

Case No.

782

Application, Transcript,
Small Exhibits, Etc.

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

November 23, 1954

The Ohio Oil Company
Box 3128
HOUSTON, TEXAS

Attention: Mr. J. O. Terrell Coach

Gentlemen:

We enclose copy of Order R-545 issued by the Commission
in Case 782, heard on October 20 at Hobbs, N. M., upon ap-
plication of your company.

Very truly yours,

W. B. Hacey
Secretary - Director

WBM:nr

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MAIN OFFICE OCC
1954 SEP 27 AM 8:59

Case 722
The Ohio Oil Co.

Legal Department

September 24, 1954

P.O. Box 3128
Houston, Texas

W. Hume Everett
Thomas H. McCloy
J. O. Terrell Couch
Attorneys

New Mexico Oil Conservation Commission
125 Mabry Hall
Capitol Building
Santa Fe, New Mexico

Gentlemen:

I enclose original and two copies of our application for non-standard proration unit consisting of the N/2 of Section 11, Township 22 South, Range 37 East, in the Tubb Gas Pool, Lea County, New Mexico.

Please acknowledge receipt and filing of the application by returning the enclosed copy of this letter with the filing date and case number noted.

If time permits publication of the notice, we would appreciate having this case on the docket for the October 20 hearing.

Very truly yours,

J. O. Terrell Couch
J. O. Terrell Couch

TC:MK
Enc. 4

CA 9721

MAIN OFFICE OCC
1954 SEP 27 AM 8:59

Case 782
The Ohio Oil Co.

Legal Department

September 24, 1954

W. Hume Everett
Thomas H. McCloy
J. O. Terrell Couch
Attorneys

P.O. Box 3128
Houston, Texas

New Mexico Oil Conservation Commission
125 Mabry Hall
Capitol Building
Santa Fe, New Mexico

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Very truly yours,


J. O. Terrell Couch

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Enc. 4

CA 9721

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. 782
Order No. R-545

THE APPLICATION OF THE OHIO OIL
COMPANY FOR AN ORDER GRANTING
APPROVAL OF AN EXCEPTION PURSUANT
TO RULE 7 (a) OF ORDER NO. R-373-A IN
ESTABLISHMENT OF AN UNORTHODOX GAS
PRORATION UNIT OF 320 CONTIGUOUS ACRES
CONSISTING OF N/2 OF SECTION 11, TOWN-
SHIP 22 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
October 20, 1954, at Hobbs, New Mexico, before the Oil Conservation
Commission, hereinafter referred to as the "Commission".

NOW, on this 17²⁶ day of November, 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, The Ohio 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 22 SOUTH, RANGE 37 EAST, NMPM
N/2 of Section 11

containing 320 acres, more or less.

(4) That applicant, The Ohio Oil Company has a producing
well on the aforesaid lease known as Ohio Lou Worthan Well No. 9, located
1905' from the North line and 440' from the West line of Section 11, Town-
ship 22 South, Range 37 East.

(5) That the aforesaid well is located within the limits of the pool heretofore delineated and designated as the Tubb Gas Pool.

(6) That the aforesaid well was completed and in production as an oil well producing from the Drinkard Oil Pool prior to January 1, 1954, the effective date of Order No. R-373-A; that thereafter the applicant plugged back out of the Drinkard Oil Pool, having been authorized by Commission Order DC-60-A, dated June 1, 1954, to dually complete the said well so as to produce gas from both the Blinebry and Tubb Gas Pools; that applicant has been producing from both the Blinebry and Tubb Gas Pools since on or about June 28, 1954.

(7) That it is impracticable to pool applicant's said lease with adjoining acreage in the said Section 11, and that the owners of adjoining acreage in said quarter sections have not objected to the formation of the proposed proration unit of 320 acres, consented thereto.

(8) 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.

(9) That creation of a proration unit consisting of the aforesaid acreage will not cause but will prevent waste and will protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of The Ohio Oil Company for approval of an unorthodox proration unit consisting of the following described acreage

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
N/2 Section 11

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

(2) That applicant's well, Ohio Lou Werthan No. 9, located in the SW/4 NW/4 of Section 11, Township 22 South, Range 37 East, NMPM, shall be granted an allowable from June 28, 1954 in the proportion that the above described 320 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


W. B. MACEY, Secretary and Member



BEFORE THE

Oil Conservation Commission

SANTA FE, NEW MEXICO
Hobbs, New Mexico
October 20, 1954

IN THE MATTER OF:

CASE NO. 782 - Regular Hearing

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES

COURT REPORTERS

ROOMS 105, 106, 107 EL CORTEZ BUILDING

TELEPHONE 7-9546

ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
HOBBS, NEW MEXICO
October 20, 1954

IN THE MATTER OF:

The application of the Ohio Oil Company
for approval of a non-standard gas pro-
ration unit.

Applicant, in the above-styled cause,
seeks approval of a 320-acre non-stand-
ard gas proration unit pursuant to pro-
visions of Rule 7 (a) of Order No.
R-373-A and consisting of the N/2 of
Section 11, Township 22 South, Range 37
East, NMPM, Lea County, New Mexico, in
the Tubb Gas Pool.

Case No. 782

BEFORE:

Honorable Edwin L. Mechem
Mr. E. S. (Johnny) Walker
Mr. William B. Macey

TRANSCRIPT OF HEARING

MR. MACEY: We will proceed with Case 782.

MR. COUCH: If it please the Commission, this is Ohio's
application for non-standard proration unit in the Tubb Gas Pool.

D. K. SPELLMAN, JR.

called as a witness, having been first duly sworn, testified as
follows:

DIRECT EXAMINATION

By MR. COUCH:

Q Will you state your name, please?

A D. K. Spellman, Jr.

Q What is your position and by whom are you employed, Mr.

Spellman?

A Employed by the Ohio Oil Company as District Petroleum Engineer for its Midland District.

Q Does that district include, and are you acquainted with the Tubb Gas Pool in Lea County, New Mexico?

A It does, and I am.

Q Are you familiar with the Ohio's lease on the north half of Section 11, Township 22 South, Range 37 East in Lea County?

A Yes, sir, that is our designated Lou Wortman Lease.

Q That tract contains approximately how many acres, Mr. Spellman?

A 320 acres, more or less.

Q Is that the tract for which the Ohio is seeking a designation as a non-standard proration unit in the Tubb Gas Pool?

A That is the tract.

Q What well of the Ohio is now completed in the Tubb Gas Pool on that tract?

A Ohio Lou Wortman Well Number 9.

Q What is the location of that well?

A It is located in the southwest quarter of the northwest quarter of Section 11 of Township 22 South, Range 37 East and is further identified as being 1,905 feet from the north line of the section and 440 feet from the west line of the section.

Q It would be approximately 735 feet north of the south line of this proposed non-standard unit?

A That is correct.

(Marked Ohio's Exhibit A, for identification.)

Q Mr. Spellman, I hand you a plat that indicates the area. It is marked Exhibit "A", and is a copy of the plat attached to the

Ohio's application in this case, is it not?

A Yes, sir, that is the plat of the Wortman Lease.

Q Is it impractical to pool the Ohio's 320-acre lease that we have under discussion here with adjoining acreage so as to form a larger gas proration unit?

A In my opinion it is.

Q Is it your opinion that this Lou Wortman Well No. 9, as presently completed into the Tubb Gas Pool is capable of producing twice the allowable that has been currently assigned to 160-acre unit in that gas pool?

A I believe it is.

Q Is it your opinion that the Ohio will be deprived of a fair opportunity to recover its just and equitable share of the gas in that pool if the non-standard proration unit is not granted?

A That is my opinion.

Q Will the creation of this proration unit result in waste or create waste?

A No, sir.

Q Will it protect the correlative rights of the Ohio?

A It will.

Q And will not injure the correlative rights of adjoining owners?

A It will not.

Q In your opinion is the entire 320 acres reasonably deemed to be productive of gas from the Tubb Formation?

A Yes, it is from the Tubb Formation.

MR. COUCH: I have no further questions.

MR. MACEY: Let me ask you a question. What zone is the

well presently producing in?

MR. COUCH: Dually producing into the Tubb.

MR. MACEY: Is it connected and producing?

A It has been since sometime in June, dually completed, both in the Tubb and Blinebry.

MR. MACEY: If the application is granted, I was thinking of the effective date of the increase of the allowable.

A It has been producing since approximately the end of June.

MR. MACEY: Did you introduce this exhibit?

MR. COUCH: I do introduce that exhibit and a copy of the application, and it is a copy.


MR. MACEY: Is there objection to the introduction of Exhibit "A" in Case 782? If not the Exhibit will be received in evidence. Any questions of the witness? Do you have anything further? If not the witness may be excused and the case taken under advisement.

(Witness excused.)

STATE OF NEW MEXICO)
: SS.
COUNTY OF BERNALILLO.)

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Hobbs, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 9th day of November, 1954.


Notary Public, Court Reporter

My Commission Expires:
June 19, 1955

NEW MEXICO OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Gentlemen:

Case No. 782: The Application of The Ohio Oil
Company for Formation of Non-Standard Proration
Unit in Tubb Gas Pool, Lea County, New Mexico

The Ohio Oil Company hereby applies for the designation and formation of a non-standard gas proration unit consisting of the N/2 of Section 11, Township 22 South, Range 37 East, in the Tubb Gas Pool, Lea County, New Mexico. In support of this application, The Ohio would show to this Commission the following:

1. The Ohio Oil Company is the owner of the oil and gas leasehold estate on the above described land, which tract contains 320 acres, more or less. Said tract should be considered as containing 320 acres for the purpose of allocation of gas allowable in said pool.

2. The Ohio Oil Company's Lou Worthan Well No. 9 has been dually completed in the Tubb Gas Pool and in the Blinebry Gas Pool in the SW/4 of the NW/4 of said Section 11, at a location 1905 feet from the north line and 440 feet from the west line of said Section 11, said location being approximately 735 feet north of the south line of the proposed non-standard gas proration unit. The Order permitting such dual completion of the well is Order numbered DC-60-A, dated June 1, 1954.

3. The attached plat indicates the location of the proposed unit and the location of the surrounding tracts. The area included in the proposed unit is indicated on said plat by the diagonal lines shown thereon.

4. The Ohio further states that:

(a) The location of said well is within the limits of the pool heretofore delineated and designated as the Tubb Gas Pool;

(b) It is impractical to pool The Ohio's said leasehold estate with adjoining acreage so as to form a larger gas proration unit;

(c) The Ohio will be deprived of a fair opportunity to recover its just and equitable share of the natural gas in the Tubb Gas Pool, unless the non-standard proration unit is formed, considered as containing 320 acres and consisting of the N/2 of said Section 11;

(d) The creation of a proration unit consisting of the aforesaid acreage will prevent the drilling of an unnecessary well, will not result in waste, will protect correlative rights and is necessary to prevent confiscation of The Ohio's property.

The Ohio Oil Company therefore respectfully requests that a time be set for hearing on this Application at the earliest practicable date; that notice of this Application and of such hearing be issued and served immediately by publication in accordance with the Rules and Regulations of this Commission as provided by law. The Ohio prays that on such hearing, the said non-standard proration unit sought hereby be formed and designated as containing 320 acres for the purpose of allocation of gas allowable in the Tubb Gas Pool and that the allowable production of said well from the Tubb Gas Pool be determined on the basis of such proration unit.

Respectfully submitted,

THE OHIO OIL COMPANY

By


J. O. Terrell Couch, Attorney

P. O. Box 3128
Houston 1, Texas

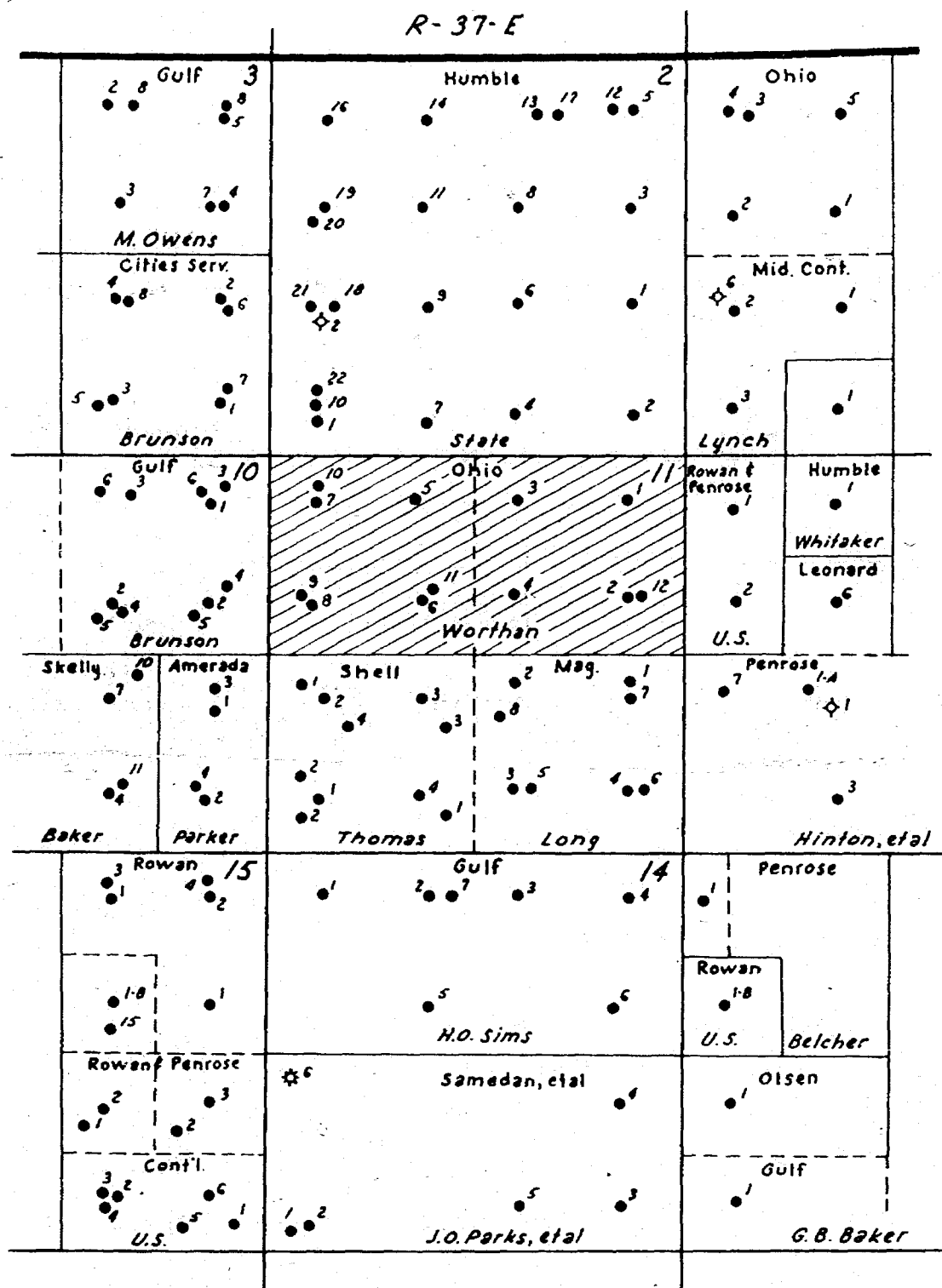
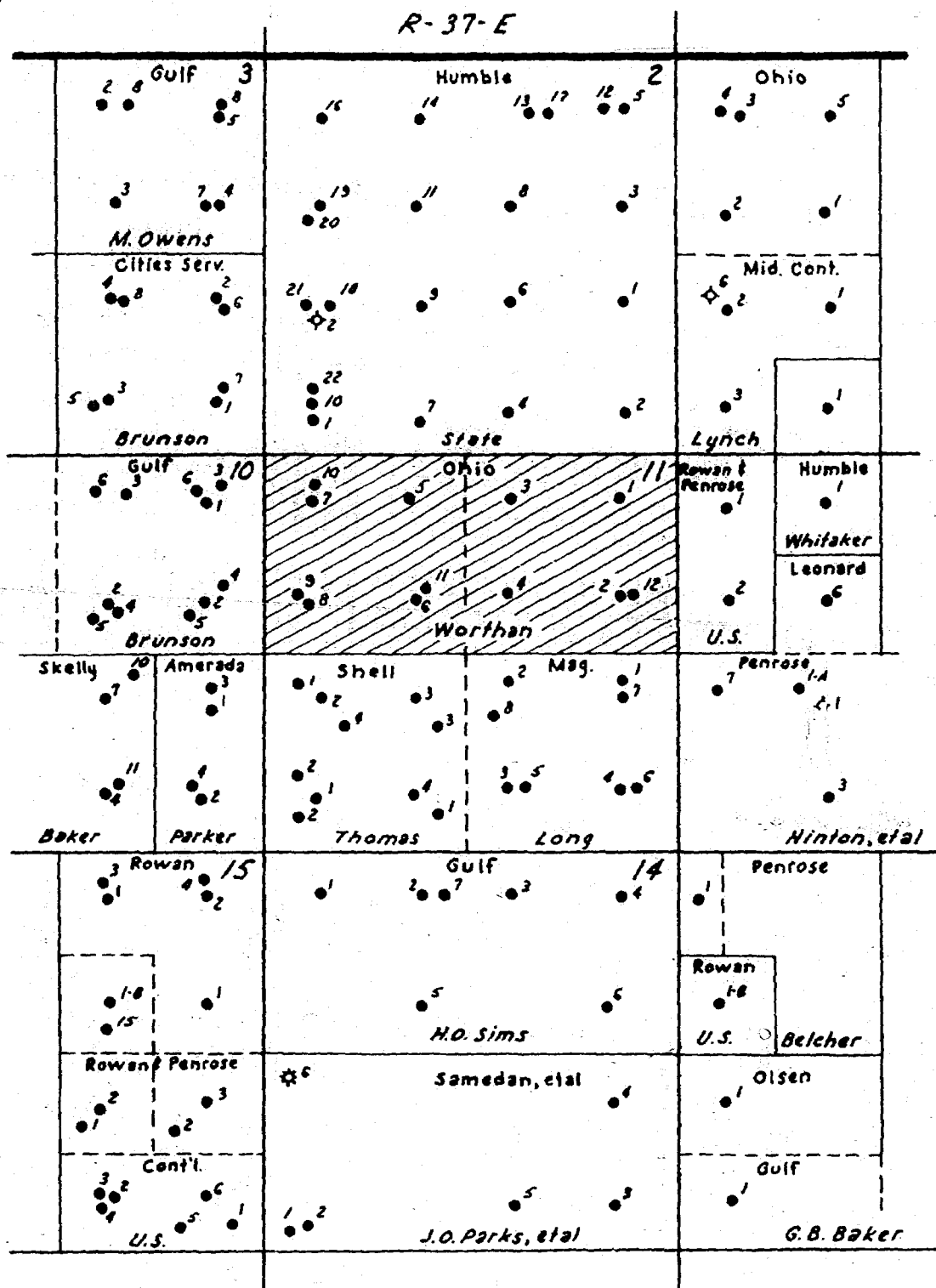


EXHIBIT "A"
To THE OHIO OIL COMPANY'S Application
For Non Standard Gas Proration Unit
For The N/2 OF 11-22-37
TUBB GAS POOL.

Scale - 1"=2000'



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EXHIBIT "A"
To THE OHIO OIL COMPANY'S Application
For Non Standard Gas Proration Unit
For The N/2 OF 11-22-37
TUBB GAS POOL.

Case 782

Scale - 1/2"

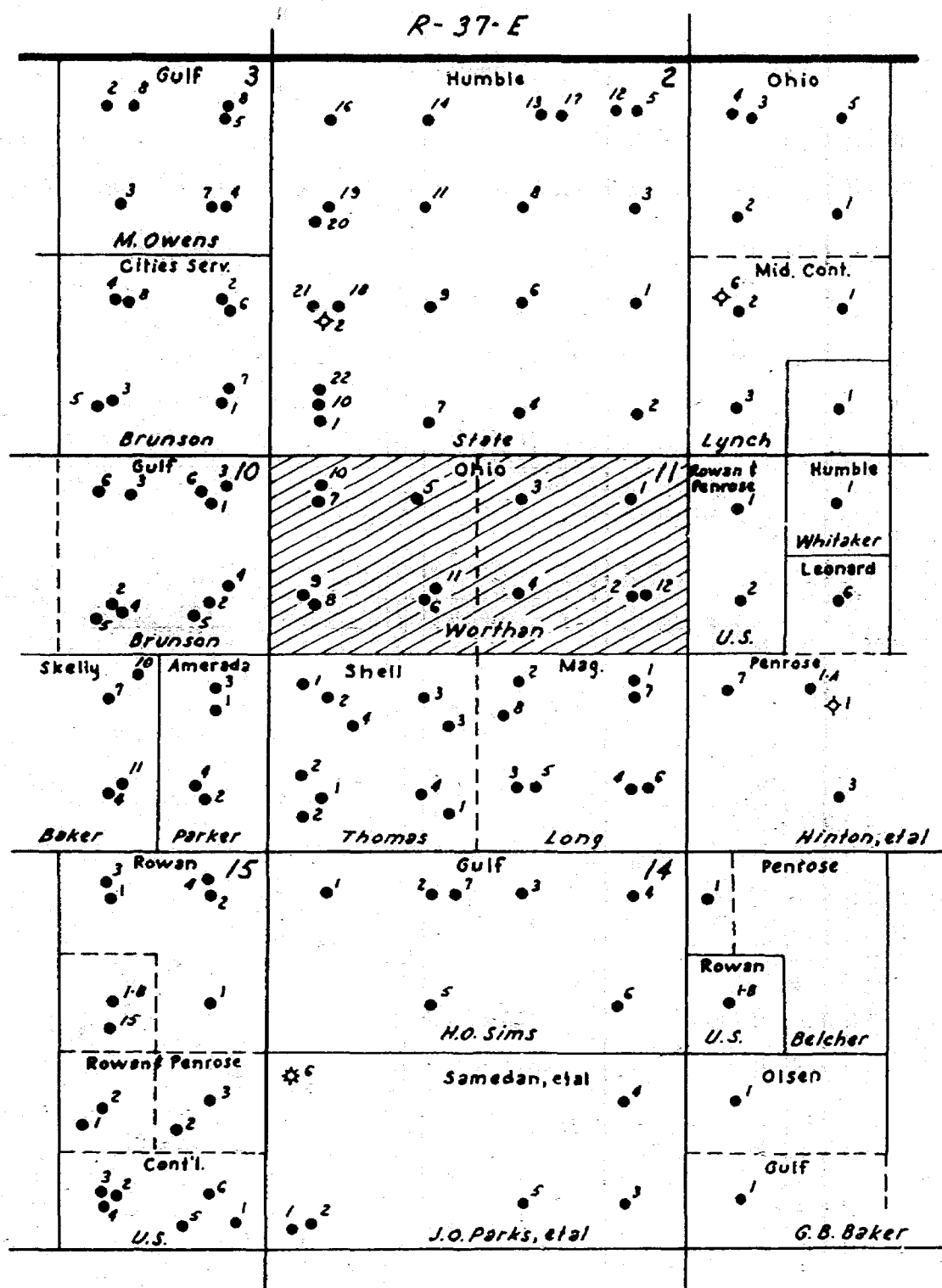


EXHIBIT "A"

To THE OHIO OIL COMPANY'S Application
For Non Standard Gas Proration Unit
For The N/2 OF 11-22-37
TUBB GAS POOL.

Case 782

Scale - 1" = 2000'