

**NOTICE FOR PUBLICATION**

STATE OF NEW MEXICO

**Oil Conservation Commission**

The Oil Conservation Commission as provided by law hereby gives notice of the following hearings to be held at Santa Fe, New Mexico, at 10 A. M., February 12, 1945:

Case No. 59

In the matter of the petition of the operators of the South Eunice Field, by D. D. Bodie, Chairman, for a removal of the gas-oil ratio limit now applied to the South Eunice Field, Lea County, New Mexico, and to amend the existing gas-oil ratio order applicable thereto.

Case No. 60

In the matter of the petition of the Stanolind Oil and Gas Company for an unorthodox spacing for the following well: Stanolind Oil and Gas Company—W. 8. Capps No. 10X in the NESE, Section 3, Township 19S, Range 38E, Hobbs Field—proposed location to be 1980 feet North of the South line and 1293 feet West of the East line of said section.

Given under the seal of said Commission at Santa Fe, New Mexico, on January 29, 1945.

OIL CONSERVATION  
COMMISSION.

By (Sgd) JOHN J. DEMPSEY,  
Chairman.

JOHN E. MILES,  
Member.

(SEAL)

Pub. Jan. 31, 1945.

# Affidavit of Publication

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

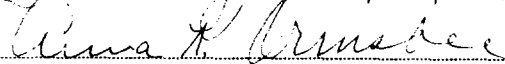
I, C. B. Floyd, being first duly sworn, declare and say that I am the (Business Manager) (~~Editor~~) of the Santa Fe New Mexican, a daily newspaper, published in the English Language, and having a general circulation in the City and County of Santa Fe, State of New Mexico, and being a newspaper duly qualified to publish legal notices and advertisements under the provisions of Chapter 167 of the Session Laws of 1937; that the publication, a copy which is hereto attached, was published in said paper once ~~each week~~ for one time ~~consecutive weeks, and on the same day of each week in~~ the regular issue of the paper during the time of publication, and that the notice was published in the newspaper proper, and not in any supplement, ~~once each week~~ for one time ~~weeks consecutively, the first~~ publication being on the 31st day of January, 1945, ~~and the last publica-~~ ~~tion on the~~ ~~day of~~ ~~month~~; that payment for said advertisement has been (duly made), or (assessed as court costs); that the undersigned has personal knowledge of the matters and things set forth in this affidavit.



Manager

Subscribed and sworn to before me, this 31st

day of January, A.D., 1945



Notary Public.

My Commission expires

June 11, 1945

**PUBLISHER'S BILL**

40 lines, one time at \$ 3.20

lines, times, \$

Tax \$

Total . . . . \$ 3.20

Received payment,

By \_\_\_\_\_

U. S. CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

January 30, 1945

AIRMAIL  
SPECIAL DELIVERY

Honorable Glenn Staley  
Proration Office  
Hobbs, New Mexico

Re: Cases 59 and 60

Dear Glenn:

Attached is Notice for Publication in the above captioned cases.

With kindest personal regards.

Very truly yours,

Chief Clerk & Legal Adviser

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OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

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AIRMAIL  
SPECIAL DELIVERY      January 29, 1945

Mr. D. D. Bodie  
Cities Service Oil Company  
Hobbs, New Mexico

Mr. Ralph Hendrickson  
Stanolind Oil & Gas Company  
Hobbs, New Mexico

Gentlemen:

The hearings in the attached advertisement are set for February 12, 1945. The advertisement is being sent airmail special delivery to the Hobbs Daily News Sun.

Since time is short for publication, as required by law, I wish you would both call the paper as soon as you get this and see that the paper is running the advertisement once, immediately, and please check proof with the paper so no mistake will be made.

With kindest personal regards.

Very truly yours,

*Paul R. Humphrey*  
Chief Clerk & Legal Adviser

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U. S. CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

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January 29, 1945

Santa Fe New Mexican  
Santa Fe, New Mexico

Hobbs Daily News Sun - Airmail - Special Delivery  
Hobbs, New Mexico

Re: Notice for Publication  
Cases 59 and 60

Gentlemen:

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

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

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

Very truly yours,

*Carl B. Livingston*

Chief Clerk & Legal Adviser

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U. S. CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

*Case 59  
Correspondence.*

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February 23, 1945

Mr. C. C. Cragin  
El Paso Natural Gas Company  
El Paso, Texas

Dear Mr. Cragin:

This is to acknowledge receipt of your letter of  
February 20.

The writer will endeavor to bring this to the  
attention of the Commission; however, the order suspending  
the gas-oil ratio limit for the South Eunice field for the  
duration of the war and six months thereafter for the purpose  
of use of the gas for carbon black has already been promulgated  
by the Commission.

Very truly yours,

Chief Clerk & Legal Adviser

CBL:MS

# El Paso Natural Gas Company

TENTH FLOOR BASSETT TOWER

*El Paso, Texas*

February 20, 1945

C. C. CRAGIN  
VICE PRESIDENT AND  
GENERAL MANAGER

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

Gentlemen:

In view of the concern expressed at the South Eunice hearing on February 12th regarding the exportation of gas from New Mexico to Arizona and Texas, we present herewith some figures which we think will be of great interest to the commission.

As you know, this Company has recently completed a program for the conservation of residue gas (in 1942, 1943 and 1944), at a cost of \$2,819,967, with the following results:

We produced or purchased in New Mexico and Texas last year 37,478,783,000 cu. ft. of gas. Of this amount there was delivered for use in New Mexico 11,451,344,000 or 30.6%.

Currently we are taking New Mexico residue gas at the rate of 24,820,000,000 cu. ft. and Texas gas at the rate of 2,737,500,000 cu. ft. per year, leaving 9,921,283,000 cu. ft. from New Mexico formation gas.

In other words, New Mexico uses last year were 1,530,061,000 cu. ft. greater than all the formation gas we are now taking in New Mexico. If no gas was exported to Texas and Arizona, we would still have to take 9,921,283,000 cu. ft. of formation gas to hold leases, plus 1,530,061,000 cu. ft. of residue gas to meet the needs of the public and industry of the State of New Mexico based on 1944 consumption.

It is therefore obvious that currently all gas from New Mexico sold by us in Texas and Arizona is residue gas, which would otherwise burn to the air with consequent loss of taxes and royalties to New Mexico and with no saving of gas.

Yours very truly,



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OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

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February 15, 1945

Mr. D. D. Bodie  
Oil Production Department  
Cities Service Oil Company  
Bartlesville, Oklahoma

Re: Case No. 59  
Order No. 589

My dear Dan:

Enclosed please find a signed original and  
a copy of the above captioned order.

With kindest personal regards.

Very truly yours,

Chief Clerk & Legal Adviser

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WIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

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February 15, 1945

Honorable James M. Murray  
Hobbs, New Mexico

Re: Case No. 59

Order No. 589

My dear Jim:

Enclosed please find a copy of the above  
captioned order which has been executed by both  
Commissioners.

Kindest personal regards.

Very truly yours,

Chief Clerk & Legal Adviser

CBL:MS



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. 59

ORDER NO. 589

THE PETITION OF THE OPERATORS OF THE  
SOUTH EUNICE FIELD, BY D. D. BODIE,  
CHAIRMAN, FOR A REMOVAL OF THE GAS-OIL  
RATIO LIMIT NOW APPLIED TO THE SOUTH EUNICE  
FIELD, LEA COUNTY, NEW MEXICO, AND TO AMEND  
THE EXISTING GAS-OIL RATIO ORDER APPLICABLE  
THERETO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at ten o'clock A.M., February 12, 1945, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 12<sup>th</sup> day of February, 1945, the Commission having before it for consideration the testimony adduced at the hearing of said case and being fully advised in the premises;

IT IS THEREFORE ORDERED:

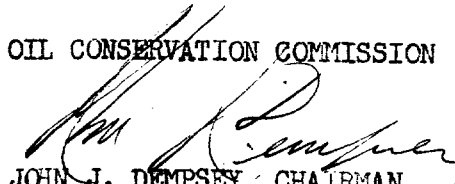
SECTION 1. That the limiting gas-oil ratio for the South Eunice Field provided for in the Lea County Gas-Oil Ratio Order No. 545, Section 2 (a), shall be suspended by the Commission and said field shall be placed in Section 2 (b) of said order for the express purpose of the use of gas from said field for the manufacture of carbon black.

SECTION 2. Said suspension shall become operative in the following manner:

When a carbon black plant, having obtained permit from the Commission to use gas from said field for the manufacture of carbon black, has notified the Commission in writing that its facilities are ready for such use and the Commission notifies the Proration Office of no limiting gas-oil ratio for the purpose herein provided for. ~~This~~ order shall endure for the duration of the War and six months thereafter.

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

OIL CONSERVATION COMMISSION

  
JOHN J. DEMPSEY, CHAIRMAN

  
JOHN E. MILES, MEMBER

SEAL

NOTICE FOR PUBLICATION  
STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

The Oil Conservation Commission as provided by law hereby gives notice of the following hearings to be held at Santa Fe, New Mexico, at 10 A.M., February 12, 1945:

CASE NO. 59

In the matter of the petition of the operators of the South Eunice Field, by D. D. Bodie, Chairman, for a removal of the gas-oil ratio limit now applied to the South Eunice Field, Lea County, New Mexico, and to amend the existing gas-oil ratio order applicable thereto.

CASE NO. 60

In the matter of the petition of the Stanolind Oil and Gas Company for an unorthodox spacing for the following well: Stanolind Oil and Gas Company - W. S. Capps No. 101 in the NESE, Section 3, Township 19S, Range 38E, Hobbs Field -- proposed location to be 1960 feet North of the South line and 1293 feet West of the East line of said section.

Given under the seal of said Commission at Santa Fe, New Mexico, on January 29, 1945.

OIL CONSERVATION COMMISSION

BY (SOD) JOHN J. DEMPSEY  
CHAIRMAN

JOHN E. MILES  
MEMBER

(SEAL)

OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

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January 6, 1945

Mr. D. D. Bodie  
Cities Service Oil Company  
Hobbs, New Mexico

Re: South Eunice Petition to remove gas-oil  
ratio limit.

My dear Dan:

The petition in the above captioned matter  
arrived this morning and will be brought to Mr. Kelly's  
attention immediately upon his return from the field.

Very truly yours,

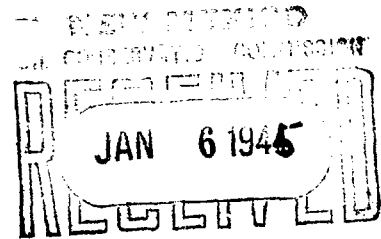
John M. Kelly  
Director

By

Chief Clerk & Legal Adviser

CHL:MS

Hobbs, New Mexico  
December 29, 1944



New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

P E T I T I O N

Attached hereto is a copy of the Minutes of a Meeting of South Eunice oil operators which was held in Ft. Worth, Texas at 10:30 A.M. December 12, 1944.

In accordance with the instructions contained in the last paragraph of these minutes, application is hereby made for a hearing at which time the operators will present data showing the amount of water, oil and gas being produced by individual wells and the relationship of gas to total fluid, and a tabulation of bottom hole pressures taken throughout the life of the pool. The operators will also present their reasons asking for removal of the gas-oil ratio limit now applied to the South Eunice Area.

The following operators were present at the meeting in Fort Worth:

F.T. Carpenter - - - Phillips Pet. Co.  
L.H. Moore - - - - - "  
C.E. Yager - - - - - T.P. Coal & Oil Co.  
R.J. Fleckenstein - - - "  
O.E. Mitchell - - - - - "  
H.B. Hurley - - - - - Continental Oil Co.  
Bill Hines - - - - - Two States Oil Co.  
R.L. Pepper - - - - - Repollo Oil Co.  
H.C. Webb - - - - - Phillips Pet. Co.  
E.J. Gallagher - - - Gulf Oil Corp.  
J.M. Murray - - - - - Me-Tex  
W.K. Davis - - - - - El Paso Natural Gas Co.  
H.E. Berg - - - - - Tidewater Assoc. Oil Co.  
C.L. Perkins - - - - - El Paso Natural Gas Co.  
E.M. Collingwood - - - Sun Oil Co.  
D.D. Bodie - - - - - Cities Service Oil Co.

Following are names of all operators in the South Eunice Area as listed on the proration schedule:

Cities Service Oil Co.  
Continental Oil Co.  
Gulf Oil Corp.  
Midcontinent Pet. Corp.  
Ohio Oil Co.  
Oil Well Drlg. Co.  
Repollo Oil Co.  
Shell Oil Co. Inc.  
Sun Oil Co.  
Texas Pacific Coal & Oil Co.  
Tidewater Assoc. Oil Co.

  
D.D. Bodie, Chairman

MINUTES OF THE SOUTH EUNICE OPERATORS' MEETING  
December 12, 1944

A meeting of operators in the South Eunice Pool was held in the Blackstone Hotel in Fort Worth, Texas, at 10:30 A.M., December 12, 1944. The following company representatives were present:

F.T. Carpenter	- - - - -	Phillips Pet. Co.
L.H. Moore	- - - - -	"
C.E. Yager	- - - - -	Texas Pacific Coal & Oil Co.
R.J. Fleckenstein	- - - - -	"
O.E. Mitchell	- - - - -	"
H.B. Hurley	- - - - -	Continental Oil Co.
Bill Hines	- - - - -	Two States Oil Co.
R.L. Pepper	- - - - -	Repollo Oil Co.
H.C. Webb	- - - - -	Phillips Pet. Co.
E.J. Gallagher	- - - - -	Gulf Oil Corp.
J.M. Murray	- - - - -	Me-Tex
W.K. Davis	- - - - -	El Paso Natural Gas Co.
H.E. Berg	- - - - -	Tidewater Assoc. Oil Co.
C.L. Perkins	- - - - -	El Paso Natural Gas Co.
D.M. Collingwood	- - - - -	Sun Oil Co.
D.D. Bodie	- - - - -	Cities Service Oil Co.

The meeting was called to order by Mr. D.D. Bodie, who stated that the reason for calling the meeting was because recent gas tests in the South Eunice Pool indicated the gas-oil ratios have increased considerably since the last tests made approximately two years ago. He further stated that water percentages have also increased on many wells to such extent that they cannot now be operated under the present gas-oil ratio limit of 6000 cubic feet. He stated that remedial efforts to reduce the gas-oil ratios have not been successful. Since there is not a market now for the gas which is being vented, Mr. Moore of the Phillips Petroleum Company was asked if he could supply a market for this gas.

Mr. Carpenter of the Phillips Petroleum Company advised the operators that his company was interested in constructing a gathering system and gasoline plant for extracting the gasoline content from the gas if they could contract the residue gas for sale to a carbon black plant and the gas be utilized for manufacturing channel carbon black. He stated that the War Production Board had called attention to the serious shortage of channel carbon black used in the manufacture of rubber and that unless additional plants were put in operation, the shortage of this essential product will soon become critical. He advised that the Charles Enu Johnson Company of Philadelphia is interested in building and operating a carbon black plant. This plant would process approximately thirty to forty million cubic feet of gas daily. The plant would be financed by the Defense Plant Corporation. He stated that the carbon black company and the War Production Board were very anxious to have this plant constructed and in operation at the earliest possible date and that so far as he knew, the South Eunice Pool is the only producing area which can supply the required amount of residue gas.

Mr. Perkins of the El Paso Natural Gas Company also advised the operators that his company was contemplating additional outlets to their gas system and would soon be in a position to purchase additional residue gas. He stated that they were also repressuring an area in South Lea County and would require about twenty million feet per day for this operation.

Due to the fact that the gas now being produced in the oil and water is being blown to the air for lack of a market and because of the apparent shortage in channel carbon black, the operators agreed that an effort should be made to make this gas marketable and available to the Phillips Petroleum Company or any other company in order that the gasoline be removed and the dry gas used for carbon black in furthering the war effort or used for other essential domestic purposes. It is felt that if the present limiting gas-oil ratio now in effect is not removed, there would not be enough gas available for the establishment of a gasoline plant or carbon black plant in the area. Also, that a number of the wells now producing will be penalized to the extent that they will have to be shut in and it would be impossible to produce the large volumes of water which is now being produced with the oil and gas and that the ultimate recovery of the field will be reduced.

Mr. Bodie was made permanent Chairman and upon motion made by Mr. Hurley and seconded by Mr. Yager, was instructed to select an engineering committee who will make a study of all data pertaining to production of oil, gas and water. This study will include the results of a gas-oil ratio survey now being made, and after completion of such study, the report to be submitted to the operators for their consideration. The Chairman was also instructed to petition the Oil Conservation Commission of the State of New Mexico for a hearing at a date as early as possible after January 1, 1945, for the purpose of considering the removal of the gas-oil ratio limiting factor.

D.D. Bodie,  
Chairman

LEA COUNTY OPERATORS COMMITTEE  
DRAWER EYE  
HOBBS, NEW MEXICO



Oil Conservation Commission  
Santa Fe, New Mexico