

Case No.

474

Application, Transcript,
Small Exhibits, Etc.

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

TRANSCRIPT OF HEARING

CASE NO. 474

February 17, 1953

E. E. GREESON
ADA DEARNLEY
COURT REPORTER
BOX 1303
PHONES 5-9422 AND 5-9546
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

February 17, 1953

In the Matter of:

Gulf Oil Corporation's Application for Order
communitizing for development, production
and proration purposes Lot 3 (7.22 acres)
with NE/4 SW/4, and Lot 4 (7.20 acres) with
SE/4 SW/4, all in 28-24S-38E, N.M.P.M., in
immediate vicinity of West Dollarhide Pool.

No. 474

TRANSCRIPT OF HEARING

(Notice of Publication read by MR. GRAHAM.)

(Marked Exhibits 1, 2 and 3 for Identification.)

D O N W A L K E R

having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. CAMPBELL:

Q State your name, please.

A Don Walker.

Q By whom are you employed?

A Gulf Oil Corporation.

Q Where?

A Fort Worth, Texas.

Q What is your capacity with that company?

A I am a petroleum engineer.

Q In connection with your employment with Gulf Oil Corpora-

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ROOM 105-106, EL CORTEZ BLDG.
PHONES 7-9645 AND 5-9546
ALBUQUERQUE, NEW MEXICO

tion, are you acquainted with the application of Gulf for the approval of the two communitization agreements near the Dollarhide field in Lea County, New Mexico?

A Yes, sir.

Q I hand you what has been marked Exhibit 1, and ask you to state what that is.

A This is an area plat showing a portion of our Gulf Oil Corporation W.E. Ramsey lease in the West Dollarhide area, Lea County, New Mexico.

Q I will hand you Exhibit 2 and ask you to state what that is.

A This is a plat of the other side of the state line, a portion of Andrews County, which also shows the adjoining W. E. Ramsey Lease in the West Dollarhide area.

Q I hand you Exhibit 3 and ask you to state what that is.

A We have entitled this a Unit Plat accompanying Case 474, which shows the two units which we propose to pool in the agreement.

Q Have the owners of the working interests in the Federal leases adjoining the 40-acre tracts which you are seeking to pool, agreed to this communitization?

A Yes, sir.

MR. CAMPBELL: If the Commission please, this is an application similar to one which was previously granted and involves the communitization of two small Federal tracts on state land comprising approximately 7 acres with state tracts of 40 acres owned by Gulf. For the purpose of making it possible to attribute production to the seven-acre tracts, we have considered it

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necessary in order to obtain the allowable equivalent to forty, seven-fortieths of the additional acre allowable to obtain permission of the Commission. The circumstances in the order are the same as this Commission previously granted in the Snowden communication agreement in this same area. I have nothing further unless the commission does.

MR. SPURRIER: Is there a question of the witness?

MR. GRAHAM: What is the attitude of the United States officials?

MR. CAMPBELL: I might say, I don't know if this witness knows. I might say, that the Government has approved the procedure. The last one that we had was the first occasion that we had to seek approval. There is some technical matters that are being worked out with reference to the distribution of the allowable which is obtained from this Commission. They approved it as a matter of fact because of the small size of the Federal tracts. It is about the only way they can obtain any development.

MR. SPURRIER: The witness may be excused. Anything further in this case.

MR. CAMPBELL: At this time I would like to offer Exhibits 1, 2 and 3 in evidence.

MR. SPURRIER: Without objection they will be received. The case will be taken under advisement and we will go to case 488.

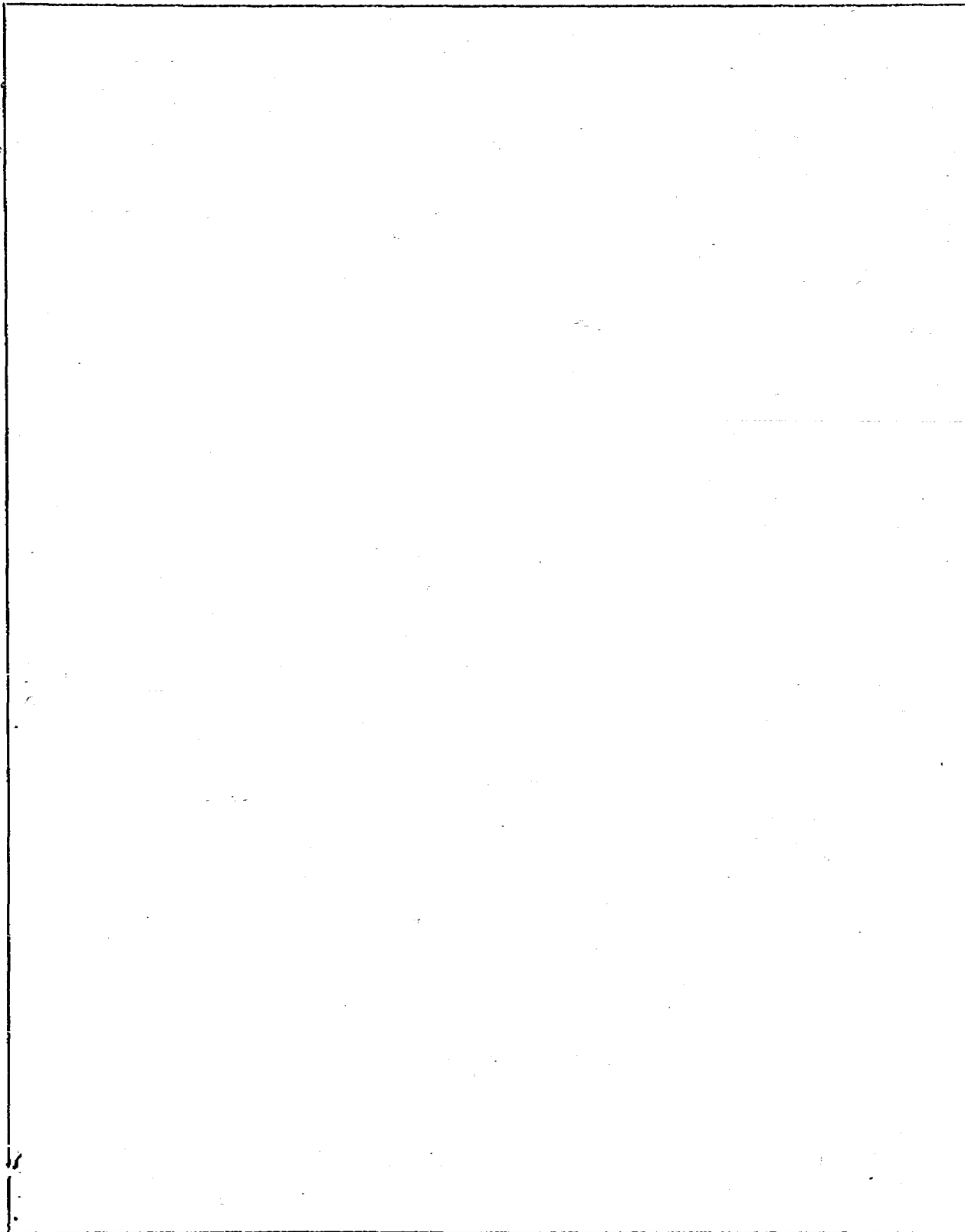
STATE OF NEW MEXICO }
COUNTY OF BERNALILLO } ss.

I HEREBY CERTIFY that the foregoing and attached transcript of hearing in Case No. 474, before the Oil Conservation Commission, State of New Mexico, at Santa Fe, on February 17, 1953, is a true and correct record of the same to the best of my knowledge, skill and ability.

DATED at Albuquerque, New Mexico this 24th day of February, 1953.

Ada Dearnley
REPORTER

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 105-106, EL CORTEZ BLDG.
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ALBUQUERQUE, NEW MEXICO



E. E. GREESON
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BOX 1303
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ALBUQUERQUE, NEW MEXICO

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF THE STATE OF NEW
MEXICO FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 474
ORDER No. R-281

THE APPLICATION OF GULF OIL
CORPORATION TO UNITIZE FOR
PRORATION AND PRODUCTION AND
OPERATION PURPOSES LOTS 3 AND 4,
SECTION 28, WITH THE NE/4 SW/4 AND
SE/4 SW/4 OF THE SAME SECTION IN
TOWNSHIP 24 SOUTH, RANGE 38 EAST,
NMPM, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This matter came on for hearing at Santa Fe, New Mexico, at 9 o'clock a.m., February 17, 1953, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 27th day of February, 1953, the Commission, a quorum being present, having considered the testimony adduced and the exhibits received at said hearing, and being otherwise fully advised in the premises,

FINDS:

(1) That due notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the SE/4 of Section 28, Township 24 South, Range 38 East, NMPM, Lea County, New Mexico, is composed of Lots 3 and 4, Lot 3 containing 7.22 acres and Lot 4 containing 7.20 acres.

(3) That the lots in question are near the defined limits of the West Dollarhide Pool.

(4) That wells drilled on the lots in question would be entitled to only approximately 7/40 of the allowable assigned to a full 40-acre unit.

(5) That Gulf Oil Corporation holds State Oil and Gas Lease No. 2016 covering, with other lands, the NE/4 SW/4 and SE/4 SW/4 of Section 28 abutting said Lots 3 and 4 respectively, in said section; that by communitizing Lot 3 with the NE/4 SW/4 and Lot 4 with the SE/4 SW/4 two units approximating square quarter-quarter sections of 47.22 acres and 47.20 acres respectively, could be had; that by communitization waste could be prevented and correlative rights protected.

(6) That Lot 3 Section 28, Township 24 South, Range 38 East, NMPM, Lea County, New Mexico, because of its small size should be communitized for the purposes of production and proration of oil with the normal drilling unit to the west, being the NE/4 SW/4 Section 28, Township 24 South, Range 38 East, NMPM.

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Case No. 474
Order No. R-281

(7) That Lot 4 Section 28, Township 24 South, Range 38 East, NMPM, Lea County, New Mexico, because of its small size should be unitized for the purpose of production and proration of oil with the normal drilling unit to the west, being the SE/4 SW/4 Section 28, Township 24 South, Range 38 East, NMPM.

IT IS THEREFORE ORDERED:

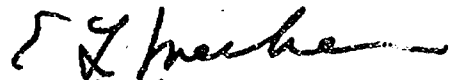
(1) That Lot 3 and NE/4 SW/4 (comprising one unit of 47.22 acres) and Lot 4 and the SE/4 SW/4 (comprising one unit of 47.20 acres) Section 28, Township 24 South, Range 38 East, be, and the same hereby are respectively communitized for development and production of oil and gas, provided, however:

(a) That such communitization shall not become effective until and unless the applicant herein, or his successors in ownership, shall have filed in this office an agreement duly executed by himself and/or successors and the Gulf Oil Corporation, duly approved in writing by the Director of the U. S. Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

(b) That upon production being had upon either or both communitized tracts, the same shall be given allowable of 47/40 of the current top allowable assigned.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



EDWIN L. MECHEM, Chairman

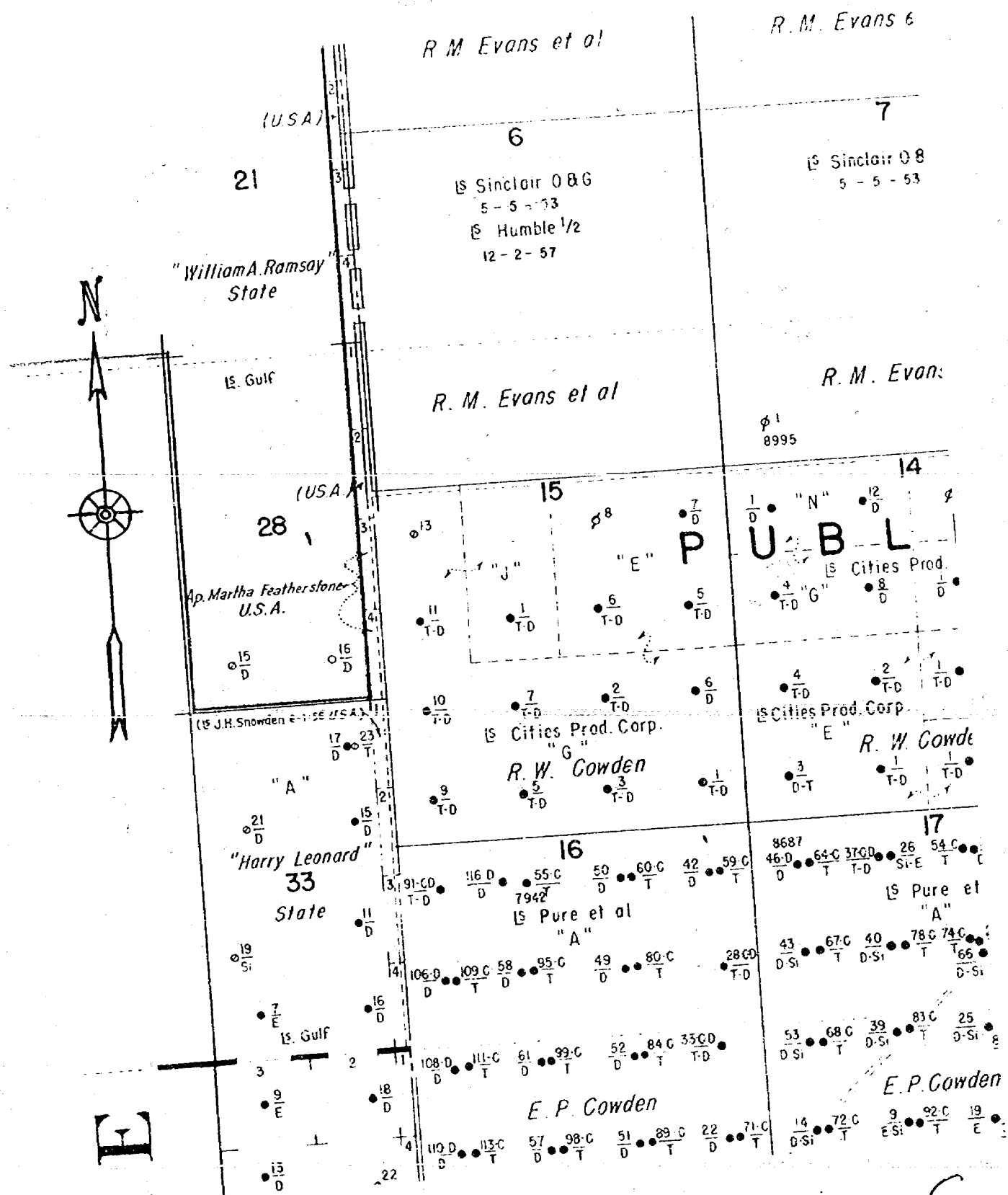


E. S. WALKER, Member



R. R. SPURR, Secretary

SEAL



PLAT OF PORTION OF
ANDREWS COUNTY, TEXAS SHOWING AREA
ADJOINING WM. A. RAMSAY LEASE, WEST DOLLARHIDE AREA,
LEA COUNTY, NEW MEXICO.

Scale: 1" = 2000'

Exp 2

474

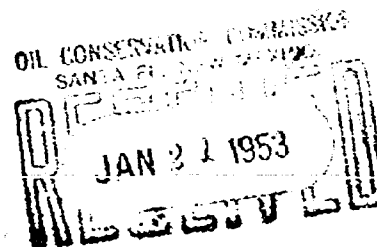
ATWOOD, MALONE & CAMPBELL
LAWYERS

Case 474
JEFF D. ATWOOD
ROSS L. MALONE, JR.
JACK M. CAMPBELL

CHARLES F. MALONE

J.P. WHITE BUILDING
ROSWELL, NEW MEXICO

January 19, 1953



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

Attention: Mr. W. B. Macey

Dear Bill:

I am enclosing original and three copies of the application I spoke to you about in Santa Fe on behalf of Gulf Oil Corporation. I would appreciate it very much if this could be set down for the February hearing as Gulf is anxious to start wells on these tracts.

With kindest personal regards, I am

Very truly yours,

Jack M. Campbell
for ATWOOD, MALONE & CAMPBELL

JMC:hl
Encl.

APPLICATION
BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

Comes now Gulf Oil Corporation by its attorneys on this 16th day of January, 1953 and makes application to the Oil Conservation Commission of New Mexico for an order communitizing the NE $\frac{1}{4}$ SW $\frac{1}{4}$ and Lot 3 Section 28 and the SE $\frac{1}{4}$ SW $\frac{1}{4}$ and Lot 4 Section 28 in Township 24 South, Range 38 East, N.M.P.M. Lea County, New Mexico, and granting an allowable on the communitized tracts. As its basis for the application, applicant states:

1. Lot 3 of Section 28, Township 24 South, Range 38 East, Lea County, New Mexico, is held by Martha Featherstone under Federal Oil and Gas Lease Serial No. NM-02240 and said lot contains 7.22 acres. NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 28, Township 24 South, Range 38 East, Lea County, New Mexico, is held under State Lease by Gulf Oil Corporation, the applicant, and consists of 40 acres.

2. Lot 4 of Section 28, Township 24 South, Range 38 East, Lea County, New Mexico, is held by Martha Featherstone under Federal Oil and Gas Lease Serial No. NM-02240 and said lot contains 7.20 acres. SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 28, Township 24 South, Range 38 East, Lea County, New Mexico, is held under State Lease by Gulf Oil Corporation, the applicant, and consists of 40 acres.

3. That Lots 3 and 4 above described being narrow strips containing a small amount of acreage cannot economically be drilled because of the reduced acreage allowable under the Rules and Regulations of the Commission.

4. That the properties in question are now near the defined limits of the West Dollardhide Pool of Lea County, New Mexico.

5. That by communitizing the tracts described into two communitized proration units the waste of oil and gas can be prevented and correlative rights may be protected.

WHEREFOR applicant respectfully requests that the Commission set this application for public hearing at the February hearing of the Commission and that due and proper notice be given as required by law, and that the Commission after hearing issue its order granting the application for relief requested in the first paragraph herein.

GULF OIL CORPORATION,
Fort Worth, Texas

By ATWOOD, MALONE & CAMPBELL


Jack M. Campbell