

Case No.

982

Application, Transcript,
Small Exhibits, Etc.

Case 9-15

LAW OFFICES OF
EASLEY, QUINN & STOUT

166 EAST TAYLOR

P.O. BOX 2587

HOBBS, NEW MEXICO

MACK EASLEY
JOHN QUINN
LOWELL STOUT

TELEPHONE
3-4155

November 17, 1955

New Mexico Oil Conservation Commission
Box 871
Santa Fe, New Mexico

Re: Application for a non-standard gas
proration unit to be assigned
Mapenza's Makin Drilling Company
#1 Warlick-Queen in the Eumont Gas
Pool, Lea County, New Mexico.

Gentlemen;

Mapenza Oil Company wishes to make this application for
an order under Rule R-520 which will establish a non-standard gas
proration unit of 160 acres to be assigned to subject well.

In this connection, Mapenza wishes to state:

1. Mapenza is the operator of the Makin Drilling Company
#1 Warlick-Queen well, which is located in the NE/4
NE/4 Section 19, Township 21 South, Range 37 East,
Lea County, New Mexico. Drilling on the above
captioned tract was commenced November 10, 1955.
2. The non-standard proration unit Mapenza seeks to
have assigned to subject well consists of 160 acres
which is the N/2 NE/4, Section 19, Township 21 South,
Range 37 East, and the S/2 SE/4 Section 18, Township
21 South, Range 37 East, Lea County, New Mexico.
Subject well is located 660 feet from the south and
east lines of the proposed unit.
3. The length or width of the proposed unit does not
exceed 5,280 feet. Mapenza has all working interest
owners and overriding royalty interest owners signed
to a communitization agreement, with the exception
of one working interest partner; and on said working
interest partner, Mapenza has a letter agreeing to
execute communitization agreement on completion of
the well. The interest of the overriding royalty
owner who has not signed the communitization agreement
amounts to a 1/64th interest of total production.

New Mexico Oil Conservation Commission
Box 871
Santa Fe, New Mexico
November 17, 1955

Page 2

4. All of the acreage within the proposed unit may reasonably be presumed productive of gas. Application was made by operator for approval in an undisclosed area, but approval of application was based on completion in the Penrose-Skelly Pool, which is an oil pool, but in the event of the completion of the well as a dry gas well in the Queens Sands, which is included in the vertical limits of the Eumont Pool, it is requested that the well be designated a gas well completion in the Eumont Pool.
5. Mapenza believes that the granting of this application is in the interests of conservation and the protection of correlative rights.
6. Mapenza therefore requests that a public hearing be called for the purpose of considering and granting this application.

Yours very truly,

EASLEY, QUINN & STOUT

By *John Quinn*
Attorneys for MAPENZA OIL COMPANY

JQ:lb

Attached: Ownership Map.

cc: Gulf Oil Company
Roswell, New Mexico

R. Olsen Oil Company
Apcø Tower
Oklahoma City, Oklahoma

Amerada Oil Company
Midland, Texas

cc: Sunray Mid Continent
Roswell, New Mexico

Dixilyn Drilling Company
Box 3427
Odessa, Texas

Registered Mail.

R-37E

T-21S

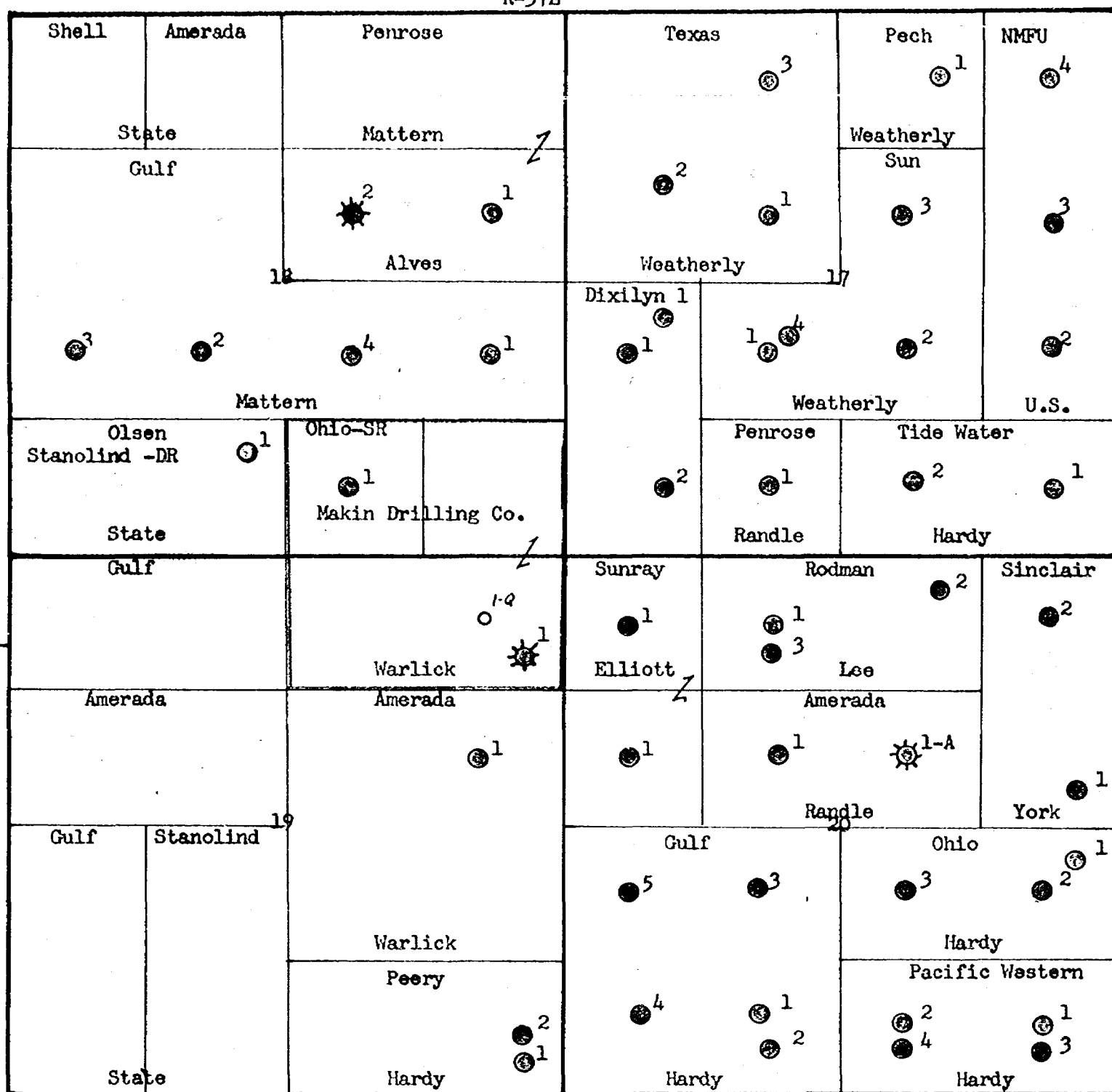


Exhibit _____

January 13, 1955

Makin Drilling Company Application for Creation of Unorthodox
Proration Unit

Producing Formations: Blinbry Gas ☼, Drinkard ●, Penrose-Skelly ◎,
Queen Gas ☼, Proposed Unit ■■■.

Hobbs, New Mexico

11-11-55

Scale: 1" = 1/4 mile

J. W. Adams

MACK EASLEY
JOHN QUINN
LOWELL STOUT

LAW OFFICES OF
EASLEY, QUINN & STOUT
106 EAST TAYLOR
P. O. BOX 2587
HOBBS, NEW MEXICO

TELEPHONE
3-4155

December 16, 1955

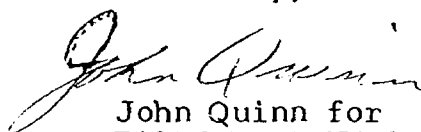
Mr. W. B. Macey
Secretary - Director
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Bill:

I am enclosing case no. 970 which you sent to me some time back in preparation for the hearing for Mapenza Oil company the other day.

I wish to thank you very much for your help in this matter, and will see you the next time I get to Santa Fe.

Sincerely,


John Quinn for
EASLEY, QUINN & STOUT

JQ:d
Encls.

Case 875
D. C. Quinn

LAW OFFICES OF
EASLEY, QUINN & STOUT

106 EAST TAYLOR

P. O. BOX 2587

HOBBS, NEW MEXICO

TELEPHONE
3-4155

MACK EASLEY
JOHN QUINN
LOWELL STOUT

November 17, 1955

Mr. W. B. Macey
Secretary - Director
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

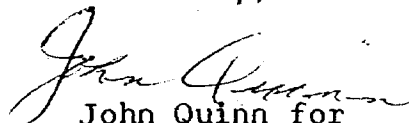
Dear Bill:

I am enclosing herewith applications for non-standard proration unit on the Mapenza Oil Company Warlick-Queen #1 Well, which, you remember, I discussed with you when you were in Hobbs some weeks ago.

I wish to thank you very much for your kind help in this matter. I will be in Santa Fe next week, and will probably see you at that time.

I am also enclosing case No. 875, which you sent to me.

Sincerely,



John Quinn for
EASLEY, QUINN & STOUT

JQ:lb

Enclosures

Memo

12/15/55

From
Wm (J. DSN)

OF
J & STOUT
LOR
187
MEXICO
, 1955

TELEPHONE
3-4155

To
Re: Case #982
JWG

Go ahead and write
order approving 160
acre non-standard gas
unit in Eumont Gas
Pool.

lon

ation for a non-standard gas
ion unit to be assigned
a's Makin Drilling Company
lick-Queen in the Eumont Gas
Lea County, New Mexico.

to make this application for
establish a non-standard gas
signed to subject well.

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2. The non-standard proration unit Mapenza seeks to have assigned to subject well consists of 160 acres which is the N/2 NE/4, Section 19, Township 21 South, Range 37 East, and the S/2 SE/4 Section 18, Township 21 South, Range 37 East, Lea County, New Mexico. Subject well is located 660 feet from the south and east lines of the proposed unit.
3. The length or width of the proposed unit does not exceed 5,280 feet. Mapenza has all working interest owners and overriding royalty interest owners signed to a communitization agreement, with the exception of one working interest partner; and on said working interest partner, Mapenza has a letter agreeing to execute communitization agreement on completion of the well. The interest of the overriding royalty owner who has not signed the communitization agreement amounts to a 1/64th interest of total production.

Case 982

LAW OFFICES OF
EASLEY, QUINN & STOUT

106 EAST TAYLOR

P. O. BOX 2587

HOBBS, NEW MEXICO

November 17, 1955

MACK EASLEY
JOHN QUINN
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3-4155

New Mexico Oil Conservation Commission
Box 871
Santa Fe, New Mexico

Re: Application for a non-standard gas
proration unit to be assigned
Mapenza's Makin Drilling Company
#1 Warlick-Queen in the Eumont Gas
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Gentlemen:

Mapenza Oil Company wishes to make this application for
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the well. The interest of the overriding royalty
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New Mexico Oil Conservation Commission
Box 871
Santa Fe, New Mexico
November 17, 1955

Page 2

4. All of the acreage within the proposed unit may reasonably be presumed productive of gas. Application was made by operator for approval in an undisclosed area, but approval of application was based on completion in the Penrose-Skelly Pool, which is an oil pool, but in the event of the completion of the well as a dry gas well in the Queens Sands, which is included in the vertical limits of the Eumont Pool, it is requested that the well be designated a gas well completion in the Eumont Pool.
5. Mapenza believes that the granting of this application is in the interests of conservation and the protection of correlative rights.
6. Mapenza therefore requests that a public hearing be called for the purpose of considering and granting this application.

Yours very truly,

EASLEY, QUINN & STOUT

By 
Attorneys for MAPENZA OIL COMPANY

JQ:lb

Attached: Ownership Map.

cc: Gulf Oil Company
Roswell, New Mexico

R. Olsen Oil Company
Apco Tower
Oklahoma City, Oklahoma

Amerada Oil Company
Midland, Texas

cc: Sunray Mid Continent
Roswell, New Mexico

Dixilyn Drilling Company
Box 3427
Odessa, Texas

Registered Mail.

R-37E

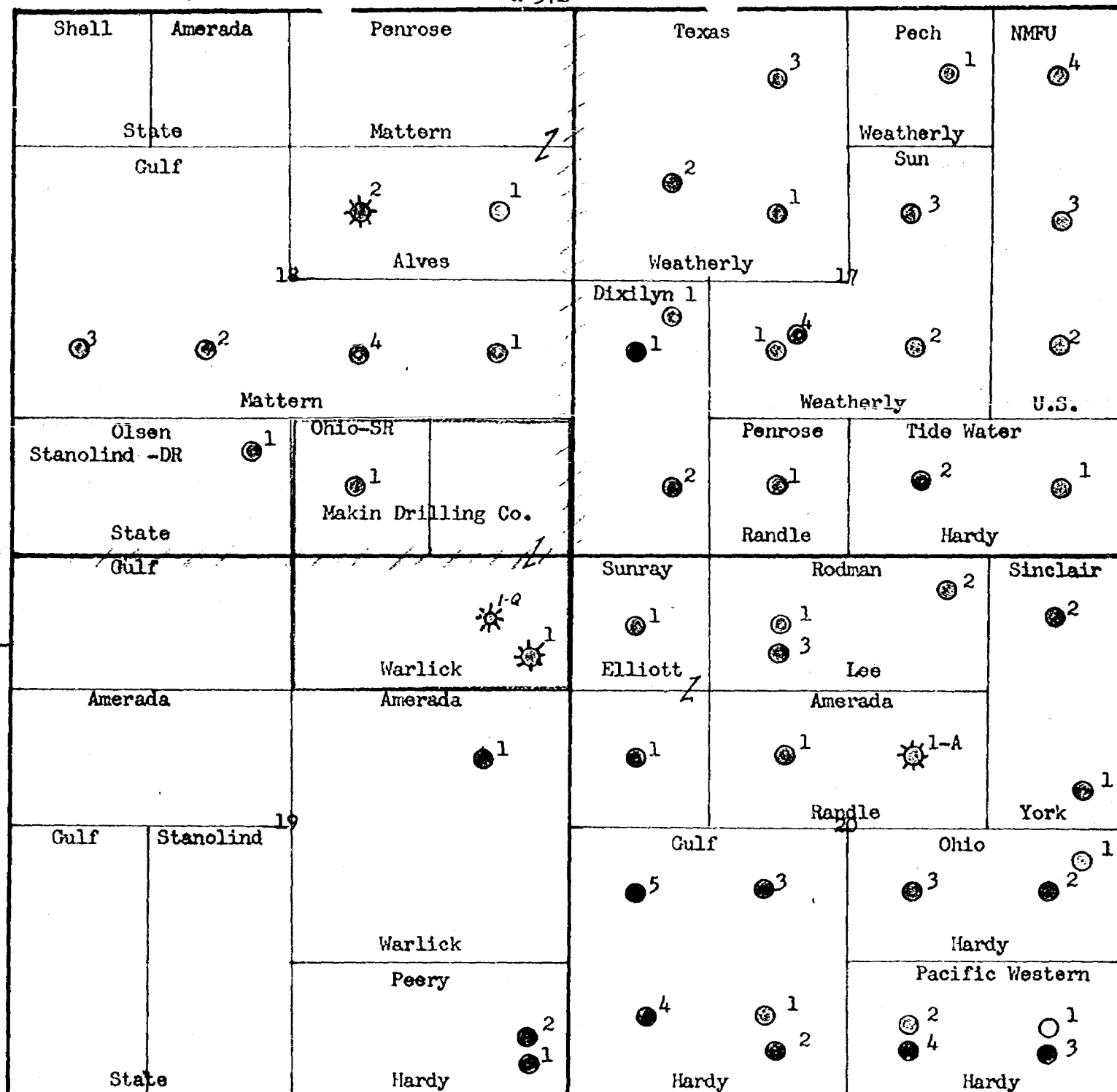


Exhibit _____

Makin Drilling Company Application for Creation of Proration Unit

January 13, 1955

BEFORE THE OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Mapena EXHIBIT No. 1

Producing Formations: Blinbry Gas *, Drinkard •, Penrose •,
Queen Gas *, Proposed Unit •.

Hobbs, New Mexico

11-11-55

Scale: 1" = 1/4 mile

J. W. Adams

BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE NO. 982

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES
COURT REPORTERS
605 SIMMS BUILDING
TELEPHONE 3-6691
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
December 14, 1955

IN THE MATTER OF:

CASE 982:

Application of the Mapenza Oil Company for an order approving a non-standard gas proration unit in exception to Rule 5 (a) of the Special Rules and Regulations for the Eumont Gas Pool contained in Order R-520. Applicant, in the above styled cause, seeks an order establishing a 160 acre non-standard gas proration unit consisting of the N/2 NE/4 Section 19 and S/2 SE/4 Section 18, Township 21 South, Range 37 East; said acreage to be dedicated to applicant's Makin Drilling Company No. 1 Warlick-Queen Well located in the NE/4 NE/4 Section 19, Township 21 South, Range 37 East, Lea County, New Mexico.

BEFORE:

Honorable John F. Simms, Jr.,
Mr. E. S. (Johnny) Walker,
Mr. William B. Macey.

TRANSCRIPT OF HEARING

MR. MACEY: The next case on the docket is Case 982.

MR. QUINN: We have some exhibits to be marked.

(Exhibit No. 1, Mapenza Oil Company, marked for identification.)

J O H N W. A D A M S,

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

DIRECT EXAMINATION

BY MR. QUINN:

Q Will you state your name, please?

A John Adams.

Q And what is your address, Mr. Adams?

A Hobbs, New Mexico.

MR. KITTS: Just a moment, please. If the Commission please, would Counsel state his name for the record?

MR. QUINN: John Quinn, from Hobbs.

Q Who are you employed by, Mr. Adams?

A Mapenza Oil Company.

Q What is your capacity? A Petroleum Engineer.

Q Mr. Adams, have you testified before the New Mexico Oil Conservation Commission as an expert on prior occasions?

A I have.

MR. QUINN: Are Mr. Adams' qualifications acceptable?

MR. MACEY: Yes, sir, they are.

Q Mr. Adams, there has been an application filed for the Mapenza Oil Company in Case No. 982; will you tell the Commission what you know of that application?

A That application requests a 160-acre gas proration unit in the Eumont Pool; it is located in the cross-section lines, the S/2 SE/4 Section 18 and the N/2 NE/4 Section 19, Township 21 South, Range 37 East, Lea County, New Mexico.

Q What action does Mapenza seek by this application?

A Mapenza wishes that this acreage be assigned a 160-acre proration unit in the Eumont Gas Pool with its allowable as such.

Q Mr. Adams, I will hand you Exhibit No. 1, which has been introduced and ask you to define that.

A This Exhibit shows the producing wells in four sections and immediate area of interest; it shows the producing oil and gas for-

mations of all wells, including oil and gas. It also shows the acreage requested in the proration unit.

Q What acreage is that, Mr. Adams, can you give the description?

A Yes. It is the S/2 SE/4, Section 18, N/2 NE/4 Section 19, Township 21 South, Range 37 East.

Q Where is the Unit Well located there?

A The well is located 660 feet from the north and east lines of Section 19.

Q Can you give a brief history of this well to date?

A This well has just been drilled and completed this past month; it was drilled to a total depth of 3,650 feet, and completed in the Queen Gas Sand, and that is the entire producing interval, no other formations are open to production in the well.

Q Have you studied electric logs of this well, Mr. Adams?

A Yes, I have.

Q And what do you gather from studying the electric logs of this well?

A From studying the electric logs and the fact that the well was also cored for its entire pay section, my conclusion is that the well is producing from the interval which is the top -- from the top of the Queen to a point approximately 20 feet above the Grayburg Formation.

Q Does this well produce any fluid?

A No, it produces dry gas only.

Q By whom are the operating rights in this tract owned, Mr. Adams?

A The operating rights under this well are owned by Makin

Drilling Company and the Ohio Oil Company.

Q Has Mapenza reached an agreement with the operators for pooling of these tracts? A Yes.

Q In the event this is approved by the Oil Conservation Commission?

A Yes, that is correct. We have, in our files, executed communitization agreements between all of the working interests and all of the royalty owners which number approximately 35, by the way, with one exception. We have got a 1/64th royalty interest which is not communitized.

Q Is the well producing at the present time?

A The well is shut in awaiting pipeline connection.

Q There is no State or Federal land included in this unit, is that right? A That is right.

Q Have you made a study of the information available that you have in an effort to determine whether all of the acreage which is included in this unit can reasonably be assumed to be productive of gas?

A I have, yes. I have made that study and come to the conclusion that all of the acreage should be productive of gas.

Q That is your opinion after such study?

A Yes, it is.

Q Would you point out other gas wells in this area?

A On this particular plat, there is only one other Eumont Gas Pool Well, which is a Penrose No. 2 Alves Well, located on the SW/4 of the NE/4 Section 18.

Q In your opinion, would the granting of Mapenza's application prevent waste and protect correlative rights?

A It would.

Q Is it your opinion that the well could produce the additional allowable which would be granted if this application is approved?

A In my opinion, it would.

Q Would you care to make a statement to the Commission, Mr. Adams, as to the extension of the Eumont Pool, which, I believe, is not covered in that 80 acres, is that right?

A This plat shows that the present field limits, or pool limits of the Eumont Pool include all of Section 18; this requested production unit lies half way into the pool limits, the north half of the northeast quarter, Section 19, is not included in the Eumont Gas Pool. The well is located on the NE/4 NE/4 Section 19, and is, therefore, outside of the Pool limits.

Q And it is your opinion that the pool limits should be extended to include this 80 acres of the unit?

A Yes, it is my opinion that the pool limits should be extended for at least that 80 acres.

Q Is there anything further which you would like to state to the Commission concerning Mapenza's application?

A Only one other thing, is that the application was made for this well and approved as a well to be drilled and completed in the Penrose-Skelly Oil Pool. The reason for this ---

Q Did you make an application for that?

A I made that application, yes, and I made the application in an undesignated gas area, and it was changed by the Commission and placed in the Penrose-Skelly Oil Pool, even though the well was to be completed as a gas well. The reason for this was that the Commission preferred to actually place the well location in a geographical

limit of a pool in Lea County.

Q Are you, at this time, asking that this designation be changed?

A I am asking at this time that the designation be changed and that our application be considered to place the well in the Eumont Gas Pool.

MR. QUINN: That is all I have. Do you gentlemen have anything?

MR. MACEY: Any questions of the witness?

MR. NUTTER: This is not a question, but I might state right here that Paragraph "U" of Case 984 of the Nomenclature provides that the N/2 of the NE/4 of Section 19 will be included in the Eumont Gas Pool.

MR. QUINN: We thought we would make that statement, however, at this time, as to why it should be.

MR. PORTER: What producing formation is this well producing from?

A From the Queen.

MR. PORTER: I might state, for the record, the reason we placed that well in the Penrose-Skelly Pool is because the Queen Formation is identified with the present verticle limits of the Penrose-Skelly.

MR. MACEY: Anyone else have a question of the witness?

MR. KITTS: In your application, you referred to a letter from one working-interest owner stating that when the well is completed he will enter into a communitization agreement.

A That is correct.

MR. KITTS: Do you have that letter or a copy of it?

A We have that in our files; we do not have it here.

MR. KITTS: I wonder if you could make a copy of that available?

A We certainly will.

MR. MACEY: Anyone else have a question of the witness?
The witness may be excused.

(Witness excused.)

MR. MACEY: Did you introduce your exhibit?

MR. QUINN: Yes, sir.

MR. MACEY: Exhibit 1 will be received without objection.
Do you have anything else to offer?

MR. QUINN: No, sir.

MR. MACEY: We will take the case under advisement, and
take a short recess.

(Recess.)

* * * *

C E R T I F I C A T E

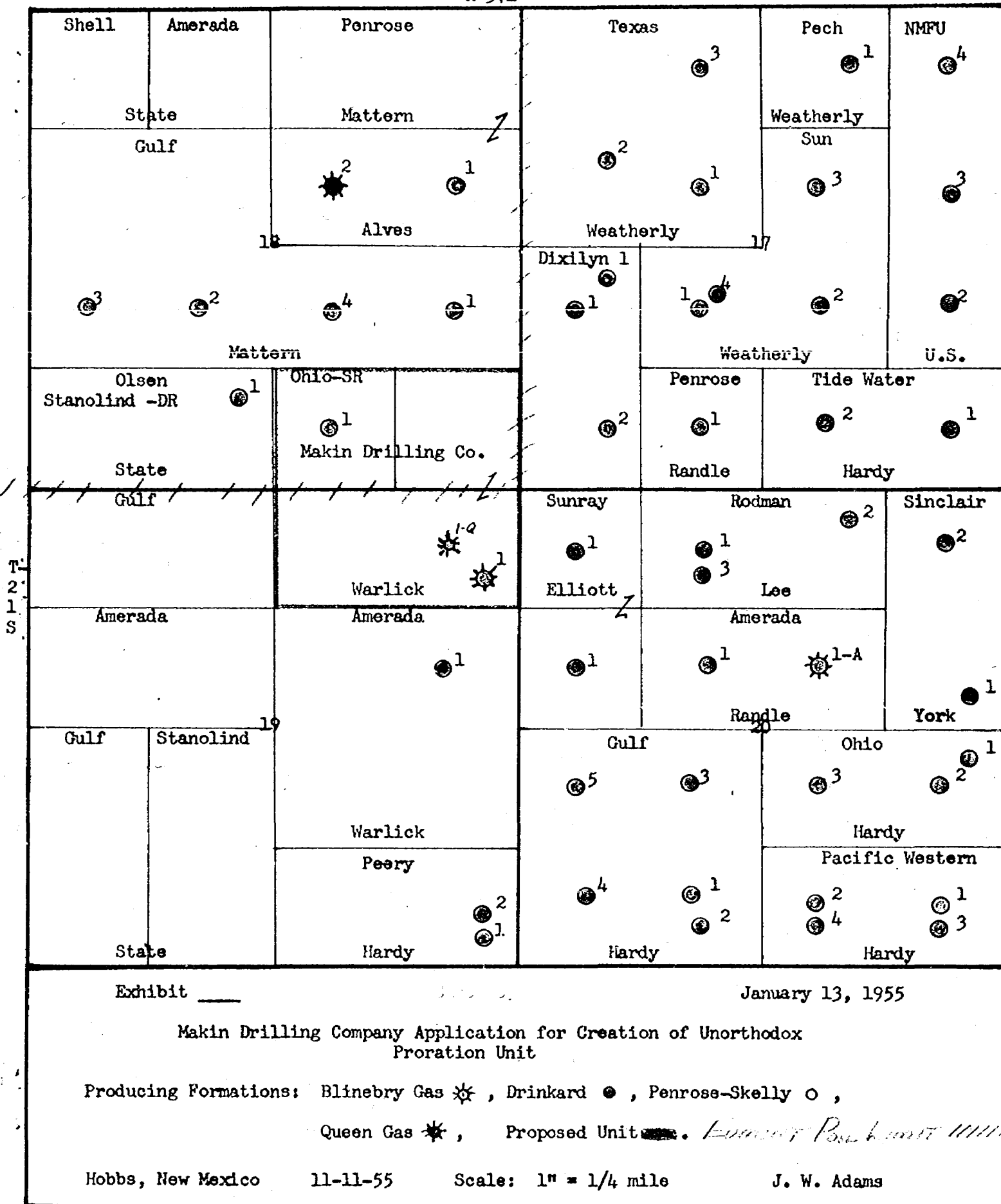
STATE OF NEW MEXICO)
: ss
COUNTY OF BERNALILLO)

I, THURMAN J. MOODY, 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, this, the 16th day of December, 1955.


Court Reporter.

R-37E



Makin Drilling Company

P. O. BOX 1628 PHONE 3-3141

Hobbs, New Mexico

December 17, 1955

Case # 982

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

Attention: Mr. Willard Kitts

Gentlemen:

Enclosed is a copy of an agreement between Ohio Oil Company, Island Oil Company, and Makin Drilling Company whereby Ohio agrees to execute a Pooling Agreement on the 160 acre unit covered in the hearing held December 14 in Santa Fe, being Case No. 982.

Also enclosed is a copy of the Pooling Agreement used by us in forming this unit. I understand that the letter will be made a part of the case and that the Pooling Agreement is for your information.

Yours very truly,

MAKIN DRILLING COMPANY



J. W. Adams

JWA/sk
Encls - 2

THE OIL COMPANY

October 28, 1955

Makin Drilling Company
P. O. Box 1628
Hobbs, New Mexico

Re: S/2 SE/4 Section 18 and N/2 NE/4
Section 19, T21S, R37E, Lea County,
New Mexico

Gentlemen:

Your letter of October 22, 1955, concerning the above described acreage has been received. We assume that with the possible exception of the Gale interests all gas and liquid hydrocarbons in the N/2 NE/4 of Section 19 and in the SE/4 SE/4 of Section 18 are now subject to valid oil and gas lease or leases; that you have obtained or will obtain such a lease or leases on the Gale interests, and that Exhibit "A" to the Operating Agreement will be completed in accordance with the form proposed by and enclosed with our letter to you of September 21, including the proposed addition to Exhibit "A" enclosed with that letter. We further assume that the form of the Operating Agreement with Exhibit "A" completed as above specified and the form of each of the other instruments identified in your letter of October 22 is acceptable to Island Oil Company and that when Exhibit "A" to the Operating Agreement has been completed as above specified, you and Island Oil Company will furnish us a copy of that Exhibit and will execute and deliver to us for execution the proposed Pooling Agreement in the form submitted to you with our letter of October 6, 1955.

Although we considered it preferable, we did not consider it essential that the ratification form enclosed with our letter of October 6 be executed by the royalty owners prior to the commencement of the proposed Queen well. We assume you will exert your best efforts to obtain the ratifications in that proposed form covering all royalty interests in each of the proposed units and that you will proceed to do so promptly after the proposed Pooling Agreement has been executed by the owners of the working interests.

If our assumptions as set out above are correct, we agree to execute the proposed Pooling Agreement provided it is executed by you and Island Oil Company in the form above referred to and delivered to us on or before March 15, 1956, and provided that we have theretofore been furnished with a copy of Exhibit "A" to the proposed Operating Agreement completed as above specified. Thereafter, upon execution of the proposed Operating Agreement in accordance with the Pooling Agreement, we will join you and Island Oil Company in executing the proposed Drilling Contract after changing the well location to that stated in your letter of October 22, said Operating Agreement and Drilling Contract to be made effective as of the day immediately prior to your commencement of the Queen well.

October 28, 1955
Makin Drilling Company
Page 2

Subject to the foregoing, it is agreed that although you are drilling the well at your sole cost, risk and expense, when the transactions are consummated as above provided the rights of all parties shall be determined as though each and all of said instruments had been executed on the effective dates specified.

It is understood and agreed that representatives of The Ohio shall have full access to the derrick floor at all times during the drilling of the Queen well above referred to, and that such representatives shall be given any and all information regarding the well which is in your possession or to which you have access. You agree to send to us, in duplicate, by mail, a daily drilling report on the well, one copy of the report to be sent to our Mr. D. L. Province, c/o The Ohio Oil Company, P.O. Box 2017, Hobbs, New Mexico, and one copy to be sent to our Mr. J. A. Grimes, c/o The Ohio Oil Company, P.O. Box 3128, Houston 1, Texas. You shall also furnish each week to each of the aforesaid parties a complete copy of the driller's log covering the preceding seven days. Upon completion of said well you shall furnish to us all geological information concerning the well, as well as details of costs incurred.

To facilitate the further handling of the instruments above referred to, we enclose the original and three copies of the proposed Operating Agreement, five copies of Exhibit "E" to the Operating Agreement, the original of the proposed Drilling Contract, one copy of the proposed Pooling Agreement and one copy of the proposed Ratification. One copy of each of those instruments is enclosed with a copy of this letter to Island Oil Company.

If the assumptions stated above are correct, and if the foregoing meets with the approval of you and Island Oil Company, please return to us within ten (10) days from this date a copy of this letter properly executed by you and by Island Oil Company in the spaces provided, and this will evidence the agreement between you, Island Oil Company and The Ohio Oil Company.

Very truly yours,

THE OHIO OIL COMPANY

By /s/
J.D. Wheeler, Division Mgr.

ACCEPTED AND AGREED TO:
MAKIN DRILLING COMPANY

By /s/

ISLAND OIL COMPANY

By /s/

P O O L I N G A G R E E M E N T

WHEREAS, on the _____ day of _____, 19____,
a certain Oil and Gas Lease was Made and entered into by and be-
tween _____

_____ Lessor _____
and _____
Lessee _____, covering the following described land in the County
of _____, State of New Mexico, to-wit:

said lease being recorded in the Office of the County Clerk and
ex-officio recorder in and for said County, in Book _____
at Page _____ of _____.

AND, WHEREAS, the said lease and all rights thereunder
or incident thereto are now owned by MAKIN DRILLING COMPANY, Hobbs,
New Mexico.

NOW, THEREFORE, for and in consideration of the sum
of One Dollar and other good and valuable consideration, the
receipt of which is hereby acknowledged, the undersigned, the
present owner or successors in interest under the above described
property, hereby agree that the aforesaid lease may be amended
as follows:

1.

Lessee, at his option, is hereby given the right and
power to pool or combine the acreage covered by this lease or
any portion thereof, with other land, lease, or leases in the
immediate vicinity thereof, to comprise what is hereinafter
called a "unit", when in lessee's judgment it is necessary or
advisable to do so in order properly to develop and operate said
premises for the production of oil, gas, or gaseous substances,
including condensate, or in order to comply with the rules of
the Oil and Gas Commission of New Mexico, or other lawful auth-
ority, or when to do so would, in the judgment of lessee, promote
the conservation of the oil, gas, and gaseous substances, inclu-
ding condensate in and under and that may be produced from said
premises, such pooling to be into a well unit or units not ex-
ceeding _____ acres each for oil and not exceeding _____
_____ acres each for gaseous substances, including condensate.
The entire acreage so pooled into a unit shall be treated for
all purposes as if it were included in this lease; so, if oper-
ations are commenced, or if production is found on the unit, it
shall be treated as if operations or production is had under
this lease, whether the well or wells be located on the premises
covered by this lease or not; except however, in lieu of the
royalties elsewhere herein specified, lessor shall receive and
accept on production from a unit so pooled only such proportion
of the royalty stipulated herein as the amount of his acreage
placed in the unit or his royalty interest therein, on an
acreage basis, bears to the total acreage so pooled in the
particular unit involved.

2.

It is understood that this instrument in no way affects
the original lease as above set out, except as amended hereinabove
in Paragraph 1.

IN WITNESS WHEREOF, the undersigned have signed and sealed this instrument this _____ day of _____, 19____.

STATE OF NEW MEXICO,)
 :SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me
this _____ day of _____, 19 ____, by _____
_____.

Notary Public

My commission expires:

LAW OFFICES OF
EASLEY, QUINN & STOUT

108 EAST TAYLOR

P. O. BOX 2587

HOBBS, NEW MEXICO

MACK EASLEY
JOHN QUINN
LOWELL STOUT

TELEPHONE
3-4155

January 12, 1956

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

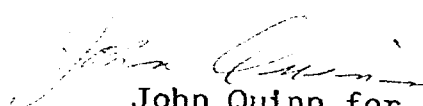
Attention: Mr. W. B. Macey
Secretary, director

Re: Application of Mapenza
Oil Company for Order
approving non-standard
pro-ration unit.
Case No. 982

Gentlemen:

In the above captioned case, the applicant was designated as Mapenza Oil Company. This was an error; the applicant should have been designated as Makin Drilling Company. Will you please change your records in this regard and in the order, issue the same to the Makin Drilling Company instead of Mapenza Oil Company.

Sincerely,



John Quinn for
EASLEY, QUINN & STOUT

JQ:d

Case 982 ✓
R-742 ✓

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

January 27, 1956

C
O
P
Y

Mr. John Quinn
Easley, Quinn & Stout
Box 2587
Hobbs, New Mexico

Dear Sir:

In behalf of your client, Makin Drilling Company, we enclose two copies of Order R-742 issued January 27, 1956, by the Oil Conservation Commission in Case 982, which was heard on December 14th.

Very truly yours,

W. B. Macey
Secretary - Director

WBM:brp
Encls.

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. 932
Order No R-742

THE APPLICATION OF MAKIN DRILLING
COMPANY FOR AN ORDER GRANTING
APPROVAL OF AN EXCEPTION PURSUANT
TO RULE 5 (a) OF THE SPECIAL RULES
AND REGULATIONS OF THE EUMONT GAS
POOL AS SET FORTH IN ORDER NO. R-520
IN ESTABLISHMENT OF A NON-STANDARD
GAS PRORATION UNIT OF 160 CONTIGUOUS
ACRES CONSISTING OF S/2 SE/4 SECTION 18,
N/2 NE/4 SECTION 19, TOWNSHIP 21 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 December 14, 1955, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 27th day of January, 1956, 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 the case and the subject matter thereof.

(2) That pursuant to provisions of Rule 5 (a) of the Special Rules and Regulations of the Eumont Gas Pool, as set forth in 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, Makin Drilling Company, and others who consist of all but one of the working interest owners and overriding royalty interest owners have entered into a communitization agreement covering the above-described properties. Applicant has acquired a letter of agreement to communitize from the one working interest owner, who at present, is not a party to the communitization agreement.

(4) That applicant, Makin Drilling Company, is the operator of a well now being drilled; said well known as the No. 1 Warlick-Queen Well, which is located in the NE/4 NE/4 of Section 19, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

(5) The evidence indicates that the acreage within the proposed unit is productive of gas from the Eumont Gas Pool.

(6) That there has been no objection from adjoining owners in said area 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 Makin Drilling Company for approval of a non-standard proration unit in the Eumont Gas Pool consisting of the following described acreage:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
S/2 SE/4 Section 18
N/2 NE/4 Section 19

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

(2) That applicant's well, the No. 1 Warlick-Queen, located in the NE/4 NE/4 Section 19, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, in the Eumont Gas Pool, be and the same is hereby granted an allowable in the proportion that the above-described 160 acre unit bears to the standard 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

John F. Simms
JOHN F. SIMMS, Chairman

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

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

