

Case No.

745

Application, Transcript,
Small Exhibits, Etc.

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

August 16, 1954

C
O
P
Y

Mr. Ben Howell, Attorney
Jones, Hardie, Grambling & Howell
Bassett Tower
EL PASO TEXAS

Dear Sir:

We attach copies of Orders R-517 and R-518 issued by the Commission in Cases 745 and 746, respectively, which were heard at the July 15, 1954, hearing upon application of El Paso Natural Gas Company.

Very truly yours,

W. B. Macey
Secretary-Director

WBM:nr

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. 745
Order No. R-517

THE APPLICATION OF EL PASO NATURAL GAS
COMPANY FOR AN ORDER GRANTING APPROVAL
OF AN EXCEPTION PURSUANT TO RULE 7 (a) OF
ORDER NO. R-369-A IN ESTABLISHMENT OF AN
UNORTHODOX GAS PRORATION UNIT OF 160
CONTIGUOUS ACRES CONSISTING OF N/2 S/2 OF
SECTION 2, TOWNSHIP 23 SOUTH, RANGE 36
EAST, NMPM, LEA COUNTY, NEW MEXICO IN
THE LANGMAT 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-369-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, El Paso Natural Gas Company, 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 23 SOUTH, RANGE 36 EAST, NMPM
N/2 S/2 of Section 2

containing 160 acres, more or less.

(4) That applicant, El Paso Natural Gas Company, proposes to drill a well on the aforesaid lease to be known as Shell-State, No. 4, located 1980' from the South line and 1980' from the West line of Section 2, Township 23 South, Range 36 East.

(5) That the aforesaid well be located within the limits of the pool heretofore delineated and designated as the Langmat Gas Pool.

(6) That it is impractical to pool applicant's said lease with adjoining acreage in the S/2 of Section 2, Township 23 South, Range 36 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 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 Langmat 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 El Paso Natural Gas Company for approval of an unorthodox proration unit consisting of the following described acreage

TOWNSHIP 23 SOUTH, RANGE 36 EAST, NMPM
N/2 S/2 Section 2

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

(2) That applicant's well, Shell State No. 4, located in the NE/4 SW/4 of Section 2, Township 23 South, Range 36 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, 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



W. B. MACEY, Secretary and Member

(S E A L)

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
EL PASO NATURAL GAS COMPANY FOR
APPROVAL OF A 160 ACRE UNORTHODOX
GAS PRORATION UNIT IN THE LANGMAT
GAS POOL CONSISTING OF THE N/2 S/2
OF SECTION 2, TOWNSHIP 23 SOUTH,
RANGE 36 EAST, N.M.P.M., LEA COUNTY,
NEW MEXICO

NO. 785

Your Applicant, El Paso Natural Gas Company, represents that it is a Delaware corporation with a permit to do business in the State of New Mexico; that it is the present owner and holder of gas rights and Shell Oil Company is the present owner and holder of gas rights in State of New Mexico Lease No. B-1167 dated September 6, 1932, effective September 15, 1932, executed by the State of New Mexico as Lessor to Shell Petroleum Corporation as Lessee, and extended by production in so far as said lease covers the N/2 S/2 of Section 2, Township 23 South, Range 36 East, N.M.P.M., Lea County, New Mexico, consisting of 160 acres, more or less.

Your Applicant represents that, by order of the Commission, Skelly Oil Company has been granted an unorthodox gas location for the S/2 S/2 of said Section 2 constituting 160 acres, and that communitization of the N/2 S/2 of said section with any other acreage is not practicable.

Your Applicant further represents that Skelly Oil Company is now drilling in the NE/4 SW/4 of said Section 2 a gas well and that your Applicant desires to drill a gas well upon the N/2 S/2 of said Section 2 to be completed in the Seven Rivers formation at a depth of approximately 3,440 feet from the surface.

Your Applicant would show that its leasehold tract is offset to the south by a tract consisting of the S/2 S/2 of said Section 2 of which Skelly Oil Company is Operator; that said tract is offset to the west by a tract containing approximately 320 acres, consisting of the S/2 of Section 3, same township and range, of which Texas Pacific Coal and Oil Company is Operator and that two gas

wells have been completed upon said tract, that one gas well completed by Texas Pacific Coal and Oil Company is located in the NE/4 SE/4 of said Section 3.

Your Applicant would further show that said tract is offset to the north by a tract containing approximately 320 acres, being the N/2 of said Section 2, of which Gulf Oil Corporation is Operator and that two gas wells have been completed upon said N/2, one of which is located in the SE/4 NE/4 of said Section 2.

Your Applicant would further show that said tract is offset to the east by a tract of which Tidewater Company and Skelly Oil Company are Operators.

Your Applicant has furnished copies of this application to all offset operators.

Your Applicant represents that, unless an unorthodox gas unit be approved, it will be deprived of its opportunity to recover its just and equitable share of the natural gas in the gas pool lying under the above described tract of land.

WHEREFORE, your Applicant respectfully requests that an appropriate order be entered allowing the establishment of the N/2 S/2 of Section 2, Township 23 South, Range 36 East, N.M.P.M. as an unorthodox gas unit in the Langmat gas pool.

Respectfully submitted,

EL PASO NATURAL GAS COMPANY

By 
its Attorney

BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE NO. 745 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 El Paso Natural Gas Company
for 160-acre unorthodox gas proration unit
in Langmat Gas Pool: N/2 S/2 Section 2,
Township 23 South, Range 36 East.

} Case No. 745

BEFORE:

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

TRANSCRIPT OF HEARING

MR. SPURRIER: The next case on the docket is Case 745.

ROBERT F. EVANS,

called as a witness, having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. HOWELL:

Q Will you state your name to the Commission, Please?

A Robert F. Evans.

Q Have you prepared a plat showing the location and offset wells surrounding Section 2, in Township 23 South, Range 36 East in Lea County, New Mexico?

A Yes, sir.

Q Will you hand the plat to the Commission?

A (Witness complies.)

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

Q Now, El Paso Natural Gas Company holds leases on what portion of that section?

A We hold the lease on the north half of the south half of the Section 2.

Q What other wells are already located on that Section 2?

A We have the Gulf Janda Number 1 in the northeast quarter, we have the Gulf Janda Number 2 in the northwest quarter, and the Skelly-Mexico - E Number 1 in the, located in the south half of the southeast quarter.

Q Has an unorthodox gas proration unit been granted to Skelly for the south half of the south half of the section?

A Yes, sir, it has.

Q Which gas pool is this located in, is this in the Langmat Gas Pool?

A Yes, sir, it is the Langmat.

Q El Paso Natural Gas Company desires to drill a well to what formation on the north half of the south of that section?

A Yates Seven Rivers well at approximately 3,500 feet.

Q From the surface?

A From the surface.

Q Have the offset operators been notified of this application?

A Yes, sir, that is correct.

Q Do you have any replies there to the letters of notification?

A Yes, sir, I do.

Q Would you detach and hand those letters to the Commission?
.....While you are looking for that, let's go ahead with a little

more testimony there. Is the north half of the south half of this section reasonably proven acreage for gas production from the Yates Seven Rivers?

A Yes, sir, it is.

Q Is it necessary in order to prevent waste and conserve natural resources and protect correlative rights that an unorthodox proration unit be allowed, if the owner of lease-hold rights on this 160 acres can recover its fair share of the gas lying under the area?

A Yes, sir, that is correct.

MR. HOWELL : Do you have those letters ready now?

A No, sir, I don't.

MR. HOWELL: That is all the testimony.

MR. WALKER: You wish to enter these as exhibits?

(Marked Exhibit No. 1, for identification.)

MR. HOWELL: Yes. We offer the Exhibit 1 showing the plat. We will file the letters as soon as he gets them out of there.

MR. WALKER: Is there any objection? If not they will be admitted. Does anyone have any further questions of the witness? If not the witness may be excused.

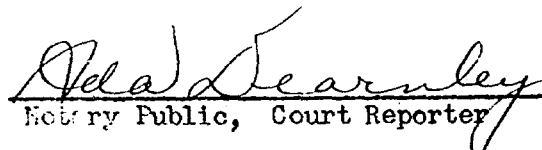
(Witness excused.)

MR. WALKER: Does anyone have any comments in the case? If not 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.


Notary Public, Court Reporter

My Commission Expires:

June 19, 1955

June 3, 1954

Box 1384

Jal, New Mexico

Texas & Pacific Coal & Oil Company
P. O. Box 1688
Hobbs, New Mexico

Dear Sirs:

Enclosed herewith find application of the El Paso Natural Gas Company covering the drilling of the El Paso Natural Gas Company - Shell State No. 4, located in the NE/4, SW/4, Section 2, Township 23 South, Range 36 East, Lea County, New Mexico. This location as such constitutes an unorthodox gas proration unit consisting of 160 acres, and application has been made to the New Mexico Oil Conservation Commission for approval of such a unit.

It is requested that you please acknowledge receipt hereon, and return one such receipted copy of this letter to this office and retain one copy for your files.

Yours very truly,

EL PASO NATURAL GAS COMPANY

Larry C. Zink
Larry C. Zink
Division Geologist

LCZ:ds
Enc.

Receipt acknowledged:

J. R. Chasney
Representative of T & P Coal & Oil Co.

CYRUS H. JONES, 1866-1952
THORNTON HARDIE
ALLEN R. GRAMBLING
BEN R. HOWELL
HAROLD L. SIMS
WILLIAM B. HARDIE
JOHN A. GRAMBLING
R. H. FEUILLE

JONES, HARDIE, GRAMBLING & HOWELL
ATTORNEYS AND COUNSELORS AT LAW
SEVENTH FLOOR BASSETT TOWER
EL PASO, TEXAS

MAIN OFFICE OCC

1954 JUN 3 AM 8:46

May 31, 1954

R. R. Spurrier, Secretary
Oil Conservation Commission
Santa Fe, New Mexico

Dear Dick:

We enclose two applications made by El Paso Natural Gas Company for unorthodox gas units--one comprising the N/2 S/2 of Section 2, Township 23 South, Range 36 East, N.M.P.M., Lea County, New Mexico, and the other comprising Lots 5, 6, 11 and 12 in Section 2, Township 21 South, Range 36 East, N.M.P.M., Lea County, New Mexico. Copies of the applications have been mailed to the offset operators as determined by ownership plat.

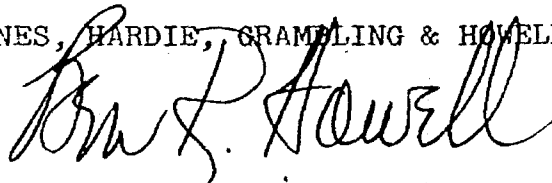
Will you kindly set these applications for hearing at the next available hearing date and issue your usual notice.

Thank you very much.

Yours very truly,

JONES, HARDIE, GRAMBLING & HOWELL

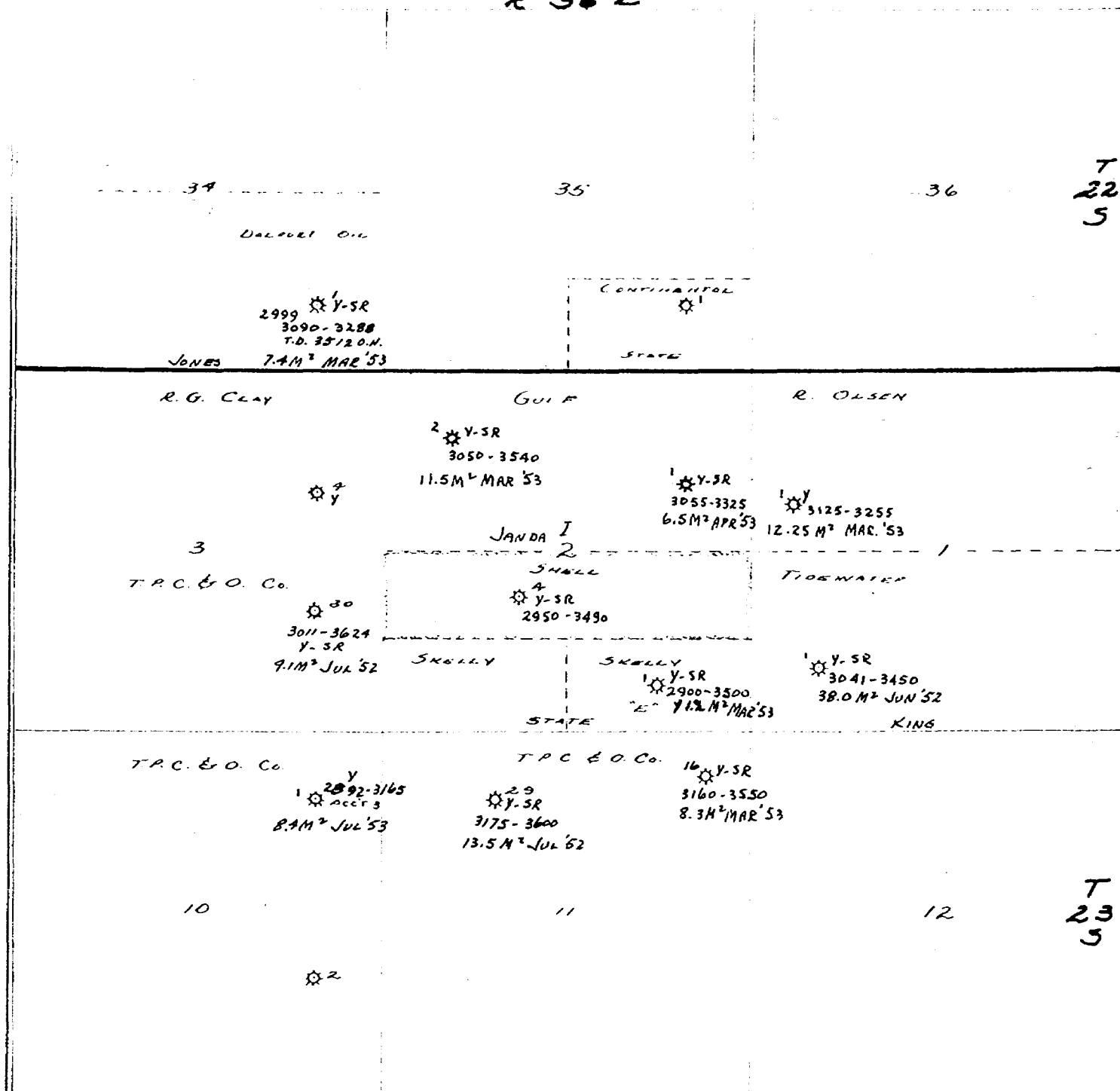
By



BRH/s
enc.

EPNG 26.1
Case 745

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EL PASO NATURAL GAS COMPANY
EL PASO, TEXAS

SCALE 1" = 2000'	DATE 7-13-57	No.
DRAWN BY	CHECKED BY	

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

JUN 23 AM 10:09

IN THE MATTER OF THE APPLICATION OF
EL PASO NATURAL GAS COMPANY FOR
APPROVAL OF A 160 ACRE UNORTHODOX
GAS PRORATION UNIT IN THE LANGMAT
GAS POOL CONSISTING OF THE N/2 S/2
OF SECTION 2, TOWNSHIP 23 SOUTH,
RANGE 36 EAST, N.M.P.M., LEA COUNTY,
NEW MEXICO

Case
NO. 745

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Respectfully submitted,

EL PASO NATURAL GAS COMPANY

By


its Attorney