

CASE NO. 63

BEFORE THE OIL CONSERVATION COMMISSION OF THE  
STATE OF NEW MEXICO

In the Matter of the application of Stanolind Oil and Gas Company for an order of approval of the Mascho Area Unit Agreement, Lea County, New Mexico, embracing as the Unit Area:

"In Township 21 South, Range 33 East  
All of Section 36

"In Township 21 South, Range 34 East  
All of Sections 31 and 32

"In Township 22 South, Range 33 East  
All of Section 1

"In Township 22 South, Range 34 East  
All of Sections 5 and 6

Embracing 3835.20 acres."

Pursuant to notice by the Commission, duly made and published setting May 14, 1945 at 10 o'clock a.m., for hearing in the above entitled matter, said hearing was convened on said day, at said hour, in the Coronado Room of the La Fonda, Santa Fe, New Mexico, the Commission sitting as follows:

HON. JOHN J. LEMPSEY, Governor, Chairman.  
HON. JOHN E. MILES, State Land Commissioner, Member  
HON. CARL B. LIVINGSTON, Chief Clerk & Legal Adviser

R E G I S T E R

| <u>NAME</u>        | <u>COMPANY</u>                                   | <u>ADDRESS</u>      |
|--------------------|--|---------------------|
| Hugh L. Sawyers    | New Mexico Oil & Gas Ass'n.                      | Roswell, N. M.      |
| J. L. Griffith     | Humble Oil Company                               | Midland, Texas      |
| Leo R. Manning     | Barney Cockburn                                  | Maljamar            |
| R. J. Heard        | Grayburg Oil Company                             | Loco Hills          |
| Glenn Staley       | Lea County Operators                             | Hobbs, N. M.        |
| Barney Cockburn    | Cockburn Oil Company                             | Artesia, N. M.      |
| W. R. Bollinger    | Shell Oil Company, Inc.                          | Hobbs, N. M.        |
| Chas. C. Roripaugh | Shell Oil Company, Inc.                          | Midland, Texas      |
| H. K. McKinnon     | Shell Oil Company, Inc.                          | Midland, Texas      |
| J. C. Gordon       | Byrd Frost, Inc., and<br>Flains Products Company | Dallas, Texas       |
| W. E. Scott        | Buffalo Oil Company                              | Artesia, N. M.      |
| Robert L. Bates    | State Bureau of Mines &<br>Mineral Resources     | Socorro, N. M.      |
| John M. Kelly      | C. P. Livermore, Inc.                            | Lubbock, Texas      |
| Harry Leonard      | Leonard Oil Company                              | Roswell, N. M.      |
| D. A. Powell       | Drilling & Exploration Co.                       | Hobbs, N. M.        |
| Chas. Schmitz      | Sole Owner                                       | San Francisco, Cal. |
| Joe Dexter         | Grayburg Oil Company of N. M.                    | Artesia, N. M.      |
| T. J. Dorsey       | Atlantic Refining Company                        | Dallas, Texas       |
| G. H. Gray         | Repollo Oil Company                              | Midland, Texas      |
| Harve H. Mayfield  | Magnolia Petroleum Company                       | Kermit, Texas       |
| D. D. Christner    | Continental Oil Company                          | Ft. Worth, Texas    |

REGISTER (cont'd)

| NAME                | COMPANY                                   | ADDRESS          |
|---------------------|---|------------------|
| W. C. Stout         | Continental Oil Company                   | Ft. Worth, Texas |
| John R. Moran       | Continental Oil Company                   | Houston, Texas   |
| George W. Selinger  | Skelly Oil Company                        | Tulsa, Okla.     |
| J. N. Dunlavey      | Skelly Oil Company                        | Hobbs, N. M.     |
| H. B. Hurley        | c/o Continental Oil Company               | Ft. Worth, Texas |
| M. H. Dubrow        | Continental Oil Company                   | Ft. Worth, Texas |
| S. V. McCollum      | Continental Oil Company                   | Ft. Worth, Texas |
| L. F. Shiplet       | The Texas Company                         | Midland, Texas   |
| A. E. Willig        | The Texas Company                         | Ft. Worth, Texas |
| C. B. Williams      | The Texas Company                         | Ft. Worth, Texas |
| W. E. Hubbard       | Humble Oil Company                        | Houston, Texas   |
| Neville G. Penrose  | Neville G. Penrose, Inc.                  | Ft. Worth, Texas |
| Weldon Brigance     | Rowan Drilling Company                    | Ft. Worth, Texas |
| J. W. House         | Humble Oil Company                        | Midland, Texas   |
| Roy O. Yarbrough    | Oil Conservation Commission               | Hobbs, N. M.     |
| Foster Morrell      | U. S. Geological Survey                   | Hobbs, N. M.     |
| A. K. Montgomery    | Stanolind Oil & Gas Company               | Santa Fe, N. M.  |
| W. T. Hoey          | Stanolind Oil & Gas Company               | Midland, Texas   |
| Jas. M. Murray Sr.  | Me-Tex                                    | Hobbs, N. M.     |
| L. F. Peterson      | Stanolind Oil & Gas Company               | Ft. Worth, Texas |
| S. G. Sanderson     | Gulf Oil Corporation                      | Tulsa, Oklahoma  |
| J. D. Atwood, Atty. | Gulf Oil Corporation                      | Roswell, N. M.   |
| Lloyd L. Gray       | Gulf Oil Corporation                      | Tulsa, Okla.     |
| E. J. Gallagher     | Gulf Oil Corporation                      | Hobbs, N. M.     |
| A. D. Hahn          | N. M. Bureau of Mines & Mineral Resources | Socorro, N. M.   |

"NOTICE FOR PUBLICATION  
STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

"The Oil Conservation Commission as provided by law hereby gives notice of the following hearing to be held at Santa Fe, New Mexico, at 10 A. M., May 14, 1945:

CASE NO. 63

"In the matter of the application of Stanolind Oil and Gas Company for an order of approval of the Mascho Area Unit Agreement, Lea County, New Mexico, embracing as the Unit Area:

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All of Section 1

"In Township 22 South, Range 34 East  
All of Sections 5 and 6

Embracing 3835.20 acres.

"Given under the seal of said Commission at Santa Fe, New Mexico, on April 13th, 1945.

OIL CONSERVATION COMMISSION

BY (SGD)

JOHN J. DEMPSEY  
CHAIRMAN  
JOHN E. MILES  
MEMBER

S E A L"

P R O C E E D I N G S

BY MR. A. K. MONTGOMERY:

Before Mr. Hoey testifies I will make a brief explanation for the Commission. From our application - the petition on behalf of the Stanolind Oil and Gas Company for the approval of the Unit Agreement known as the Mascho Unit Agreement, in Lea County, involves six sections. The six sections are contiguous, lying in two townships and two ranges. Will refer to the map several times.

Stanolind Oil and Gas Company owns mineral rights on three of these sections, by lease, and two sections are owned by Mascho and one by Reese-Cleveland. This area is approximately six miles from the nearest production. We have in the formal agreement now executed by all parties interested, approved this unitization. There are no other interests than those cited, I believe I can state that the Secretary of this Commission has examined the proposed agreement and it follows the form of several others approved by this Commission. Has been approved by the Secretary of the Interior, not yet by his formal signature, but subject to this Commission and the Commission of Public Lands approval.

(After being duly sworn to tell the truth, the whole truth, and nothing but the truth, Mr. W. T. Hoey testified as follows)

MR. MONTGOMERY: Will you state your name?

MR. HOEY: W. T. Hoey.

MR. MONTGOMERY: You are here on behalf of the Stanolind Oil and Gas Company?

MR. HOEY: Yes sir.

MR. MONTGOMERY: What is your position with the Company?

MR. HOEY: Geologist for Stanolind Oil and Gas Company.

MR. MONTGOMERY: How long have you been holding this position?

MR. HOEY: Two years.

MR. MONTGOMERY: Where did you receive your education in engineering, Mr. Hoey?

MR. HOEY: Missouri School of Mines.

MR. MONTGOMERY: Did you Graduate?

MR. HOEY: Yes sir.

MR. MONTGOMERY: When?

MR. HOEY: In 1925.

MR. MONTGOMERY: What have you been doing since you graduated from that school?

MR. HOEY: Geologist and Production Engineer.

MR. MONTGOMERY: Continuously?

MR. HOEY: Yes sir.

MR. MONTGOMERY: Are you familiar with the petition now on here before this Commission?

MR. HOEY: Yes sir I am.

MR. MONTGOMERY: You heard my statements made for the record with regards to ownership of mineral rights?

MR. HOEY: Yes sir.

MR. MONTGOMERY: They were correct?

MR. HOEY: That is correct.

MR. MONTGOMERY: A total of 3835.20 acres?

MR. HOEY: That is right.

MR. MONTGOMERY: What drilling or exploration has been made in close proximity to this area?

MR. HOEY: There has been three dry holes drilled in the area, one  $1\frac{1}{2}$  miles east by a little north, one directly southeast of the block and one one south of the block.

Two drilled by Humble and one by the old Marlin Company.

MR. MONTGOMERY: It pretty definitely outlines the end on the east and southern portions of the pool which Stanolind believes to underlie this area?

MR. HOEY: The three dry holes causing us to map this high change, lie northeast of there.

MR. MONTGOMERY: Can you tell where those three dry holes are?

MR. HOEY: One in section 7, nearest dry hole. One in section 4, west, one west section 9.

MR. MONTGOMERY: The three sections you see across here (on map) are the areas to be unitized - with reference to the nearest production?

MR. HOEY: The nearest well is about six miles, known as the Lynch pool.

MR. MONTGOMERY: About six miles northwest of the area?

MR. HOEY: Yes sir, nearest production to the proposed unit.

MR. MONTGOMERY: You state in your petition this area is one that should be properly developed and operated as a unit, explain to the Commission.

MR. HOEY: One of the main reasons - the subsurface map you have - the top closure takes in almost all the six sections, we feel any well drilled inside that would be higher than any enclosure in the south. Would make the well higher and have a chance to produce.

MR. MONTGOMERY: Would this result in a savings, in your opinion, of a greater quantity of the oil or gas and prevent waste?

MR. HOEY: Yes sir.

MR. MONTGOMERY: I have nothing further unless you wish to go into this matter further.

GOVERNOR BEMPSEY: Any objections?

MR. LIVINGSTON: No sir.

GOVERNOR: Anyone here who has any objections? (No reply)  
That is all - there are no objections.

MR. MONTGOMERY: I did fail to state I have now the sufficient copies of the original executed agreement I offer in evidence stating there is an exact carbon copy filed with the Commission - just showing this to the Commission.

MR. LIVINGSTON: The copy has been filed with the Commission.