October 27, 1950

ESPANOLA VALLEY NEWS Espanola, New Mexico

> Re: Notice of Publication Cases 237 and 238

Gentlemen:

Please publish the enclosed notice once, immediately. Please proof read the notice carefully and send a copy of the paper carrying such notice to this office.

UPON COMPLETION OF THE FUBLICATION SEND PUBLISHER'S AFFIDAVIT IN DUPLICATE.

For payment, please submit statement in duplicate, and sign and return the enclosed voucher.

PLEASE PUBLISH NOT LATER THAN NOTSHEER 7, 1950.

Very truly yours,

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

R. R. Spurrier Secretary-Director

RRS:bu

January 23, 1951

Mr. A. L. Porter, Jr. Cil Comervation Commission P. O. Box 1545 Hobbs, New Mexico

Dear Peter

We enclose herewith, signed copy of Order No. R-46, issued in connection with Case No. 237, heard in Santa Fe, on November 21, 1950.

Very truly yours,

R. R. Spurrier Secretary-Director

RRS: by

January 23, 1951

Mr. Al Greer P. O. Box 337 Astec, New Mexico

Dear Alt

We enclose herewith, signed copy of Order No. R-46, issued in connection with case No. 237, heard in Santa Fe, on November 21, 1950.

Very truly yours,

R. R. Spurrier Secretary-Director

RRS: by

OIL COMMENT ON COMMISSION - HEARING - NOVEY R 21, 1950 SANTA FE, NEW MEXICO

W.K. Byrom Hobbs Nolen+ Byrom BHNolen B.R. Carney Julsa, Olslo. Warren Petroleum Co Booth Kellough Tulsa, Okla Amerada let. Corp. 1 Four Tulan Sunen Geril RBuckles Zulan Sinclair Strong Julea Sundain M.L. Patterson odesse Texas Phillips Pet co. Farmington, n.m. Western Mail In 6 Scott & Brown milland, Type & Posso not box W.J. Hellis Santo De AMy. O. C.C. loved It HWM How Dallas, The Southen ligion to En. Blans wichta Fellow Clark & Christic Quilman & Davis Dallas, Twar Souther Unin Enc FARMINGTON MMO Southern DMLGG E.E. Merkt, Jr. Hobbs NM Gulf Oil Corp. Munay C. Moffett / North Fry. Brig Oil Corp. Henry Stilly Holler non J.m. of Ey. Forgest BMIler Santa Fe, N.M. Ind. " alf T. H. M. Elvain Mosa Holsapple Sinclair 6/14 Eas 6 Fort Worth O.C.C. Hobbs G. H. Gray R.S. Blymn Jal NNI El-Paso Nat Gas Co GE Kondrick CL Perkins 1218 Remotic Bank Bldg James D. Honcock & L. Dallas, Texas British American Oil E. Toylor Armstrong Paul S. Johnston Hobbs, N. M. Toyas Pacific Cool toll do. Roymon & Lamb Artesia, N.M Wilson oil Co Roserel Magnolia Petula

GIL CONSERVATION COMMISSION - HEARING - NOVEMBER 21, 1950 SAMUA FE, NEW MEXICO

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Frank C.	Bacara Santo	Fe Mil Com. Com.

Affidavit of Publication

NOTICE ADVERTISEMENT	STATE OF NEW MEXICO,		
OF Dryma	County of Rio Arriba (55.		
OIL CONSERVATION MEXICO The State of New Mexico by its Out	ı		
Bervatte of New Marin COMMISSION			
Parauant to 1 "" Dolon hames " " Oll Con I	I, Kathiejn Chillian being first duly sworn. declare and say that I am the (Business Manager) (Editor) of the Language.		
pursuant to law and the Rules and Regula- tions of said Commission promulgated ing to be held November 25 Public hear	Mathein Chilling home		
ing to be to the following promptigated	1, being first duly sworn.		
ning at 10:00 Colorember 21 1050 hear-	declare and say that I am the (Business Manager) (Editor) of the Landau and the		
the Captur of Santa R. M. on that			
STATE OF Representation in			
All named parties MEXICO TO	(alley Illu , a weekly newspaper, published in the English and		
tions of law and the Rules and Rottice thereunder, said Commission promulgated ing to be held November 21 public hearning at 10:00 o'clock A. M. 1950, beginnin the City of Santa Fe, New Mexico, in STATE OF NEW MEXICO TO: All named parties in the following Case 237			
In the matter of " public:	Spanish language, and having a general circulation in the City of Espanola and County		
wew Mexico Oil Conservation of the upon its own motion to establish a well spacing pattern for each of the presently many and kilo Arrib the Counties to	of Rio Arriba, State of New Mexico, and being a newspaper duly qualified to publish		
spacing pattern for to establish	legal notices and advertisements under the provisions of Chapter 167 of the Session		
San June gas pools in of the present			
Mexico, product Rio Arriba Counties Of	Laws of 1937; that the publication, a copy of which is hereto attached, was published in		
from the following or capable of New			
spacing pattern motion to establish a well designated gas pools in for each of the presently san Juan and kio Arriba. State of New from the following formations: 1. Pictured Cliffs sander: Kuttred Cliffs sander:	said paper once each week for		
2. Mesa Canyon-Fulcher (except			
Blanco) formation (except	same day of each week in the regular issue of the paper during the time of publica-		
tiches the Pennsylves	tion, and that the notice was published in the newspaper proper, and not in any sup-		
the mass.	, ,		
the matter of the application of Shell roose of clarification, Rule 503 (e) and less and Regulations of the New Mexico same may be construed; in order that	plement, once each week for weeks consecutively, the first publication being on the day of 19.		
the 503 (clarification Parent for the	at the second se		
les and Regulation No. 850 (e) and	cation being on the day of // 19:		
conservation Commission New Mexico			
can degulation No. 850 being the Conservation Commission, in order that terruns and overruns, etc.	and the last publication on theday of//		
EN under the seal of the Oil Conserva- New Mexico, on One Mexico, at Serva-	19.2.4; that payment for said advertisement has been (duly made), or (assessed as		
No market of the Coll Com-	Townson, that payment for said advertisement has been duly made, or (assessed as		
OIL CON NEW MEY 27, 1950	court costs); that the undersigned has personal knowledge of the matters and things		
New Mexico, Oliserva- New Mexico, at Santa STATE OF, on October 27, 1950. OIL CONSERVATION COMMISSION AL.) R. R. SPURRIER, Secretary	set forth in this affidavit.		
AL) R. R. SPURRIER, Secretary	,		
PUBLISHER'S BILL	Kather L.C. Manager		
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October 27, 1950

FARMINGTON TIMES Farmington, New Maxico

> Re: Notice of Publication Cases 237 and 238.

Contlemens

Please publish the enclosed notice once, immediately. Flease proof read the notice carefully and send a copy of the paper carrying such notice to this office.

UPON COMPLETION OF THE PUBLICATION SEND PUBLISHER'S AFFIDAVIT IN DUPLICATE.

For payment, please submit statement in duplicate, and sign and return the enclosed voucher.

PLEASE PUBLISH NOT LATER THAN NOVEMBER 7, 1950.

Very truly yours,

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

R. R. Sparrier Secretary-Director

RRS:bw

MEMORANDUM

In the matter of Case 237, statements made by Mr. Barnes were merely intended to open the discussion in regard to establishing uniform spacing for the presently designated pools in the San Juan Basin. These remarks were not in the form of a motion or a recommendation to the Oil Commission and were made for the express purpose of obtaining the opinion of the operators represented at the hearing. Some of the operators in the area have indicated privately that a spacing program by formations rather than pools would solve many of the spacing problems that now exist in the San Juan Basin and would be in the interest of good conservation practice. Any action in this regard would have to

It might be mentioned here that during the hearing for Case 237 there was very little information or discussion presented by any of the operators on which to base any spacing decision for the San Juan Basin. At this time the entire matter is still under study and has been referred to the engineering sub-committee of the San Juan Basin Operators Committee for additional consideration and recommendation.

be taken up by the Commission in an open hearing at some later date. And, while we welcome the opinion of operators in any area, this matter is merely one of conversation and is not now

officially under consideration by the Oil Commission.

Wherever exceptions to restablished rules are required, the operator always has recourse to petition for hearing before the Oil Commission, and it might also be well to that any spacing regulation would be a minimum spacing regulation, and if the operator desired to use a larger pattern than that required for a given formation, there would be nothing in the rules and regulations to prevent it.

F.C.B.

FCB:nr December 22, 1950

Dick:

These are my thoughts
on Stanolind's letter. Perhaps this
will help pen a reply. They have
put the cart before the JCB
horse.

TANOLIN	D OIL AND GAS COMI	PANY
For Signature Note and Advise	FORT WORTH, TEXAS	in the second second
Note and Return For Your Files For Your Handling	December 5, 1950	1950 1000 1000
ks:	File: BRL-8251-1	74
		les for Gas Pools, .nd Rio Arriba

Mr. R. R. Spurrier, Secretary State of New Mexico Oil Conservation Commission Santa Fe, New Mexico

Dear Sir:

Reference is made to the hearing held November 21, 1950, on Case 237.

From the notice which was issued on the referenced case, we inferred that the hearing was to consider spacing in the Pictured Cliff, Mesa Verde, and Pennsylvanian formations as an individual matter in each designated gas pool.

Statements made by Mr. Barnes, however, indicated that the Commission was considering the establishment of spacing rules by formations, to apply regardless of the field in which the formation was encountered.

It is the opinion of this company that spacing is an individual field problem, and should be considered at separate field hearings.

For example, we are currently developing properties in the Ignacio Area of Colorado in which we anticipate Pictured Cliff production will be much more prolific than any we have yet encountered in New Mexico. From the mud weight necessary to control Pictured Cliff gas in a well at Ignacio, it is estimated that a pressure of approximately 1400 psi was present in the formation. Since this pressure is approximately twice that ordinarily encountered in the Pictured Cliff formation, it is obvious that there can be a considerable difference in reservoir conditions within the same formation in different Pools. Since the deliverability of these high pressure wells would be expected to be greater, it is apparent that less of them would be necessary to fill a given demand, and that spacing units greatly in excess of 160 acres per well might be desirable.

It is this divergence of producing ability, together with probable variations in structural and stratigraphic conditions which cause us to urge that each field be considered on its own merits.

Page 2

If spacing by formations is ruled, however, our recommendations are as follows:

Pictured Cliffs - 320 acres per well Mesa Verde - 640 acres per well Pennsylvanian - 640 acres per well

It is our belief that a general rule on formation spacing, if adopted, should be such that drilling under its provisions would be economically feasible in a maximum number of cases. If sufficient reason were shown at a hearing for an exception to permit closer spacing, no difficulty would then be encountered.

Especially with blanket formations such as those considered here, there is no question but that the spacings recommended above would be adequate to efficiently drain the formations; in our opinion they are also necessary in order to prevent unnecessary drilling and encourage operators to develop their properties.

Yours very truly,

Of Beafand

LHB:ba

73/

December 15, 1950

Mr. E. E. Greeson P. O. Box 1302 Albuquerque, New Mexico

Dear Gene:

We need the transcript for the November 21st hearing, and would very much appreciate your sending it to us as soon as you possibly can.

Very truly yours,

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

R. R. Spurrier Secretary-Director

RRS: bu

STOREY, SANDERS, SHERRILL & ARMSTRONG
ATTORNEYS AT LAW

REPUBLIC BANK BUILDING
DALLAS 1, TEXAS

R.G. STOREY
HAROLD B. SANDERS
KNOX W. SHERRILL
E. TAYLOR ARMSTRONG
HUGH L. STEGER
ROBERT G. STOREY, JR.
CHARLES P. STOREY

TELEPHONE RANDOLPH 6844

November 21, 1950

New Mexico State Conservation Commission Santa Fe, New Mexico

Gentlemen:

On behalf of James D. Hancock & Company, Limited and British-American Oil Producing Company, we respectfully request that no order of spacing be adopted by the Commission at this hearing with reference to Santa Fe Permit Nos. 078089, 078092, and 078094. The Douthit No. 1 Federal Well was only completed during September, 1950, and has been shut in since completion with no opportunity to determine the pertinent factors with respect to proper drainage. The nearest production to this well is some five miles distant, and the geological information and other factors may be entirely different as applied to this area from that in the other producing wells in the Kutz Canyon. The Bolack-Weedward well in NW/14 Sec 28 is nearest producing well and is approximately 2 miles distant.

It is requested that the adoption of an order of spacing on the three Federal leases named above be postponed until a later hearing, thus giving our clients the opportunity of securing, and presenting to the Commission geological information on which to base a valid spacing order.

Respectfully submitted,

Storey, Sanders, Sherrill & Armstrong

E. Taylor Armstrong

Movember 6, 1950

Mr. Murray Goodin
Petroleum Information, Inc.
Continental Oil Building
DENVER 2 - COLORADO

Dear Mr. Goodin:

Enclosed is a copy of the agenda for the next hearing of the New Mexico Oil Conservation Commission, which is to be held November 21. You will notice that the case regarding the naming of new pools in the San Juan Basin, which I referred to in a previous letter, has been omitted. This particular case will not come up until our hearing in December. However, we have an interesting case regarding that area, which is in the notice as Case 237.

As of the end of last week, there were 48 wells drilling in the New Maxico portion of the San Juan Basin. Three wells were completed last week.

Very truly yours,

Frank C. Barnes
OIL CONSERVATION COMMISSION

FCB:nr

Encl.

LEGAL ADVERTISING

OIL CONSERVATION COMMISSION

The State of New Mexico by its Oil Conservation Commission hereby gives notice Sec. 34, in Twp. 178, R. 32E, N.M.P.M.

Extend the existing boundaries of the Corbin pool in Lea County, to include therein the SE/4 Sec. 33, and the SW/4 servation to law and the Rules and Regulations of said Commission promulgated thereunder, of the following public hearing to be held November 21, 1950, beginning at 10:00 o'clock A. M. on that day in the City of Santa Fe. ing at 10:00 o'clock A. M. on that day in the City of Santa Fe, New Mexico, in the capitol (Hall of Representatives).

STATE OF NEW MEXICO TO: All named parties in the following cases and notice to the public:

Case 287

In the matter of the application of the N.M.P.M.

New Mexico Oil Conservation Commission New Mexico Oil Conservation Commission upon its own motion to establish a well spacing pattern for each of the presently designated gas pools in the Counties of San Juan and Rio Arriba, State of New Mexico, producing or capable of producing from the following formations:

| Bleitered Cilic | Producing | P

- 1. Pictured Cliffs sandstone Kutz Canyon-Fulcher Basin). 2. Mesaverde formation (except Blan-

In the matter of the application of Humble Oil and Refining Company and Sant Magnolia Petroleum Company for permission to inject water for secondary recovery of oil from certain marginal wells in the Grayburg reservoir, Penrose-Skelly pool on the Humble Oil and Refining Company's J. L. Greenwood Lease and the Brunson-Argo lease of Magnolia Pe-troleum Company, in said pool, located as follows:

J. L. Greenwood Lease: S/2 Sec. 9, Twp. 22S, 37E, Lea County, New Mexico. Brunson-Argo Lease: NE/4 Sec. 9, Twp. 22S, R. 37E, and NW/4 Sec. 10, Twp. 22S, R. 37E, Lea County, New Mexico. Case 240
In the matter of the application

Resier and Sheldon for authority to dually complete a well located 2310 feet south of the north line and 990 feet east of the west line of Sec. 33, Twp. 23S, R, 37E., Lea County, New Mexico.

Case 241

In the matter of the New Mexico Oil Conservation Commission upon its own motion upon the recommendation of the Boutheastern New Mexico Nomenclature Committee for the creation of new pools, as follows:

Twp. 218, R. 37E, N.M.P.M.
SW/4 Section 2
SE/4 Section 3
NE/4 Section 10
NW/4 Section 11

the same to be classified as an oit pool and named NORTH BRUNSON (Ellenburger)

and named NORTH BRONSON (Ellenburger).

Twp. 12S, R. 37E, N.M.P.M.

S/2 Section 13

N/2 Section 24

the same to be classified as an oil pool and named GLADIOLA (Devonian), and for the extension of certain heretofore created pools as follows:

Extend the Grayburg-Jackson pool. Eddy County, New Mexico, by changing the present boundaries to include the N/2 Section 7, Twp. 178, R. 31E, N.M.P.M.

Extend the boundaries of the Watkins Pool, Eddy County, New Mexico, so as to include the E/2 of Sec. 36, Twp. 188, R. 31E for Queen production.

Extend the boundaries of the Turkey Track-Seven Rivers pool in Eddy County.

Extend the boundaries of the Turkey Track-Seven Rivers pool in Eddy County, New Mexico, so as to include the SE/4 Sec. 9, 8/2 Sec. 10, N/2 Sec. 15, NE/4 Sec. 16, all in Twp. 19S, R. 29E, N.M.P.M. Extend the boundaries of the Maljamar-Paddock pool in Lea County, New Mexico. so as to include therein S/2 Sec 17, NE/4

LEGAL A VERTISING

Extend the North Drinkard pool in Lea County, New Mexico, so as to include therein the NE/4 Sec. 10, Twp. 21S, R. 3TE, N.M.P.M.

Extend the Drinkard pool in Lea County, New Mexico, so as to include therein the E/2 Sec. 23, Twp. 218, R 37E,

producing Extend the boundary of the Langlie-Mattix pool in Lea County, New Mexico, (except so as to include therein the SW/4 Sec. 25 and NW/4 Sec. 36 of Twp. 248, R.

Case 288

In the matter of the application of Shell Pipe Line Corporation to amend for the purpose of clarification, Rule 503 (f) of Order No. 850, being the Rules and Regulations of the New Mexico Oil Conservation Commission, in order that the same may be construed as covering underruns and overruns, etc.

Ciase 242

In the matter of the application of Continental Oil Company for an order approving the unit agreement of the Areas Hill Unit Area, Eddy County, New Mexico, comprising 13,800.43 acres more or less, situated in Townships 21, 22 and 23 south, Range 31 east, N.M.P.M. and in accordance with plat attached to said application.

GIVEN under the application of Continental Oil Company for an order approving the unit agreement of the matter of the application of Continental Oil Company for an order approving the unit agreement of the Mexico, comprising 13,800.43 acres more or less, situated in Townships 21, 22 and 23 south, Range 31 east, N.M.P.M. and in accordance with plat attached to said application.

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GIVEN under the seal of the Oil Con-servation Commission of New Mexico, at Santa Fe, New Mexico, on October 27,

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION R. R. SPURRIER, Secretary.

Pub.: Nov. 3, 1950.

LEGAL NOTICE

NOTICE OF PUBLICATION STATE OF NEW MEXICO OIL CO SERVATION

The S Oil Cor by given and to exico by its hission hereant to law and the tries of plations of said on the completed thereup to the coming nublic hearing to the complete the c ulations of omulgated Case 25

In the matter of the application the New Mexico Oil Conservation Commission upon its own motion to establish a well spacing pattern for each of the presently designated gas pools in the Counties of San Juan and Rio Arriba, State of New Mexico, producing or capable of producing from the following formations:

- 1. Pictured Cliffs sandstone (ex cept Kutz Canyon-Fulcher Basin)
- 2. Mesaverde formation (except
- 3. Any of the Pennsylvanian formatiens. **Case 238**

In the matter of the application of Shell Pipe Line Corporation to amend for the purpose of clarifi- 1950.

cation, Rule 503 (e) and Rule 503 (f) of Order No. 850, being the Rules and Regulations of the New Mexico Oil Conservation Commission, in order that the same may be construed as covering underruns and overruns, etc.

GIVEN under the seal of the Oil Conservation Commission of New Mexico, at Santa Fe, New Mexico, on October 27, 1950.

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION R. R. SPURRIER, Secretary

(SEAL

Legal No. 201 - Published in the Farmington Daily Times, Farmington, N. M., Friday, November 3,

AFFIDAVIT OF PUBLICATION

	STATE OF NEW MEXICO
1	COUNTY OF SAN JUAN Ss.
\	R. S. Magee , being first duly sworn, on oath
	states: that he is the MUNIC-advertising manager of the Farmington Daily Times, a daily newspaper published, and of general paid circulation in San Juan County, New
	Mexico, said newspaper being the successor, without interruption, of the Farmington
	Times Hustler, a weekly newspaper formerly published and of general paid circulation in
	said County and State, continuously and without interruption, for more than 26 weeks immediately prior to its succession by said daily paper; that said Farmington Times
	Hustler was, and the Farmington Daily Times is entered and mailed under the second
	class postal privilege in said County, that being the County in which the notice, of which a copy as published, is hereto attached and made part hereof, is required to be published;
	that said notice was published in the Farmington Daily Times in the English language
	once each week for
	1st Publication on the day of November 1950
	2nd Publication on the day of, 19
	3rd Publication on the, 19,
	4th Publication on the day of , 19 , 19
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PUBLISHER'S BILL	Robert S. Masee
60 lines one time 6.00	Publisher-Advertising Manager
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	Subscribed and sworn to before me this
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NOTICE OF PUBLICATION STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

The State of New Mexico by its Oil Conservation Commission hereby gives notice pursuant to law and the Rules and Regulations of said Commission promulgated thereunder of the following public hearing to be held November 21, 1950, beginning at 10:60 octock A. M. on that day in the City of Santa Fe. New Mexico, in the capitol (Hall of Representatives). servation Commission hereby gives notice

STATE OF NEW MEXICO TO: All named parties in the following cases and notice to the public:

Case 237 Case 237
In the matter of the application of the New Mexico Oil Conservation Commission upon its own motion to establish a well spacing pattern for each of the presently designated gas pools in the Counties of San Juan and Rio Arriba. State of New Mexico, producing or capable of producing from the following formations:

Case 238

In the matter of the application of Shell Pipe Line Corporation to amend for the purpose of clarification. Rule 503 (e) and Rule 503 (f) of Order No. 850, being the Rules and Regulations of the New Mexico Oil Conservation Commission, in order that the same may be construed as covering underruns and overruns, etc.

Case 242

In the matter of the application of Continental Oil Company for an order being a paproving the unit agreement of the provisi Mexico, comprising 13,800.43 acres more or less, situated in Townships 21, 22 and 23 which is accordance with plat attached to said application.

GIVEN under the Case 238

In the matter of the application of Continental Oil Company for an order being a Mexico, comprising 13,800.43 acres more or which is accordance with plat attached to said application.

GIVEN under the application of Continental Oil Company for an order being a Mexico, comprising 13,800.43 acres more or which is accordance with plat attached to said application.

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GIVEN under the application of Continental Oil Company for an order being a Mexico, comprising 13,800.43 acres more or which is accordance with plat attached to said approving the unit agreement of the provision and order the continent of the provision and order the purpose of clarification and order the purpose of clarification.

Case 241

In the matter of the New Mexico Oil
Conservation Commission upon its own times, \$....
motion upon the recommendation of the
Southeastern New Mexico Nomenclature
Committee for the creation of new pools,
are follows:

Tax \$....

as follows:
Twp. 218, R. 37E, N.M.P.M. SW 4 Section 2 SE 4 Section 3

NE.4 Section 10 NW.4 Section 11 the same to be classified as an oil pool and named NORTH BRUNSON (Ellen-

burger:
Twp. 12S. R. 37E. N.M.P.M.
S.'2 Section 13
N.'2 Section 24
the same to be classified as an oil pool and named GLADIOLA 'Devoman), and for the extension of certain heretofore created pools as follows:
Extend the Grayburg-Lackson modified t

Extend the Grayburg-Jackson pool. Eddy County, New Mexico, by changing the present boundaries to include the N 2

Sec. 20. in Twp. 178, R. 32E, N.M.P.M.

Extend the e g boundaries of the Corbin pool in County, to include therein the SE/4 Sec. 33, and the SW/4 Sec. 34, in Twp. 178, R. 33E, N.M.P.M.

Extend the boundaries of the Nadine pool in Lea County. New Mexico, so as to include therein the S/2 Sec 14, Twp. 19S. R. 33E, N.M.P.M.

Extend the North Drinkard pool in Lea County New Mexico. so as to include therein the NE/4 Sec. 10, Twp. 218, R.

Extend the Drinkard pool in Lea County. New Mexico, so as to include therein the E 2 Sec. 23, Twp. 21S, R 37E, N.M.P.M.

Extend the South Leonard pool in Lea County. New Mexico, so as to include therein the E/2 of Sec 23, Twp. 268, R. 37E. N.M.P.M.

Mexico, producing or capable of producing from the following formations:

1. Pictured Cliffs sandstone (except Standstone Fulcher Basin).

2. Mesaverde formation (except Blance):

3. Fig. N.M.P.M.

Extend the boundary of the Langlie- Mattix pool in Lea County. New Mexico.

5. ax to include therein the SW/4 Sec.
5. and NW/4 Sec. 36 of Twp. 248, R. 122.

3. TE, N.M.P.M.

3. Extend the boundary of the Langlie- I am the surface of the SW/4 Sec.
5. ax to include therein the SW/4 Sec.
5. 3. Te, N.M.P.M.

2. Mesaverde formation (except Blance):

3. TE, N.M.P.M.

3. TE, N.M.P.M.

3. TE, N.M.P.M.

Tax \$.....

\$ 14,40

SS.

for said advertisement ha undersigned has personal k

Affidavit of Publication

or,	being first duly sworn,
he Bookes Mange	★ (Editor) of the
neral circulation in the newspaper duly qua sions of Chapter 167	laily newspaper, published in the English ne City and County of Santa Fe, State of lified to publish legal notices and advertion of the Session Laws of 1937; that the spublished in said paper once continued.
	promoternickonsamendaynok eschensek in
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of Townber	
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Subscribed and sy	worn to before me this
day of	, A.D., 19#
	Notary Public
My Commission e	expires

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ALBUQUERQUE, NEW MEXICO

November 22, 1950



Mr. R. R. Spurrier, Oil Conservation Commission, Santa Fe, New Mexico.

Dear Mr. Spurrier:

Re: Case #237, Well Spacing
Pattern, San Juan County Fields.

I arrived in Santa Fe yesterday too late to participate in the hearing of the above case. I understand that certain testimony was taken and that there was not too much disagreement about fixing the well spacing patterns. I would like to go on record as being in favor of the present spacing rule of 160 acres for wells in the Pictured Cliff sand and 320 acres for wells in the Mesa Verde formations.

It seems very futile to me for the Commission to promulgate Rule 104, and for hearings that will take up the time of the commission and operators, unless some steps are taken to correct existing unorthodox locations.

I am enclosing a small plat of the Carroll-Cornell lease in the Fulcher Basin field which shows that the Southern Union Gas Company has two wells located upon 40 acre spacing in the middle of our lease which has been draining our acreage since the drilling of those wells. The Carroll-Cornell lease and most of the other wells in that area are all based on 160 acre spacing. From time to time, representatives of the Southern Union Gas Company have expressed to me an intention of voluntarily restricting the runs from these wells in order to be more consistent with their position before the commission in making application for 160 acre spacing. The record of production, however, from these wells shows not only that there has been no restriction of take, but that the withdrawals from these two wells have been disproportionate to other wells of similar potential on the lease. The cumulated production for the Cornell 3 and 4 wells as of 12/31/49 is 1,604,453 M. C. F., which is much more than the average production of the five wells on our lease. The consequence has been that up to the present time, at lwast \$50,000.00 worth of natural gas has been drained from the Carroll-Cornell lease.

Under Section "H", entitled "Gas Proration and Allocation", the commission has authority to institute gas proration, and under Rule 902, the Commission assumes the responsibility of enforcing ratable taking of gas. If the commission does not feel that it should undertake steps to remedy this situation, it will be necessary

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for me to file an application for a hearing for the institution of gas proration on a field-wide basis. Because of the many other individuals who would be affected by that step, I have hesitated to do it.

The solution lies with the Southern Union Gas Company, as they can voluntarily restrict the withdrawals from these two wells, or they can communitize an adjoining 80 acres of our lease with this 80 acres and in that way we would share in the production. There need be no question raised of the initial drilling cost of these two wells as they have recovered more than the cost of these wells out of gas drained from our lease during the past few years.

Very truly yours,

DUDLEY CORNELL.

DC:mk

Encl.