

Case No.

747

Application, Transcript,
Small Exhibits, Etc.

BUREAU OF OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE LEASING
CALLED BY THE OIL CONSERVATION
COMMISSION OF THE STATE OF NEW MEXICO
FOR THE PURPOSE OF CONSIDERING:

CASE NO. 747
ORDER NO. R-519

THE APPLICATION OF TRINITY PRODUCTION
COMPANY FOR AN ORDER GRANTING APPROVAL
OF AN EXCEPTION PURSUANT TO RULE 7(A) OF
ORDER NO. R-373-A IN ESTABLISHMENT OF
AN UNORTHODOX GAS PRORATION UNIT OF 240
CONTIGUOUS ACRES CONSISTING OF NW/4, AND
W/2 NE/4 OF SECTION 21, TOWNSHIP 21 SOUTH,
RANGE 37 EAST, NMPM, IN THE TUBB 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 of New Mexico,
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-373-A,
the Commission has power and authority to permit the formation of a gas pro-
ration unit consisting of other than a legal quarter section after notice
and hearing by the Commission.

(3) That applicant, Trinity Production 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 21 South, Range 37 East, NMPM
NW/4 and W/2 NE/4 of
Section 21

containing 240 acres, more or less.

(4) That applicant, Trinity Production Company, has a producing well
on the aforesaid lease known as Weatherly No. 1-E, located 2080 feet from
the north line and 1920 feet from the east line of Section 21, Township 21
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-373-A, and is located
within the limits of the pool heretofore delineated and designated as the Tubb
Gas Pool.

(6) That it is impractical to pool applicant's said lease with ad-
joining acreage in the NE/4 of Section 21, Township 21 South, Range 37 East,
NMPM, and that the owners of adjoining acreage in said quarter sections have
not objected to the formation of the proposed proration unit of 240 acres.

(7) That unless a proration unit consisting of applicant's acreage is permitted, applicant will be deprived of the opportunity to recover its just and equitable share of the natural gas in the Pubs and 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 Tebily Production Company for approval of an unorthodox proration unit consisting of the following described acreage:

Township 21 South, Range 37 East, NMN
NE/4 and W/2 NE/4 of
Section 21

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

(2) That applicant's well, Weatherly No. 1-E, located in the SW/4 NE/4 of Section 21, Township 21 South, Range 37 East, NMN, shall be granted an allowable from January 1, 1954, in the proportion that the above-described 240-acre unit bears to the standard orthodox proration unit for said pool, all until further order of the Commission.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

E. L. Nechem
Edwin L. Nechem, Chairman

E. S. Walker
E. S. Walker, Member

W. B. Macey
W. B. Macey, Member and Secretary

S E A L

BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE NO. 747 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 Trinity Production Company
for 240-acre unorthodox gas proration unit
in Tubb Gas Pool: NW/4 and W/2 NE/4 of
Section 21 South, Range 37 East.

Case No. 747

BEFORE:

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

TRANSCRIPT OF HEARING

MR. SPURRIER: The next case on the docket is Case 747.

Mr. Kellahin?

MR. KELLAHIN: Jason Kellahin, representing the Trinity Production Company, the applicant in this case. It is an application for an unorthodox gas unit consisting of 240 acres in the Tubb Gas Pool. The acreage consisting of the northwest quarter in the west half of the northeast quarter in Section 21, Township 21 South, Range 37 East. We have one witness, Mr. K. V. Dunn.

K. V. D U N N,

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

DIRECT EXAMINATION

By MR. KELLAHIN:

Q Would you state your name, please?

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

A K. V. Dunn.

Q By whom are you employed?

A Trinity Production Company.

Q In what capacity?

A Production superintendent.

Q How long have you held that position, Mr. Dunn?

A Four years.

Q Have you had any prior experience in the oil business, Mr. Dunn?

A Yes, sir.

Q Just state briefly to the Commission what that experience consists of. You have never testified before this Commission before, have you?

A No, sir, I have not. Prior to Trinity Production Company I was with Phillips Petroleum Company for 17 years, the last four years as production superintendent. Prior to Phillips Petroleum Company, during the depression, I worked extra boards and worked where I could.

Q How long have you worked in the oil business?

A 24 years.

MR. KELLAHIN: Are the witness's qualifications acceptable?

MR. SPURRIER: They are.

Q Mr. Dunn, are you familiar with the application that has been filed by Trinity Production Company in this case?

A Yes, sir.

Q Do you have a plat showing the acreage involved?

A I have.

(Marked Exhibit No. 1, for identification.)

Q Referring to what has been marked as Exhibit Number 1, will you state what that plat shows?

A It namely shows our acreage in relationship to our well and offset acreage of Continental Oil Company, Sunray and Mid-Continent and S. E. Cone and others.

Q What is the well that is completed in the Tubb Formation within the proposed unit, Mr. Dunn?

A That is the Weatherly 1-E.

Q Do you know what acreage has been assigned to that well for the purposes of proration up to the present time?

A Yes, 80.

Q What 80 acres is that?

A That would be the west half of the northeast quarter.

Q Are there any other wells within the proposed 240-acre unit producing from the Tubb Formation?

A No, sir.

Q Would you tell the Commission briefly who owns the offsetting acreage?

A Mid-Continent, Sunray, Cone and Continental.

Q Is there any gas wells producing from the Tubb Formation offsetting the acreage?

A Yes, sir, Continental has a well south of us on the Mary Watts lease. S. E. Cone and others have a well on the Anderson tract southeast of us.

Q Is there any production in the Sunray tract?

A I am not sure. They have a permit, I am sure, for the

Tubbs well, but whether or not it has been completed as a Tubbs, I am not sure.

Q You know the permit was granted?

A Yes, sir.

Q Does Mid-Continent have any production?

A Yes, they have Cone No. 4 on the State lease.

Q Is that all the Tubb production offsetting this acreage?

A Yes.

Q Do you have a log of the Weatherly Number 1 Well?

(Marked Exhibit No. 2, for identification.)

Q Referring to what has been marked Exhibit Number 2, Mr. Dunn, would you give briefly the completion data on that well?

A Well, the well was originally drilled to the Ellenberger at 8365 and was dry in the Ellenberger, plugged back to 6190 and five and a half inch casing run and completed in the Tubb zone from 6163 to 6183.

Q Is that well located within the horizontal and vertical limits of the Tubb Gas Pool?

A Yes.

Q Is the entire acres proposed to be committed to that well located within the horizontal limits of the Tubb Gas Pool?

A Yes.

Q Do you have a plat showing the contours of the Tubb Formation?

A Yes.

(Marked Exhibit No. 3, for identification.)

Q Referring to what has been marked as Exhibit No. 3, would you state what that reflects in regard to the location of the

Weatherly Number 1-E Well on the structure?

A Yes, sir, it reflects that we are high on the structure and the whole 240 acres is high on the structure. We are at a minus 2596 in the Tubb and we do have a well shown north of us producing out of the Tubbs at a minus 2691.

Q What well is that?

A Stanolind Southland, Roy Southland Number 4.

Q Does that plat reflect a producing formation extending throughout the entire tract?

A Yes.

Q What is the thickness of the formation, according to your experience?

A According to our log it reflects around 15 feet of effective pay.

Q Is it your opinion that 15 feet of effective pay exists throughout the proposed 240 acres, is that correct?

A Yes, sir.

Q Is your opinion that the entire tract is productive of gas from the Tubb Zone?

A Yes, sir, it is.

Q Mr. Dunn, I will ask you, in your opinion based on your experience, do you believe that one well, located as this well is, and completed as this well is, will drain 240 acres?

A Yes, sir, I do.

Q Do you have anything you care to add to that testimony, Mr. Dunn?

A No, sir, I don't have.

MR. KELLAHIN: I might point out to the Commission that we have

waivers on this application, signed by the Sunray Oil Corporation, Continental Oil Company and the Mid-Continent Petroleum Corporation. We also have a letter from S. E. Cone stating that he would take the matter under advisement, but he did not grant a waiver. We would like to offer these to the Commission, and at this time we offer Exhibits 1, 2 and 3 in evidence.

MR. SPURRIER: Without objection they will be admitted.

MR. KELLAHIN: That is all.

MR. SPURRIER: Does anyone have a question of the witness?

MR. MACEY: Do you have the exact location of that, of your 1-E Weatherly Well?

MR. KELLAHIN: Did you give that information?

A No, I didn't. It is, my measurements are 2,080 feet south of the north line, 1920 feet west of the east line of Section 21, Township 21 South, Range 37 East.

Q (By MR. KELLAHIN) That was originally drilled as an oil well?

A Yes, Mr. Kellahin, it was drilled as an Ellenberger test.

Q Do you know the date it was drilled?

A Mr. Kellahin, it was completed in February of '49.

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

(Witness excused.)

MR. SPURRIER: Anyone else have a comment in the case? If not we will take the case under advisement and move on to Case 748.

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 19th day of July, 1954.

Ada Dearnley
Notary Public, Court Reporter

My Commission Expires:

June 19, 1955

Case 741

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

APPLICATION OF TRINITY PRODUCTION
COMPANY FOR AN ORDER GRANTING AP-
PROVAL OF AN EXCEPTION PURSUANT TO
RULE 7 (a) OF ORDER NO. R-373-A FOR
ESTABLISHMENT OF AN UNORTHODOX GAS
PRORATION UNIT OF 240 CONTIGUOUS
ACRES CONSISTING OF THE NW $\frac{1}{4}$ and W $\frac{1}{2}$
NE $\frac{1}{4}$, Sec. 21, T. 21 S., R. 37 E.,
N.M.P.M., LEA COUNTY, NEW MEXICO, IN
THE TUBB GAS POOL

PETITION

Comes now the Trinity Production Company and respectfully
petitions this honorable commission for an order granting
approval of an exception pursuant to Rule 7 (a) of Order No.
R-373-A for establishment of an unorthodox gas proration unit
of 240 contiguous acres consisting of the NW $\frac{1}{4}$ and the W $\frac{1}{2}$ NE $\frac{1}{4}$
of Sec. 21, T. 21 S., R. 37 E., N.M.P.M., Lea County, New
Mexico, in the Tubb Gas Pool, and in support thereof would show.

1. That the Petitioner has a lease on the acreage des-
cribed and located thereon is petitioner's well No. 1-E
Weatherly, located in the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of said Sec. 21, which well
is productive of gas from the Queen Sand, is the only well
located on the designated 240 acres productive of gas from the
Tubb zone, and is located within the horizontal and vertical
limits of the Tubb Gas Pool as designated by the Commission.

2. That Petitioner's Weatherly No. 1-E was drilled in
1948, completed in February 1949, and at that time no spacing
regulations existed for the area.

3. That all of the offset operators have granted waiver
of notice and hearing except one operator.

4. That a plat is attached hereto, and made a part hereof
by reference, showing location of the proposed unit, location
of the well, and ownership of offsetting acreage.

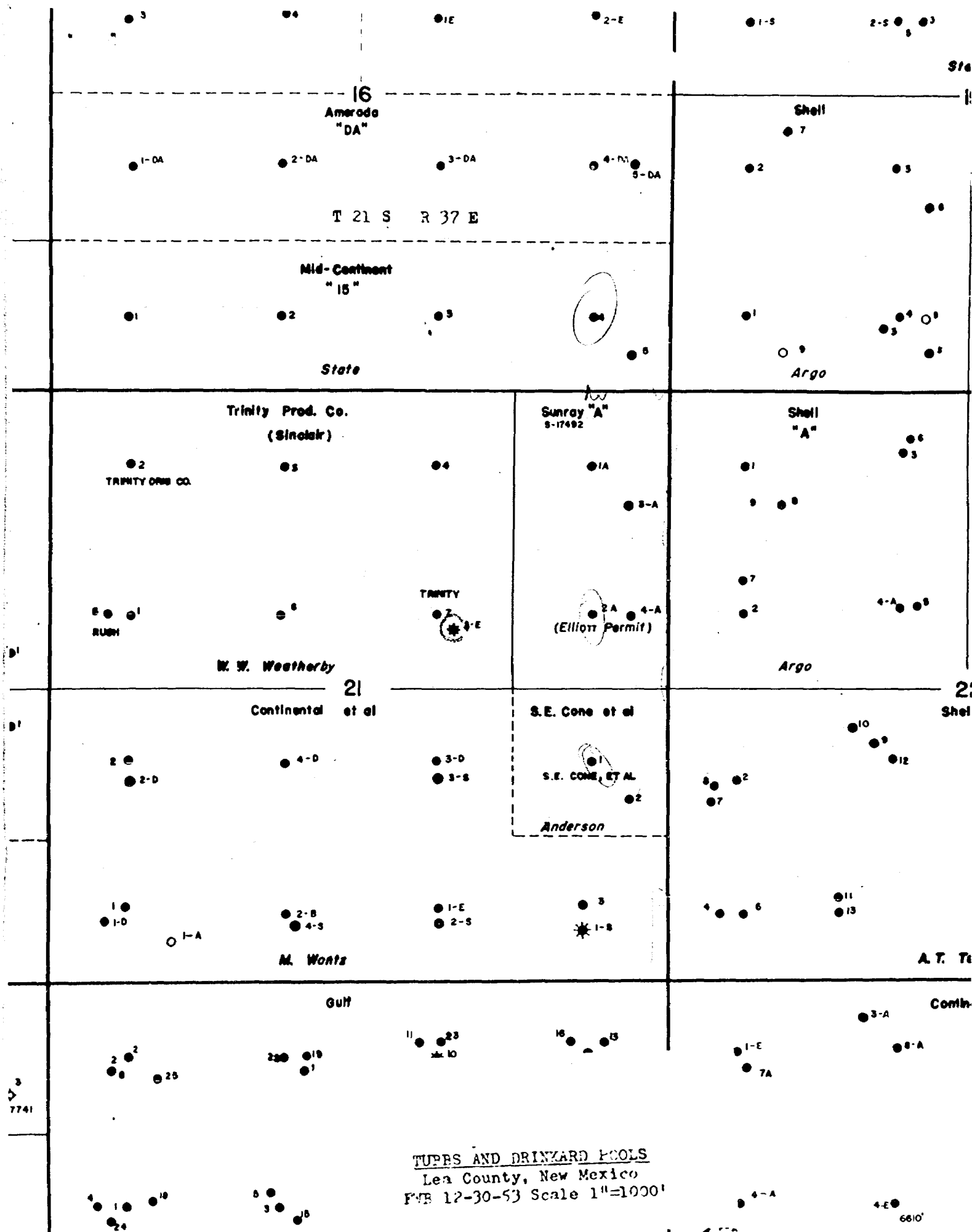
5. That the granting of this petition will be in the
interests of conservation, will protect correlative rights,
and result in prevention of waste.

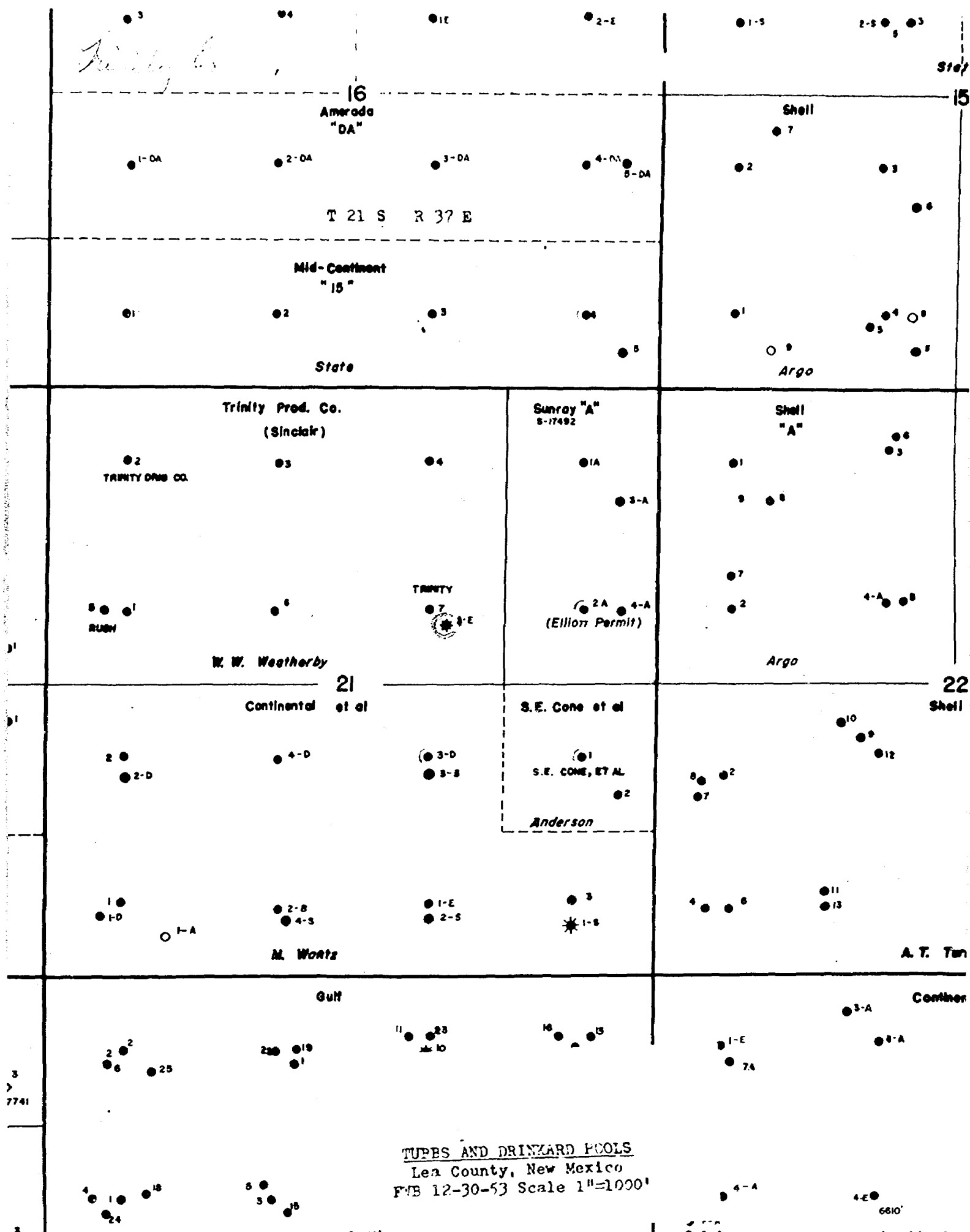
WHEREFORE Petitioner prays that this petition be set for
hearing as required by law and the rules and regulations of
the Commission, and that after due notice and hearing the
Commission enter its order approving the unorthodox proration
unit as prayed for.

Respectfully submitted

Jason W. Kellahan
Jason W. Kellahan
Attorney for Petitioner

Box 361
Santa Fe, New Mexico





Tulsa, Oklahoma
May 14, 1954

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Re: Application of Trinity Production
Company for Assignment of a 240 acre
Gas Proration Unit for its Weatherly
No. 1-E Well, Lea County, New Mexico

Gentlemen:

We have been advised by Trinity Production Company of its intention to assign its 240 acre Weatherly Lease described as NW/4 and W/2 NE/4, Section 21, Township 21 South, Range 37 East, Lea County, New Mexico as a 240 acre proration unit for its Weatherly Well No. 1-E located in the SW/4 NE/4 of Section 21, Township 21 South, Range 37 East. It is our understanding that this well is producing from the Tubb Zone through perforations from 6163'-83' and that this is the only well on the lease that is producing from this zone.

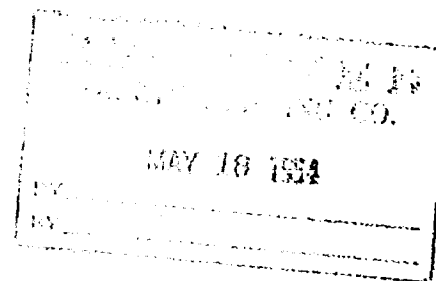
As an owner of an oil and gas lease offsetting Trinity Production Company's Weatherly Lease, we have no objection to the assignment of this gas proration unit as above described and hereby waive rights of protest.

Very truly yours,

SUNRAY OIL CORPORATION

John D. Gassett
By John D. Gassett

Date: May 17, 1954



TO : [illegible]
FROM : [illegible]
SUBJECT : [illegible]

[illegible text block]

[illegible text block]

[illegible text]



CONTINENTAL OIL COMPANY

FAIR BUILDING
FORT WORTH 2, TEXAS

H. L. JOHNSTON
REGIONAL MANAGER OF PRODUCTION
SOUTHWESTERN REGION

May 20, 1954

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Attention of Mr. R. R. Spurrier

Re: Application of Trinity
Production Company for
Assignment of a 240 acre
Gas Proration Unit for
its Weatherly No. 1-E
Well, Lea County, New
Mexico

Gentlemen:

We have been advised that Trinity Production Company has requested approval of an unorthodox gas proration unit for its Weatherly well No. 1-E, located in the SW/4 NE/4 of Section 21, Township 21 South, Range 37 East, in the Tubb Gas Pool. We are further informed that the unorthodox gas proration unit will consist of the NW/4 and W/2 NE/4 of Section 21, Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico.

You are respectfully advised that Continental Oil Company waives notice and hearing in regard to the unorthodox gas proration unit described above.

CONTINENTAL OIL COMPANY

BY 

RECEIVED
MAY 21 1954
BY _____
BY _____

Midland, Texas
May 14, 1954

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Re: Application of Trinity Production
Company for Assignment of a 240 acre
Gas Proration Unit for its Weatherly
No. 1-E Well, Lea County, New Mexico

Gentlemen:

We have been advised by Trinity Production Company of its intention to assign its 240 acre Weatherly Lease described as NW/4 and W/2 NE/4, Section 21, Township 21 South, Range 37 East, Lea County, New Mexico as a 240 acre proration unit for its Weatherly Well No. 1-E located in the SW/4 NE/4 of Section 21, Township 21 South, Range 37 East. It is our understanding that this well is producing from the Tubb Zone through perforations from 6163'-83' and that this is the only well on the lease that is producing from this zone.

As an owner of an oil and gas lease offsetting Trinity Production Company's Weatherly 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,

MID-CONTINENT PETROLEUM CORP.

Date: May 18, 1954

By E. J. Pierce