

Case No.

1031

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Application, Transcript,  
Small Exhibits, Etc.

CASE 1031: Shell Oil & R. Olsen Oil Cos.  
Application for approval of 240 acre in  
Palmet Gas Pool (Shell's State Well 1-A)

6/21/50

INTER-OFFICE TRANSMITTAL SLIP

TO. JWG  
FROM. WWA

- ( ) For Approval  
( ) For Signature  
( ) Note and Advise  
( ) Note and Return  
( ) For Your Files  
( ☒ ) For Your Handling

Re: Case #1031

Regular Hg.

First heard on  
March 14, 1942  
@ 9 AM

~~Successfully~~  
# successfully  
continued

Remarks:

Dismiss on  
motion of applicant  
without prejudice.

I heard thru  
June 14, 1942

Case 1031  
MAIN OFFICE OGC SHELL OIL COMPANY



AM 8:37

Box 1957  
Hobbs, New Mexico

June 6, 1956

Subject: Case 1031 - Non-Standard Gas  
Unit Proposal, Jalmat Field,  
Lea County, New Mexico

New Mexico Oil Conservation Commission  
P. O. Box 871  
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.

Gentlemen:

Since early March 1956, Shell State 1-A, Jalmat Field, has been undergoing an intensive testing program to determine the relative productive capabilities with regard to a possible reclassification as a Jalmat oil well. The testing to date has exhibited a rapid decrease in oil production from the original 100 BOPD to a present negligible amount while the water production has remained in the range of 300 - 400 b/d. The well is now shut in pending remedial operations to exclude water.

Since the status of State 1-A is still questionable because of the excessive water production, we feel that our case (No. 1031) concerning enlargement of the gas unit assigned to this well should be dropped from the current docket until remedial operations are completed. When the proposed workover is evaluated we will then resubmit our gas proration unit proposal to your office for consideration.

Yours very truly,

A handwritten signature in cursive script, reading "Frank R. Lovering".  
Frank R. Lovering  
Division Manager

cc: New Mexico Oil Conservation Commission  
P. O. Box 2045  
Hobbs, New Mexico

R. Olsen Oil Company  
2805 Liberty Bank Building  
Oklahoma City, Oklahoma  
Attn: Mr. Philip Randolph

1031

## New Mexico

### MAIN OFFICE OIL CONSERVATION COMMISSION

GOVERNOR JOHN F. SIMMS  
CHAIRMAN  
LAND COMMISSIONER E. S. WALKER  
MEMBER  
STATE GEOLOGIST W. B. MACEY  
SECRETARY & DIRECTOR



Box 2045  
HOBBS, NEW MEXICO

April 10, 1956

Mr. A. L. Porter, Jr.  
Oil Conservation Commission  
P. O. Box 871  
Santa Fe, New Mexico

Dear Mr. Porter:

Reference is made to Cases 1031 and 1032 on the docket for the regular hearing before the Commission on April 18, 1956.

The subject cases cover the joint applications of the Shell Oil Company and R. Olsen Oil Company for orders approving two non-standard gas proration units in the Jalmat gas pool, Lea County, New Mexico. Each case, although filed separately and independently, depends one upon the other. The purpose of the two applications was to dedicate all of the acreage owned by the applicants in Section 36 of Township 24 South, Range 36 East, to one of the applicants' two gas wells in said section; one well being the Shell Oil Company State A #1 and the other well being the R. Olsen Oil Company McKinney well #1. Neither of the two applicants would be able to form a gas proration unit using all its own acreage in said Section 36 without these joint applications, because some or all of its acreage would not be contiguous to their individual unit wells.

On or about December 14, 1955, the Shell Oil Company was notified by the El Paso Natural Gas Company that their State A #1 was making some considerable volume of fluid, and that it would be necessary to install separation equipment to prevent these fluids from entering the El Paso Natural Gas Company's gas gathering facilities. The State A #1 well was shut in and the separation equipment was installed. On March 10, 1956, the State A #1 was returned to production, at which time it was noted that the well now made an average of 200 bbls. of fluid per day with a 45% water cut and an average gas-oil ratio in excess of 10,000 to 1. As a result of this low ratio and high rate of production, the Shell requested of the Commission a 45 day test period to determine the proper classification of this well; the 45 day testing period was granted and Supplement No. 199 was issued March 26, 1956, granting an advance allowable of 4500 bbls. to cover the fluid produced during this test period.

## New Mexico

### MAIN OFFICE OIL CONSERVATION COMMISSION

GOVERNOR JOHN F. SIMMS  
CHAIRMAN  
LAND COMMISSIONER E. S. WALKER  
MEMBER  
STATE GEOLOGIST W. B. MACEY  
SECRETARY & DIRECTOR



Box 2045  
HOBBS, NEW MEXICO

1032 APR 18 PM 1:29

The attached plat shows the distribution of the acreage as to working interest ownership, the Shell acreage being colored in green, and the acreage of the R. Olsen Oil Company being colored in blue. All of the wells in Section 36 are shown with the appropriate symbol for each, and the proration units as requested by Cases 1031 and 1032 are outlined.

#### CONCLUSIONS:

Case 1031: This case should be continued as requested by the Shell Oil Company until sufficient testing has been done to adequately determine the proper classification for this well, not to exceed 45 days. Following this period, the case should either be heard or withdrawn at the May 16, 1956 regular hearing before the Commission.

Case 1032: This case can be heard and considered by the Commission; however, as can be seen from the attached plat, the R. Olsen Oil Company has nothing to gain by the dedication to its well, McKinney #1, of the additional 160 acres of Shell leases. Further, the NE/4 of the NW/4 of said Section 36 which is part of Case 1032, is presently dedicated as a part of the 160 acre unit assigned to the Shell State A #1. It is my opinion that Case 1032 will and should be continued pending the outcome of Case 1031.

It is my opinion that no gas proration units of any kind should be considered for Section 36 until such time as the classification of the Shell State A #1 can be properly determined, and all of the operators in said Section 36 have an opportunity to dedicate their acreage to a gas well. It would appear that an additional well will have to be drilled for the production of gas.

Very truly yours,

C. M. Rieder  
Engineer

NEW MEXICO  
OIL CONSERVATION COMMISSION

Form C-128

Well Location and/or Gas Proration Plat

Date \_\_\_\_\_

Open ~~XXXXXX~~ CASES 1031 and 1032

~~XXXXXX~~

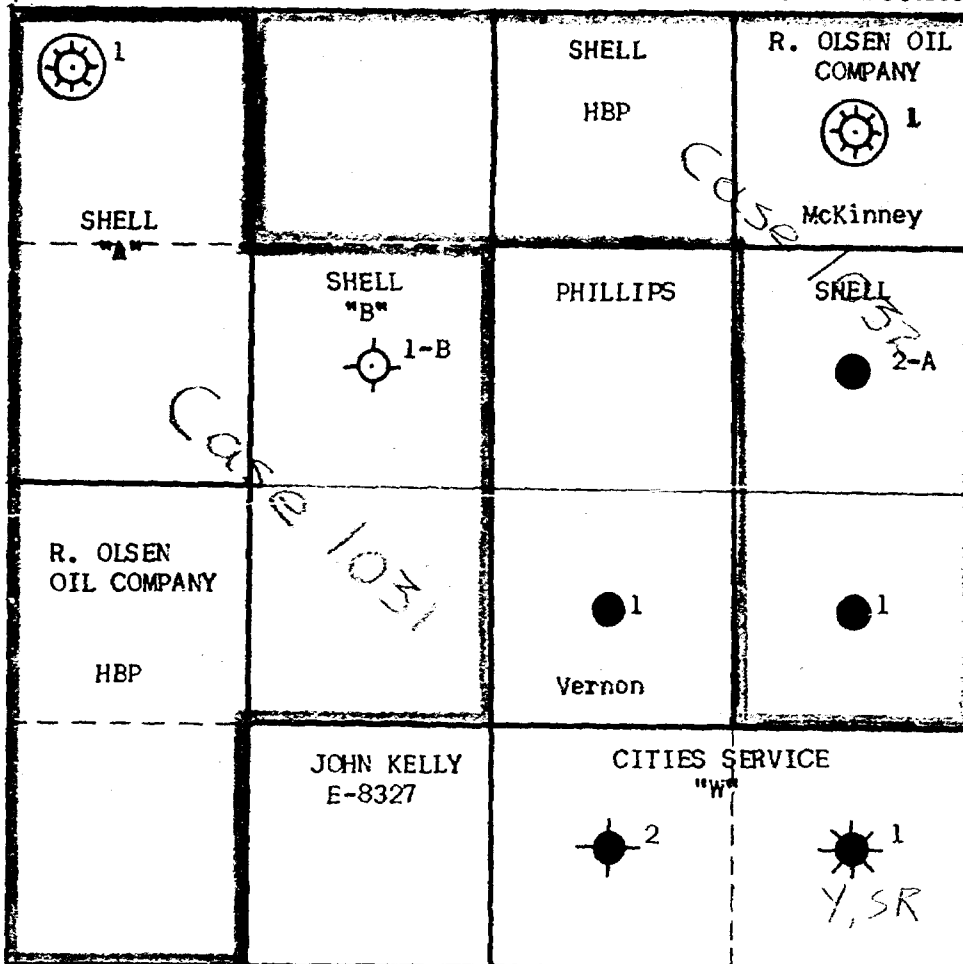
Well No. \_\_\_\_\_ Section 36 Township 24 South Range 36 East NMPM

Located \_\_\_\_\_ Feet From \_\_\_\_\_ Line, \_\_\_\_\_ Feet From \_\_\_\_\_ Line,

Lea County, New Mexico. G. L. Elevation \_\_\_\_\_

Name of Producing Formation \_\_\_\_\_ Pool \_\_\_\_\_ Dedicated Acreage \_\_\_\_\_

(Note: All distances must be from outer boundaries of Section)



1. Is this Well a Dual Comp. ? Yes \_\_\_ No \_\_\_.
2. If the answer to Question 1 is yes, are there any other dually completed wells within the dedicated acreage ? Yes \_\_\_ No \_\_\_.

This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

Name \_\_\_\_\_  
Position \_\_\_\_\_  
Representing \_\_\_\_\_  
Address \_\_\_\_\_

Date Surveyed \_\_\_\_\_  
Registered Professional Engineer and/or  
Land Surveyor

BEFORE THE  
**Oil Conservation Commission**  
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE NO. 1031

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES  
COURT REPORTERS  
605 SIMMS BUILDING  
TELEPHONE 3-6691  
ALBUQUERQUE, NEW MEXICO

BEFORE THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
May 16, 1956

-----  
IN THE MATTER OF:

Application of Shell Oil Company and R. Olsen  
Oil Company for an order approving a 240 acre  
non-standard gas proration unit in exception  
to Rule 5 (a) of the Special Rules and Regula-  
tions for the Jalmat Gas Pool as set forth in  
Order R-520. Applicant's in the above-styled  
cause, seek an order establishing a 240 acre  
non-standard gas proration unit consisting of  
the W/2 W/2, SE/4 NW/4, and NE/4 SW/4 of Sec-  
tion 36, Township 24 South, Range 36 East,  
Lea County, New Mexico; said acreage to be  
dedicated to Shell's State Well 1-A located  
380 feet from the North and West lines of Sec-  
tion 36, Township 24 South, Range 36 East, Lea  
County, New Mexico.

Case No.  
1031

BEFORE:

Mr. A. L. Porter  
Mr. E. S. (Johnny) Walker

TRANSCRIPT OF HEARING

MR. PORTER: The next case on the docket is Case No. 1031.  
Mr. Gurley.

MR. GURLEY: Case 1031 concerns the application of Shell  
Oil and R. Olsen for an order approving a non-standard gas prora-  
tion unit in exception to Rule 5 (a) of the Special Rules and  
Regulations for the Jalmat Gas Pool in Order R-520.

MR. NESTOR: Mr. Porter, I would like to ask that this case  
as well as the case following it, Case 1032, be continued to the  
June docket. We are now engaged in a testing program as the Com-  
mission knows, on the well being our State 1-A involved in Case  
1031, and we will not complete our testing before the end of this

month. We feel we should be able in June to proceed with both of these cases.


MR. PORTER: Is there objection to the continuance of Cases 1031 and 1032? We will continue these cases to the June 14th hearing.

C E R T I F I C A T E

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 22nd day of May, 1956.

  
Notary Public-Court Reporter

My commission expires:  
June 19, 1959.

BEFORE THE  
Oil Conservation Commission  
SANTA FE, NEW MEXICO  
April 18, 1956

IN THE MATTER OF:

CASE NO. 1031 & 1032

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES  
COURT REPORTERS  
605 SIMMS BUILDING  
TELEPHONE 3-6691  
ALBUQUERQUE, NEW MEXICO

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
April 18, 1956

IN THE MATTER OF:

CASE NO. 1031: (Readvertisement) Application of Shell Oil Company and R. Olsen Oil Company for an order approving a 240 acre non-standard gas proration unit in exception to Rule 5 (a) of the Special Rules and Regulations for the Jalmat Gas Pool as set forth in Order R-520. Applicants, in the above-styled cause, seek an order establishing a 240 acre non-standard gas proration unit consisting of the W/2 W/2, SE/4 NW/4, and NE/4 SW/4 of Section 36, Township 24 South, Range 36 East, Lea County, New Mexico; said acreage to be dedicated to Shell's State Well 1-A located 380 feet from the North and West lines of Section 36, Township 24 South, Range 36 East, Lea County, New Mexico.

CASE NO. 1032: (Readvertisement) Application of Shell Oil Company and R. Olsen Oil Company for an order approving a 200 acre non-standard gas proration unit in exception to Rule 5 (a) of the Special Rules and Regulations for the Jalmat Gas Pool as set forth in Order R-520. Applicants, in the above-styled cause, seek an order establishing a 200 acre non-standard gas proration unit consisting of the NE/4 NW/4, N/2 NE/4, SE/4 NE/4, and NE/4 SE/4 of Section 36, Township 24 South, Range 36 East, Lea County, New Mexico; said acreage to be dedicated to R. Olsen Oil Company's McKinney No. 1 Well located 660 feet from the North and East lines of Section 36, Township 24 South, Range 36 East, Lea County, New Mexico.

BEFORE:

Honorable John F. Simms, Jr.,  
Mr. E. S. (Johnny) Walker,  
Mr. A. L. Porter.

TRANSCRIPT OF HEARING

MR. PORTER: The next cases that we will consider will be Cases 1031 and 1032. Mr. Gurley.

MR. GURLEY: Application of Shell Oil Company and R. Olsen Oil

Company for an order approving a 240 acre non-standard gas proration unit in exception to Rule 5 (a) of the Special Rules and Regulations for the Jalmat Gas Pool as set forth in Order R-520, and, in Case No. 1032, Application of Shell Oil Company and R. Olsen Oil Company for an order approving a 200 acre non-standard gas proration unit in exception to Rule 5 (a) of the Special Rules and Regulations for the Jalmat Gas Pool as set forth in Order R-520.

I would like, at this time, to read into the record a letter dated April 5th, 1956, directed to Mr. W. D. Girand, Jr., Box 278, Hobbs, New Mexico.

"Dear Mr. Girand:

"Reference is made to your letter of March 20th, 1956, in which on behalf of Mr. R. Olsen you requested a continuance of Cases Nos. 1301 and 1302.

"Since this office has received no objections to your request from the interested parties to which you sent copies of your letter, we will continue the cases to the May 16th hearing.

"Yours very truly, A. L. Porter, Jr., Acting Secretary-Director."

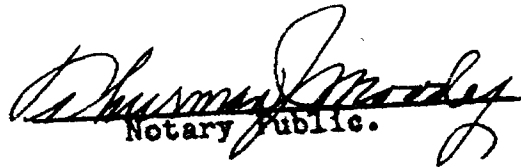
MR. PORTER: Is there any objections to the continuance of these cases at this time? Hearing no objections, Cases 1031 and 1032 will be continued until the May docket.

C E R T I F I C A T E

STATE OF NEW MEXICO )  
                                  : ss  
COUNTY OF BERNALILLO )

I, THURMAN J. MOODY, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the Oil Conservation Commission for the State of New Mexico was reported by me in stenotype and reduced to typewritten transcript by me and/or under my personal supervision, and that the same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal, this, the 25th day of April, 1956,  
in the City of Albuquerque, County of Bernalillo, State of New Mexico.

  
Notary Public.

My Commission Expires:

April 3, 1960.

MAIN OFFICE, UCC

1933 JUN 13 PM 1:11

BEFORE THE  
**Oil Conservation Commission**  
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE NO. 1031, 1032

TRANSCRIPT OF PROCEEDINGS

DEARNLEY-MEIER AND ASSOCIATES  
COURT REPORTERS  
605 SIMMS BUILDING  
TELEPHONE 3-6691  
ALBUQUERQUE, NEW MEXICO

BEFORE THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
June 14, 1956

IN THE MATTER OF: -----

Application of Shell Oil Company and R Olsen Oil Company for an order approving a 240 acre non-standard gas proration unit in exception to Rule 5 (a) of the Special Rules and Regulations for the Jalmat Gas Pool as set forth in Order R-520. Applicant's in the above-styled cause, seek an order establishing a 240 acre non-standard gas proration unit consisting of the W/2 W/2, SE/4 NW/4, and NE/4 SW/4 of Section 36, Township 24 South, Range 36 East, Lea County, New Mexico; said acreage to be dedicated to Shell's State Well 1-A located 380 feet from the North and West lines of Section 36, Township 24 South, Range 36 East, Lea County, New Mexico.

Case No.  
1031

Application of Shell Oil Company and R. Olsen Oil Company for an order approving a 200 acre non-standard gas proration unit in exception to Rule 5 (a) of the Special Rules and Regulations for the Jalmat Gas Pool as set forth in Order R-520. Applicants, in the above-styled cause, seek an order establishing a 200 acre non-standard gas proration unit consisting of the NE/4 NW/4, N/2 NE/4, SE/4 NE/4 and NE/4 SE/4 of Section 36, Township 24 South, Range 36 East, Lea County, New Mexico.

Case No.  
1032

-----  
BEFORE:

Mr. A. L. Porter  
Mr. E. S. (Johnny) Walker  
Honorable John F. Simms, Jr.

TRANSCRIPT OF HEARING

MR. PORTER: The next case on the docket is Case 1031. I believe Case 1032 is a companion case.

MR. HOWARD: Paxton Howard. We have advised the Commission that certain tests are being made in connection with the well that is involved in the case in 1031 and also indirectly involved in

Case 1032. We do not wish to pursue this case at this time. We ask that this be dropped from the docket.

I might say we have also been requested by Olsen Oil in the 1032 to say that they do not want to pursue the matter and to have their case dismissed as the Commission sees fit. I ask the dismissal at this time of Case 1031, or the dismissal of or continuance of 1032 as the Commission sees fit.

MR. PORTER: Any objection to Mr. Howard's motion? The cases will be dismissed, both Cases 1031 and 1032 will be dismissed.

C E R T I F I C A T E

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 20th day of June, 1956.

*Ada Dearnley*  
Notary Public - Court Reporter

My commission expires:  
June 19, 1959.

BEFORE THE  
Oil Conservation Commission

SANTA FE, NEW MEXICO  
March 14, 1956

IN THE MATTER OF:

CASE NOS. 1031 and 1032 (Contd.)

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES

COURT REPORTERS  
605 SIMMS BUILDING  
TELEPHONE 3-6691  
ALBUQUERQUE, NEW MEXICO

BEFORE THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
March 14, 1956

-----  
IN THE MATTER OF:

Application of Shell Oil Company and R. Olsen :  
Oil Company for an order approving a 240 acre :  
non-standard gas proration unit in exception :  
to Rule 5 (a) of the Special Rules and Regu- :  
lations for the Jalmat Gas Pool as set forth :  
in Order R-520. Applicants, in the above- :  
styled cause, seek an order establishing a 240 :  
acre non-standard gas proration unit consist- :  
ing of the W/2 W/2, SE/4 NW/4, and NE/4 SW/4 :  
of Section 36, Township 24 South, Range 36 East, Case No. 1031  
Lea County, New Mexico; said acreage to be :  
dedicated to Shell's State Well 1-A located :  
380 feet from the North and West lines of :  
Section 36, Township 24 South, Range 36 East, :  
Lea County, New Mexico.

Application of Shell Oil Company and R. Olsen :  
Oil Company for an order approving a 200 acre :  
non-standard gas proration unit in exception :  
to Rule 5 (a) of the Special Rules and Regu- :  
lations for the Jalmat Gas Pool as set forth :  
in Order R-520. Applicants, in the above- :  
styled cause, seek an order establishing a 200 :  
acre non-standard gas proration unit consist- :  
ing of the NE/4 NW/4, N/2 NE/4, SE/4 NE/4 and : Case No. 1032  
NE/4 SE/4 of Section 36, Township 24 South, :  
Range 36 East, Lea County, New Mexico; said :  
acreage to be dedicated to R. Olsen Oil :  
Company's McKinney No. 1 Well located 660 feet :  
from the North and East lines of Section 36, :  
Township 24 South, Range 36 East, Lea County, :  
New Mexico.

-----  
BEFORE:

Honorable John F. Simms, Jr.  
Mr. E. S. (Johnny) Walker  
Mr. William B. Macey

TRANSCRIPT OF HEARING

MR. MACEY: Before we proceed on to Case 1030, I wish to

announce that Cases 1031 and 1032 on the docket will be re-advertised for the month of April, due to an error in the March advertisement.

C E R T I F I C A T E

STATE OF NEW MEXICO )  
COUNTY OF BERNALILLO ) SS.

I, THURMAN J. MOODY, do hereby certify that the foregoing and attached transcript of proceedings before the Oil Conservation Commission of the State of New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

WITNESS MY HAND, this, the 21st day of March, 1956.

*Thurman J. Moody*  
Court Reporter

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. 1031  
Order No. R-829

APPLICATION OF SHELL OIL COMPANY  
AND E. OLSEN OIL COMPANY FOR AN  
ORDER APPROVING A 240 ACRE NON-  
STANDARD GAS PRODUCTION UNIT IN  
EXCEPTION TO RULE 5 (a) OF THE  
SPECIAL RULES AND REGULATIONS FOR  
THE JALMAT GAS POOL AS SET FORTH  
IN ORDER R-520. SAID UNIT TO  
COMPRISE THE FOLLOWING DESCRIBED  
ACREAGE IN LEA COUNTY, NEW MEXICO:  
TOWNSHIP 24 SOUTH, RANGE 36 EAST,  
SW/4 NW/4, W/2 W/2, SE/4 NW/4 AND NE/4  
SW/4 SECTION 36.

ORDER OF DISMISSAL

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on  
March 14, 1956, April 18, 1956, May 16, 1956 and again on June 14,  
1956 at Santa Fe, New Mexico, before the Oil Conservation Commission  
of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 9<sup>th</sup> day of July, 1956, the Commission,  
a quorum being present, having considered the evidence adduced at  
said hearing and being fully advised in the premises,

FINDS:

(1) That due notice having been given as required by  
law, the Commission has jurisdiction of this cause and the subject  
matter thereof.

(2) That applicant, by its attorney entered an appear-  
ance and moved for dismissal of the application.

(3) That application therefore should be dismissed.

IT IS THEREFORE ORDERED:

1. The application of Shell Oil Company and E. Olsen  
Oil Company for an order approving a 240 acre non-standard gas  
production unit in the Jalmat Gas Pool, comprising the W/2 W/2,  
SE/4 NW/4 and NE/4 SW/4 Section 36, Township 24 South, Range 36

-2-

Order No. R-829

East, NMPM, Lea County, New Mexico, be and is hereby dismissed  
without prejudice.

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

*A. L. Porter, Jr.*  
A. L. PORTER, Jr., Member & Secretary

S E A L



OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

July 13, 1956

Shell Oil Company  
P.O. Box 1957  
Hobbs, New Mexico

Gentlemen:

We enclose a copy of Order R-829 and Order R-830 issued July 9, 1956, by the Oil Conservation Commission in Cases 1031 and 1032, respectively.

Very truly yours,

A. L. Porter, Jr.  
Secretary - Director

brp  
Encl.

C  
O  
P  
Y

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

July 13, 1956

C  
O  
P  
Y

Mr. W. D. Girand, Jr.  
P.O. Box 278  
Hobbs, New Mexico

Dear Sir:

In behalf of your client, Mr. R. Olsen, we enclose a copy of Order R-829 and Order R-830 issued July 9, 1956, by the Oil Conservation Commission in Cases 1031 and 1032, respectively.

Very truly yours,

A. L. Porter, Jr.  
Secretary - Director

brp  
Encl.

C. MELVIN NEAL  
W. D. GIRAND, JR.  
J. W. NEAL

NEAL & GIRAND  
LAWYERS  
NEAL BUILDING  
HOBBS, NEW MEXICO

TELEPHONE:  
EXPRESS 3-5171  
P. O. BOX 278

March 20, 1956.

Oil Conservation Commission,  
P. O. Box 871,  
Santa Fe, New Mexico.

Attention: Mr. W. B. Macey.

In re: Cases Nos. 1031 and 1032 - Shell  
Oil Company and R. Olsen Oil Company  
Application for non-standard gas  
proration unit in Jalmat Pool.

Gentlemen:

On behalf of Mr. R. Olsen, a protestant to the  
Applications referred to above, we respectfully request  
that these cases be passed to the May term of the Commission.

We regret having to make this request, but due to  
prior commitments, we will be unable to be present in  
Santa Fe on the 18th of April.

By copy of this letter we are advising all interested  
parties of our request for continuance.

Very truly yours,

NEAL & GIRAND,

BY: 

G/bc

cc: (See attached sheet)

cc: New Mexico Oil Conservation Commission, Mr. John M. Kelly  
Box 2045,  
Hobbs, New Mexico.

R. Olsen Oil Company  
2805 Liberty Bank Building  
Oklahoma City, Oklahoma.

Anderson-Prichard Oil Corporation  
Liberty Bank Building  
Oklahoma City, Oklahoma

Mr. W. E. Black  
P.O. Box 174  
Midland, Texas.

Mr. Jack Campbell  
J. P. White Building  
Roswell, New Mexico

Cities Service Oil Company  
Empire-Masonic Building  
Bartlesville, Oklahoma

Continental Oil Company  
P.O. Box 431  
Midland, Texas.

Gulf Oil Corporation  
P.O. Box 1667  
Hobbs, New Mexico.

Humble Oil & Refining Company  
P.O. Box 1600  
Midland, Texas.

P.O. Box 5671  
Roswell, New Mexico.

Mr. R. Olsen  
2811 Liberty Bank Building  
Oklahoma City, Oklahoma

Phillips Petroleum Company  
Permian Building  
Midland, Texas

Southern California Petroleum Corp.  
Suite 905, Petroleum Life Bldg  
Midland, Texas.

The Texas Company,  
P.O. Box 1270  
Midland, Texas.

Tide Water Associated Oil Co.  
P.O. Box 731  
Tulsa, Oklahoma.

Western Natural Gas Company  
823 Midland Tower  
Midland, Texas

Shell Oil Company  
P.O. Box 1958  
Hobbs, New Mexico.

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

April 5, 1956

C  
O  
P  
Y

Mr. W. D. Girard, Jr.  
P.O. Box 278  
Hobbs, New Mexico

Dear Mr. Girard:

Reference is made to your letter of March 20th, 1956, in which on behalf of Mr. R. Olsen you requested a continuance of Cases Nos. 1031 and 1032.

Since this office has received no objections to your request from the interested parties to which you sent copies of your letter, we will continue the cases to the May 16th hearing.

Yours very truly,

A. L. Porter, Jr.  
Acting Secretary - Director

ALP:brp

CC: (See attached list)

Oil Conservation Commission  
Box 2045  
Hobbs, New Mexico

A. Olson Oil Company  
2805 Liberty Bank Building  
Oklahoma City, Oklahoma

Anderson-Prichard Oil Corporation  
Liberty Bank Building  
Oklahoma City, Oklahoma

Mr. W. H. Black  
Box 174  
Midland, Texas

Mr. Jack Campbell  
J. P. White Building  
Roswell, New Mexico

Cities Service Oil Company  
Empire-Masonic Building  
Bartlesville, Oklahoma

Continental Oil Company  
Box 431  
Midland, Texas

Gulf Oil Corporation  
Box 1667  
Hobbs, New Mexico

Humble Oil & Refining Company  
Box 1600  
Midland, Texas

Mr. John M. Kelly  
Box 5671  
Roswell, New Mexico

Mr. R. Olson  
2811 Liberty Bank Building  
Oklahoma City, Oklahoma

Phillips Petroleum Company  
Permian Building  
Midland, Texas

Southern California Petroleum Corp.  
Suite 905, Petroleum Life Bldg.  
Midland, Texas

The Texas Company  
P.O. Box 1270  
Midland, Texas

Tide Water Associated Oil Co.  
P.O. Box 731  
Tulsa, Oklahoma

Western Natural Gas Company  
823 Midland Tower  
Midland, Texas

Shell Oil Company  
Box 1957  
Hobbs, New Mexico

March 29, 1956

MEMORANDUM

TO: A. L. Porter  
FROM: W. B. Macey  
SUBJECT: Cases 1031 and 1032

I believe you should write a letter to Girard stating that in view of his request in these cases that the matter will be continued to the May hearing and furnish each of the interested parties (see attached list) with a copy of your letter.

Do not commit the Commission to any definite course of action but indicate that his letter will be given favorable consideration.

WBM:brp

SHELL OIL COMPANY

Box 1957  
Hobbs, New Mexico

AIR MAIL

February 20, 1956

Subject: Application by Shell Oil Company  
and R. Olsen Oil Company for  
240-Acre Non-Standard Gas Proration  
Unit in Section 36-24S-36E,  
Jalmat Gas Pool, Lea County,  
New Mexico

New Mexico Oil Conservation Commission  
P. O. Box 871  
Santa Fe, New Mexico

Attention: Mr. W. B. Macey

Gentlemen:

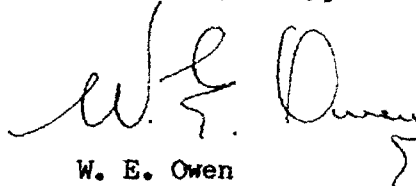
By this letter of application, Shell Oil Company and R. Olsen Oil Company request approval of a 240-acre non-standard gas proration unit in Section 36-24S-36E, Jalmat Field, Lea County, New Mexico, and in support thereof, state the following facts:

- (1) Shell State 1-A, located 380 feet from the north and west lines of Section 36, is currently assigned a 160-acre gas proration unit consisting of the NW/4 of Section 36.
- (2) The applicants propose to increase the gas unit size to 240 acres which shall include the W/2 W/2, SE/4 NW/4, and NE/4 SW/4 of Section 36, as per Communitization Agreement between Shell Oil Company and R. Olsen Oil Company.
- (3) The proposed non-standard gas proration unit has the same royalty interest, The State of New Mexico.
- (4) The proposed non-standard gas proration unit lies wholly within a governmental section.
- (5) The length or width of the proposed non-standard gas proration unit does not exceed 5280 feet.
- (6) The proposed non-standard gas proration unit may reasonably be presumed to be productive of gas.

- (7) The entire proposed non-standard gas proration unit is within the horizontal limits of the Jalmat Gas Pool.
- (8) The attached plat shows the boundary of the proposed non-standard gas proration unit and the offset ownership.
- (9) By copy of this letter of application, all operators owning interest in the section in which the proposed non-standard gas proration unit is situated and all operators owning interest within 1500 feet of Shell's State 1-A have been notified by certified mail of this application.

Therefore, Shell Oil Company and R. Olsen Oil Company request that the foregoing application for a non-standard gas proration unit be heard before the New Mexico Oil Conservation Commission in Santa Fe, New Mexico, at the regularly scheduled March meeting.

Yours very truly,

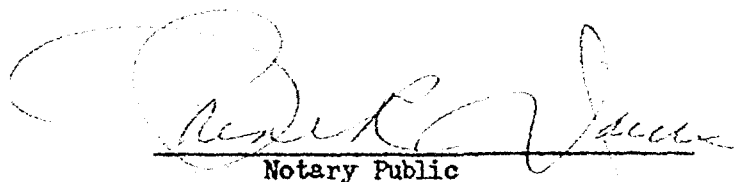


W. E. Owen  
Division Manager

Attachment

STATE OF NEW MEXICO, )  
                                  :SS  
COUNTY OF LEA. )

Subscribed and sworn to before me this 20th day of February,  
1956.

  
Notary Public

My Commission Expires:

Sept 16, 1958

cc: New Mexico Oil Conservation Commission  
P. O. Box 2045  
Hobbs, New Mexico

R. Olsen Oil Company  
2805 Liberty Bank Building  
Oklahoma City, Oklahoma

Anderson-Prichard Oil Corporation  
Liberty Bank Building  
Oklahoma City, Oklahoma

Mr. W. H. Black  
P. O. Box 174  
Midland, Texas

Mr. Jack Campbell  
J. P. White Building  
Roswell, New Mexico

Cities Service Oil Company  
Empire-Masonic Building  
Bartlesville, Oklahoma

Continental Oil Company  
P. O. Box 431  
Midland, Texas

Gulf Oil Corporation  
P. O. Box 1667  
Hobbs, New Mexico

Humble Oil & Refining Company  
P. O. Box 1600  
Midland, Texas

Mr. John M. Kelly  
P. O. Box 5671  
Roswell, New Mexico

Neal & Girard  
116 North Turner  
Hobbs, New Mexico  
Attn: Mr. W. D. Girard

Mr. R. Olsen  
2811 Liberty Bank Building  
Oklahoma City, Oklahoma

Phillips Petroleum Company  
Permian Building  
Midland, Texas

Southern California Petroleum  
Corporation  
Suite 905, Petroleum Life Building  
Midland, Texas

The Texas Company  
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823 Midland Tower  
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