

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

April 22, 1955

The Texas Company
Box 1720
Fort Worth, Texas

Attention: Mr. Warren Mankin

Gentlemen:

We enclose copies of the following orders of the Oil Conservation Commission:

Order R-621 in Case 854
Order R-622 in Case 855

These were signed April 20, 1955.

Very truly yours,

W. B. Macey
Secretary - Director

WBM:nr

Case 857

DALPORT OIL CORPORATION
930 FIDELITY UNION LIFE BUILDING
DALLAS, TEXAS

W. L. TODD, PRESIDENT
W. L. TODD, JR., VICE-PRES.

RANDOLPH 3114
RANDOLPH 2717

February 9th, 1955.

RECEIVED
FEB 10 1955
DALPORT OIL CO.

New Mexico Oil Conservation Commission,
P. O. Box 871,
Santa Fe, New Mexico.

Attention: Mr. W. B. Macey

Gentlemen:

At the request of the Texas Company we are enclosing
waivers covering their non-standard gas units for their Roy
Riddel Wells Numbers 1 and 2, Lea County, New Mexico.

Yours very truly,

DALPORT OIL CORPORATION

By

W. L. Todd

WLTJr:wm
Encl-

WLTJr:wm - 104

Subject: Waiver of Objection
The Texas Company's
Roy Riddel Well No. 2
Lea County, New Mexico

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Attention: Mr. W. B. Macey

Gentlemen:

The undersigned has been duly informed by The Texas Company of their intention to request a non-standard gas proration unit consisting of lands located in the N/2 NE/4, SE/4 NE/4, and NE/4 SE/4 of Section 12, T-21-S, R-36-E, Lea County, New Mexico, for their Roy Riddel Well No. 2, to be located 660 feet from the north and east lines of the above section.

You are respectfully advised that we hereby waive notice and hearing and all objections to the application for approval of the above-described non-standard gas proration unit.

Yours very truly,

Dayco Oil Corp
By *W. B. Macey*

WWM-MFP

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

February 18, 1955

**The Texas Company
P. O. Box 1720
Fort Worth, Texas**

Attention: Mr. Warren Mankin

Re: Proposed NSP-103 and NSP-104

Gentlemen:

Reference is made to your application for approval of a non-standard gas proration unit on your Roy Riddel Wells No. 1 and No. 2, located in Section 12, Township 21 South, Range 36 East, Lea County, New Mexico.

This is to inform you that this office has received objections to the formation of both of these proration units and therefore is unable to grant administrative approval to them.

If you desire these two applications set for March 1955 hearing, please advise this office at your earliest convenience.

Very truly yours,

**W. B. Macey
Secretary - Director**

WBM:jh

C
O
P
Y

May 26, 1955

Mr. Jack M. Campbell
Campbell & Russell
J. P. White Building
ROSWELL, NEW MEXICO

Dear Mr. Campbell:

Our records indicate that your applications for rehearing in Cases 854 and 855, which you filed in behalf of Schermerhorn Oil Corporation and J. H. Moore, were received in this office on May 10, 1955, so your computation of time for filing an appeal from our order should derive from that date.

Very truly yours,

W. B. Macey
Secretary - Director

WBM:nr

cc: Mr. L. C. White, Attorney
Box 787
SANTA FE

LAW OFFICES OF

CAMPBELL & RUSSELL
J. P. WHITE BUILDING
ROSWELL, NEW MEXICO

JACK M. CAMPBELL
JOHN F. RUSSELL

TELEPHONES
4975 - 4287

May 25, 1955

William B. Macey, Director
Oil Conservation Commission
Santa Fe, New Mexico

Dear Mr. Macey:

Some time ago we filed Applications for rehearing in Cases 854 and 855 before the Oil Conservation Commission. Since we have received no notice of action by the Commission we assume that none has been taken on these applications. In order that we may compute the time for filing an appeal from the Commission's order, would you please advise us the date on which your records show the applications for rehearing were received and entered by you.

May '55

With kindest regards, we are

Very truly yours,

CAMPBELL & RUSSELL

By *Jack M. Campbell*

JMC:le

CAMPBELL & RUSSELL
LAWYERS
J. P. WHITE BUILDING
ROSWELL, NEW MEXICO

JACK M. CAMPBELL
JOHN F. RUSSELL

746
TELEPHONES
4975 - 4287

May 7, 1955

Mr. W. B. Macey
New Mexico Oil Conservation Commission
Santa Fe, New Mexico

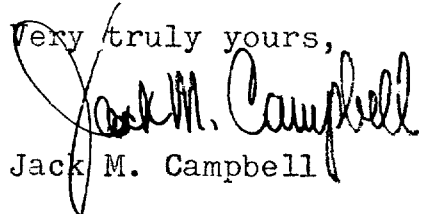
Re: Case Nos. 854 and 855

Dear Mr. Macey:

Enclosed please find original and two copies of Applications for Rehearing in the above numbered cases. True copies of these applications are being mailed to L. C. White, attorney for The Texas Company.

With kindest regards, I am

Very truly yours,


Jack M. Campbell

for CAMPBELL & RUSSELL

JMC:le
Enc. 3

SCHERMERHORN OIL CORPORATION

P. O. BOX 1537
HOBBS, NEW MEXICO

MAILED 10 FEB 1955

February 14, 1955

RECEIVED 14 FEB 1955

WSP-103

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Attention: Mr. W. B. Macey
Secretary and Director

Re: Application for Non-Standard Gas
Proration Unit by The Texas Company
Riddel Well No. 2, Eumont Gas Pool
Lea County, New Mexico

Gentlemen:

Reference is made to the application submitted by The Texas Company in their letter dated February 7, 1955 to form a 160 acre non-standard gas proration unit for the above captioned well. In this letter a request was made to Schermerhorn Oil Corporation for a waiver so that the Oil Conservation Commission might grant an administrative non-standard gas proration order on this application.

* Please be advised that Schermerhorn Oil Corporation objects to the formation of the unit as proposed by The Texas Company and requests that an administrative order not be granted in this case. This Company objects to The Texas Company application for the following reasons:

(a) The Texas Company proposes to drill the Roy Riddel well No. 2 to be located in the Northeast Quarter Northeast Quarter of Section 12, Twp. 21 S., Rge. 36 E., Lea County, New Mexico. If permission is granted to drill this new well there will be three gas wells producing from the Queen Zone in the North Half of Section 12 and only one gas well in the South Half of this Section. This will cause unequal drainage and would not protect the correlative rights of the various royalty owners.

(b) In case the 160 acre unit is allowed as proposed by The Texas Company the 80 acre Schermerhorn Oil Corporation Carter Unit, which consists of the Southwest Quarter Northeast Quarter and Northwest Quarter Southeast Quarter of this Section, on which a Queen gas well is now completed, will leave this acreage isolated in the center of the section with no possibility to increase this unit to a comparable size with other units in the section.

- 2 - New Mexico Oil Conservation Commission, 2-14-55.

Schermerhorn Oil Corporation has written to The Texas Company offering to combine all or part of the Carter Unit with The Texas Company acreage in order to form more uniform size units in this section so there would be equal drainage and the gas wells would be on a more uniform spacing in the section.

We, therefore, request that you please refuse to grant the non-standard gas proration unit as proposed by The Texas Company for the above reasons.

Yours very truly,

SCHERMERHORN OIL CORPORATION

By J. Hiram Moore
J. H. Moore

JHM:mw

cc: The Texas Company, Prod. Dept.
Attention: Warren N. Mankin
P. O. Drawer 1720
Fort Worth 1, Texas

INSTRUCTIONS

1. Is this gas well a dual completion? Yes No X
2. If the answer to Question 1 is Yes, are there any other dually completed wells within the dedicated acreage? Yes No X

A separate plat must be filed for each gas well, outlining the area dedicated to such well and showing the location of all other wells (oil and gas) within the outlined area

Mail in duplicate to the district office for the district in which the well is located

Date 1-24-55

The Texas Company Roy Riddel et al 2
Operator Lease Well No.

Name of Producing Formation Queen Pool Eumont Gas

Q = Queen Pay in Eumont Gas Pool

No. Acres Dedicated to the Well 160

SECTION <u>12</u>		TOWNSHIP <u>21-S</u>		RANGE <u>36-E</u>	
(Range 36-E)		(Range 37-E)			
Sec. 1		Sec. 6			
Conoco (160) State "F-1" 1 Q		F.J. Danglade (160) 1-Q			
Dalport Oil Co. (160) 1		Barnie Currie			
McQuatters Unit 1		E.G. Rodman			
TTCO. R. Riddel 160 A. Unit 1		Alexander			
Mid-Cont. TTCO.		F.J. Danglade (120) 1 Q		Aikman	
Marshall R. Riddel 1 Q		Alexander, Sec. 7			
Carter (80)				Curry (160) 1 Q	
160 Acre Unit		E.G. Rodman		N. Penrose (160) 3 Q	

I hereby certify that the information given above is true and complete to the best of my knowledge.

Name J. J. Riddel
Position Division Civil Engineer
Representing The Texas Company
Address P.O. Box 1720, Ft. Worth, Texas

(over)

THE TEXAS COMPANY

TEXACO PETROLEUM PRODUCTS

PRODUCING DEPARTMENT
WEST TEXAS DIVISION



P. O. BOX 1720
FORT WORTH 1, TEXAS

February 23, 1955

PROPOSED NSP-103 & NSP-104

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Attention: Mr. W. B. Macey, Secretary-Director

Gentlemen:

Reference is made to your letter dated February 18, 1954, on the above subject.

The Commission has received objection to the formation of NSP units of 160 acres each surrounding The Texas Company's Roy Riddel Well No. 1 and proposed Well No. 2 in Section 12, T-21S, R-36E, Eumont Gas Pool, Lea County, New Mexico.

Please set for hearing at the March 16, 1955, meeting, the application of The Texas Company to form 160 acre NSP units for each of the two wells listed above. Please set individual cases for each well as applied for under NSP-103 and 104 respectively.

Yours very truly,

W. W. Mankin
Petroleum Engineer

WWM-ECH

July 23, 1954

The Texas Company
P. O. Drawer 1720
Fort Worth 1, Texas

Attention: Mr. E. J. Zihlman
Division Land and Lease

Re: Request to Join Gas Unit
NE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$ Section 12-21S-36E
Lea County, New Mexico

Gentlemen:

Schermerhorn Oil Corporation, Kenwood Oil Company, and J. Hiram Moore own a lease covering the NW $\frac{1}{4}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$ Section 12, Township 21 South, Range 36 East, Lea County, New Mexico.

It is our intention to drill a Queen gas test on this tract with drilling operations to be commenced no later than September 20, 1954.

As The Texas Company holds the major lease interest adjoining this tract, this is to ask if your Company will join in the drilling of this well and the forming of a gas proration unit to be comprised of 240 acres as described above.

It is believed that a 240 acre unit would be the most practical size to form with the existing lease ownership. We will operate the unit, with the other lease owners being billed for their proportionate share of the well costs.

In order that we may go ahead with the planning of a gas unit we will appreciate your earliest consideration of this matter.

Yours very truly,

J. Hiram Moore

JHM:BW

cc: Mr. H. A. Sherman
Schermerhorn Oil Corporation
714 First National Building
Tulsa 3, Oklahoma

Schermerhorn Exhibit 1

November 1, 1954

The Texas Company
P. O. Drawer 1720
Fort Worth, Texas

Attention: Mr. E. W. Lewis
Assistant to the Division Manager

Re: Formation of Gas Unit
NE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$ Sec. 12-21S-36E
Lea County, New Mexico

Gentlemen:

Please refer to my letter dated July 23, 1954, in regard to forming a gas unit on the above acreage, part of which is under lease by The Texas Company.

Schermerhorn Oil Corporation has completed their Carter No. 1 well located in the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 12 as a Queen gas well with an initial potential of 4,600 MCFGPD.

This is to ask if your Company would be willing to include a portion of your leases in this tract into this gas unit. We offer to take whatever acreage you will put into the unit with your Company to retain an overriding royalty of $\frac{1}{2}$ of $\frac{7}{8}$ ths of the gas production. We would prefer bringing your acreage into the unit on an override basis rather than your participating in the cost of the well, as this would greatly simplify the operation of the unit.

We have entered into a Gas Purchase Agreement with El Paso Natural Gas Company and expect to get a pipe line connection within the next sixty days.

Will you please advise us as soon as you can if your Company might be interested in placing a portion of your lease in our gas unit.

Yours very truly,

J. H. Moore

JHM:mw

Schermerhorn Exhibit 2

THE TEXAS COMPANY

TEXACO PETROLEUM PRODUCTS

PRODUCING DEPARTMENT
WEST TEXAS DIVISION



P. O. BOX 1720
FORT WORTH 1, TEXAS

November 18, 1954

92698 - Roy Riddell Lease
Lea County, New Mexico

✓ Mr. J. Hiram Moore
P. O. Box 1537
Hobbs, New Mexico

Dear Mr. Moore:

We have your letter of November 1, 1954, with reference to unitizing some of our acreage in Section 12-21S-36E in a gas Unit along with some of your acreage, on which you have completed a gas well located in the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of said Section 12-21S-36E, Lea County, New Mexico.

We also have your letter of July 23, 1954, with reference to this matter and while we have been giving consideration to the matter, we have been unable to arrive at a decision due to several factors affected by a change in conditions; such as allowable, etc.

We are still unable to give you our answer and will not be able to do so until we complete certain remedial work on our present gas well. After we complete this work it is possible we may be willing to place some of our acreage in a gas unit comprising some of your acreage; and, again, we may want to drill an additional well on some of our acreage.

Yours very truly,

E. W. Lewis

Assistant to the Division Manager

EWL-WLH

cc- Mr. H. A. Sherman
Schmerhorn Oil Corporation
714 First National Building
Tulsa 3, Oklahoma

WORK OVER

*Log 2,54 treated w/ 60.0 gallons oil
60.0 = Sand*

*4.632 net open flow
for 1 hr. 535 #*

November 23, 1954

The Texas Company
P. O. Box 1720
Fort Worth 1, Texas

Attention: Mr. E. W. Lewis
Assistant to the Division Manager

Re: 92698, Roy Riddell Lease
Lea County, New Mexico

Gentlemen:

Thank you for your letter dated November 18, 1954, wherein it was mentioned that you would give further consideration to including a portion of your above captioned lease into a gas proration unit, with the 80 acre Schermerhorn Carter lease.

The Schermerhorn Carter gas well was tested November 10, 1954, by El Paso Natural Gas Company. This well showed a delivery rate of 3,148 MCFGPD against a back pressure of 572 pounds. With this delivery rate we feel that the well has a capacity of producing in excess of a unit allowable.

At such time as you might arrive at a decision as to including your acreage in our gas unit will you please advise us. In the mean time we probably will produce as an 80 acre unit as soon as a pipe line connection is obtained.

Yours very truly,

J. H. Moore

JHM:mw

cc: Mr. H. A. Sherman
714 First National Building
Tulsa 3, Oklahoma

Schermerhorn Field #4

January 10, 1955

The Texas Company
P. O. Drawer 1720
Fort Worth 1, Texas

Attention: Mr. E. P. Munson, Jr
Division Land and Leaseman

Re: 92698 - Roy Riddell Lease
Lea County, New Mexico

Gentlemen:

Please refer to our previous correspondence in regard to unitizing some of the acreage from your above captioned lease in to the Schermerhorn Oil Corporation, Carter Gas Unit.

A pipe line connection has been obtained for the Schermerhorn Carter No. 1 gas well and a request has been made for an 80 acre gas proration unit. We would like to form a larger unit than this in case The Texas Company is willing to place some of their acreage from the Riddell lease into an enlarged unit.

Since the remedial work on your Riddell No. 1 gas well has been completed would you now please give further consideration to putting some of this acreage in the Schermerhorn, Carter Unit?

Yours very truly,

SCHERMERHORN OIL CORPORATION

By: J. H. Moore

JHM:mw

Schermerhorn Exhibit 5

THE TEXAS COMPANY

TEXACO PETROLEUM PRODUCTS

PRODUCING DEPARTMENT
WEST TEXAS DIVISION



P. O. BOX 1720
FORT WORTH 1, TEXAS

January 19, 1955

92698 - Roy Riddell Lease
Lea County, New Mexico

SCHERMERHORN OIL CORPORATION
P. O. Box 1537
Hobbs, New Mexico

ATTENTION: Mr. J. H. Moore

Gentlemen:

Referring to your letter of January 10, 1955, which was a followup to our previous correspondence in which you desire that we join you in a gas unit to include your 80 acres and part of the land covered by our above lease.

Due to the increased production of our well after the workover, we are now giving consideration to assigning additional acreage to a gas unit for our present well and, in addition, possibly drilling another well. If we do drill the additional well, we will use all of our acreage on the two gas units and thus, would have no acreage which we could place in the unit with your 80 acres.

If we should decide not to drill our well, I will take the matter up further with you.

With best wishes, I remain

Yours very truly,

A large, stylized cursive signature of E. W. Lewis, written in dark ink. The signature is fluid and extends across the width of the text block below it.

E. W. Lewis
Assistant to the Division Manager

EWL-WLH

February 25, 1955

92698 - Roy Riddel Lease,
Lea County, New Mexico

Mr. Robert Lee Penn
1114 Fidelity Union Life Building
Dallas 1, Texas

Dear Sir:

Referring to our above lease which we hold from you covering your interest in the N/2 NE/4 and the SE/4 NE/4 and the E/2 SE/4 and the SW/4 SE/4 and the E/2 SW/4 of Section 12, Township 21 South, Range 36 East in Lea County, New Mexico.

On January 18, 1953 we completed a gas well located in the SE/4 SW/4 of said Section 12. We assigned 80 acres, being E/2 SW/4 as the gas unit to our well which was completed for a potential of 232,000 feet per day, and made only the allowable for an 80 acre unit. In December, 1954 we completed a sandfrac job on this well and a re-test on December 2, 1954 showed a volume of 4,652,000 feet per day and sufficient deliverability of gas as it will now carry 160 acre proration unit, which will enable us to sell considerable more gas than we could on completion of the well originally and, of course, we hope this will continue for some time.

In view of the foregoing, we proposed to assign 160 acres to our present well being E/2 SW/4 and S/2 SE/4 of said Section 12, and drill another gas well in the NE/4 NE/4 of Section 12 and assign the remaining 160 acres to that well, being the N/2 NE/4 and SE/4 NE/4 and NE/4 SE/4.

On October 25, 1954 Schermerhorn Oil Corporation completed a gas well located in the SW/4 NE/4 with a potential of 4,600,000 feet per day to which is assigned for allowable purposes its 80 acres, being said SW/4 NE/4 and NW/4 SE/4. It has objected to our application to drill the additional well, and instead desires to place its 80 acres with our 320 acres for the purpose of forming 2 gas units of 200 acres each, one of such units to include our gas well and comprising E/2 SW/4 and S/2 SE/4 and NW/4 SE/4, and the other unit to include its gas well and comprising the NE/4 and NE/4 SE/4.

Dalport Oil Corporation also has a gas well in this Section 12 located in the SW/4 NW/4 to which is assigned a 160 acre unit being the NW/4.

Mr. Robert Lee Penn

-2-

February 25, 1955

If we drill, we will own and you will be paid the royalty on, two gas wells on units of 160 acres each, whereas if we do not drill and unitize with Schermerhorn we will own, and you will be paid the royalty on, 4/5ths of two gas wells on units of 200 acres each. At the present time gas allowable is on an acreage basis, so you can produce 1-1/4 times the gas from a 200 acre unit as you can from a 160 acre unit if the well is capable of producing such, but of course only so long as the well can and will do so. Just how long it will produce sufficient gas to take care of a 200 acre unit or even a 160 acre unit we are unable to intelligently forecast.

The lease we hold from you does not provide for unitization and thus, obviously, before we could accede to the request of Schermerhorn Oil Corporation, if we should decide to do so, it will be necessary for you and the other royalty owners to execute an agreement providing for unitization so that we could form two units of 200 acres each. In order that we may give further and final consideration to the matter, will you please advise by return mail whether or not you would be agreeable to amending the lease to provide for forming these two units.

In view of the objection made by Schermerhorn to our forming two units of 160 acres each and drill the additional well, the New Mexico Oil Conservation Commission has set for hearing our application on March 16, 1955, therefore, we would like to hear from you promptly.

Yours very truly,

U. W. Lewis
Assistant to the Division Manager

EAL-DH

EPM-NMF-WWM

w/b - 3-7-55



CONTINENTAL OIL COMPANY

FAIR BUILDING
FORT WORTH 2, TEXAS

N.S.P-103

H. L. JOHNSTON
REGIONAL MANAGER OF PRODUCTION
SOUTHWESTERN REGION

February 14, 1955

Subject: Non-Standard Gas Proration
Unit for The Texas Company's
Roy Riddel Well No. 2
Lea County, New Mexico

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Attention of Mr. W. B. Macey

Gentlemen:

The undersigned has been duly informed by The Texas Company of their intention to request a non-standard gas proration unit consisting of lands located in the N/2 NE/4, SE/4 NE/4, and NE/4 SE/4 of Section 12, T-21-S, R-36-E, Lea County, New Mexico, for their Roy Riddel Well No. 2, to be located 660' from the north and east lines of the above section.

You are respectfully advised that we hereby waive notice and hearing on the application for approval of the above-described non-standard gas proration unit.

Yours very truly,

A handwritten signature in cursive script, appearing to read "H. L. Johnston".

HLJ-MD

OIL CONSERVATION COMMISSION

BOX 2045

HOBBS, NEW MEXICO

DATE 2-18-55

MR. W. B. MACEY
OIL CONSERVATION COMMISSION
BOX 871
SANTA FE, NEW MEXICO

RE:
PROPOSED NSP 103
PROPOSED NSL

Dear Mr. Macey:

I have examined the application dated 2/7/55
for the Texas Co. Roy Riddell #2-A 12-21-36
Operator Lease and Well No. S-T-R

and my recommendations are as follows:

OK-Randall

Same as remarks on Riddell #1

Yours very truly,

OIL CONSERVATION COMMISSION

hs

Stanley J. Stanley
Engineer

Subject: Waiver of Objection
The Texas Company's
Roy Riddel Well No. 2
Lea County, New Mexico

45 P 103

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Attention: Mr. W. B. Macey

Gentlemen:

The undersigned has been duly informed by The Texas Company of their intention to request a non-standard gas proration unit consisting of lands located in the N/2 NE/4, SE/4 NE/4, and NE/4 SE/4 of Section 12, T-21-S, R-36-E, Lea County, New Mexico, for their Roy Riddel Well No. 2, to be located 660 feet from the north and east lines of the above section.

You are respectfully advised that we hereby waive notice and hearing and all objections to the application for approval of the above-described non-standard gas proration unit.

Yours very truly,

Mid-Continent Pet. Corp.

By *EJ Riene*
2-18-55

WWM-MFP

15 MIN OFFICE 0200
RECEIVED 11 AM 10:30

NEP 11 3

Subject: Waiver of Objection
The Texas Company's
Roy Riddel Well No. 2
Lea County, New Mexico

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Attention: Mr. W. B. Macey

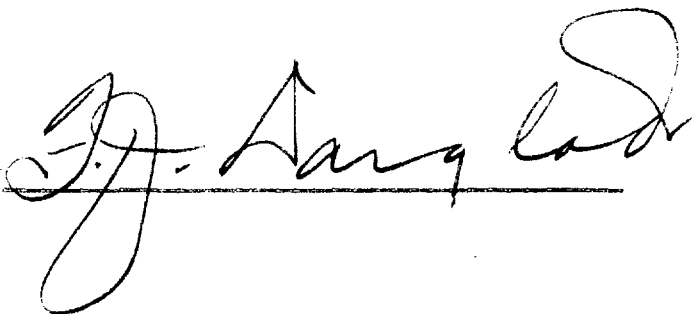
Gentlemen:

The undersigned has been duly informed by The Texas Company of their intention to request a non-standard gas proration unit consisting of lands located in the N/2 NE/4, SE/4 NE/4, and NE/4 SE/4 of Section 12, T-21-S, R-36-E, Lea County, New Mexico, for their Roy Riddel Well No. 2, to be located 660 feet from the north and east lines of the above section.

You are respectfully advised that we hereby waive notice and hearing and all objections to the application for approval of the above-described non-standard gas proration unit.

Yours very truly,

By

A handwritten signature in dark ink, appearing to read "J. J. Langford", written over a horizontal line.

WWM-MFP