

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

MAIN OFFICE 3-11

APR 8 1969

APPLICATION OF HUMBLE OIL &
REFINING COMPANY FOR APPROVAL
OF UNIT AGREEMENT FOR THE
DEVELOPMENT AND OPERATION OF
THE SOUTH LEA UNIT AREA,
EMBRACING 8,324.16 ACRES IN
TOWNSHIP 26 SOUTH, RANGE 36
EAST, LEA COUNTY, NEW MEXICO

Case 4109

Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

Comes Humble Oil & Refining Company acting by and through the undersigned attorneys, and files herewith in triplicate proposed Unit Agreement for the Development and Operation of the South Lea Unit Area, Lea County, New Mexico, and hereby makes application for approval of said unit agreement, and in support thereof respectfully shows:

1. That the proposed unit area consists of the following described lands situated in Lea County, New Mexico, to-wit:

Township 26 South, Range 36 East, N.M.P.M.

Section 5 - All	Section 17 - All
Section 6 - All	Section 18 - All
Section 7 - All	Section 19 - All
Section 8 - All	Section 20 - All
Section 9 - All	Section 21 - All
Section 15 - All	Section 22 - All
Section 16 - All	

containing 8,324.16 acres, more or less.

That the proposed unit area consists of 5,082.16 acres, or 61.05%, of federal lands, 3,202, or 38.47% of lands of the State of New Mexico, and 40 acres, or .48% of fee or privately owned lands.

There is attached hereto, made a part hereof, and for purposes of identification marked Exhibit "A", a plat showing the proposed unit area, the character of the lands and the ownership of the oil and gas leases embracing the same.

2. That the proposed unit area was designated by the Acting Director of the United States Geological Survey on February 19, 1969 as an area logically subject to exploration and development under the unitization provisions of the Mineral Leasing Act, as amended, and said area has also been informally approved by the Commissioner of Public Lands of the State of New Mexico.

3. That the proposed unit agreement, copies of which are filed herewith, is substantially the same form as has heretofore been approved by the Commissioner of Public Lands, the United States Geological Survey and the Oil Conservation Commission where federal, state and fee lands are involved, and said form has heretofore been approved by the United States Geological Survey and the Commissioner of Public Lands.

4. That Humble Oil & Refining Company is designated as unit operator in the proposed unit agreement and that Section 9 of said agreement provides for the drilling of an initial test well on the unit area to a depth sufficient to test the Ellenburger formation; however, the unit operator is not obligated to drill said well to a depth in excess of 21,500 feet.

5. That in the opinion of applicant the proposed unit area covers substantially all of the geologic structure or anomaly involved and in the event of the discovery of unitized substances in paying quantities will give effective control of the field or pool and be in the interest of conservation and the prevention of waste and will tend to protect correlative rights.


6. That the unit agreement covers all formations and provides for the allocation of unitized substances on an acreage basis.

7. Applicant requests that this matter be set down for hearing at the examiner's hearing to be held on April 23, 1969.

Respectfully submitted,

HUMBLE OIL & REFINING COMPANY

By


Member of the Firm of
HINKLE, BONDURANT & CHRISTY
Attorneys for Applicant

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

APR 8 26
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APPLICATION OF HUMBLE OIL &
REFINING COMPANY FOR APPROVAL
OF UNIT AGREEMENT FOR THE
DEVELOPMENT AND OPERATION OF
THE SOUTH LEA UNIT AREA,
EMBRACING 8,324.16 ACRES IN
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By 

Member of the Firm of
HINKLE, BONDURANT & CHRISTY
Attorneys for Applicant



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

#5
RECEIVED
FEB 27 1969

FEB 19 1969

Hinkle, Bondurant & Christy
P. O. Box 10
Roswell, New Mexico 88201

HINKLE, BONDURANT & CHRISTY
ROSWELL, NEW MEXICO

Attention: Mr. Clarence E. Hinkle

Gentlemen:

Your undated application filed on January 15 with the Regional Oil and Gas Supervisor, Roswell, New Mexico, in behalf of Humble Oil & Refining Company, requests the designation of the South Lea unit area embracing 8,324.16 acres, more or less, Lea County, New Mexico, as logically subject to exploration and development under the unitization provisions of the Mineral Leasing Act, as amended.

Pursuant to unit plan regulations of December 22, 1950, 30 CFR 226.3 (1968 reprint), the land requested as outlined on your plat marked "Exhibit A, South Lea Unit Area," is hereby designated as a logical unit area.

The unit agreement submitted for the area designated should provide for the drilling of the initial exploratory well to test the Ellenburger formation or to a depth of 21,500 feet. Your proposed form of unit agreement will be acceptable if modified as shown in colored pencil and/or by attached riders on the attached copy of such agreement.

In the absence of any other type of land requiring special provisions, or any objection not now apparent, a duly executed agreement identical to the 1968 reprint, modified only as outlined above, will be approved if submitted in approvable status within a reasonable period of time. However, the right is reserved to deny approval of any executed agreement which, in our opinion, does not have full commitment of sufficient lands to afford effective control of unit operations.

When the executed agreement is transmitted to the supervisor for approval, include the latest status of all acreage. The format of the sample exhibits attached to the 1968 reprint of the standard form should be followed closely in the preparation of exhibits A and B.

BEFORE EXAMINER UTZ	
OIL CONSERVATION COMMISSION	
App. <u> </u>	EXHIBIT NO. <u>5</u>
CASE NO. <u>4109</u>	

STATE OF NEW MEXICO

Case 4109

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That the proposed unit area consists of 5.082.16 acres, or 61.05%, of federal lands, 3,202, or 38.47% of lands of the State of New Mexico, and 40 acres, or .48% of fee or privately owned lands.

Inasmuch as this unit area contains State of New Mexico lands, we are sending a copy of this letter to the Commissioner of Public Lands at Santa Fe. Please contact the State of New Mexico before soliciting joinders, regardless of prior contacts with or clearances from the State.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "William M. Baker".

Acting Director

There is attached hereto, made a part hereof, and for purposes of identification marked Exhibit "A", a plat showing the proposed unit area, the character of the lands and the ownership of the oil and gas leases embracing the same.

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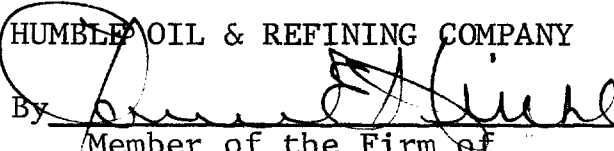
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HUMBLE OIL & REFINING COMPANY
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Member of the Firm of
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Attorneys for Applicant

DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 23, 1969

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, Alternate Examiner:

- CASE 4079: (Continued from the March 26, 1969, Examiner Hearing)
Application of Robert B. Holt for the creation of a new pool, assignment of a discovery allowable, and the promulgation of special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Middle Pennsylvanian oil pool for his Aztec State Well No. 2 located in Unit A of Section 26, Township 13 South, Range 32 East, Lea County, New Mexico, and for the assignment of an oil discovery allowable in the amount of approximately 48,715 barrels to said well. Applicant further seeks the promulgation of special pool rules for said pool, including a provision for 160-acre proration units and the assignment of 80-acre allowables.
- CASE 4106: Application of Southland Royalty Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Permo-Pennsylvanian formation in the perforated interval from approximately 9485 feet to 9713 feet in its Guye Well No. 4 located in Unit F of Section 12, Township 11 South, Range 33 East, Inbe Permo-Pennsylvanian Pool, Lea County, New Mexico.
- CASE 4107: Application of Coastal States Gas Producing Company for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the West Sawyer-San Andres Pool, Lea County, New Mexico, including a provision for 80-acre spacing and proration units.
- CASE 4108: Application of Humble Oil & Refining Company for the rededication of acreage, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to recomplete its New Mexico "V" State Well No. 5, a non-commercial Wantz-Abo oil producer, to a Tubb gas producer and to consolidate the 40 acres presently dedicated to said well with the 120 acres presently dedicated to its New Mexico "V" State Well No. 11, a Tubb gas producer, to form a standard 160-acre proration unit comprising the SW/4 of Section 10, Township 21 South, Range 37 East, Tubb Gas Pool, Lea County, New Mexico. Applicant further seeks authority to produce the allowable assigned to said unit from either of said wells in any proportion.
- CASE 4109: Application of Humble Oil & Refining Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the South Lea Unit Area comprising 8,324.16 acres, more or less, of State, Federal, and Fee lands in Township 26 South, Range 36 East, Lea County, New Mexico.

- CASE 4110: Application of Atlantic-Richfield Company for a waterflood project and unorthodox injection well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pilot waterflood project by the injection of water into the Queen formation through one well to be drilled at an unorthodox location 100 feet from the North and West lines of Section 23, Township 18 South, Range 31 East, Shugart Pool, Eddy County, New Mexico.
- CASE 4111: Application of Tenneco Oil Company for a dual completion and salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Morton Federal Well No. 1, located in Unit A of Section 12, Township 9 South, Range 35 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Vada-Pennsylvanian Pool and the disposal of produced salt water through the intermediate casing-production casing annulus into the San Andres, Abo and possibly other formations in the open-hole interval from approximately 4050 feet to 8120 feet.
- CASE 4112: Application of P-M Drilling Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Delaware formation in the perforated interval from approximately 5062 feet to 5100 feet in its James Federal Well No. 1 located in Unit A of Section 35, Township 23 South, Range 32 East, Triste Draw-Delaware Pool, Lea County, New Mexico.
- CASE 4113: Application of Texas Pacific Oil Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to substitute its State "D" A/c-1 Well No. 1 located in Unit A of Section 2, Township 12 South, Range 33 East, in lieu of its State "C" A/c-1 Well No. 1 located in Unit B of said Section 2 as the producing well for the proration unit comprising the N/2 NE/4 of said Section 2, Bagley-Siluro-Devonian Pool, Lea County, New Mexico.
- CASE 4114: Application of Gulf Oil Corporation for two unorthodox oil well locations and amendment to Order No. R-2729, Lea County, New Mexico. Applicant in the above-styled cause, seeks authority to drill two producing oil wells at unorthodox locations in Township 19 South, Range 35 East, as infill wells in the West Pearl Queen Unit Waterflood Project, Pearl Queen Pool, Lea County, New Mexico, said wells to be located as follows:
- West Pearl Queen Unit Well No. 164 to be located 1325 feet from the North line and 2635 feet from the West line of Section 32;
- West Pearl Queen Unit Waterflood Well No. 165 to be located 1420 feet from the South line and 1325 feet from the West line of Section 29;