

Casa No.

994

Application, Transcript,
Small Exhibits, Etc.

BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE NO. 994 & 995

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
February 15, 1956

IN THE MATTER OF:

CASE 994: Application of Shell Oil Company & R. Olsen Oil Company for an order approving a 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 320 acre non-standard gas proration unit consisting of the NW/4, NW/4 NE/4, W/2 SW/4, NE/4 SW/4 of Section 36, Township 24 South, Range 36 East; said acreage to be dedicated to Shell 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 995: Application of Shell Oil Company and R. Olsen Oil Company for an order approving a 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 120 acre non-standard gas proration unit consisting of the E/2 NE/4 and the NE/4 SE/4 of Section 36, Township 24 South, Range 36 East; said acreage to be dedicated to R. Olsen Oil Company 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: Next case on the docket is 994 and 995. Mr. Seth, do you wish to make a statement?

MR. SETH: Yes. We would like to withdraw the applications in cases 994 and 995 and present them later in a slightly different form.

MR. SETH: Yes.

MR. MACEY: Is there an objection? If not, cases 994 and 995 will be dismissed.

We will take a short recess.

(Recess.)

C E R T I F I C A T E

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) SS

I, THURMAN J. MOODY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings had before the Oil Conservation Commission for the State of New Mexico on February 15, 1956, is a true and correct record to the best of my knowledge, skill and ability.

WITNESS MY HAND, this, the 22nd day of February, 1956.

Thurman J. Reed
Court Reporter.

BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO
January 19, 1956

IN THE MATTER OF:

CASE NO. 994 & 995

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
January 19, 1956

IN THE MATTER OF:

Application of Shell Oil Company & R. Olsen Oil Company
for an order approving a 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. Ap-
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ing a 320 acre non-standard gas proration unit consisting
of the NW/4, NW/4 NE/4, W/2 SW/4, NE/4 SW/4 of Sec-
tion 36, Township 24 South, Range 36 East; said acreage to
be dedicated to Shell 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 994

Application of Shell Oil Company and R. Olsen Oil Company
for an order approving a non-standard gas proration unit
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the E/2 NE/4 and the NE/4 SE/4 of Section 36, Township
24 South, Range 36 East; said acreage to be dedicated to
R. Olsen Oil Company 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.

Case 995

BEFORE:

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

MR. MACEY: It is my understanding that Case 994 and 995 are
to be continued. You wish them continued to February.

MR. NESTOR: Yes to February.

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

MR. MACEY: We will continue Case 994 and 995 to the February hearing and take a short recess.

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 Oil Conservation Commission for 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 20th day of January, A.D., 1956.


Court Reporter.

Case 994

MAIL OFFICE 300

SHELL OIL COMPANY

RECEIVED 11 AM 3:30

Box 1957
Hobbs, New Mexico

AIR MAIL

November 30, 1955

Subject: Application by Shell Oil Company
and R. Olson Oil Company for
Approval of Two Non-Standard Gas
Proration Units in Section 36-24S-36E,
Jalisco Gas Pool, Lea County, New Mexico

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

Attention: Mr. W. B. Incey

Gentlemen:

By this letter, Shell Oil Company and R. Olson Oil Company request approval of two non-standard gas proration units in Section 36-24S-36E, Jalisco Gas Pool, Lea County, New Mexico.

Unit A:

- (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 320-acres which shall include the NW/4, NE/4, SE/4, W/2 SW/4, and NE/4 SW/4 of Section 36.
- (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 Jalisco Gas Pool.

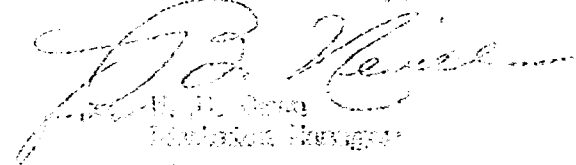
- (8) The attached plat shows the boundary of the proposed non-standard gas proration unit and the offset ownership.
- (9) By copy of this letter of application, all operators owning interest in the section in which the proposed non-standard gas proration unit is situated and all operators owning interest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

Unit B:

- (1) Olsen McKinney 1, located 660 feet from the north and east lines of Section 36, is to be dually completed as a Seven Rivers oil and later gas producer.
- (2) The applicants propose to form a 120-acre non-standard gas proration unit consisting of the E/2 NE/4 and NE/4, SE/4 of Section 36 with Olsen McKinney 1 as the withdrawal point.
- (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 Jansen 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 unit is situated and all operators owning interest within 1500 feet of Olsen McKinney 1 have been notified by certified mail of this application.

Therefore, Shell Oil Company and E. Olsen Oil Company request that the foregoing application for two non-standard gas proration units be heard before the New Mexico Oil Conservation Commission in Santa Fe, New Mexico, at the next regularly scheduled meeting to be held December 14, 1955.

Very very truly,


J. D. Smith
Production Manager

Attachment

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

Citizen 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 H. Kelly
P. O. Box 5671
Roswell, New Mexico

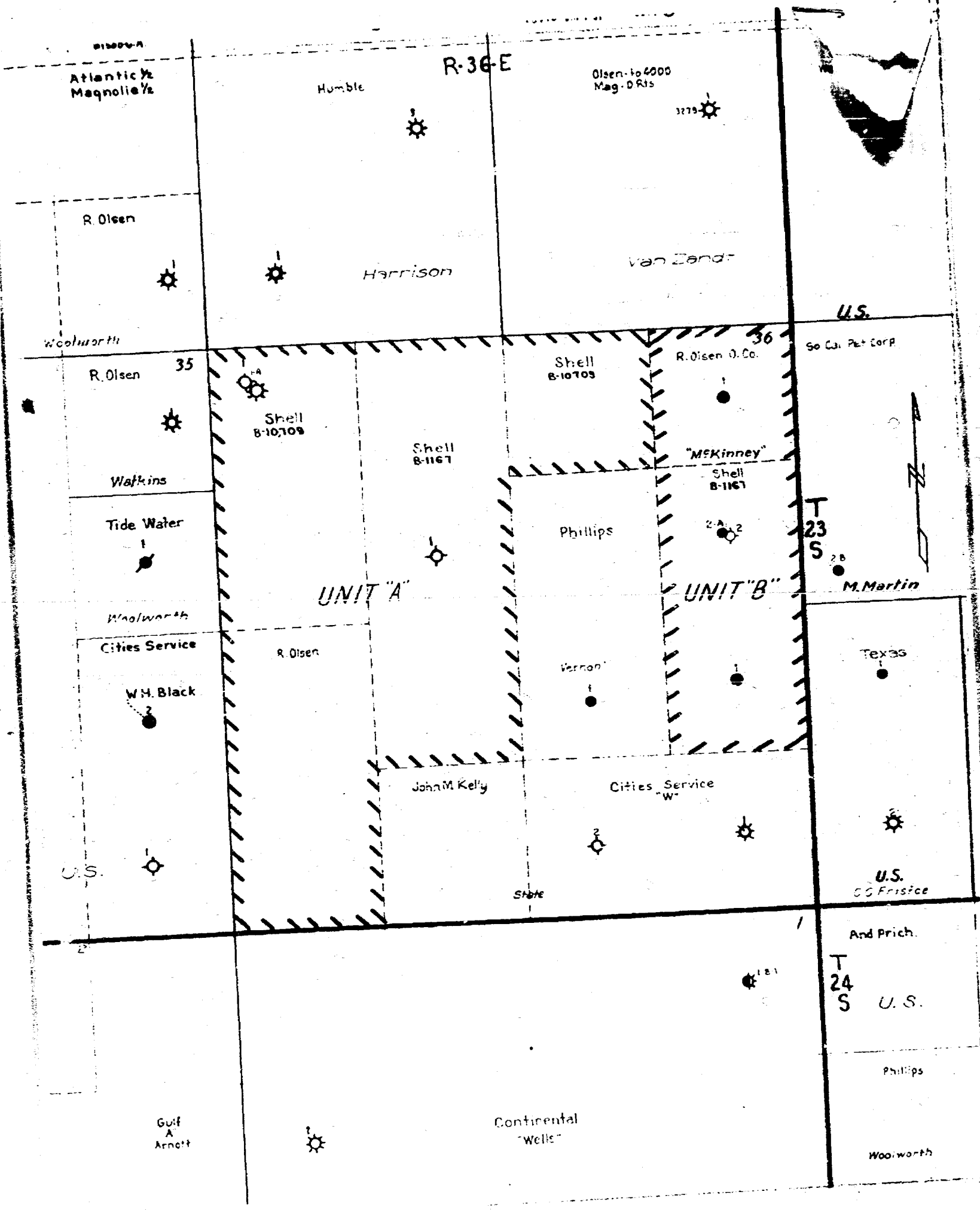
Phillips Petroleum Company
Permian Building
Midland, Texas

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



SHELL OIL COMPANY

Box 1957
Hobbs, New Mexico

December 7, 1955

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

AIR MAIL

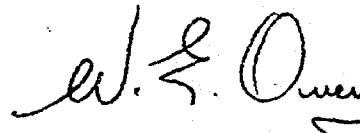
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Attention: Mr. W. B. Hacey

Gentlemen:

In accordance with your oral advice that the subject application cannot be heard at the regular December meeting of the New Mexico Oil Conservation Commission, we request that the subject application be placed on the docket for the regular January 1956 hearings in Santa Fe.

Yours very truly,



W. E. Owen
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

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

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

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

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

Memo

2/10/56

From
WWM

To Re: Case # 994
JWG

OK to go ahead
and write order
of dismissal.

(m)

Hand on 1/19/56 & 2/15/56

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

March 20, 1956

C
O
P
Y

Mr. Oliver Seth
Seth & Montgomery
111 N. San Francisco
Santa Fe, New Mexico

Dear Sir:

In behalf of your clients, Shell Oil Company and E. Olson Oil Company, we enclose two copies of Orders R-759 and R-761 issued March 14, 1955, by the Oil Conservation Commission in Cases 994 and 995, respectively.

Very truly yours,

W. B. Macey
Secretary - Director

WM:brp
Encls.

**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. 804
Order No. 2-750**

**THE APPLICATION OF SHELL OIL
COMPANY AND R. OLSEN OIL COMPANY
FOR AN ORDER GRANTING APPROVAL OF
AN EXCEPTION PURSUANT TO RULE 5
(a) OF THE SPECIAL RULES AND
REGULATIONS FOR THE JALMAT GAS
POOL AS SET FORTH IN ORDER NO.
2-600 IN ESTABLISHMENT OF A NON-
STANDARD GAS PRODUCTION UNIT OF
200 CONTAINERS PER DAY CONSISTING
OF NE/4, NW/4 NE/4, S/2 SE/4 AND
NE/4 SE/4 SECTION 25, TOWNSHIP 24
SOUTH, RANGE 26 EAST.**

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on January 18, 1933 and again on February 15, 1933 at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 11th day of March 1933, 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 applicants, by their attorney appeared before the Commission on the aforementioned date and moved to dismiss the application and that said application should therefore be dismissed.

IT IS THEREFORE ORDERED:

(1) That the application of Shell Oil Company and R. Olsen Oil Company, for approval of a non-standard production unit consisting of the following described acreage in the Jalmat Gas Pool, Lea County, New Mexico:

-2-
Order No. B-759

TOWNSHIP 24 SOUTH, RANGE 28 EAST, SECT
NW/4, NE/4 SE/4, 1/2 NW/4 AND NE/4 NW/4 of
Section 29

be and the same is hereby dismissed.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John F. Sims

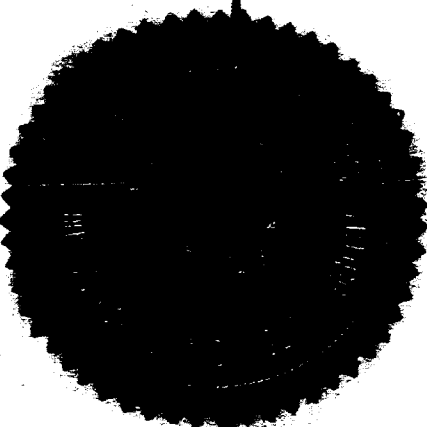
JOHN F. SIMS, Chairman

E. S. Walker

E. S. WALKER, Member

W. B. Macy

W. B. MACY, Member and Secretary



12/

MAIL ROOM 000
RECEIVED 11/30/55 10:30

SHELL OIL COMPANY

Box 1957
Hobbs, New Mexico

November 30, 1955

AIR MAIL

Subject: Application by Shell Oil Company
and R. Olsen Oil Company for
Approval of Two Non-Standard Gas
Proration Units in Section 36-24S-36E,
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Cash #994

Examiner Hg @

Hobbs 1/9/56

@ 12:30 AM

for Unit A

will submit
amended letter
for Review by Hg
talked to Howell
on 1/9/56

all
Common

school

work

will
need

State's

Communities

- (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 State 1-A have been notified by certified mail of this application.

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Therefore, Shell Oil Company and R. Olsen Oil Company request that the foregoing application for two non-standard gas proration units be heard before the New Mexico Oil Conservation Commission in Santa Fe, New Mexico, at the next regularly scheduled meeting to be held December 14, 1955.

Yours very truly,


W. E. Owen
Division Manager

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Hobbs, New Mexico

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Permian Building
Midland, Texas

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Suite 905, Petroleum Life Building
Midland, Texas

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Midland, Texas

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

Western Natural Gas Company
823 Midland Tower
Midland, Texas

