030: (Continued from the January 22, 1969 Examiner Hearing)

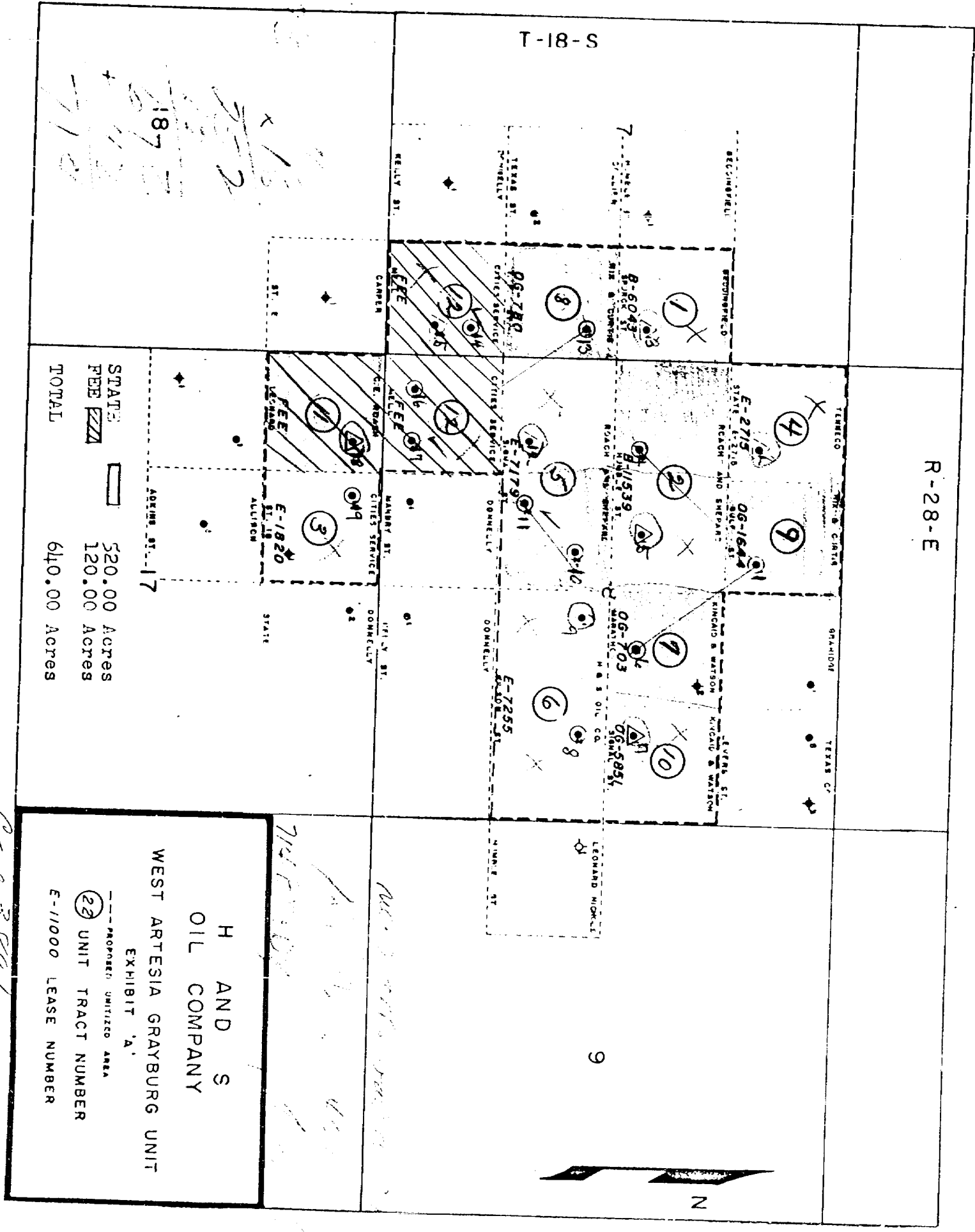
Application of Argus Production Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Seven Rivers formation in the perforated and open-hole interval from approximately 3554 feet to 3775 feet in its J. T. Lynn A-28 Well No. 3 located 2310 feet from the South line and 1650 feet from the East line of Section 28, Township 23 South, Range 36 East, Jalmat Yates-Seven Rivers Pool, Lea County, New Mexico.

ir/

11-11-11

R-28-E

T-18-S



Case 3801

H & S OIL COMPANY

FORMERLY

SIMMS & REESE OIL COMPANY

ARTESIA, NEW MEXICO - 88510

January 13, 1969

Mr. A. L. Porter, Jr.
Secretary-Director
Oil Conservation Commission of New Mexico
P. O. Box 2088
Santa Fe, New Mexico

Case 4045

Dear Mr. Porter:

Enclosed herewith you will please find triplicate copies of Application of H & S Oil Company for administrative approval for an amendment to order No. R-3357-A.

With a copy of this letter we are furnishing each of the offset operators with copies of the application.

After the expiration of fifteen days and assuming no objection is received by the offset operators, we should appreciate your favorable consideration to the enclosed application.

Very truly yours,

H & S OIL COMPANY

Enclosure

By *Rupert L. Heinsch*
Rupert L. Heinsch

cc: Donnelly Drilling Co.
Midwest Investment Co.
Signal Oil & Gas

DOCKET MAILED

Date 2-13-69

DOCKET MAILED

1-2369

JAN 17 1968

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
H & S OIL COMPANY FOR AMENDMENT TO
ORDER NO. R-3357-A, EDDY COUNTY,
NEW MEXICO

APPLICATION

COMES H & S OIL COMPANY, a partnership composed of Rupert
L. Heinsch and Herbert R. Spencer and states:

1. That by order No. R-3357, dated December 22, 1967, the
Oil Conservation Commission of New Mexico (the "Commission")
authorized the institution of the H & S OIL COMPANY West Artesia
Unit Waterflood Project in the West Artesia Grayburg Unit Area,
Eddy County, New Mexico, by the injection of water into the Gray-
burg formation through, among other wells, the Roach Drilling
Company-Leonard Well No. 18 (formerly Well No. 1) in Unit D of
Section 17, Township 18 South, Range 28 East N.M.P.M., Eddy
County, New Mexico.

2. That by order R-3357-A, dated July 15, 1968, the Com-
mission amended order R-3357 to authorize, in lieu of the eight
water injection wells authorized by the original order, six water
injection wells, including the Cities Service-Mell Well No. 17
located in Unit M of Section 8, Township 18 South, Range 28 East
N.M.P.M., Eddy County, New Mexico.

3. That applicant desires to amend order R-3357-A to
substitute, in lieu of the said Cities Service-Mell Well No. 17,
the said Roach Drilling Company-Leonard Well No. 18.

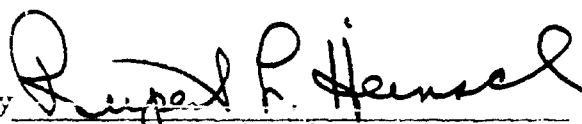
4. There is attached hereto and by reference made a part hereof an electric log on the proposed injection well and a diagramatic sketch of the proposed injection well showing casing strings, including diameters and setting depths, quantities of cement used and perforated intervals.

5. The approval of this application will permit a more efficient water injection pattern to be maintained and prevent waste.

6. That copies of this application have been sent to each operator offsetting the said Roach Drilling Company-Leonard Well No. 18.

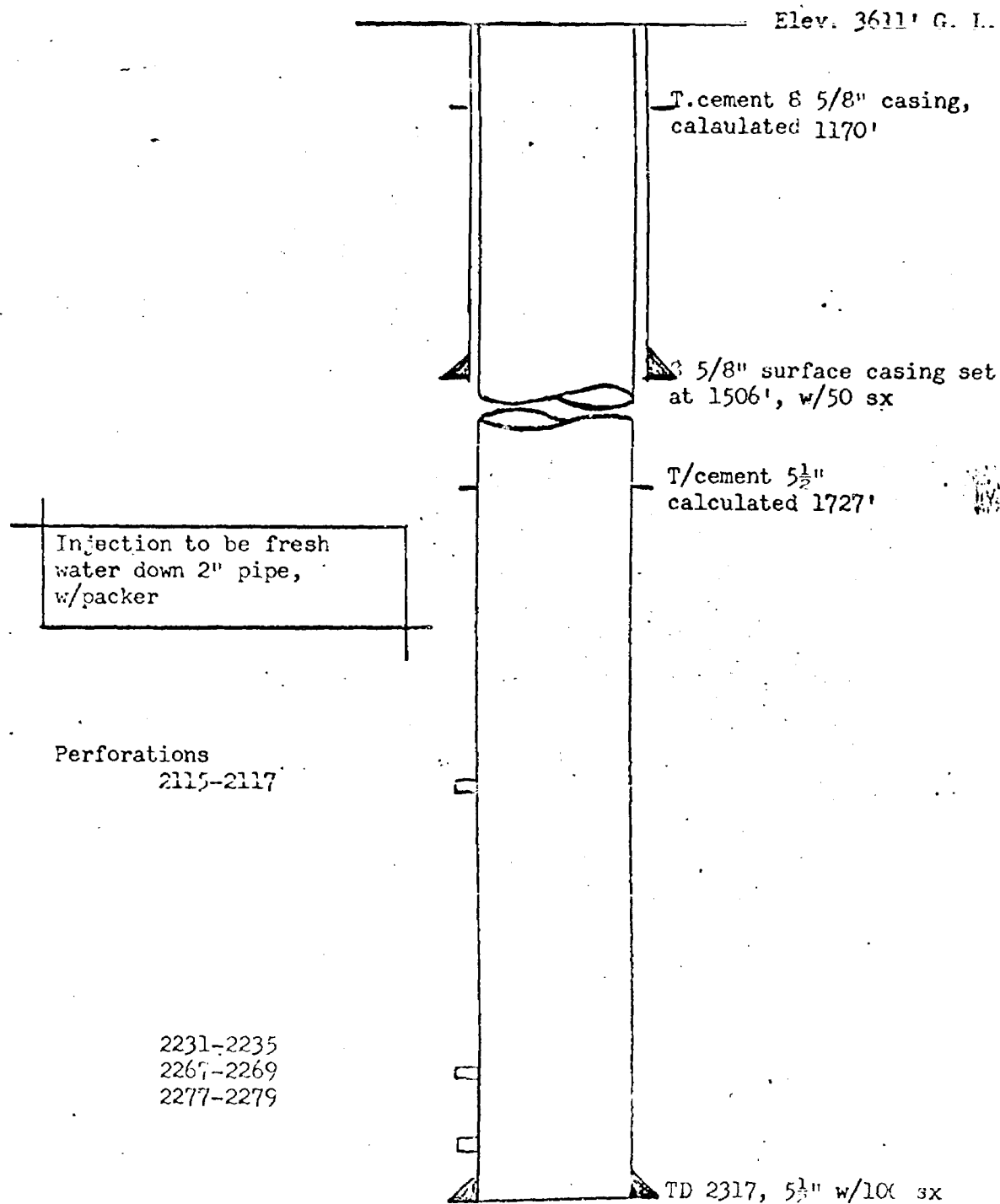
WHEREFORE, Applicant prays that, after the expiration of fifteen days, the Commission issue its administrative order amending order R-3357-A to authorize, in lieu of the said Cities Service-Mell Well No. 17, the said Roach Drilling Company-Leonard Well No. 18 as an injection well in the H & S Oil Company West Artesia Unit Waterflood Project.

H & S OIL COMPANY

By 
Rupert N. Heinsch, Partner

H & S OIL COMPANY OPERATOR
West Artesia Grayburg Unit

Leonard State Fee
NW¹/₄, NW¹/₄, Sec 17 T18S R28E
Eddy County, New Mexico



Case 4645

DRAFT

GMH/esr

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. 4045

Order No. R-3357-B

APPLICATION OF H & S OIL COMPANY
FOR AN AMENDMENT TO ORDER NO. R-
3357, AS AMENDED BY ORDER NO. R-
3357-A, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 26, 1969,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this _____ day of _____, 1969, the Commission, a
quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, and being fully advised
in the premises,

FINDS:

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

(2) That by Order No. R-3357, as amended by Order No. R-
3357-A, the Commission authorized the applicant, H & S Oil Company,
to institute the H & S West Artesia Unit Waterflood Project in
the West Artesia, ^{Grayburg} Unit Area, Artesia Pool, by the injection of
water into the Grayburg formation through six injection wells
located in Sections 7 and 8, Township 18 South, Range 28 East,
NMPM, Eddy County, New Mexico.

(3) That the applicant, H & S Oil Company, now seeks amend-
ment of Order No. R-3357, as amended by Order No. R-3357-A, to
delete the Cities Service-Mell Well No. 17, located in Unit M of
said Section 8, and to substitute in lieu thereof as a water

injection well the Roach Drilling Company-Leonard Well No. 18,
formerly the Leonard Well No. 1,
located in Unit D of Section 17, same township and range, which
well had been included in the original authorization in Order
No. R-3357.

(4) That approval of the subject application will not violate
correlative rights and should increase the efficiency of the H & S
West Artesia Unit Waterflood Project and result in greater ultimate
recovery of oil, thereby preventing waste.

IT IS THEREFORE ORDERED:

(1) That Order No. R-3357, as amended by Order No. R-3357-A,
is hereby further amended by deleting from the water injection
West
wells authorized for the H & S/Artesia Unit Waterflood Project
in the West Artesia Unit Area, Artesia Pool, the Cities Service-
Mell Well No. 17, located in Unit M of Section 8, Township 18
South, Range 28 East, NMPM, Eddy County, New Mexico, and substi-
tuting in lieu thereof as a water injection well the Roach Drilling
Company-Leonard Well No. 18, located in Unit D of Section 17, Town-
ship 18 South, Range 28 East, NMPM, Eddy County, New Mexico.

(2) That jurisdiction of this cause is retained for the
entry of such further orders as the Commission may deem necessary.

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