

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. 536
Order No. R-325

THE APPLICATION OF HONDO DRILLING
COMPANY AND T. J. SIVLEY, FOR AN ORDER
GRANTING PERMISSION TO DRILL THREE
UNORTHODOX LOCATIONS; ONE BEING MILLER
NO. 2, IN THE NW/4 SW/4 SECTION 23, ONE
BEING MILLER NO. 3, IN THE SW/4 SE/4 SECTION
22, AND ONE BEING AID NO. 2, IN THE SE/4 SE/4
SECTION 22, ALL IN TOWNSHIP 19 SOUTH, RANGE
33 EAST, NMPM, IN THE TONTO POOL OF LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This matter came on for hearing at 9:00 a. m. on the 19th day of May, 1953, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 26th day of May, 1953, the Commission, having before it for consideration the testimony adduced at said hearing and being fully advised in the premises,

FINDS:

1. That due public notice having been given, as provided by law, the Commission has jurisdiction of this cause.
2. That the acreage involved in the application is Federally owned, and the Regional Oil and Gas Supervisor of the United States Geological Survey interposes no objections to the application.
3. That Hondo Drilling Company and T. J. Sivley are the owners and holders of the following described oil and gas leases, situated in Lea County, State of New Mexico, to-wit:
 - (a) Oil and Gas Lease New Mexico Serial No. 01707, known as their Miller Lease, described as NE/4 SE/4 and SW/4 SE/4 Section 22, and NW/4 SW/4 Section 23, Township 19 South, Range 33 East, NMPM, and containing 120 acres, more or less;

- (b) Oil and Gas Lease New Mexico Serial No. 02796, known as their Aid Lease, described as SE/4 SE/4 Section 22, Township 19 South, Range 33 East, NMPM, and containing 40 acres, more or less.
- (c) Oil and Gas Lease Las Cruces Serial No. 070020, known as their Edwards and Ratliff Lease, described as NW/4 Section 23, Township 19 South, Range 33 East, NMPM, and containing 160 acres, more or less;
- (d) Oil and Gas Lease Las Cruces Serial No. 064763-A, known as their Emperor, Aid and Tennessee Lease, described as the E/2 NE/4 Section 22, Township 19 South, Range 33 East, NMPM, and containing 80 acres, more or less.

4. That Miller Well No. 1 is located 1980 feet north of the south line and 495 feet west of the east line of Section 22, Township 19 South, Range 33 East, NMPM, in Lea County, New Mexico, and is the only producing well in the entire area. That said well is capable of producing 300 barrels of 35-gravity oil per day from the Upper Seven Rivers Formation, encountered at a depth of 3536 feet.

5. That Applicants propose to drill three unorthodox locations to the Upper Seven Rivers Formation, to be located as follows:

MILLER WELL NO. 2: Section 23, Township 19 South, Range 33 East, NMPM, to be located 2125 feet north of the south line and 100 feet east of the west line of said Section 23.

MILLER WELL NO. 3: Section 22, Township 19 South, Range 33 East, NMPM, to be located 990 feet north of the south line and 1420 feet west of the east line of said Section 22.

AID WELL NO. 2: Section 22, Township 19 South, Range 33 East, NMPM, to be located 660 feet west of the east line and 1220 feet north of the south line of said Section 22.

6. That Applicants do not ask that they be granted any allowable in addition to the daily allowable as fixed monthly by the Oil Conservation Commission for the 40-acre proration units upon which said unorthodox locations are drilled.

7. That the drilling of said three unorthodox locations to the Upper Seven Rivers Formation, at the locations applied for, would be in the interest of conservation, prevent waste and enable Applicants to obtain a greater recovery of oil, in that Applicants would be able to recover substantial quantities of oil that would not otherwise be produced if such locations were not drilled.

IT IS THEREFORE ORDERED BY THE COMMISSION that the Application of Hondo Drilling Company and T. J. Sivley for an Order granting permits to drill the three unorthodox locations, known as Miller Well No. 2, Miller Well No. 3, and Aid Well No. 2, at the locations designated in said Application, and hereinabove set forth, be and the same are hereby granted and approved.

IT IS FURTHER ORDERED, that upon completion of each of said unorthodox locations as a producing well, Hondo Drilling Company and T. J. Sivley shall be permitted to produce the daily allowable from the 40-acre proration unit upon which each such unorthodox location is located.

IT IS FURTHER ORDERED that the Applicants file with the Commission copies of Federal location notices for each of the hereinabove described unorthodox locations after approval thereof by the Oil and Gas Supervisor.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

R. R. SPURRIER, Secretary

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