

# **PENROC** *Oil Corporation*

P. O. DRAWER 831 • MIDLAND, TEXAS • 79701

*Telephone (915) 683-1861*

January 21, 1972

Re: Case No. 4173

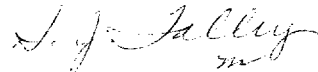
Mrs. Ida Rodriguez  
Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Dear Mrs. Rodriguez:

We have enclosed the three transcripts we borrowed from you recently. We thank you very much for allowing us to use these.

Very truly yours,

PENROC OIL CORPORATION

A handwritten signature in cursive script, reading "S. J. Talley".

S. J. Talley

SJT:mlm



# OIL CONSERVATION COMMISSION

**STATE OF NEW MEXICO**

**P. O. BOX 2088 - SANTA FE**

07101

**GOVERNOR  
DAVID F. CARGO  
CHAIRMAN**

**LAND COMMISSIONER  
ALEX J. ARMIJO  
MEMBER**

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

November 10, 1970

Mr. Jason Kellahin  
Kellahin & Fox  
Attorneys at Law  
Post Office Box 1769  
Santa Fe, New Mexico

Re: Case No. 4173  
Order No. R-3811-B  
Applicant:  
Amerada Hess Corporation

**Dear Sir:**

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

Very truly yours,

G. L. Parker, Jr.

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

ALP/ir

**Copy of order also sent to:**

Hobbs OCC **x**

**Artesia OCC**

**Aztec OCC**

**Other** \_\_\_\_\_

1970 JUL 13 13 44 10

Box 591  
MIDLAND, TEXAS 79701  
915-684-5531

Re: Case 4173 - Hobbs Drinkard  
Field Rules  
Supplemental Data

The attached graph is a plot of Static Bottom Hole Pressure vs. Accumulative Oil Production from the Hobbs Drinkard Pool since June 1952. The pressures shown are the same as those shown in attachments E & F of Exhibit No. 1 which was submitted in evidence at the hearing held Wednesday July 1, 1970. The order in which the pressures were taken are indicated by the numbers shown on the graph. Production from the Pan American State "A-2" lly well completed in June 1952, is included in the plot.

Respectfully yours,

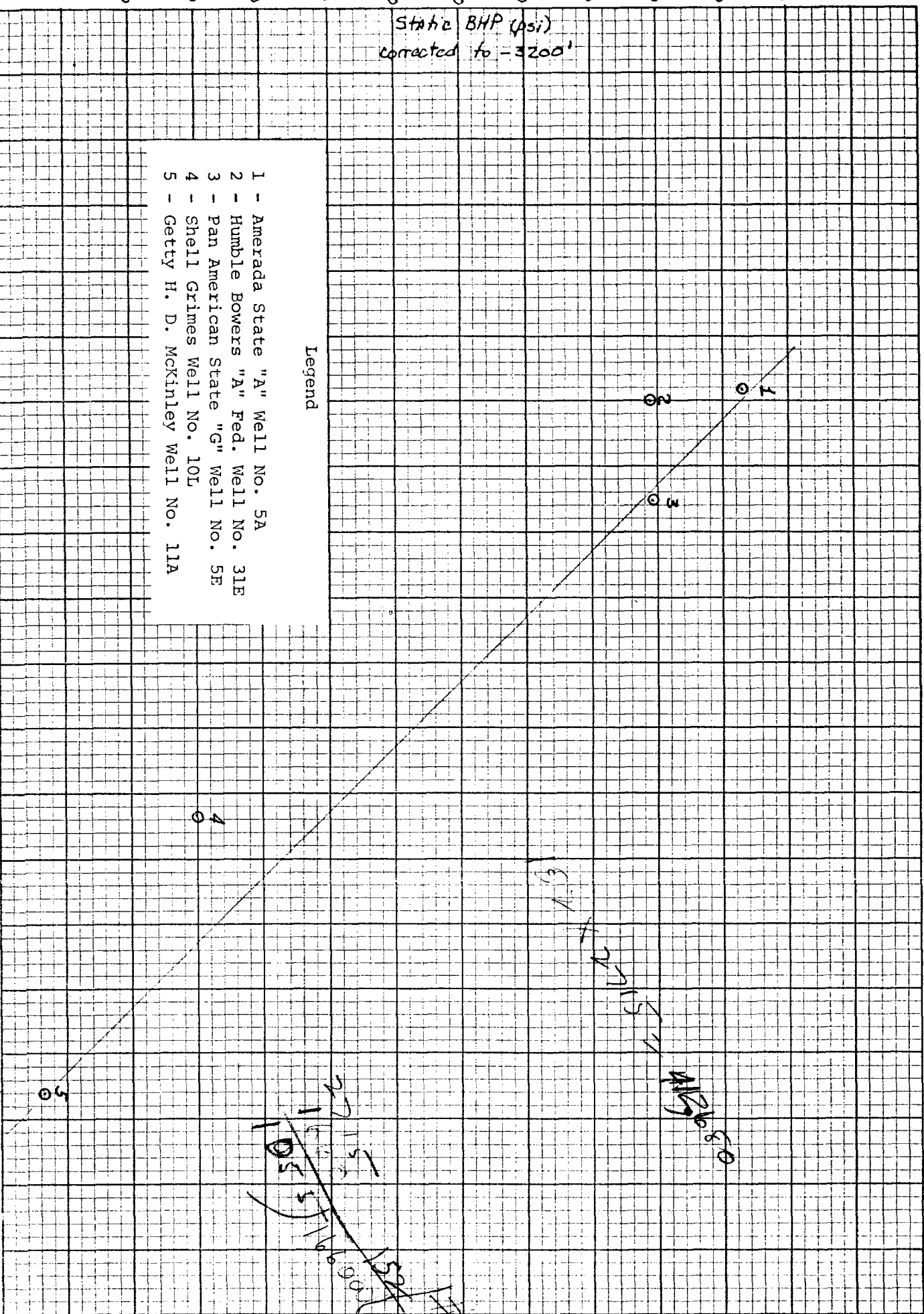
Sidney K. Smith

SKS/kw

Static BHP (psi)  
corrected to -3200'

Legend

- 1 - Amerada State "A" Well No. 5A
- 2 - Humble Bowers "A" Fed. Well No. 31E
- 3 - Pan American State "G" Well No. 5E
- 4 - Shell Grimes Well No. 10L
- 5 - Getty H. D. McKinley Well No. 11A





# Telegram

KA015 SSH022

1970 OCT 27 AM 8 38

K HBA002 JM PD=HOBBS NMEX 27 803A MST=

NEW MEXICO OIL CONSERVATION COMMISSION=

70 OCT 27 AM 9

PO BOX 2088 SANTA FE NMEX=

REFERENCE CASE 4173. CONTINENTAL OIL COMPANY HAS ONE  
(1) WELL PRODUCING FROM HOBBS DRINKARD POOL. CONTINENTAL  
OIL COMPANY SUPPORTS OPTIMUM SPACING FOR OIL AND GAS  
RESERVOIR BASED ON OUR LIMITED EXPERIENCE WITH HOBBS  
DRINKARD POOL. WE CONSIDER DRILLING ON 40 ACRE SPACING  
TO BE UNCONOMICAL WE ALSO CONSIDER THE REINJECTION OF  
GAS TO BE UNWARRANTED AS UNECONOMICAL AND UNLIKELY TO  
INCREASE RECOVERY OF OIL. IN VIEW OF MARGINAL NATURE OF



# Telegram

OIL PRODUCTION WE FAVOR THE HIGHEST LIMITING GAS OIL  
RATIO CONSISTENT WITH THE COMMISSION'S POLICY  
DISCOURAGING THE SPACING OF GAS WE DO NOT BELIEVE THAT  
CURTAILING OIL PRODUCTION BECAUSE OF HIGH OIL GAS RATIO  
PRODUCTION WILL SUBSTANTIALLY INCREASE OIL PRODUCTION  
FROM THIS RESERVOIR=

L P THOMPSON DIVN MGR CONTINENTAL OIL CO HOBBS NMEX.=

=4173 (1) 40.(818)



# Telegram

KA047 NSA218

(112)•

1970 OCT 27 PM 12 45

NS MDA051 DJ PD=WUX MIDLAND TEX 27 100P CST=

OIL CONSERVATION COMM, ATTN A L PORTER JR SECRETARY=

DIRECTOR= STATE OF NEW MEXICO PO BOX 2088

SANTA FE NMEX=

SHELL OIL COMPANY HAS REVIEWED THE PREPARED TESTIMONY OF AMERADA HESS CORPORATION AND SUPPORTS THEM IN CASE 4173 FOR THE ADOPTION OF 80-ACRE SPACING UNITS AND A LIMITING GAS OIL RATION OF 4000 CUBIC FEET OF GAS PER BARREL OF OIL AS PERMANENT FIELD RULES FOR THE HOBBS-DRINKARD POOL LEA COUNTY, NEW MEXICO. WE HAVE ALSO REVIEWED THE FEASIBILITY OF A GAS INJECTION PROGRAM



# Telegram

FOR THIS FIELD AND FIND THAT IT WOULD PROBABLY BE  
ECONOMICALLY UNSUCCESSFUL==

J J PICKELL MANAGER PRODUCTION SOUTH MID-CONTINENT  
DIVISION SHELL OIL CO MIDLAND TEXAS

=2088 4173 80 4000 =



KA026 NSC032

(914).

NS MDA012RS PDF=MIDLAND TEX 29 841A CST=

A L PORTER JR, SEC-DIR=

NMOCC SANTA FE NMEX=

1970 SEP 29 AM 8 31

RE RULES REVIEW (CASE 4173 RE-OPENED) HOBBS DRINKARD  
FIELD

GETTY OIL COMPANY CONCURS WITH TESTIMONY GIVEN BY  
AMERADA HESS CORP THAT RULES IN OFFSETS FOR THE HOBBS  
DRINKARD POOL LEA COUNTY NEW MEXICO AS ADOPTED BY ORDER  
R3811 AND EXTENDED BY ORDER R3811-A SHOULD BE CONTINUED  
J E PIERCE DIST PROD MGR GETTY OIL CO=

# HUMBLE OIL & REFINING COMPANY

MIDLAND, TEXAS 79701

PRODUCTION DEPARTMENT  
MIDCONTINENT DIVISION  
G. E. UTHLAUT  
OPERATIONS MANAGER

October 20, 1970

70 OCT 25 1970  
POST OFFICE BOX 1600

File: 20-3

Re: Hobbs-Drinkard Pool  
Lea County, New Mexico  
Case No. 4173, to be heard  
October 28, 1970

New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

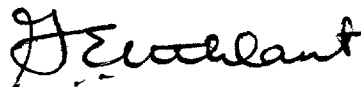
Attention: Mr. A. L. Porter, Jr.

Gentlemen:

Humble Oil & Refining Company is an operator in the Hobbs-Drinkard Pool with one oil completion and two dry holes. We are of the opinion that one well will drain at least 80 acres and that pressure depletion is the most economic means to produce this reservoir. Continuation of the 4000 gas-oil ratio limit will materially improve the economics of this Drinkard Pool and will not adversely affect ultimate recovery.

For these reasons, Humble Oil & Refining Company supports the proposal by Amerada-Hess to retain the present rules for the Hobbs-Drinkard Pool.

Yours very truly,



G. E. UTHLAUT

HNR/rs

cc: Amerada-Hess Corp.  
Western United Life Bldg.  
Midland, Texas

NE-O-TEX CORPORATION

Nebraska - Oklahoma - Texas Oil Production  
Petroleum Life Building  
MIDLAND, TEXAS

MUTUAL 2-0742  
MIDLAND, TEXAS

371-0663

PHONE 2058  
NORFOLK, NEBRASKA

October 23, 1970

Re Case #4173  
Hobbs - Drinkard  
October 28, 1970

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

Attention: A. L. Porter, Jr.

Gentlemen:

We have this date reviewed the data to be presented by Amerada Hess Corporation in regard to captioned to come before the Commission October 28, 1970.

We find Amerada's exhibits very interesting and factual and support their position 100% in letting the existing field rules of the Hobbs Drinkard remain at 80 acre spacing and 4000 gas oil ratio.

We are now in the process of completing our first Hobb-Drinkard well and will commence a second well immediately in Section 29, 18S, 38E.

Thank you for your consideration.

Yours very truly,



Ne-O-Tex Corporation  
by Max H. Christensen, geologist

MHC:dc

cc: Amerada Hess Corporation



# 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 15, 1970

Mr. Jason Kellahin  
Kellahin & Fox  
Attorneys at Law  
Post Office Box 1769  
Santa Fe, New Mexico

Re: Case No. 4173  
DOCKET MAILED Order No. R-3811-A

Date 9-18-70 Applicant:  
Amerada Hess Corporation

DOCKET MAILED

Dear Sir:

Date 10-14-70

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

JASON W. KELLAHIN  
ROBERT E. FOX

KELLAHIN AND FOX  
ATTORNEYS AT LAW  
54 1/2 EAST SAN FRANCISCO STREET  
POST OFFICE BOX 1769  
SANTA FE, NEW MEXICO 87501

TELEPHONE 982-4315  
AREA CODE 505

July 10, 1970

Mr. Elvis A. Utz  
New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico

Re: Case No. 4173

Dear Elvis:

Enclosed is a pressure vs. cumulative oil production curve, which I requested from Amerada Hess Corporation in connection with the above case.

We feel that as the witness, Sindy Smith, testified, point No. 2, which is the Humble Well, falls below the line which we feel best represents pressure decline, and is not representative, because of production prior to the date of the well test.

The graph represents total pool production, which would affect any pressure data taken at a later date. Sidney Smith tells me that he feels the straight line plot best represents pressure decline in the reservoir, which shows drainage on an 80-acre unit.

If you need any further information please let me know.

Yours very truly,



Jason W. Kellahin

jwk;jh

Encl. as stated.



# Telegram

KA095 NSC256

(214).

NS MDA082 DJ PD=WUX AR MIDLAND TEX 30 210P CDT=

OIL CONSERVATION COMM=

1970 JUN 30 PM 1 26

STATE OF NEW MEXICO PO BOX 2088 SANTA FE NMEX=

ATTENTION A L PORTER JR SECRETARY DIRECTOR. SHELL OIL  
COMPANY SUPPORTS AMERADA HESS CORPORATION IN CASE 4173  
FOR THE ADOPTION OF 80-ACRE SPACING UNITS AND A LIMITING  
GAS-OIL RATIO OF 4000 CUBIC FEET OF GAS PER BARREL OF  
OIL AS PERMANENT FIELD RULES FOR THE HOBBS DRINKARD  
POOL, LEA COUNTY, NEW MEXICO=

J J PICKELL MANAGER PRODUCTION DEPARTMENT-SOUTH  
MID-CONTINENT DIVISION SHELL OIL CO MIDLAND TEXAS=

=4173 80 4000 =

KA034 NSB097

1970 JUN 30 AM 10 10

(1016).

NS MDA023 NP PD=MIDLAND TEX 30 1003A CDT=

NEW MEXICO OIL CONSERVATION COMM ATTN A L PORTER JR=  
STATE LAND OFFICE BLDG SANTA FE NMEX=

HUMBLE OIL AND REFINING COMPANY AS AN OPERATOR IN THE  
HOBBS BRINKARD POOL, LEA COUNTY, RESPECTFULLY REQUEST  
CONTINUATION OF THE TEMPORARY SPECIAL RULES AND  
REGULATIONS FOR THIS POOL IN SUPPORT OF AMERADAS  
TESTIMONY TO BE PRESENTED IN CASE (#4173) ON JULY 1, 1970.  
WHEREBY EIGHTY ACRE SPACING AND 4,000 GOR WOULD BE  
ADOPTED AS PERMANENT=

L H BYRD HUMBLE OIL AND REFINING CO=

=4173 1 1970 4000 GOR=



# 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

August 14, 1969

Mr. Jason Kellahin  
Kellahin & Fox  
Attorneys at Law  
Post Office Box 1769  
Santa Fe, New Mexico

Re: Case No. 4173  
Order No. R-3811  
Applicant:  
Amerada Hess Corporation

DOCKETED

6-18-70

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. Richard Morris





# CONTINENTAL OIL COMPANY

P. O. Box 460

HOBBS, NEW MEXICO 88240

June 26, 1970

PRODUCTION DEPARTMENT  
HOBBS DIVISION  
L. P. THOMPSON  
Division Manager  
G. C. JAMIESON  
Assistant Division Manager

1001 NORTH TURNER  
TELEPHONE 393-4141

29 AM 8 08  
JUN 29 1970

*[Handwritten initials]*

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

Gentlemen:

Subject: Case No. 4173 - Examiner Hearing, Wednesday,  
July 1, 1970

---

Continental Oil Company wishes to express their support to Amerado-Hess' proposal to continue the temporary field rules for the Hobbs-Drinkard Pool as permanent field rules. It is our opinion that the field can be developed on an 80 acre area spacing and a limiting GOR of 4,000; and protect correlation rights.

Yours very truly,

*[Handwritten signature]*

GCCJ:JM



# CHEVRON OIL COMPANY

WESTERN DIVISION

1700 BROADWAY P. O. BOX 599 DENVER COLO 80201

June 25, 1970

AM 8 17  
JUN 29 1970

*file - Case 4193*

New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Gentlemen:

Reference is made to the hearing scheduled for July 1, 1970 at which the rules governing the Hobbs-Drinkard Pool are to be reviewed.

Chevron Oil Company favours continuation of the temporary rules on a permanent basis. We operate one well on an 80-acre lease at this time, and it is our intention to complete a second well on this same lease with a single 80-acre allowable to be produced from both wells on the single proration unit. It is our understanding that the existing rules would not prohibit our completion of the second well on this 80-acre proration unit.

Very truly yours,

*John T. Cameron*  
John T. Cameron  
Supervising Proration Engineer

JTC:mkf

cc: Mr. Jason Kellahin  
P. O. Box 1769  
Santa Fe, New Mexico 87501

(440).

RULES. WE BELIEVE THE DRINKARD FORMATION SHOULD BE DEVELOPED UNDER THE SAME RULES AS THE BLINEBRY FORMATION, WHICH IS THUS FAR DEVELOPED ON 40-ACRE DENSITY, UNTIL EVIDENCE IS AVAILABLE WHICH DICTATES SOME OTHER DENSITY. WE DO NOT BELIEVE EXISTING DATA INDICATES THAT ONE WELL WILL EFFICIENTLY AND ECONOMICALLY DRAIN MORE THAN 40 ACRES NOR THAT LARGER SPACING IS NECESSARY TO ASSURE ECONOMICAL DEVELOPMENT WE URGE THAT THE HOBBS-DRINKARD POOL CONTINUE TO BE GOVERNED BY STATEWIDE RULES

= JOHN T CAMERON SUPERVISING PRORATION ENGINEER =

4173 80 80 80 40 ALSO 4173



# Telegram

LA 104 NSB475

*Handwritten signature*

NS HSA563 JR PDB=WUX HOUSTON TEX 22 427P CDT= 1969 JUL 22 PM 4 24  
NEW MEXICO OIL CONSERVATION COMMISSION=  
STATE LAND OFFICE BLDG SANTA FE NMEX=  
RE: CASE 173, APPLICATION OF AMERADA-HESS FOR  
SPECIAL RULES FOR HOBBS-DRINKARD POOL.=  
STANDARD OIL COMPANY OF TEXAS IS OPPOSED TO THE ADOPTION  
OF 80-ACRE RULES AT THIS TIME. STANDARD OF TEXAS  
OPERATES ONE 80-ACRE TRACT ON WHICH WE ARE NOW  
COMPLETING A DUAL DRINKARD-BLINEBRY WELL. WE PLAN TO  
DRILL AND COMPLETE A SECOND DUAL PRODUCER ON THIS  
80-ACRE TRACT IF THE DRINKARD REMAINS ON STATEWIDE