

*mt Penn in what is per. & proximity
of cores?*

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF ORDER NO. 779,
MADE BY THE OIL CONSERVATION COM-
MISSION OF THE STATE OF NEW MEXICO
IN CASE NO. 149 ON JULY 27, 1948,
UPON THE APPLICATION OF THE MID-
CONTINENT PETROLEUM CORPORATION,
ESTABLISHING THE 80-ACRE DRILLING
PATTERN AND PRORATION UNIT FOR THE
CROSSROADS DEVONIAN FIELD BELCW
12,000 FEET, LEA COUNTY, NEW MEXICO.

CASE NO. 149

#
215,700
8 / 1,725,901
16
13
8

INFORMATION

Come now U. D. Sawyer and Dessie Sawyer, and respectfully show
to the Commission as follows:

1.

That they are husband and wife, and residents of Crossroads,
Lea County, New Mexico, and that they are the owners of an undivided
11/12ths interest in the oil, gas and other minerals in and under the
following described lands in Township 9 South, Range 36 East, in the
Crossroads Devonian ~~Field~~ *Pool*, in Lea County, New Mexico, to-wit:

E $\frac{1}{2}$	Section 27	Subject to lease held by Mid-Continent Petroleum Corporation
SW $\frac{1}{4}$	Section 27	Subject to lease held by Mid-Continent Petroleum Corporation
NE $\frac{1}{4}$	Section 33	Not leased
N $\frac{1}{2}$ SW $\frac{1}{4}$	Section 35	Subject to lease held by Gulf Oil Corporation.
N $\frac{1}{2}$	Section 34	Mid-Continent lease, terminated by non-payment of rental
SE $\frac{1}{4}$	Section 34	

Containing 1,200 acres, more or less

453
145
-308 Mag.

320
160
160
80
320
160
1200

2.

That on May 6, 1948, the Mid-Continent Petroleum Corporation completed its discovery well known as the Mid-Continent-Sawyer No. 1 in the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 27, Township 9 South, Range 36 East, at a total depth of 12,258, as a substantial producer from the Devonian formation; and that soon thereafter and on July 27, 1948, and upon the application of the Mid-Continent Petroleum Corporation, the Oil Conservation Commission of the State of New Mexico adopted its Order No. 779 in case No. 149, establishing the 80-acre drilling pattern and proration unit for the production of oil from the Devonian formation below 12,000 feet in an area comprising 2,560 acres, including most of the lands of these informants, in a four-section square, known as the Crossroads Devonian Field, and embracing the following described lands in said township and range, to-wit:

West Half	Section 26
All	Section 27
East Half	Section 28
East Half	Section 33
All	Section 34
West Half	Section 35

and that in said Order the Oil Conservation Commission of the State of New Mexico specifically retained jurisdiction of the case for the purpose of issuing such further and additional orders as might be necessary to meet changed conditions, preclude inequities and preserve correlative rights.

3.

That thereafter three additional wells were drilled in said area and resulted in successful production of oil from the Devonian formation below 12,000 feet, which wells are known and identified as follows:

Mid-Continent
Dessie Sawyer NE $\frac{1}{4}$ SW $\frac{1}{4}$ Section 27

Mid-Continent
Sawyer D SW $\frac{1}{4}$ NE $\frac{1}{4}$ Section 27

Magnolia - Santa
Fe -1-C SW $\frac{1}{4}$ SW $\frac{1}{4}$ Section 26

and three other wells were drilled in said area to depths considered sufficient to test the Devonian formation below 12,000 feet and then abandoned as dry holes, which wells are known and identified as follows:

Mid-Continent
Sawyer-1-B NE $\frac{1}{4}$ NW $\frac{1}{4}$ Section 34

Skelly Oil Co. -
Sawyer -1 NE $\frac{1}{4}$ NE $\frac{1}{4}$ Section 33

Oil Development
Co-Santa Fe-1 SW $\frac{1}{4}$ NW $\frac{1}{4}$ Section 27

and two other wells were drilled in said area resulting in successful production from the Pennsylvanian formation at depths of approximately 9,700 feet, which wells are known and identified as follows:

Magnolia-
Santa Fe-1-B NE $\frac{1}{4}$ SE $\frac{1}{4}$ Section 28

Magnolia-
Santa Fe-1-D SW $\frac{1}{4}$ SE $\frac{1}{4}$ Section 22
(outside Devonian Field)

and three other wells are now drilling in said area, which wells are known and identified as follows:

Mid-Continent-
Sawyer-1-C NE $\frac{1}{4}$ SE $\frac{1}{4}$ Section 27

Oil Development
Co-Santa Fe-2-27 SE $\frac{1}{4}$ NW $\frac{1}{4}$ Section 27

Oil Development
Co-Santa Fe-1-22 SE $\frac{1}{4}$ SW $\frac{1}{4}$ Section 22
(outside Devonian Field)

and that a plat, showing the location of all of said wells, is hereto attached, marked Exhibit "A" and made a part hereof.

4.

That at the time of the adoption of such Devonian 80-acre spacing pattern there was only one producing well in the Crossroads Field, that being the discovery well known as the Mid-Continent-Sawyer-1 in the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 27, and that said 80-acre spacing pattern was not based on past experience in said field, but was adopted as an exception to the Statewide normal 40-acre spacing pattern on the assumption that oil would be encountered in the Devonian formation below 12,000 feet under all of the lands comprising such four-section Devonian Field, and was adopted in anticipation of other circumstances and conditions then assumed to exist

5.

That experience in the drilling of the dry holes known as Mid-Continent-Sawyer-1-B in the NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 34 and the Skelly-Sawyer-1 in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 33 has demonstrated that the lands south of the discovery well were not productive of oil from the Devonian formation, and that experience in the drilling of the dry hole known as Oil Development Company-Santa Fe-1 in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 27 has demonstrated that the lands in the west half of the Northwest Quarter of Section 27 were not productive of oil from the Devonian formation; and that of all of the wells drilled in or near such Crossroads Devonian Field, four have encountered oil in the Devonian formation below 12,000 feet, three have been abandoned as dry holes after being drilled to depths below 12,000 feet, and two have been completed as producers from the Pennsylvanian formation at depths of approximately 9,700 feet.

6

That after the completion of its dry hole known as Oil Development Company-Santa Fe-1 in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 27, and on or about January 11, 1950, the Santa Fe Pacific Railroad Company and Oil Development Company of Texas abandoned such 80-acre spacing pattern, and obtained permission from the Oil Conservation Commission to depart from such 80-acre pattern and to locate its Oil Development Co-Santa Fe-2-27 in the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 27, as a direct westerly offset to the Mid-Continent-Sawyer-D and as a direct northerly offset to the

Mid-Continent-Dessie Sawyer No. 1, and that such Oil Development Co-Santa Fe-2-27 is now drilling at such location, intended to ultimately test the Devonian formation below 12,000 feet.

7.

That these informants are now entitled to offset wells in the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 27 to protect against drainage in the Pennsylvanian formation by the Magnolia-Santa Fe-1-B in the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of section 28 and in the NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 27 to protect against drainage in the Pennsylvanian formation by the Magnolia-Santa Fe-1-D in the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 22; that the two locations at which they are now entitled to offset wells are midway between producing Devonian wells upon their lands and producing Pennsylvanian wells upon lands not owned by them, and that if the Oil Development Co-Santa Fe-2-27 now drilling in the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 27 should be successful in encountering the Devonian formation, it would be reasonable to assume that each of such offset wells should also be drilled into the Devonian formation, and by reason of the implied covenants of the oil and gas leases covering such lands they would be entitled to the drilling of such wells into the lower or Devonian formation, but that under the present 80-acre spacing pattern, Devonian wells are not to be located or drilled at either of such locations.

8.

These informants respectfully show to the Commission that drilling experience in such Crossroads Devonian Field and the facts and circumstances subsequent to the adoption of such Devonian 80-acre spacing pattern have not demonstrated, in and of themselves, that such Devonian 80-acre pattern should be further continued in effect as an exception to the normal Statewide 40-acre spacing pattern; that these informants have a valuable property interest in the oil, gas and other minerals in and under and that may be produced from their lands above described, and that if such Devonian 80-acre pattern be continued in effect after subsequent facts and circumstances have failed to demonstrate that the same should be so continued, the value of their property interest will be unjustly diminished and

and the marketability thereof unduly impaired, and that inequities and injustices will result.

WHEREFORE, these informants pray that the Oil Conservation Commission take notice that experience in such Crossroads Devonian Field and the facts and circumstances subsequent to the adoption of its Order No. 779 establishing such Devonian 80-acre spacing pattern have not demonstrated, in and of themselves, that the same should be further continued in effect as an exception to the Statewide normal 40-acre spacing pattern, and that the Commission, upon its own motion, require the Mid-Continent Petroleum Corporation, applicant for the aforementioned order, and any other interested parties, to show cause, if any it or they may have, why such Order No. 779 should be further continued in effect, and that upon the hearing in this matter, if said parties fail to show proper cause for the continuation of said Order No. 779, that the same be rescinded by the Commission.

Dated at Lovington, New Mexico, this 2nd day of September, 1950, and respectfully submitted.

s/ G. T. Hanners
Attorney for Sawyers
Lovington, New Mexico

Distributed
By Proration Department
October 19, 1950

$$\begin{array}{r} 88,900 / \text{acre} \\ 4 \overline{) 355,640} \\ \underline{32} \\ 35 \\ \underline{32} \\ 36 \end{array}$$

$$\begin{array}{r} 355,000 \\ 80,000 \\ \hline 435,000 \\ 258,000 \\ \hline 177,000 \end{array}$$

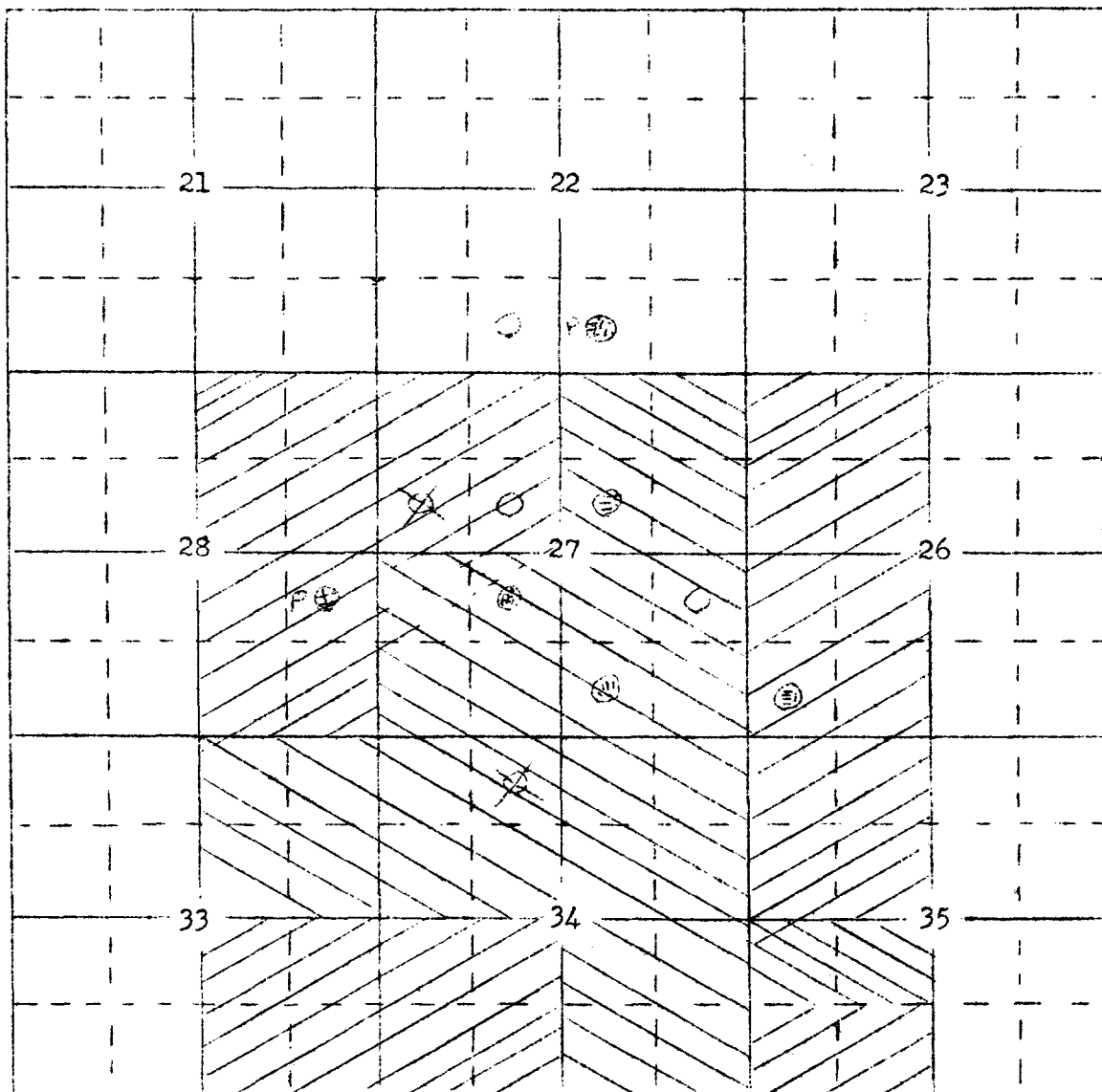
$$\begin{array}{r} \$ 254,000 \\ 177 \\ \hline 77 \end{array}$$

$$\begin{array}{r} 3 \\ 258 \overline{) 77,000} \\ \hline \end{array}$$

P-②	- SW $\frac{1}{4}$ SE $\frac{1}{4}$	22	- Magnolia-Santa Fe-1-D	- Pennsylvanian
0	- SE $\frac{1}{4}$ SW $\frac{1}{4}$	22	- Oil Dev. Co-Santa F-1-22	- Drilling
②	- SW $\frac{1}{4}$ SW $\frac{1}{4}$	26	- Magnolia - Santa Fe-1-C	- Devonian
②	- SW $\frac{1}{4}$ SE $\frac{1}{4}$	27	- Mid-Continent - Sawyer -1	- Devonian
②	- NE $\frac{1}{4}$ SW $\frac{1}{4}$	27	- Mid-Continent - Dessie	- Devonian
②	- SW $\frac{1}{4}$ NE $\frac{1}{4}$	27	- Mid-Continent - Sawyer - D	- Devonian
②	- SW $\frac{1}{4}$ NW $\frac{1}{4}$	27	- Oil Dev. Co-Santa Fe -1	- Dry hole Devonian
0	- SE $\frac{1}{4}$ NW $\frac{1}{4}$	27	- Oil Dev. Co-Santa Fe -2-27	- Drilling
0	- NE $\frac{1}{4}$ SE $\frac{1}{4}$	27	- Mid-Continent - Sawyer -1-C	- Drilling
P-②	- NE $\frac{1}{4}$ SE $\frac{1}{4}$	28	- Magnolia - Santa Fe -1-B	- Pennsylvanian
②	- NE $\frac{1}{4}$ NE $\frac{1}{4}$	33	- Skelly Oil Co - Sawyer -1	- Dry hole devonian
②	- NE $\frac{1}{4}$ NW $\frac{1}{4}$	34	- Mid-Continent - Sawyer -1-B	- Dry hole Devonian

Township 9 South

Range 36 East



CROSSROADS DEVONIAN FIELD BELOW 12,200 FEET

- | | |
|---------------------------------|-----------------------------|
| /// - Owned by Sawyers | /// - Owned by AT&SF, et al |
| ⊙ - Devonian wells below 12,000 | ⊙ - Drilling wells |
| ⊙ - Pennsylvanian approx 9,700 | ⊗ - Dry holes |

Exhibit "A"

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF ORDER NO. 779,
MADE BY THE OIL CONSERVATION COM-
MISSION OF THE STATE OF NEW MEXICO
IN CASE NO. 149 ON JULY 27, 1948,
UPON THE APPLICATION OF THE MID-
CONTINENT PETROLEUM CORPORATION,
ESTABLISHING THE 80-ACRE DRILLING
PATTERN AND PRORATION UNIT FOR THE
CROSSROADS DEVONIAN FIELD BELOW
12,000 FEET, LEA COUNTY, NEW MEXICO.

CASE NO. 149

INFORMATION

Come now U. D. Sawyer and Dessie Sawyer, and respectfully show
to the Commission as follows:

1.

That they are husband and wife, and residents of Crossroads,
Lea County, New Mexico, and that they are the owners of an undivided
11/12ths interest in the oil, gas and other minerals in and under the
following described lands in Township 9 South, Range 36 East, in the
Crossroads Devonian Field, in Lea County, New Mexico, to-wit:

E $\frac{1}{2}$	Section 27	Subject to lease held by Mid-Continent Petroleum Corporation
SW $\frac{1}{4}$	Section 27	Subject to lease held by Mid-Continent Petroleum Corporation
NE $\frac{1}{4}$	Section 33	Not leased
N $\frac{1}{2}$ SW $\frac{1}{4}$	Section 35	Subject to lease held by Gulf Oil Corporation.
N $\frac{1}{2}$	Section 34	Mid-Continent lease, terminated by non-payment of rental
SE $\frac{1}{4}$	Section 34	

Containing 1,200 acres, more or less

2.

That on May 6, 1948, the Mid-Continent Petroleum Corporation completed its discovery well know as the Mid-Continent-Sawyer No. 1 in the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 27, Township 9 South, Range 36 East, at a total depth of 12,258, as a substantial producer from the Devonian formation; and that soon thereafter and on July 27, 1948, and upon the application of the Mid-Continent Petroleum Corporation, the Oil Conservation Commission of the State of New Mexico adopted its Order No. 779 in case No. 149, establishing the 80-acre drilling pattern and proration unit for the production of oil from the Devonian formation below 12,000 feet in an area comprising 2,560 acres, including most of the lands of these informants, in a four-section square, known as the Crossroads Devonian Field, and embracing the following described lands in said township and range, to-wit:

West Half	Section 26
All	Section 27
East Half	Section 28
East Half	Section 33
All	Section 34
West Half	Section 35

and that in said Order the Oil Conservation Commission of the State of New Mexico specifically retained jurisdiction of the case for the purpose of issuing such further and additional orders as might be necessary to meet changed conditions, preclude inequities and preserve correlative rights.

3.

That thereafter three additional wells were drilled in said area and resulted in successful production of oil from the Devonian formation below 12,000 feet, which wells are known and identified as follows:

Mid-Continent
Dessie Sawyer

NE $\frac{1}{4}$ SW $\frac{1}{4}$ Section 27

Mid-Continent
Sawyer D

SW $\frac{1}{4}$ NE $\frac{1}{4}$ Section 27

Magnolia - Santa
Fe -1-C

SW $\frac{1}{4}$ SW $\frac{1}{4}$ Section 26

and three other wells were drilled in said area to depths considered sufficient to test the Devonian formation below 12,000 feet and then abandoned as dry holes, which wells are known and identified as follows:

Mid-Continent
Sawyer-1-B

NE $\frac{1}{4}$ NW $\frac{1}{4}$ Section 34

Skelly Oil Co. -
Sawyer -1

NE $\frac{1}{4}$ NE $\frac{1}{4}$ Section 33

Oil Development
Co-Santa Fe-1

SW $\frac{1}{4}$ NW $\frac{1}{4}$ Section 27

and two other wells were drilled in said area resulting in successful production from the Pennsylvanian formation at depths of approximately 9,700 feet, which wells are known and identified as follows:

Magnolia-
Santa Fe-1-B

NE $\frac{1}{4}$ SE $\frac{1}{4}$ Section 28

Magnolia-
Santa Fe-1-D

SW $\frac{1}{4}$ SE $\frac{1}{4}$ Section 22
(outside Devonian Field)

and three other wells are now drilling in said area, which wells are known and identified as follows:

Mid-Continent-
Sawyer-1-C

NE $\frac{1}{4}$ SE $\frac{1}{4}$ Section 27

Oil Development
Co-Santa Fe-2-27

SE $\frac{1}{4}$ NW $\frac{1}{4}$ Section 27

Oil Development
Co-Santa Fe-1-22

SE $\frac{1}{4}$ SW $\frac{1}{4}$ Section 22
(outside Devonian Field)

and that a plat, showing the location of all of said wells, is hereto attached, marked Exhibit "A" and made a part hereof.

4.

That at the time of the adoption of such Devonian 80-acre spacing pattern there was only one producing well in the Crossroads Field, that being the discovery well known as the Mid-Continent-Sawyer-1 in the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 27, and that said 80-acre spacing pattern was not based on past experience in said field, but was adopted as an exception to the Statewide normal 40-acre spacing pattern on the assumption that oil would be encountered in the Devonian formation below 12,000 feet under all of the lands comprising such four-section Devonian Field, and was adopted in anticipation of other circumstances and conditions then assumed to exist

5.

That experience in the drilling of the dry holes known as Mid-Continent-Sawyer-1-B in the NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 34 and the Skelly-Sawyer-1 in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 33 has demonstrated that the lands south of the discovery well were not productive of oil from the Devonian formation, and that experience in the drilling of the dry hole known as Oil Development Company-Santa Fe-1 in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 27 has demonstrated that the lands in the west half of the Northwest Quarter of Section 27 were not productive of oil from the Devonian formation; and that of all of the wells drilled in or near such Crossroads Devonian Field, four have encountered oil in the Devonian formation below 12,000 feet, three have been abandoned as dry holes after being drilled to depths below 12,000 feet, and two have been completed as producers from the Pennsylvanian formation at depths of approximately 9,700 feet.

6

That after the completion of its dry hole known as Oil Development Company-Santa Fe-1 in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 27, and on or about January 11, 1950, the Santa Fe Pacific Railroad Company and Oil Development Company of Texas abandoned such 80-acre spacing pattern, and obtained permission from the Oil Conservation Commission to depart from such 80-acre pattern and to locate its Oil Development Co-Santa Fe-2-27 in the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 27, as a direct westerly offset to the Mid-Continent-Sawyer-D and as a direct northerly offset to the

Mid-Continent-Dessie Sawyer No. 1, and that such Oil Development Co-Santa Fe-2-27 is now drilling at such location, intended to ultimately test the Devonian formation below 12,000 feet.

7.

That these informants are now entitled to offset wells in the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 27 to protect against drainage in the Pennsylvanian formation by the Magnolia-Santa Fe-1-D in the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of section 28 and in the NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 27 to protect against drainage in the Pennsylvanian formation by the Magnolia-Santa Fe-1-D in the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 22; that the two locations at which they are now entitled to offset wells are midway between producing Devonian wells upon their lands and producing Pennsylvanian wells upon lands not owned by them, and that if the Oil Development Co-Santa Fe-2-27 now drilling in the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 27 should be successful in encountering the Devonian formation, it would be reasonable to assume that each of such offset wells should also be drilled into the Devonian formation, and by reason of the implied covenants of the oil and gas leases covering such lands they would be entitled to the drilling of such wells into the lower or Devonian formation, but that under the present 80-acre spacing pattern, Devonian wells are not to be located or drilled at either of such locations.

8.

These informants respectfully show to the Commission that drilling experience in such Crossroads Devonian Field and the facts and circumstances subsequent to the adoption of such Devonian 80-acre spacing pattern have not demonstrated, in and of themselves, that such Devonian 80-acre pattern should be further continued in effect as an exception to the normal Statewide 40-acre spacing pattern; that these informants have a valuable property interest in the oil, gas and other minerals in and under and that may be produced from their lands above described, and that if such Devonian 80-acre pattern be continued in effect after subsequent facts and circumstances have failed to demonstrate that the same should be so continued, the value of their property interest will be unjustly diminished and

and the marketability thereof unduly impaired, and that inequities and injustices will result.

WHEREFORE, these informants pray that the Oil Conservation Commission take notice that experience in such Crossroads Devonian Field and the facts and circumstances subsequent to the adoption of its Order No. 779 establishing such Devonian 80-acre spacing pattern have not demonstrated, in and of themselves, that the same should be further continued in effect as an exception to the Statewide normal 40-acre spacing pattern, and that the Commission, upon its own motion, require the Mid-Continent Petroleum Corporation, applicant for the aforementioned order, and any other interested parties, to show cause, if any it or they may have, why such Order No. 779 should be further continued in effect, and that upon the hearing in this matter, if said parties fail to show proper cause for the continuation of said Order No. 779, that the same be rescinded by the Commission.

Dated at Lovington, New Mexico, this 2nd day of September, 1950, and respectfully submitted.

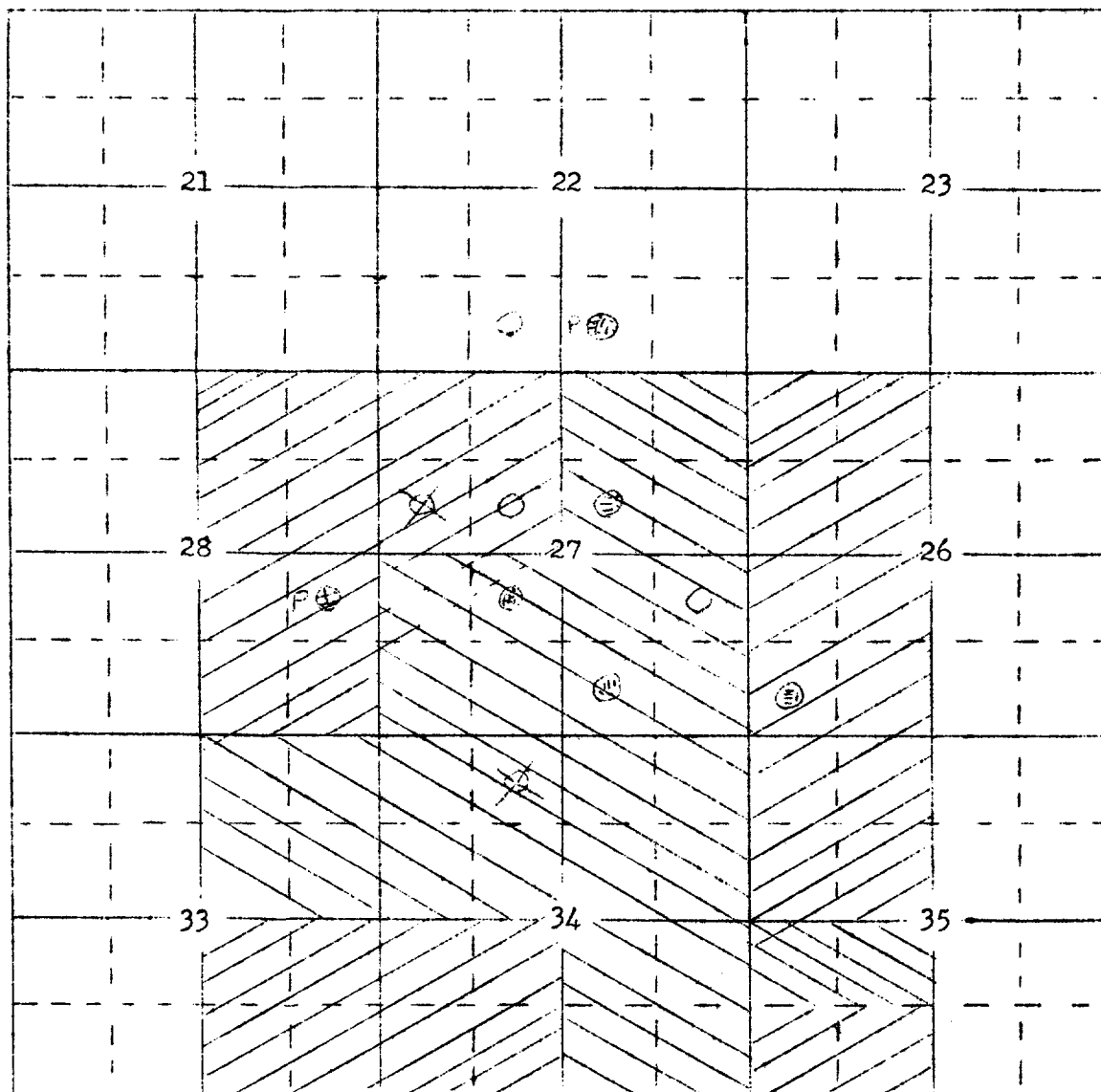
s/ G. T. Hanners
Attorney for Sawyers
Lovington, New Mexico

Distributed
By Proration Department
October 19, 1950

P-③	- SW $\frac{1}{4}$ SE $\frac{1}{4}$ 22	- Magnolia-Santa Fe-1-D	- Pennsylvanian
0	- SE $\frac{1}{4}$ SW $\frac{1}{4}$ 22	- Oil Dev. Co-Santa F-1-22	- Drilling
③	- SW $\frac{1}{4}$ SW $\frac{1}{4}$ 26	- Magnolia - Santa Fe-1-C	- Devonian
③	- SW $\frac{1}{4}$ SE $\frac{1}{4}$ 27	- Mid-Continent - Sawyer -1	- Devonian
③	- NE $\frac{1}{4}$ SW $\frac{1}{4}$ 27	- Mid-Continent - Dessie	- Devonian
③	- SW $\frac{1}{4}$ NE $\frac{1}{4}$ 27	- Mid-Continent - Sawyer - D	- Devonian
③	- SW $\frac{1}{4}$ NW $\frac{1}{4}$ 27	- Oil Dev. Co-Santa Fe -1	- Dry hole Devonian
0	- SE $\frac{1}{4}$ NW $\frac{1}{4}$ 27	- Oil Dev. Co-Santa Fe -2-27	- Drilling
0	- NE $\frac{1}{4}$ SE $\frac{1}{4}$ 27	- Mid-Continent - Sawyer -1-C	- Drilling
P-③	- NE $\frac{1}{4}$ SE $\frac{1}{4}$ 28	- Magnolia - Santa Fe -1-B	- Pennsylvanian
③	- NE $\frac{1}{4}$ NE $\frac{1}{4}$ 33	- Skelly Oil Co - Sawyer -1	- Dry hole devonian
③	- NE $\frac{1}{4}$ NW $\frac{1}{4}$ 34	- Mid-Continent - Saweyer -1-B	- Dry hole Devonian

Township 9 South

Range 36 East



CROSSROADS DEVONIAN FIELD BELOW 12,200 FEET

- | | |
|---------------------------------|-----------------------------|
| /// - Owned by Sawyers | /// - Owned by AT&SF, et al |
| ● - Devonian wells below 12,000 | ○ - Drilling wells |
| ③ - Pennsylvanian approx 9,700 | X - Dry holes |

Exhibit "A"

70

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, ON ITS OWN MOTION,
FOR THE PURPOSE OF RECONSIDERING:

ORDER NO. 779 MADE BY THE OIL CONSERVA-
TION COMMISSION OF THE STATE OF NEW
MEXICO IN CASE NO. 149 ON JULY 27, 1948,
UPON THE APPLICATION OF MID-CONTINENT
PETROLEUM CORPORATION, ESTABLISHING THE
80-ACRE DRILLING PATTERN AND PRORATION
UNIT FOR THE CROSSROADS DEVONIAN FIELD
BELOW 12,200 FEET, LEA COUNTY, NEW MEXICO

CASE NO. 149

ORDER

BY THE COMMISSION:

WHEREAS, soon after the completion by the Mid-Continent Petroleum Corporation of the discovery well in the Crossroads Field of Lea County, New Mexico, known and identified as the Mid-Continent-Sawyer No. 1 and located in the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 27, Township 9 South, Range 36 East, and on July 27, 1948, and upon the application of the Mid-Continent Petroleum Corporation, the Oil Conservation Commission of the State of New Mexico adopted its Order No. 779 in Case No. 149 establishing the 80-acre drilling pattern and proration unit for the production of oil from the Devonian formation below 12,000 feet in an area comprising 2,560 acres in a four-section square, known as the Crossroads Devonian Field, and embracing the following described lands in said township and range, to-wit:

West Half	Section 26
All	Section 27
East Half	Section 28
East Half	Section 33
All	Section 34
West Half	Section 35

and in said Order the Oil Conservation Commission specifically retained jurisdiction of the case for the purpose of issuing such further and additional orders as might be necessary to meet changed conditions, preclude inequities and preserve correlative rights./

AND WHEREAS, the attention of the Commission has been called to the fact that subsequent to the adoption of such Order No. 779 six additional wells have been drilled in such Crossroads Devonian Field to depths below 12,000 feet and sufficient to test the Devonian formation, and that three of them have resulted in dry holes; that one well has been completed in such Crossroads Devonian Field as a producer from the Pennsylvanian formation at a depth of approximately 9,700 feet, and that another Pennsylvanian well has been completed on lands immediately adjacent to and as an offset to such Devonian Field, and that another such offset Pennsylvanian well is now being drilled on lands immediately adjacent and as an offset to such Devonian Field.

AND WHEREAS, at the time of the adoption of such Order No. 779, establishing such Devonian 80-acre spacing pattern, there was only one producing well in the Crossroads Field, that being the discovery well known as the Mid-Continent-Sawyer-1 in the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of section 27, and said 80-acre spacing pattern was not based on past experience in such Field, but was adopted on the assumption that oil would be encountered in the Devonian formation below 12,000 feet under all of the lands comprising such four-section Devonian Field, and was adopted as an exception to the Statewide normal 40-acre pattern, in anticipation of other circumstances and conditions then assumed to exist.

AND WHEREAS, the attention of the Commission has been called to the fact that experience in such Crossroads Devonian Field and the facts and circumstances subsequent to the adoption of its Order No. 779 establishing such Devonian 80-acre spacing pattern have not demonstrated, in and of themselves, that the same should be further continued in effect as an exception to the Statewide normal 40-acre spacing ,pattern and proration unit.

AND WHEREAS, the Commission is of the opinion that such Order No. 779 should now be reconsidered in the light of drilling experience in such Field and facts and circumstances subsequent to the adoption of such order.

IT IS THEREFORE ORDERED:

That, after due notice and at a public hearing to be held in the House of Representatives in the State Capitol at Santa Fe, New Mexico, on _____, 1950, at the hour of 10:00 A. M., the Mid-Continent Petroleum Corporation, applicant for the aforementioned order, and any other interested parties, show cause, if any it or they may have, why Order No. 779, made by the Oil Conservation Commission of the State of New Mexico, in Case No. 149, on July 27, 1948, establishing the 80-acre drilling pattern and proration unit for the Crossroads Devonian Field below 12,000 feet, should be further continued in effect.

DONE at Santa Fe, New Mexico, this the _____ day of September, 1950.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

_____ Chairman

_____ Member

_____ Secretary

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF ORDER NO. 779,
MADE BY THE OIL CONSERVATION COM-
MISSION OF THE STATE OF NEW MEXICO
IN CASE NO. 149 ON JULY 27, 1948,
UPON THE APPLICATION OF THE MID-
CONTINENT PETROLEUM CORPORATION,
ESTABLISHING THE 80-ACRE DRILLING
PATTERN AND PRORATION UNIT FOR THE
CROSSROADS DEVONIAN FIELD BELOW
12,000 FEET, LEA COUNTY, NEW MEXICO.

CASE NO. 149

INFORMATION

Come now U. D. Sawyer and Dessie Sawyer, and respectfully
show to the Commission as follows:

1.

That they are husband and wife, and residents of Cross-
roads, Lea County, New Mexico, and that they are the owners of an
undivided 11/12ths interest in the oil, gas and other minerals in
and under the following described lands in Township 9 South, Range
36 East, in the Crossroads Devonian Field, in Lea County, New
Mexico, to-wit:

E $\frac{1}{2}$	Section 27	Subject to lease held by Mid- Continent Petroleum Corporation
SW $\frac{1}{4}$	Section 27	Subject to lease held by Mid- Continent Petroleum Corporation
NE $\frac{1}{4}$	Section 33	Not leased
N $\frac{1}{2}$ SW $\frac{1}{4}$	Section 35	Subject to lease held by Gulf Oil Corporation
N $\frac{1}{2}$	Section 34	Mid-Continent lease, terminated by non-payment of rental
SE $\frac{1}{4}$	Section 34	

Containing 1,200 acres, more or less

2.

That on May 6, 1948, the Mid-Continent Petroleum Corporation completed its discovery well known as the Mid-Continent-Sawyer No. 1 in the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 27, Township 9 South, Range 36 East, at a total depth of 12,258, as a substantial producer from the Devonian formation; and that soon thereafter and on July 27, 1948, and upon the application of the Mid-Continent Petroleum Corporation, the Oil Conservation Commission of the State of New Mexico adopted its Order No. 779 in case No. 149, establishing the 80-acre drilling pattern and proration unit for the production of oil from the Devonian formation below 12,000 feet in an area comprising 2,560 acres, including most of the lands of these informants, in a four-section square, known as the Crossroads Devonian Field, and embracing the following described lands in said township and range, to-wit:

West Half	Section 26
All	Section 27
East Half	Section 28
East Half	Section 33
All	Section 34
West Half	Section 35

and that in said Order the Oil Conservation Commission of the State of New Mexico specifically retained jurisdiction of the case for the purpose of issuing such further and additional orders as might be necessary to meet changed conditions, preclude inequities and preserve correlative rights.

3.

That thereafter three additional wells were drilled in said area and resulted in successful production of oil from the Devonian formation below 12,000 feet, which wells are known and identified as follows:

Mid-Continent Dessie Sawyer	NE $\frac{1}{4}$ SW $\frac{1}{4}$ Section 27
Mid-Continent Sawyer D	SW $\frac{1}{4}$ NE $\frac{1}{4}$ Section 27
Magnolia-Santa Fe-1-C	SW $\frac{1}{4}$ SW $\frac{1}{4}$ Section 26

and three other wells were drilled in said area to depths considered sufficient to test the Devonian formation below 12,000 feet and then abandoned as dry holes, which wells are known and identified as follows:

Mid-Continent Sawyer-1-B	NE $\frac{1}{4}$ NW $\frac{1}{4}$ Section 34
Skelly Oil Co.- Sawyer-1	NE $\frac{1}{4}$ NE $\frac{1}{4}$ Section 33
Oil Development Co-Santa Fe-1	SW $\frac{1}{4}$ NW $\frac{1}{4}$ Section 27

and two other wells were drilled in said area resulting in successful production from the Pennsylvanian formation at depths of approximately 9,700 feet, which wells are known and identified as follows:

Magnolia- Santa Fe-1-B	NE $\frac{1}{4}$ SE $\frac{1}{4}$ Section 28
Magnolia- Santa Fe-1-D	SW $\frac{1}{4}$ SE $\frac{1}{4}$ Section 22 (outside Devonian Field)

and three other well are now drilling in said area, which wells are known and identified as follows:

Mid-Continent- Sawyer-1-C	NE $\frac{1}{4}$ SE $\frac{1}{4}$ Section 27
Oil Development Co-Santa Fe-2-27	SE $\frac{1}{4}$ NW $\frac{1}{4}$ Section 27
Oil Development Co-Santa Fe-1-22	SE $\frac{1}{4}$ SW $\frac{1}{4}$ Section 22 (outside Devonian Field)

and that a plat, showing the location of all of said wells, is hereto attached, marked Exhibit "A" and made a part hereof.

4.

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c That at the time of the adoption of such Devonian 80-acre spacing pattern there was only one producing well in the Crossroads Field, that being the discovery well known as the Mid-Continent-Sawyer-1 in the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 27, and that said 80-acre spacing pattern was not based on past experience in said field, but was adopted as an exception to the Statewide normal 40-acre spacing pattern on the assumption that oil would be encountered in the Devonian formation below 12,000 feet under all of the lands comprising such four-section Devonian Field, and was adopted in anticipation of other circumstances and conditions then assumed to exist.

5.

That experience in the drilling of the dry holes known as Mid-Continent-Sawyer-1-B in the NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 34 and the Skelly-Sawyer-1 in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 33 has demonstrated that the lands south of the discovery well were not productive of oil from the Devonian formation, and that experience in the drilling of the dry hole known as Oil Development Company-Santa Fe-1 in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 27 has demonstrated that the lands in the west half of the Northwest Quarter of Section 27 were not productive of oil from the Devonian formation; and that of all of the wells drilled in or near such Crossroads Devonian Field, four have encountered oil in the Devonian formation below 12,000 feet, three have been abandoned as dry holes after being drilled to depths below 12,000 feet, and two have been completed as producers from the Pennsylvanian formation at depths of approximately 9,700 feet.

6.

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e That after the completion of its dry hole known as Oil Development Company-Santa Fe-1 in the $SW\frac{1}{4}NW\frac{1}{4}$ of Section 27, and on or about January 11, 1950, the Santa Fe Pacific Railroad Company and Oil Development Company of Texas abandoned such 80-acre spacing pattern, and obtained permission from the Oil Conservation Commission to depart from such 80-acre pattern and to locate its Oil Development Co-Santa Fe-2-27 in the $SE\frac{1}{4}NW\frac{1}{4}$ of said Section 27, as a direct westerly offset to the Mid-Continent-Sawyer-D and as a direct northerly offset to the Mid-Continent-Dessie Sawyer No. 1, and that such Oil Development Co-Santa Fe-2-27 is now drilling at such location, intended to ultimately test the Devonian formation below 12,000 feet.

7.

That these informants are now entitled to offset wells in the $NW\frac{1}{4}SW\frac{1}{4}$ of Section 27 to protect against drainage in the Pennsylvanian formation by the Magnolia-Santa Fe-1-B in the $NE\frac{1}{4}SE\frac{1}{4}$ of Section 28, and in the $NW\frac{1}{4}NE\frac{1}{4}$ of Section 27 to protect against drainage in the Pennsylvanian formation by the Magnolia-Santa Fe-1-D in the $SW\frac{1}{4}SE\frac{1}{4}$ of Section 22; that the two locations at which they are now entitled to offset wells are midway between producing Devonian wells upon their lands and producing Pennsylvanian wells upon lands not owned by them, and that if the Oil Development Co-Santa Fe-2-27 now drilling in the $SE\frac{1}{4}NW\frac{1}{4}$ of Section 27 should be successful in encountering the Devonian formation, it would be reasonable to assume that each of such offset wells should also be drilled into the Devonian formation, and by reason of the implied covenants of the oil and gas leases covering such lands they would be entitled to the drilling of such wells into the lower or Devonian

formation, but that under the present 80-acre spacing pattern, Devonian wells are not to be located or drilled at either of such locations.

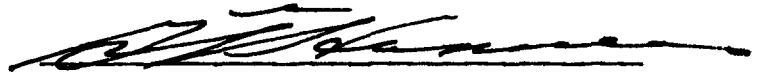
8.

These informants respectfully show to the Commission that drilling experience in such Crossroads Devonian Field and the facts and circumstances subsequent to the adoption of such Devonian 80-acre spacing pattern have not demonstrated, in and of themselves, that such Devonian 80-acre pattern should be further continued in effect as an exception to the normal Statewide 40-acre spacing pattern; that these informants have a valuable property interest in the oil, gas and other minerals in and under and that may be produced from their lands above described, and that if such Devonian 80-acre pattern be continued in effect after subsequent facts and circumstances have failed to demonstrate that the same should be so continued, the value of their property interest will be unjustly diminished and the marketability thereof unduly impaired, and that inequities and injustices will result.

WHEREFORE, these informants pray that the Oil Conservat-
ion Commission ^{that} take notice/experience in such Crossroads Devonian Field and the facts and circumstances subsequent to the adoption of its Order No. 779 establishing such Devonian 80-acre spacing pattern have not demonstrated, in and of themselves, that the same should be further continued in effect as an exception to the Statewide normal 40-acre spacing pattern, and that the Commission, upon its own motion, require the Mid-Continent Petroleum Corporation, applicant for the aforementioned order, and any other interested parties, to show cause, if any it or they may have, why such Order

No. 779 should be further continued in effect, and that upon the hearing in this matter, if said parties fail to show proper cause for the continuation of said Order No. 779, that the same be rescinded by the Commission.

Dated at Lovington, New Mexico, this 2nd day of September, 1950, and respectfully submitted.

A handwritten signature in dark ink, appearing to read "G. T. Hanners", written over a horizontal line.

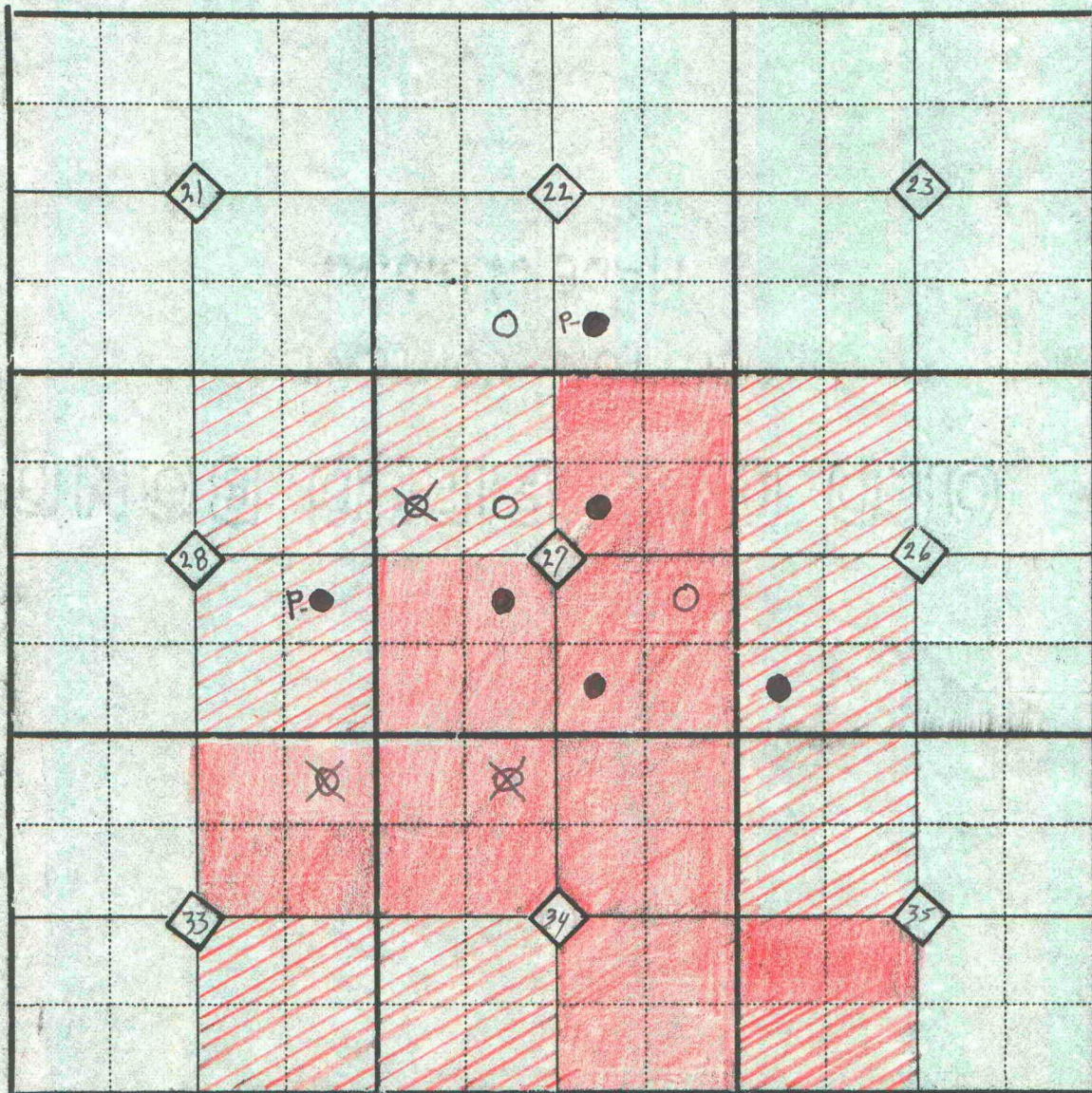
G. T. Hanners
Attorney for Sawyers
Lovington, New Mexico

P●	-	SW $\frac{1}{4}$ SE $\frac{1}{4}$	22	-	Magnolia-Santa Fe-1-D	-	Pennsylvanian
○	-	SE $\frac{1}{4}$ SW $\frac{1}{4}$	22	-	Oil Dev.Co-Santa Fe-1-22	-	Drilling
●	-	SW $\frac{1}{4}$ SW $\frac{1}{4}$	26	-	Magnolia-Santa Fe-1-C	-	Devonian
●	-	SW $\frac{1}{4}$ SE $\frac{1}{4}$	27	-	Mid-Continent-Sawyer-1	-	Devonian
●	-	NE $\frac{1}{4}$ SW $\frac{1}{4}$	27	-	Mid-Continent-Dessie	-	Devonian
●	-	SW $\frac{1}{4}$ NE $\frac{1}{4}$	27	-	Mid-Continent-Sawyer-D	-	Devonian
⊗	-	SW $\frac{1}{4}$ NW $\frac{1}{4}$	27	-	Oil Dev.Co-Santa Fe-1	-	Dry hole Devonian
○	-	SE $\frac{1}{4}$ NW $\frac{1}{4}$	27	-	Oil Dev.Co-Santa Fe-2-27	-	Drilling
○	-	NE $\frac{1}{4}$ SE $\frac{1}{4}$	27	-	Mid-Continent-Sawyer-1-C	-	Drilling
P●	-	NE $\frac{1}{4}$ SE $\frac{1}{4}$	28	-	Magnolia-Santa Fe-1-B	-	Pennsylvanian
⊗	-	NE $\frac{1}{4}$ NE $\frac{1}{4}$	33	-	Skelly Oil Co-Sawyer-1	-	Dry hole devonian
⊗	-	NE $\frac{1}{4}$ NW $\frac{1}{4}$	34	-	Mid-Continent-Sawyer-1-B	-	Dry hole Devonian

Township 9 South

Range 36 East

North



CROSSROADS DEVONIAN FIELD BELOW 12,200 FEET

Solid Red--Owned by Sawyers Diagonal--Owned by AT&SF, et al

● - Devonian wells below 12,000 ○ - Drilling wells
P● - Pennsylvanian approx 9,700 ⊗ - Dry holes

Exhibit "A"