

Casa No.

873

Application, Transcript,
Small Exhibits, Etc.

BEFORE THE
Oil Conservation Commission

SANTA FE, NEW MEXICO
April 20, 1955

IN THE MATTER OF:

CASE NO. 873 - Regular Hearing

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES

COURT REPORTERS
605 SIMMS BUILDING
TELEPHONE 3-8691
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
April 20, 1955

IN THE MATTER OF:

Application of N. B. Hunt for approval of a
240-acre non-standard gas proration unit in the
Sumont Gas Pool: NW/4 and W/2 NE/4 of Section
21, Township 21 South, Range 37 East, Lea
County, New Mexico, to be assigned to applicant's
Mittie N. Weatherly Well No. 1, center of SW/4
NW/4 of said Section 21.

Case No. 873

BEFORE:

Mr. E. S. (Johnny) Walker
Mr. William B. Macey

TRANSCRIPT OF HEARING

MR. MACEY: The next case on the docket is Case 873.

MR. KELLAHIN: If the Commission please, Jason Kellahin,
appearing for applicant, N. B. Hunt. We will have one witness,
Mr. Rohe.

GORDON ROHE,

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

DIRECT EXAMINATION

By MR. KELLAHIN:

State your name please.

A My name is Gordon Rohe.

Q By whom are you employed?

A Employed by the Hunt Oil Company, Dallas, Texas.

Q What position?

A Petroleum Engineer.

Q Have you testified before this Commission previously?

A No, I have not.

Q What educational background do you have?

A Petroleum Engineer graduate, University of Texas, 1948. I was employed by the California Company of New Orleans from '48 to '51; by Hunt Oil Company from '52 to the present.

Q In what capacity are you employed by the Hunt Oil Company?

A For both companies, I work partly as a field petroleum engineer and part time reservoir engineer.

Q Have you had any other field experience aside from that?

A That about covers it all.

MR. KELLAHIN: Are the witness's qualifications acceptable to the Commission?

MR. MACEY: Yes, sir, they are.

MR. KELLAHIN: Mr. Rohe, are you familiar with the application in this case, 873?

A Yes, sir, I am.

Q Did you assist in preparing the application here?

A No, sir, I did not.

(Marked Hunt Oil Company Exhibits No. 1, 2 and 3, for identification.)

Q Mr. Rohe, I hand you what has been marked as Applicant Hunt Exhibit No. 1 and ask you to state what this is.

A This is application of M. B. Hunt for non-standard gas production unit in regards to the northwest quarter and the west half of the northeast quarter, which is in Section 21, Township 21 South, Range 37 East, of Lea County, New Mexico, Mittie N. Weatherly Well

No. 1, located in the center of the southeast quarter of the northwest quarter of Section 21.

Q Does it outline the acreage that Hunt seeks for approval?

A Yes, it outlines the acreage of the Weatherly Lease which consists of the northwest quarter of the section and the west half of the northeast, 240 acres.

Q Who are the working interest owners and the lessors under this proposed lease?

A The working interest owners are H. B. Hunt, W. H. Hunt and Lamar Hunt, and the lease owners are W. W. Weatherly and wife, Mittie M. Weatherly.

Q What is the location of the Mittie M. Weatherly No. 1?

A The Weatherly No. 1 is 1980 feet from the north line and 660 feet from the west line of Section 21.

Q Do you know when that well was completed?

A This well was completed in January of 1939.

Q In what formation was it completed?

A The Weatherly No. 1 was completed in the Queens Formation.

Q Was it productive of oil at that time?

A Yes, sir, it was an oil producer.

Q In other words, Mr. Rohe, this well was not completed to any production early?

A That is correct.

Q How has the well been classified from the time of its completion up to the present time, do you know?

A This well has been carried on the proration schedule of the Penrose-Skelley Pool, producing from the Queen formation.

Q It has been appearing then on the oil exhibit?

A That is correct.

Q I hand you what has been marked as Hunt's Exhibit No. 2 and ask you to state what that shows.

A That is a letter dated March 7, 1955, from the Engineer of District 1, Oil Conservation Commission, to W. B. Hunt concerning the Weatherly No. 1 in Penrose-Skelly Pool. The District Engineer points out that the ratio of this well is in excess of 100,000 to 1, indicates this well should be reclassified as a gas well in the Eumont Pool, and requests, further, that W. B. Hunt request an application for non-standard unit for this well.

Q Is the information that it is a high gas-oil ratio well correct?

A Yes.

Q What is the ratio?

A In excess of 100,000 to 1.

Q Is the proposed unit within the limits of the Eumont Gas Pool, as presently defined?

A Yes, sir, it is.

Q Are you sure? Isn't there a case coming up in that connection?

A The Weatherly is not in the Eumont Pool as presently defined. I believe it is the Case 284 which pertains to the extension of the Eumont Pool to cover Section 21 of Township 21 South, Range 37 East.

Q The Hunt application for unorthodox unit within the Eumont Pool would be conditioned on the boundary of the Eumont Pool to include the boundaries of the Eumont?

A Yes.

Q In other words, you are making a conditional application at this time?

A Yes.

Q At the time that the Mittie Weatherly Well was drilled, did it conform to the requirements of the Commission as to spacing and well location?

A Yes, sir, it did.

Q In the Queens Formation?

A Yes, sir.

Q I hand you what has been marked as W. B. Hunt's Exhibit 3 and ask you to state what that shows.

A This is a plat showing Section 21 and the Mittie W. Weatherly Lease, consisting of 240 acres for which the non-standard proration unit is requested. This plat shows the location of the Weatherly No. 1 Well from the boundary lines and for the convenience of the Commission, we have plotted on here to scale, a radius of influence equivalent to 3,735 feet. From a study of this plat can be seen that all of the acres in the Mittie W. Weatherly Lease are included within the radius of influence.

Q That would include all but a very small fraction in the corner?

A That is correct. There is a fraction of an acre in the northeast corner of the lease that would not be covered within the radius of influence.

Q You based your 3,735 feet -- Did you base that on the statement which was made by the Commission Staff in considering the radius of influence?

A That was based on a letter which I had in my office. I don't remember the author of it, but it concerned a further interpretation of R-520.

Q Does the proposed non-standard unit consist of continuous quarter quarter sections?

A Yes.

Q Does it lie entirely within Section 21, Township 21 South, Range 37 East?

A Yes.

Q May all the acreage be presumed to be productive of gas?

A Yes, sir.

Q Are there some other wells located within the vicinity completed as gas producers?

A To my knowledge there are no other wells completed in the Queen Formation within the radius of influence, or within 1,500 feet of the boundary lines of this lease.

Q There is some acreage lying to the south to which this well will be located 660 feet from the boundary?

A The leases to the south are leases also owned by N. B. Hunt, have two wells on it, the M. E. Wantz No. 1 and the Wantz No. 2.

Q In what formation are those?

A Those two wells are also completed in the Queen formation.

Q They are both productive of gas from the Queen?

A They are, like the Weatherly, presently carried on the oil proration schedule for the Penrose-Skelly Pool, and also have been reclassified as gas wells, contingent upon case 884.

Q Does the length of this proposed unit exceed 5,280 feet?

A No.

Q The offset operators, would you name who they are?

A The offset operators are Sinclair, Pacific Western, Tidewater, Sunray, S. L. Cone.

Q Were all of these operators notified of the application filed by W. S. Hunt in this case?

A Yes, all of the offset operators were notified by registered mail on March 24, 1955.

Q Were any objections received from any of the operators?

A To my knowledge there is no objection to this request.

Q In your opinion, would it be economically feasible to drill an additional well on the proposed unit?

A No, sir, it would not.

Q Would such a well be contrary to good field practice in the oil and gas industry?

A Yes, sir, it would.

Q Why do you say that, Mr. Rohe?

A The cost of the well to the Queen Formation, and based upon the probable allowable recovery we would receive for a Queen Formation well in the Eumont would make the payout of such a well excessive.

Q Are you familiar with the standard proration unit for a gas well completed in the Eumont Pool?

A I believe the standard proration unit as described in R-520 in the Eumont Pool was 640 contiguous acres.

Q If this proposed proration unit is not approved, what effect would that have on the applicant and the applicant's lessors?

A If this is not approved, then we will be deprived of our fair share of the hydrocarbons underneath the lease.

Q In your opinion, would approval of the proration unit, consisting of the northwest quarter and west half of the northeast quarter of Section 21, Township 21 South, Range 37 East, Lea County New Mexico, prevent waste and protect correlative rights and serve the best interest of conservation?

A Yes, I believe it would.

MR. KELLAHIN: I move the admission in evidence of the applicant Hunt's Exhibits 1, 2 and 3.

MR. MACEY: Without objection they will be received.

MR. KELLAHIN: That is all.

MR. MACEY: Any questions of the witness? If not the witness may be excused.

(Witness excused.)

MR. MACEY: Do you have anything further?

MR. KELLAHIN: That is all.

MR. MACEY: We will take the case under advisement.

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 Santa Fe, 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 3rd day of May, 1955.

Ada Dearnley
Notary Public, Court Reporter

My Commission Expires: June 12, 1955

ADA DEARNLEY & ASSOCIATES
STENOGRAPHIC REPORTERS
ALBUQUERQUE, NEW MEXICO
TELEPHONE 3-6691

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 873
Order No. R-758

THE APPLICATION OF N. B. HUNT
FOR AN ORDER GRANTING APPROVAL
OF AN EXCEPTION PURSUANT TO
RULE 5 (a) OF THE SPECIAL RULES
AND REGULATIONS OF THE EUMONT
GAS POOL AS SET FORTH IN ORDER
R-520 IN ESTABLISHMENT OF A NON-
STANDARD GAS PRORATION UNIT OF
240 CONTIGUOUS ACRES CONSISTING
OF THE NW/4 AND THE W/2 NE/4 OF
SECTION 21, TOWNSHIP 21 SOUTH,
RANGE 37 EAST, NMPM, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m.
on April 20, 1955, at Santa Fe, New Mexico, before the Oil Con-
serva-tion Commission, hereinafter referred to as the "Commission."

NOW, on this 14th day of March 1956, the Commission,
a quorum being present, having considered the records and testi-
mony 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 the provisions of Rule 5 (a)
of the Special Rules and Regulations of the Eumont Gas Pool, as
contained in Order R-520, the Commission has power and authority
to permit the formation of a gas proration unit consisting of
other than a legal section after notice and hearing by the Com-
mission.

(3) That applicant, N. B. Hunt, is the owner of
an oil and gas lease in Lea County, New Mexico, the land consist-
ing of other than a legal section, and described as follows,
to-wit:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
NW/4 & W/2 NE/4 of Section 21

containing 240 acres, more or less.

Order No. R-758

(4) That applicant, N. B. Hunt, has a producing well on the aforesaid lease known as N. B. Hunt's Mittie Weatherly Well No. 1, located 1980 feet FNL and 660 feet FWL of said Section 21, Township 21 South, Range 37 East, Lea County, New Mexico.

(5) That the aforesaid well was in production prior to the effective date of Order R-520 and is located within the horizontal limits of the pool heretofore delineated and designated as the Eumont Gas Pool.

(6) That it is impractical to pool applicant's aforesaid lease with adjoining acreage in the Eumont Gas Pool, and that owners of adjoining acreage in said area have not objected to the formation of the proposed proration unit of 240 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 the 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 N. B. Hunt for approval of a non-standard gas proration unit in the Eumont Gas Pool consisting of the following described acreage:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
NW/4 & W/2 NE/4 of Section 21

be and the same is hereby approved and a proration unit consisting of 240 acres be and the same is hereby created effective April 1, 1956.

(2) That applicant's well, Mittie N. Weatherly Well No. 1, located in the SW/4 of the NW/4 of Section 21, Township 21 South, Range 37 East, NMPM, in the Eumont Gas Pool, be and the same is hereby granted an allowable effective April 1, 1956, in the proportion that the above described 240 acre unit bears to the standard unit for said pool, all until further order of the Commission.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John F. Simms
JOHN F. SIMMS, Chairman

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

W. B. Macey
W. B. MACEY, Member and Secretary



ir/

JASON W. KELLAHIN
ATTORNEY AT LAW
54 1/2 EAST SAN FRANCISCO STREET
POST OFFICE BOX 597
SANTA FE, NEW MEXICO
TELEPHONE 3-9396

February 1, 1956

Case # 873

Mr. W. B. Macey
Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Mr. Macey:

In connection with the hearing which has been called for February 15, 1956, Case No. 1019 proposes to extend the limits of the Eumont Gas Pool, re-define the limits of the Penrose-Skelly Oil Pool, and abolish the Arrow Gas Pool. I would like to call to your attention the application of N. B. Hunt in Case No. 873, hearing on which application was held April 20, 1955. No order has yet been entered in Case No. 873, which was an application for a non-standard gas proration unit for N. B. Hunt's Weatherly No. 1 Well, consisting of the NW/4 and the W/2 of the NE/4, Section 21, Township 21 South, Range 37 East, containing 240 acres, more or less.

Action on Case No. 873 was withheld pending entry of orders by the Commission in Cases No. 881 and No. 884, and it is my understanding that no orders have been entered in either of these two cases.

Upon extension of the horizontal limits of the Eumont Gas Pool to include the Weatherly No. 1 Well, I believe it would be proper to enter an order in Case No. 873, as the Commission may determine upon the basis of the testimony and evidence offered at the April, 1955, hearing. As you will recall, the Weatherly No. 1 Well and N. B. Hunt's Wantz Nos. 1 and 2 Wells have been produced under a special gas allowable assigned each month by the Commission since their deletion from the Penrose-Skelly Oil Pool and re-classification as gas wells.

If anything further is needed from us in connection with Case No. 873, I would appreciate it if you would advise me of that fact.

Yours very truly,

Jason W. Kellahin
Jason W. Kellahin

JWK:lm

cc: Mr. William S. Richardson

Case 873

NSP-131 + 132

Hold pending
outcome of general
overall Eumont problem

Correspondence on subject will
be in folder for NSP-131

issue offer
Case # 1019
on 7/18/56

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

March 20, 1956

C
O
P
Y

Mr. Jason Kellahin
P.O. Box 597
Santa Fe, New Mexico

Dear Sir:

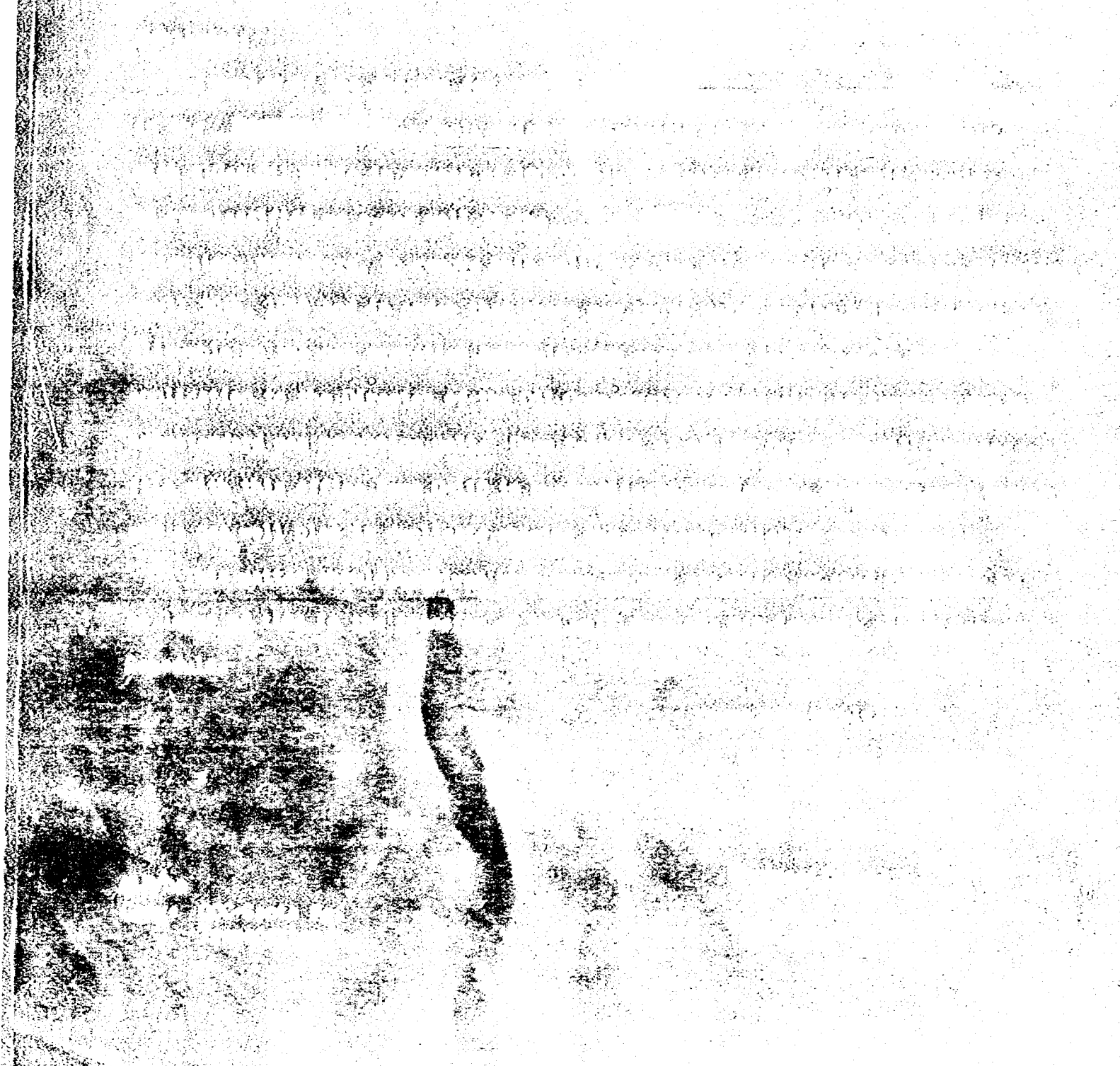
In behalf of your client, N. B. Hunt, we enclose two copies of Order R-758 issued March 14, 1955, by the Oil Conservation Commission in Case 873, which was heard on April 20th.

Very truly yours,

W. B. Macey
Secretary - Director

WBM:brp
Encls.

BEFORE THE
CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
EXHIBIT NO. _____
CASE _____



MANITOWOC
BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

In the Matter of the Application)
of N. B. Hunt for a Non-Standard)
Gas Proration Unit, (No. 1 Mittie N.)
Weatherly Gas Well), Eumont Gas Pool,)
Lea County, New Mexico.)

Case No. 873

APPLICATION

Applicant, N. B. Hunt, for himself and on behalf of Lamar Hunt and W. H. Hunt, hereby applies to the Commission pursuant to Rule 5, of the Commission's Order No. R-520 issued on August 12, 1954, in Case No. 673, for an order approving a non-standard gas proration unit in the Eumont Gas Pool comprising the $NW\frac{1}{4}$ and the $W\frac{1}{2}$ of the $NE\frac{1}{4}$ of Section 21, Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico, as reflected on the plat attached hereto and marked Exhibit A, containing 240 acres, more or less.

In support of this application, Applicant states:

1. That Applicant, N. B. Hunt, Lamar Hunt and W. H. Hunt are the present owners of all operating rights in the proposed non-standard gas proration unit.

2. That J. M. Rush, a predecessor in interest of Applicant, has heretofore drilled the Mittie N. Weatherly No. 1 Well in accordance

with the rules and regulations then in effect, at a location in the center of the SW $\frac{1}{4}$ of the NW $\frac{1}{4}$ of Section 21, Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico, and completed the same on January 4, 1939, as a commercial well productive of oil from the Penrose Skelly pool.

3. That the Oil Conservation Commission of the State of New Mexico notified Applicant by letter dated March 7, 1955, that this well should be re-classified as a gas well in the Eumont Pool.

4. That the proposed non-standard gas proration unit consists of contiguous quarter-quarter sections.

5. That the proposed non-standard gas proration unit lies wholly within Section 21, Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico.

6. That in the opinion of Applicant the entire proposed non-standard gas proration unit may reasonably be presumed to be productive of gas.

7. That the length or width of the proposed non-standard gas proration unit does not exceed 5,280 feet.

8. That Applicant has on March 24, 1955, notified (a) operators owning interests in Sec. 21, T.21 S., R. 37 E., N.M.P.M., Lea County, New Mexico, and (b) operators owning interest within 1,500 feet of the Mittie N. Weatherly Well No. 1 of Applicant's intent to form such

non-standard gas proration unit by sending copies of this application via registered mail to the following:

Sunray Oil Corporation
First National Bank Building
Tulsa 3, Oklahoma

Mr. S. E. Cone
First National Bank Building
Lubbock, Texas

The Ohio Oil Company
Post Office Box 3128
Houston 1, Texas

Sinclair Oil and Gas Company
Fair Building
Fort Worth, Texas

9. That triplicate copies of New Mexico Oil Conservation Commission's Gas Well Plats reflecting the data applicable to the proposed non-standard gasproration unit are attached hereto as a part of this application.

WHEREFORE, Applicant requests that he be granted an order approving a non-standard gas proration unit in the circumstances above described, and for such other and further relief as appear warranted in the premises.

Respectfully submitted,

N. B. HUNT

By: William S. Richardson
William S. Richardson

700 Mercantile Bank Building
Dallas, Texas

ATTORNEY FOR N. B. HUNT

Gas Well Plat

N.B. Hunt	Mittie N. Weatherly	1
Operator	Lease	Well No.

No. Acres Dedicated to the Well 240

X X X X X X X X X X	N.B. HUNT	X X X X X X X X X X
X X X X X X X X X X	<u>240</u> <u>Acre</u>	<u>Unit</u> X X X X X X X X X X
(⊗)	Mittie N. Weatherly	X X X X X X X X X X

Name William S. Richardson
Position William S. Richardson-Attorney
Representing N.B. HUNT
Address 700 Mercantile Bank Building
Dallas 1, Texas

(over)

Mid-Continent

State of N. Mex.

240 Ac UNIT

Sinclair

Sunray

Onio

Anderson

T-21-S

SCALE: 1" = 1/4 mile

Plat outlines Non-Standard
Proportion Unit containing 240
acres for the N.B. Hunt - No. 1 M.
WEATHERLY gas well in the Eumont
Gas Pool of Lea Co., New Mexico

It is very likely that I am familiar with the enormous number of ways in which the letters form the different parts which so draw out the double and even triple letters to the limit of my knowledge and more or less accurately reflects a knowledge with which I think it would be fair to number and to state that I have never observed a regularity.

Worthall K. Linder

Subscribed and sworn to before me on this *15th*
day of *March* 19*55*
Virginia L. Thomas

