

Case No.

1032

---

Application, Transcript,  
Small Exhibits, Etc.

CASE 1032: Shell Oil & R. Cisen Oil Cos.  
Application for approval of 200 acres in  
Jalmat Gas Pool (McKinney well No. 1)

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    )  
                              : SS.  
COUNTY OF BERNALILLO )

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 24th day of March, 1956.

  
Court Reporter

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."

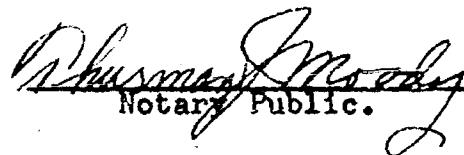
.MR. PORTER: Is there any objections to the continuance of these cases at this time? Hearing no objections, Cases 1031 and 1032 will be continued until the May docket.

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

1956 JUN 28 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 3-3691  
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.

6/21/50

INTER-OFFICE TRANSMITTAL SLIP

TO VWG  
FROM WWM

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

Re: Case #1032  
Regular Hearing  
first heard on  
Nov 14 @ 9 AM  
& successful  
continued thru  
June 14, 1950

Remarks:

Dismiss on motion  
of applicant without  
prejudice.

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  
200-Acre Non-Standard Gas Proration  
Unit in Section 36-24S-34E,  
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:

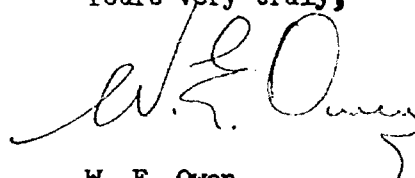
By this letter of application Shell Oil Company and R. Olsen Oil Company request approval of a 200-acre non-standard gas proration unit in Section 36-24S-36E, Jalmat Field, Lea County, New Mexico, and in support thereof, state the following facts:

- (1) The applicants propose to form 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, with Olsen McKinney 1, located 660 feet from the north and east lines of Section 36 as the withdrawal point, as per Communitization Agreement between Shell Oil Company and R. Olsen Oil Company.
- (2) The proposed non-standard gas proration unit has the same royalty interest, The State of New Mexico.
- (3) The proposed non-standard gas proration unit lies wholly within a governmental section.
- (4) The length or width of the proposed non-standard gas proration unit does not exceed 5280 feet.
- (5) The proposed non-standard gas proration unit may reasonably be presumed to be productive of gas.
- (6) The entire proposed non-standard gas proration unit is within the horizontal limits of the Jalmat Gas Pool.
- (7) The attached plat shows the boundary of the proposed non-standard gas proration unit and the offset ownership.
- (8) 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 Olsen McKinney 1, have been notified by certified mail of this application.

Therefore, Shell Oil Company and R. Olsen Oil Comp any 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 & Girand  
116 N. Turner  
Hobbs, New Mexico  
Attn: Mr. W. D. Girand

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

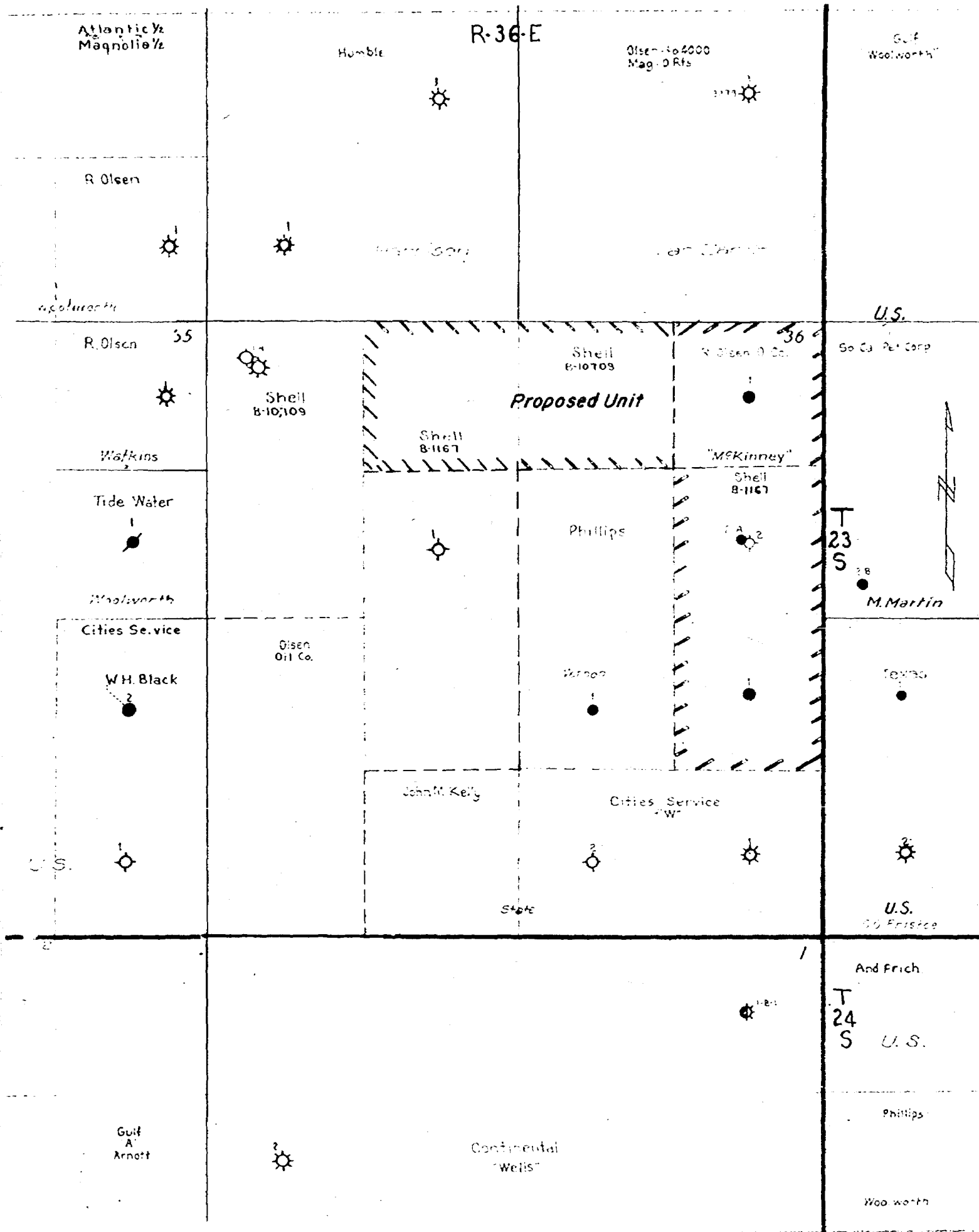
Phillips Petroleum Company  
Permian Building  
Midland, Texas

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

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

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

Western Natural Gas Company  
823 Midland Tower  
Midland, Texas





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. 1032  
Order No. R-830

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, SAID UNIT TO COMPRISE  
THE FOLLOWING DESCRIBED PROPERTY IN  
LEA COUNTY, NEW MEXICO: TOWNSHIP  
24 SOUTH, RANGE 36 EAST, NMPM, NE/4  
NW/4, N/2 NE/4, SE/4 NE/4 & NE/4 SE/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 "Com-  
mission".

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 public 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  
appearance 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 R. Olsen  
Oil Company for an order approving a 200 acre non-standard gas  
proration unit in the Jalmat Gas Pool, comprising 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, NMPM, Lea County, New Mexico, be and is hereby

-2-  
Order No. R-830

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 and Secretary



ix/

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

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

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

Mr. W. M. 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. 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  
Box 1957  
Hobbs, New Mexico