

Case No.

655

Application, Transcript,
Small Exhibits, Etc.

NO.

CASE 655: Dalport Oil Corporation
Unorthodox Gas Production Unit
Jalco Gas Pool

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
February 17, 1954

TRANSCRIPT OF PROCEEDINGS
Case No. 655

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 105-106, EL CORTEZ BLDG.
PHONES 7-9645 AND 5-9546
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
February 17, 1954

IN THE MATTER OF:

In the matter of the application of
Dalport Oil Corporation for an exception to Rule
7 (a) of Order No. R-368-A to permit the estab-
lishment of an unorthodox gas proration unit
consisting of W/2 NE/4 of Section 7, Township
25 South, Range 37 East, Lea County, New Mexico,
in the Jalco Pool.

}
} Case No. 655
}

(Notice of Publication read.)

MR. WRIGHT: My direct testimony will be all, unless someone
has some cross questions.

I am Edward Wright, Jr., with the Dalport Oil Company, Dallas,
Texas. The Dalport Oil Corporation makes application for exception
to Rule 7(a) of Commission Order R-368-A, insofar as it concerns
our William H. Harrison No. 1, located on the west half of the
northeast quarter of Section 7, Township 25 South, Range 37 East,
situated in the Jalco Gas Pool, and state the following:

"This well is producing oil from the Queen formation and gas from
the Yates formation through perforations from 2820 to 2900 and from
2952 to 2976, having been completed in compliance with Commission's
Order Number DC-10, dated September 28, 1953. There is a gas well
which produces gas from the Yates formation located on the east
half of the northeast quarter of Section 7, Township 25 South, Range
37 East, therefore, it was impossible for us to unitize into an
approved standard unit. We respectfully request to assign to this
well an 80-acre gas proration unit allowable."

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 105-106, EL CORTEZ BLDG.
PHONES 7-9645 AND 5-9546
ALBUQUERQUE, NEW MEXICO

I would like to present a letter which covers that as an exhibit.

MR. SPURRIER: Without objection the exhibit will be admitted.
Does anyone have a question of the witness? If not, the witness
may be excused.

(Witness excused.)

MR. SPURRIER: Does anyone have anything further in the case?
We will take the case under advisement and move on to Case 656.

C E R T I F I C A T E

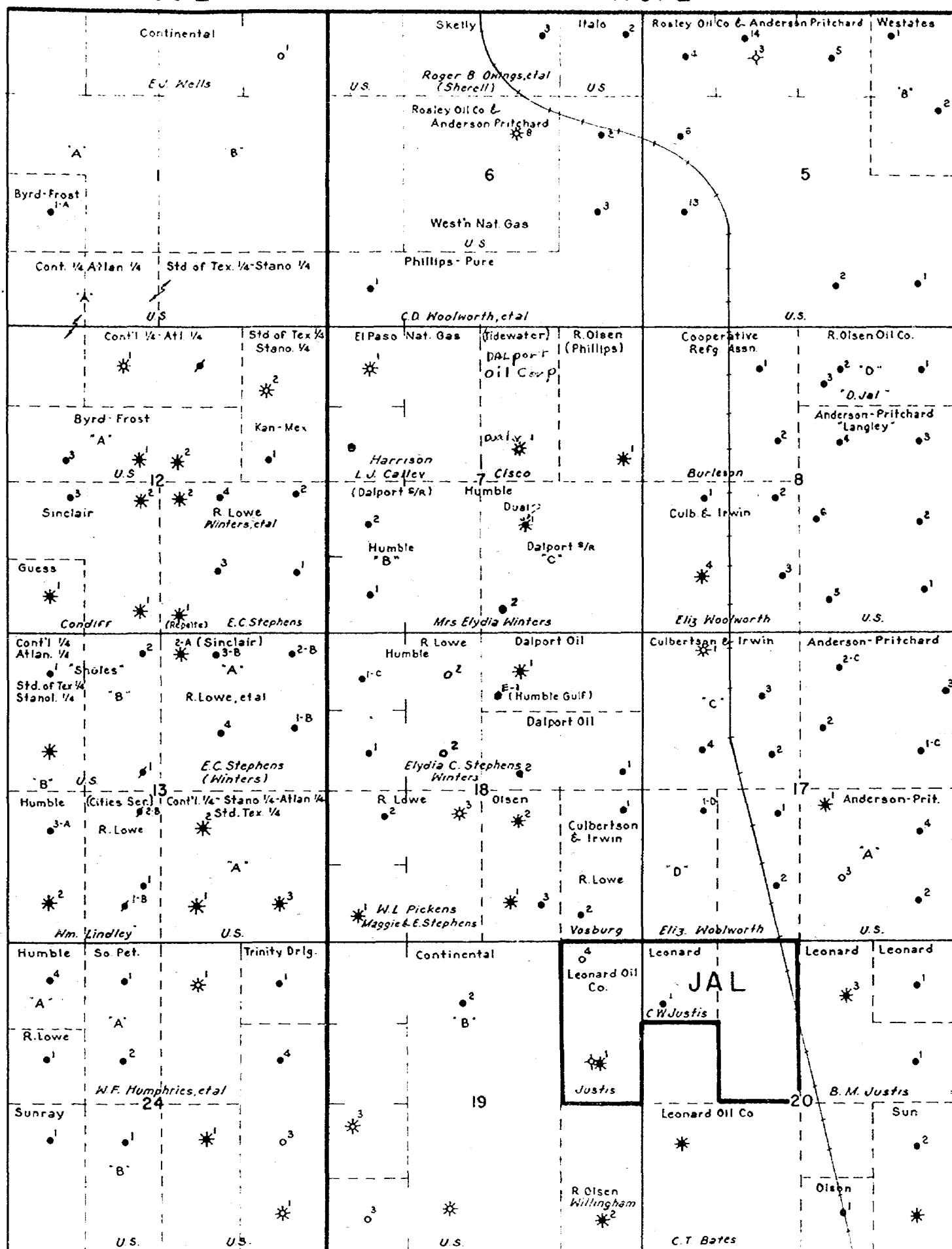
I, ADA DEARNLEY, COURT REPORTER, do hereby certify that
the foregoing and attached transcript of hearing in Case No. 655,
before the Oil Conservation Commission, State of New Mexico, at
Santa Fe, New Mexico on February 17, 1954, is a true and correct
record of the same to the best of my knowledge, skill and ability.

DATED at Albuquerque, New Mexico, this 23rd day of February,
1954.


REPORTER

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 105-106, EL CORTEZ BLDG.
PHONES 7-9645 AND 5-9546
ALBUQUERQUE, NEW MEXICO

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JAL AREA
LEA COUNTY, NEW MEXICO
SCALE : 1" = 2000'

CASE 655

January 18th, 1954.

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

Gentlemen:

By this letter of application, we wish to request a hearing to consider an exception to Rule 7 of Commission Order R-368-A, insofar as it concerns our Wm. H. Harrison No. 1, West half of the Northeast quarter of Section 7, T25S, R37E, Lea County, Jalco Gas Pool, containing 80 acres, as shown on the attached plat. This well is dually completed in accordance with Commission Order DC-10.

It is impossible to unitize into a standard form tract since the East 80 acres of the NE/4 has a gas well being produced by R. Olsen Oil Company.

Yours very truly,

DALPORT OIL CORPORATION

By W. L. Todd, Jr.

(The above mentioned plat is on file with O. C. C. in Santa Fe, New Mexico.)

New Mexico Oil & Gas Engineering Committee
Hobbs, New Mexico
February 3, 1954

W. L. TODD, PRESIDENT
W. L. TODD, JR., VICE-PRES.

DALPORT OIL CORPORATION
930 FIDELITY UNION LIFE BUILDING
DALLAS, TEXAS

RANDOLPH 3114
RANDOLPH 2717

January 18th, 1954.

JAN 20 1954
RECEIVED

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

Gentlemen:

By this letter of application, we wish to request a hearing to consider an exception to Rule 7 of Commission Order R-368-A, insofar as it concerns our Wm. H. Harrison No. 1, West half of the Northeast quarter of Section 7, T25S, R37E, Lea County, Jalco Gas Pool, containing 80 acres, as shown on the attached plat. This well is dually completed in accordance with Commission Order DC-10.

It is impossible to unitize into a standard form tract since the East 80 acres of the NE/4 has a gas well being produced by R. Olsen Oil Company.

Yours very truly,

DALPORT OIL CORPORATION

By

W. L. Todd Jr.

WLTJr:wm

655

DALPORT OIL CORPORATION
930 FIDELITY UNION LIFE BUILDING
DALLAS, TEXAS

W. L. TODD, PRESIDENT
W. L. TODD, JR., VICE-PRES.

RANDOLPH 3114
RANDOLPH 2717

February 8th, 1954.

Oil Conservation Commission,
State of New Mexico,
Santa Fe, New Mexico.

Gentlemen:

The Dalport Oil Corporation makes application for an exception to Rule 7 of Commission Order R-368-A, insofar as it concerns our Wm. H. Harrison No. 1, W/2 of the NE/4, Section 7, T-25-S, R-37-E, Jalco Gas Pool, and states the following:

1. This well is producing oil from the Queen formation and gas from the Yates formation through perforations from 2820 to 2900 and 2952 to 2976, having been completed in compliance with Commission Order No. DC-10, dated September 28, 1953.

2. There is a gas well producing gas from the Yates formation from the E/2 of NE/4, therefore it is impossible to unitize into an approved quarter section.

3. We respectfully request that the Commission assign to this well an 80 acre gas proration unit allowable.

Yours very truly,

DALPORT OIL CORPORATION

By Edward Wright, Jr.
Edward Wright, Jr.

EWJr:wm

Exh. 1
#655
Dalport

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. 655
Order No. R-447

THE APPLICATION OF DALPORT OIL
CORPORATION FOR AN ORDER GRANTING
APPROVAL OF AN EXCEPTION PURSUANT
TO RULE 7 (a) OF ORDER NO. R-368-A IN
ESTABLISHMENT OF AN UNORTHODOX GAS
PRORATION UNIT OF 80 CONTIGUOUS ACRES
CONSISTING OF WEST HALF OF NORTHEAST
QUARTER OF SECTION 7, TOWNSHIP 25 SOUTH,
RANGE 37 EAST, NMPM, LEA COUNTY, NEW
MEXICO, IN THE JALCO GAS POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m., on February 17, 1954, at Santa Fe, New Mexico, before the Oil Conservation Commission hereinafter referred to as the "Commission".

NOW, on this 16th day of April, 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-368-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, Dalport Oil Corporation, 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 25 SOUTH, RANGE 37 EAST, NMPM
W/2 NE/4 of Section 7

containing 80 acres, more or less.

(4) That applicant, Dalport Oil Corporation, has a producing well on the aforesaid lease known as W. H. Harrison, No. 1, located in the SW/4 NE/4 of Section 7, Township 25 South, Range 37 East.

(5) That the aforesaid well was completed and in production prior to January 1, 1954, the effective date of Order No. R-368-A, and is located within the limits of the pool heretofore delineated and designated as the Jalco Gas Pool.

(6) That it is impractical to pool applicant's said lease with adjoining acreage in the NE/4 of Section 7, Township 25 South, Range 37 East, and that the owners of adjoining acreage in said quarter section have not objected to the formation of the proposed proration unit of 80 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 Jalco Gas Pool.

(8) That creation of a proration unit consisting of the aforesaid acreage will not cause but will prevent waste, will protect correlative rights, and is necessary to prevent confiscation of applicant's property.

IT IS THEREFORE ORDERED:

(1) That the application of Dalport Oil Corporation for approval of an unorthodox proration unit consisting of the following described acreage

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
W/2 NE/4 of Section 7

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

(2) That applicant's well, W. H. Harrison, No. 1, located in the SW/4 NE/4 of Section 7, Township 25 South, Range 37 East, NMPM, shall be granted an allowable from January 1, 1954 in the proportion that the above described 80 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

E. L. Mechem

EDWIN L. MECHEM, Chairman

E. S. Walker

E. S. WALKER, Member

R. R. Spurrer

R. R. SPURRIER, Secretary and Member

S E A L

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

April 27, 1954

Dalport Oil Corporation
930 Fidelity Union Life Bldg.
DALLAS - TEXAS

Attention: Mr. Edward Wright, jr.

Gentlemen:

We enclose signed copy of Order R-447 issued by the Commission under date of April 16, 1954, in Case 655.

Very truly yours,

W. B. Macey
Chief Engineer

WBM:mr

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Y

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

My
W. J. K.

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. 655
Order No. R- 447

THE APPLICATION OF DALPORT
OIL Corporation
FOR AN ORDER GRANTING APPROVAL
OF AN EXCEPTION ^{TO RULE 7 (a)} OF
ORDER NO. R- 368A IN ESTABLISHMENT
OF AN UNORTHODOX GAS PRORATION
UNIT OF 80 CONTIGUOUS ACRES
CONSISTING OF W/2 NE/4 of
Section 7, Township 25
South, Range 37 East, NMPM,
Lea County, New Mexico,
in the Joloca Gas Pool.

BY THE COMMISSION:

ORDER OF THE COMMISSION

This cause came on for hearing at 9 o'clock a. m., on February 17,
1954, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this April day of April, 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- 368A, 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, Dalport Oil Corporation, 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 25 SOUTH, RANGE 37 EAST, NMPM.
W/2 NE/4 of Section 7

containing 80 acres, more or less.

Order No. R- 441

(4) That applicant, Dalpont Oil Corporation, has a producing well on the aforesaid lease known as W.H. Harrison, No. 1 located ~~in the~~ ^{SW 1/4 NE 1/4} ~~from the~~ line and ~~from the~~ line of Section 7, Township 25 South, Range 37 East.

(5) That the aforesaid well was completed and in production prior to January 1, 1954, the effective date of Order No. R-368A, and is located within the limits of the pool heretofore delineated and designated as the Jalco Gas Pool.

(6) That it is ^{IMPRACTICAL} ~~impossible~~ to pool applicant's said lease with adjoining acreage in the NE 1/4 of Section 7, Township 25 South, Range 37 East, and that the owners of adjoining acreage in said quarter section have not objected to the formation of the proposed proration unit of 80 acres, ~~but have expressly consented thereto.~~

(7) That unless a proration unit consisting of applicant's aforesaid ^{its} acreage is permitted, applicant will be deprived of the opportunity to recover ~~his~~ just and equitable share of the natural gas in the Jalco Gas Pool.

(8) That creation of a proration unit consisting of the aforesaid acreage will not cause but will prevent waste, will protect correlative rights, and is necessary to prevent confiscation of applicant's property.

IT IS THEREFORE ORDERED:

(1) That the application of Dalpont Oil Corporation for approval of an unorthodox proration unit consisting of the following described acreage

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM.

W 1/2 NE 1/4 of Section 7

be And the same
is hereby approved, and a proration unit consisting of aforesaid acreage is hereby created ~~and approved.~~

Order No. R- 447

(2) That applicant's well, *W.H. Harrison, No. 1*, located in the *SW/4 NE/4* of Section *7*, Township *25* South, Range *37* East, NMPM, shall be granted an allowable from January 1, 1954 in the proportion that the above described *80* 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

R. R. SPURRIER, Secretary and Member

(S E A L)