

OIL CONSERVATION COMMISSION
NEW MEXICO
JUL 12 1948
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BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF APPLICATION OF
GRAYBURG OIL COMPANY OF NEW MEXICO AND
WESTERN PRODUCTION COMPANY, INC., FOR
AN ORDER GRANTING PERMISSION TO DRILL
TWENTY-EIGHT UNORTHODOX LOCATIONS ON
LEASES WITHIN THE BOUNDARIES OF THE
GRAYBURG COOPERATIVE AND UNIT AREA, IN
TOWNSHIP 17 SOUTH, RANGES 29 AND 30
EAST, N.M.P.M. IN THE GRAYBURG-JACKSON
POOL OF EDDY COUNTY, NEW MEXICO

NO. _____

APPLICATION

GRAYBURG OIL COMPANY OF NEW MEXICO, and
WESTERN PRODUCTION COMPANY, INC., Applicants herein are
both corporations organized and existing under and by
virtue of the laws of the State of New Mexico, and in
connection herewith respectfully show to the Oil Conser-
vation Commission:

1. Applicants are the owners and holders,
respectively, of all of the Federal Oil and Gas Leases
comprising what is known as the Grayburg Cooperative
and Unit Area situated in Eddy County, State of New Mex-
ico.

That leases covering the following described
lands in said Grayburg Cooperative and Unit Area are
owned by Grayburg Oil Company of New Mexico:

BURCH "A" LEASE, Las Cruces Serial No.
028793, described as S/2 S/2 Section 18,
N/2 and N/2 S/2 Section 19, Township 17
South, Range 30 East, N.M.P.M.

BURCH "B" LEASE, Las Cruces Serial No. 028793-84, described as NW/4, N/2 SW/4 Section 18, S/2 SW/4 Section 19, NW/4 Section 30, Township 17 South, Range 30 East; NE/4 and SW/4 Section 23, Township 17 South, Range 29 East, N.M.P.M.

KEELY "A" LEASE, Las Cruces Serial No. 028784, described as NE/4 SE/4, S/2 S/2 Section 13, N/2 NW/4, SW/4 NW/4, N/2 SW/4, NE/4, N/2 SE/4 Section 24, Township 17 South, Range 29 East, N.M.P.M.

KEELY "B" LEASE, Las Cruces Serial No. 028784-93, described as S/2 SW/4 Section 24, N/2 NW/4 Section 25 and E/2 Section 26, Township 17 South, Range 29 East, N.M.P.M.

DEXTER LEASE, Las Cruces Serial No. 054406 described as SE/4 NW/4 Section 24, Township 17 South, Range 29 East, N.M.P.M.

That leases covering the following described lands in said Grayburg Cooperative and Unit Area are owned by Western Production Company, Inc.

BURCH "C" LEASE, Las Cruces Serial No. 028793, described as NE/4, N/2 SE/4 Section 18, S/2 SE/4 Section 19, NE/4 and S/2 Section 30, Township 17 South, Range 30 East, N.M.P.M.; NW/4 and SE/4 Section 23, Township 17 South, Range 29 East, N.M.P.M.

KEELY "C" LEASE, Las Cruces Serial No. 028784, described as N/2 SW/4, NW/4 SE/4 Section 13, S/2 SE/4 Section 24, S/2 NW/4, NE/4 and S/2 Section 25, W/2 Section 26, Township 17 South, Range 29 East, N.M.P.M.

That all of the leases covering the lands hereinabove described comprise and are situated within the confines of the boundaries of the Grayburg Cooperative and Unit Area.

2. That from inception of production to the present time there have been drilled a total of 79 producing oil wells and a total of 5 gas injection wells; that

said producing wells are all producing from the Grayburg-Jackson Pay of the Upper San Andres Formation encountered at an approximate depth of 2800 feet, with the exception of the Keely Well No. 27-C of Western Production Company, Inc., located in the NW/4 of Section 26, Township 17 South, Range 29 East, N.M.P.M., which is producing from the sub-Grayburg Section encountered at an approximate depth of 3300 feet. That each of said producing wells has been drilled on a spacing pattern of one well to a legal forty-acre subdivision, except Grayburg Oil Company of New Mexico's Burch Well No. 13-B, located in the SE/4 SW/4 Section 19, Township 17 South, Range 30 East, and its Keely Well No. 11-A, located in the NE/4 SE/4 Section 24, Township 17 South, Range 29 East, which said two wells are drilled on a ten-acre spacing pattern, and its Keely Well No. 13-B in the SE/4 NE/4 of Section 26, Township 17 South, Range 29 East, N.M.P.M., which is drilled on a "five spot" location.

3. That applicants, upon the basis of geological and engineering information, are advised and are of the opinion and belief that one well located in the center of each forty-acre legal subdivision is not sufficient to obtain all of the recoverable oil under any forty-acre tract and that the drilling of "five spot" wells in the Grayburg Cooperative and Unit Area at the locations shown on the map attached hereto, marked Exhibit "A" and by reference made a part hereof, would be in the interest of conservation, prevent waste and enable applicants to obtain a greater ultimate recovery of oil, in that applicants would be able

to recover substantial quantities of oil which would otherwise not be produced if such "five spot" locations were not drilled. That the drilling of said "five spot" locations would enable applicants to produce the wells on each of said leases at a more efficient rate of withdrawal.

4. That Grayburg Oil Company of New Mexico desires, and hereby makes application to drill fourteen such "five spot" locations located upon the leases owned by it, hereinabove described, numbered and located as follows:

BURCH NO. 19-A: Section 19, Township 17 South, Range 30 East, N.M.P.M., Unit B, NW/4 NE/4, 2615 feet from East Line, 25 feet from North Line;

BURCH NO. 20-A: Section 19, Township 17 South, Range 30 East, N.M.P.M., Unit A, NE/4 NE/4, 165 feet from North Line, 1155 feet from East Line;

BURCH NO. 21-A: Section 19, Township 17 South, Range 30 East, N.M.P.M., Unit F, SE/4 NW/4, 1485 feet from North Line, 1260 feet from West Line;

BURCH NO. 22-A: Section 19, Township 17 South, Range 30 East, N.M.P.M., Unit H, SE/4 NE/4, 1345 feet from North Line, 1295 feet from East Line;

BURCH NO. 23-A: Section 19, Township 17 South, Range 30 East, N.M.P.M., Unit L, NW/4 SW/4, 2615 feet from South Line, 905 feet from West Line;

BURCH NO. 24-A: Section 19, Township 17 South, Range 30 East, N.M.P.M., Unit G, SW/4 NE/4, 2310 feet from North Line, 2615 feet from East Line;

BURCH NO. 25-A: Section 19, Township 17 South, Range 30 East, N.M.P.M., Unit I, NE/4 SE/4, 2615 feet from South Line, 1295 feet from East Line;

BURCH NO. 14-B: Section 23, Township 17 South, Range 29 East, N.M.P.M., Unit N, SE/4 SW/4, 1295 feet from South Line, 1345 feet from West Line;

BURCH NO. 15-B: Section 30, Township 17 South, Range 30 East, N.M.P.M., Unit C, NE/4 NW/4, 330 feet from North Line, 1260 feet from West Line;

BURCH NO. 16-B: Section 30, Township 17 South, Range 30 East, N.M.P.M., Unit F, SE/4 NW/4, 1345 feet from North Line, 1260 feet from West Line;

KEELY NO. 16-A: Section 24, Township 17 South, Range 29 East, N.M.P.M., Unit H, SE/4 NE/4, 1345 feet from North Line, 1295 feet from East Line;

KEELY NO. 14-B: Section 25, Township 17 South, Range 29 East, N.M.P.M., Unit C, NE/4 NW/4, 25 feet from North Line, 1345 feet from West Line;

KEELY NO. 15-B: Section 26, Township 17 South, Range 29 East, N.M.P.M., Unit I, NE/4 SE/4, 2615 feet from South Line, 1295 feet from East Line;

KEELY NO. 16-B: Section 26, Township 17 South, Range 29 East, N.M.P.M., Unit P, SE/4 SE/4, 1295 feet from South Line, 1295 feet from East Line;

the locations of each of said wells being shown on the map attached hereto marked Exhibit "A".

5. That Western Production Company, Inc. desires, and hereby makes application to drill fourteen such "five spot" locations located upon the leases owned by it, hereinabove described, numbered and located as follows:

BURCH NO. 10-C: Section 23, Township 17 South, Range 29 East, N.M.P.M., Unit P, SE/4 SE/4, 1295 feet from South Line, 1295 feet from East Line;

BURCH NO. 11-C: Section 19, Township 17 South, Range 30 East, N.M.P.M., Unit P, SE/4 SE/4, 990 feet from South Line, 1295 feet from East Line;

BURCH NO. 12-C: Section 19, Township 17 South, Range 30 East, N.M.P.M., Unit O, SW/4 SE/4, 25 feet from South Line, 1345 feet from East Line;

KEELY NO. 28-C: Section 25, Township 17 South, Range 29 East, N.M.P.M., Unit A, NE/4 NE/4, 25 feet from North Line, 1295 feet from East Line;

KEELY NO. 29-C: Section 26, Township 17 South, Range 29 East, N.M.P.M., Unit F, SE/4 NW/4, 1345 feet from North Line, 1345 feet from West Line;

KEELY NO. 30-C: Section 25, Township 17 South, Range 29 East, N.M.P.M., Unit H, SE/4 NE/4, 1345 feet from North Line, 1295 feet from East Line;

KEELY NO. 31-C: Section 26, Township 17 South, Range 29 East, N.M.P.M., Unit K, NE/4 SW/4, 2615 feet from South Line, 1345 feet from West Line;

KEELY NO. 32-C: Section 25, Township 17 South, Range 29 East, N.M.P.M., Unit K, NE/4 SW/4, 2615 feet from South Line, 1345 feet from West Line;

KEELY NO. 33-C: Section 25, Township 17 South, Range 29 East, N.M.P.M., Unit J, NW/4 SE/4, 2615 feet from South Line, 2615 feet from East Line;

KEELY NO. 34-C: Section 25, Township 17 South, Range 29 East, N.M.P.M., Unit I, NE/4 SE/4, 2615 feet from South Line, 1295 feet from East Line;

KEELY NO. 35-C: Section 26, Township 17 South, Range 29 East, N.M.P.M., Unit N, SE/4 SW/4, 1295 feet from South Line, 1345 feet from West Line;

KEELY NO. 36-C: Section 25, Township 17 South, Range 29 East, N.M.P.M., Unit N, SE/4 SW/4, 1295 feet from South Line, 1345 feet from West Line;

KEELY NO. 37-C: Section 25, Township 17 South, Range 29 East, N.M.P.M., Unit O, SW/4 SE/4, 1295 feet from South Line, 2615 feet from East Line;

KEELY NO. 38-C: Section 25, Township 17

South, Range 29 East, N.M.P.M., Unit P,
SE/4 SE/4, 1295 feet from South Line,
1295 feet from East Line;

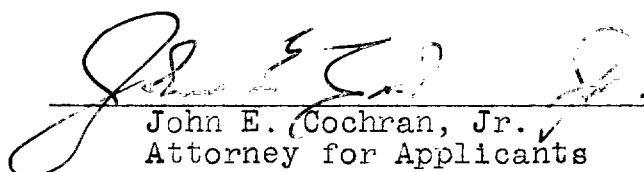
the locations of each of said wells being shown on the map attached hereto marked Exhibit "A".

6. That if permits are granted to applicants to drill the unorthodox locations hereinabove described that said drilling program as to said locations will be carried on in an orderly and continuous manner and that while applicants propose to drill all of said locations they do not wish to be obligated to do so for the reason that as such locations are drilled, the data and information obtained from the drilling of such wells may cause applicants to change or modify their future program with reference to the drilling of all of the twenty-eight unorthodox locations hereinabove described.

7. That in the event an order is entered by the Oil Conservation Commission granting permission to applicants to drill the hereinabove described unorthodox locations, that as said "five spot" wells are drilled, it is not applicants' intention, nor do applicants ask that they be granted any allowable in addition to the daily allowable as fixed, monthly, by the Oil Conservation Commission for each forty-acre proration unit but applicants believe that the wells on each of the basic leases hereinabove described could be produced at a more efficient rate of withdrawal and that a greater ultimate recovery of oil could be obtained from each of said leases if applicants are permitted to unitize each of said basic leases as to the lands embraced therein

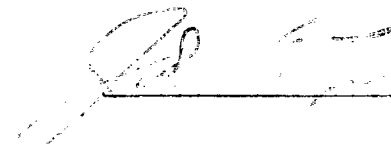
within the Grayburg Cooperative and Unit Area, for allowable and proration purposes only, insofar as all wells located upon said leases producing from the same horizon are concerned and, therefore, applicants desire that each of the above described basic leases be unitized for proration and allowable purposes only insofar as the lands embraced in such basic leases are concerned whether all of such lands be contiguous or not, and that applicants be given a total allowable each month for each basic lease and that hereafter such allowable not be based upon forty-acre units.


WHEREFORE, applicants pray that this Commission enter an order granting applicants permission to drill the twenty-eight unorthodox locations hereinabove described and shown on the map attached hereto, marked Exhibit "A"; that the Commission further enter its order permitting the unitization by applicants for allowable and proration purposes only of each of the basic leases hereinabove described as to all of the lands embraced in each respective basic lease situated within the boundaries of the Grayburg Cooperative and Unit Area; that the Commission set a date for hearing this Application in accordance with its rules and regulations, and that upon presentation of this Application that such orders hereinabove described be granted to applicants to drill said wells and unitize for allowable and proration purposes only the respective basic leases hereinabove described.


John E. Cochran, Jr.
Attorney for Applicants
Grayburg Oil Company of New Mexico
Western Production Company, Inc.

STATE OF NEW MEXICO)
 : ss.
COUNTY OF EDDY)

JOHN E. COCHRAN, JR., being first duly sworn upon his oath deposes and states: That he is attorney for the applicants in the above and foregoing Application, and that he has read the same and from personal knowledge knows the matters therein contained to be true and correct, except such statements as are alleged upon information and belief, and as to those, he verily believes them to be true; that this verification is made by him on behalf of Grayburg Oil Company of New Mexico and Western Production Company, Inc.


SUBSCRIBED AND SWORN to before me this 8th
day of July, 1948.



Notary Public

My commission expires:
April 15, 1950

- LEGEND**
- Proposed Unorthodox Locations
 - Producing Oil Wells
 - Gas Injection Wells
 - Drilling Wells
 - Dry Holes

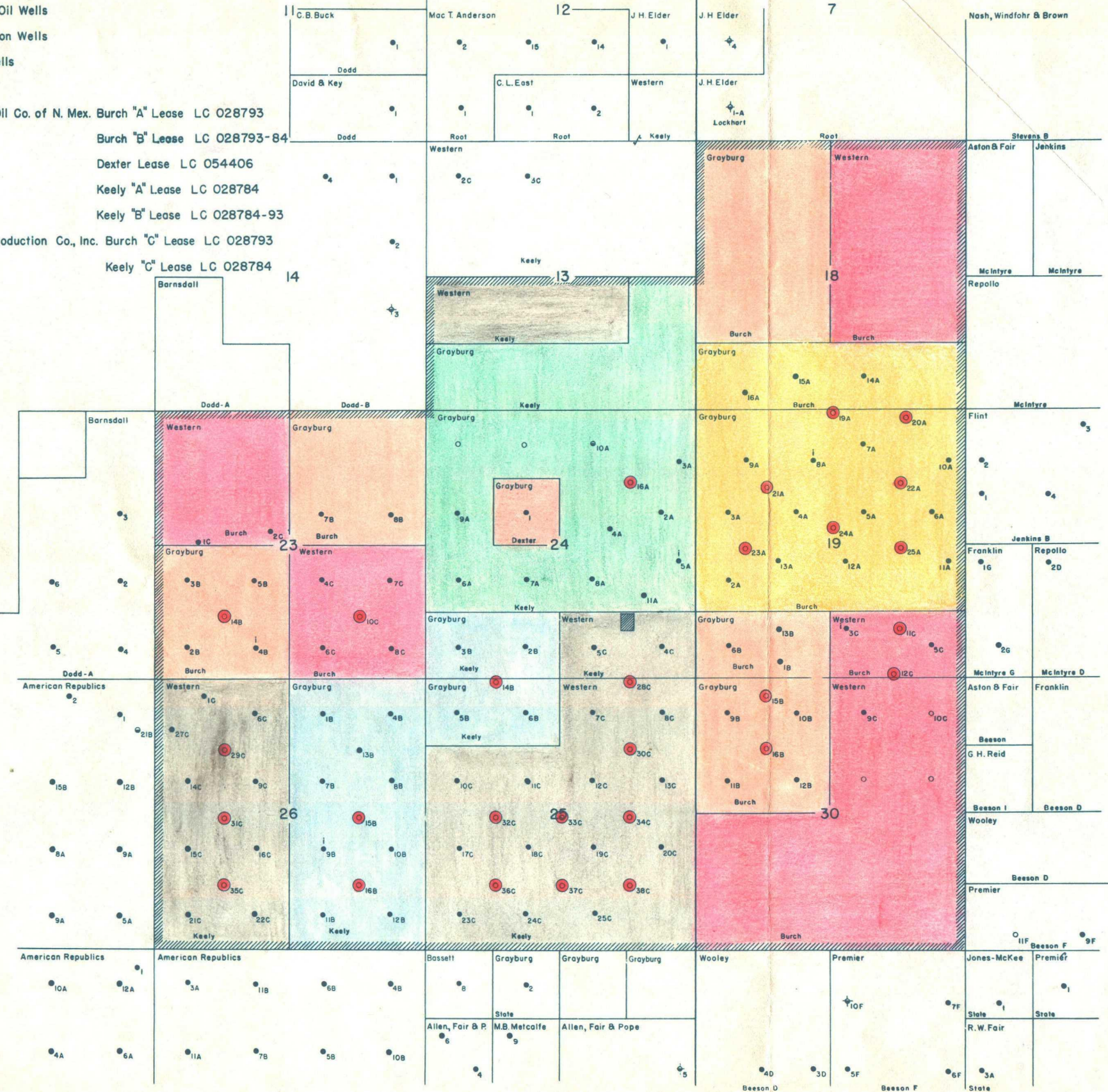
- Grayburg Oil Co. of N. Mex. Burch "A" Lease LC 028793
- Burch "B" Lease LC 028793-84
- Dexter Lease LC 054406
- Keely "A" Lease LC 028784
- Keely "B" Lease LC 028784-93
- Western Production Co., Inc. Burch "C" Lease LC 028793
- Keely "C" Lease LC 028784



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GRAYBURG COOPERATIVE AND UNIT AREA

Exhibit "A"

12-20-43 m.
3-7-46
5-28-48 k

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF APPLICATION OF
GRAYBURG OIL COMPANY OF NEW MEXICO AND
WESTERN PRODUCTION COMPANY, INC., FOR
AN ORDER GRANTING PERMISSION TO DRILL
TWENTY-EIGHT UNORTHODOX LOCATIONS ON
LEASES WITHIN THE BOUNDARIES OF THE
GRAYBURG COOPERATIVE AND UNIT AREA, IN
TOWNSHIP 17 SOUTH, RANGES 29 AND 30
EAST, N.M.P.M. IN THE GRAYBURG-JACKSON
POOL OF EDDY COUNTY, NEW MEXICO

NO. 152

AMENDMENT TO PARAGRAPH 7
OF ORIGINAL APPLICATION

COMES NOW, GRAYBURG OIL COMPANY OF NEW MEXICO
and WESTERN PRODUCTION COMPANY, INC., Applicants in the
above numbered case, and respectfully ask permission of
the Oil Conservation Commission to file the following
Amendment to Paragraph 7 contained in the original Ap-
plication.

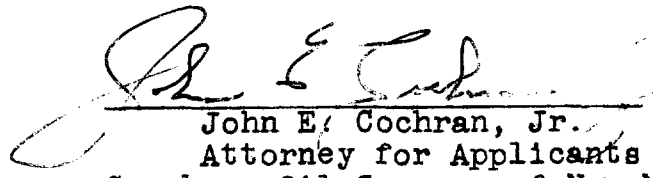
Paragraph 7 of the original Application filed
herein, at the suggestion of the Supervisor of the United
States Geological Survey, shall be and the same is hereby
amended to read as follows:

7. Applicants are of the opinion and
belief that the wells on each of the basic
leases hereinabove described can be produced
at a more efficient rate of withdrawal and
that a greater ultimate recovery of oil can
be obtained from each of said leases if ap-
plicants are permitted to unitize each of
said basic leases as to the lands embraced

therein within the Grayburg Cooperative and Unit Area, for allowable and proration purposes only, insofar as all wells located upon said basic leases producing from the same horizon are concerned and, therefore, applicants desire that each of the above described basic leases be unitized for proration and allowable purposes only, insofar as the lands embraced in such basic leases are concerned, whether or not all of such lands be contiguous, and that applicants be given a total allowable each month for each basic lease. That in the event an order is entered by the Oil Conservation Commission granting permission to applicants to drill the hereinabove described unorthodox locations and permitting applicants to unitize each of said basic leases for allowable and proration purposes only, that as said "five spot" wells are drilled, it is not applicants' intention hereafter to ask that they be granted a total daily allowable for any basic lease exceeding the daily top allowable as fixed by the Oil Conservation Commission for each forty acre proration unit multiplied by the number of forty acre developed proration units in each basic lease. It is not applicants' intention to ask that they be permitted to produce any hereinabove described "five spot" well, or any other well now located upon any of said basic leases, at any time

at a rate in excess of the daily top allowable as fixed by the Commission for each forty acre proration unit.

Except as herein amended, the original Application shall remain as originally written.


John E. Cochran, Jr.
Attorney for Applicants
Grayburg Oil Company of New Mexico
Western Production Company, Inc.