

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

In the matter of the application of)
E. J. McCurdy, Jr., for an order)
authorizing the drilling of an)
unorthodox (Fifth) location to the)
"Red Sand" and 1,214 feet South of)
the North Line and 1,426 feet East)
of the West Line (NE $\frac{1}{4}$ NW $\frac{1}{4}$) of Sec. 20,) Case No. 205
T. 18 S., R. 32 E., N.M.P.M., and to)
adjust the allowable for the five wells)
in said NW $\frac{1}{4}$ of Section 20 in the Young)
Pool, Lea County, New Mexico.)

ANSWER OF E. J. McCURDY, JR., TO AMENDED APPLICATION FOR REHEARING

Comes E. J. McCurdy, Jr., by his attorneys, Hervey, Dow & Hinkle of Roswell, New Mexico, and in answer to the amended application of the Buffalo Oil Company for rehearing in respect to the matters determined by the order entered by the Commission on December 27, 1949, in the above styled case, and respectfully shows:

1. That the order of the Commission entered herein on December 27, 1949, was pursuant to a hearing before the Commission at 10:00 A. M. on December 1, 1949, due notice of which was given by publication as provided by law, and the rules and regulations of the Commission. That the order granted permission to the applicant, E. J. McCurdy, Jr., to drill a fifth well to be known as the McCurdy-Young No. 5, 1,214 feet South of the North line and 1,426 feet East of the West line of the NE $\frac{1}{4}$ NW $\frac{1}{4}$ Sec. 20, T. 18 S., R. 32 E., N.M.P.M., Lea County, New Mexico. Said order further provided that the production from the five wells located upon the NW $\frac{1}{4}$ Section 20 being four wells heretofore drilled by E. J. McCurdy, Jr., to the "Red Sand" located in approximately the center of each 40-acre legal subdivision within the said NW $\frac{1}{4}$ Section 20, and the fifth well to be drilled should be prorated and never be allowed to produce in excess of the allowable for four regular legal 40-acre tracts as now, or may hereafter, be allocated to the Young Pool.

2. That no protests were filed or appearances entered contesting the application of E. J. McCurdy, Jr., by the Buffalo Oil Company or anyone else, and that said order was entered by all of the members of the Commission after considering the testimony adduced at the hearing and being fully advised in the premises.

3. That E. J. McCurdy, Jr., commenced actual drilling operations upon said fifth well approved by the order of the Commission on the 20th day of December, 1949, being twenty days from the date of said hearing and after the location thereof had been approved by the Supervisor of the U. S. Geological Survey, the same being located upon lands of the United States, and after filing with said Supervisor a non-segregation stipulation agreeing not to segregate any portion of the said NW $\frac{1}{4}$ Section 20 by assignment or otherwise so long as oil and gas is produced from said fifth well. That said well is being drilled under a contract with an independent contractor, and that at the time a copy of said application for rehearing was served upon the undersigned attorneys for E. J. McCurdy, Jr., said well had already attained a depth of approximately 2,650 feet, and that one of the strings of casing necessary to drill said well had already been run and cemented.

4. That the Buffalo Oil Company alleges in its application for rehearing that it is affected by said order by reason of the fact that it is the owner of a certain leasehold interest covering the SW $\frac{1}{4}$ Sec. 17, T. 18 S., R. 32 E., N.M.P.M., and that it has a producing well located upon the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 17, which said well is 510 feet from the North boundary line of the NW $\frac{1}{4}$ of said Section 20. That the location of said producing well of Buffalo Oil Company is such that Buffalo Oil Company, through its agents or employees, had actual knowledge of the time actual operations were commenced upon said fifth well by E. J. McCurdy, Jr., and

notwithstanding such fact, stood by and permitted said well to be drilled without protest to the depth hereinabove referred to before filing an application for rehearing.

5. That said fifth well which is being drilled by E. J. McCurdy, Jr., is located in approximately the center of the NW $\frac{1}{4}$ of said Section 20, and about 1,875 feet from the producing well of the Buffalo Oil Company above referred to, and that it is a matter of common knowledge that the permeability of the sand from which oil and gas is being produced in said area known as the "Red Sand" is such that a well situated in the center of a 40-acre legal subdivision will not drain all of the recoverable oil and gas from a 40-acre legal subdivision, and that the Buffalo Oil Company has not shown by its application for rehearing that the order in question would prejudice any property rights of the Buffalo Oil Company, or that it would in any way hinder or affect the Buffalo Oil Company in taking its allowable from its producing well located in the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 17. That there is attached hereto, made a part hereof, and for purposes of identification marked Exhibit "A" a plat showing the locations of the producing wells in said area and the location of the five-spot well which is being drilled by E. J. McCurdy, Jr.

6. That the Commission has heretofore approved quite a number of similar applications as the application of E. J. McCurdy, Jr., and that all of said applications have been approved in recognition of the well-established principle and fact that wells drilled in the center of 40-acre legal subdivisions will not adequately drain the 40-acre legal subdivision upon which they are located and permit the recovery of all of the oil and gas which it is economically feasible to recover from each 160-acre legal subdivision, and that such five-spot wells have been ap-

proved to prevent underground waste as defined by our statutes. That by reason of having established precedents in such cases, it would be unfair, inequitable, and unjust to deny E. J. McCurdy, Jr., the right and privilege of drilling said fifth well for the purpose of obtaining in the most economical manner possible all of the recoverable oil and gas from the said NW $\frac{1}{4}$ of Section 20, and that the same privilege should be accorded to all operators under similar circumstances.

WHEREFORE, E. J. McCurdy, Jr., prays that the application of the Buffalo Oil Company for rehearing be denied.

HERVEY, DOW & HINKLE

By 

Roswell, New Mexico

Attorneys for E. J. McCurdy, Jr.

CERTIFICATE OF SERVICE

The undersigned, Clarence E. Hinkle, one of the attorneys for E. J. McCurdy, Jr., does hereby certify that he delivered a copy of the above and foregoing answer to Atwood, Malone & Campbell, attorneys for the Buffalo Oil Company, on the 18th day of January, 1950.



LARGE FORMAT
EXHIBIT HAS
BEEN REMOVED
AND IS LOCATED
IN THE NEXT FILE

NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

APPLICATION FOR APPROVAL OF FIVE SPOT LOCATION

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Comes the undersigned, E. J. McCurdy, of Fort Worth, Texas, and hereby makes application for approval of the drilling of a fifth well for oil and gas upon the NW $\frac{1}{4}$ Sec. 20, T. 18 S., R. 32 E., N.M.P.M., Lea County, New Mexico, the location of said fifth well being an exception to the regular spacing, and that applicant be permitted to allocate the normal unit maximum allowable for four wells upon said land to the five wells, and in support thereof respectfully shows:

1. That the undersigned is the owner and holder of a certain oil and gas lease issued by the Secretary of the Interior of the United States, embracing, with other lands, the NW $\frac{1}{4}$ Sec. 20, T. 18 S., R. 32 E., N.M.P.M., said oil and gas lease bearing Las Cruces Serial No. 064175.

2. That the undersigned has heretofore drilled and completed four producing oil and gas wells upon the above described lands, each of said wells being located in approximately the center of each 40-acre legal subdivision of the said Northwest Quarter of Section 20. Said wells are producing from what is known, or commonly referred to, as the Red Sand or Queen Sand at a depth of approximately 3,750 feet. There is attached hereto, made a part hereof, and for purposes of identification marked Exhibit "A" a plat showing the above described lands and said wells, and also the ownership of surrounding leases and the producing wells located thereon.

3. That the formation from which said wells are producing is such that applicant does not believe that said wells will adequately drain the Northwest Quarter of said Section 20, or that said wells will permit the recovery of all of the oil and gas from said 160 acres which may economically be recovered, and is therefore desirous of drilling a fifth well upon said 160-acre legal subdivision to the same producing zone which said well would be located 1,214 feet South of the North line and 1,426 feet East of the West line of said Section 20.

4. That a copy of this application is being furnished to the Supervisor of the United States Geological Survey with the request that the Supervisor advise the Conservation Commission as to whether or not he has any objections to the approval by the Commission herein requested.

Respectfully submitted,

E. J. McCURDY

By R. T. Wilson

STATE OF NEW MEXICO)
)
COUNTY OF Santa Fe)

R. T. Wilson, being first duly sworn upon his oath, states:

That he is the duly authorized agent and representative of E. J. McCurdy and in charge of development operations in connection with the oil and gas lease referred to in the above and foregoing application, and that he has read the same and from personal knowledge knows the matters and things therein stated to be true and correct, and that the plat attached to said application as Exhibit "A" is accurately drawn to scale and that the information shown thereon is correct to the best of his knowledge and belief.

R. T. Wilson

SUBSCRIBED AND SWORN TO BEFORE ME, this the 12th
day of November, 1949.

Barion Koney
Notary Public

My Commission Expires:

Nov. 25, 1950

LARGE FORMAT
EXHIBIT HAS
BEEN REMOVED
AND IS LOCATED
IN THE NEXT FILE