

11/4/56

GORDON M. CONE

P. O. BOX 597

LOVINGTON, NEW MEX.

November 8, 1956

1-10

Re: Magnolia Petroleum Company Application for an Exception to Rules and Regulations for the Dean Permo-Pennsylvanian Pool, Order 892, Case No. 1172

1102

Oil Conservation Commission
Mabry Hall
Santa Fe, New Mexico

Gentlemen:

In the above case Magnolia Petroleum Company has applied for an exception to paragraph 2 of the special rules and regulations of the Dean Permo-Pennsylvanian Pool as set forth in Order 892, and for an extension of the horizontal limits of the Dean Permo-Pennsylvanian Pool to include the Southeast Quarter of Section 27, Township 15 South, Range 36 East, Lea County, New Mexico. Magnolia seeks an order granting the establishment of an 80-acre non-standard proration unit comprising the NE/4 SE/4 of Section 27, the NW/4 SW/4 of Section 26, Twp 15 S., Rge 36 E., Lea County, New Mexico, said acreage to be dedicated to its Cone No. 1 Well located in the NW/4 SW/4 of said Section 26.

As the owner of this property I executed an oil and gas lease to Magnolia Petroleum Company covering in all 160 acres of land which, in addition to the above eighty acres, included the W/2 of the NW/4 of said Section 26. There is located on the SW/4 of the NW/4 the Cone Well No. 2. Thus the W/2 of the NW/4 of said Section 26 may be dedicated to the Cone No. 2 Well in strict compliance with your rules and regulations contained in Order 892; but in order for Magnolia Petroleum Company to utilize the remaining eighty acres as covered by the lease, it will be necessary to cross the survey line and place the additional forty acres in a non-standard 80-acre unit. Basically I am in agreement that the Dean Permo-Pennsylvanian Pool should be developed on 80-acre spacing, but I do not feel that the royalty owner under an existing well should be penalized and his allowable cut in half where he owns additional acreage adjacent to the 40-acre tract on

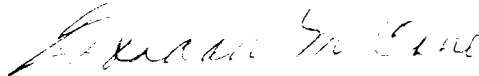
November 8, 1956

Page 2.

which the well is located. I can see no reason for requiring Magnolia to combine the forty acres on which the existing well is located with additional acreage which it does not have under lease when it has under lease an adjacent forty acres to the west and it just happens that it is in another survey. Certainly the oil pool did not respect survey lines.

I want to urge the Commission to grant the application of Magnolia Petroleum Company in the above case.

Yours very truly,

A handwritten signature in cursive script, appearing to read "E. W. Cline".

cc: Magnolia Petroleum Company
Box 900
Dallas 21, Texas

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

November 9, 1956

**Mr. J. O. Terrell Couch
The Ohio Oil Company
P. O. Box 3128
Houston 1, Texas**

Dear Sir:

**We enclose a copy of Order R-892-A (order of rehearing)
issued on November 7, 1956, by the Oil Conservation Commission in
Case 1102.**

Very truly yours,

**A. L. Porter, Jr.
Secretary-Director**

jb

encl.

**cc: Sinclair Oil and Gas Company
1103 Fair Building
Fort Worth 2, Texas**

C
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Y

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

October 4, 1956

C
Mr. J. O. Terrell Couch
Ohio Oil Company
P.O. Box 3128
Houston, Texas

O
Dear Mr. Couch:

The allowable provisions of Commission Order R-892 which establishes 80-acre proration units in the Dean Permo-Pennsylvanian Pool become effective on December 1st, 1956.

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This order provides that all wells drilled or drilling as of October 4, 1956, are exempt from the 80-acre spacing requirements and that effective December 1st, 1956, they will be assigned an allowable which is in the same proportion to the standard 80-acre allowable that the well's dedicated acreage is to 80 acres. With a normal unit allowable of 39 barrels an 80-acre unit would receive 261 barrels, a 40-acre unit would receive 131 barrels, a 53-acre unit would receive 173 barrels, and a 93-acre unit would receive 304 barrels.

Y
The order further provides, however, that the allowable of any of the excepted wells may be increased to the amount which is assignable to a standard unit of two adjacent quarter-quarter sections or lots within a single section when the necessary plat (Form C-128) has been filed showing that two governmental quarter-quarter sections or lots have been dedicated to the unit. In the event that communitization must be effected to form a standard unit, an affidavit of communitization must also be filed. The allowable provisions of this order are being made effective December 1st so that operators will have time to complete any communitization agreements which may be required.

Your prompt attention should be given to this matter so that two copies of Form C-128 and two copies of the communitization affidavit, if applicable, may be mailed so as to reach the Hobbs Office of the Commission prior to December 1st, 1956.

Yours very truly,

A. L. Porter, Jr.
Secretary - Director

ALP:brp
Encl. Order R-892

SINCLAIR OIL & GAS COMPANY OFFICE OCC

P. O. Box 1470
Midland, Texas
July 21, 1956

1956 JUL 23 PM 1:20
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full

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

Attention: Mr. Dan Nutter

Re: Hearing of Case 1102, July 18, 1956,
Dean Pool, ~~Lea~~ Lea County, New Mexico.

Gentlemen:

As requested by Mr. Nutter at the hearing of the above case on July 18, 1956, please find enclosed a tabulation of the individual average porosities as indicated by the eight core analysis that we used to obtain the average weighted porosity for the Strawn section of the Dean Pennsylvanian Pool Lea County, New Mexico. This is the value that we used in calculating the reserves and economics of the Pennsylvanian formation presented in the above mentioned Case 1102.

We will be happy to furnish any additional information that you might desire.

Yours very truly,

SINCLAIR OIL & GAS COMPANY

W. J. Rogers

W. J. Rogers
Division Engineer
Production Department

WJR:RAM:ra

Dean Pennsylvanian Pool
 Lea County, N.M.
 Core Analysis Summary
 Strawn Lime

<u>Company</u>	<u>Lease & Well No.</u>	<u>Cored Interval</u>	<u>1</u>		<u>Average Porosity</u>	<u>Column 1 X 2</u>
			<u>Net Feet</u>			
Sinclair	State 396	11,497- 567	39.8	5.7	227	
"	State 735	11,578- 594	13.9	5.5	76	
Atlantic	Fed. Dow	11,520- 614	23.0	7.33	169	
Tidewater	State AE	11,532- 615	15.0	4.0	60	
Magnolia	Anderson Est	11,550- 725	9.7	5.6	54	
Humble	State AP	11,553- 570	17.0	4.94	84	
		11,589- 594				
		11,598- 616				
Humble	State AJ	11,520- 655	58.2	3.4	198	
Humble	State AJ	11,520- 590	55.0	5.4	297	
Totals			231.6			1165
Weighted Average				5.03%		

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

January 31, 1957

Mr. J. O. Terrell Couch
Ohio Oil Company
P.O. Box 3128
Houston 1, Texas

Dear Sir:

We enclose a copy of Order R-892-B, Order of Dismissal, issued January 30, 1957, by the Oil Conservation Commission in Case 1102.

Yours very truly,

A. L. Porter, Jr.
Secretary - Director

bp
Encl.

C
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CLASS OF SERVICE

This is a fast message unless its deferred character is indicated by the proper symbol.

WESTERN UNION

TELEGRAM

W. P. MARSHALL, PRESIDENT

1201

SYMBOLS

DL=Day Letter

NL=Night Letter

LT=International Letter Telegram

The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

LA058 DA206

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D HSF074 PD=HOUSTON TEX 11 1033AMC=

1956 DEC 11 AM 10 26

A L PORTER JR=

NEW MEXICO OIL CONSERVATION COMMISSION MABRY HALL

SANTA FE NMEX=

THE OHIO OIL COMPANY RESPECTFULLY REQUESTS A CONTINUANCE OF THE REHARING IN CASE NUMBER 1102 UNTIL THE REGULAR MONTHLY HEARING ON JANUARY 16 1957=

THE OHIO OIL CO BY J O TERRELL COUCH=

SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

CLASS OF SERVICE

This is a fast message unless its deferred character is indicated by the proper symbol.

WESTERN UNION TELEGRAM

W. P. MARSHALL, PRESIDENT

SYMBOLS

DL=Day Letter

NL=Night Letter

LT=International Letter Telegram

1201

The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

LA 118 DA 365

(00)

D MDA156 PD=MIDLAND TEX 11 153PMC=

1956 DEC 11 PM 1 21

A L PORTER=

NEW MEXICO OIL CONSERVATION COMM SANTA FE NMEX=

WE HAVE RESERVED COPY OF WIRE TO YOU FROM OHIO REQUESTING
A CONTINUANCE OF THE REHEARING IN CASE NUMBER 1102 UNTIL
THE REGULAR MONTHLY HEARING ON JANUARY 16 1957.

SINCLAIR CONCURS IN OHIOS REQUEST FOR CONTINUANCE=

SINCLAIR OIL AND GAS CO BY LAYTON A WEBB=

-1102 16 1957=

WESTERN UNION TELEGRAMS FROM ITS BARRONS CONCERNING ITS SERVICE

CLASS OF SERVICE

This is a fast message unless its deferred character is indicated by the proper symbol.

WESTERN UNION

TELEGRAM

W. P. MARSHALL, PRESIDENT

SYMBOLS

DL = Day Letter
 NL = Night Letter
 2 = International Letter Telegram

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LA 179 SSD 174

(58)

L HBA096 PD=LOVINGTON NMEX 13 150PMM=

OIL CONVERSATION COMMISSION=

MABRY HALL SANTA FE NMEX=

AS REPRESENTATIVE OF ROYALTY OWNERS UNDER MAGNOLIAS
 LETTER PLEASE ACCEPT MY REQUEST FOR APPROVAL RE:
 APPLICATION FOR AN EXCEPTION TO RULES AND REGULATIONS
 FOR THE DEAN PERMO-PENNSYLVANIAN POOL, ORDER 892, CASE
 NO 1172 LETTER FOLLOWS=

GORDON M CONE=

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable symbol above or preceding the address.

WESTERN UNION

W. P. MARSHALL, PRESIDENT

1220

SYMBOLS

DL=Day Letter

NL=Night Letter

LT=Int'l Letter Telegram

MT=Int'l Money Ltr.

1956 NOV 30

PM 12:13

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LA108 DA233

(58)

D HSE083 LONG PD=HOUSTON TEX 30 1151AMC=

NEW MEXICO OIL CONSERVATION COMMISSION=

MABRY HALL SANTA FE NMEX=

ATTN MR A L PORTER JR THE PROPOSED COMMUNITIZATION OF THE N/2 NW/4 SECTION 35, TOWNSHIP 15 SOUTH, RANGE 36 EAST, CANNOT BE COMPLETED BY DECEMBER 1, 1956. THE OHIO OIL COMPANY, SUBJECT TO ALL RIGHTS ARISING OUT OF OR IN CONNECTION WITH THE OHIO'S APPLICATION FOR REHEARING IN CASE 1102 AND FOR ALL OF THE REASONS STATED THEREIN, HEREBY RESPECTFULLY REQUESTS AN EMERGENCY ORDER EXTENDING FROM DECEMBER 1, 1956 TO DECEMBER 15, 1956 THE DATE SPECIFIED IN ORDER R-892 FOR ALLOWABLE CHANGES IN THE DEAN-PERMO-PENNSYLVANIAN POOL. THE OHIO SUGGESTS THAT IF THE COMMISSION CONSIDERS IT PROPER THE EXTENSION OF THE SPECIFIED DATE SHOULD BE MADE APPLICABLE ONLY WITH REFERENCE TO WELLS WHICH OTHERWISE WOULD SUFFER REDUCTION OF ALLOWABLE UNDER THE TERMS OF ORDER R-892=

THE OHIO OIL CO BY J O TERRELL COUCH=

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE