

Casa No.

688

Application, Transcript,
Small Exhibits, Etc.

MAIN OFFICE OCC

1954 MAR 25 AM 8:43

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
Santa Fe, New Mexico

* * * * *

TRANSCRIPT OF PROCEEDINGS

CASE NO. 688 & 689

Regular Hearing

March 17, 1954

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
Santa Fe, New Mexico
March 17, 1954

IN THE MATTER OF:

Application of Sunray Oil Corporation for
approval of an unorthodox gas proration
unit in the Eumont Gas Pool: E/2 E/2
12-20S-36E.

Case No. 688

Application of Sunray Oil Corporation for
approval of an unorthodox gas proration
unit in the Eumont Gas Pool: W/2 W/2
7-20-S-37E.

Case No. 689

TRANSCRIPT OF PROCEEDINGS

MR. WHITE: If the Commission please, there were a good many of the operators under a misunderstanding as to what kind of testimony should be introduced on the unorthodox units. In this case, as to the unorthodox units, we have no contest or protest to it, and for that reason, I have no witnesses available.

In regard to the two applications, the applicant is the owner and operator of the lease in the west half of the west half of Section 7, Township 20 South, Range 37 East, and the east half of the east half of Section 12 in Range 36 East. We would like to have the plats attached to our respective applications, marked Exhibits 1 and 2 respectively; and in regard to the wells, there are two producing, one in each unit, and they have been producing since 1936 from the Yates Sands, from our exhibit; we would like to have them marked and introduced as Exhibit No. 3, wells producing in the surrounding area, or producing from the Yates, and it is the petitioner's

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

belief that the Yates Sands is productive throughout both of the unorthodox units applied for. We have here the consent from Amerada and Sinclair, and from the Anderson-Pritchard, who are the adjoining operators. We would like to have them marked Exhibit 5, 6 and 7, accordingly. We have had the verbal consent of Skelly, and Mr. Selinger was going to consent before the Commission had he been here. It is my understanding that the Continental, who off-sets us to the north in another section, will not consent to it, but they will not protest either, is that correct, Mr. Kellahin?

MR. KELLAHIN: That is correct. We won't grant a waiver.

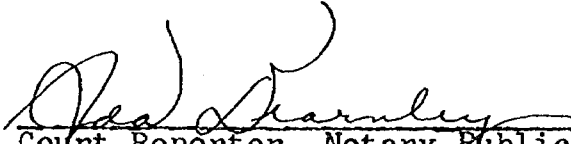
MR. WHITE: We do believe it is based on sound engineering principles, and if granted, will not create a chain effect and bring about the need for other unorthodox units. It will prevent waste and protect correlative rights.

MR. SPURRIER: Is there objection to counsel's proposed cases? If not, we will take them under advisement. Are there any other cases now before the meeting is adjourned?

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.

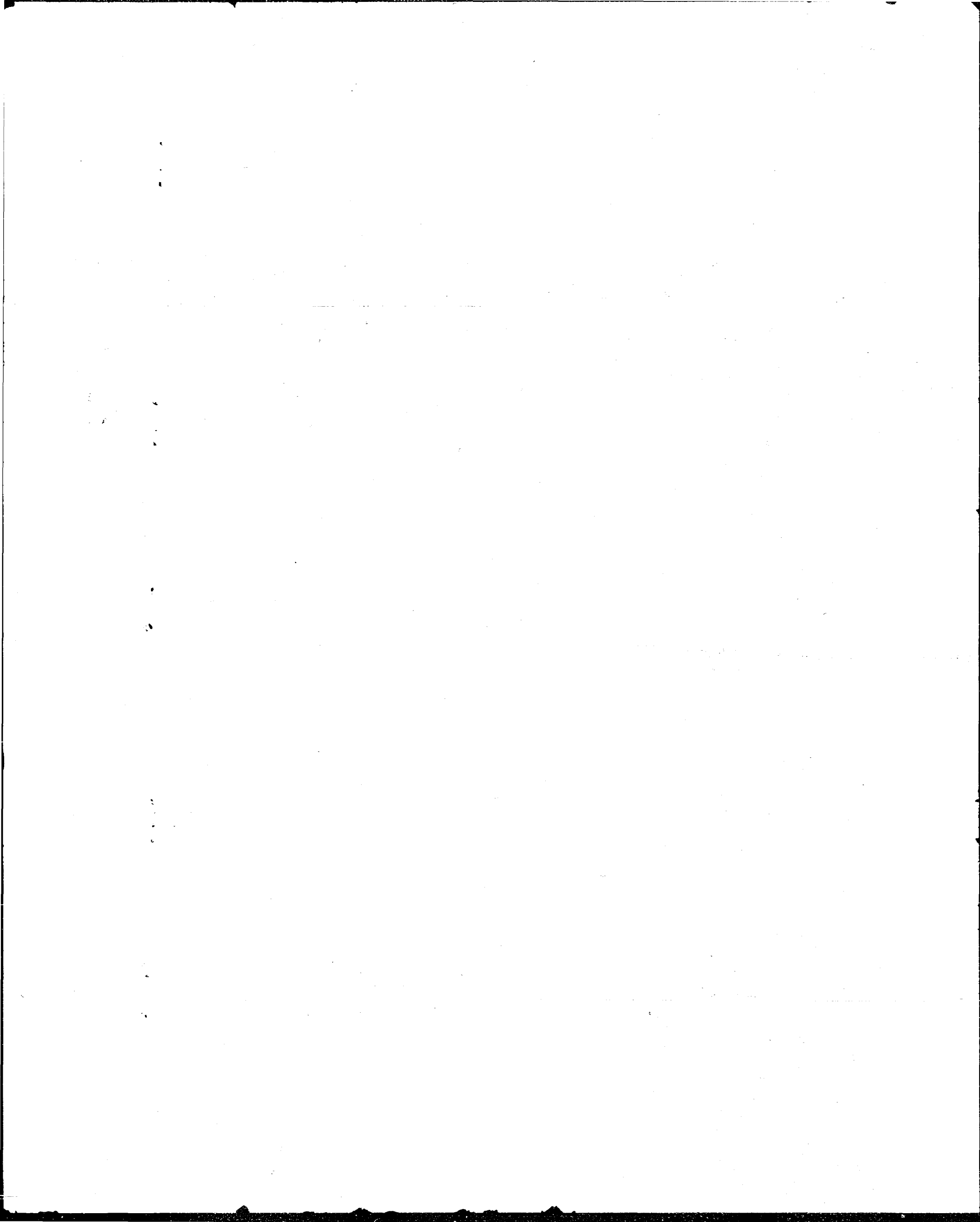
IN WITNESS WHEREOF I have affixed my hand and notarial seal this 23rd day of March, 1954.


Court Reporter, Notary Public

My commission expires:

June 19, 1955.

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



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

April 27, 1954

Mr. L. C. White, Attorney
Box 787
SANTA FE, N M

Dear Sir:

On behalf of your client, Sunray Oil Corporation, we
enclose signed copies of Orders R-457 and R-458 issued
under date of April 16, 1954, to cover recent applica-
tions for approval of unorthodox gas proration units, as
set forth in Cases 688 and 689, respectively.

Very truly yours,

W. B. Macey
Chief Engineer

WBM:mr

C
O
P
Y

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. 688
Order No. R-457

THE APPLICATION OF SUNRAY OIL
CORPORATION FOR AN ORDER GRANTING
APPROVAL OF AN EXCEPTION PURSUANT
TO RULE 7 (a) OF ORDER NO. R-370-A IN
ESTABLISHMENT OF AN UNORTHODOX GAS
PRORATION UNIT OF 160 CONTIGUOUS ACRES
CONSISTING OF E/2 E/2 OF SECTION 12,
TOWNSHIP 20 SOUTH, RANGE 36 EAST,
NMPM., LEA COUNTY, NEW MEXICO IN
THE EUMONT GAS POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

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

NOW, on this 16 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-370-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, Sunray 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 20 South, RANGE 36 East, NMPM.

East half of the East Half of Section 12

containing 160 acres, more or less.

(4) That applicant, Sunray Oil Corporation, has a producing well on the aforesaid lease known as Alaska Cooper, No. 4 located 1980' from the North line and 660' from the East line of Section 12, Township 20 South, Range 36 East.

(5) That the aforesaid well was completed and in production prior to January 1, 1954, the effective date of Order No. R-370-A, and is located

within the limits of the pool heretofore delineated and designated as the Eumont Gas Pool.

(6) That it is impractical to pool applicant's said lease with adjoining acreage in the East Half of Section 12, Township 20 South, Range 36 East and that the owners of adjoining acreage in said sections have not objected to the formation of the proposed proration unit of 160 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 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 Sunray Oil Corporation for approval of an unorthodox proration unit consisting of the following described acreage

TOWNSHIP 20 South, RANGE 36 East, NMPM.

East Half of the East Half of Section 12

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

(2) That applicant's well, Alaska Cooper, No. 4, located in the SE/4 NE/4 of Section 12, Township 20 South, Range 36 East, NMPM., shall be granted an allowable from January 1, 1954 in the proportion that the above described 160 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

(SEAL)

Case 686-A

Creation of Anderson Ranch-Pennsylvanian Pool

D R 12-13

County Lea Pool Anderson Ranch -Penn.

TOWNSHIP 16 South, RANGE 32 East, NEW MEXICO PRINCIPAL MERIDIAN

6	5	4	3	2	1
7	8	9	10	11	12
13	17	18	13	14	15
19	20	21	22	23	24
25	26	27	27	28	29
31	32	33	34	35	36

Purpose: To create a new pool for Continental Oil Company's State Q-15 #1-P

in Sec. 15-16S-32E Unit G producing from the Pennsylvanian

Casing perforations: 12,370-12,388 w 4 per ft.; 12,362-12,401 w 2 per ft.;

12,371, 12,379, 12,383, 12,391 w one shot per ft.

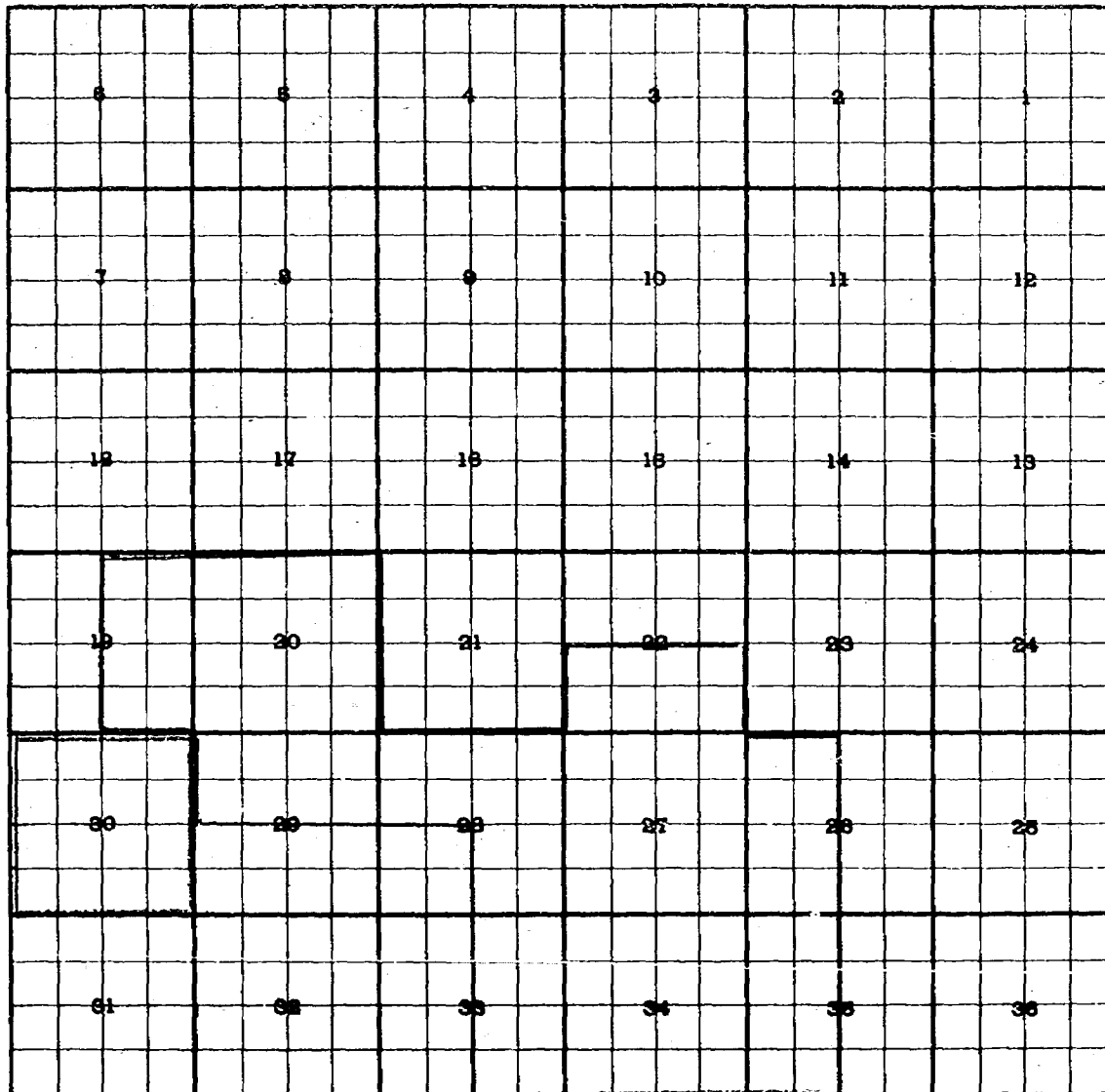
Area to be included: All Sec. 10, 11, 14 and 15

Case 686-B

County Lea

Pool Crossroads-Pennsylvanian

TOWNSHIP 9 South, RANGE 36 East, NEW MEXICO PRINCIPAL MERIDIAN



Producing Formation: Pennsylvanian

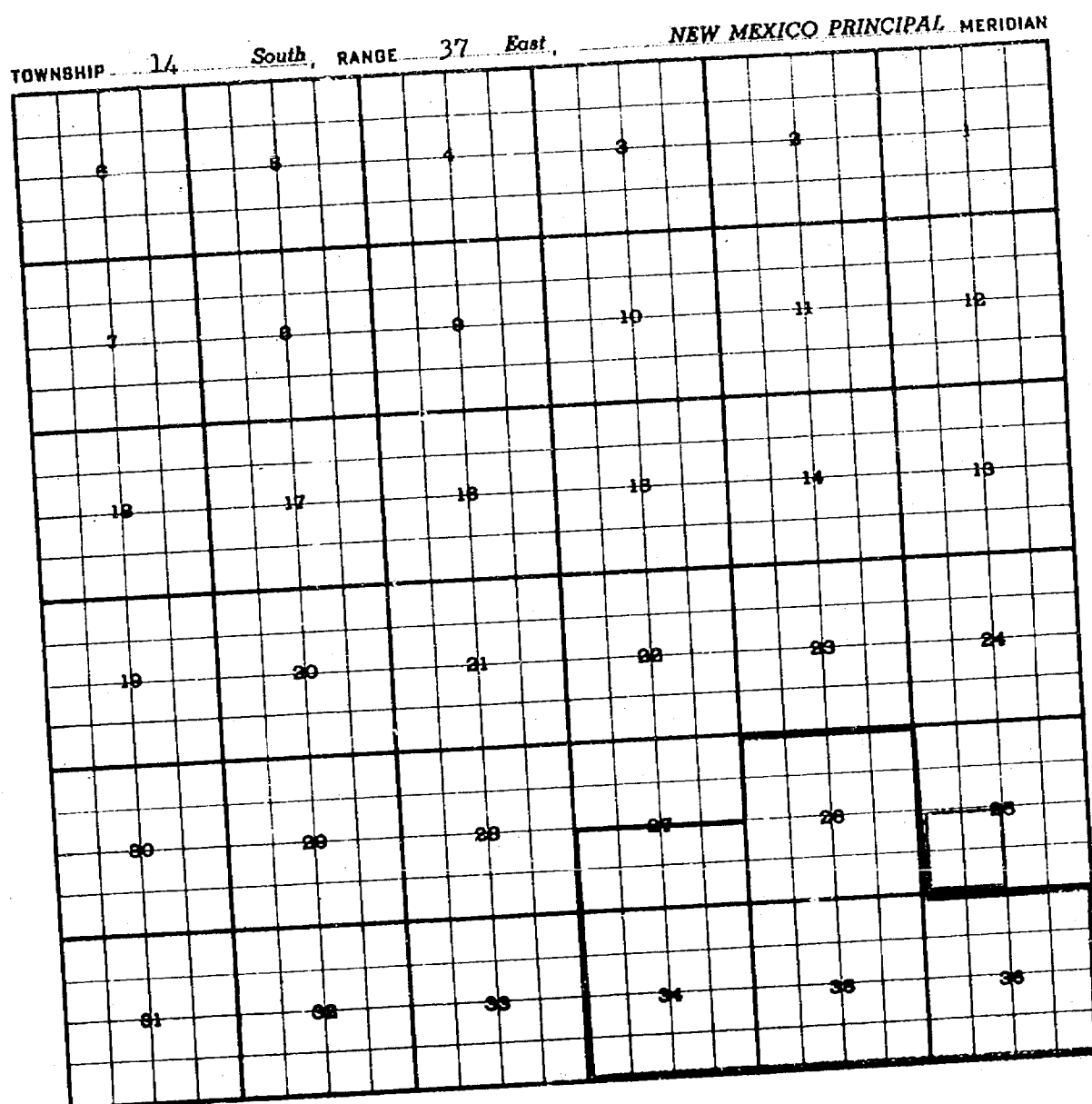
Purpose: To Include Magnolia Petroleum Company Santa Fe "G" #1 Unit A Sec. 30-9-36

Existing Boundary: Colored in Red

Proposed Extension: Colored in Green

Case 686-C

County Lea Pool Denton-Wolfcamp



Producing Formation : Wolfcamp

Purpose: To include Shell Oil Company's Buckley "A" #2 Unit M Sec. 25-14S-37E

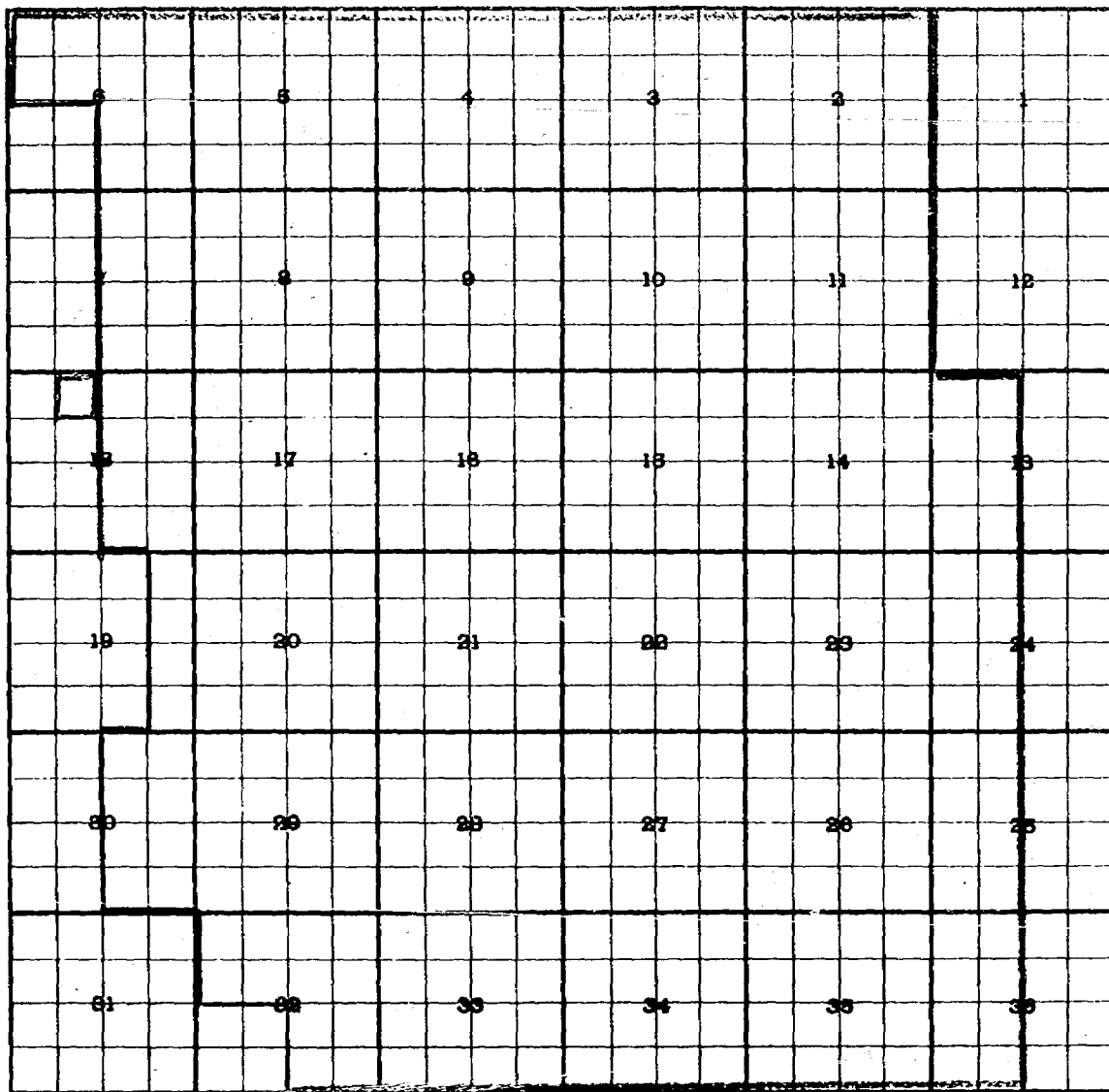
Existing Boundary: Colored in Red

Proposed Extension: Colored in Green

Case 686-D

County Lea Pool Langlie-Mattix

TOWNSHIP 25 South, RANGE 37 East, NEW MEXICO PRINCIPAL MERIDIAN



Producing Formation: Queen-7 R

Purpose: To include Humble Oil & Refining Co. Elydia C. Winters "C" #2

Unit C Sec. 18-25S-37E

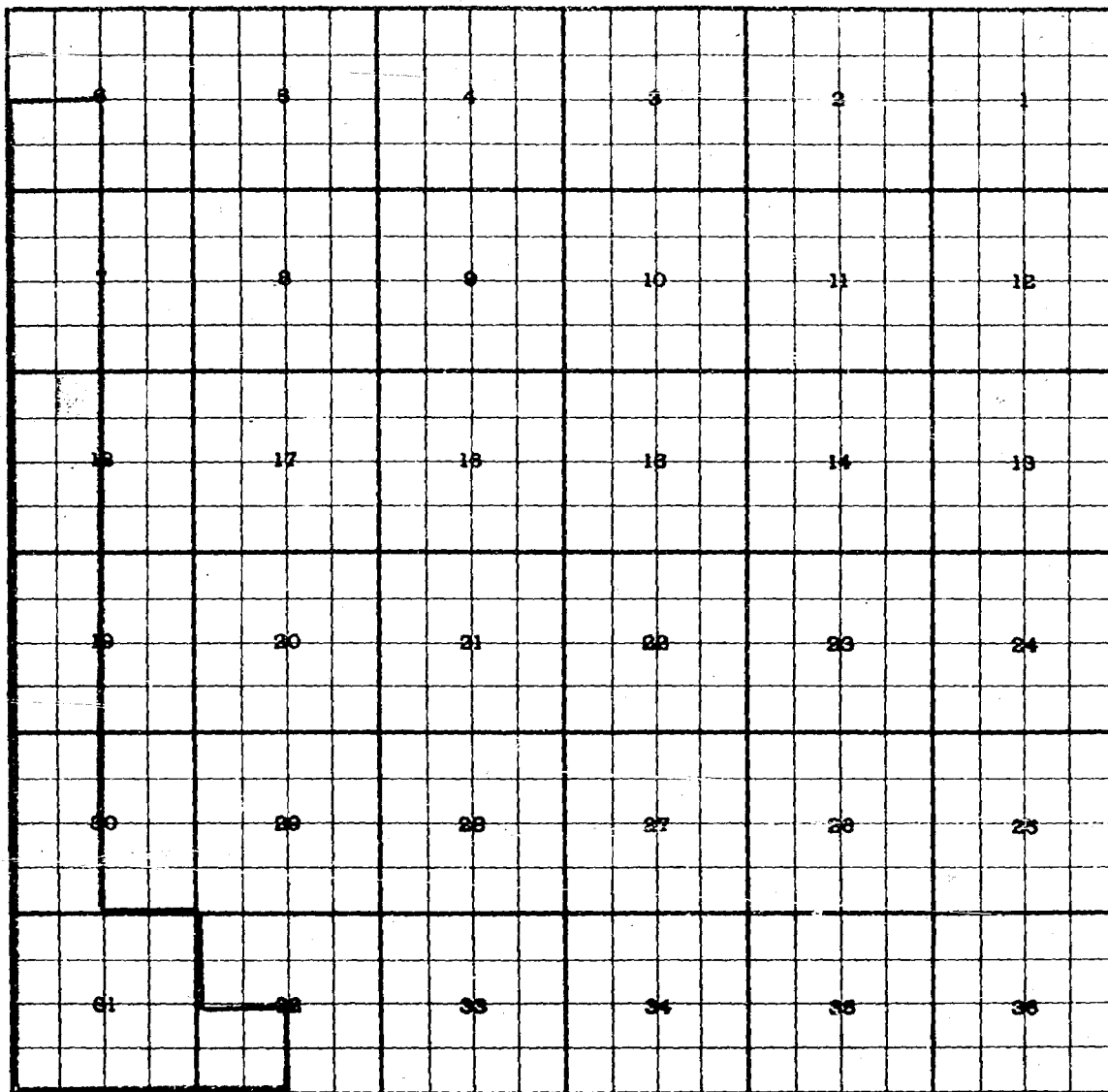
Existing Boundary: Colored in red

Proposed Extension: Colored in green

Case 686-E

County Lea Pool Coor-r-Jal

TOWNSHIP 25 South, RANGE 37 East, NEW MEXICO PRINCIPAL MERIDIAN



Producing Formation: Yates -7R

Purpose-To Delete NE/4 of the NW/4 of Sec. 18-25S-37E, to be included
in the Langlie-Mattix to include Humble Winters "C" #2 18-25-37 Unit C

Existing Boundary: Colored in Red

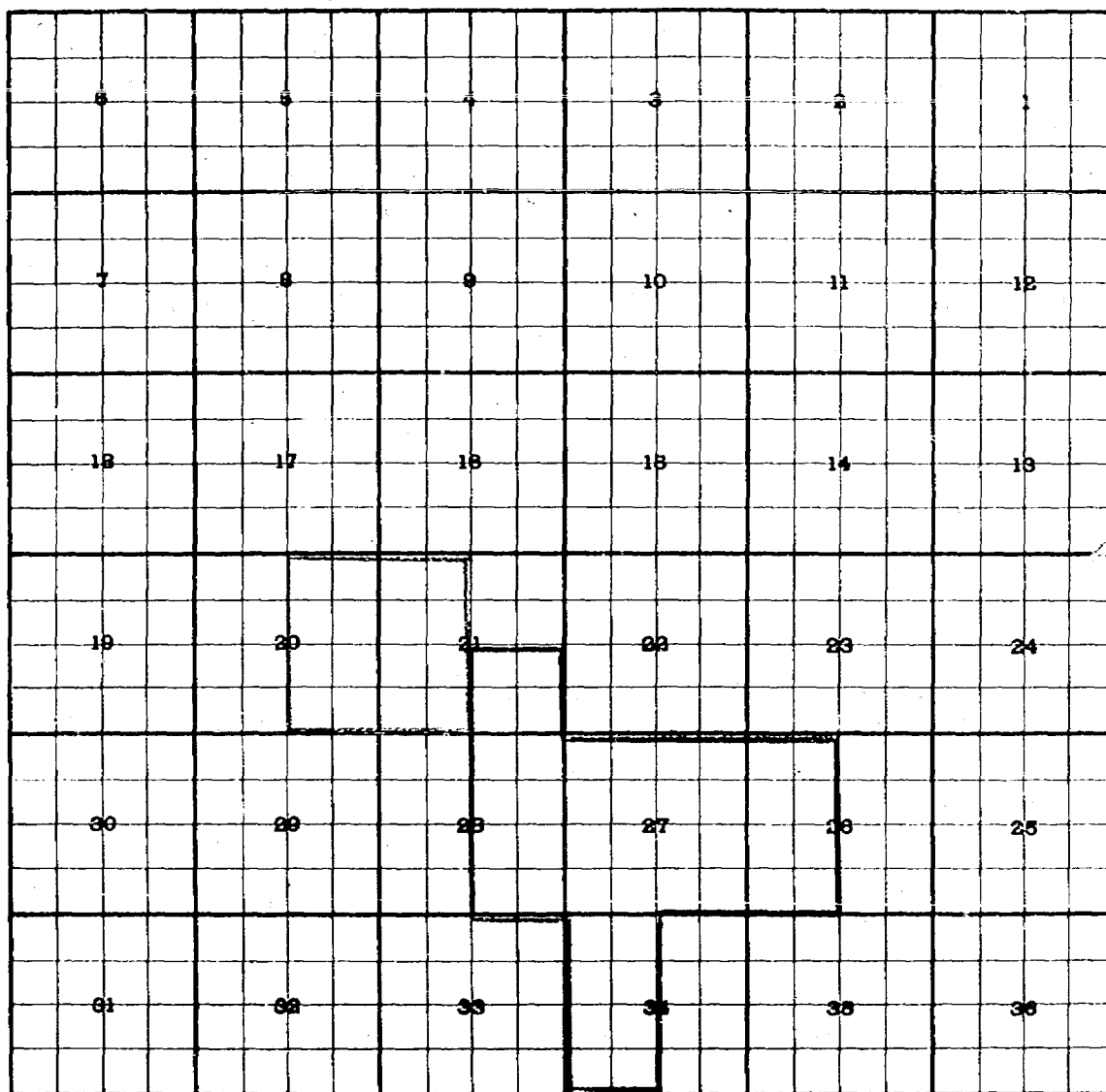
Proposed Deletion: Colored in Blue

Case 686-F

County Lea

Pool Lazy J

TOWNSHIP 13 South, RANGE 33 East, NEW MEXICO PRINCIPAL MERIDIAN



Producing Formation: Pennsylvanian

Purpose: To Include : The Ohio Oil Co. Fed. Trigg "A" #1 Unit A Sec. 20-13S-33E

Existing Boundary: Colored in Red

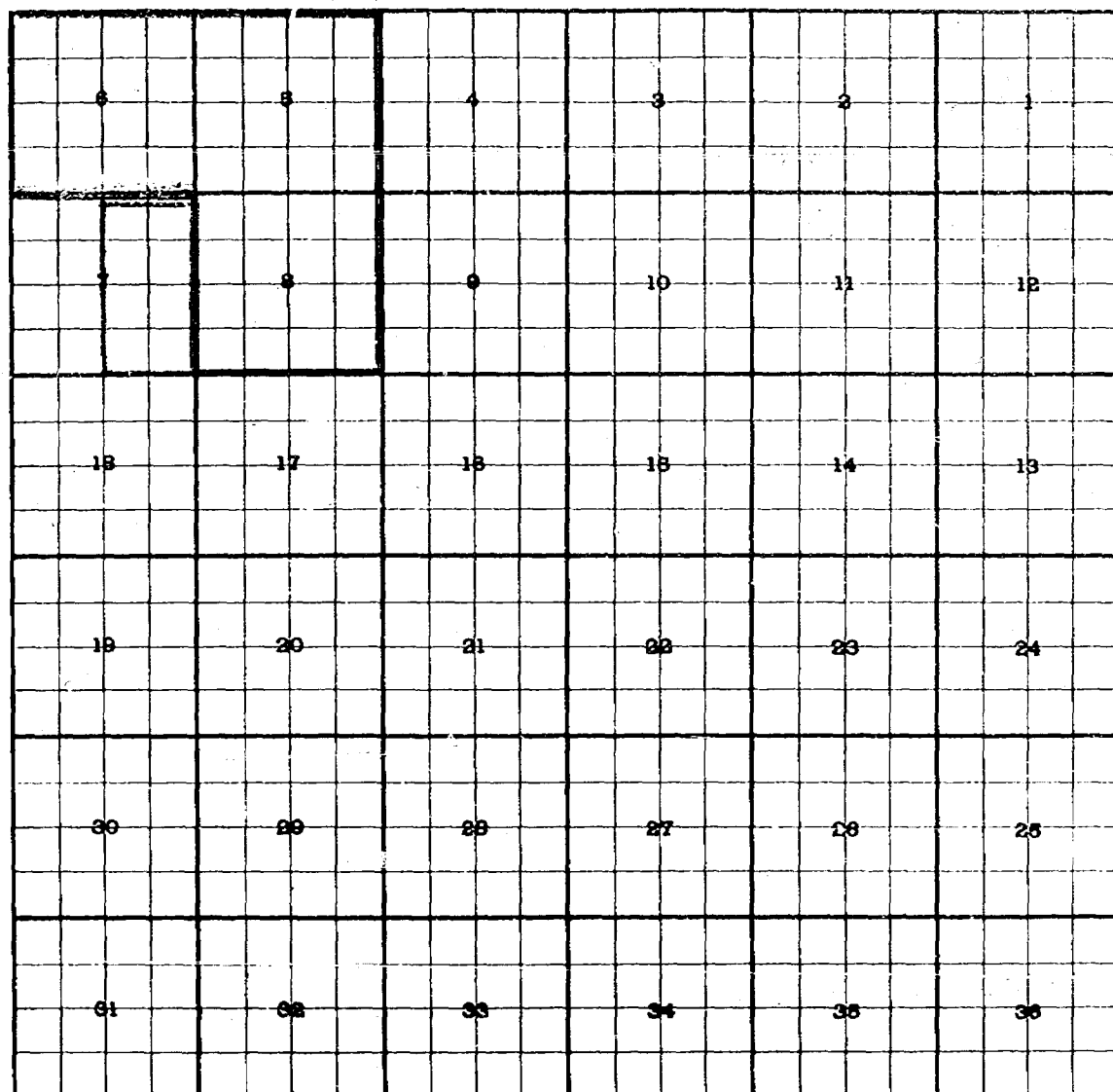
Proposed Extension: Colored in Green

Case 686-G

County Lea

Pool Monument-Paddock

TOWNSHIP 20 South, RANGE 37 East, NEW MEXICO PRINCIPAL MERIDIAN



Producing Formation: Paddock

Purpose: To Include Sinclair Oil & Gas Co. B. J. Barber #12 Unit A Sec. 7-20S-37E

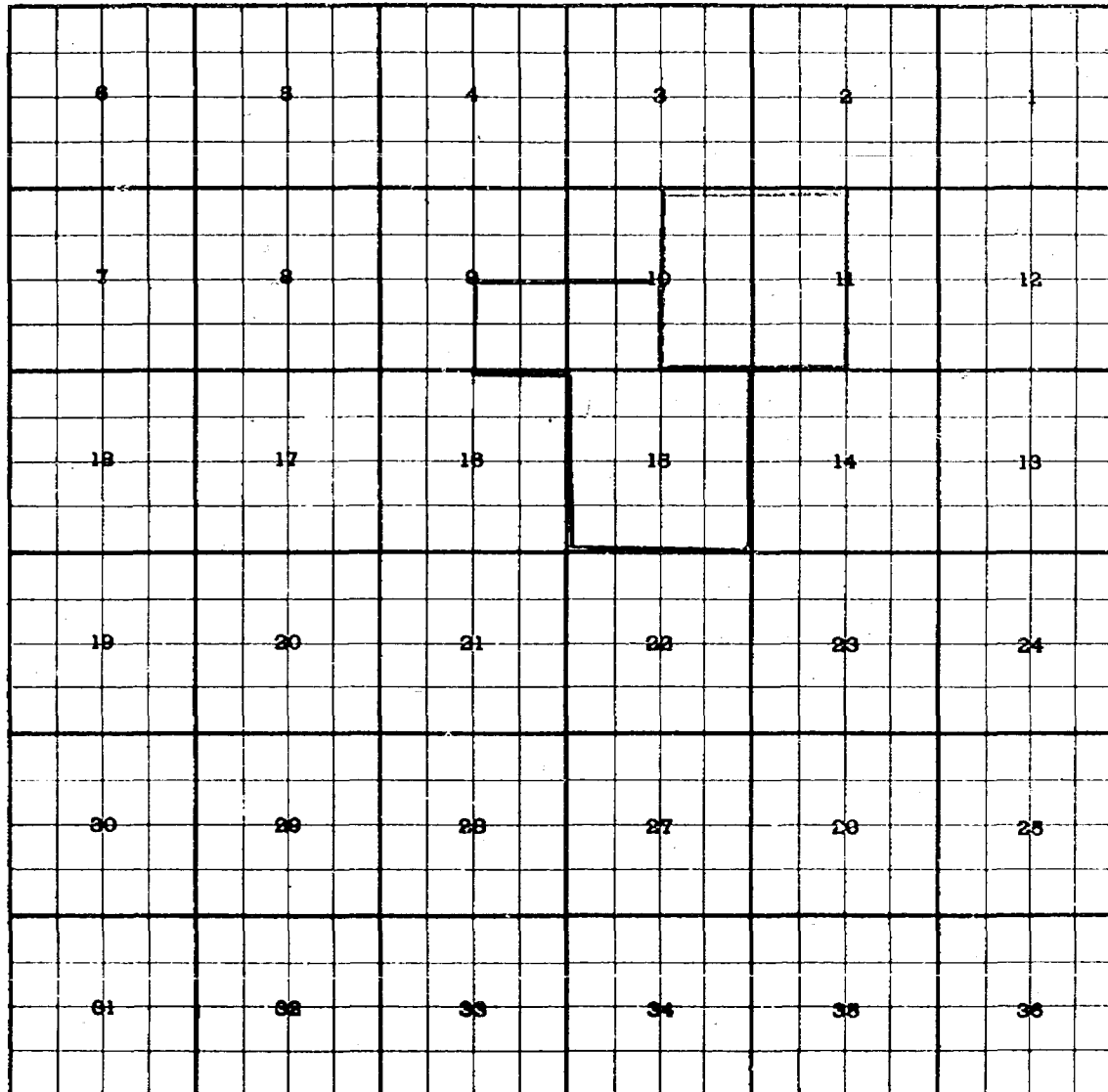
Existing Boundary: Colored in Red

Proposed Extension: Colored in Green

Case 686-H

County Chaves Pool Drickey-Queen

TOWNSHIP 14 *South*, RANGE 31 *East*, NEW MEXICO PRINCIPAL MERIDIAN



Producing Formation: Queen

Purpose: To Include Neville G. Penrose Alston #1 Unit C Sec. 11-14S-31E

Existing Boundary: Colored in Red

Proposed Extension: Colored in Green

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Re: Application of Sunray Oil Corporation
for Assignment of an Unorthodox 160-
Acre Gas Proration Unit for its A.
Cooper Well No. 3, Lea County, New Mexico

Gentlemen:

We have been advised by Sunray Oil Corporation of its intention to assign the W/2 of the W/2 of Section 7, Twp. 20S, Rge. 37E, Lea County, New Mexico, as an unorthodox 160-acre gas proration unit for its A. Cooper Well No. 3. This well is producing gas from the Yates Sand.

As an owner of an oil and gas lease offsetting or in the same section as Sunray's A. Cooper Lease, we have no objection to the assignment of this gas proration unit, as above described, and hereby waive rights of protest.

Very truly yours,

AMERADA PETROLEUM CORPORATION

Date: 3-10-54

By: R. S. Christie

Case 6889
Ex # 6

SINCLAIR OIL & GAS COMPANY

SINCLAIR OIL BUILDING

TULSA, OKLAHOMA

March 15, 1954

JOHN N. JOHNSON
VICE-PRESIDENT

El 4
Case 688-9

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

Re: Sunray Oil Corporation's Exception
to Rule 7(a)
Commission Order No. R-370-A
Eumont Gas Pool
Lea County, New Mexico

Gentlemen:

We are advised that Sunray Oil Corporation has requested an exception to Rule 7(a) of Order No. R-370-A for a 160 acre unorthodox gas proration unit to be allocated to its Well No. 3, Alaska Cooper, located 660' from the North and West lines NW/4 NW/4 of Section 7-20S-37E. The proposed unit to consist of lands described as -

W/2 W/2 of Section 7-20S-37E,
Eumont Gas Pool
Lea County, New Mexico

Sinclair Oil & Gas Company, being a lease owner in the immediate vicinity, waives any objections to the above described unorthodox gas unit, under the provisions of Rule 7(b) of Commission Order No. 370-A which established field rules for the Eumont Gas Pool.

Very truly yours,

John N. Johnson

CEW/mb

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Re: Application of Sunray Oil Corporation
for Assignment of an Unorthodox 160-
Acre Gas Proration Unit for its A.
Cooper Well No. 3, Lea County, New Mexico

Gentlemen:

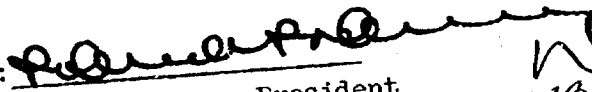
We have been advised by Sunray Oil Corporation of its intention to assign the W/2 of the W/2 of Section 7, Twp. 20S, Rge 37E, Lea County, New Mexico, as an unorthodox 160-acre gas proration unit for its A. Cooper Well No. 3. This well is producing gas from the Yates Sand.

As an owner of an ^{undivided interest in} oil and gas lease offsetting or in the same section as Sunray's A. Cooper Lease, we have no objection to the assignment of this gas proration unit, as above described, and hereby waive rights of protest.

Very truly yours,

ANDERSON-PRICHARD OIL CORP.

Date: 8/15/54

By: 
Roland V. Rodman, President

W
SAB
Up
SAB

Ex # 5
Case 688-9

SUNRAY OIL CORPORATION
P. O. BOX 2039
TULSA, OKLAHOMA

COPY

January 28, 1954

Amerada Petroleum Corporation
Box 2040
Tulsa, Oklahoma
Attention: Mr. R. S. Christie

Continental Oil Company
Fair Building
Fort Worth, Texas
Attention: Mr. H. L. Johnston

Skelly Oil Company
Box 1650
Tulsa, Oklahoma

Gulf Oil Corporation
Drawer 2100
Houston, Texas

Re: Assignment of unorthodox 160-acre gas
proration unit to Sunray's A. Cooper
Well No. 4, Eumont Gas Pool, Lea County, N. M.

Gentlemen:

Sunray Oil Corporation is filing application with the Oil Conservation Commission of New Mexico for authority to assign an unorthodox gas proration unit to its A. Cooper Well No. 4 in the Eumont Gas Pool, Lea County, New Mexico. It is proposed to assign 160 acres consisting of the E/2 of the E/2 of Section 12 - Twp. 20S - Rge. 36E as the gas proration unit for this well.

According to our records, you are the operator of an oil and gas lease offsetting our A. Cooper lease. If you have any objection to the assignment of this proration unit as above described, it is requested that you contact the undersigned for such additional information as you might desire concerning this application.

Very truly yours,

SUNRAY OIL CORPORATION


John D. Gassett

JDJ:mp

cc: New Mexico Oil Conservation Com. ✓
Santa Fe, New Mexico

BEFORE THE OIL CONSERVATION COMMISSION, STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
SUNRAY OIL CORPORATION FOR AN EXCEPTION
TO ORDER NO. R-370-A TO PERMIT IT TO
ASSIGN AN UNORTHODOX 160 ACRE GAS
PRORATION UNIT TO ITS A. COOPER WELL NO. 4
LOCATED IN THE SE/4 OF THE NE/4 OF SECTION
12 - TWP. 20S - RGE. 36E, LEA COUNTY, NEW MEXICO

Case 688

APPLICATION

Comes now Sunray Oil Corporation, applicant herein, and respectfully shows to the Honorable Oil Conservation Commission of the State of New Mexico as follows:

1. That applicant is the owner and operator of an oil and gas lease known as its A. Cooper lease, covering the W/2 of the W/2 of Section 7 - Twp. 20S - Rge. 37E, and the E/2 of the E/2 of Section 12 - Twp. 20S - Rge. 36E, Lea County, New Mexico. Order R-370-A requires standard proration units to be in the form of a square, which is a governmental quarter section. It is desired to form an unorthodox gas proration unit consisting of the E/2 of the E/2 of Section 12 - Twp. 20S - Rge. 36E.

2. Applicant's A. Cooper Well No. 4 was completed on March 22, 1936 to a total depth of 3890'. This well is presently producing gas from the Yates formation, encountered at 2960'.

3. Unitization of portions of this tract with other tracts within Section 12 so as to form a standard 160-acre gas proration unit is impractical. Three 160-acre gas proration units are being formed within this section by Amerada Petroleum Corp.

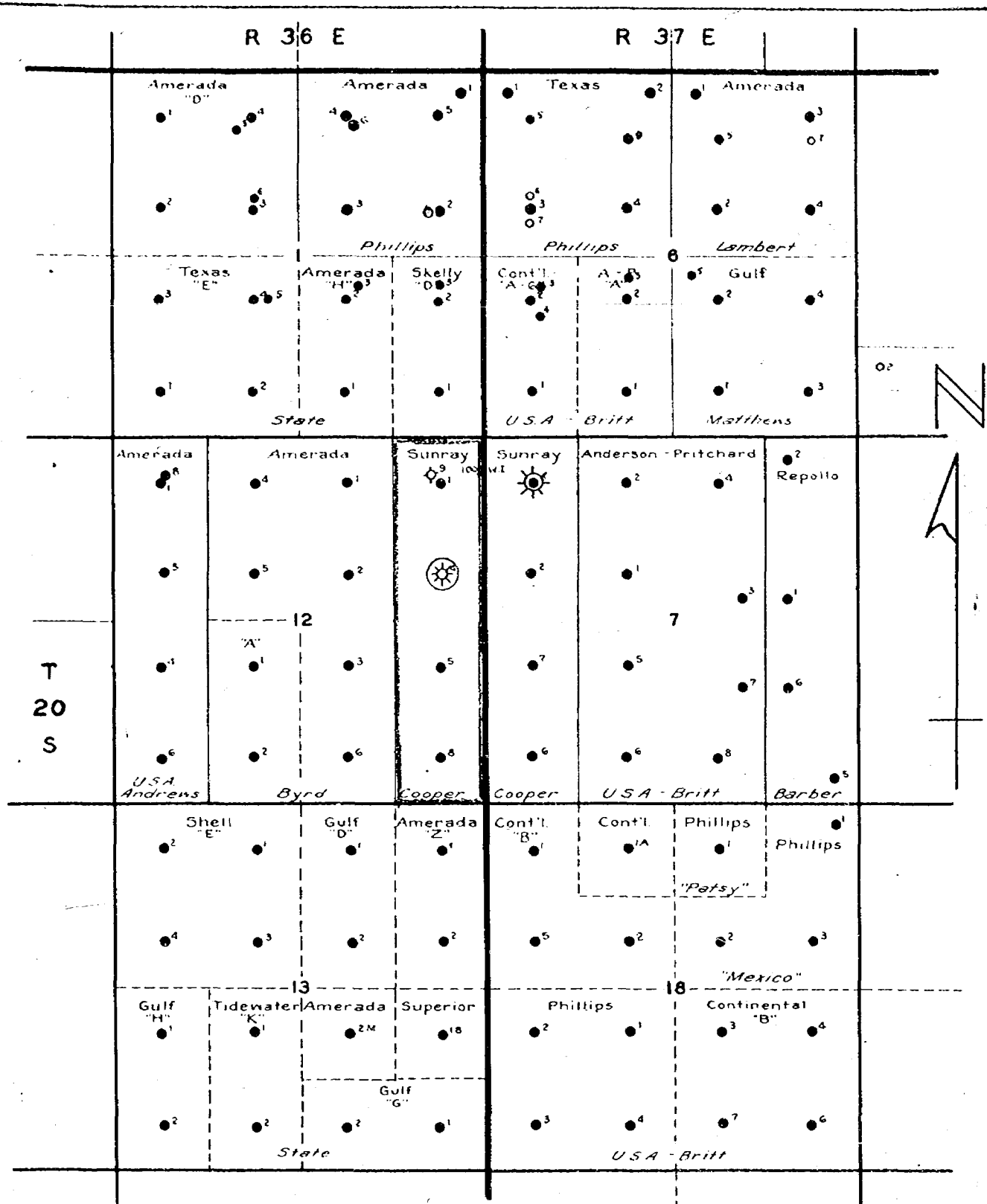
4. Attached hereto and incorporated herein by reference is a plat showing the location of the unit well and the outline of the proposed 160-acre gas proration unit.

WHEREFORE applicant prays that this matter be set for hearing, that notice be given thereof as required by law, and that upon final hearing the Oil Conservation Commission of the State of New Mexico enter its order authorizing applicant to assign an unorthodox gas proration unit to this well in accordance with this application and the rules and regulations of the Oil Conservation Commission.

SUNRAY OIL CORPORATION

John D. Gassett
John D. Gassett

Dated this 11th day of February, 1954



PRODUCING FORMATION		SUNRAY OIL CORPORATION		PRODUCING LEASES	
NAME	AVERAGE DEPTH	FIELD: MONUMENT		COOPER	
GRAYBURG	3835	DISTRICT: N&W. TEXAS GROUP: HOBBS		— Gas Proration Unit	
		COUNTY: LEA STATE: N. MEX.		Unit Well	
		SCALE			
		2000 1000 0 1000 2000 4000			
		FEET			