

CASE 1944: Application of GREAT  
WESTERN establishing 200-acre non-  
standard gas unit in Eumont Gas Pool.

Casa No.

1944

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Application, Transcript,  
Small Exhibits, Etc.

### #1-INSTRUCTIONS TO DELIVERING EMPLOYEE

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☐ Show address where delivered

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BY:

SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

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MAR 28 1960

ADDRESS WHERE DELIVERED (only if requested in item #1)

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R-37-E

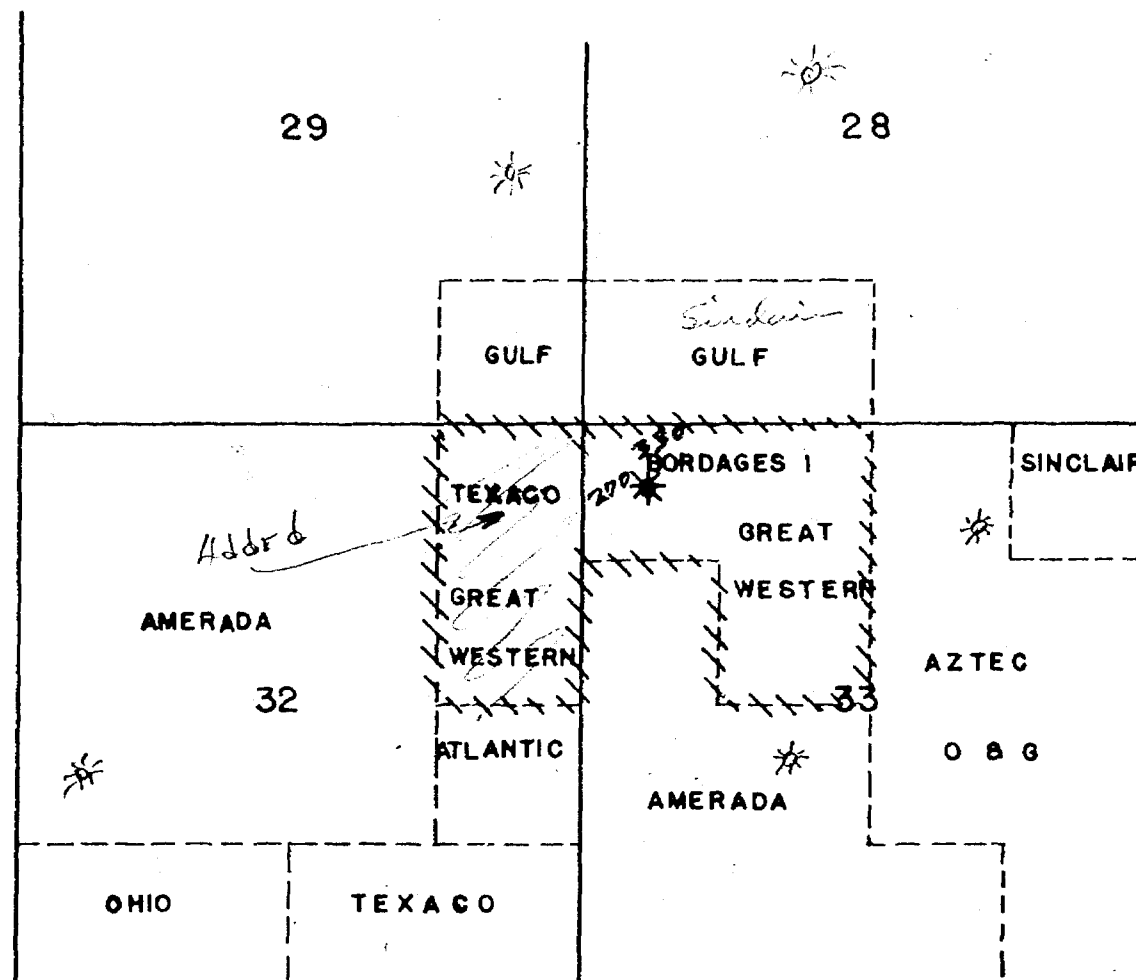


EXHIBIT "I"

BORDAGES NON-STANDARD GAS PRORATION  
UNIT

EUMONT GAS POOL

LEA COUNTY NEW MEXICO  
UNIT BOUNDARY ///

*Coe*  
1944



## SHELL OIL COMPANY

P. O. Box 845  
Roswell, New Mexico

April 25, 1960

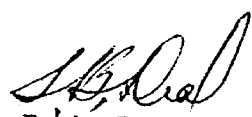
Subject: Case 1944, Docket No. 12-60  
Examiner Hearing, April 27,  
1960

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

Gentlemen:

We have been informed of Great Western Drilling Company's application for establishment of a 200-acre non-standard gas proration unit in the Eumont Gas Pool, Case 1944. We have no objections to the proposed unit.

Very truly yours,

  
for P. A. Dennie  
Division Production Manager

DOCKET: EXAMINER HEARING APRIL 27, 1960

Oil Conservation Commission - 9 a.m., Mabry Hall, State Capitol, Santa Fe  
The following cases will be heard before Elvis A. Utz, Examiner, or Oliver E. Payne, Attorney, as alternate examiner:

CASE 1942:

Application of Continental Oil Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of the Jicarilla Well No. 28-1, located in the NW/4 SE/4 of Section 28, Township 25 North, Range 4 West, Rio Arriba County, New Mexico, in such a manner as to permit the production of oil from the Gallup formation and the production of oil from the Dakota formation through parallel strings of tubing.

CASE 1927:

(Continued)

Application of J. W. Brown for the establishment of special rules and regulations governing the Brown Pool in Chaves County, New Mexico, to provide for 2½-acre spacing in said pool.

CASE 1943:

Application of Gulf Oil Corporation for a dual completion and for an exception to the tubing requirements of Rule 107. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Apache-Federal Well No. 8, located in Unit D, Section 8, Township 24 North, Range 5 West, Rio Arriba County, New Mexico, in such a manner as to permit the production of gas from the Otero-Gallup Oil Pool and the production of gas from the Dakota Producing Interval through the casing-tubing annulus and the tubing respectively. Applicant further seeks an exception to certain tubing requirements set forth in Rule 107 of the Commission's Rules and Regulations.

CASE 1944:

Application of Great Western Drilling Company for establishment of a 200-acre non-standard gas proration unit in the Eumont Gas Pool. Applicant, in the above-styled cause, seeks an order establishing a 200-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the E/2 NE/4 of Section 32 and the E/2 NW/4 and NW/4 NW/4 of Section 33, all in Township 19 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to its Bordages Well No. 1 located 330 feet from the North line and 270 feet from the West line of said Section 33.

CASE 1945:

Application of Permian Oil Company for an order force-pooling the interests in a 320-acre unit in the Dakota formation. Applicant, in the above-styled cause, seeks an order force-pooling all Dakota formation mineral interests in the 320 acres comprising the E/2 of Section 5, Township 30 North, Range 13 West, San Juan County, New Mexico, the non-consenting mineral interest owners being Raymond H. Walker and Edith Walker, 1250 South Figueroa Street, Los Angeles, California, and Norman Roybark and Rose Ella Roybark, address unknown.

CASE 1946:

Application of J. R. Cone for an exception to the over-production shut-in provisions of Order R-520, as amended by Order R-967, for two wells in the Jalmat Gas Pool. Applicant, in the above-styled cause, seeks an order allowing the following-described wells in the Jalmat Gas Pool to compensate for their overproduced status without being completely shut-in in order to prevent possible waste:

Mobil-Myers Well No. 4, Unit I, Section 22

Pan American-Myers Well No. 1, Unit H, Section 22  
both in Township 24 South, Range 36 East, Lea County, New Mexico.

CASE 1947:

Application of Phillips Petroleum Company for the establishment of two 80-acre non-standard oil proration units and one unorthodox oil well location. Applicant, in the above-styled cause, seeks an order establishing two 80-acre non-standard oil proration units in the Kemnitz-Wolfcamp Pool, Lea County, New Mexico, each consisting of a portion of the S/2 of Section 25, Township 16 South, Range 33 East. Applicant further seeks approval of an unorthodox oil well location in said Kemnitz-Wolfcamp Pool, the location to be in the center of the NW/4 SE/4 of said Section 25.

CASE 1948:

Application of Humble Oil & Refining Company for authority to commingle the production from several separate leases and for approval of an automatic custody transfer system to handle said commingled production. Applicant, in the above-styled cause, seeks permission to commingle the Empire-Abo Pool production from certain leases in Sections 4, 8, 9, 16 and 17, Township 18 South, Range 27 East, Eddy County, New Mexico, all of such leases being in the Chalk Bluff Draw Unit. Applicant also seeks approval of an automatic custody transfer system to handle said Empire-Abo Pool production from all wells presently completed or hereafter drilled on said leases.



- CASE 1949: Application of Trice Production Company for approval of a "slim-hole" completion. Applicant, in the above-styled cause, seeks an order authorizing the "slim-hole" completion of its Four Lakes State Well No. 1, located in the NE/4 NW/4 of Section 11, Township 12 South, Range 34 East, Lea County, New Mexico, to be completed in either the Pennsylvanian or Wolfcamp formation at a minimum total depth of 10,000 feet.
- CASE 1950: Application of Sinclair Oil & Gas Company for permission to commingle the production from two separate leases. Applicant, in the above-styled cause, seeks permission to commingle the West Teas Pool production from its State Lea 886 lease consisting of the S/2 NW/4 and N/2 NE/4 of Section 16 with the West Teas Pool production from that portion of its State Lea 6019 lease consisting of the NW/4 NW/4 and SE/4 of said Section 16, all in Township 20 South, Range 33 East, Lea County, New Mexico.
- CASE 1951: Application of Texaco Inc. for a gas-gas dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of the State "CH" Well No. 1, located in Unit H, Section 36, Township 20 South, Range 32 East, Lea County, New Mexico, in such a manner as to permit the production of gas from an undesignated Atoka gas pool and the production of gas from the South Salt Lake-Pennsylvanian Gas Pool through parallel strings of tubing.
- CASE 1952: Application of Texaco Inc. for establishment of a 476-acre non-standard gas proration unit in the Jalmat Gas Pool. Applicant, in the above-styled cause, seeks the establishment of a 476-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the N/2 of Section 4 and the NE/4 of Section 5, Township 24 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the E. D. Fanning Well No. 6, to be located 660 feet from the North and West lines of said Section 4.
- CASE 1953: Application of Keohane, Saunders, Welch and Iverson for an unorthodox oil well location. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location for its Hinkle-Federal Well No. 7-B in the Shugart Pool at a point 330 feet from the South line and 2329 feet from the East line of Section 35, Township 18 South, Range 31 East, Eddy County, New Mexico.

- CASE 1954: Application of Shell Oil Company for approval of an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing the installation of an automatic custody transfer system to handle the production from the Saunders (Permo-Pennsylvanian) Pool from all wells presently completed or hereafter drilled on the State A lease comprising the E/2 of Section 34, Township 14 South, Range 33 East, Lea County, New Mexico.
- CASE 1955: Application of Shell Oil Company for approval of an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing the installation of an automatic custody transfer system to handle the production from the Monument Pool from all wells presently completed or hereafter drilled on the State B lease comprising the NW/4 of Section 36, Township 19 South, Range 36 East, Lea County, New Mexico.
- CASE 1956: Application of Shell Oil Company for approval of an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing the installation of an automatic custody transfer system to handle the production from the Townsend-Wolfcamp Pool from all wells presently completed or hereafter drilled on the State ETA lease comprising all of Section 8, Township 16 South, Range 35 East, Lea County, New Mexico.
- CASE 1957: Application of Shell Oil Company for approval of an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing the installation of an automatic custody transfer system to handle the production from the Denton (Devonian) Pool from all wells presently completed or hereafter drilled on the Priest lease comprising the N/2 of Section 1, Township 15 South, Range 37 East, Lea County, New Mexico.

BEFORE THE OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO

APPLICATION OF GREAT WESTERN  
DRILLING COMPANY FOR AN ORDER  
ESTABLISHING A NON-STANDARD  
GAS PRORATION UNIT IN THE  
EUMONT GAS POOL IN LEA COUNTY,  
NEW MEXICO

Case No. 1944

Comes now Great Western Drilling Company, whose address is Box 1659, Midland, Texas, and hereby makes application for an Order establishing a non-standard gas proration unit in the Eumont Gas Pool in Lea County, New Mexico, as an exception to the Commission's Order No. R-368 (as amended by Order Nos. R-370, R-386-A, R-370-A, R-520, and R-967), and in support of the Application states:

1. Applicant is the Working Interest Owner and Operator of a well producing gas in commerical quantities, which well is located 330 feet from the North line and 270 feet from the West line of Section 33, Township 19 South, Range 37 East, N.M.P.M., Lea County, New Mexico. Said well was completed on September 3, 1937. The lands upon which said well is located are lands belonging to the United States of America and are now subject to a valid and subsisting lease from the United States of America as Lessor to Great Western Drilling Company as Lessee, bearing Las Cruces Serial No. 055715, dated November 1, 1956.

2. The aforementioned gas well was drilled to, and is presently producing from, the Eumont Gas Pool prior to the effective date of Order R-368, (which Order is dated September 28, 1953) and said well was drilled to and is presently producing

*Don't  
Mailed  
4-18-60*

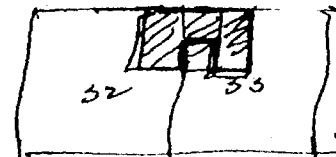
from the Eumont Gas Pool at a location conforming to the spacing requirement effective at the time said well was drilled. Said well is producing with a gas-oil ratio in excess of 100,000 cubic feet of gas per barrel of oil, and is producing gas within the vertical and horizontal limits of the Eumont Gas Pool as prescribed in said Order R-368, as amended.

3. The non-standard gas proration unit applied for herein consists of contiguous quarter-quarter sections and/or lots described as:

Township 19 South, Range 37 East, N.M.P.M.

Section 32:  $E\frac{1}{4}NE\frac{1}{4}$

Section 33;  $E\frac{1}{4}NW\frac{1}{4}$ ,  $NW\frac{1}{4}NW\frac{1}{4}$



containing 200 acres, more or less. Said lands in Section 33 lie within the horizontal limits of the Eumont Gas Pool, and said lands in Section 32 lie within one mile of the horizontal limits of the said Eumont Gas Pool. Applicant is the Working Interest Owner of that portion of the proposed non-standard gas proration unit lying in Section 33; Applicant (17/32), H. B. Anthony, Jr. (5/128), W. L. Hoyt (10/32), Raymond Anthony (5/128) and Dr. Hans May (5/64) are the Working Interest Owners of a severed 31 acres in the  $SE\frac{1}{4}NE\frac{1}{4}$  of said Section 32 and the remaining 9 acres in said quarter-quarter section are proposed to be force-pooled as hereinafter set forth; The Texas Company is the Working Interest Owner of a severed 38 acres in the  $NE\frac{1}{4}NE\frac{1}{4}$  of said Section 32 and the remaining 2 acres in said quarter-quarter section have been previously force-pooled by Order No. 739, dated April 9, 1948, in Case No. 117 before this Commission, and the same is again proposed to be force-pooled as hereinafter set forth. That each and all of the above named Working Interest Owners have entered into a Communitization Agreement agreeing to the formation of a non-standard gas proration unit for the production of dry gas and associated liquid hydrocarbons producible within the vertical limits of the Eumont Gas Pool, and Applicant is designated as Operator therein.

4. The entire above proposed non-standard gas proration unit is reasonably presumed to be productive of gas, and the length or width of the proposed non-standard gas proration unit does not exceed 5,280 feet. The proposed non-standard gas proration unit consists of all of the available lands for the formation of such a proration unit, all adjoining lands now being under previously approved gas proration units. A plat showing (i) the land involved in this Application, (ii) the names of all Operators owning interests in the Sections in which parts of the proposed non-standard gas proration unit is situated and which acreage is not included in said proposed non-standard gas proration unit, and (iii) the names of all other Operators owning interests within 1500 feet of the aforementioned well, is attached hereto and marked Exhibit "1". Each of such Operators have been submitted a copy of this Application, due proof of which will be submitted at the hearing hereon.

5. That the following persons and corporations have executed said Communitization Agreement, to-wit:

Great Western Drilling Company  
 First Chicago Corporation  
 The Texas Company  
 H. B. Anthony, Jr.  
 W. L. Hoyt  
 Raymond Anthony  
 Dr. Hans May  
 Southern Petroleum Exploration, Inc.  
 L. R. Kershaw  
 Mrs. Ora B. Gay  
 Edward A. Golden  
 Estate of Harry W. Walker  
 William R. Kershaw  
 Continental Investment Corporation  
 Atlantic Oil Corporation  
 J. B. Headley  
 M. M. Lawellin  
 L. T. Lewis  
 Estate of W. C. Lawrence  
 J. D. Atwood  
 Frances Smyrl Jennings  
 Chase Manhattan Bank  
 Nelle G. Scheurich  
 L. R. Hammond  
 A. W. Hockenull  
 T. B. Cavender  
 W. W. Mayes  
 Keohane, Inc.  
 John H. Reed

Vora V. Hartley  
 Estate of Harold Hurd  
 Estate of Edgar Grant Lawrence  
 Estate of Elizabeth Reed Bowman  
 George W. Reed  
 Benjamin A. Reed  
 R. O. Robbins  
 Guy Jack, Jr.  
 Annie May Kavanaugh  
 Florence Jack Mayo  
 C. J. Williamson  
 Estate of Mabel C. Holland  
 W. E. Reed  
 T. E. Reed  
 Alma Reed Roussin  
 Dorothy Reed Maczuk  
 Daisy M. Reed Riddle  
 J. C. Burkhalter  
 W. D. Burger  
 Jewell Scales Kimbrough  
 Estate of Sophia Abramson  
 Charles Bacon  
 Western Mineral Deed Association,  
 Inc.  
 C. P. Bordages  
 Sinclair Oil & Gas Company  
 The American National Bank  
 of Beaumont

which such persons and corporations collectively comprise all parties owning working interests, and a majority of the parties owning royalty or overriding royalty interests, in the proposed communitized area. Applicant, as proposed Operator under the Communitization Agreement, has made a diligent effort to obtain the joinder to the Communitization Agreement by the remaining interests in said area, but Applicant has been unable to obtain such consent; it will therefore be necessary to force-pool such remaining interests in the event this Application is granted by the Commission; such an application for force-pooling will be made by Applicant upon receipt of an Order of the Commission granting this Application.

WHEREFORE, Applicant respectfully requests that the Commission enter its Order:

(a) Establishing a non-standard gas proration unit in the Eumont Gas Pool consisting of the E $\frac{1}{2}$ NE $\frac{1}{4}$  Section 32, E $\frac{1}{2}$ NW $\frac{1}{4}$ , NW $\frac{1}{4}$ NW $\frac{1}{4}$  Section 33, Township 19 South, Range 37 East, N.M.P.M., Lea County, New Mexico, containing 200 acres, more or less.

Respectfully submitted,

GREAT WESTERN DRILLING COMPANY

By *S. B. Christy, Jr.*  
S. B. Christy, Jr., individually for  
Hervey, Dow & Hinkle, as a member of  
the firm  
Box 547, Roswell, New Mexico

*Don't  
Mauler  
4-18-60  
gr*

OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

Date 4-28-60

CASE 1944

Hearing Date 4-27-60

My recommendations for an order in the above numbered cases are as follows:

1. Grant Great Western's application for a NSP in Tumont Gas Pool, 200 Ac, consisting of:

19 S - 37 E

Sec. 32 E/2 NW/4

" 33 E/2 NW/4, NW/4 NW/4.

2. ~~Therefore~~ All such acreage may reasonably considered to be producing gas from Tumont Gas Pool.

3. Usual NSP order otherwise.

*Ernest M. [Signature]*

✓ operator will request forced Pooling on this unit later.

*[Signature]*

Staff Member

BEFORE THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
April 27, 1960

EXAMINER HEARING

IN THE MATTER OF:

Application of Great Western Drilling Company  
for establishment of a 200-acre non-standard  
gas proration unit in the Eumont Gas Pool.  
Applicant, in the above-styled cause, seeks an  
order establishing a 200-acre non-standard gas  
proration unit in the Eumont Gas Pool consist-  
ing of the E/2 NE/4 of Section 32 and the E/2  
NW/4 and NW/4 NW/4 of Section 33, all in Town-  
ship 19 South, Range 37 East, Lea County, New  
Mexico, said unit to be dedicated to its Bor-  
dages Well No. 1 located 330 feet from the  
North line and 270 feet from the West line of  
said Section 33.

Case 1944

BEFORE:

Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

Mr. Utz: The hearing will come to order. Case 1944.

Mr. PAYNE: Application of Great Western Drilling Company  
for establishment of a 200-acre non-standard gas proration unit  
in the Eumont Gas Pool.

MR. CHRISTY: Sim Christy, Hervey, Dow & Hinkle, for  
the applicant Great Western Drilling. Mr. Examiner, as the testi-  
mony will bring out, the offset operators are Shell, Sinclair,  
Aztec, Gulf, Texaco, Atlantic, Ohio, and Amerada. We have sent,

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ALBUQUERQUE, NEW MEXICO





by registered return receipt, a copy of the application to each of those operators, and we have the registered return receipts, together with a letter of consent from Shell. We have two short witnesses; the first, Mr. Huckaby.

(Witness sworn.)

JOHN HUCKABY

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

DIRECT EXAMINATION

BY MR. CHRISTY::

Q Would you please state your name, address and occupation?

A John Huckaby, Midland, Texas; land man, Great Western Drilling Company.

Q Mr. Huckaby, are you familiar with the application in this case, being No. 1944, before the New Mexico Oil Conservation Commission, and what it seeks?

A Yes, sir.

Q What does the application seek, briefly?

A It seeks to obtain the approval for the establishment of a non-standard gas proration unit in Eumont Gas Pool, Lea County, New Mexico.

Q What is the land involved, Mr. Huckaby?

A The lands involved are the East half of the Northwest Quarter and the Northwest Quarter of the Northwest Quarter of



Section 33, and the East half of the Northeast quarter of Section 32, Township 19 South, Range 37 East.

Q Now, are all of these lands within the Eumont Gas Pool horizontal limit?

A No, sir; they are not. The land in Section 33 is within the horizontal limits of the Eumont Gas Pool, and the land in Section 32 is within one mile.

Q Now, I believe the interested parties -- let me go back. Do you have a map of this area?

A Yes, sir.

Q That has been marked as Exhibit 1 in this case?

A Yes, sir.

Q And I believe the proposed non-standard gas proration unit is outlined in yellow?

A Yes, sir.

Q Now, I notice other coloration, orange, green, red, et cetera. What are those?

A They represent other units pertaining to the gas wells located in that area.

Q They are other gas proration units for Eumont gas production?

A That's right.

Q So your land in question appears to be surrounded by and isolated from other such units?

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A Yes, sir; that is correct.

Q Now, I believe the interested parties in the proposed area have entered into a communitization agreement; is that correct?

A Yes, sir.

Q Have all the parties signed the communitization agreement?

A All the working interest owners have signed the communitization agreement and all of the royalty and overriding royalty owners who have signed are listed in the application, and comprise approximately 85 to 90 per cent of the total.

Q How do you propose to acquire the other 15 per cent of royalty interests?

A By forced pooling.

Q I believe they are substantially unknown people?

A Yes, sir.

Q Now, what type of land do we have here with relation to ownership of mineral rights?

A The land in Section 33 is owned by the Federal Government under Federal lease; and the land in Section 32 is fee land.

Q Has this communitization agreement been approved by the United States of America?

A Yes, sir. The U.S.G.S. in Roswell has advised us they have approved it and we will get their formal approval when we submit to them the communitization agreements.



A Yes, it is.

Q What well do you propose to dedicate?

A The Bordages Well.

Q Where is it located?

A Northwest Quarter of the Northwest Quarter of Section 33.

MR. CHRISTY: I believe that is all from this witness.

CROSS-EXAMINATION

BY MR. PAYNE:

Q Mr. Huckaby, I believe you testified that the East Half of the Northwest Quarter is not within the horizontal limits of the Eumont Gas Pool?

A The East Half of the Northwest Quarter? No, sir.

Q East Half of the Northeast quarter of 32?

A That is correct; it is not within the horizontal limits of the Eumont Gas Pool, but it is within one mile.

Q How can that be? These other units shown on your Exhibit 1, are these Eumont Gas Wells?

A I am not sure what wells they are, but I don't believe they are. Some of them are not in the Eumont Gas Pool.

Q Well, I believe all of Section 32 is.

Q You may be correct, sir. In looking over Byram's book I did not find Section 32. However, of course, these would have to be put in units because they are within one mile.

Q I believe the Examiner can take administrative notice of



the fact that Section 32 is in the Eumont Gas Pool.

MR. UTZ: For your information, Examiner did check and it is in the middle of the Eumont.

Q (By Mr. Payne) What is presently dedicated to the Bordages Well?

A 120 acres, being the East Half of the Northwest Quarter of the Northwest Quarter of Section 33.

Q And the East Half of the Northeast Quarter of 32 is not now presently dedicated to any Eumont Gas wells?

A That is correct.

MR. UTZ: Any other questions of the witness? If not, the witness may be excused.

MR. CHRISTY: Call Mr. Hampton, please. (Witness sworn.)

JOHN HAMPTON

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

DIRECT EXAMINATION

BY MR. CHRISTY:

Q Would you state your name, address and occupation?

A John Hampton, 509 North Lorraine Street, Midland, Texas.

Q What do you do?

A Chief Production Engineer for Great Western Drilling Company.

Q Are you familiar with the land and well involved in this

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application, being Case No. 1944 before the New Mexico Oil Conservation Commission?

A Yes, sir.

Q Have your qualifications previously been accepted as geologist and petroleum engineer by this Commission?

A Yes, sir; they have.

Q Does the Examiner have any questions concerning the qualifications of the witness?

MR. UTZ: No, sir.

Q (By Mr. Christy) Would you briefly tell us the production history on this well which Mr. Huckaby stated was to be utilized in the unit?

A This Bordages No. 1 Well is located 330 feet from the North line, 270 feet from the West line, of Section 33, Township 19 South, Range 37 East. That well was drilled in September of 1937, prior, I believe, to the completion of this particular gas pool.

Q I believe the rules on the pool were created by Order R-368 of September 28, 1953?

A I believe that is correct; yes, sir.

Q What is the gas-oil ratio at present?

A Well, it is certainly in excess of the 100,000 to 1 as required by the rule. I believe, to the best of my knowledge, the well produces no liquids at all; all gas.

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Q Now, do you feel that this well will effectively and efficiently drain all Eumont gas production under the proposed non-standard gas proration area?

A In my opinion it would under these circumstances.

Q Would the correlative rights of any interested party be violated by the granting of this non-standard gas proration unit?

A No, sir.

Q Do you see where waste may be occasioned by virtue of granting of the application?

A No, sir.

Q Would each of the persons owning an interest in production receive their fair share of production under this non-standard unit?

A Yes, sir.

Q They would because it will drain; is that correct, sir?

A Yes, sir.

Q I notice down here, Mr. Hampton, there are only 40 acres that appear to be dedicated to that Atlantic Well in the North-east Southeast of Section 32. Do you know anything about that well?

A Well, my understanding is that that well will barely, or possibly not even, make the allowable for that particular 40 acre tract.

MR. CHRISTY: I believe that is all from this witness.

CROSS-EXAMINATION



BY MR. UTZ:

Q Mr. Hampton, do you have any tests on the Bordages No. 1 to show what it will produce?

A Yes, sir; we have a relatively recent test. I believe 2.8 million was the test of that well.

Q What kind of a test was that?

A I believe that was the test required by the Commission.

Q Open flow, 4-point test?

A I believe so; yes.

Q Do you have that test available?

A Mr. Utz, I am not sure I have the last test.

Q Have you made a study to determine whether or not this well will make its non-marginal allowable?

A Yes, sir, it will.

Q What is the completion interval?

A 3,530 feet to 3,580 feet.

Q What zone is it completed in?

A I believe that is the Queen sand.

Q The Queen is in the vertical limits of the Eumont?

A Yes, sir.

Q Do you have any knowledge of the producing characteristics of the wells around this?

A No, I do not.

MR. PAYNE: Mr. Hampton, is this well substantially in





balance at the present time?

A I believe, Mr. Payne, it is over-produced right now.

Q Do you think if the requested acreage to be dedicated to this well is approved it would be contingent on bringing the oil in substantial balance inasmuch as the allowable does not go up proportionately to the additional acreage added?

A We would have no objection to that. I think it goes up a little.

Q As I understand it, all you are asking for at this time is the non-standard unit, and if that is granted subsequently you are going to ask for a forced pooling order?

A That is correct; yes, sir.

Q And in the meantime you will keep the funds separate so as to protect the non-consenting royalty owners?

A Correct; yes, sir.

MR. UTZ: Do you know offhand how much over-produced the well is; approximately how long would it take to get in balance?

A I think it is almost in balance. It occurs pretty regularly on this well, it gets over-produced when there is a demand. I believe the gas company over-produces it a bit at times, but I think it is essentially in balance.

MR. UTZ: Any other questions of the witness? If not, he may be excused.

MR. CHRISTY: We would like to offer in evidence applicant's Exhibit 1, and that is all we have for the applicant.



MR. JUDGE: Are there any other statements to be made in this case? If not, the case will be taken under advisement.

STATE OF NEW MEXICO )  
COUNTY OF BERNALILLO ) ss

I, the 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.

*Jane Paige*  
Court Reporter

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 1944, heard by me on *April 27*, 19 *60*.  
*Paul H. W.*, Examiner  
New Mexico Oil Conservation Commission

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



DRAFT  
OEP:esr  
May 2

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

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

CASE No. 1944

Order No. R-1663

APPLICATION OF GREAT WESTERN  
DRILLING COMPANY FOR ESTABLISH-  
MENT OF A 200-ACRE NON-STANDARD  
GAS PRORATION UNIT IN THE EUMONT  
GAS POOL, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on  
April 27, 1960, at Santa Fe, New Mexico, before Elvis A. Utz  
Examiner duly appointed by the Oil Conservation Commission of New  
Mexico, hereinafter referred to as the "Commission," in accordance  
with Rule 1214 of the Commission Rules and Regulations.

NOW, on this May day of April, 1960, the Commission,  
a quorum being present, having considered the application, the  
evidence adduced, and the recommendations of the Examiner, Elvis A.  
Utz, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required  
by law, the Commission has jurisdiction of this cause and the sub-  
ject matter thereof.

(2) That by virtue of a communitization agreement, the applicant, Great Western Drilling Company, is the operator of a 200-acre tract in the Eumont Gas Pool consisting of the E/2 NE/4 of Section 32 and the E/2 NW/4 and NW/4 NW/4 of Section 33, all in Township 19 South, Range 37 East, Lea County, New Mexico.

(3) That the applicant proposes that the above-described 200-acre tract be established as a non-standard gas proration unit in the Eumont Gas Pool and that it be dedicated to the Bordages Well No. 1, located 330 feet from the North line and 270 feet from the West line of said Section 33.

(4) That the above-described 200-acre tract can reasonably be presumed to be productive of gas from the Eumont Gas Pool.

(5) That establishment of the above-described 200-acre non-standard gas proration unit <sup>in the Eumont Gas Pool</sup> will neither cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

(1) That a 200-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the E/2 NE/4 of Section 32 and the E/2 NW/4 and NW/4 NW/4 of Section 33, all in Township 19 South, Range 37 East, Lea County, New Mexico, be and the same is hereby established. Said unit is to be dedicated to the applicant's Bordages Well No. 1, located 330 feet from the North line and 270 feet from the West line of said Section 33.

(2) That the allowable assigned to the above-described 200-acre non-standard gas proration unit shall bear the same ratio to a standard allowable in the Eumont Gas Pool as the acreage in said unit bears to the acreage in a standard gas proration unit in the Eumont Gas Pool.

(3) That this order shall become effective on May 1, 1960; provided however, that if the said Bordages Well No. 1 is not substantially in balance on May 1, 1960, this order shall become effective on the first day of the month following the month in which the well has been brought substantially in balance. The

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CASE No. 1944

Order No. R-\_\_\_\_\_

applicant shall notify the Proration Manager, Hobbs, New Mexico,  
as soon as possible after the subject well is brought into  
balance.

DONE at Santa Fe, New Mexico,-----

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

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

CASE No. 1944  
Order No. R-1663

APPLICATION OF GREAT WESTERN  
DRILLING COMPANY FOR ESTABLISH-  
MENT OF A 200-ACRE NON-STANDARD  
GAS PRORATION UNIT IN THE EUMONT  
GAS POOL, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on April 27, 1960, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 9th day of May, 1960, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That by virtue of a communitization agreement, the applicant, Great Western Drilling Company, is the operator of a 200-acre tract in the Eumont Gas Pool consisting of the E/2 NE/4 of Section 32 and the E/2 NW/4 and NW/4 NW/4 of Section 33, all in Township 19 South, Range 37 East, Lea County, New Mexico.
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- (4) That the above-described 200-acre tract can reasonably be presumed to be productive of gas from the Eumont Gas Pool.
- (5) That establishment of the above-described 200-acre non-standard gas proration unit in the Eumont Gas Pool will

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CASE No. 1944  
Order No. R-1663

neither cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

(1) That a 200-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the E/2 NE/4 of Section 32 and the E/2 NW/4 and NW/4 NW/4 of Section 33, all in Township 19 South, Range 37 East, Lea County, New Mexico, be and the same is hereby established. Said unit to be dedicated to the applicant's Bordages Well No. 1, located 330 feet from the North line and 270 feet from the West line of said Section 33.

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(3) That this order shall become effective on May 1, 1960; provided however, that if the said Bordages Well No. 1 is not substantially in balance on May 1, 1960, this order shall become effective on the first day of the month following the month in which the well has been brought substantially in balance. The applicant shall notify the Proration Manager, Hobbs, New Mexico, as soon as possible after the subject well is brought into balance.

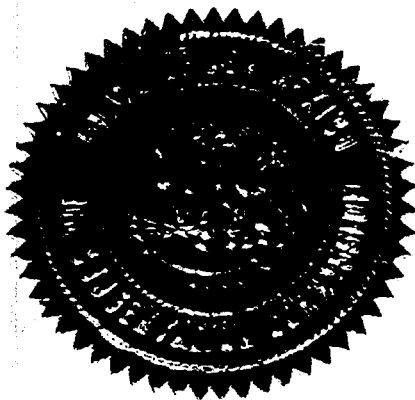
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*John Burroughs*  
JOHN BURROUGHS, Chairman

*Murray E. Morgan*  
MURRAY E. MORGAN, Member

*A. L. Porter, Jr.*  
A. L. PORTER, Jr., Member & Secretary



esr/