

Case No.

744

Application, Transcript,
Small Exhibits, Etc.

CASE 744: Hudson & Hudson, Inc., and
Phillips Petroleum Co application for
north gas proration unit (Eumont)

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

August 16, 1954

C
O
P
Y

Mr. Edward P. Hudson
Hudson & Hudson, Inc.
Electric Building
FORT WORTH, TEXAS

Gentlemen:

RE: OCC Case 744 (Your File No. 66)

We attach copy of Order R-516 issued on August 12, 1954, by the Commission in Case 744, which was heard on July 15, 1954, on joint application of your company and Phillips Petroleum Company.

Very truly yours,

W. B. Nacey
Secretary-Director

WBM:nr

cc: Phillips Petroleum Company
Attention: Mr. Dan L. Mayer
Bartlesville, Oklahoma

Hudson & Hudson, Inc.
Electric Building

In reply refer to

our file No. 66

Cal. 177
MAIN OFFICE CCC
1954 JUN 3 AM 8:47

Fort Worth, Texas

May 5, 1954

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

Gentlemen: Re: Application of Hudson & Hudson, Inc., and
Phillips Petroleum Company, for an Unorthodox
Gas Proration Unit covering the N/2 of N/2 of
Section 30, Township 20 South, Range 37 East,
Eumont Gas Pool, Lea County, New Mexico

Hudson & Hudson, Inc., 1810 Electric Building, Fort Worth, Texas, and the Phillips Petroleum Company, Bartlesville, Oklahoma, do hereby make application for an unorthodox gas proration unit in the Eumont Gas Pool, Lea County, New Mexico, and in support thereof with respect represent:

1. That the Phillips Petroleum Company and Hudson & Hudson, Inc., hereinafter referred to as "Applicants", together own oil and gas leases covering the N/2 of the N/2 of Section 30, Township 20 South, Range 37 East, Lea County, New Mexico.
2. That the applicants have entered into an agreement to unitize their acreage for the purpose of forming a gas proration unit.
3. That said contract contemplates the conversion of Hudson & Hudson, Inc. No. 1 Hudson-State Well located 660 feet from the North Line and 1980 feet from the East Line of said Section 30, Township 20 South, Range 37 East, from an oil producing well to a gas producing well in the Eumont Gas Horizon.
4. That the Amerada Petroleum Corporation owns an oil and gas lease covering the S/2 of the N/2 of Section 30, Township 20 South, Range 37 East, Lea County, New Mexico.
5. That the Amerada Petroleum Corporation has requested that their lease covering the S/2 of the N/2 of said Section 30 be recognized as an unorthodox gas proration unit, which application has been heard before this Commission, and is now pending your decision. (See page 44)
6. That the unorthodox gas proration unit requested by applicants herein, and the unorthodox gas proration unit requested by

Oil Conservation Commission
Page 2

Fort Worth, Texas
May 4, 1954

Amerada Petroleum Corporation, as set forth above, together would constitute two regular gas proration units insofar as the State is concerned and to grant both unorthodox gas proration units would greatly simplify, as far as the present owners are concerned, the operation of said units for proration purposes, in that the Amerada Petroleum Corporation would be the sole owner and operator of their unit, and applicants would be the sole owners and operators of their unit, and when both units are taken together, the units would meet the requirements of your Commission.

7. That the following are all of the operators offsetting the above property:

The Texas Company
Continental Life Building
Fort Worth, Texas

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

Cities Service Oil Company
Box 97
Hobbs, New Mexico

Skelly Oil Company
Box 38
Hobbs, New Mexico

Sinclair Oil & Gas Company
Box 1247
Hobbs, New Mexico

Mid-Continent Petroleum Corp.
Mid-Continent Building
Tulsa, Oklahoma

WHEREFORE, applicants pray that a hearing be called to consider this application, that all interested parties be notified, and that upon a hearing being held that the Commission grant the unorthodox gas proration unit herein requested.

Respectfully submitted,

HUDSON & HUDSON, INC.

By: Edward L. Hudson
Secretary-Treasurer

PHILLIPS PETROLEUM COMPANY

By: Wm. L. Hanger

ERH/B

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. 744
Order No. R-516

THE APPLICATION OF HUDSON AND HUDSON,
INC., AND PHILLIPS PETROLEUM COMPANY,
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 N/2
N/2 OF SECTION 30, TOWNSHIP 20 SOUTH,
RANGE 37 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 July 15, 1954, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 12th day of August, 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) (a) That applicants, Hudson and Hudson, Inc., and Phillips Petroleum Company, are the owners of oil and gas leases 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 37 EAST, NMPM
N/2 N/2 of Section 30

containing 160 acres, more or less.

(b) That applicants, Hudson and Hudson, Inc., and Phillips Petroleum Company, have entered into an agreement to unitize the above described acreage.

(4) That applicant, Hudson and Hudson, Inc., has a well on the aforesaid lease known as the No. 1, Hudson, located 660' from the North line and 1980' from the East line of Section 30, Township 20 South, Range 37 East, which is to be recompleted in the Eumont Gas Pool.

(5) That the aforesaid well 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 N/2 of Section 30, Township 20 South, Range 37 East, and that the owners of adjoining acreage in said half section have not objected to the formation of the proposed proration unit of 160 acres.

(7) That unless a proration unit consisting of applicants' aforesaid acreage is permitted, applicants will be deprived of the opportunity to recover their 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 and will protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of Hudson and Hudson and Phillips Petroleum Company for approval of an unorthodox proration unit consisting of the following described acreage

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
N/2 N/2 of Section 30

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

(2) That applicant's well, Hudson, No. 1, located in the NW/4 NE/4 of Section 30, Township 20 South, Range 37 East, NMPM, shall be granted an allowable in the proportion that the above described 160 acre unit bears to the standard or orthodox proration unit for said pool.

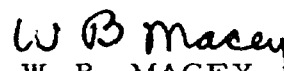
(3) The effective date of the allowable assigned said well shall be governed by the provisions of Rule 13 of Order R-370-A

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


W. B. MACEY, Secretary and Member

S E A L

BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE NO. 744 Regular Hearing

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES
COURT REPORTERS
ROOMS 105, 106, 107 EL CORTEZ BUILDING
TELEPHONE 7-9546
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
July 15, 1954

IN THE MATTER OF:

Application of Hudson and Hudson, Inc.
and Phillips Petroleum Company for 160
acre unorthodox gas proration unit in
Eumont Gas Pool: N/2 N/2 Section 30,
Township 20 South, Range 37 East.

Case No. 744

BEFORE:

Mr. E. J. (Johnny) Walker
Mr. R. R. Spurrier

TRANSCRIPT OF HEARING

MR. SPURRIER: The next case on the docket is Case 744.

E D W A R D R. H U D S O N

having been first duly sworn, testified as follows:

MR. HUDSON: I am Edward R. Hudson, from Forth Worth, Texas.
Mr. Commissioner, this is a case where the Phillips Petroleum
Company own the northwest quarter of the northwest quarter of
Section 30, Township 20 South, Range 37 East, in the Eumont Field,
and also the northeast quarter of the northeast quarter in the
same section. We own 80 acres separating those two 40 acres. The
Amerada Petroleum Company has made application to this Commission
for an unorthodox unit covering the south half of the north half of
the same section. We have made a tentative agreement with the
Phillips whereby we will pool our interest with theirs and complete

our Number 1 Hudson Gas well, which is now an oil well, as a gas well and operate the north half of the north half of the section as a unit. If the Amerada unit is granted and our petition is granted you would then have the equivalent rather of two unorthodox units. In other words, it would cover, the two units would cover the north half of the section and we respectively request that both our applications be granted and the Amerada. Here is a little sketch of the way that sets out there.

MR. MACEY: Mr. Hudson, for your information, the Commission has, if my information is correct that I have here, the Amerada application was heard in Case 649 and the Commission has issued an order in that case approving it.

MR. HUDSON: Yes, sir, if you would approve ours, then we would then have the equivalent of two orthodox units in the north half of that section.

MR. SPURRIER: Does anybody have a question of the witness? If not the witness may be excused.

(Witness excused.)

MR. SPURRIER: Does anyone have anything further in this case? We will take the case under advisement.

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 17th day of July, 1954.

My Comm. Expires:
June 19, 1955

Ada Dearnley
ADA DEARNLEY & ASSOCIATES Notary Public, Court
STENOGRAPHIC REPORTERS
ROOM 105-106-107 EL CORTEZ BLDG.
PHONES 7-9645 AND 5-9546
ALBUQUERQUE, NEW MEXICO
Reporter

