

Case No.

654

Application, Transcript,
Small Exhibits, Etc.

N.C.

CASE 654: Ohio Oil Company
Unorthodox Gas Proration Unit
Blinberry Gas Pool

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
February 17, 1954

TRANSCRIPT OF PROCEEDINGS
Case No. 654

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

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
February 17, 1954

IN THE MATTER OF:

The application of the Ohio Oil Company for
approval of an 80-acre unorthodox gas pro-
ration unit in exception to Rule 7(a) of)
Order No. R-372-A, said unit to consist of E/2) CASE NO. 654
SW/4 Section 24, Township 22 South, Range 37E,)
Lea County, New Mexico, in the Blinebry Gas Pool.)

(Notice of Publication read.)

MR. EVERETT: Before I start the examination of the witness, let me state this is an application of Ohio Oil Company for an unorthodox gas proration unit covering the Ohio Jal Blinebry Gas Pool, Lea County New Mexico, located on the east half of the southwest quarter of Section 24, Township 22 South, Range 37 East. I will ask the Commission to take judicial notice of its records showing the filing of the application, the application itself, and the filing thereof, also the request for gas allowable and the designation of the gas well as shown by a plat filed with the Commission.

COE MILLS,

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

DIRECT EXAMINATION

By MR. EVERETT:

Q Please state your name?	A Coe Mills.
Q By whom are you employed?	A Ohio Oil Company.
Q In what capacity?	A District Manager.
Q Where is your office?	A Midland, Texas.
Q The land I have just described, is that in your district?	
A It is.	
Q I will ask you, as shown by the records of the Ohio Oil Com-	

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

pany, who are the owners of the tracts which adjoin the tract in question?

A Phillips, Gulf and R. Olsen.

Q Did you, at any time, notify them of the filing of this application?

A On or about January 10th, we notified them by letter.

Q Did they have any objection to the proposed unorthodox unit?

A We have received no objections.

Q I will hand you Applicant's Exhibit 1 and ask you to state what that is?

A That is the application of the Ohio Oil Company for an unorthodox proration unit covering Ohio J. L. Munsy lease.

Q Referring to page 2 of the application, will you please state what appears there?

A It is signed by the Phillips Petroleum Company stating that they have no objections to such unit.

Q The Phillips Petroleum Company and the Ohio Oil Company are the owners of the acreage involved in the application?

A That is right.

Q You have received no objection from any of the other adjoining operators?

A That is correct.

Q I will ask you to state referring to Ohio's proposed Exhibit 2, the location of the Blinebry Gas Well.

A The location of the J. L. Munsy 3 is 440 from the west line, 350 from the south line of the south east of the south west Section 24, Township 22, Range 37 East.

Q Do you know when the well referred to on the plat was completed as a gas well?

A It was completed as a gas well, January 3, 1949, from the Blinebry.

MR. EVERETT: We offer in evidence Applicant's Exhibits 1 and 2.

MR. SPURRIER: Without objection they will be admitted.

MR. EVERETT: That is all.

MR. SPURRIER: Anyone have any questions of the witness?
If not, the witness may be excused.

(Witness excused.)

MR. SPURRIER: Does anyone have anything further in this case? If not, we will take the case under advisement and move on to Case 655.

C E R T I F I C A T E

I, ADA DEARNLEY, COURT REPORTER, do hereby certify that the foregoing and attached transcript of hearing in Case No. 654, before the Oil Conservation Commission, State of New Mexico, at Santa Fe, New Mexico on February 17, 1954, is a true and correct record of the same to the best of my knowledge, skill and ability.

DATED at Albuquerque, New Mexico, this 23rd day of February, 1954.


REPORTER

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 105-106, EL CORTEZ BLDG.
PHONE 7-9046 AND 8-9546
ALBUQUERQUE, 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 THE STATE OF NEW
MEXICO FOR THE PURPOSE OF CON-
SIDERING:

CASE NO. 654
Order No. R-446

THE APPLICATION OF OHIO OIL COMPANY
FOR AN ORDER GRANTING APPROVAL OF AN
EXCEPTION PURSUANT TO RULE 7 (a) OF
ORDER NO. R-372-A IN ESTABLISHMENT OF
AN UNORTHODOX GAS PRORATION UNIT OF
80 CONTIGUOUS ACRES CONSISTING OF EAST
HALF SOUTHWEST QUARTER OF SECTION 24,
TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM.,
LEA COUNTY, NEW MEXICO IN THE BLINEBRY
GAS POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m., on February 17, 1954, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 16th day of April, 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-372-A the Commission has power and authority to permit the formation of a gas proration unit consisting of other than a legal quarter section after notice and hearing by the Commission.

(3) That applicant, Ohio Oil 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 22 SOUTH, RANGE 37 EAST, NMPM
E/2 SW/4 Section 24

containing 80 acres, more or less.

(4) That applicant, Ohio Oil Company, has a producing well on the aforesaid lease known as J. L. Muncy, No. 3, located 350 feet from the south line and 1720 feet from the west line of Section 24, Township 22 South, Range 37 East.

Order No. R-446

(5) That the aforesaid well was completed and in production prior to January 1, 1954, the effective date of Order No. R-372-A, and is located within the limits of the pool heretofore delineated and designated as the Blinebry Gas Pool.

(6) That it is impractical to pool applicant's said lease with adjoining acreage in the SW/4 of Section 24, Township 22 South, Range 37 East and that the owners of adjoining acreage in said quarter section have not objected to the formation of the proposed proration unit of 80 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 Blinebry Gas Pool.

(8) That creation of a proration unit consisting of the aforesaid acreage will not cause but will prevent waste, will protect correlative rights, and is necessary to prevent confiscation of applicant's property.

IT IS THEREFORE ORDERED:

(1) That the application of Ohio Oil Company for approval of an unorthodox proration unit consisting of the following described acreage

TOWNSHIP 22 South, RANGE 37 East, NMPM.
E2 SW/4 of Section 24

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

(2) That applicant's well, J L. Muncy, No. 3, located in the SE/4 SW/4 of Section 24, Township 22 South, Range 37 East, NMPM., shall be granted an allowable from January 1, 1954 in the proportion that the above described 80-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

E. L. Mechem
EDWIN L. MECHEM, Chairman

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

R. R. Spurrer
R. R. SPURRIER, Secretary and Member

(SEAL)

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

April 27, 1954

C
O
P
Y

THE OHIO OIL COMPANY
Box 3128
HOUSTON 1 - TEXAS

Attention: Mr. W. H. Everett, Attorney

Gentlemen:

We enclose signed copies of Order R-446 issued by the Commission in Case 654, brought up for hearing upon your company's application for approval of an unorthodox gas proration unit.

Very truly yours,

W. B. Macey
Chief Engineer

WBM:nr

January 7, 1954

OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
SANTA FE, NEW MEXICO

GENTLEMEN:

Re: Application for unorthodox Gas Proration
Unit, Ohio's J.L. Muncy Lease, Blinebry
Gas Pool, Lea County, New Mexico

The Ohio Oil Company makes application under Rule 7(a) of the Rules and Regulations applicable to the Blinebry Gas Pool (Case No. 586, Order No. R-372-A) for a non-standard gas proration unit, and in support of its application, states:

(1) That The Ohio Oil Company and Phillips Petroleum Company are the joint owners of the oil and gas leasehold estate on the East one-half (E/2) of the Southwest Quarter (SW/4) of Section 24, Township 22 South, Range 37 East, Lea County, New Mexico; that The Ohio Oil Company is the Operator of such lease under an Operating Agreement entered into between The Ohio Oil Company and Phillips Petroleum Company.

(2) That The Ohio Oil Company and Phillips Petroleum Company completed on the above described 80 acre tract of land on January 3, 1949, Well No. 3 in the Blinebry Gas Reservoir; that such well is located 350 feet North of the South line and 440 feet East of the West line of said 80 acre tract.

(3) That the applicant proposes that the aforesaid described 80 acre tract be established as a non-standard gas proration unit.

(4) That there is attached to this application a plat showing the location of the proposed unit and the location of the surrounding tracts.

(5) That according to our records the leases on the adjoining 160 acre tracts are owned by Phillips Petroleum Company, Gulf Oil Corporation, and R. Olsen Oil Company.

(6) That the acreage assigned to the non-standard unit lies wholly within a legal quarter section and contained on November 10, 1953 a well capable of producing gas into a gas transportation facility.

(7) That The Ohio Oil Company has requested written consent in the form of waivers from all operators in the adjoining 160 acre proration units.

(8) That copies of the written consent will be sent to the Commission

when they have been received by The Ohio Oil Company.

We respectfully request that this application be filed and considered in accordance with the Rules and Regulations.

THE OHIO OIL COMPANY

By

W. J. Everett
Attorney

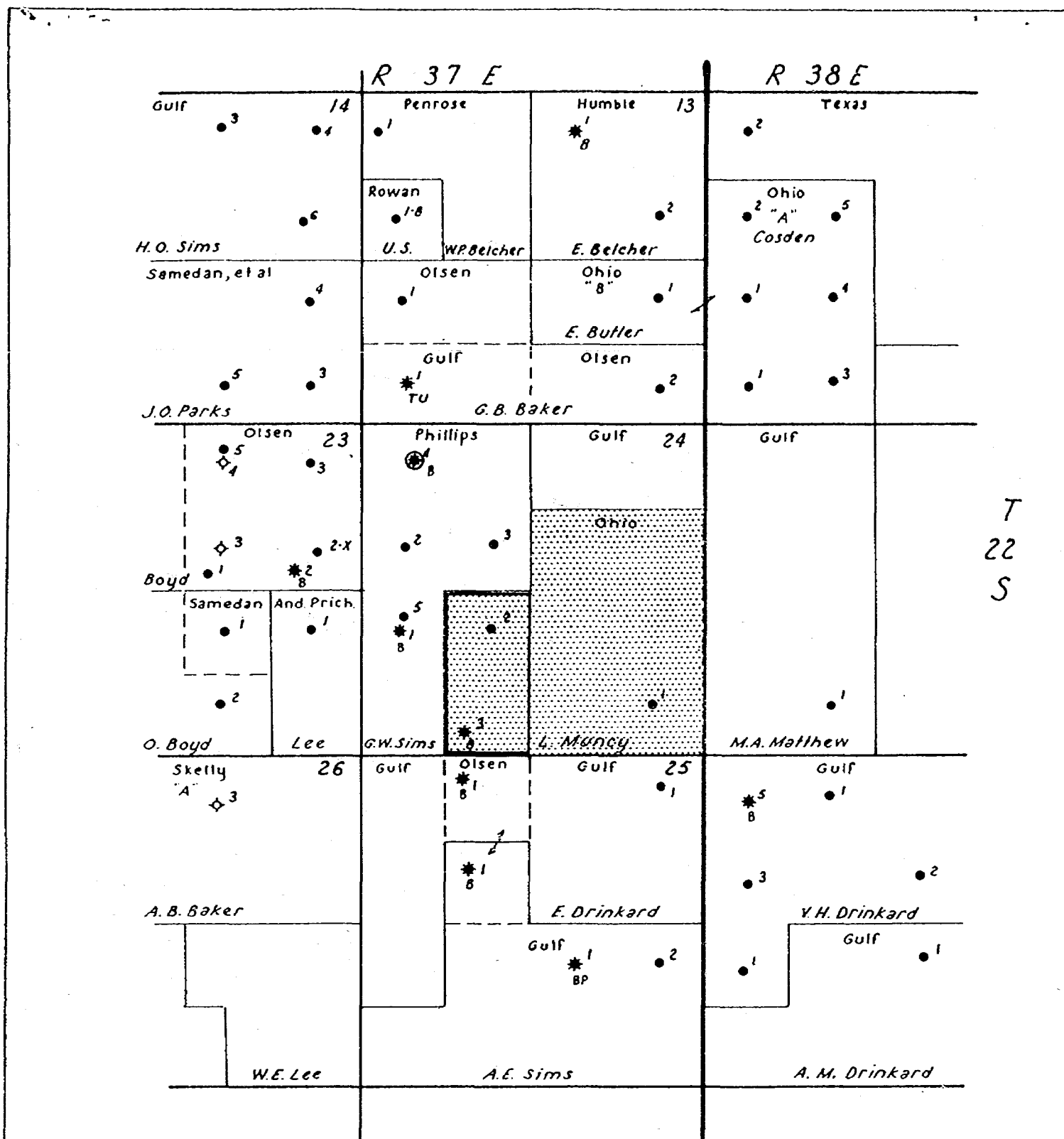
P.O. Box 3128
Houston 1, Texas

The undersigned, an operator in the adjoining 160 acre proration unit, acknowledges receipt of a copy of the foregoing application for a non-standard proration unit and hereby grants consent for the creation of such proration unit, this the 31 day of JANUARY, A.D. 1954.

PHILLIPS PETROLEUM COMPANY

By

Don L. Hays



PLAT OF OHIO'S APPLICATION FOR
UNORTHODOX GAS PRORATION UNIT

Exhibit 1 page 3 SCALE
1"=2000'

January 7, 1954

OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
SANTA FE, NEW MEXICO

GENTLEMEN:

Re: Application for unorthodox Gas Proration Unit,
Ohio's J.L. Muncy Lease, Blinebry Gas Pool,
Lea County, New Mexico

The Ohio Oil Company makes application under Rule 7(a) of the Rules and Regulations applicable to the Blinebry Gas Pool (Case No. 586, Order No. R-372-A) for a non-standard gas proration unit, and in support of its application, states:

(1) That the Ohio Oil Company and Phillips Petroleum Company are the joint owners of the oil and gas leasehold estate on the East one-half (E/2) of the South-west Quarter (SW/4) of Section 24, Township 22 South, Range 37 East, Lea County, New Mexico; that The Ohio Oil Company is the Operator of such lease under an Operating Agreement entered into between The Ohio Oil Company and Phillips Petroleum Company.

(2) That The Ohio Oil Company and Phillips Petroleum Company completed on the above described 80 acre tract of land on January 3, 1949, Well No. 3 in the Blinebry Gas Reservoir; that such well is located 350 feet North of the South line and 440 feet East of the West line of said 80 acre tract.

(3) That the applicant proposes that the aforesaid described 80 acre tract be established as a non-standard gas proration unit.

(4) That there is attached to this application a plat showing the location of the proposed unit and the location of the surrounding tracts.

(5) That according to our records the leases on the adjoining 160 acre tracts are owned by Phillips Petroleum Company, Gulf Oil Corporation, and R. Olsen Oil Company.

(6) That the acreage assigned to the non-standard unit lies wholly within a legal quarter section and contained on November 10, 1953 a well capable of producing gas into a gas transportation facility.

(7) That The Ohio Oil Company has requested written consent in the form of waivers from all operators in the adjoining 160 acre proration units.

(8) That copies of the written consent will be sent to the Commission when they have been received by The Ohio Oil Company.

We respectfully request that this application be filed and considered in accordance with the Rules and Regulations.

THE OHIO OIL COMPANY
By W. H. Everett

Attorney
P.O. Box 3128
Houston, Texas

(The above mentioned plat is on file with the O.C.C.
in Santa Fe, New Mexico.)

The Ohio Oil Co.

P. O. BOX 3128
HOUSTON, TEXAS

January 8, 1954

*No hearing
necessary if
waivers
granted.
W.H.E.*

JAN 13 1954

The Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico

Gentlemen:

Enclosed please find four (4) copies of application for unorthodox gas proration unit covering a portion of The Ohio Oil Company's J.L. Muncy lease in the Blinbry Gas Pool, Lea County, New Mexico. As stated therein, copies of the application are being furnished to operators on the adjoining 160 acre tracts. We are hopeful that written consents will be received from them in the near future. On receipt thereof, those consents will be filed.

Very truly yours,

W. H. Everett

W.H. EVERETT
Division Attorney

WHE/1
encls

Registered: Return
Receipt Requested



NEW MEXICO
OIL CONSERVATION COMMISSION

Gas Well Plat

Date November 17, 1953

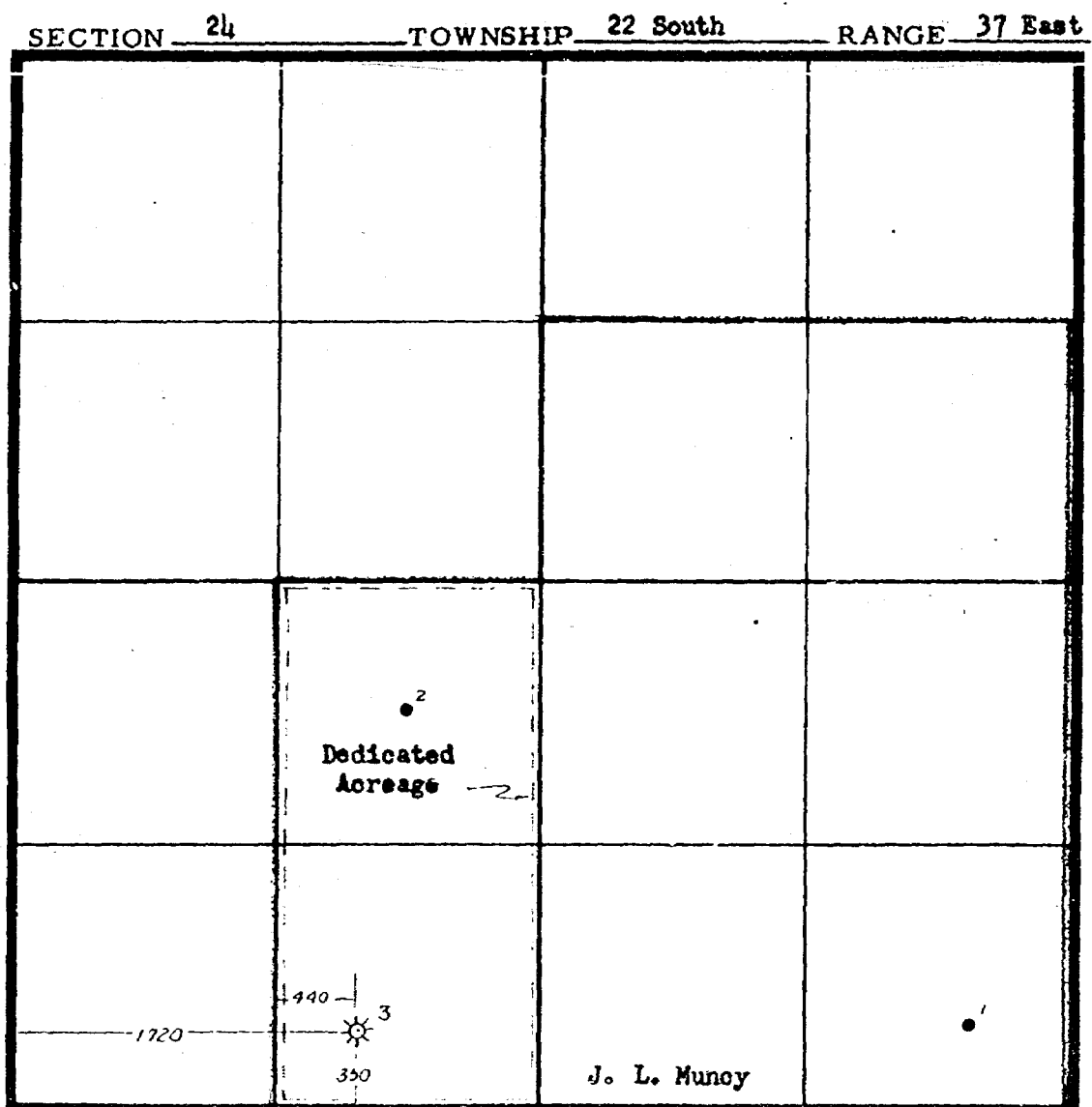
The Ohio Oil Company
Operator

J. L. Munoy
Lease

3
Well No.

Name of Producing Formation Blinebry Pool Blinebry

No. Acres Dedicated to the Well 80



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

Drinkard 1, 2
Blinebry 3

Name _____
Position Petroleum Engineer
Representing The Ohio Oil Company
Address Box 552, Midland, Texas

Exhibit 2 11/18/53

9M4
WJK

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF THE STATE OF NEW
MEXICO FOR THE PURPOSE OF CON-
SIDERING:

CASE NO. 654
Order No. R- 446

THE APPLICATION OF Ohio Oil
Company
FOR AN ORDER GRANTING APPROVAL
OF AN EXCEPTION ^{EXCEPTION} TO RULE 7 (a) OF
ORDER NO. R-372A IN ESTABLISHMENT
OF AN UNORTHODOX GAS PRORATION
UNIT OF 80 CONTIGUOUS ACRES
CONSISTING OF E/2 SW/4 of

Section 24, Township 22
South, Range 37 East, NMPM,
Lea County, New Mexico in
the Blending Gas Pool

BY THE COMMISSION:

ORDER OF THE COMMISSION

This cause came on for hearing at 9 o'clock a. m., on February 17,
1954 at Santa Fe, New Mexico, before the Oil Conservation Commission, herein-
after referred to as the "Commission".

NOW, on this day of April, 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- 372A,
the Commission has power and authority to permit the formation of a gas proration
unit consisting of other than a legal quarter section after notice and hearing by the
Commission.

(3) That applicant, Ohio Oil 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 22 SOUTH, RANGE 37 EAST, NMPM.

E/2 SW/4 Section 24

containing 80 acres, more or less.

Order No. R- 446

(4) That applicant, Ohio Oil Company, has a producing well on the aforesaid lease known as J.L. Muncy, No. 3 located 350' from the South line and 1720' from the West line of Section 24, Township 22 South, Range 37 East.

Split
(5) That the aforesaid well was completed and in production prior to January 1, 1954, the effective date of Order No. R- 372A, and is located within the limits of the pool heretofore delineated and designated as the Blinebry Gas Pool.

IMPRACTICAL
(6) That it is ~~impossible~~ to pool applicant's said lease with adjoining acreage in the SW 1/4 of Section 24, Township 22 South, Range 37 East and that the owners of adjoining acreage in said quarter section have not objected to the formation of the proposed proration unit of 80 acres, but have expressly ~~consented thereto~~.

(7) That unless a proration unit consisting of applicant's aforesaid ^{its} acreage is permitted, applicant will be deprived of the opportunity to recover ~~his~~ just and equitable share of the natural gas in the Blinebry Gas Pool.

(8) That creation of a proration unit consisting of the aforesaid acreage will not cause but will prevent waste, will protect correlative rights, and is necessary to prevent confiscation of applicant's property.

IT IS THEREFORE ORDERED:

(1) That the application of Ohio Oil Company for approval of an unorthodox proration unit consisting of the following described acreage

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM.

E 1/2 SW 1/4 of Section 24

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

Order No. R- 446

(2) That applicant's well, *J. L. Money, No. 3*, located in the *SE/4 SW/4* of Section *24*, Township *22* South, Range *37* East, NMPM, shall be granted an allowable from January 1, 1954 in the proportion that the above described *80* - acre unit bears to the standard or orthodox proration unit for said pool, all until further order of the Commission.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

R. R. SPURRIER, Secretary and Member

(S E A L)