

C O P Y

EUGENE MCELVANNEY JR.
PETROLEUM BLDG.

AT 7AM WEDNESDAY MAY 14, 1969 ALL WELLS IN THE BAR U
PENN FIELD WILL SHUT-IN TO COMMENCE BOTTOM HOLE
PRESSURE BUILD UP TEST. THE BOTTOM HOLE PRESSURE BOMBS
WILL BE PULLED OUT OF THE HOLE NO EARLIER THAN 7AM ON
FRIDAY MAY 16, 1969. THE FOLLOWING WELLS WILL HAVE BOMBS
RUN - THE ROGER C HANKS BRIDWELL STATE 1 AND 2, THE
LARIO OIL AND GAS STATE B 1 AND 2. YOUR REPRESENTATIVE
WILL BE ADMITTED TO WITNESS THE ACTUAL OPERATIONS OF
THESE TEST

MAY 12 500P CDT

PD

682 3764

ROSWELL NMEX.

ROGER C HANKS

Copy

MAY 13 1:25A CST

EUGENE MCELVANEY JR.
PETROLEUM BLDG.

682 3734

ROSWELL NMEX

THIS IS TO NOTIFY YOU THAT STARTING ON OR ABOUT 7AM
FRIDAY MAY 16, 1969 BOTTOM HOLE PRESSURE BOMBS WILL
BE TAKEN OUT OF THE 4 PREVIOUSLY TESTED WELLS IN THE
BAR U PENN FIELD. IF YOU DESIRE TO WITNESS THE FINAL
RESULTS OF THESE TESTS YOUR REPRESENTATIVE SHOULD BE
PRESENT ON THE LOCATION BETWEEN 7AM AND 9AM MOUNTAIN
STANDARD TIME AT THE BAR U PENN FIELD IN LEA COUNTY
NMEX

ROGER C HANKS

ROGER C. HANKS

606 WALL TOWERS WEST
MIDLAND, TEXAS 79701

1969 MAY 14 PM 9 03

Telegrams reference the New Mexico Oil Conservation Commission hearing scheduled for May 21, 1969 on Field Rules for the Bar U Pennsylvanian Field, Lea County, New Mexico, case # 4121.

19 MAY 1969
PAN AMERICAN PETROLEUM CORPORATION

OIL AND GAS BUILDING

P. O. BOX 1410

FORT WORTH, TEXAS—76101

D. L. RAY
DIVISION ENGINEER

May 15, 1969

File: GHF-239-986.510.1

Subject: Pool Rule Hearing
Bar-U Pennsylvanian Pool
Lea County, New Mexico

New Mexico Oil Conservation Commission
Post Office Box 871
Santa Fe, New Mexico 87501

Gentlemen:

It is our understanding that additional testimony will be heard on May 21, 1969, regarding the 160-acre Pool Rules requested by Roger C. Hanks in his initial hearing on May 7, 1969 (Case 4121).

Pan American Petroleum Corporation hereby supports Roger C. Hanks in his request for 160-acre units for the subject pool.

Yours very truly,

WCW:jn

cc: Roger C. Hanks
606 Wall Towers West
Midland, Texas 79701

CLARENCE E. HINKLE
W. E. BONDURANT, JR.
S. B. CHRISTY IV
LEWIS C. COX, JR.
PAUL W. EATON, JR.
CONRAD E. COFFIELD
HAROLD L. HENSLEY, JR.

MICHAEL R. WADLER
W. R. HUGHES, JR.

LAW OFFICES
HINKLE, BONDURANT & CHRISTY
600 HINKLE BUILDING
ROSWELL, NEW MEXICO 88201

April 7, 1969

MIDLAND, TEXAS OFFICE
521 MIDLAND TOWER
(915) MU 3-4691
OF COUNSEL: HIRAM M. DOW

TELEPHONE 622-6510
AREA CODE 505
POST OFFICE BOX 10

New Mexico Oil Conservation
Commission
P. O. Box 2088
Santa Fe, New Mexico

Attention: Mr. D. S. Nutter

Re: Roger C. Hanks, Ltd.

Gentlemen:

We enclose in triplicate Application of Roger C. Hanks, Ltd. for promulgation of Special Pool Rules for the Bar-U Pennsylvanian Pool. We would appreciate you setting the application for hearing at the earliest examiner's hearing.

Yours very truly,

HINKLE, BONDURANT & CHRISTY

Paul W. Eaton, Jr.
Paul W. Eaton, Jr.

PWE/jw
Enclosure

cc: Mr. Roger C. Hanks

DOCKET MAILED

Date 4-23-69

PAN AMERICAN PETROLEUM CORPORATION

OIL AND GAS BUILDING

P. O. BOX 1410

D. L. RAY
DIVISION ENGINEER

FORT WORTH, TEXAS—76101

April 16, 1969

File: GHF-176-986.510.1

Subject: Hearing called by Roger C. Hanks
to Consider Adoption of Field Rules,
Bar-U Pennsylvanian Pool
Lea County, New Mexico

New Mexico Oil Conservation Commission
Post Office Box 871
Santa Fe, New Mexico 87501

Gentlemen:

We have been informed by Mr. Roger C. Hanks that he intends to request adoption of field rules for the subject field. It is our understanding that these rules will include provisions for 160-acre units and 80-acre allowables for these units.

Pan American Petroleum Corporation has no objection to the 160-acre unit provision of the proposed field rules but we would prefer that a 160-acre oil allowable be assigned each 160-acre unit.

Yours very truly,

D. L. Ray

WCW:jn

cc: Roger C. Hanks
606 Wall Towers West
Midland, Texas 79701

DOCKET MAILED

Date 4-23-69

LARIO OIL & GAS COMPANY

PRODUCERS



P.O. BOX 155
MIDLAND, TEXAS 79701

May 23, 1969

New Mexico Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. Daniel C. Nutter
Subject: Application by Roger C. Hanks
for 160 acre spacing in the
Bar-U Pennsylvanian Field
Lea County, New Mexico
Case #4121

Gentlemen:

Lario Oil & Gas Company as an active operator in the Bar-U Pennsylvanian Field supports Mr. Roger C. Hanks in his application for 160 acre spacing in this field.

The recent bottom hole pressure survey in this field proves to us that this area is being uniformly drained between wells, and also, proves to us that one well will very readily drain in excess of 160 acres. The extent of decline in bottom hole pressure further indicates that this reservoir has suffered quite extensive depletion. It is our thought that a prudent operator would not want any closer spacing than 160 acres in this area, and we again support and ask your consideration of Mr. Hanks petition.

Respectfully yours,

LARIO OIL & GAS COMPANY



D. A. Chase
General Production Superintendent

DAC:sw

ROGER C. HANKS

Operating Company

606 WALL TOWERS WEST
MIDLAND, TEXAS 79701

May 12, 1969

Re: New Mexico Oil Conser-
vation Commission Case
4121, May 7, 1969
160 acre spacing - 80
acre allowable
BAR U PENNSYLVANIAN FIELD
Lea County, New Mexico

Gentlemen:

Reference is made to the above hearing which was conducted on schedule. Our very able counsel, Mr. Clarence Hinkle, as well as our competent consultant, Mr. Bill Lemay, presented the facts regarding this case as requested by the undersigned. The case was presented similar to the Vada Field showing severe pressure decline, obvious interconnecting permeability, log similarity, production similarity, and several other valid points.

There appeared, in opposition to the case, a Mr. Eugene McElvaney, Jr. of Roswell, New Mexico. His prime witness was a consulting engineer, Mr. Ralph H. Viney from Midland, Texas.

IN ESSENCE, MR VINEY TESTIFIED, UNDER OATH, IN HIS OPINION, YOU CANNOT SAY THAT A BOUGH "C" WELL WILL ADEQUENTLY DRAIN 160 ACRES AND, IN HIS OPINION, THE PRESSURE DECLINE DID NOT NECESSARILY REFLECT THE TRUE PICTURE OF INTERCONNECTING PERMEABILITY.

Not being a reasonable man, I nearly exploded after hearing the above testimony.

The case examiner, Mr. Daniel Nutter, acted in his usual competent manner and adjourned the case fro further testimony at the regularly scheduled hearing on May 21, 1969.

Bar U Penn Field
160 acre spacing

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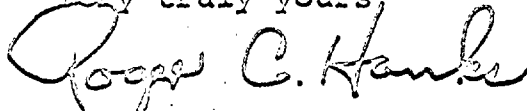
During this interim period, the operators of the Bar U Penn Field are to take 48 hour bottom hole pressure build up tests and present such evidence to the examiner for further study. Mr. Nutter thought the pressure data submitted was not current enough, with the exception of the undersigned's #1 Sinclair-State well located in the NW NW, Section 12-9S-32E, Lea County, New Mexico. This well is presently being tested for a potential. On April 17, 1969, a bottom hole pressure bomb was lowered and 74 hour build up taken and found to be 1505#. The original pressure of this reservoir was 2967# in October, 1963, in the Lario State "B" #1 located in SE SE, Section 1-9S-32E, Lea County, New Mexico. Subsequent drill stem tests taken from the undersigned's Bridwell-State #1 was 2388# taken on March 31, 1967 and his Lowe-State #1 was 2246# taken on October 18, 1967.

At considerable expense to the working interest owners, we are currently conducting bottom hole pressure build up tests on all wells. As I am sure you are aware, each well will have to be pulled in order to accomplish these tests.

I URGE YOU ALL, ONE MORE TIME, TO PLEASE LEND YOUR SUPPORT TO THIS CASE BY WRITING AND/OR WIRING SUCH SUPPORT TO THE ATTENTION OF MR. DANIEL NUTTER, CASE #4121, SET FOR ADDITIONAL TESTIMONY ON MAY 21, 1969.

I would like to personally thank you all for your previous support and ask for your continued help. As you all know, support, especially in a case such as this with opposition, is extremely important.

Very truly yours,



Roger C. Hanks

RCH:kw



304 S. PECOS

PHO. MU 2-2762

BOX 4125

BOTTOM HOLE PRESSURE RECORD

OPERATOR McGRATH & SMITH

FIELD BAR U - PENN

DATE 6-12-69

WELL STATE SGW #1

MAIN OFFICE
'69 JUL 10 PM 1 53

WELL DATA

Status SHUT IN 72 HRS.

Tbg. Press. 869# Csg. Press.

Depth Feet	Pressure PSI	Gradient PSI/Ft.
SURFACE	869	
2000	923	.027
4000	979	.028
6000	1037	.029
8000	1173	.068
8550	1328	.282
9050 (3)	1471	.286
9100 (1)	1485	(.286)
-4682		

Temp. @ 9050 Ft. = 154 Degrees F.
Top of: Fluid 7692' Water NONE RECORDED
Last B.H. Test INITIAL BHP
BHP Change
Chart No. 15485 Inst. No. 103
Run By JWL

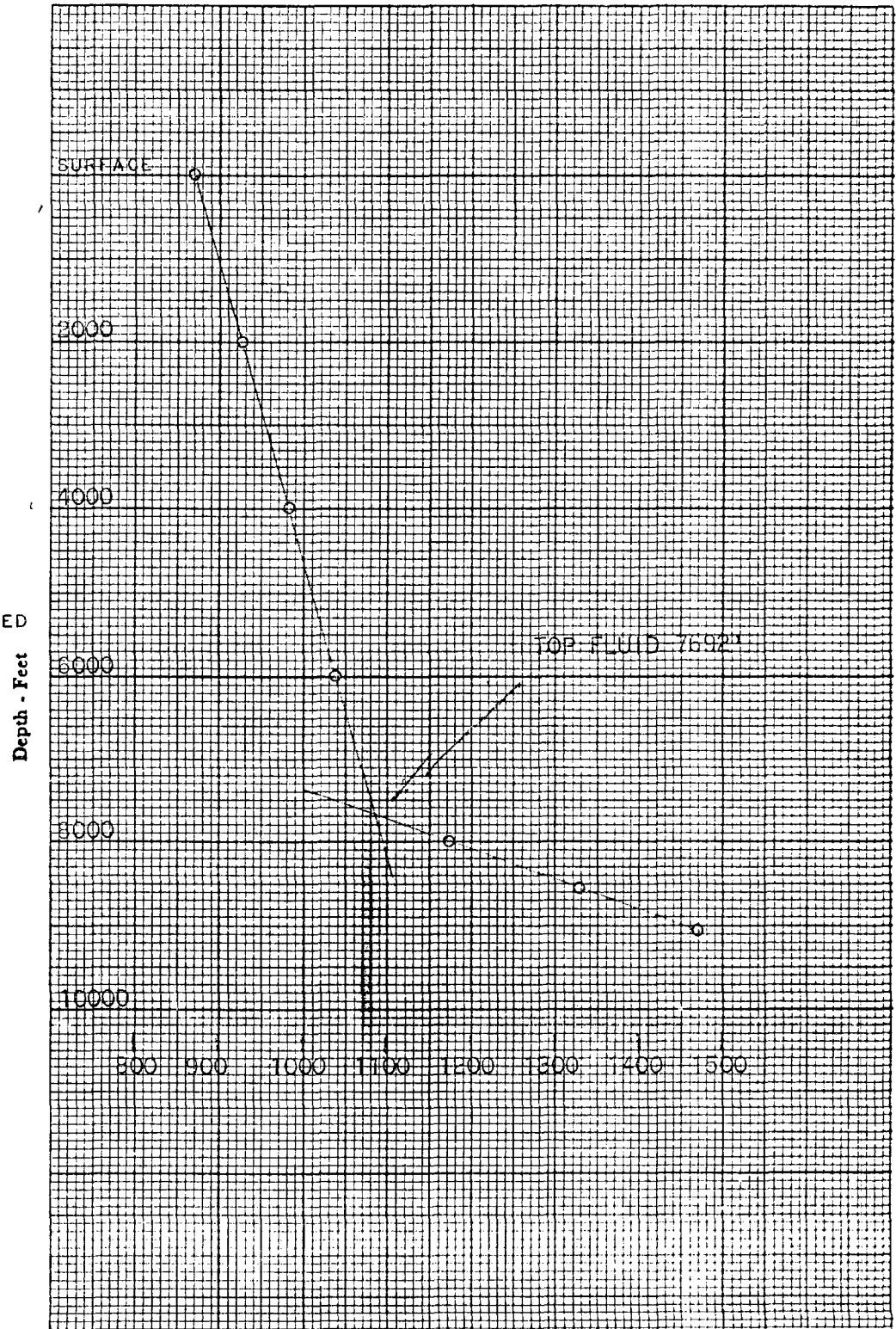
WELL INFORMATION

Elevation 4418 DF 4405 GR
Datum -4682 Csg. Perf. 9094-9104;
9106-9114
Formation PENN
Packer @ S.N. @ 9038
Bottom of Tubing 2" FUE @ 9090'
Maximum Safe Test Depth 9050'

FOOT NOTES

- . Extrapolated Pressure
- . Hit Obstruction
- . Self Compensating Element (No. Temp. Correction)
- . Corr. for Temperature
- . Corr. for U-Tube Effect

GRAPHIC PRESENTATION



The State of Texas,
County of Midland

HOBBS OFFICE D. C. C.

JUN 16 9 50 AM '69

JUN 16 10 PM '69
HOBBS OFFICE D. C. C.

BEFORE ME, the undersigned, a Notary Public in and for said County, State of Texas, on this day personally appeared J. B. Taylor, Engineer for McGrath & Smith, Inc. to me well known, and who, after being by me duly sworn, deposes and says that this is to certify that the attached Bottom Hole Pressure Test of McGrath & Smith, Inc. State SGW #1, Bar U - Penn Field, Chaves County, New Mexico is an exact copy of the original Bottom Hole Pressure test on file in the office of McGrath & Smith, Inc., 418 Building of the Southwest, Midland, Texas 79701.

J. B. Taylor
J. B. Taylor

SUBSCRIBED AND SWORN TO BEFORE ME, this 13 day of June A. D. 19 69

(L. S.)

Pauline B. Hobbs
Notary Public in and for Midland County, Texas.



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

P. O. BOX 2088 - SANTA FE

87501

GOVERNOR
DAVID F. CARGO
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

July 16, 1969

Mr. Clarence Hinkle
Hinkle, Bondurant & Christy
Attorneys at Law
Post Office Box 10
Roswell, New Mexico 88201

Re: Case No. 4121
Order No. R-3791
Applicant:
Roger C. Hanks

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC x

Artesia OCC

Aztec OCC

Other Mr. Jason Kellahin and Mr. Bill LeMay