

JAMES T. JENNINGS

ATTORNEY AT LAW

J. P. WHITE BUILDING

ROSWELL, NEW MEXICO

MAIN 2-8432

July 14, 1959

RECEIVED OFFICE OCS  
JUL 20 AM 8:43

Mr. A. L. Porter, Jr.  
Secretary-Director  
Oil Conservation Commission  
Box 871  
Santa Fe, New Mexico

Dear Mr. Porter:

Enclosed herewith you will find the application of Ambassador Oil Corporation for a capacity allowable for 5 wells in the Caprock-Queen Unit No. Two. You will note that Ambassador is requesting an emergency order for its No. 3-2 well located in the NE $\frac{1}{4}$ NW $\frac{1}{4}$  Sec. 1, T. 13 S., R. 31 E. In a recent test this well tested 138 barrels per day.

We have not requested an emergency order covering the remaining wells described in the application as at this time they are not producing in excess of the top unit allowable for the pool, but it is possible that wells 1-2 and 27-2 will soon be capable of producing in excess of the top unit allowable and it might be that we will have to request an emergency order at a later date. In any event, we would like to get the matter set down at the earliest possible date so that production will not be curtailed.

We have also requested that the Commission establish an administrative procedure whereby capacity allowables may be granted for the remaining wells in the unit and we will not have to have an additional hearing every time a well becomes capable of producing in excess of the unit allowable.

When the emergency order is granted, I would appreciate it if you would send collect telegrams advising of your action to me and to Mr. Carl A. Westerman, Petroleum Engineer, Ambassador Oil Corporation, 3109 Winthrop Avenue, Fort Worth 7, Texas. If there are any questions or if you have any suggestions concerning the enclosed application, please call me at Roswell MAin 2-8432, collect.

Yours very truly,

  
James T. Jennings

JTJ:cs

Enc.

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

JUL 10 1959

IN THE MATTER OF THE APPLICATION OF  
AMBASSADOR OIL CORPORATION FOR AN  
ORDER AUTHORIZING CAPACITY PRODUCTION  
FROM FIVE ADDITIONAL WELLS IN THE NORTH  
CAPROCK QUEEN UNIT NO. TWO, WATER FLOOD  
PROJECT IN THE CAPROCK-QUEEN POOL IN  
CHAVES AND LEA COUNTIES, NEW MEXICO;  
FOR AN EMERGENCY ORDER AUTHORIZING  
PRODUCTION OF ONE OF SAID WELLS AT  
CAPACITY, AND FOR THE ESTABLISHMENT  
OF AN ADMINISTRATIVE PROCEDURE FOR  
GRANTING CAPACITY ALLOWABLES TO THE  
REMAINING WELLS WITHIN THE UNIT.

No. 1730

APPLICATION

Comes now the applicant, Ambassador Oil Corporation, by its  
attorney and states:

1. That the applicant is the unit operator under the North Caprock  
Queen Unit Agreement No. Two, which Unit Agreement was approved by the  
Commission on June 18, 1958 by Order R-1194.

2. That the Commission has heretofore approved the water flood  
project and by order R-1053-A dated May 5, 1958 the Commission assigned a  
capacity allowable to twelve wells within the project area and by order R-1053-C  
dated March 11, 1959, the Commission granted a capacity allowable to three  
additional wells.

3. That the water flood project and the additional injection wells  
added to the project recently caused an increase in the producing capacity of  
the five wells hereinafter described and said wells are now, or will soon be,  
capable of producing in excess of the top unit allowable for the Caprock-Queen  
Pool. The wells in question and the location of the same are:

- ✓ No. 1-2 located in NE $\frac{1}{4}$ NE $\frac{1}{4}$  Section 1, Township 13 South, Range 31 East.
- ✓ No. 3-2 located in NE $\frac{1}{4}$ NW $\frac{1}{4}$  Section 1, Township 13 South, Range 31 East.
- ✓ No. 24-1 located in SW $\frac{1}{4}$ SW $\frac{1}{4}$  Section 12, Township 13 South, Range 31 East.
- ✓ No. 26-3 located in SW $\frac{1}{4}$ NE $\frac{1}{4}$  Section 11, Township 13 South, Range 31 East.
- ✓ No. 27-2 located in NE $\frac{1}{4}$ SE $\frac{1}{4}$  Section 11, Township 13 South, Range 31 East.

That the above wells, prior to the commencement of the project, were producing from 1 to 2 barrels of oil per day and that the wells have recently responded to the water injection and, as reflected by Form C-116 attached hereto and marked "Exhibit A", recent tests of the wells show that they are capable of increased production.

4. That well No. 3-2 located in the NE $\frac{1}{4}$ NW $\frac{1}{4}$  Section 1, Township 13 South, Range 31 East, upon being tested on July 6, 1959, tested a producing capacity of 138 barrels per day.

5. That waste will occur if production from the above described wells is restricted, as production cannot be curtailed without causing reduction in the ultimate recovery of oil.

6. That an administrative procedure should be established whereby approval of capacity allowables for the remaining wells in said project may be granted by the Secretary-Director administratively without notice and hearing.

WHEREFORE, the applicant prays for the following relief:

1. That an immediate emergency order be issued permitting the applicant to produce its No. 3-2 well located in the NE $\frac{1}{4}$ NW $\frac{1}{4}$  Section 1, Township 13 South, Range 31 East at capacity.

2. That the Commission set this matter down for a regular hearing at a date prior to the expiration of the emergency order and that notice of such hearing be published as required by law and after the hearing the Commission issue its regular order permitting the applicant to produce the following described wells in its project at capacity.

No. 1-2 located in NE $\frac{1}{4}$ NE $\frac{1}{4}$  Section 1, Township 13 South, Range 31 East.

No. 3-2 located in NE $\frac{1}{4}$ NW $\frac{1}{4}$  Section 1, Township 13 South, Range 31 East.

No. 24-1 located in SW $\frac{1}{4}$ SW $\frac{1}{4}$  Section 12, Township 13 South, Range 31 East.

17-3 No. ~~26-3~~ located in SW $\frac{1}{4}$ NE $\frac{1}{4}$  Section 11, Township 13 South, Range 31 East. *See Co.*

No. 27-2 located in NE $\frac{1}{4}$ SE $\frac{1}{4}$  Section 11, Township 13 South, Range 31 East.

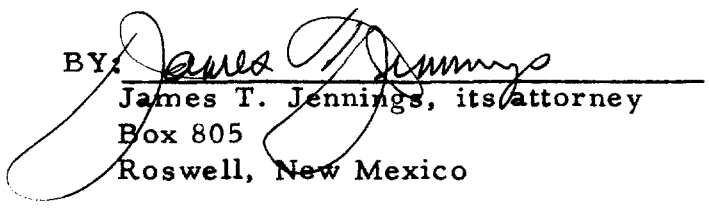
3. That the Commission establish an administrative procedure whereby capacity allowables for the remaining wells in the project may be granted by the Secretary-Director administratively without notice and hearing.

DONE this 14th day of July, 1959.

Respectfully submitted,

AMBASSADOR OIL CORPORATION

BY:

  
James T. Jennings, its attorney  
Box 805  
Roswell, New Mexico