

Case No.

658

Application, Transcript,
Small Exhibits, Etc.

CASE 658: Tide Water Associated
Northodox Gas Proration Unit
Tubb Gas Pool

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
February 17, 1954

TRANSCRIPT OF PROCEEDINGS
Cases No. 657 & 658

J A DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 105-106, EL CORYEZ BLDG.
PHONES 7-8645 AND 5-9546
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
February 17, 1954

IN THE MATTER OF:

In the matter of the application of Tide
Water Associated Oil Company for an
exception to Rule 7(a) of Order No. R-372-A
to permit the establishment of an unorthodox
gas proration unit consisting of N/2 N/2
Section 15, Township 21 South, Range 37,
East, Lea County, New Mexico, in the Bline-
bry Gas Pool.

Case No. 657

IN THE MATTER OF:

In the matter of the application of Tide
Water Associated Oil Company for an
exception to Rule 7 (a) of Order No.
R-373-A to permit the establishment of
an unorthodox gas proration unit consis-
ting of N/2 N/2 Section 15, Township 21
South, Range 37 East, Lea County, New
Mexico, in the Tubb Gas Pool.

Case No. 658

* * * * *

TRANSCRIPT OF HEARING

(Notice of Publication read.)

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

MR. THARP: If it pleases the Commission, I would like to consolidate 657 and 658 in as much as they involve the same well and the same acreage for an unorthodox gas unit.

MR. SPURRIER: Is there objection? If not, you may proceed.

MR. THARP: My name is J. M. Tharp, division engineer for Tide Water Associated Oil Company in Houston. I would like to offer the Commission copies of Exhibit A for reference. "Tide Water Associated Oil Company is the lessee of 160 acres designated as their State "S" consisting in part of the N/2 of the N/2 of Sec. 15, T 21 S, R 37 E, Lea County, New Mexico, of which the State of New Mexico is the lessor. Tide Water is making application to the Commission for approval of unorthodox gas units in both the Tubb and Blinebry gas pools consisting of this acreage. Tide Water drilled and completed a Drinkard Oil Zone producer in the NE/4 of the NW/4 of Sec 15 on November 8, 1948. The Blinebry gas zone was encountered at an approximate depth of 5585'-5720' and the Tubb gas zone at an approximate depth of 6115'-6270.

By March 1953 the oil production from the Drinkard had declined to 7 bbls. per day which was about the economic limit. Application was made to the Conservation Commission on March 17, 1953, to plug the Drinkard Oil Zone and recomplete the well as a dual gas-gas producer from the Blinebry and Tubb Zones. This application was approved by the Commission by order # R-307 on March 31, 1953. The dual completion was made in accordance with the order on May 4, 1953, and gas sales from both zones to El Paso Natural Gas was commenced on August 7, 1953. In accordance with Orders # R-373-A and #R-372-A setting up the proration of gas from the Tubb and Blinebry Pools, each of these zones were assigned an

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PHONES 7-9645 AND 5-9546
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80-acre gas allowable effective January 1, 1954.

Cities Service Oil Corporation has made a dual Drinkard Oil-Blinebry gas completion of their State "S" #1 and a dual Drinkard Oil-Tubb gas completion of their State "S" #2. Both of these wells are located in the S/2 of the NW/4 of Sec. 15. Shell Oil Corporation has made a dual Drinkard Oil-Tubb gas completion of their State #1 and a dual Drinkard Oil-Blinebry gas completion of their State #2. Both of these wells are located in the S/2 of the NE/4 of Sec. 15. Inasmuch as the balance of the acreage in the Governmental Quarter Sections affected by Tide Water's proposed unorthodox proration units has been developed in both the Blinebry and Tubb pools, it is believed that the granting of these unorthodox proration units by the Commission will not adversely affect correlative rights of the future formation of other gas proration units in the immediate area.

It is therefore respectfully requested that the Commission act favorably on Tide Water's applications for unorthodox gas proration units for the Tubb and Blinebry Pools."

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

MR. THARP: I would like to exhibit a plat marked Exhibit A, showing the acreage to be assigned for both of these. This platt is also attached to the formal application.

MR. SPURRIER: Without objection it will be admitted. Do you have anything further?

MR. THARP: Nothing further.

MR. SPURRIER: If no questions of the witness, he may be excused.

(Witness excused.)

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COURT REPORTERS
ROOM 105-106, EL CORTEZ BLDG.
PHONES 7-9643 AND 5-9546
ALBUQUERQUE, NEW MEXICO

MR. SPURRIER: Does anyone have anything further in the Case? If not, we will take the Cases under advisement, and move on to Case 659.

C E R T I F I C A T E

I, ADA DEARNLEY, COURT REPORTER, do hereby certify that the foregoing and attached transcript of hearing in Cases No. 657 and 658, Consolidated, before the Oil Conservation Commission, State of New Mexico, at Santa Fe, New Mexico, on February 17, 1954, is a true and correct record to the best of my knowledge, skill and ability.

DATED at Albuquerque, New Mexico, this 23rd day of February, 1954.


REPORTER

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

BEFORE THE OIL CONSERVATION COMMISSION
OF THE
STATE OF NEW MEXICO

APPLICATION OF TIDE WATER ASSOCIATED OIL
COMPANY FOR APPROVAL OF AN UNORTHODOX
GAS PRORATION UNIT CONSISTING OF THE N/2
OF THE N/2 OF SEC. 15, T 21 S, R 37 E,
N.M.P.M., LEA COUNTY, NEW MEXICO IN THE
TUBB GAS POOL.

A P P L I C A T I O N

COMES NOW, Tide Water Associated Oil Company, a Delaware Corporation,
operating in New Mexico from a field office in Hobbs and respectfully
represents to the Oil Conservation Commission of the State of New Mexico
as follows:

1. That applicant is the present owner and holder of an oil and gas lease executed by the State of New Mexico as lessor covering and embracing among other lands, the N/2 of the N/2 of Sec. 15, T 21 S, R 37 E, N.M.P.M., Lea County, New Mexico, as depicted on the plat attached hereto as Exhibit "A" and containing 160 acres more or less.
2. That applicant drilled and completed on November 6, 1948, its State "S" #2 on the above described lands at a location 660' S of and 1980' E of the NW corner of Sec. 15, T 21 S, R 37 E, Lea County, New Mexico. This well was completed as an oil well producing from the Drinkard formation through casing perforations 6565'-6615' and open hole interval 6630'-6653' having drilled through the Blinbry gas formation of the Blinbry gas pool at an approximate depth of 5585'-5720' and the Tubb gas zone of the Tubb gas pool at an approximate depth of 6115'-6270'.
3. That applicant, due to the low productivity of 7 bbls. of oil per day made application to the Conservation Commission on March 17, 1953, to abandon the Drinkard formation and recomplete the well as a dual gas-gas well in the Tubb and Blinbry zones and that the Conservation Commission approved this application on the 31st day of March, 1953, by the issuance of order No. R-307.
4. That applicant subsequently on May 4, 1953, made a dual completion on this well by perforating the Blinbry Section 5620'-5700' and the Tubb Section 6180'-6280' with these zones separated by packer and other provisions of order No. R-307 complied with. Production commenced from these gas zones on August 7, 1953, after they were connected to the El Paso Natural Gas System.
5. That applicant has filed Forms C-104 and C-110 along with a plat showing well location and lease acreage to the Commission office at Hobbs as required by Conservation Order No. R-373-A and that an allowable applicable to an 80-acre proration unit has been assigned effective January 1, 1954.
6. That Cities Service Oil Company has made a gas completion from the Tubb gas formation through the annulus by means of dual completion with the Drinkard oil formation of their State "S" #2 located in the SE/4 of the NW/4 of Sec. 15, T 21 S, R 37 E, as depicted on Exhibit "A".

7. That Shell Oil Company has made a Tubb gas completion through the annulus by means of a dual completion with the Drinkard oil formation of their State #1 located in the SW/4 of the NE/4 of Sec. 15, T 21 S, R 37 E, as depicted on Exhibit "A".

8. That it is the applicant's belief that an unorthodox gas proration unit consisting of the N/2 of the N/2 of Sec. 15, T 21 S, R 37 E, Lea County, New Mexico, will not seriously affect or jeopardize the future formation of gas proration units in the area and that correlative rights will not be adversely affected.

9. That applicant has sent a copy of this application to all operators of properties adjoining the proposed unorthodox proration unit.

THEREFORE, applicant respectfully requests that this matter be set down for hearing before the Commission; that notice hereof be given as required by law in the regulations of the Commission; and that upon final hearing the Commission enter its order approving an unorthodox gas proration unit for the Tubb gas pool consisting of the N/2 of the N/2 of Sec. 15, T 21 S, R 37 E, Lea County, New Mexico and that the allowable for a full 160 acres gas proration unit be granted and made retroactive to January 1, 1954 as provided for in Conservation Commission Order No. R-373-A.

Done at Houston, Texas on this 30th day of December, 1953.

Respectfully submitted,

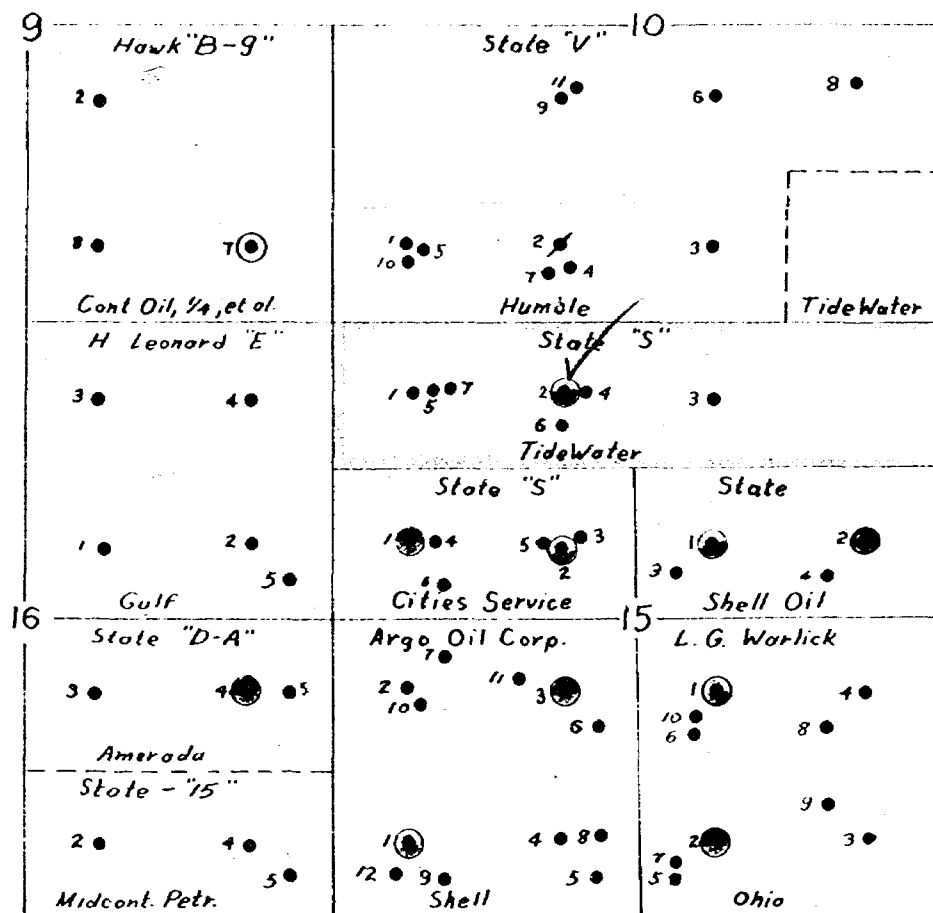
TIDE WATER ASSOCIATED OIL COMPANY

By:

J. M. Tharp, Jr.

JMT:gm

PLAT SHOWING LOCATION
OF ASSIGNED ACREAGE



T
21
S

R-37-E

EXHIBIT "A"

- TUBB
- BLINEBRY
- ⊗ DRINKARD

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

APPLICATION OF TIDE WATER ASSOCIATED OIL
COMPANY FOR APPROVAL OF AN UNORTHODOX
GAS PRORATION UNIT CONSISTING OF THE N/2
OF THE N/2 OF SEC. 15, T 21 S, R 37 E,
N.M.P.M., LEA COUNTY, NEW MEXICO IN THE
TUBB GAS POOL.

CASE 658

APPLICATION

COMES NOW, Tide Water Associated Oil Company, a Delaware Corporation, operating in New Mexico from a field office in Hobbs and respectfully represents to the Oil Conservation Commission of the State of New Mexico, as follows:

1. That applicant is the present owner and holder of an oil and gas lease executed by the State of New Mexico as lessor covering and embracing among other lands, the N/2 of the N/2 of Sec. 15, T 21 S, R 37 E, N.M.P.M., Lea County, New Mexico, as depicted on the plat attached hereto as Exhibit "A" and containing 160 acres more or less.
2. That applicant drilled and completed on November 6, 1948, its State "S" #2 on the above described lands at a location 660' S of and 1980' E of the NW corner of Sec. 15, T 21 S, R 37 E, Lea County, New Mexico. This well was completed as an oil well producing from the Drinkard formation through casing perforations 6565'-6615' and open hole interval 6630'-6653' having drilled through the Blinebry gas formation of the Blinebry gas pool at an approximate depth of 5585'-5720' and the Tubb gas zone of the Tubb gas pool at an approximate depth of 6115'-6270'.
3. That applicant, due to the low productivity of 7 bbls. of oil per day made application to the Conservation Commission on March 17, 1953, to abandon the Drinkard formation and recomplete the well as a dual gas-gas well in the Tubb and Blinebry zones and that the Conservation Commission approved this application on the 31st day of March 1953, by the issuance of order No. R-307.
4. That applicant subsequently on May 4, 1953, made a dual completion on this well by perforating the Blinebry Section 5620'-5700' and the Tubb Section 6180'-6280' with these zones separated by packer and other provisions of order No. R-307 complied with. Production commenced from these gas zones on August 7, 1953, after they were connected to the El Paso Natural Gas System.
5. That applicant has filed Forms C-104 and C-110 along with a plat showing well location and lease acreage to the Commission office at Hobbs as required by Conservation Order No. R-373-A and that an allowable applicable to an 80-acre proration unit has been assigned effective January 1, 1954.
6. That Cities Service Oil Company has made a gas completion from the Tubb gas formation through the annulus by means of dual completion with the Drinkard oil formation of their State "S" #2 located in the SE/4 of the NW/4 of Sec. 15, T 21 S, R 37 E, as depicted on Exhibit "A".
7. That Shell Oil Company has made a Tubb gas completion through the annulus by means of a dual completion with the Drinkard oil formation of their State #1 located in the SW/4 of the NE/4 of Sec. 15, T 21 S, R 37 E, as depicted on Exhibit "A".

8. That it is the applicant's belief that an unorthodox gas proration unit consisting of the N/2 of the N/2 of Sec. 15, T 21 S, R 37 E, Lea County, New Mexico, will not seriously affect or jeopardize the future formation of gas proration units in the area and that correlative rights will not be adversely affected.

9. That applicant has sent a copy of this application to all operators of properties adjoining the proposed unorthodox proration unit.

THEREFORE, applicant respectfully requests that this matter be set down for hearing before the Commission; that notice hereof be given as required by law in the regulations of the Commission; and that upon final hearing the Commission enter its order approving an unorthodox gas proration unit for the Tubb gas pool consisting of the N/2 of the N/2 of Sec. 15, T 21 S, R 37 E, Lea County, New Mexico and that the allowable for a full 160 acres gas proration unit be granted and made retroactive to January 1, 1954 as provided for in Conservation Commission Order No. R-373-A.

Done at Houston, Texas on this 30th day of December, 1953.

Respectfully submitted,

TIDE WATER ASSOCIATED OIL COMPANY

By: J. M. Tharp, Jr.

JMT:gm

(Plat attached to be found in the
office of Oil Conservation Commission
Santa Fe, New Mexico)

N.M. Oil & Gas Eng. Comm.
Hobbs, New Mexico
Feb. 3, 1954

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. 658
Order No. R-450

THE APPLICATION OF TIDE WATER
ASSOCIATED OIL COMPANY FOR AN
ORDER GRANTING APPROVAL OF AN
EXCEPTION PURSUANT TO RULE 7 (a)
OF ORDER NO. R-373-A IN ESTABLISH-
MENT OF AN UNORTHODOX GAS PRORA-
TION UNIT OF 160 CONTIGUOUS ACRES
CONSISTING OF THE NORTH HALF OF
THE NORTH HALF OF SECTION 15,
TOWNSHIP 21 SOUTH, RANGE 37 EAST,
NMPM., LEA COUNTY, NEW MEXICO,
IN THE TUBB GAS POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m., on February 17, 1954,
at Santa Fe, New Mexico, before the Oil Conservation Commission, herein-
after referred to as the "Commission".

NOW, on this 16th day of April, 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-373-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, Tide Water Associated Oil 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 21 South, RANGE 37 East, NMPM.
N/2 N/2 of Section 15

containing 160 acres, more or less.

(4) That applicant, Tide Water Associated Oil Company has a producing
well on the aforesaid lease known as State "S", No. 2, located 660 feet from
the North line and 1980 feet from the West line of Section 15, Township 21
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-373-A, and is located within the limits of the pool heretofore delineated and designated as the Tubb Gas Pool.

(6) That it is impractical to pool applicant's said lease with adjoining acreage in the North Half of Section 15, Township 21 South, Range 37 East, NMPM., and that the owners of adjoining acreage in said half section have not objected to the formation of the proposed proration unit of 160 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 Tubb 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 Tide Water Associated Oil Company for approval of an unorthodox proration unit consisting of the following described acreage

TOWNSHIP 21 South, RANGE 37 East, NMPM.
N/2 N/2 of Section 15

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

(2) That applicant's well, State "S", No. 2, located in the NE/4 NW/4 of Section 15, Township 21 South, Range 37 East, NMPM., shall be granted an allowable from January 1, 1954 in the proportion that the above described 160-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

E. L. Mechem
EDWIN L. MECHEM, Chairman

E. S. Walker
E. S. WALKER, Member

R. R. Spurrer
R. R. SPURRIER, Secretary & Member

SEAL

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

my
WJK

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. 658
Order No. R-450

THE APPLICATION OF *TIDE WATER*
ASSOCIATED OIL COMPANY
FOR AN ORDER GRANTING APPROVAL
OF AN EXCEPTION ^{PURSUANT} TO RULE 7 (a) OF
ORDER NO. R-373A IN ESTABLISHMENT
OF AN UNORTHODOX GAS PRORATION
UNIT OF 160 CONTIGUOUS ACRES
CONSISTING OF *N/2 N/2 of*
Section 15, Township 21
South, Range 37 EAST, NMPM,
Lea County, New Mexico, in
The Tubb Gas pool.

BY THE COMMISSION:

ORDER OF THE COMMISSION

This cause came on for hearing at 9 o'clock a. m., on *February 17,*
1954 at Santa Fe, New Mexico, before the Oil Conservation Commission, herein-
after referred to as the "Commission".

NOW, on this day of *April*, 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-*373 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, *TIDE WATER ASSOCIATED OIL 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 *21* SOUTH, RANGE *37* EAST, NMPM.
N/2 N/2 of Section 15

containing *160* acres, more or less.

Order No. R- 450

(4) That applicant, *Tide Water Associated Oil Company*, has a producing well on the aforesaid lease known as *State 5, No. 2* located *660'* from the *North* line and *1980'* from the *West* line of Section *15*, Township *21* 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-*373A*, and is located within the limits of the pool heretofore delineated and designated as the *Tubb* Gas Pool.

(6) That it is ~~impossible~~ ^{*impractical*} to pool applicant's said lease with adjoining acreage in the *North half of Section 15, Township 21 South, Range 37 East, N.M.P.M.* and that the owners of adjoining acreage in said ~~quarter~~ ^{*half*} sections have not objected to the formation of the proposed proration unit of *160* 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 *Tubb* 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 *Tide Water Associated Oil Company* for approval of an unorthodox proration unit consisting of the following described acreage

TOWNSHIP *21* SOUTH, RANGE *37* EAST, N.M.P.M.

N/2 N/2 of Section 15

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

Order No. R- 450

(2) That applicant's well, State's No. 2, located in the NE/4 NW/4 of Section 15, Township 21 South, Range 37 East, NMPM, shall be granted an allowable from January 1, 1954 in the proportion that the above described 160 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)