

Case No.

663

Application, Transcript,
Small Exhibits, Etc.

NO.
CASE 663: Sun Oil Company
Orthodox Gas Proration Unit
Eumont Gas Pool

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

Transcript of Hearing in
Case No. 663

February 17, 1954

Regular Hearing.

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
STATE OF NEW MEXICO
at
Santa Fe, New Mexico
February 17, 1954

In the Matter of:

Application of Sun Oil Company for an
exception to Rule 7(a) of Order No.
R-370-A for approval of a 160-acre un-
orthodox gas proration unit consisting
of W/2 W/2 Section 24, Township 19 South,
Range 36 East, Lea County, New Mexico,
in the Eumont Gas Pool.

Case No. 663

(Notice of Publication read.)

D. C. BROWN

having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. BALLOU: (Representing Sun Oil Company)

Q Would you state your name, please, for the record?

A D. C. Brown.

Q By whom are you employed? A Sun Oil Company.

Q In what capacity?

A District Engineer at Midland.

Q Have you ever appeared before the Commission before as
a witness? A No, I have not.

Q Would you state briefly your education and your employment
background to qualify you as a witness?

A I graduated from Texas University with a B. S. in Chemical
Engineering in June, 1947. I worked for Sun Oil Company since that
time in junior engineering, field engineering, and as District

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 105-106, EL CORTEZ BLDG.
PHONES 7-9845 AND 5-9546
ALBUQUERQUE, NEW MEXICO

Engineer at Midland.

MR. BALLOU: Are his qualifications accepted, Mr. Commissioner?

MR. SPURRIER: They are.

Q This is Sun Oil Company's application for exception to Rules 2 and 7 (a) of order Number R-370-A to permit the drilling of J. L. Barr Number 2 well in the center of the northwest quarter of the southwest quarter of Section 24, Township 19 South, Range 36 East, and also the formation of 160-acre gas proration unit consisting of the west half of the west half of Section 24. This well is to be completed in the Queen's Gas Sand of the Eumont Gas Pool. There are producing gas wells completely surrounding this lease which prove that the entire lease be productive with gas. It has been established at numerous previous hearings that one gas well in the Eumont field will drain in excess of 160 acres. This request is made in an effort to qualify the forming of 460 acre gas units in Section 24.

Q Mr. Brown, in your opinion, will the formation of the unit as applied for cause any islands to be left in Section 24?

A It should not.

Q In your opinion, will it eliminate the necessity of forming three joint operating agreements and three unit agreements?

A It should eliminate three joint operating agreements and three joint unitization agreements.

Q Will the approval of this location and proration unit place any additional burdens on any operator in Section 24 with respect to the establishment of units? A No, it will not.

Q In your opinion, no one in Section 24 or in any of the adjoining sections will be put to any additional burdens because

of the forming of this unit in this manner?

A No, they will not.

Q In your opinion, will one well as located adequately, drain 160 acres?

A It will. This well is located 661.1 feet from the east and west lines of the lease and 1,985 feet from the south line, is also 1323.26 feet north of the Byer Number 1 well and comes in under the spacing for wells there.

MR. BALLOU: We have nothing further. We have here a plat showing the location of the proposed well and the proposed unit outlined in red.

MR. SPURRIER: Without objection it will be admitted as Exhibit Number 1. Any questions of the witness? If not the witness may be excused.

(Witness excused)

MR. SPURRIER: Does anyone have anything further in this case? If not, the case will be taken under advisement and we will move on to Case 664.

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO)

I HEREBY CERTIFY that the foregoing and attached transcript of hearing on Case No. 663 before the Oil Conservation Commission, State of New Mexico, at Santa Fe, on February 17, 1954, 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, 1954.

Ada Dearnley
COURT REPORTER

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 105-106, EL CORTEZ BLDG.
PHONES 7-9648 AND 5-9546
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. 663
Order No. R-453

THE APPLICATION OF SUN OIL 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 160 CONTIGUOUS ACRES CONSISTING OF
WEST HALF OF THE WEST HALF OF SECTION
24, TOWNSHIP 19 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 27th 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, Sun 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 19 SOUTH, RANGE 36 EAST, NMPM
W/2 W/2 of Section 24

containing 160 acres, more or less.

(4) That applicant, Sun Oil Company, plans to drill, a well on the aforesaid lease known as J. L. Barr, No. 2, to be located 1985' from the South line and 661' from the West line of Section 24, Township 19 South, Range 36 East.

(5) That said well is to be located within the limits of the pool heretofore designated as the Eumont Gas Pool.

(6) That it is practical to pool applicant's said lease with adjoining acreage in the West half of Section 24, Township 19 South, Range 36 East, and that the owner of adjoining acreage in said half sections has 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 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 Sun Oil Company for approval of an unorthodox proration unit consisting of the following described acreage:

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM
W/2 W/2 of Section 24

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, J. L. Barr, No. 2, to be located in the NW/4 SW/4 of Section 24, Township 19 South, Range 36 East, NMPM, shall be granted an allowable 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, the effective date of said allowable to be determined in accordance with the provisions of Rule 13 of Order R-370-A, or rules and orders succeeding thereto.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

E. L. Mecham
EDWIN L. MECHEM, Chairman

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

R. R. Spurrer
R. R. SPURRIER, Secretary and Member

(S E A L)

OIL CONSERVATION COMMISSION
P. O. BOX 821
SANTA FE, NEW MEXICO

June 7, 1954

SUN OIL COMPANY
Rio Grande National Bldg.
DALLAS, TEXAS

Attention: Mr. John S. McDermott

Gentlemen:

We enclose Order R-453 issued by the Commission in Case 663, heard at the February 17 hearing, concerning your company's request for approval of unorthodox gas production unit in the Eumont Gas Pool.

Very truly yours,

W. B. Macey
Chief Engineer

WBM:mr

C
O
P
Y

GENERAL OFFICES: PHILADELPHIA, PA.

SUN OIL COMPANY

OIL CONSERVATION COMMISSION
S. M. GLADNEY, NEW MEXICO.
AGENT AND MANAGER
T. F. HILL
AGENT AND ASSISTANT MANAGER
JAN 18 1954

SOUTHWEST DIVISION
RIO GRANDE NATIONAL BUILDING
DALLAS 2, TEXAS

JNO. G. PEW
VICE PRESIDENT & DIRECTOR
PHILADELPHIA 3, PA.

JOHN A. RITTER
PRODUCTION SUPERINTENDENT
DALLAS 2, TEXAS

January 15, 1954

Sun Oil Company's J. L. Barr No. 2
Location: Eumont Gas Pool,
Lea County, New Mexico

mail
C-101 To Hobbs
OK 1-18

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Gentlemen:

Attached you will find in quintuplicate Notice of Intention to Drill the above unorthodox location. Inasmuch as our J. L. Barr 160-acre lease does not cover a legal quarter section (substantially in the form of a square), we hereby request an exception to Rule 2 under "Well Spacing and Acreage Requirements for Drilling Tracts" as contained in Rules of the New Mexico Oil Conservation Commission covering the Eumont Gas Pool, Case No. 584, Order No. R-370-A. effective November 10, 1953.

Furthermore, for the same reason, we also request an exception to Rule 7 to the provision of this same Order prescribing "Proration Units".

It is therefore requested that Notice of Hearing before the Commission be duly issued, when our applications for the exceptions above set out may be considered.

Yours truly,

SUN OIL COMPANY

John S. M. Thier
By:

JSM:kw
Encs.

cc - New Mexico Oil Conservation Commission
Hobbs, New Mexico

Mr. R. L. English
Mr. A. R. Ballou

w/p w/p 2 1-19-36

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A.R. Bell

PRODUCTION DEPT.	
DATE ISSUED	FEB 8 - 1954
SERIAL NUMBER	100688-1