

Case 2454
The Ohio Oil Co.

P. O. BOX 3128
HOUSTON 1, TEXAS

November 22, 1961

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

Att. Mr. A. L. Porter
Secretary-Director

Gentlemen:

Re: Case No. 2118, Lea-Devonian Pool,
Secs. 11 and 12, Township 20 South,
Range 34 East, N. M. P. M., Lea County,
New Mexico

As provided in Order No. R-1826 entered December 8, 1960, the above numbered case is to be re-opened at the regular monthly hearing in December, 1961, at which time operators in the pool are to appear and show cause why the Lea-Devonian Pool should not be developed on 40-acre proration units. The Ohio Oil Company is Operator of each of the wells presently completed in the Lea-Devonian Pool under the Agreement for the Development and Operation of the Lea Unit Area and is the owner of a substantial interest in the Lea Unit Area and in each of the wells within the Unit Area.

The Ohio Oil Company hereby applies for pool rules for the Lea-Devonian Pool requiring 160-acre proration units and a 160-acre spacing pattern with each regular proration unit to consist of a regular governmental quarter section with the well located in the approximate center of either the Northwest Quarter or the Southeast Quarter of the quarter section dedicated to the well.

The Ohio Oil Company further recommends that the pool rules permit a tolerance of 150 feet in the location of any well hereafter drilled in the pool where necessary because of surface obstructions, such tolerance to be approved upon application of the interested owners, but without notice and hearing.

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Make
12-1-61*
The Ohio Oil Company further applies for the determination of an oil allowable factor to be fixed by the order adopting the pool rules at a figure which will provide an appropriate allowable for wells now or hereafter completed in the pool, such allowable to be in excess of the 80-acre allowable authorized under the statewide rules and in an amount which will protect the correlative rights of interested parties and prevent waste.

The Ohio Oil Company requests that this application be set for hearing before the Commission at the regular hearing in December, 1961, in connection with and as a part of the hearing to be called at that time pursuant to Order R-1826, and The Ohio Oil Company requests that notice be given as required by the applicable laws and regulations.

A list of the interested parties now known to Applicant is attached.

Very truly yours,

THE OHIO OIL COMPANY

By


J. O. Terrell Couch

List of Interested Parties Now Known to
Applicant re: The Ohio Oil Company's
Application dated November 22, 1961,
concerning the Lea-Devonian Pool in Secs.
11 and 12, T20S, R34E, N. M. P. M. -
Lea County, New Mexico

W. G. Ross and wife, Vee K. Ross
P. O. Box 1094
Midland, Texas

Jake L. Hamon
5th Floor Vaughn Building
1712 Commerce Street
Dallas 1, Texas

Edwin Cox
2100 Adolphus Tower
Dallas, Texas

The Pure Oil Company
P. O. Box 239
Houston 1, Texas

Gulf Oil Corporation
P. O. Box 669
Roswell, New Mexico

Sinclair Oil & Gas Company
P. O. Box 1470
Midland, Texas

Drilling & Exploration Co., Inc.
Box 35366, Airlawn Station
Dallas 35, Texas

Mr. John Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
P. O. Box 6721
Roswell, New Mexico

Mr. E. S. Johnny Walker
Commissioner of Public Lands
P. O. Box 791
Santa Fe, New Mexico

Mr. and Mrs. W. H. Milner
609 S. Lea
Roswell, New Mexico

Martha Featherstone
236 Petroleum Building
Roswell, New Mexico

Harvey E. Roelofs
Trustee for Olen F. Featherstone II
c/o Olen F. Featherstone
236 Petroleum Building
Roswell, New Mexico

Edith M. Kasper and husband, Paul Kasper
P. O. Box 1094
Midland, Texas

Dorothy E. Cox McCormick and husband, Don G. McCormick
c/o Reese, McCormick, Lusk & Paine
3 Bujac Building
112 North Canyon
Carlsbad, New Mexico

L. N. Hapgood and wife, Mary C. Hapgood
P. O. Box 966
Casper, Wyoming

E. F. Howe and wife, Frances E. Howe
c/o New Mexico Bank & Trust
Hobbs, New Mexico

Thomas Joseph Sheehan and wife, Louise Sheehan
112 West Fairview Boulevard
Inglewood, California

R. R. Herrell
Oil & Gas Properties
P. O. Box 430
Midland, Texas

Western Oil Fields, Inc.
P. O. Box 1139
Denver, Colorado

Ernest A. Hanson
P. O. Box 852
Roswell, New Mexico

E. B. Todhunter
P. O. Box 852
Roswell, New Mexico

United States Smelting Mining & Refining Co.
P. O. Box 1877
Midland, Texas

Texaco, Inc.
P. O. Box 3109
Midland, Texas

Pan American Petroleum Corporation
P. O. Box 68
Hobbs, New Mexico

Herbert Aid Estate
c/o J. T. Sivley
212 Booker Building
Artesia, New Mexico

Cover file

The Ohio Oil Co.

Legal Department

W. Hume Everett
Division Attorney

January 5, 1962

P.O. Box 3128
Houston, Texas

J. C. Terrell Couch
Warren B. Leach, Jr.
Attorneys

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

Att. Mr. A. L. Porter, Jr.
Secretary-Director

Gentlemen:

Re: Case No. 2118
Case No. 2459 Consolidated
Order No. R-1826-A

We have carefully considered the above numbered order including the findings of the Commission set out in the order. As this is the first instance in which the Commission has adopted 160-acre proration units for oil production, we understand the natural inclination of the Commission to proceed with caution. The adoption of the 160-acre proration units even on a temporary basis was a forward and objective step by the Commission as it continues to encourage and insure conservation of oil and gas while keeping pace with the needs and advances of the oil and gas industry.

Nevertheless, it was the opinion of The Ohio Oil Company's representatives that the evidence submitted at the December 13, 1961 hearing justified the establishment of 160-acre proration units on a permanent basis, together with an appropriate increase in the allowable. This opinion remains unchanged. However, in view of the circumstances of this case, and because the order is expressly designated as a temporary order, we have concluded that motion for rehearing should not be filed. In lieu of such motion, we have elected to submit this letter to make our position entirely clear to the Commission.

We will, of course, continue to gather pertinent data concerning the Lea-Devonian Pool and we intend to seek permanent 160-acre oil proration units, together with an appropriate additional allowable, in the December, 1962, hearing, if we consider that such relief is still justified under the facts then available. Meanwhile, on be-

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half of ourselves and other interested parties we reserve the right to request additional allowable at an earlier date if that appears necessary to protect correlative rights.

Very truly yours,

THE OHIO OIL COMPANY

By 
J. O. Terrell Couch

JOTC/1

cc-Hon. Edwin L. Mechem
P. O. Box 871
Santa Fe, New Mexico

Hon. E. S. Johnny Walker
P. O. Box 7791
Santa Fe, New Mexico



THE PURE OIL COMPANY

SOUTHERN PRODUCING DIVISION • MIDLAND DISTRICT
P. O. BOX 671 • MIDLAND, TEXAS • MUTUAL 2-3725

December 26, 1962

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

RE: NMOCC Hearing December 19, 1962,
Cases 2118 and 2459 Reopened

Attention: Mr. A. L. Porter, Jr.

Gentlemen:

A hearing was held by The New Mexico Oil Conservation Commission December 19, 1962, for the purpose of reviewing temporary rules and regulations for the Lea Unit Devonian Pool, Lea County, New Mexico. Cases 2118 and 2459 were reopened, as provided in the hearing held one year ago.

This office of The Pure Oil Company did not receive notice of the hearing in time to make recommendations. Even though the hearing has already been held, The Pure Oil Company wishes to support the recommendation of Marathon Oil Company that the 160-acre proration units be made permanent and that the Commission assign allowables on the basis of the proportional factor of 12.33, being two normal unit allowables greater than the 80-acre allowable applicable under statewide rules.

In addition to the above support of Marathon's recommendation, The Pure Oil Company wishes to express the opinion that Rule No. 3 should not prevent any operator from seeking relief for protection of correlative rights or to prevent confiscation of property.

Yours very truly,

THE PURE OIL COMPANY

Harold Simpson
District Superintendent

cc: Marathon Oil Company
Mr. L. L. McDonald



MARATHON OIL COMPANY

FORMERLY THE OHIO OIL COMPANY

LEGAL DEPARTMENT

J. O. TERRELL COUCH
DIVISION ATTORNEY

JOHN H. BEVAN, JR.

WARREN B. LEACH, JR.

JACK FARISS

RICHARD G. RORSCHACH
ATTORNEYS

SOUTHERN NATIONAL BANK BUILDING
P. O. BOX 3128
HOUSTON 1, TEXAS

December 24, 1962

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

Attention: Mr. Jim Durrett

Re: NMOCC Hearing
December 19, 1962
Cases 2118 and 2459

Dear Jim:

I return for the Commission's files regarding the above numbered cases the letters and telegrams which you were kind enough to permit me to withdraw for copying. A list of the letters and telegrams is attached.

It was a pleasure to see you in Santa Fe and I only wish we could have had more time to visit. Perhaps we can arrange that on my next trip.

Sincerely,

J. O. Terrell Couch

TC:MK
Encls.

DRILLING AND EXPLORATION COMPANY, INC.

EXCHANGE BANK BUILDING

DALLAS 35, TEXAS

December 14, 1962

MAILING ADDRESS
P. O. BOX 35366
AIRLAWN STATION

Mr. J. O. Terrell Couch
Marathon Oil Company
c/o La Fonda Hotel
Santa Fe, New Mexico

Re: NMOCC Hearing
December 19, 1962,
Cases 2118 and 2459

Dear Mr. Couch:

Reference is made to your letter of December 12
concerning the above captioned cases.

Please be advised that we concur in your
recommendations and handling of these matters
as outlined in your letter of December 12.

Yours very truly,

DRILLING AND EXPLORATION COMPANY, INC.



E.A. Roberts, Jr.
Production Manager

EAR/rl

Gulf Oil Corporation

ROSWELL PRODUCTION DISTRICT

W. B. Hopkins
DISTRICT MANAGER
F. O. Mortlock
DISTRICT EXPLORATION
MANAGER
M. I. Taylor
DISTRICT PRODUCTION
MANAGER
H. C. Vivian
DISTRICT SERVICES MANAGER

December 17, 1962

P. O. Drawer 1938
Roswell, New Mexico

Oil Conservation Commission
State of New Mexico
Post Office Box 871
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.

Gentlemen:

Reference is made to the application of Marathon Oil Company in Cases No. 2118 and 2459 Consolidated (Re-opened) scheduled for hearing on December 19, 1962.

Gulf Oil Corporation is a Working Interest Owner in the Lea Unit and has other acreage in the vicinity. It is recommended that 160-acre spacing be adopted in the Lea-Devonian Pool on a permanent basis with an allowable assigned consistent with such spacing. It is further recommended that the allowable be based on a proportional factor of no less than 12.33.

Yours very truly,

W. B. Hopkins
W. B. Hopkins

JHH:sz

cc: Mr. J. O. Terrell Couch
La Ponda Hotel
Santa Fe, New Mexico



EDWIN L. COX
OIL AND GAS PRODUCER
2100 ADOLPHUS TOWER
DALLAS 2, TEXAS
December 15, 1962

RECEIVED
DEC 17 1962
LEGAL DEPT.

Marathon Oil Company
P. O. Box 3128
Houston 1, Texas

Attention: Mr. J. O. Terrell Couch

Gentlemen:

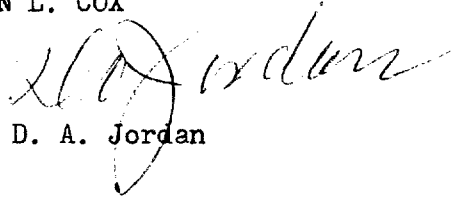
Re: NMOCC Hearing December 19, 1962,
Cases 2118 and 2459 Reopened

Edwin L. Cox concurs with your recommendation that the 160-acre proration units be made permanent and that allowables be assigned on the basis of the proportional factor of 12.33 being two (2) normal unit allowables greater than the 80-acre allowable applicable under state-wide rules.

Yours very truly,

EDWIN L. COX

By: D. A. Jordan



DAJ/ph

Telegram - 12/14/62 - Jake L. Hamon to J. O. Terrell Couch

Telegram - 12/17/62 - Joe Mefford, Division Production Supt. to J. O.
Terrell Couch

Letter - 12/14/62 - Drilling and Exploration Company, Inc. to
J. O. Terrell Couch

cc Letter- 12/17/62 - Gulf Oil Corporation to Oil Conservation Commission
(2 copies)

Letter - 12/15/62 - Edwin L. Cox to Marathon Oil Company