

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. 206

ORDER NO. 847

THE APPLICATION OF AMERICAN REPUBLICS  
CORPORATION FOR AN ORDER GRANTING PER-  
MISSION TO DRILL AN UNORTHODOX LOCATION  
IN THE NW/4 OF SECTION 18, TOWNSHIP 17  
SOUTH, RANGE 31 EAST, N.M.P.M., IN THE  
GRAYBURG- JACKSON POOL OF EDDY COUNTY,  
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This matter came on for hearing at 10 o'clock  
A. M. on the 1st day of December, 1949 at Santa Fe, New  
Mexico, before the Oil Conservation Commission of New  
Mexico, hereinafter referred to as the "Commission".

NOW, on this 29th day of December, 1949,  
the Commission, having before it for consideration the  
testimony adduced at said hearing and being fully advis-  
ed in the premises,

FINDS:

1. That due public notice having been given,  
as provided by law, the Commission has jurisdiction of  
this cause.

2. That the acreage involved in the Applica-  
tion is Federally owned and the Supervisor of the Unit-  
ed States Geological Survey interposes no objections to  
the Application.

3. That the lease covering the following described land is owned by American Republics Corporation:

C. A. Russell Lease, Las Cruces Serial No. 029548, described as Lots 1 and 2, E/2 NW/4 and W/2 NE/4 Section 18, Township 17 South, Range 31 East, N.M.P.M., in Eddy County, New Mexico, and containing 224.09 acres, more or less.

4. That from inception of production on the C. A. Russell Lease there have been drilled a total of six wells, and that all of said six wells are producing at the present time.

5. That all of said wells are producing from the Grayburg-Jackson Pay of the upper San Andres formation, encountered at a depth ranging from 3105 feet to 3480 feet.

6. That one well located on a forty acre legal subdivision is not sufficient to obtain all of the recoverable oil from the Grayburg-Jackson Pay and that the drilling of Well No. 10, as proposed in the Application of American Republics Corporation, at the location designated, would be in the interest of conservation, prevent waste and enable Applicant to obtain a greater recovery of oil, in that Applicant will be able to recover substantial quantities of oil which would not otherwise be produced if such unorthodox location was not drilled.

IT IS HEREOFRE ORDERED BY THE COMMISSION That the Application of American Republics Corporation, for an order granting permit to drill Well No. 10 on its C. A. Russell Lease, to be located 2200 feet South of the North Line and 2665 feet West of the East Line of Section

18, Township 17 South, Range 31 East, be, and the same hereby is granted and approved.

IT IS FURTHER ORDERED BY THE COMMISSION That because of the fact that the location proposed for Well No. 10 on the C. A. Russell Lease will constitute a second well upon a legal forty acre subdivision, American Republics Corporation shall only be permitted to produce from the two wells on such forty acre legal subdivision the allowable as fixed by the Oil Conservation Commission for the forty acre proration unit upon which said two wells are located and in no event shall the combined daily production from the two wells located upon this forty acre legal subdivision exceed the allowable as fixed by the Oil Conservation Commission for such forty acre proration unit.

IT IS FURTHER ORDERED BY THE COMMISSION That the Applicant shall file with the Commission, copy of Federal Location Notice covering C. A. Russell Well No. 10, on the above described location, after approval thereof by the Oil and Gas Supervisor.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*James H. Haby*  
CHAIRMAN

*Guy Shepard*  
MEMBER

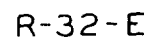
*R. R. Goussier*  
SECRETARY

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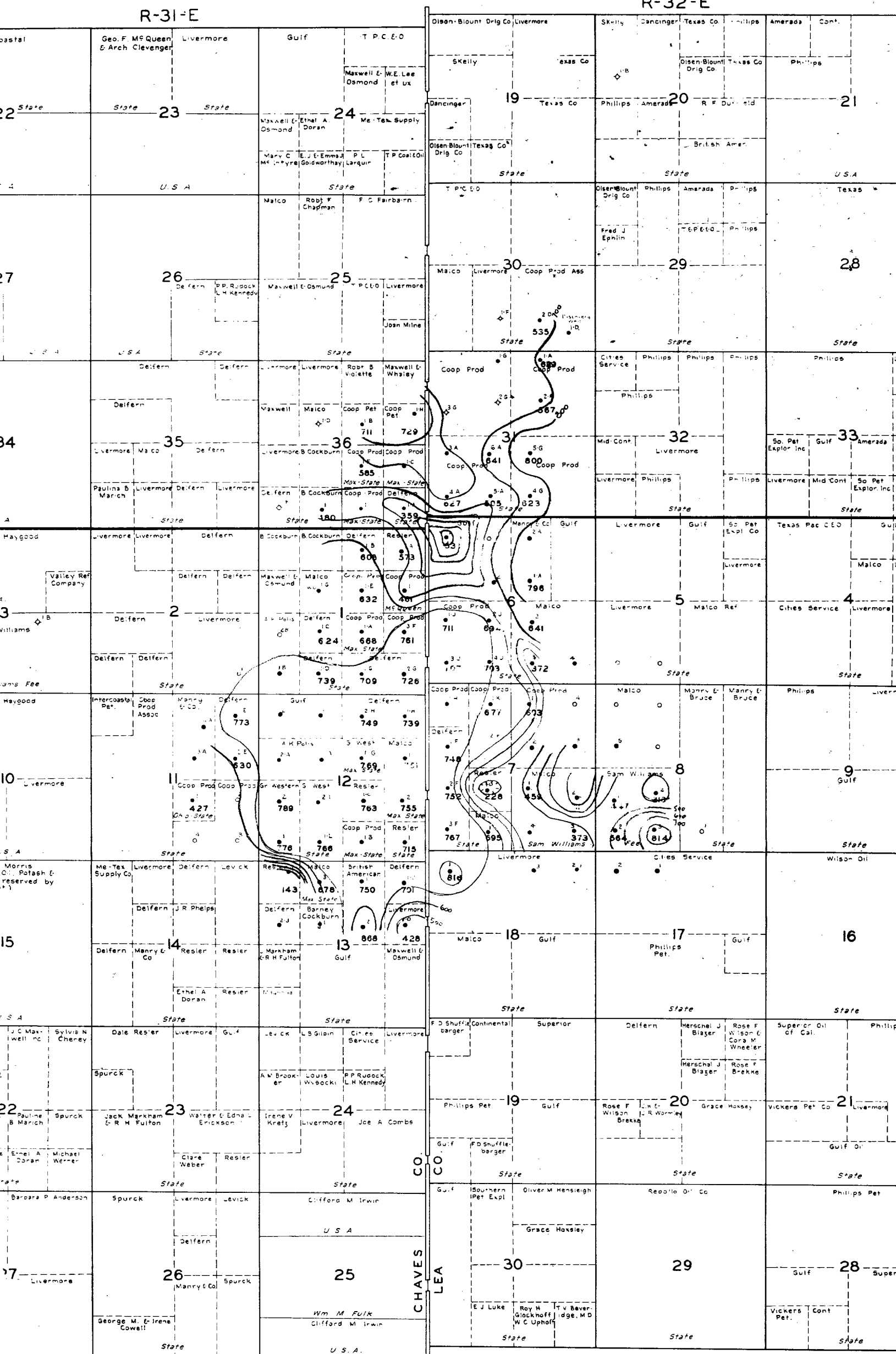
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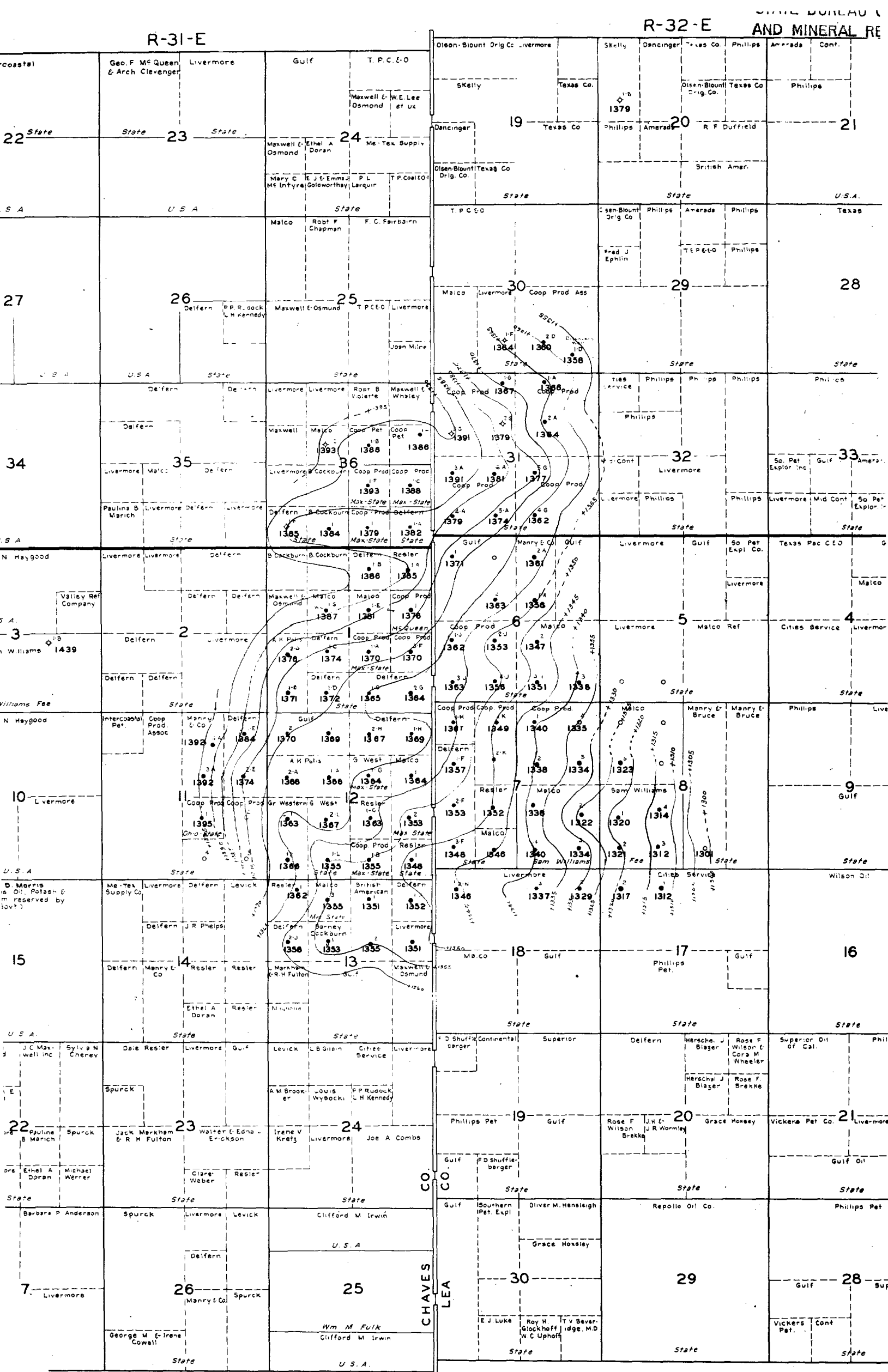


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CAPROCK POOL  
CHAVES & LEA CO. N.M.

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