

Case No.

623

Application, Transcript,
Small Exhibits, Etc.

NL

Union Maritime and
of 120 acres in 33-198-37E
Lumber Gas Pool

OIL CONSERVATION COMMISSION

P. O. BOX 871

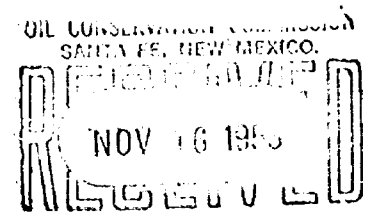
SANTA FE, NEW MEXICO

Dec 17 1953 Hearing - CROSS FILE: Re Cases 613 - 626, incl.

**In File Case 613, note Shell Oil Company statement, which was to
be applied to Cases 613 - 626, incl.**

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BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF)
SOUTHERN UNION GAS COMPANY FOR APPROVAL)
OF AN UNORTHODOX GAS PRORATION UNIT IN)
THE EUMONT POOL, LEA COUNTY, NEW MEXICO)

CASE NO. 623

APPLICATION

The undersigned Applicant, Southern Union Gas Company, respectfully petitions the Commission for the issuance of an order approving an unorthodox gas proration unit in the Eumont Gas Pool comprising the $W\frac{1}{2}$ of the $NE\frac{1}{4}$ and the $SE\frac{1}{4}$ of the $NE\frac{1}{4}$ of Section 33, Township 19 South, Range 37 East, N.M.P.M., Lea County, New Mexico, as depicted on the plat attached hereto as Exhibit "A", and containing 120 acres, more or less.

In support of this application, Applicant alleges and states:

1. That Applicant is a corporation organized under the laws of the State of Delaware and is qualified to transact business in the State of New Mexico. Its principal place of business is located at Dallas, Texas, where it maintains its principal business office at 1104 Burt Building, Dallas 1, Texas.

2. That Applicant is the present owner and holder of an oil and gas lease executed by James H. Williams et al, as Lessors, covering and embracing, among other lands, the $W\frac{1}{2}$ of the $NE\frac{1}{4}$ and the $SE\frac{1}{4}$ of the $NE\frac{1}{4}$ of Section 33, Township 19 South, Range 37 East, N.M.P.M., Lea County, New Mexico.

3. That Applicant drilled and completed its Williams No. 1 gas well on the above described lands at a location 990' South of the North line, and 1650' West of the East line of Section 33, Township 19 South, Range 37 East, N.M.P.M., and such well is presently connected to Applicant's Lea County gathering system.

4. That Applicant has not been able to effectively pool the above lease so as to form an orthodox proration unit.

5. That Applicant's well is a marginal well and approval of the proposed unorthodox gas proration unit will not seriously affect future drilling, if any, in the area.

Therefore, Applicant respectfully requests that this matter be set down for hearing before the Commission; that notice thereof be given as required

by law and the regulations of the Commission; and that upon final hearing the Commission enter its order approving the unorthodox gas proration unit as requested by Applicant in this application.

Respectfully submitted,

SOUTHERN UNION GAS COMPANY

By Q. B. Davis
Its Attorney

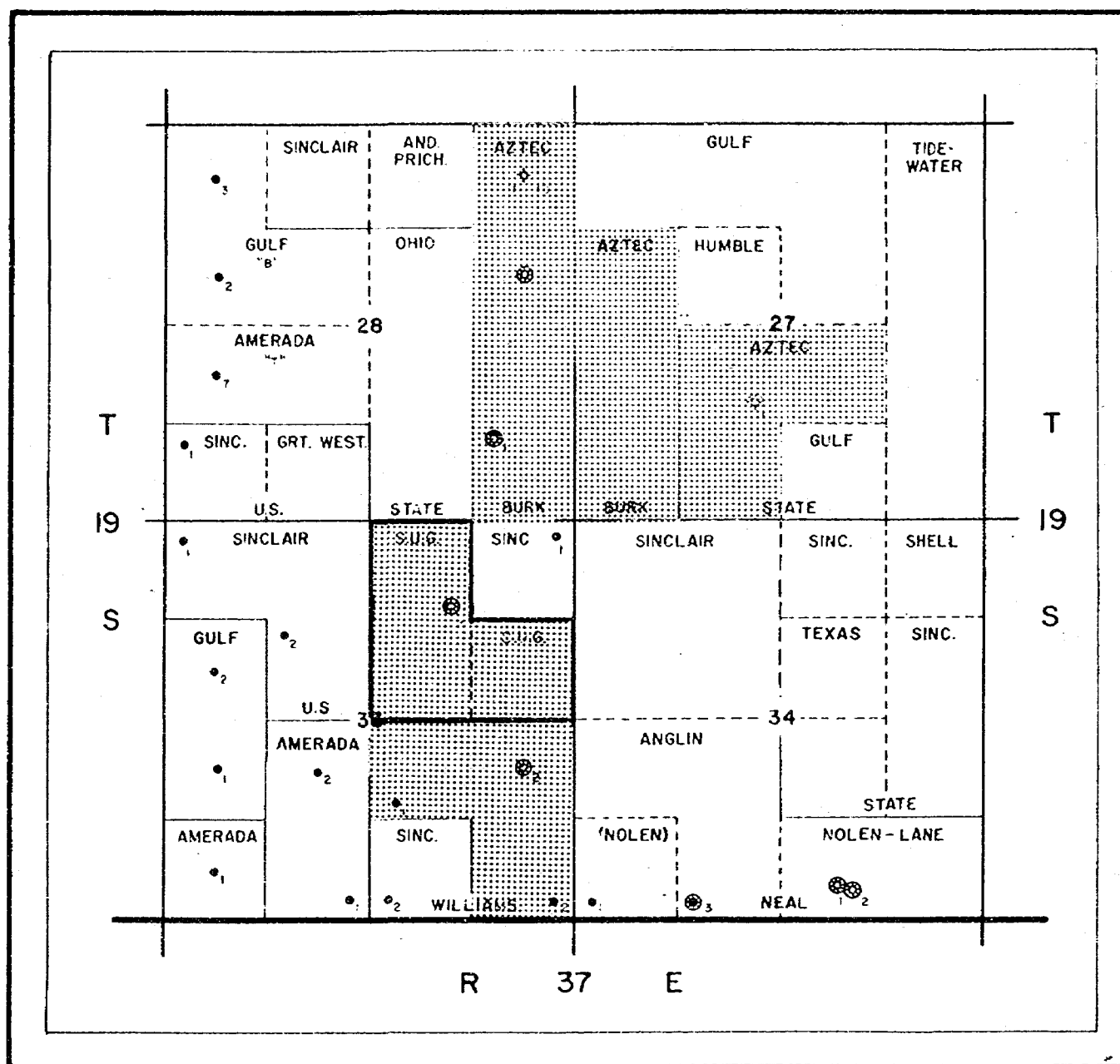
STATE OF TEXAS }
COUNTY OF DALLAS } SS

Subscribed and sworn to before me by Quilman B. Davis, Attorney of Southern Union Gas Company, the above named Applicant, this 10th day of November, 1953.

Naomi R. Langston
Notary Public in and for
Dallas County, Texas

My Commission Expires:

June 1, 1955



Southern Union Gas Company

Exhibit "A"

SOUTHERN UNION GAS COMPANY

BURT BUILDING

DALLAS 1, TEXAS

LEGAL DEPARTMENT

WILLIS L. LEA, JR.
GENERAL ATTORNEY

A. S. GRENIER
QUILMAN B. DAVIS
MILLARD F. CARR
EDWARD G. TAYLOR
JACK HERTZ

November 12, 1953

AIR MAIL

Oil Conservation Commission
of the State of New Mexico
Santa Fe, New Mexico

Attention: Mr. William Macey

Gentlemen:

I am enclosing Southern Union Gas Company's applications, in duplicate, requesting a hearing for consideration of two unorthodox gas proration units in the Eumont Gas Pool. These proposed units are described as follows:

- (a) $W\frac{1}{2}NE\frac{1}{4}$ and $SE\frac{1}{4}NE\frac{1}{4}$ of Section 33, Township 19 South, Range 37 East, N.M.P.M.
- (b) $E\frac{1}{2}SE\frac{1}{4}$ and $NW\frac{1}{4}SE\frac{1}{4}$ of Section 33, Township 19 South, Range 37 East, N.M.P.M.

It will be appreciated if you will set these applications down for hearing before the Commission on December 17, 1953.

I am contacting Sinclair Oil and Gas Company to determine whether or not it is possible to pool their lands in the $E\frac{1}{2}$ of Section 33 so as to form orthodox gas proration units and will advise you of their answer as soon as we hear from them.

With thanks and best personal regards, I am

Yours very truly,

Q. L. Davis

QBD:NL
Encs.

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
at
Santa Fe, New Mexico
December 17, 1953

In the Matter of:

Application of Southern Union Gas Company for
exception to Rule 7(a) of Order No. R-370-A to
permit establishment of an unorthodox gas pro-
duction unit of 120 acres, more or less, consist-
ing of the W/2 NE/4 and the SE/4 NE/4 of Section
33, Township 19 South, Range 37 East, NMPM, in
the Eumont Gas Pool, Lea County, New Mexico

Application of Southern Union Gas Company for
exception to Rule 7(a) of Order No. R-370-A to
permit establishment of an unorthodox gas pro-
duction unit in the Eumont Gas Pool comprising
the E/2 SE/4 and the NW/4 SE/4 Section 33, Town-
ship 19 South, Range 37 East, Lea County, New
Mexico, said unit containing 120 acres, more or
less

Case No.s
623
&
624
(Consolidated)

(Notice of Publication read by Mr. Graham).

S. M. WIEDERKEHR

further testifies as follows:

DIRECT EXAMINATION

By MR. DAVIS:

Q Please state your name.

A A. M. Wiederkehr.

Q Are you the same Mr. Wiederkehr that testified in Cases
619, 620 and 621?

A I am.

MR. DAVIS: Are the qualifications of this witness acceptable
in these cases?

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 105-106, EL CORTEZ BLDG.
PHONES 7-9648 AND 5-9546
ALBUQUERQUE, NEW MEXICO

MR. SPURRIER: They are.

Q Would you explain briefly the nature of our application in Cases 623 and 624?

A Cases 623 and 624, Southern Union Gas Company is the lease holder of the area here, being the east half of 33-19-37, with the exception of the northeast northeast and southwest southeast 40's. Southern Union has drilled on these two wells, Southern Union No. 1 Williams and No. 2 Williams.

Q Where located?

A One in the northwest of the northeast, one in the northeast of the southeast, except for the two 40 acre tracts.

Q Mr. Wiederkehr, except for the two 40 acre tracts that you described, we would have regular orthodox gas proration units?

A That is correct.

(Southern Union Gas Company's Exhibit No. 2 in Case 623 and Exhibit No. 2 in Case 624 Marked for Identification)

Q I hand you, Mr. Wiederkehr, Southern Union Gas Company's Exhibit No. 2 in Case 623 and Exhibit No. 2 in Case 624, would you please tell the Commission what those Exhibits relate to?

A These are letters from representatives of the Sinclair Oil and Gas Company, who own these two 40 acre tracts within the 160 acre unit, stating "We are advised Southern Union Gas Company, in 623, has requested an exemption to Rule 7(a)" - - goes ahead and gives the location, says Sinclair Oil and Gas Company as an offset lease owner, waives any objection to the above described unorthodox gas unit under the rules of Provision 7B, would be of Commission Order Number R-37-A.

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 105-106, EL CORTEZ BLDG.
PHONES 7-9645 AND 5-9546
ALBUQUERQUE, NEW MEXICO

Q Is the letter with respect to Case No. 624 identical with that read for 623?

A It is.

Q Except for referring to location?

A Location, correct.

Q Do you have any other information that might be helpful to the Commission concerning these two cases?

A No, I don't think so.

MR. DAVIS: That is all. We would like to introduce Southern Union Gas Company's Exhibits No. 1, 2, in each case, in the record, and ask the Commission to issue an order approving the unorthodox proration units as requested.

MR. SPURRIER: Are there any questions of the witness?

MR. STANLEY: I didn't understand that. Sinclair Oil and Gas has no objection to your forming that 120 acre unit, is that correct?

A That is correct.

MR. STANLEY: Ordinarily wouldn't this be normally handled by receiving waivers?

A This was received after we had filed the application.

MR. STANLEY: I see.

MR. DAVIS: The waivers are dated December 11 and the application was filed in November.

MR. STANLEY: In other words the reason I brought this, I think this is a normal routine matter, being a part of the normal proration unit which is actually disposed of in a district proration office and can be disposed of at a later date by obtaining waivers by all offset, 160 acre offset operators.

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 105-106, EL CORTEZ BLDG.
PHONES 7-2648 AND 8-9546
ALBUQUERQUE, NEW MEXICO

MR. MACY: Perhaps they didn't choose to get waivers from the offset.

MR. GRAHAM: In your opinion would Sinclair object to a standard unit there?

A They have advised us that they do not object. They are the owner of the odd 40's, in both instances.

MR. WHITE: He said would Sinclair object to making it a standard unit?

A They had the opportunity to ask for a unitization and did not do so, I suspect due to the fact that the wells are of a low capacity. They didn't feel like they would be justified, I am guessing.

MR. WILLIAMS: Sinclair Oil and Gas Company. I am Mr. Williams. They did approach Sinclair asking if we would be interested in going in a regular 160. It is being taken under consideration by our management. We will give an answer to that at an early date.

MR. SPURRIER: Anyone else? If not the witness may be excused.
(Witness excused)

MR. SPURRIER: Do you have anything further?

MR. DAVIS: That is all.

MR. SPURRIER: Anyone have a comment in these cases. If not we will take them under advisement and move on to Case 652.

STATE OF NEW MEXICO }
COUNTY OF BERNALILLO }

I HEREBY CERTIFY that the foregoing and attached transcript of hearing in Case No.s 623 and 624 (Consolidated) before the Oil Conservation Commission, State of New Mexico, at Santa Fe, on December 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 26th day of December, 1953.

Ada Dearnley
COURT REPORTER

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 108-106, E. CORTEZ BLDG.
PHONES 7-9645 AND 5-2846
ALBUQUERQUE, NEW MEXICO

The map displays the following oil fields and well locations:

- Top Section (T19S to T20S):**
 - SINCLAIR:** Well 3.
 - AND. PRICH:** Well 1.
 - AZTEC:** Well 1 (circled), Well 2 (circled).
 - GULF:** Well 2 (circled).
 - TIDE-WATER:** Well 1 (circled).
 - HUMBLE:** Well 1 (circled).
 - AMERADA:** Well 1 (circled), Well 2 (circled).
 - SINC.:** Well 1 (circled).
 - GRT. WEST:** Well 1 (circled).
 - U.S.:** Well 1 (circled).
 - STATE:** Well 1 (circled).
 - BURK:** Well 1 (circled).
 - SHELL:** Well 1 (circled).
 - TEXAS:** Well 1 (circled).
 - ANGLIN:** Well 1 (circled).
 - NOLEN:** Well 1 (circled).
 - WILLIAMS:** Well 1 (circled).
 - NEAL:** Well 1 (circled), Well 2 (circled).
- Bottom Section (T20S to T21S):**
 - SINCLAIR:** Well 1.
 - U.S.:** Well 2.
 - AMERADA:** Well 1.
 - SINC.:** Well 1.
 - GULF:** Well 1.
 - STATE:** Well 1.
 - BURK:** Well 1.
 - SHELL:** Well 1.
 - TEXAS:** Well 1.
 - ANGLIN:** Well 1.
 - NOLEN:** Well 1.
 - WILLIAMS:** Well 1.
 - NEAL:** Well 1.

*Southern Union Gas Co.
Exhibit A - Case 624*

December 11, 1953

Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico

Re: Southern Union Gas Company's Exception to Rule 7(a)
Commission Order No. R-370-A
Eumont Gas Pool
Lea County, New Mexico

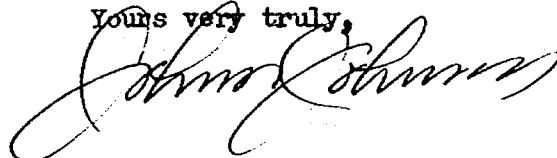
Gentlemen:

We are advised Southern Union Gas Company, in Case No. 624,
has requested an exception to Rule 7(a) of Order No. R-370-A for
their Williams 120-acre unorthodox gas unit, located as follows:

E/2 SE/4 and NW/4 SE/4 of Section
33-19S-37E., Eumont Gas Pool,
Lea County, New Mexico.

Sinclair Oil & Gas Company, as an offset lease owner, waives
any objections to the above described unorthodox gas unit under the
provisions of Rule 7(b) 1 of the Commission Order No. R-370-A, which
sets up field rules for the Eumont Gas Pool.

Yours very truly,



CEW/MB

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

June 29, 1954

Southern Union Gas Company
Burt Building
Dallas, Texas

Attention: Legal Department - Mr. Grenier

Gentlemen:

RE: Orders R-481 and R-482

We attach copies of Oil Conservation Commission orders issued in Cases 623 and 624 which were heard at the December 17, 1953, hearing upon application of Southern Union Gas Company.

Very truly yours,

W. B. Macey
Chief Engineer

WBM:nr

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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. 623
Order No. R-481

THE APPLICATION OF SOUTHERN UNION
GAS COMPANY FOR AN ORDER GRANTING
APPROVAL OF AN EXCEPTION PURSUANT
TO RULE 7 (a) OF ORDER NO. R-370-A IN
ESTABLISHMENT OF AN UNORTHODOX GAS
PRORATION UNIT OF 120 CONTIGUOUS ACRES
CONSISTING OF WEST HALF NORTHEAST
QUARTER AND SOUTHEAST QUARTER OF THE
NORTHEAST QUARTER OF SECTION 33, TOWN-
SHIP 19 SOUTH, RANGE 37 EAST, NMPM, LEA
COUNTY, NEW MEXICO, IN THE EUMONT GAS
POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

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

NOW, on this 17th day of June, 1954, the Commission, a quorum being present, having considered the records and testimony adduced, and being fully advised in the premises;

FINDS:

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

(2) That pursuant to provisions of Rule 7 (a) of Order No. R-370-A the Commission has power and authority to permit the formation of a gas proration unit consisting of other than a legal quarter section after notice and hearing by the Commission.

(3) That applicant, Southern Union Gas Company, is the owner of an oil and gas lease in Lea County, New Mexico the land consisting of other than a legal quarter section, and described as follows, to-wit:

TOWNSHIP 19 SOUTH, RANGE 37 EAST, NMPM
W/2 NE/4 and SE/4 NE/4 of Section 33

containing 120 acres, more or less.

(4) That applicant, Southern Union Gas Company, has a producing well on the aforesaid lease known as Williams, No. 1, located 990' from the North line and 1650' from the East line of Section 33, Township 19 South, Range 37 East.

(5) That the aforesaid well was completed and in production prior to January 1, 1954, the effective date of Order No. R-370-A, and is located within the limits of the pool heretofore delineated and designated as the Eumont Gas Pool.

(6) That it is impractical to pool applicant's said lease with adjoining acreage in the NE/4 of Section 33, Township 19 South, Range 37 East, and that the owner of adjoining acreage in said quarter section has not objected to the formation of the proposed proration unit of 120 acres.

(7) That unless a proration unit consisting of applicant's aforesaid acreage is permitted, applicant will be deprived of the opportunity to recover its just and equitable share of the natural gas in the Eumont Gas Pool.

(8) That creation of a proration unit consisting of the aforesaid acreage will not cause but will prevent waste, will protect correlative rights, and is necessary to prevent confiscation of applicant's property.

IT IS THEREFORE ORDERED:

(1) That the application of Southern Union Gas Company for approval of an unorthodox proration unit consisting of the following described acreage

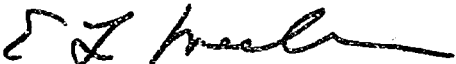
TOWNSHIP 19 SOUTH, RANGE 37 EAST, NMPM
W/2 NE/4 and SE/4 NE/4 of Section 33

be and the same is hereby approved, and a proration unit consisting of aforesaid acreage is hereby created.

(2) That applicant's well, Williams No. 1, located in the NW/4 NE/4 of Section 33, Township 19 South, Range 37 East, NMPM, shall be granted an allowable from January 1, 1954 in the proportion that the above described 120 acre unit bears to the standard or orthodox proration unit for said pool, all until further order of the Commission.

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

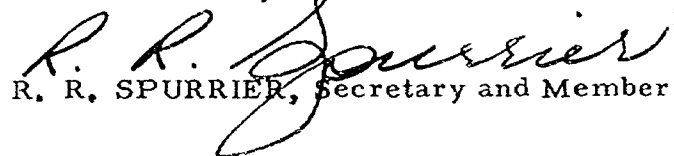
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



R. R. SPURRIER, Secretary and Member

(S E A L)

WJ K

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 CON-
SIDERING:

CASE NO. 623
Order No. R- 481

THE APPLICATION OF *Southern*
Union Gas Company PURSUANT
FOR AN ORDER GRANTING APPROVAL
OF AN EXCEPTION/TO RULE 7 (a) OF
ORDER NO. R-370-A IN ESTABLISHMENT
OF AN UNORTHODOX GAS PRORATION
UNIT OF 120 CONTIGUOUS ACRES
CONSISTING OF *W/2 NE/4 and*
SE/4 NE/4 of Section 33,
Township 19 South, Range 37
EAST, NM PM, Lea County,
New Mexico in the
Cumant Gas Pool.

BY THE COMMISSION:

ORDER OF THE COMMISSION

This cause came on for hearing at 9 o'clock a. m., on *December 17,*
1953 at Santa Fe, New Mexico, before the Oil Conservation Commission, herein-
after referred to as the "Commission".

NOW, on this *June* day of *June*, 1954, the Commission, a
quorum being present, having considered the records and testimony adduced, and
being fully advised in the premises;

FINDS:

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

(2) That pursuant to provisions of Rule 7 (a) of Order No. R- *370 A*,
the Commission has power and authority to permit the formation of a gas proration
unit consisting of other than a legal quarter section after notice and hearing by the
Commission.

(3) That applicant, *Southern Union Gas Company,*
is the owner of an oil and gas lease in Lea County, New Mexico the land consisting of
other than a legal quarter section, and described as follows, to-wit:

TOWNSHIP 19 SOUTH, RANGE 37 EAST, NM PM.
W/2 NE/4 and SE/4 NE/4
of Section 33

containing *120* acres, more or less.

Order No. R-_____

(4) That applicant, *Southern Union Gas Company*, has a producing well on the aforesaid lease known as *Williams, No. 1* located *990'* from the *North* line and *1650'* from the *EAST* line of Section 33, Township 19 South, Range 37 East.

(5) That the aforesaid well was completed and in production prior to January 1, 1954, the effective date of Order No. R-370A, and is located within the limits of the pool heretofore delineated and designated as the *Eumont* Gas Pool.

(6) That it is ^{*impractical*} ~~impossible~~ to pool applicant's said lease with adjoining acreage in the *NE 1/4* of Section 33, Township 19 South, Range 37 East and that the owners of adjoining acreage in said quarter section ^{*has*} ~~have~~ not objected to the formation of the proposed proration unit of *120* acres, but ~~have expressly consented thereto.~~

(7) That unless a proration unit consisting of applicant's aforesaid ^{*its*} acreage is permitted, applicant will be deprived of the opportunity to recover ~~his~~ just and equitable share of the natural gas in the *Eumont* Gas Pool.

(8) That creation of a proration unit consisting of the aforesaid acreage will not cause but will prevent waste, will protect correlative rights, and is necessary to prevent confiscation of applicant's property.

IT IS THEREFORE ORDERED:

(1) That the application of *Southern Union Gas Company* for approval of an unorthodox proration unit consisting of the following described acreage

TOWNSHIP 19 SOUTH, RANGE 37 EAST, NMPM.

W 1/2 NE 1/4 and SE 1/4 NE 1/4
of Section 33

be and the same
It is hereby approved, and a proration unit consisting of aforesaid acreage is hereby created, ~~and approved.~~

Order No. R-_____

(2) That applicant's well, *Williams No. 1*, located in the *NW/4 NE/4* of Section *33*, Township *9* South, Range *37* East, NMPM, shall be granted an allowable from January 1, 1954 in the proportion that the above described *120* acre unit bears to the standard or orthodox proration unit for said pool, all until further order of the Commission.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

R. R. SPURRIER, Secretary and Member

(S E A L)

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
at
Santa Fe, New Mexico
December 17, 1953

In the Matter of:

Application of Southern Union Gas Company for
exception to Rule 7(a) of Order No. R-370-A to
permit establishment of an unorthodox gas pro-
duction unit of 120 acres, more or less, consist-
ing of the W/2 NE/4 and the SE/4 NE/4 of Section
33, Township 19 South, Range 37 East, NMPN, in
the Eumont Gas Pool, Lea County, New Mexico

Application of Southern Union Gas Company for
exception to Rule 7(a) of Order No. R-370-A to
permit establishment of an unorthodox gas pro-
duction unit in the Eumont Gas Pool comprising
the E/2 SE/4 and the NW/4 SE/4 Section 33, Town-
ship 19 South, Range 37 East, Lea County, New
Mexico, said unit containing 120 acres, more or
less

Case No.s
623
&
624
(Consolidated)

(Notice of Publication read by Mr. Graham).

S. M. WIEDERKEHR

further testifies as follows:

DIRECT EXAMINATION

By MR. DAVIS:

Q Please state your name.

A A. M. Wiederkehr.

Q Are you the same Mr. Wiederkehr that testified in Cases
619, 620 and 621?

A I am.

MR. DAVIS: Are the qualifications of this witness acceptable
in these cases?

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 105-106, EL CORTEZ BLDG.
PHONES 7-9645 AND 5-9546
ALBUQUERQUE, NEW MEXICO

MR. SPURRIER: They are.

Q Would you explain briefly the nature of our application in Cases 623 and 624?

A Cases 623 and 624, Southern Union Gas Company is the lease holder of the area here, being the east half of 33-19-37, with the exception of the northeast northeast and southwest southeast 40's. Southern Union has drilled on these two wells, Southern Union No. 1 Williams and No. 2 Williams.

Q Where located?

A One in the northwest of the northeast, one in the northeast of the southeast, except for the two 40 acre tracts.

Q Mr. Wiederkehr, except for the two 40 acre tracts that you described, we would have regular orthodox gas proration units?

A That is correct.

(Southern Union Gas Company's Exhibit
No. 2 in Case 623 and Exhibit No. 2
in Case 624 Marked for Identification)

Q I hand you, Mr. Wiederkehr, Southern Union Gas Company's Exhibit No. 2 in Case 623 and Exhibit No. 2 in Case 624, would you please tell the Commission what those Exhibits relate to?

A These are letters from representatives of the Sinclair Oil and Gas Company, who own these two 40 acre tracts within the 160 acre unit, stating "We are advised Southern Union Gas Company, in 623, has requested an exemption to Rule 7(a)" - - goes ahead and gives the location, says Sinclair Oil and Gas Company as an offset lease owner, waives any objection to the above described unorthodox gas unit under the rules of Provision 7B, would be of Commission Order Number R-37-A.

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 105-106, EL CORTEZ BLDG.
PHONES 7-9645 AND 5-9546
ALBUQUERQUE, NEW MEXICO

Q Is the letter with respect to Case No. 624 identical with that read for 623?

A It is.

Q Except for referring to location?

A Location, correct.

Q Do you have any other information that might be helpful to the Commission concerning these two cases?

A No, I don't think so.

MR. DAVIS: That is all. We would like to introduce Southern Union Gas Company's Exhibits No. 1, 2, in each case, in the record, and ask the Commission to issue an order approving the unorthodox proration units as requested.

MR. SPURRIER: Are there any questions of the witness?

MR. STANLEY: I didn't understand that. Sinclair Oil and Gas has no objection to your forming that 120 acre unit, is that correct?

A That is correct.

MR. STANLEY: Ordinarily wouldn't this be normally handled by receiving waivers?

A This was received after we had filed the application.

MR. STANLEY: I see.

MR. DAVIS: The waivers are dated December 11 and the application was filed in November.

MR. STANLEY: In other words the reason I brought this, I think this is a normal routine matter, being a part of the normal proration unit which is actually disposed of in a district proration office and can be disposed of at a later date by obtaining waivers by all offset, 160 acre offset operators.

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 105-108, EL CORTEZ BLDG.
PHONES 7-3645 AND 5-9545
ALBUQUERQUE, NEW MEXICO

MR. MACY: Perhaps they didn't choose to get waivers from the offset.

MR. GRAHAM: In your opinion would Sinclair object to a standard unit there?

A They have advised us that they do not object. They are the owner of the odd 40's, in both instances.

MR. WHITE: He said would Sinclair object to making it a standard unit?

A They had the opportunity to ask for a unitization and did not do so, I suspect due to the fact that the wells are of a low capacity. They didn't feel like they would be justified, I am guessing.

MR. WILLIAMS: Sinclair Oil and Gas Company. I am Mr. Williams. They did approach Sinclair asking if we would be interested in going in a regular 160. It is being taken under consideration by our management. We will give an answer to that at an early date.

MR. SPURRIER: Anyone else? If not the witness may be excused.

(Witness excused)

MR. SPURRIER: Do you have anything further?

MR. DAVIS: That is all.

MR. SPURRIER: Anyone have a comment in these cases. If not we will take them under advisement and move on to Case 652.

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 105-106, EL CORTEZ BLDG.
PHONES 7-9645 AND 5-9546
ALBUQUERQUE, NEW MEXICO

STATE OF NEW MEXICO }
COUNTY OF BERNALILLO }

I HEREBY CERTIFY that the foregoing and attached transcript of hearing in Case No.s 623 and 624 (Consolidated) before the Oil Conservation Commission, State of New Mexico, at Santa Fe, on December 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 26th day of December, 1953.

Ada Dearnley
COURT REPORTER

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 105-106, EL CORTEZ BLDG.
PHONES 7-9645 AND 5-2546
ALBUQUERQUE, NEW MEXICO

*Southern Union Gas Co
Case 623*

December 11, 1953

Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico

Re: Southern Union Gas Company's Exception to Rule 7(a)
Commission Order No. R-370-A
Eumont Gas Pool
Lea County, New Mexico

Gentlemen:

We are advised Southern Union Gas Company, in Case No. 623,
has requested an exception to Rule 7(a) of Order No. R-370-A for
their Williams 120-acre unorthodox gas unit, located as follows:

W/2 NE/4 and SE/4 NE/4 of Section
33-19S-37E., Eumont Gas Pool,
Lea County, New Mexico.

Sinclair Oil & Gas Company, as an offset lease owner, waives
any objections to the above described unorthodox gas unit under the
provisions of Rule 7 (b) 1 of the Commission Order No. R-370-A, which
sets up field rules for the Eumont Gas Pool.

Yours very truly,



CEW/MB