

Case No.

821

Application, Transcript,
Small Exhibits, Etc.

CASE 821: Application of The Texas Company
for non-standard gas proration unit,
Eumant Gas Pool

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

March 2, 1955

Mr. L. C. White, Attorney
Santa Fe, New Mexico

Dear Sir:

In behalf of your client, The Texas Company, we attach a copy of Order R-591 issued by the Commission on February 28, 1955.

Very truly yours,

WBM:nr

W. B. Macey, Secretary-Director

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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. 821
Order No. R-591

THE APPLICATION OF THE TEXAS
COMPANY FOR AN ORDER GRANTING
APPROVAL OF AN EXCEPTION PURSUANT
TO RULE 5 (a) OF THE SPECIAL RULES
AND REGULATIONS FOR THE EUMONT
GAS POOL OF ORDER NO. R-520 IN
ESTABLISHMENT OF AN UNORTHODOX
GAS PRORATION UNIT OF 160 CONTIGUOUS
ACRES CONSISTING OF E/2 SE/4 OF SECTION
24, TOWNSHIP 19 SOUTH, RANGE 36 EAST,
AND S/2 SW/4 OF SECTION 19, TOWNSHIP 19
SOUTH, RANGE 37 EAST, NMPM, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on February 16, 1955, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 28th day of February, 1955, 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 5 (a) of the Special Rules and Regulations for Eumont Gas Pool of Order No. R-520, the Commission has power and authority to permit the formation of a gas proration unit consisting of other than a legal section after notice and hearing by the Commission.

(3) That applicant, The Texas Company, is the owner of an oil and gas lease in Lea County, New Mexico the land consisting of other than a legal section, and described as follows, to-wit:

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM
E/2 SE/4 of Section 24

TOWNSHIP 19 SOUTH, RANGE 37 EAST, NMPM
S/2 SW/4 of Section 19

containing 160 acres, more or less.

(4) That applicant, The Texas Company, has a producing well on the aforesaid lease known as the State "G" Well No. 2, located 660 feet from the south and west lines of Section 19, Township 19 South, Range 37 East, NMPM, Lea County, New Mexico.

(5) That the aforesaid well has been dually completed within the vertical and horizontal limits of the Eumont Gas Pool as delineated and designated in said Order No. R-520.

(6) That it is impractical to pool applicant's said lease with adjoining acreage in the Eumont Gas Pool, and that the owners of adjoining acreage in said area 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, and will protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of The Texas Company for approval of an unorthodox proration unit consisting of the following described acreage:

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM
E/2 SE/4 of Section 24

TOWNSHIP 19 SOUTH, RANGE 37 EAST, NMPM
S/2 SW/4 of Section 19

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

(2) That applicant's well, State "G" Well No. 2 located in the SW/4 SW/4 of Section 19, Township 19 South, Range 37 East, NMPM, Lea County, New Mexico, 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.

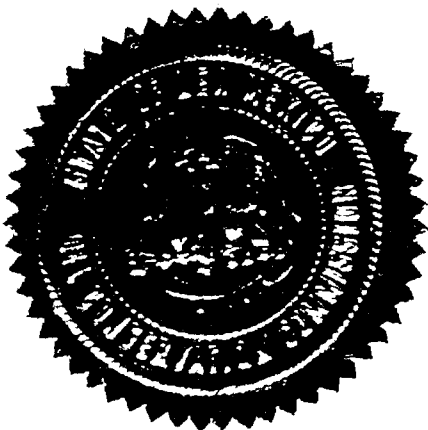
DONE at Santa Fe, New Mexico, the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John F. Simms
JOHN F. SIMMS, Chairman

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

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



BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE NO. 821

TRANSCRIPT OF PROCEEDINGS

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

IN THE MATTER OF:

Case No. 821

Honorable John F. Simms
Mr. E. S. (Johnny) Walker
Mr. W. B. Macey

MR. MACEY: The next case on the docket is Case 821.

W A R R E N W. M A N K I N

DIRECT EXAMINATION

Q Mr. Mankin, will you state your full name, please?

A Warren W. Mankin.

Q By whom are you employed, and in what capacity?

A The Texas Company, Petroleum Engineer.

Q Have you previously testified before this Commission?

A I have, as an engineering witness.

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

MR. MACEY: They are.

Q Are you acquainted with The Texas Company's application for the one hundred sixty acre non-standard gas proration unit as contained in their Petition in Case No. 821?

A I am.

Q I hand you what is marked as Exhibit A and ask you if that was prepared under your direction and supervision?

A It was.

Q Will you state what that will portray and is designed to show?

A That is a gas well plat showing the proposed non-standard proration unit as it concerns The Texas Company's State of New Mexico G Well No. 2, as it crosses section lines.

Q Directing your attention to this particular well, did you obtain permission to dually complete this well as a gas well in the Eumont Gas Pool?

A We did.

Q And it has been completed?

A It has.

Q Is it shut-in or in operation at the present time?

A It is shut-in awaiting the allowable assignment as a result of this hearing.

Q Is it practicable for you to unitize this area with the adjoining tracts?

A It is not.

Q Do you know whether or not the Commission has granted non-standard gas units in this area and, if so, to whom?

A Yes, it has. Particularly Exhibit A, which has been presented, is the two half sections of Sections 19 and 24; the west

half of Section 19, of Township 19 South, and of Range 37 East, and also the east half of Section 24, Township 19 South, Range 36 East. In that particular plat as shown there has been units previously approved by the Commission as non-standard proration units or by Orders of the Commission.

Q Would the granting of this application result in waste or prejudice any correlative rights?

A It will not.

MR. WHITE: We offer Exhibit A in evidence.

MR. MACEY: Is there objection to the introduction of Exhibit A in Case 821? If not, the Exhibit will be received in evidence.

MR. WHITE: We have made application to the Land Commissioner to consolidate these two leases as to the production in the Eumont Gas Pool. We have talked with Mr. Jordan, their attorney, and we have every reason to believe that we will obtain their approval. That is all we have, Your Honor.

MR. MACEY: Anyone have any questions of the witness, Mr. Rhodes?

MR. RHODES: I have one. Why is it not feasible to communitize that tract, particularly to the south?

MR. MACEY: Which tract are you talking about?

MR. RHODES: Talking about your State G Lease.

A You are speaking of Continental's lease in the section to the south?

MR. RHODES: Why would it not be feasible to communitize it, any tract to the south, or to the east?

A Well, of course there have been units formed all around

this particular well. The Continental's State "A-19" has been formed as a dual completion non-standard proration unit, and their No. 1 well, the Phillip's State Land Office Well No. 1, and also forty acre unit and dual completion; also around it has been formed the Shell State "C" Well No. 2. There have been no particular units formed south which you speak of, of the Continental Lease which would get my map here to reflect what your question is in regard to, that is the Continental C 30 lease you are speaking of in the northwest quarter of Section 30.

Q Yes.

A We didn't feel it was feasible to form more than one hundred sixty acre unit. That particular lease in itself is one hundred sixty acre unit which they can develop on their own.

MR. RHODES: That is all.

MR. REIDER: You feel that formation of this unit will not contribute to waste?

A It will not.

MR. REIDER: That is all.

A The well as completed will more than adequately drain the acreage proposed of one hundred sixty acres as recently completed during the month of January.

MR. RHODES: It will protect the correlative rights of the offsetting owners and working interest?


A We feel that it will.

MR. MACEY: Anyone else? 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 25 day of February, 1955.


NOTARY PUBLIC, Court Reporter

My Commission Expires:
June 19, 1955

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
THE TEXAS COMPANY FOR AN EXCEPTION TO
ORDER NO. R-520 TO PERMIT APPLICANT
TO ASSIGN A NON-STANDARD 160-ACRE GAS
PRORATION UNIT TO ITS STATE "G" LEASE,
LOCATED IN THE E/2 SE/4 OF SECTION 24,
AND S/2 SW/4 OF SECTION 19, TOWNSHIP 19
SOUTH, RANGES 36 & 37 EAST, LEA COUNTY,
NEW MEXICO

CASE NO. 821

PETITION

Comes now The Texas Company, Petitioner herein, and respectfully shows to the Honorable Oil Conservation Commission of the State of New Mexico, as follows:

I.

That the Petitioner is the owner and operator of oil and gas leases known as its State "F" and "G" Leases, covering respectively the E/2 SE/4 of Section 24, Township 19S, Range 36E, and S/2 SW/4 of Section 19, Township 19S, Range 37E, Lea County, New Mexico. Order No. R-520 requires standard proration units to be in the form of a square, which is within and covers a governmental section. This Petitioner desires to form a 160-acre non-standard gas proration unit consisting of the E/2 SE/4 of Section 24, Township 19S, Range 36E, and the S/2, SW/4 of Section 19, Township 19S, Range 37E.

II.

That the Petitioner has applied for permission to recomplete as a dual its State "G" No. 2 well, located 660 feet from the south and 660 feet from the west lines of Section 19, Township 19S, Range 37E, on the aforesaid lease as a gas well to produce from the Eumont Gas Pool.

III.

The Commission has heretofore granted permission by Order No. R-497 to Continental Oil Company in Case No. 734 to form a non-standard gas unit for its State "A-19" Well No. 1 in the NE/4 SW/4 of Section 19, Township 19S, Range 37E, wherein a 40-acre proration unit consisting of the NE/4 SW/4 of said Section is the acreage assigned to said well; that permission has heretofore been requested by Phillips Petroleum Company to form a non-standard gas unit for its State Land

Office Well No. 1 in the NE/4 SW/4 of Section 19, Township 19S, Range 37E, wherein a 40-acre proration unit consisting of the NE/4 SW/4 of said section is the acreage to be assigned to said well; and that permission has heretofore been granted for dual completion by Order R-216 to Shell Oil Company which is in a non-standard gas unit for its State "C" Well No. 2 in the SE/4 NE/4 of Section 24, Township 19S, Range 36E, wherein an 80-acre proration unit consisting of the E/2 NE/4 of said section is the acreage assigned to said well and cannot be communitized.

IV.

That the granting of this application is necessary to protect correlative rights and will not interfere with the establishment of six 160-acre proration units and six reasonably spaced gas wells within Sections 24 and 19.

V.

Attached hereto and incorporated herein by reference is a plat showing the location of the unit well, the outline of the proposed 160-acre gas proration unit, and other leases in the two half sections and other wells located thereon.

WHEREFORE, Petitioner prays that this matter be set for the February 1955 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 Petitioner to assign a 160-acre non-standard gas proration unit to its State "G" Well No. 2 in accordance with this Petition, and the rules and regulations of the Oil Conservation Commission.

Respectfully submitted,
THE TEXAS COMPANY

By Warren W. Mankin
Warren W. Mankin
Petroleum Engineer

cc-NMCCC
Box 2045
Hobbs, N.M.

NEW MEXICO
OIL CONSERVATION COMMISSION

Gas Well Plat

Date 12-29-54

The Texas Company
Operator

State of New Mexico "G"
Lease

Well No. 2

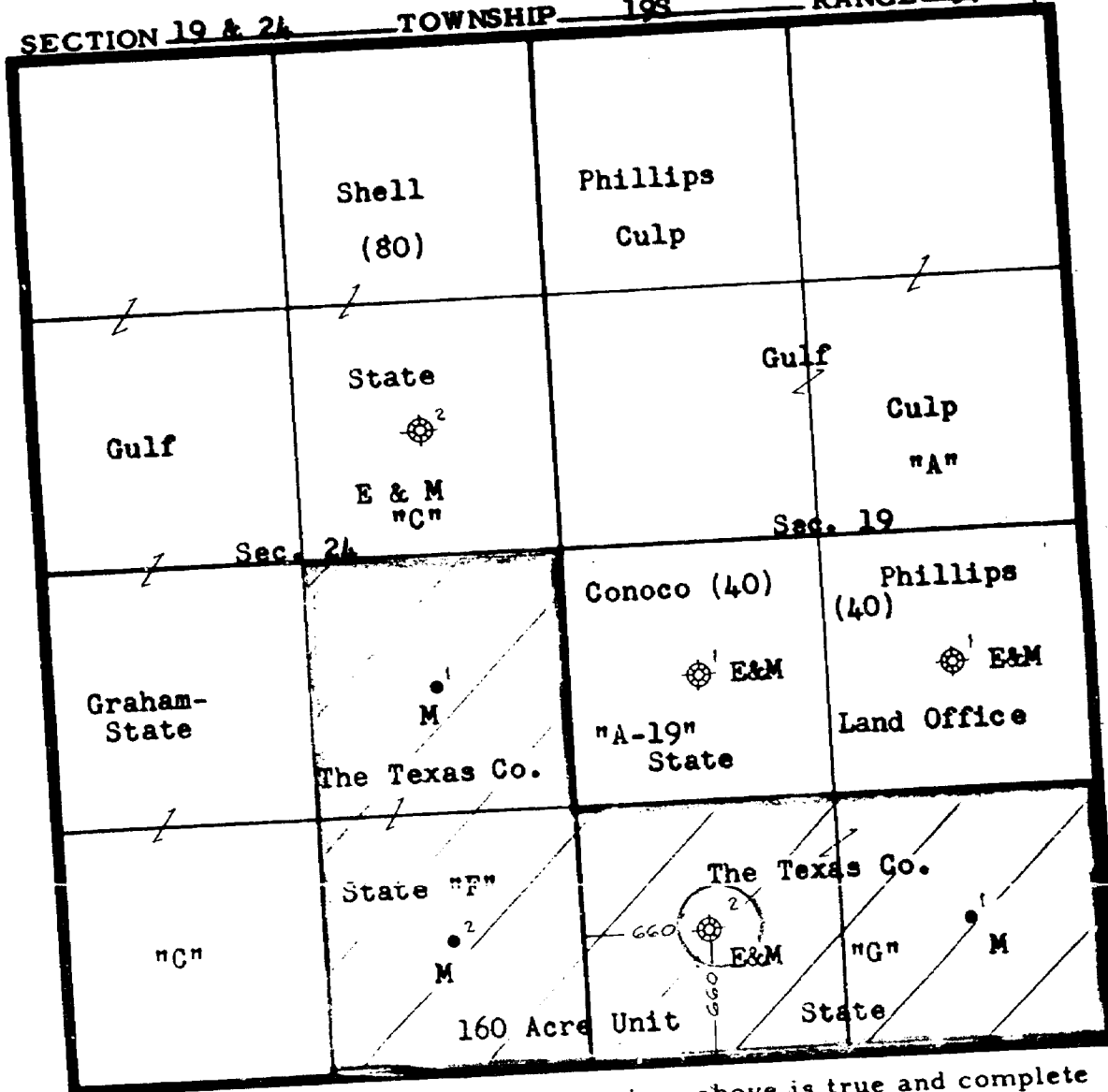
Name of Producing Formation Queen * Pool Eumont Gas

*This well was originally completed as an oil well in the Monument Oil Pool. It is to be dually completed as a gas well in the Eumont Gas Pool.

No. Acres Dedicated to the Well 158.68

E = Eumont Gas Pool
M = Monument Oil Pool

SECTION 19 & 24 TOWNSHIP 19S RANGE 37E & 36E



I hereby certify that the information given above is true and complete to the best of my knowledge.

Name [Signature]
Position Division Engineer
Representing The Texas Company
Address P.O. Box 1720, Ft. Worth, Tex.

(over)

INSTRUCTIONS

1. Is this gas well a dual completion? Yes ☒ No ☐
2. If the answer to Question 1 is Yes, are there any other dually completed wells within the dedicated acreage? Yes ☐ No ☒

A separate plat must be filed for each gas well, outlining the area dedicated to such well and showing the location of all other wells (oil and gas) within the outlined area.

Mail in duplicate to the district office for the district in which the well is located.

NEW MEXICO
OIL CONSERVATION COMMISSION

Gas Well Plat

Date 12-29-54

The Texas Company
Operator

State of New Mexico "G"
Lease

2
Well No.

Name of Producing Formation Queen * Pool Eumont Gas

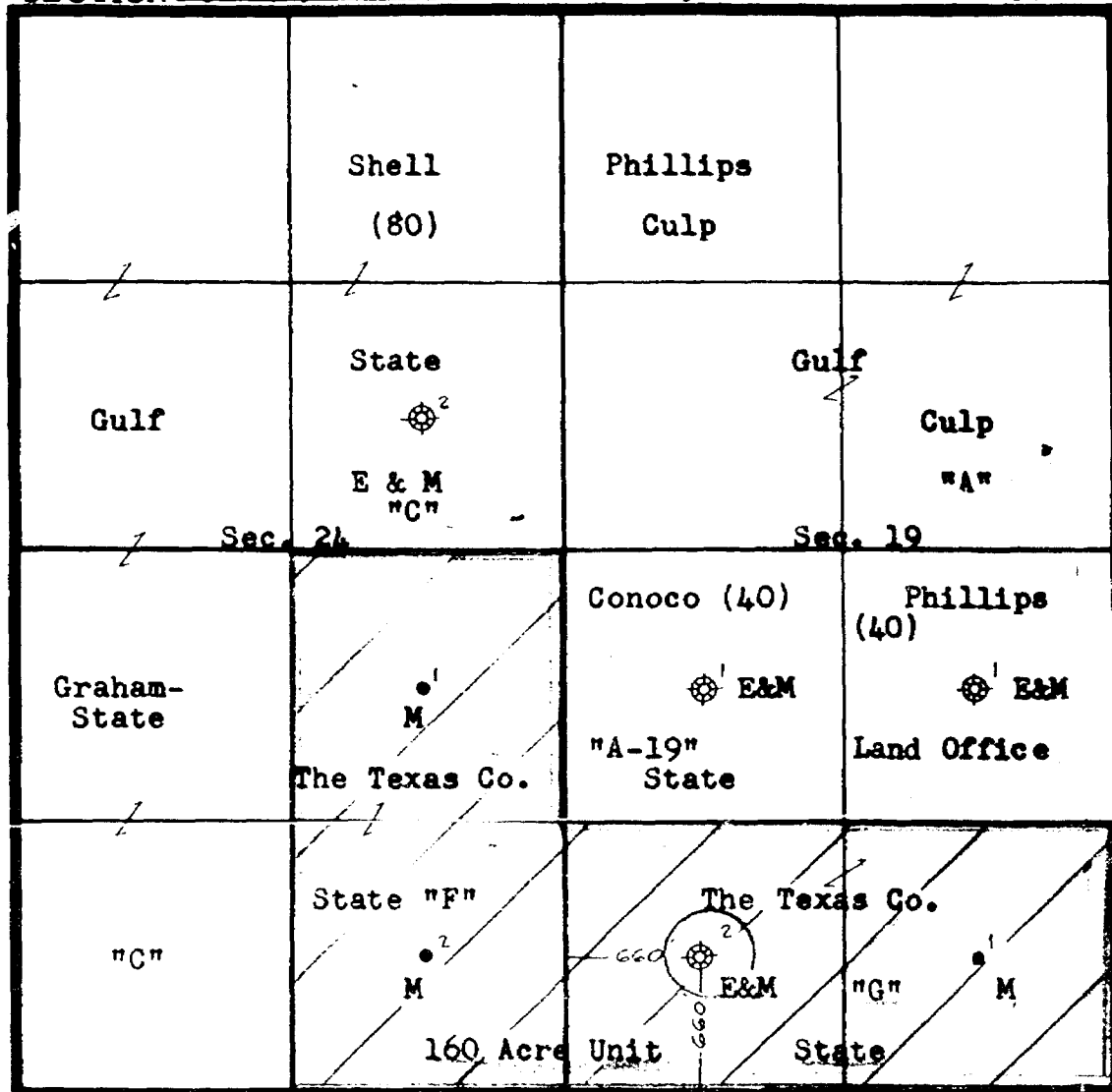
*This well was originally completed as an oil well in the Monument Oil Pool. It is to be dually completed as a gas well in the Eumont Gas Pool.

No. Acres Dedicated to the Well 158.68

E = Eumont Gas Pool

M = Monument Oil Pool

SECTION 19 & 24 TOWNSHIP 19S RANGE 37E & 36E



I hereby certify that the information given above is true and complete to the best of my knowledge.

Name J. J. Zeller
Position Division Engineer
Representing The Texas Company
Address P.O. Box 1720, Ft. Worth, Tex.

(over)

INSTRUCTIONS

1. Is this gas well a dual completion? Yes ☒ No ☐
2. If the answer to Question 1 is Yes, are there any other dually completed wells within the dedicated acreage? Yes ☐ No ☒

A separate plat must be filed for each gas well, outlining the area dedicated to such well and showing the location of all other wells (oil and gas) within the outlined area

Mail in duplicate to the district office for the district in which the well is located.

CASE NO: 822

Subject: Application for Exception to Rule 5 (a),
Order No. R-520, Jalmat Gas Pool, Lea County,
New Mexico.

New Mexico Oil Conservation Commission (3)
P. O. Box 871
Santa Fe, New Mexico

Attention: Mr. W. B. Macey

Gentlemen:

It is requested that a hearing be set on the application of the Stanolind Oil and Gas Company for an exception to Rule 5 (a) of that part of New Mexico Oil Conservation Commission Order No. R-520 pertaining to the Jalmat Gas Pool, Lea County, New Mexico. Exception to this rule will be sought for Stanolind's C. Myers "B" No. 11, located 660' from the north line and 1980' from the east line of Section 6, T-24S, R-37-E, Lea County, New Mexico. The referenced well was completed on May 18, 1952, as a dual completion, with gas being produced from the Jalmat Gas Pool and Oil being produced from the underlying Lingle Mattix Oil Pool. This dual completion was accomplished under authority granted in Commission Order No. R-130, dated March 6, 1952.

For purpose of gas allocation, this well is currently assigned a gas proration unit comprising the 160 acres in the NE/4 of Section 6, T-24-S, R-37-E. Under the provisions of Order No. R-520, a standard proration unit consists of 640 acres. We should like to point out that Stanolind Oil and Gas Company is the operator of the 160 acre tract in the NW/4 of Section, 5, T-24-S, R-37-E and the combined 320 acres represent a single basic lease with common working interest and royalty ownership throughout.

In our opinion, the most practical manner to assign this acreage for proration purposes is to form a non-standard proration unit of 320 acres comprising the NE/4 of Section 6 and the NW/4 of Section 5.

All of the acreage in the proposed non-standard unit lies within the horizontal limits of the Jalmat gas pool as defined in Order No. R-520, and we are of the opinion that all of the acreage is reasonably proven productive of gas. Necessary information in support of this contention will be presented at the hearing.

A copy of this application is being transmitted to all offset operators.

Yours very truly,
STANOLIND OIL & GAS COMPANY
By C. F. Bedford

New Mexico Oil & Gas Engr. Comm.
Box 127
January 31, 1955
Hobbs, New Mexico