LAW OFFICES

JOHN E. COCHRAN, JR.

CARPER BUILDING

ARTESIA, NEW MEXICO

March 22, 1951

Mr. George Graham, Attorney
State Land Office
Santa Fe, New Mexico

Dear Sir:

Enclosed herewith is Application of Boyd-Plemons

Drilling Company for permission to drill an unorthodox

Enclosed herewith is Application of Boyd-Plemons Drilling Company for permission to drill an unorthodox location known as Continental-State Well No. 3, to be located 1345 feet South of the North Line and 990 feet East of the West Line of the W/2 NW/4 Section 27, Township 17 South, Range 29 East, N.M.P.M., in Eddy County, New Mexico.

It is my understanding that this Application will be heard at the Commission hearing on April 24, 1951.

With kindest personal regards, I am

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John E. Cochran, Jr.

JEC:rm
Enc.

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF APPLICATION OF BOYD-PLEMONS DRILLING COMPANY, FOR PERMIT TO DRILL AN UN-ORTHODOX LOCATION KNOWN AS CONTINENTAL-STATE WELL NO. 3, 1345 FEET SOUTH OF THE NORTH LINE AND 990 FEET EAST OF THE WEST LINE OF THE W/2 OF THE NW/4 OF SECTION 27, TOWNSHIP 17 SOUTH, RANGE 29 EAST, N.M.P.M., IN EDDY COUNTY, NEW MEXICO

NO.	

APPLICATION

BOYD-PLEMONS DRILLING COMPANY, Applicant herein, respectfully shows to the Oil Conservation Commission:

1. Applicant is a co-partnership composed of Tom Boyd and Jack Plemons, and has its office at Artesia, New Mexico, and is the owner and holder of the following described oil and gas lease, situated in Eddy County, New Mexico, to-wit:

That certain Oil and Gas Lease made and entered into on May 10, 1938, between the State of New Mexico, acting by and through its Commissioner of Public Lands, and Continental Oil Company, bearing State of New Mexico Lease No. B-7596, insofar as said lease covers the W/2 NW/4 Section 27, Township 17 South, Range 29 East, N.M.P.M., to a depth of 3500 feet beneath the surface.

- 2. That from inception of production to the present time, there has been drilled a total of two wells on the Continental-State Lease, described above, and both of said wells are producing at the present time.
- 3. That both of said wells are producing from the Grayburg-Jackson Pay of the Upper San Andres Formation, encountered at an approximate depth of 2500 feet.
- 4. That Applicant, on the basis of geological and engineering information, is advised and is of the opinion

and belief that one well located on each forty-acre legal subdivision is not sufficient to obtain all of the recoverable oil under any one forty-acre tract, and that the drilling of an unorthodox location designated as Well No. 3, on the location shown on the map attached hereto, marked Exhibit "A" and by reference made a part hereof, and which would constitute the second producing well on the SW/4 of NW/4 of Section 27, Township 17 South, Range 29 East, N.M. P.M., would be in the interest of conservation, prevent waste and enable applicant to obtain a greater recovery of oil, in that Applicant would be able to recover substantial quantities of oil that would not otherwise be produced, if such location was not drilled.

5. Boyd-Plemons Drilling Company desires, and hereby makes application, to drill Continental-State Well No. 3, at the following location:

WELL NO. 3, Section 27, Township 17 South, Range 29 East, N.M.P.M., to be located 1345 feet South of the North Line and 990 feet East of the West Line of the W/2 NW/4 Section 27, Township 17 South, Range 29 East, N.M.P.M.

6. That in the event an order is entered by the Oil Conservation Commission granting permission to Applicant to drill the hereinabove described unorthodox location at the location designated, it is not Applicant's intention, nor does Applicant ask that it be granted any allowable in addition to the daily allowable, as fixed monthly by the Oil Conservation Commission for the forty-acre proration unit upon which said unorthodox location is drilled, and which will constitute a second well upon said forty acre legal subdivision, but it is the intention of Applicant to produce from the two wells, producing from the Grayburg-Jackson Pay, located upon this forty acre legal

subdivision, the allowable as fixed by the Oil Conservation Commission for said forty acre proration unit upon which said two wells are located, and in no event will 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 the forty acre proration unit.

7. In the event said Continental-State Well No. 3 is drilled at the location hereinabove provided, and in the further event said well should be dry and non-productive in the Grayburg-Jackson Pay of the Upper San Andres Formation, then and in that event, Applicant desires to have permission to drill said Continental-State Well No. 3 to a depth sufficient to test the Paddock Pay, which is expected to be encountered at an approximate depth of 3250 feet.

WHEREFORE, Applicant prays that the Commission set a date for hearing this Application in accordance with its rules and regulations, and that upon presentation of this Application, Applicant be granted permission to drill the unorthodox location hereinabove described, and that a proper order be entered granting permission to Applicant to produce the daily allowable from the forty acre proration unit upon which said unorthodox location is located, and which constitutes a second well upon such forty acre proration unit, at such rate as will in no event exceed the allowable as fixed by the Oil Conservation Commission for wells producing from the Grayburg-Jackson Pay for the forty acre proration unit upon which said two wells are located.

John E. Cochran, Jr.
308 Carper Building
Artesia, New Mexico
Attorney for Applicant,
Boyd-Plemons Drilling Company

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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 Applicant in the above and foregoing Application; 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 BOYD-PLEMONS DRILLING COMPANY because a representative or agent of Boyd-Plemons Drilling Company is not available to sign this Application.

John E. Cochran, Jr.

SUBSCRIBED AND SWORN TO BEFORE ME, this 22nd day of March, 1951.

Notary Public

My commission expires:

April 15, 1954