

Case No.

660

---

Application, Transcript,  
Small Exhibits, Etc.

CASE 660: Warren Petroleum Corp.  
Unifundex Gas Protraction Unit  
Eumont Gas Pool

BEFORE THE  
OIL CONSERVATION COMMISSION  
Case 660

February 17, 1954

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  
Santa Fe, New Mexico

February 17, 1954

IN THE MATTER OF:

In the matter of the application of Warren Petroleum Corporation for an exception to Rule 7(a) of Order No. R-370-A to permit the establishment of an unorthodox gas proration unit of 315.24 acres; namely, Lots 1, 2, 7, 8, 9, 10, 15 and 16 of Section 3, Township 21 South, Range 36 East, Lea County, New Mexico, in the Eumont Gas Pool.

Case No. 660

MR. OLDHAM: This Case, 660 involves the same similiar fact situation to the one we have just heard. We would have asked that it be consolidated except for the fact that we do have on the north eastern portion of this one, we are on the edge of the Eumont Gas Pool and a portion of it is not actually within the Eumont Gas Pool but is covered by the Order which prorates it because it is within a mile.

R. C. S E A R S

the witness, having been previously sworn, testified as follows:

DIRECT EXAMINATION

By: MR. OLDHAM:

Q State your name, please? A R. C. Sears.

Q You are the same R. C. Sears that just testified in Case Number 659 before this Commission? A I am.

Q Are you familiar with the application of Warren Petroleum Corporation for the approval of an unorthodox gas unit embracing 315.24 acres in the Eumont Gas Pool in Lea County, Case Number 660?

A I am.

Q What area is covered by the proposed unit? What is the

description of the land involved?

A It is lots 1, 2, 7, 8, 9, 10, 15 and 16 of Section 3, Township 21 South, Range 36 East, Lea County, New Mexico.

Q That roughly corresponds to the north east 300, it is the northerly 315 acres of that Section? A It is.

Q That section being a larger than normal section being on a correction line? A Yes.

Q Where is the--is there presently a producing gas well on that acreage? A Yes.

Q What is the location of that well?

A 3800 feet from the north, 1320 feet from the east boundaries of Section 3.

Q And that location complies with the Commission's Orders insofar as the distance from the boundary lines of the lease and of section lines are concerned? A It does.

Q When was that well drilled? A October, last year.

Q And has it been connected to a pipeline? A It has.

Q Has it been assigned an allowable by the Commission?

A Yes.

Q That allowable is on the basis of a 160 acre gas proration unit? A Yes.

Q The application here is to expand that unit into 315.24 acres in order to prevent economic waste in drilling an additional well on the acreage? A That is right.

Q In your opinion will correlative rights be adversely effected by the granting of the application? A No.

Q Who is the royalty owner under the acreage in question?

A State of New Mexico.

Q And who owns the royalty under the acreage immediately adjoining on the east? A State of New Mexico.

Q Are there any other gas wells presently located in Section 3?

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

A Yes, there are several.

Q Who owns the lease adjoining the acreage in question on the south?

A The Sun Oil Company.

Q How many gas wells are there located on that acreage?

A Two.

Q Do you know whether those wells, do you know what formations they are producing from?

A Yes, their Number 1 R L Akins is producing from the Yates, Seven Rivers and Queens formation, Number 6 Akins is producing from the Queens.

Q The Number 6 is located immediately adjoining the 315.24 acre tract?

A That is right.

Q Along the north. What is the cost of drilling a well in the Eumont Gas Field if the well is completed in the Yates, Seven Rivers and Queens formations?

A \$45,000.00.

Q Is the Warren well on the 315.24 acres completed in all of those formations?

A Yes.

Q In your opinion will one well in the Eumont Pool capable of effectively recovering the gas from more than 160 acre regular proration unit?

A It is.

Q What would you say the minimum acreage would be that one well would drain?

A 640 acres.

MR. OLDHAM: I believe that is all.

MR. SPURRIER: Anyone have a question of the witness?

MR. BALLOU: I would like to ask a question. My name is Ballou with Sun Oil Company.

By: MR. BALLOU:

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

Q Are there any gas wells located north of your well there that would indicate your entire unit there is productive?

A Yes, up in Sections 35, 34 and 27, Township 20 South, Range 37 East, the Antweil Hooper, the Antweil Crawford and the Stanolind Gilhoolley wells have been completed in the Queens formation which indicate that the reservoir extends to the north and east.

MR. BALLOU: Thank you.

A In addition, there is a well located in Section 1, 21, 36 in the north west extreme corner which is also completed in the Queens formation.

MR. BALLOU: Thank you.

MR. SPURRIER: Anyone else?

MR. GIRAND: W. D. Girand, Hobbs, New Mexico, on behalf of Me-Tex Supply Company.

By: MR. GIRAND:

Q In what lot is the well located?

A Well, it is in the center of lots 9, 10, 15 and 16 the square formed by those lots.

Q Was a permit obtained from the Commission to drill a well at that location?

A Yes.

Q You had a hearing on that?

A No.

Q That is drilled on a boundary line of a subdivision of a quarter section?

A No, it is in the center of 160.

Q But on a 40 acre line, is it not of the lots?

A No, I imagine not. The well is located 3800 feet from the north and 1320 from the east so that would probably put it to one side of the lines there, I believe.

MR. GIRAND: I see.

Q You are familiar with Rule 104 of the Commission, are you not as to well spacing and particularly to Section D?

A Yes.

Q Was that well drilled in compliance with that rule?

MR. PHILLIPS: I don't know whether--- That well was drilled prior to January 1st and I am not certain that that Rule was in effect at that time.

MR. GIRAND: I understood the witness testified it was drilled last year.

MR. PHILLIPS: That is right.

MR. GIRAND: That is all.

MR. GIRAND: I would like to renew the same objection that I made in Case Number 659. In regard to the renewing of my objection that was made in Case 521 and in Case 584, also my remarks in regard to allowing more than one allowable from one bore hole.

MR. SPURRIER: Anyone else have a question of the witness?

MR. SELINGER: George W. Selinger representing Skelley Oil Company, before I ask this witness a question, we have an interest in a unit operated by Sun to the south west diagonal.

By: MR. SELINGER:

Q Mr. Witness, will you tell the Commission how many gas wells there are now in Section 3?

A The best of my knowledge--

Q (Interrupting) Including the north portion in Section 3, how many gas wells do you have indicated from your records?

A To the best of my knowledge, there are two there.

Q Does Sun have a gas well in the south east quarter of Section 3?

A I don't have it indicated, no.

Q Does the Sun have a gas well in the south west quarter of Section 3?

A South west of 3, wait a moment, yes. The answer to your first question is yes. The south east of 3 is Number 6.

Q Does the Sun have a gas well on the south west of 3?

A Yes.

Q And your well is in the north east of 3? Your gas well is in the north east of 3?

A That is right. The south half of the north east of 3.

Q Does Me-Tex have a gas well in the north west quarter of 3 including the correction acreage up north. Do they have a gas well in there?

A They have two gas wells there.

Q So, that this particular section already has at least four gas wells, is that correct?

A That is correct.

MR. SELINGER: That is all.

By: MR. GIRAND:

Q The particular section has approximately 960 acres in it, does it not?

A I don't know that.

Q Does your platt show that?

A No.

Q Do you have any records in your file that you could refer to to determine whether it does or not?

A I don't.

MR. GIRAND: I think the Commission can take judicial notice of the State map.

MR. SELINGER: The only point I wish to make to the Commission is that there already now exists four gas wells in Section

ADA DEARNLEY & ASSOCIATES  
COURT REPORTERS  
ROOM 105-106, EL CORTEZ BLDG.  
PHONES 7-9645 AND 8-9546  
ALBUQUERQUE, NEW MEXICO



3 including the correction acreage up above. There now already existing at least four gas wells.

MR. SPURRIER: Are there any other questions of this witness?

If not the witness may be excused.

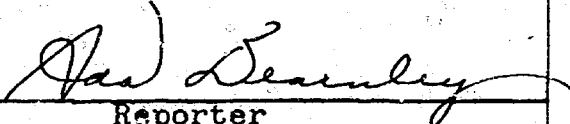
(Witness excused.)

MR. SPURRIER: Counsel if that footage is correct, we are trying to find the well file, you have an unorthodox location and you should apply for one. I don't know whether that footage is correct on there or not. I can tell you in just a minute. The footage is 1319 so, it is okay. Does anyone have anything further in this Case? If not, we will take a short recess.

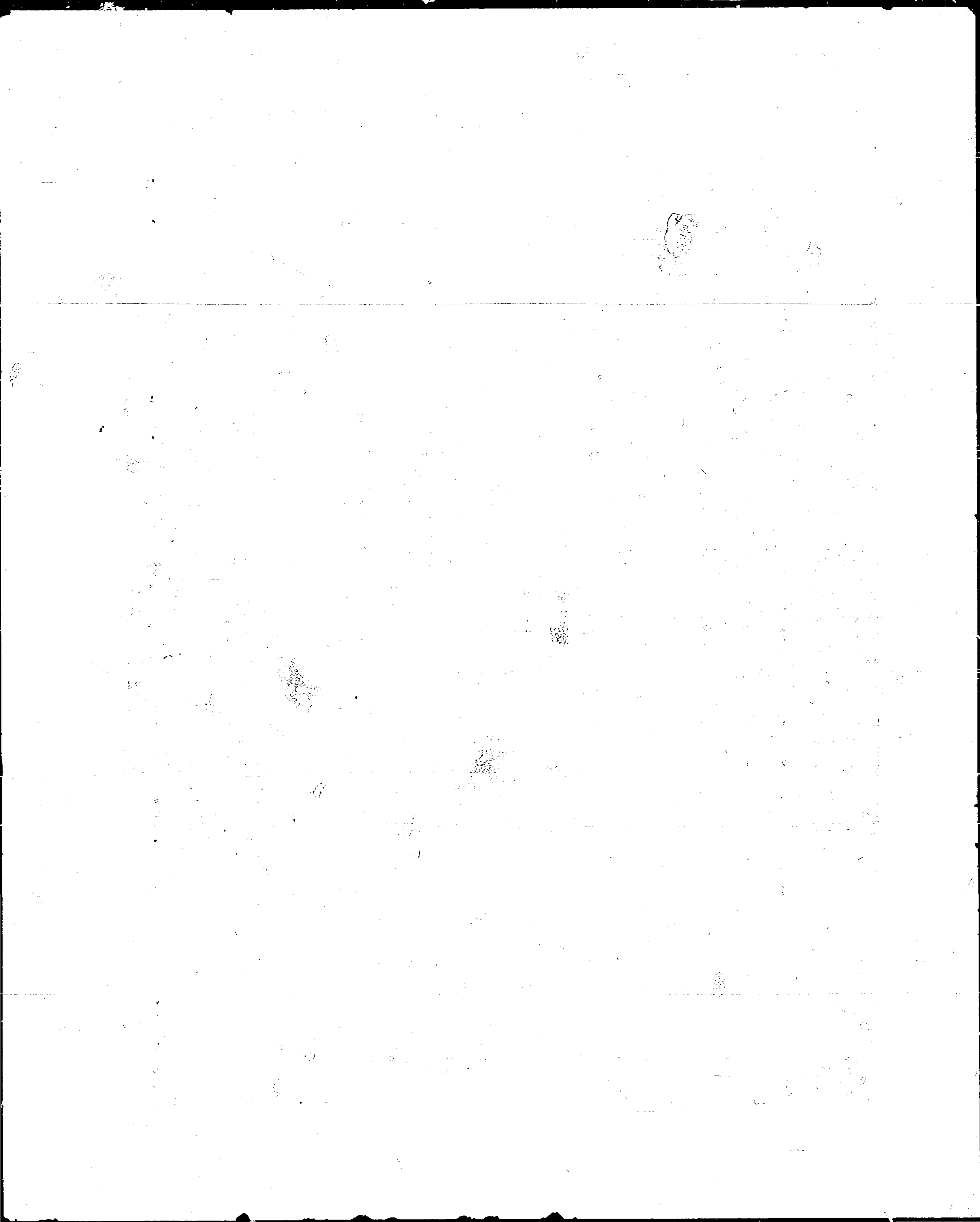
C E R T I F I C A T E

I hereby certify that the above and foregoing transcript in Case 660 taken before the Oil Conservation Commission at Santa Fe on February 17, is a true and correct copy to the best of my knowledge, skill and ability.

Dated at Albuquerque this 23rd day of February, 1954.

  
Reporter

ADA DEARNLEY & ASSOCIATES  
COURT REPORTERS  
ROOM 105-106, EL CORTEZ BLDG.  
PHONES 7-9645 AND 5-9846  
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. 660  
Order No. R-452

THE APPLICATION OF WARREN PETROLEUM  
CORPORATION FOR AN ORDER GRANTING  
APPROVAL OF AN EXCEPTION PURSUANT TO  
RULE 7 (a) OF ORDER NO. R-370-A IN ESTABLISH-  
MENT OF AN UNORTHODOX GAS PRORATION UNIT  
OF 315.2 CONTIGUOUS ACRES CONSISTING OF LOTS  
1, 2, 7, 8, 9, 10, 15 and 16 of SECTION 3, TOWNSHIP  
21 SOUTH, RANGE 36 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 February 17, 1954, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 27<sup>th</sup> day of May, 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, Warren Petroleum Corporation, 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 36 EAST, NMPM  
Lots 1, 2, 7, 8, 9, 10, 15 and 16 of Section 3

containing 315.24 acres, more or less.

(4) That applicant, Warren Petroleum Corporation, has a producing well on the aforesaid lease known as Evans State No. 3, located 3800' from the North line and 1319' from the East line of Section 3, Township 21 South, Range 36 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 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.

(7) 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 Warren Petroleum Corporation for approval of an unorthodox proration unit consisting of the following described acreage:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM  
Lots 1, 2, 7, 8, 9, 10, 15 and 16 of Section 3

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, Evans State, No. 3, located in Lot 9 of Section 3, Township 21 South, Range 36 East, NMPM, shall be granted an allowable from January 1, 1954 in the proportion that the above described 315.2 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. SPURRER, Secretary and Member

(S E A L)

January 5, 1954

OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO  
SANTA FE, NEW MEXICO

C  
O  
P  
Y

IN THE MATTER OF APPLICATION OF WARREN  
PETROLEUM CORPORATION FOR APPROVAL OF AN  
UNORTHODOX GAS UNIT EMBRACING 315.24  
CONTIGUOUS ACRES IN THE EUMONT GAS POOL,  
LEA COUNTY, NEW MEXICO. ( CASE NO. 660 )

GENTLEMEN:

Comes now WARREN PETROLEUM, A Delaware Corporation with offices in Tulsa, Oklahoma, hereby petitioning the New Mexico Oil Conservation Commission for approval of an unorthodox gas proration unit lying wholly within the Eumont Gas Pool, namely, Lots 1,2,7,8,9,10, 15 and 16 of Section 3, Township 21 South, Range 36 East, N.M.P.M., Lea County, New Mexico, and in support thereof does state:

1. That the petitioner is the sole owner of all leases on the 315.24 acres confined by the boundaries of Section 3, Township 21 South, Range 36 East, N.M.P.M., Lea County, New Mexico, and concerns but a single royalty owner.
2. That the petitioner's Evans State Well No. 3 is located 3800 feet from the North and 1320 feet from the East boundaries of Section 3 and is completed within the vertical limits of the Eumont Gas Pool as defined by the New Mexico Oil Conservation Commission.
3. That the petitioner's lease is entirely surrounded by producing gas wells in the Eumont Gas Pool and is, therefore, itself capable of production.
4. That a plat showing the above described lands and all offset properties indicating well locations and lease ownership to the best of our knowledge is hereto attached.

Wherefore the petitioner requests that, in the interest of conservation and protection of correlative rights, the Commission grant an exception to Rule No. 7(a), Order No. R-370-A, as provided therein, by which the petitioner may operate the above described lands as a single unit, thereby having the allowable of petitioner's No. 3 well increased in the proportion to which the acreage of this lease bears to the standard 160 acre allowable.

Respectfully submitted,

WARREN PETROLEUM CORPORATION

BJN:cp

(The attached plat may be found on  
file in office of New Mexico Oil  
Conservation Commission, Santa Fe,  
New Mexico)

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

17  
Feb. Case 660  
Warren Petroleum Corporation

P.O. Box 1589

Tulsa 2, Oklahoma

January 5, 1954

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

IN THE MATTER OF APPLICATION OF  
WARREN PETROLEUM CORPORATION FOR  
APPROVAL OF AN UNORTHODOX GAS UNIT  
EMBRACING 315.24 CONTIGUOUS ACRES  
IN THE EUMONT GAS POOL, LEA COUNTY,  
NEW MEXICO

Gentlemen:

Comes now WARREN PETROLEUM CORPORATION, a Delaware corporation with offices in Tulsa, Oklahoma, hereby petitioning the New Mexico Oil Conservation Commission for approval of an unorthodox gas proration unit lying wholly within the Eumont Gas Pool, namely, Lots 1, 2, 7, 8, 9, 10, 15 and 16 of Section 3, Township 21 South, Range 36 East, N.M.P.M., Lea County, New Mexico, and in support thereof does state:

1. That the petitioner is the sole owner of all leases on the 315.24 acres confined by the boundaries of Section 3, Township 21 South, Range 36 East, N.M.P.M., Lea County, New Mexico, and concerns but a single royalty owner.

2. That the petitioner's Evans State Well No. 3 is located 3800 feet from the North and 1320 feet from the East boundaries of Section 3 and is completed within the vertical limits of the Eumont Gas Pool as defined by the New Mexico Oil Conservation Commission.

3. That the petitioner's lease is entirely surrounded by producing gas wells in the Eumont Gas Pool and is, therefore, itself capable of production.

4. That a plat showing the above described lands and all offset properties indicating well locations and lease ownership to the best of our knowledge is hereto attached.

Crude Oil • Propane • Butane • Hexane • Natural Gasoline • Natural Gas • Heptane • Iso-Butane • Iso-Pentane

Warren Petroleum Corporation

Oil Conservation Commission  
January 5, 1954  
Page Two

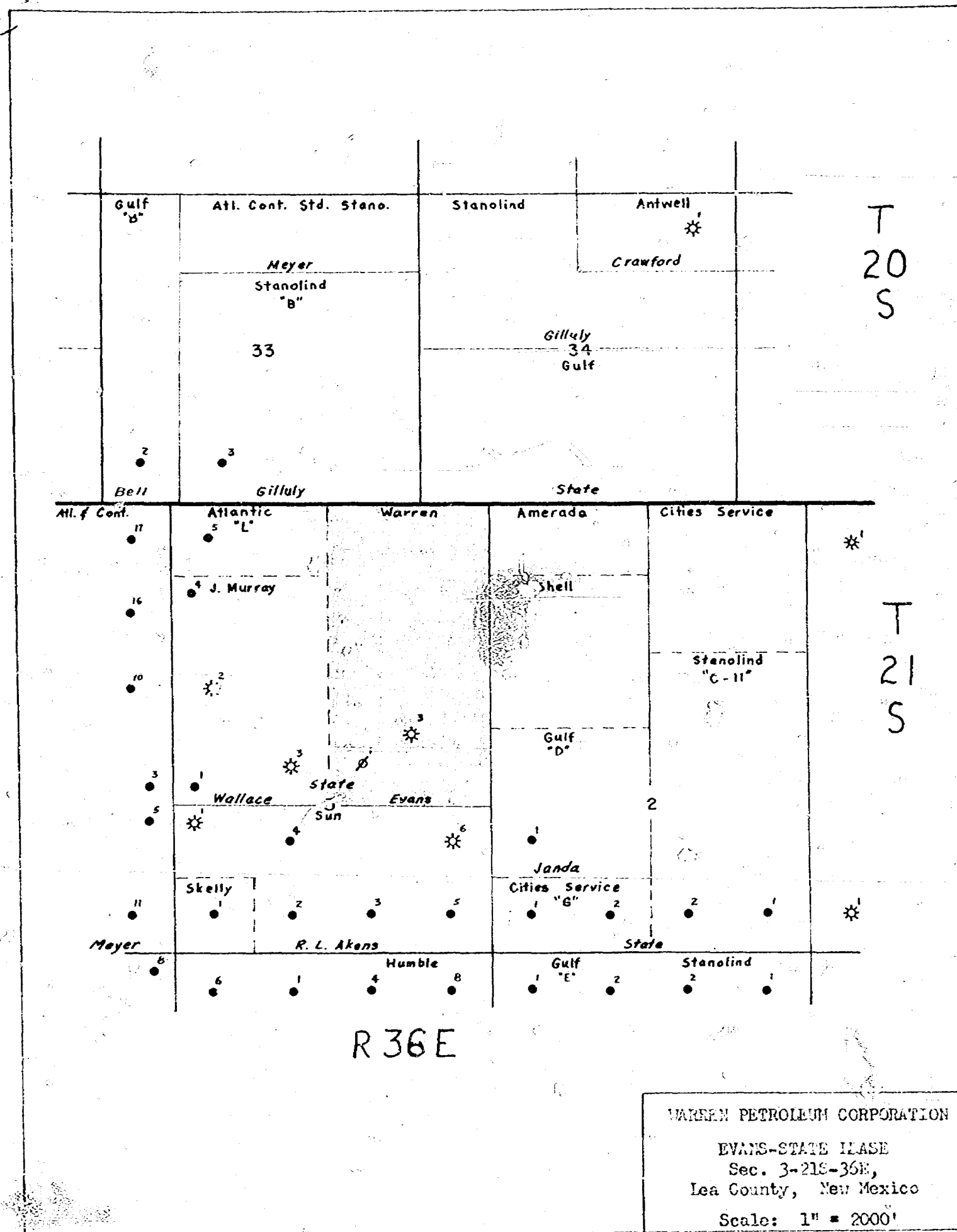
Wherefore the petitioner requests that, in the interest of conservation and protection of correlative rights, the Commission grant an exception to Rule No. 7(a), Order No. R-370-A, as provided therein, by which the petitioner may operate the above described lands as a single unit, thereby having the allowable of petitioner's No. 3 well increased in the proportion to which the acreage of this lease bears to the standard 160 acre allowable.

Respectfully submitted,

WARREN PETROLEUM CORPORATION

BJM:cp

By Ernest Oldham





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. 660  
Order No. R- 452

THE APPLICATION OF WARREN  
Petroleum Corporation  
FOR AN ORDER GRANTING APPROVAL  
OF AN EXCEPTION TO RULE 7 (a) OF  
ORDER NO. R-370A IN ESTABLISHMENT  
OF AN UNORTHODOX GAS PRORATION  
UNIT OF 315.2 CONTIGUOUS ACRES  
CONSISTING OF LOTS 1, 2, 7, 8,  
9, 10, 15 and 16 of Section 3,  
Township 21 South Range 36  
East, NMPM, Lea County,  
New Mexico, in the Arnold  
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, hereinafter referred to as the "Commission".

NOW, on this May 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- 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, Warren Petroleum Corporation, 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 36 EAST, NMPM.

Lots 1, 2, 7, 8, 9, 10, 15 and 16 of  
Section 3

containing 315.24 acres, more or less.

Order No. R- 452

(4) That applicant, Warren Petroleum Corporation,  
has a producing well on the aforesaid lease known as Evans State, No. 3  
located 3800' from the North line and 1342' from the East line of Section  
3, Township 21 South, Range 36 East. 1311'

(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 Ammon Gas  
Pool.

~~(6) That it is impossible to pool applicant's said lease with adjoining  
acreage in the  
and that the owners of adjoining acreage in said quarter sections have not objected  
to the formation of the proposed proration unit of  
consented thereto.~~

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

(7) ~~That~~ 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 Warren Petroleum Corporation  
for approval of an unorthodox proration unit consisting of the following described  
acreage

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM.  
LOTS 1, 2, 7, 8, 9, 10, 15 and 16  
of Section 3

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

-3-

Order No. R- 4-52

(2) That applicant's well, Crown State No 3, located in Lot 9 of Section 3, Township 21 South, Range East, NMPM, shall be granted an allowable from January 1, 1954 in the proportion that the above described 3/5.2 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)

OIL CONSERVATION COMMISSION  
P. O. BOX 871  
SANTA FE, NEW MEXICO

June 7, 1954

Warren Petroleum Corporation  
Box 1589  
TULSA 2 - OKLAHOMA

Attention: Mr. Oldham

Gentlemen:

We enclose Order R-452 issued by the Commission in Case 660, heard by the Commission on February 17, 1954, upon your company's application. The order in Case 659, heard at the same time, is in process of issuance and will be sent to you soon.

Very truly yours,

W. B. Macey  
Chief Engineer

WBM:mr

C  
O  
P  
Y