

Case No.

929

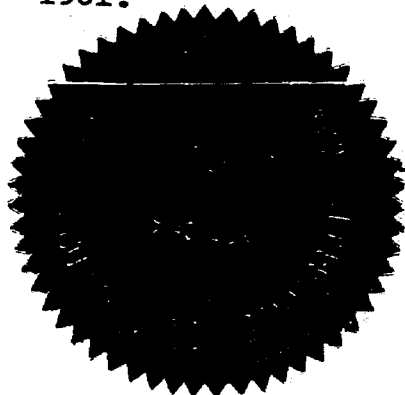
Application, Transcript,
Small Exhibits, Etc.

Application of P. Olsen Oil Co.
for 160-acre non-standard gas proration
unit, 1966, proposed well SE NW 25-22S-37E

CERTIFICATION

I, A. L. PORTER, JR., Secretary-Director
of the New Mexico Oil Conservation Commission,
do hereby certify that this order, Order
No. R-677, is a true and correct copy of the
original on file in the Commission's offices.

IN WITNESS WHEREOF, I have affixed my hand
and Commission seal this 16th day of November,
1961.



A. L. Porter, Jr.
A. L. Porter, Jr.

Subscribed and sworn to before me this 16th day
of November, 1961.

Ala Rodriguez
Notary Public

My commission expires:

September 22, 1965

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. 929
Order No. R-677

THE APPLICATION OF R. OLSEN OIL
COMPANY FOR AN ORDER GRANTING
APPROVAL OF AN EXCEPTION PURSUANT
TO RULE 5 (a) OF THE SPECIAL RULES
AND REGULATIONS FOR THE TUBB GAS POOL
OF ORDER NO. R-586 IN ESTABLISHMENT OF
A NON-STANDARD GAS PRORATION UNIT OF
160 CONTIGUOUS ACRES CONSISTING OF THE
SE/4 NW/4, E/2 SW/4, SW/4 SW/4 OF SECTION
25 TOWNSHIP 22 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 July 14, 1955, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 17th., day of August, 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 of the Tubb Gas Pool of Order No. R-586, 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, R. Olsen 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
SE/4 NW/4, E/2 SW/4, SW/4 SW/4 of Section 25

containing 160 acres, more or less.

(4) That applicant intends to drill a well to the Tubb Gas Pool; said well to be situated in the center of the SE/4 NW/4 of Section 25, Township 22 South, Range 37 East.

(5) That all of the proposed gas proration unit lies wholly within a single governmental section, and the entire proposed unit may reasonably be presumed to be productive of gas from the Tubb Gas Pool.

(6) The proposed gas unit consists of contiguous quarter-quarter sections.

(7) That there were no protests to said application.

(8) That the 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 R. Olsen Oil Company for approval of a non-standard proration unit, consisting of the following described acreage:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
SE/4 NW/4, E/2 SW/4, SW/4 SW/4 of Section 25

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

(2) Upon completion of the applicant's well in the Tubb Gas Pool, said well to be located in the center of the SE/4 NW/4 of Section 25, should said well be productive, the well shall be granted the allowable of 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 hereinafter designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JOHN F. SIMMS, Chairman

E. S. WALKER, Member

W. B. MACEY, Member and Secretary

S E A L

ir/

BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO
July 14, 1955

IN THE MATTER OF:

CASE NO. 929

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES
COURT REPORTERS
605 SIMMS BUILDING
TELEPHONE 3-8891
ALBUQUERQUE, NEW MEXICO

IN THE MATTER OF:

Case 929

TRANSCRIPT OF HEARING

DEWEY WATSON

DIRECT EXAMINATION

~~A Yes, sir.~~

MR. CAMPBELL: Are the witness's qualifications acceptable to the Commission?

MR. MACEY: They are.

Q Are you acquainted with the application of the R. Olsen Oil Company in Case 929?

A Yes, sir.

Q Will you state for the record what you seek by that application?

A We desire for the approval of ¹⁶⁰180-acre non-standard gas proration unit in the Tubb Gas Pool, to consist of the southeast quarter of the northwest quarter, east half of the southwest quarter, southwest quarter of the southwest quarter, Section 25, Township 22 South, Range 37 East. That is to be dedicated to the well that we propose to drill.

Q What other wells are now situated on this proposed unit?

A We have one well completed in the Blinebry gas zone, our Sims No. 1.

Q Has this Commission previously by its order approved the formation of a unit of the same shape and size for the Blinebry Gas Pool?

A Yes, sir, it has.

Q Has your company previously undertaken to obtain approval of royalty owners under this lease, which, I believe, is designated as your Sims lease, and Blinebry lease comprising the balance of the west half of the Section?

A Yes, sir.

Q Have you been able to obtain the approval of royalty owners to a communitization or pooling agreement?

A No, sir.

(R. Olsen Oil Company's Exhibit
No. 1 marked for identification.)

Q I hand you what has been marked R. Olsen's Exhibit No. 1 and ask you to state what that is.

A This is a contour map on the top of the Tubb Formation at 25 foot contour intervals.

Q Did you prepare that contour interpretation?

A Yes, sir, I did.

Q What was it based on?

A It was based on the Tubb zone as designated by the Commission, the top of the Tubb.

Q Based upon your interpretation as indicated by that contour, in your opinion can this entire proposed 160-acre unit reasonably be presumed to be productive of gas from the Tubb Formation?

A Yes, sir, I believe so.

Q All of this unit is situated within a single Section, is it not?

A Yes, sir.

Q All of the tracts involved are contiguous 40-acre tracts, aren't they?

A Yes, sir, they are.

MR. CAMPBELL: That is all.

MR. MACEY: Any questions of the witness? Mr. Watson, I have one question. You say you tried to get the royalty owners' approval. You mean the remaining royalty owners on the other acreage in the west half?

A This 40 is situated in the northwest quarter of Section 25 where the well is proposed. The remaining 120 is in the southwest

quarter. We propose to get the 160 acres in the northwest quarter, and were unable to do so.

MR. WALKER: Did any of them give you any reason for not --

A (Interrupting) That is more or less a family affair and it is a little hard to untangle.

MR. WALKER: Which family?

A Sims.

MR. MACEY: I take it rather than go the route of trying to force the royalty owners to submit to standard 160, you have taken to forming a 160 acre out of one basic lease?

A Yes, sir.

MR. MACEY: Do you intend to do the same thing out of the 160 in the west half?

A Yes, sir.

MR. MACEY: If no further questions, the witness may be excused.

(Witness excused.)

MR. CAMPBELL: I offer in evidence Exhibit No. 1 for R. Olsen Oil Company.

MR. MACEY: Without objection it will be admitted. Anyone have anything further in Case 929? If nothing further, 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 proceedings before the Oil Conservation Commission, 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 26th day of July, 1955.


Notary Public, Court Reporter

My Commission Expires:

June 19, 1959.

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

June 5, 1957

Mr. Phil Randolph
c/o R. Olsen Oil Company
2805 Liberty Bank Building
Oklahoma City, Oklahoma

Re: Case 929, Order R-677

Dear Phil:

Reference is made to your letter of May 31, 1957, concerning the validity of the above captioned order of the Commission.

Order R-677 is still in full force and effect and the Commission will authorize the drilling of the subject well upon proper application to Commission on Form C-101.

Reference is also made to your telephone conversation with Mr. Porter on June 4th concerning Commission forced pooling orders. I am forwarding the most recent order on that subject herewith. The findings in such orders may vary widely; however, the order portion is quite standard with the exception of the "125%" figure in paragraph 3 (b), which figure may fluctuate somewhat depending upon the circumstances in each case.

Yours very truly,

William J. Cooley
Attorney

WJC:bp
Encl.

C
O
P
Y

TEL. FO 5-1518

RECEIVED
MAY 31 1957
R. OLSEN OIL COMPANY

2805 LIBERTY BANK BUILDING

OKLAHOMA CITY, OKLA.

May 31, 1957

CARL I. OLSEN,
PRESIDENT
PHILIP RANDOLPH,
VICE-PRESIDENT
JACK L. NEVILLE,
TREASURER

Re: US-353 Sims
SE $\frac{1}{4}$ NW $\frac{1}{4}$; E $\frac{1}{2}$ SW $\frac{1}{4}$ &
SW $\frac{1}{4}$ SW $\frac{1}{4}$ 25-22S-37E
Lea County, New Mexico

Mr. A. L. Porter, Jr., Director
New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Dear Mr. Porter:

Under date of August 17, 1955, in Case No. 929, Order No. R-677, the Commission approved our application for a non-standard gas proration unit for the above referenced, however due to litigation on subject lease this well has not been drilled. We are interested in knowing whether or not the order would still be in effect at this time, or will it be necessary for us to apply for a new order.

Yours truly,

R. OLSEN OIL COMPANY

WC

By

Philip Randolph
Philip Randolph

cc: Mr. Olsen
Mr. Neville

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. 929
Order No. R-677

THE APPLICATION OF R. OLSEN OIL
COMPANY FOR AN ORDER GRANTING
APPROVAL OF AN EXCEPTION PURSUANT
TO RULE 5 (a) OF THE SPECIAL RULES
AND REGULATIONS FOR THE TUBB GAS POOL
OF ORDER NO. R-586 IN ESTABLISHMENT OF
A NON-STANDARD GAS PRORATION UNIT OF
160 CONTIGUOUS ACRES CONSISTING OF THE
SE/4 NW/4, E/2 SW/4, SW/4 SW/4 OF SECTION
25 TOWNSHIP 22 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 July 14, 1955, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 17th., day of August, 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 of the Tubb Gas Pool of Order No. R-586, 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, R. Olsen 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
SE/4 NW/4, E/2 SW/4, SW/4 SW/4 of Section 25

containing 160 acres, more or less.

(4) That applicant intends to drill a well to the Tubb Gas Pool; said well to be situated in the center of the SE/4 NW/4 of Section 25, Township 22 South, Range 37 East.

(5) That all of the proposed gas proration unit lies wholly within a single governmental section, and the entire proposed unit may reasonably be presumed to be productive of gas from the Tubb Gas Pool.

(6) The proposed gas unit consists of contiguous quarter-quarter sections.

(7) That there were no protests to said application.

(8) That the 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 R. Olsen Oil Company for approval of a non-standard proration unit, consisting of the following described acreage:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
SE/4 NW/4, E/2 SW/4, SW/4 SW/4 of Section 25

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

(2) Upon completion of the applicant's well in the Tubb Gas Pool, said well to be located in the center of the SE/4 NW/4 of Section 25, should said well be productive, the well shall be granted the allowable of 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, Chairman

E. S. WALKER, Member

W. B. MACEY, Member and Secretary

S E A L
ir/

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

August 24, 1955

Mr. Jack M. Campbell
Campbell & Russell
J. P. White Building
Roswell, New Mexico

Dear Sir:

In behalf of your client, R. Olsen Oil Company, we enclose
a copy of Order R-677 issued in Case 929 and dated August 17,
1955.

Very truly yours,

W. B. Macey
Secretary - Director

WBM:brp
Enclosure

C
O
P
Y

Memo

From WWM

7/15/55

Re: Case #929

To JWG

OK. to write order approving 160 acre
unit as requested. No objection.

Without transcript.

WWM

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. _____
Order No. R- _____

THE APPLICATION OF *Olsen Oil Company*
FOR AN ORDER GRANTING APPROVAL OF
AN EXCEPTION PURSUANT TO RULE 5 (a) *of the Special Rules for the Tubbs*
Gas Pool OF ORDER NO. R-~~520~~ IN
ESTABLISHMENT OF AN UNORTHODOX GAS
PRORATION UNIT OF *160* CONTIGUOUS ACRES
CONSISTING OF *the SE 1/4 NW 1/4, E 1/2 SW 1/4, SW 1/4 SW 1/4 of Section 25*
Township 22 South, Range 37 East N.M.P.M. Lee County
New Mexico

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m. on *July 14, 1955*
before the Oil Conservation Commission, hereinafter
referred to as the "Commission".

NOW, on this *14th day of July*, 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 for the Tubbs Gas Pool*
No. R-~~520~~, 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, *Olsen Oil Company* is the owner of an oil and gas lease in
Lee County New Mexico the land consisting of other than a legal *quarter* section, and
described as follows, to-wit:

Order No. R-

Township 22 South Range 37 East N.M.P.M.
SE/4 NW/4 Section 25
E/2 SW/4 Section 25
SW/4 SW/4 Section 25

containing 60 acres, more or less.

(4) That applicant, Olsen Oil Company has a producing well on the afore-
said lease known as located feet from the and
feet from the of Section Township Range

(5) That the aforesaid well was completed and in production
prior to the effective date of Order No. R-520, and is located within
the horizontal limits of the pool heretofore delineated and designated as the
Gas Pool;

(6) That it is impractical to pool applicant's said lease with adjoining acreage
in the

and that the owners of adjoining acreage in said area have not objected to the formation
of the proposed proration unit of 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 equit-
able share of the natural gas in the 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 for approval of an unorthodox
proration unit consisting of the following described acreage:

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

(2) That applicant's well, located in the
shall be granted an allowable in the proportion that the above described acre unit
bears to the standard or orthodox proration unit for said pool, all until further order of
the Commission.

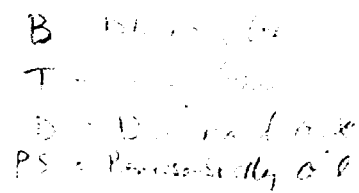
DONE at Santa Fe, New Mexico, the day and year hereinabove designated.

Case # 929

① OK

② @ 10¢ ?
will do ?

R 381



C. 927

Case 929

MAILED 100

LAW OFFICES OF
CAMPBELL & RUSSELL
J. P. WHITE BUILDING
ROSWELL, NEW MEXICO

JACK M. CAMPBELL
JOHN F. RUSSELL

TELEPHONES
4978 - 4287

June 22, 1955

W. B. Macey, Secretary-Director
Oil Conservation Commission of N. M.
Santa Fe, New Mexico

Dear Mr. Macey:

We are enclosing herewith original and two copies of an Application for a non-standard gas proration unit in the Tubb Gas Pool.

We are quite anxious, if possible, to have this case heard at the regular July hearing of the Commission. You will note that the plat referred to in the application is not attached but we expect to file it with the Commission on June 28th when we will be in Santa Fe in connection with the state-wide hearing.

We would appreciate your assistance in connection with this matter. If it is impossible to get it heard in July please set it down for the August hearing.

With kindest regards, we are

Very truly yours,

CAMPBELL & RUSSELL

By *Jack M. Campbell*

JMC:le

cc: R. Olsen Oil Company
2805 Liberty Bank Bldg.
Oklahoma City, Okla.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION)
OF R. OLSEN OIL COMPANY FOR AN)
EXCEPTION TO RULE 5(a) OF THE)
SPECIAL RULES FOR THE TUBB GAS)
POOL, LEA COUNTY, NEW MEXICO,)
CREATING THE GAS PRORATION UNIT)
CONSISTING OF THE SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$,)
SW $\frac{1}{4}$ SW $\frac{1}{4}$ OF SECTION 25, TOWNSHIP 22)
SOUTH, RANGE 37 EAST, N.M.P.M.)
LEA COUNTY, NEW MEXICO)

Case No. 927

APPLICATION

Comes now R. Olsen Oil Company and requests the Commission to grant it an exception to Rule 5(a) of the Special Rules of the Tubb Gas Pool, Lea County, New Mexico, and as its grounds therefor states:

1. Applicant is the operator of its Sims No. 1 gas well in the Blinebry Gas Pool situated in the NW $\frac{1}{4}$ SE $\frac{1}{4}$ Section 25, Township 22 South, Range 37 East, to which well it has dedicated for gas proration purposes the SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$ and SW $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 25, and the Commission has heretofore by proper order allocated a 160-acre gas allowable from the Blinebry Gas Pool to such unit.

2. Applicant intends to drill a well to the Tubb Gas Pool, said well to be situated in the center of the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of said Section 25, and to dedicate to said well for gas proration purposes out of the Tubb Gas Pool the same acreage as has heretofore been approved by the Commission for a Blinebry gas unit.

3. All of the proposed gas proration unit lies wholly within a single governmental section, and the entire proposed unit may reasonably be presumed to be productive of gas from the Tubb Gas Pool.

4. The proposed gas unit consists of contiguous quarter-quarter sections.

5. There is attached hereto a plat showing the acreage to be dedicated, the proposed well location, and the offset ownership.

6. The approval of this application will not adversely affect the correlative rights of any offset owner and will protect the correlative rights of applicant and prevent waste.

WHEREFORE, applicant requests the Commission to set this matter down for hearing, to publish notice as required by law, and to issue its order granting applicant an exception to Rule 5(a) of Order No. R-586 as requested.

R. OLSEN OIL COMPANY

By Jack M. Campbell
Jack M. Campbell
for CAMPBELL & RUSSELL
its attorneys

