<u>CASE 1567</u>: Olsen Oils, Inc. application for 160-acre NS gas proration unit, Tubb Gas Pool, or in the alternative for forced pooling.

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Case No. 1567 Replication, Transcript, Small Exhibits, Etc.

BEFORE THE OIL CONSERVATION COMMISSION DECEMBER 10, 1958

IN THE MATTER OF:

APPLICATION OF OLSEN OILS, INC, CASE 1567

TRANSCRIPT OF HEARING

DEARNLEY - MEIER & ASSOCIATES GENERAL LAW REPORTERS ALBUQUERQUE NEW MEXICO Phone Chapel 3-6691

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BRFORE THE OIL CONSERVATION COMMISSION DECEMBER 10, 1958 2

IN THE MATTER OF: Application of Olsen Oils, Inc, for a non-standard gas proration unit. Applicant, in the above-styled) cause, seeks an order establishing a 160-acre non-standard gas proration unit in the Tubb Gas Pool consisting of the N/2 NW/4, SW/4 NW/4 and the NW/4 SW/4 of Section 25, Township 22 South, Range 37 East, Lea County, New Mexico; or Case in the alternative for a compulsory pooling order 1567 pooling all interests within the vertical limits of the Tubb Gas Pool in the NW/4 of said Section 25 as one Tubb Gas Unit and a like order pooling all interests within the vertical limits of the Tubb Gas pool in the SW/4 of said Section 25 as another Tubb Gas Unit.

BEFORE:

Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

MR. NUTTER: The next case is Case 1567.

MR. PAYNE: Case 1567, Application of Olsen Oils, Inc., for a non-standard gas proration unit. Mr. Examiner, Case 1478 which was similar to Case 1567 was continued indefinitely at a previous date. In view of the fact that the application of 1567 has been changed to include an alternative, we have been requested to dismiss Case 1478. I so move at this time.

MR. NUTTER: Without objection, Case 1478 will be dismissed.

MR. RUSSELL: John F. Russell of Campbell and Russell, Roswell, New Mexico, representing the Applicant, Olsen Oils, Inc. I have two witnesses. (Witnesses sworn.)

> DEARNUEY - MELEY & ASSOCIACES GENERAL LAW REFERENCES ALBUQUERQUE, NEW MEXICO Phone Chopel 3-6691

DEWEY WATSON

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

DIRECT EXAMINATION

BY MR. RUSSELL:

Q What is your name and by whom are you employed?

A Dewey Watson; I'm employed by Olsen Oils, Inc.

Q Where do you live?

A In Jal, New Mexico.

Q Mr. Watson, have you previously qualified as an expert witness and testified before this Commission?

A I have.

A

MR. RUSSELL: Are the witness qualifications eccept-

able?

MR. NUTTER: Yes.

Q (By Mr. Russell) Is Olsen Oils, Inc. the operator of properties described as the north half of the northwest quarter, southwest quarter of the northwest quarter and the northwest quarter c⁺ the southwest quarter of Section 25, Township 22 South, Range 37 Hast, Les County, New Mexico?

A Yes, sir, they are.

Q Looking at that Exhibit Number One, will you state what is shown on that exhibit outlined in red?

> (Marked Olsen Oils, Inc. Exhibit No. 1 for identification.)

This is a map of the surrounding area of the lease,

DEADLEN MELLER A NOTLATED GENERAL DAA POLINITIA ALBUQUERQUE, NEW MEXICO Phone Chosel 3-6691 owned by Olsen Olls, Inc., and the particular lease outlined in red is a unit assigned to the Simms Number 2 Well in the Tubb zone.

Q Has that unit been approved by the New Mexico Oil Conservation Commission as a Tubb (Has unit?

A Yes, sir, it has.

Q And is that a Blinebry gas unit in the Blinebry Pool?

A Yes, sir, it is.

Q Referring to the proposed Tubb Gas Unit shown in blue, has that unit been approved?

A It has been approved in the Blinebry, yes, sir.

Q If this application -- you are familiar with the application before the Commission in this case?

A Yes, sir, I am.

Q If this application is approved for the Tubb Gas Unit outlined in blue, do you propose to drill a Tubb gas well in this unit?

A Yes, sir, we do.

Q Where do you propose to drill it?

A In the northeast of the northwest of Section 25, 22,

37.

18?

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(Marked Olsen Oils, Inc., Exhibit 2 for identification. 4

Directing your attention to Exhibit 2, state what that

DEARN, LY - MEILR & ASSOCIATES General Lew Reporters Actiliatery - New Mexico Phone Chupol 3:5591 A This is a contour map on the Tubbs Formation of the area surrounding the leases in question.

Q Now, did you at the time of the hearing involving the properties outlined in red on the Tubb Unit introduce a similar contour map?

A Yes, sir, I did.

Q Now, have you since the hearing on the unit outlined in red changed the contours as outlined in that map?

A No, sir, we have not.

Q Now, did you testify in that prior case?

A Yes, sir, I did.

Q Based upon your knowledge of geology in this area, is it your opinion that the Tubb Gas Unit proposed as shown in blue on Exhibit One may be reasonably presumed to be productive of Tubb gas?

A Yes, sir, I believe so.

Q Mr. Watson, in your opinion, may the entire west half of Section 25 be reasonably presumed to be productive of Tubb gas?

A Yes, sir.

Q Now, Mr. Watson, you are familiar with the alternative contained in the application of Olsen Oils, Inc.?

A Yes, I am.

Q Now, in the event that the Commission should grant the alternative request and make two standard Tubb Units, where

> ODARNIS C. MILLY & A HAR INTE GENERAL LAW C. LAT. ALBUQUERCE - NEW MEXICO Phone Charst 2007

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would you propose to drill this well?

A Dn the northeast southwest quarter of Section 25, 22 South, 37 East. 6

Q In your opinion, would the granting of the application in either of the alternatives tend to prevent waste and protect correlative rights?

A Yes, sir.

MR. RUSSELL: I have no further questions of this witness.

MR. NUTTER: Does anyone have any questions of the witness?

MR. PAYNE: I have one question.

CROSS EXAMINATION

BY MR. PAYNE:

Q I don't know whether this witness is the one that would be most familiar with this -- which of these two alternatives do you prefer?

A I prefer the two standard proration units.

MR. PAYNE: Thank you.

EXAMINATION BY MR. NUTTER:

Q Let me review this once more. The well in the northeast of the northwest of 25 is a Blinebry Well, is that sorrect?

A The Number 1 Well there.

Q And that presently has the blue acreage dedicated to to it in the Blinebry?

> DEARNLEY MELER & ASSOCIATES OFNERAL LAW REPORTES ALECTOLEROLE, NEW MEXICO & Phone Chaplet 3-6691

Right.

A

Q The R Olsen-Gulf One Well in the southeast of the northwest is a Blinebry Well?

A Yes, sir.

Q It has the red acreage dedicated to it for the Blinebry Pool?

A That's right.

Q You propose to dually complete one of these wells as a Tubb well?

A No, sir, we plan on drilling a new well.

Q To drill the well in the northeast of the northwest?

A Yes, sir.

Q For the Tubb?

A It would be in the center of the location.

Q Right there where the word says "Gulf"?

A Yes, sir.

Q And then if the Commission grants these interlocking non-standard units, you would drill a Tubb gas well in the southeast of the northwest where the Number 2 is?

A No, sir. The first alternative would be in the northeast of the northwest quarter where the Number 3 well would be. In the case it was two standard units, it would be drilled in the northeast of the southwest, south offset to Number 2.

Q The Two well here, southeast of the northwest, that's a Tubb well?

DEARLISY MERRIG ASSOCIATES GENERAL LAW FROMMER AUGU-DUR ROLF NEW MEARCO Phone Chapter 3-6691 7

A Yes, sir.

Q Is it completed at the present time?

A Yes, sir.

Q Does that have any acreage dedicated to it at the present time?

A Yes, sir, it has the acreage outlined in red.

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Q So that acreage is a non-standard unit in both the Blinebry and the Tubbs, is that right?

A Yes, sir, I think it was in '55 that was taken care of. Q In other words, you'll have to drill one more Tubb well if you wish the interlocking units; the well will be in the northeast of the northwest, two standard units, it will be this northeast of the southwest?

A Yes, sir.

MR. NUTTER: Thank you.

EXAMINATION BY MR. PAYNE:

Q Is your preference for the two standard units based upon the fact if we grant the non-standard unit you'll have all four wells in one quarter section with none in the other quarter section?

A I think we'll be able to drain the 320 acres more efficiently with the two wells. I mean, with the two wells not on the same 160 acres.

MR. NUTTER: Any further questions of Mr. Watson? You may be excused.

DEARNLEY - MELEN & ASSOCIATES GENERAL LAN REPORT AS ALBUQUERQUE NEW MEXICO Phone Chopel 3:6691 MR. RUSSELL: I might state for the record the previous case was Case 929, Order R-677, issued July 14, 1955. MR. NUTTER: Did that approve the one Tubb Unit?

MR. RUSSELL: It approved the non-standard Tubb. I / don't recall whether it did the Blinebry or not. The Blinebry was a separate application.

PHILLIP RANDOLPH

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

DIRECT EXAMINATION

BY MR. RUSSELL:

	ଢ	Will you state your name?
	A	Phillip Randolph.
	Q	Where do you live and by whom are you employed?
	A	Oklahoma City; I'm employed by Graham Paige Company
of Tex	cas.	
	Q	Were you previously employed by R. Olsen Oil Company?

A Yes, sir, I was.

Q In what capacity?

A Vice President.

Q Are you acquainted with the fact the New Maxico Oil Conservation Commission has previously approved that Tubb gas unit outlined in Red on what has been identified as Applicant's Exhibit One?

A Yes, I am.

Q Mr. Randolph, you are acquainted with the application

ABREEV MERR & ASBOLIATES GENERAL CAN REPORTES AUBCOURROJE, NEW MEXICO Phone Chopel 3-6691 9

of Olsen Oils, Inc., are you not in this case?

Yes, sir, I am.

Q You know in the alternative Olsen Oils, Inc., sought to obtain a compulsory pooling unit in the northwest quarter of Section 25 and an order pooling all interest in the southwest quarter of Section 25 as another Tubb Unit?

A Yes, sir.

Α

Q Did you at one time make an effort to obtain a voluntary pooling unit from royalty owners under these units?

A Yes, sir.

Q Was it your position at that time in the voluntary unit it had been sought to drill a Tubb well in the southwest quarter of Section 25?

A Yes, sir.

Q Were you able to obtain that acreage for such an arrangement?

A No, I was not.

Was such presented and described to them?

A Yes.

Q

Q.

Q Did you ever go visit them personally?

A Yes, I did.

Q Was there definite refusal for voluntary pooling for this purpose?

A There was a definite refusal.

- Could you tell the Commission which royalty owner

DELENLEY MELER & ASSOCIATES GENERAL LAW REPORTERS ALBUQUERDUE NEW MEXICO Phone CHr.1:1 3-6591

	A Mrs. Simms.
	Q Is that Amanda E. Simms?
	A That's right.
	Q There are two leases under the west half of Section
25, are	there not?
	A Yes, sir.
	Q One is known as the Simms Lease?
	A That's right.
	Q And who is the royalty owner under that lease?
	A Mrs. Simms.
	Q Mrs. Amanda Simms?
	A Yes, the state of the state
	Q She's the owner of the entire royalty?
	A That's right.
	Q As to the other 160 acre lease, who was the royalty
owner o	f that lease?
	A Mrs. Simms and Mr. Drinkard.
	Q To what extent is Mrs. Simms the owner of the royalty
under t	hat?
	A Mrs. Amanda E. Simms owns 14.5 of the royalty.
	MR. RUSSELL: That's all.
	MR. NUTTER: Any questions of this witness?
	CROSS EXAMINATION

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. . . ·· 4 Q Which acreage is the royalty owned jointly by Mrs. Simms and Mr. Drinkard?

A The blue.

Q Mrs. Simms is owner of all the royalty in the acreage colored in red?

A That's correct.

Q Have the working interest owners in this acreage pooled their acreage?

A They haven't as yet; they will.

Q There is agreement to pool the acreage?

A That's right.

MR. NUTTER: Any further questions of the witness? MR. RUSSELL: I'd like to put in one other.

REDIRECT EXAMINATION

BY MR. RUSSELL:

Q Mr. Randolph, was notice of this hearing sent to Mrs. Amanda E. Simms?

A Yes, it was.

MR. RUSSELL: I would like to offer Applicant's Exhibits One, Two and Three, Exhibit Three being the return receipt from the notice of the hearing.

MR. NUTTER: Without objection, Applicant's Exhibits One, Two and Three inclusive will be admitted in evidence. If there is no further question of the witness, he may be excused.

> OLARNERY - MERCR & ASSOCIATES CENERAL LAN RE-ORTEN ALBUQUERIOUF NEW MEXICO Phone Chapul 3-6691

(Witness excused.)

MR. NUTTER: Does anyone have anything further to

offer in Gase 1567?

MR. PAYNE: Off the record.

(Discussion off the record.)

MR. NUTTER: If there is nothing further in Case 1567, we will take the case under advisement and the hearing is adjourned. (Whereupon the hearing adjourned at 4:20 p.m.)

DEARNLEY - MEICR & ASSOCIATES GENERAL LAN REPORTES ALBUQUERQUE, NEW MERICO Phone Chopel 3 6591 STATE OF NEW MEXICO) SE COUNTY OF BERNALILLO)

I, JOHN CALVIN BEVELL, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of hearing before the New Mexico Oil Conservation Commission was reported by me in stenotype and reduced to typewritted transcript by me; that the same is a true and correct record, to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal this 18th day of December, 1958, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

John Caforn Berell

My Commission Expires: January 24, 1962

I do hereby control that the foregoing is New Nealco Oil Conservation Cormitation

DEARNLEY - MEIER & ASSOLIATES GENERAL LAW ALE SATEVA ALBUQUERQUE NEW MEXICO Phone Chopel 3 6691

OIL CONSERVATION COMMISSION P. O. BOX 871 SANTA FE, NEW MEXICO

P.O. Box 871 Santa Fe, New Mexico December 18, 1958

Mr. John Russell Campbell & Russell P.O. Box 721 Roswell, New Mexico

Dear Mir. Russell:

We enclose two copies of Orders R-1302 and R-1310 issued December 17, 1958, by the Oil Conservation Commission in Cases 1478 and 1567, respectively.

> A. L. Porter, Jr. Secretary - Director

Very truly yours,

bp Encls,

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LAW OFFICES OF

CAMPBELL & RUSSELL J. P. WHITE BUILDING ROSWELL NEW MEXICO 26 November 1958

JACK M. CAMPBELL John F. Russell

> Mr. A. L. Porter, Jr. New Mexico Oil Conservation Commission P. O. Box 371 Santa Fe, New Mexico

Dear Mr. Porter:

Enclosed please find application of Olsen Oils, Inc. on a matter that has been set down for the December 10th Examiner hearing. Mr. Russell will handle this for us.

This letter will serve as your authority to dismiss Case No.1478 which has been pending on the docket for some time.

Very truly yours,

Der Berteleph

MAIN 2-4641 MAIN 2-4642

GAMPBELL & RUSSELL

ない Jack M. Campbell

JMC:bb Enclosures



BEFORE THE OIL CONSERVATION COMMISSION

OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF OLSEN) OILS, INC., FOR A NON-STANDARD GAS PRORA-) TION UNIT IN THE TUBB GAS POOL CONSISTING) OF THE N $_2$ NW $_2$, SW $_2$ NW $_2$, AND NW $_2$ SW $_2$ OF SECTION) 25, TOWNSHIP 22 SOUTH, RANGE 37 EAST, N.M.) P.M., LEA COUNTY, NEW MEXICO; OR IN THE AL-) TERNATIVE, FOR A COMPULSORY POOLING ORDER) POOLING ALL INTERESTS WITHIN THE VERTICAL) LIMITS OF THE SAID TUBB GAS POOL IN THE NW $_2$) OF SAID SECTION 25 AS A TUBB GAS UNIT, AND) A LIKE ORDER POOLING ALL INTERESTS IN THE) SW $_2$ OF SAID SECTION 25 AS ANOTHER TUBB GAS) UNIT.

CASE NO. 1567

APPLICATION

Comes now Olsen Oils, Inc., by its attorneys, and states: 1. Olsen Oils, Inc. is operator of certain properties situated in the W¹₂ of Section 25, Township 22 South, Range 37 East, N.M.P.M., Lea County, New Mexico.

2. By its order in Case No. 929, the Commission approved the creation of a Tubb Gas Unit consisting of 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, which unit is dedicated to a Tubb gas well located in the SE $\frac{1}{4}NW^{\frac{1}{4}}$ of said Section 25.

3. Applicant now proposes to create a Tubb Gas Unit consisting of the balance of the W_2^1 of Section 25, being the $N_2^1NW_2^1$, SW2NW2, and NW2SW2, and to drill a Tubb well in the NE2NW2 of said Section 25 on the proposed unit.

4. All of the proposed Tubb Gas Unit lies wholly within a single governmental section; consists of contiguous quarterquarter sections and all of the entire proposed unit may reasonably be presumed to be productive of gas from the Tubb Gas Pool.

5. There is attached hereto a plat showing the acreage to be dedicated, together with the offset ownership.

6. The approval of this application for a non-standard unit will not adversely affect the correlative rights of any other persons and will protect the correlative rights of the applicant and prevent waste.

WHEREFORE, applicant requests the Commission to set this matter down for hearing before an Examiner on December 10, 1958; to publish notice as required by law and to issue its Order granting applicant a non-standard proration unit in the Tubb Gas Pool consisting of the $N_2^1NW_2^1$, $SW_2^1NW_2^1$ and $NW_2^1SW_2^1$ of Section 25, Township 22 South, Range 37 East, Lea County, New Mexico.

OLSEN OILS, INC.

FOR: CAMPBELL & RUSSELL Its Attorneys

APPLICATION IN THE ALTERNATIVE

Comes now Applicant, and in the alternative for the above request, states:

1. Applicant adopts the statement in Paragraph 1.

2. Properties of which applicant is the operator in the W_2^1 of Section 25, consist of two leases, one of which covers the SE $\frac{1}{2}SW_2^1$ and SW $\frac{1}{2}SW_2^1$ of said Section 25, and the other of which covers the $N_2^1NW_2^1$, SW $\frac{1}{2}NW_2^1$ and NW $\frac{1}{2}SW_2^1$ of said Section 25.

3. In the alternative to the approval of the non-standard gas proration unit as requested above, applicant requests the Commission to enter its Order compulsorily pooling the above described leases within the vertical limits of the Tubb Gas Pool so that leased interests will consist of two separate gas proration units in the Tubb Gas Pool, one being the NW½ of said Section 25, and the other being the SW½ of said Section 25. For the purposes of the Tubb Gas Unit consisting of the NW½ of said Section 25, the Sims No. 2 Tubb Gas Well in the SE½NW½ should be designated as the unit well, and applicant intends, in the event the SW½ of Section

-2-

25 is a Tubb Gas Proration Unit, to drill a Tubb gas well within this unit area.

WHEREFORE, applicant requests the Commission to include this alternative proposal in the hearing as above requested; to publish notice as required by law, and in the event it should fail to enter its order approving the non-standard unit as above requested, that it enter its order in the alternative, compulsorily pooling all interests to accomplish the establishment of two separate gas proration units in the Tubb Gas Pool consisting of the NW½ as to one unit, and the SW½ as to another unit.

OLSEN OILS, INC.

By: FOR: CAMPBELL & RUSSELL Its Attorneys

CERTIFICATION

I, A. L. PORTER, JR., Secretary-Director of the New Mexico Oil Conservation Commission, do hereby certify that this order, Order No. R-1310, 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.

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

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 NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

> CASE NO. 1567 Order No. R-1310

APPLICATION OF OLSEN OILS, INC. FOR A 160-ACRE NON-STANDARD GAS PRORATION UNIT IN THE TUBB GAS POOL, LEA COUNTY, NEW MEXICO; OR IN THE ALTERNATIVE FOR AN ORDER FORCE POOLING THE NW/4 OF SECTION 25 AS A TUBB GAS UNIT AND THE SW/4 OF SECTION 25 AS A TUBB GAS UNIT, BOTH IN TOWNSHIP 22 SOUTH, RANGE 37 EAST, 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 10, 1958, at Santa Fe, New Mexico, before Daniel S. Nutter, 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 <u>17th</u> day of December, 1958, the Commission, a quorum being present, having considered the application, the evidence adduced and the recommendations of the Examiner, Daniel S. Nutter, 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 the applicant, Olsen Oils, Inc., is the owner and operator of the W/2 of Section 25, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the applicant proposes the establishment of a 160-acre non-standard gas proration unit in the Tubb Gas Pool comprising the N/2 NW/4, SW/4 NW/4 and the NW/4 SW/4 of said Section 25, said unit to be dedicated to a Tubb gas well to be drilled in the NE/4 NW/4 of said Section 25.

(4) That in the alternative the applicant seeks an order force pooling the NW/4 of said Section 25 as one standard Tubb gas unit and the SW/4 of said Section 25 as another standard Tubb gas unit.

-2-Case No. 1567 Order No. R-1310

(5) That the applicant has made diligent efforts to communitize all interests in the above-described standard units for the Tubb gas pool, but has been unable to obtain the consent of all persons owning an interest in said units.

(6) That all parties owning an interest in the above-described unit were given actual notice of the hearing in this case and that the Commission has received no objection to the approval of the subject application.

(7) That the most efficient and orderly development of the subject acreage can be accomplished by force pooling the NW/4 of said Section 25 and the SW/4 of said Section 25 to form two standard gas proration units in the Tubb Gas Pool, and that such an order should be entered.

IT IS THEREFORE ORDERED:

(1) That the interests of all persons having the right to drill for, produce, or share in the production of dry gas and associated liquid hydrocarbons, or either of them, from the Tubb Gas Pool underlying the NW/4 of Section 25, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico, be and the same are hereby pooled, said unit to be dedicated to applicant's Sims Well No. 2 located in the SE/4 NW/4 of said Section 25, and that Olsen Oils, Inc., be and the same is hereby designated as the operator of said pooled unit until further order of the Commission.

(2) That the production from the above-described pooled unit be allocated to each tract in the unit in the same proportion that the acreage in said tract bears to the total acreage in the unit.

(3) That the interests of all persons having the right to drill for, produce, or share in the production of dry gas and associated liquid hydrocarbons, or either of them, from the Tubb Gas Pool underlying the SW/4 of Section 25, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico, be and the same are hereby pooled, and that Olsen Oils, Inc., be and the same is hereby designated as the operator of said pooled unit until further order of the Commission with authority to drill a unit well in the NE/4 SW/4 of said Section 25.

(4) That the production from the above-described pooled unit be allocated to each tract in the unit in the same proportion that the acreage in said tract bears to the total acreage in the unit.

(5) That Commission Order No. R-677, dated August 17, 1955, be and the same is hereby rescinded upon the effective date of this order.

-3-Case No. 1567 Order No. R-1310

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(6) That the effective date of this order and of all of the provisions contained herein shall be January 1, 1959.

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

> STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

MURRAY E. MORGAN, Member

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

GOVERNOR

EDWIN L. MECHEM CHAIRMAN New Mexico

OIL CONSERVATION COMMISSION

LAND COMMISSIONER, MURRAY E. MORGAN



STATE GEOLOGIST. A.L. PORTER JR. SECRETARY DIRECTOR

P. O. BOX 871 SANTA FE, NEW MEXICO

November 24, 1958

Re: Notice of Publication

Advertising Manager Hobbs Daily News-Sun Box 2047 Hobbs, New Mexico

Case _______

Dear Sir:

Please publish the attached notice one time immediately on receipt of this request. Please proofread carefully, as any error in a land description or in a key word or phrase can invalidate the entire notice.

Immediately upon completion of publication, please send the following to this office:

1. Publisher's affidavit in duplicate.

2. Statement of cost (also in duplicate).

3. Signed voucher (which is attached to this notice).

We should have these immediately after publication in order that the legal notice will be available for the hearing which it advertises, and also so that there will be no delay in your receiving proper payment.

Please publish the notice not later than November 30, 1958

Very truly yours,

u A. L. Porter, Jr.

Secretary - Director

Encl.

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AFFIDAVIT OF PUBLICATION

State of New Mexico, County of Lea.

Of the Hobbs Daily News-Sun, a daily newspaper published at Hobbs, New Mexico, do solemnly swear that the clipping attached hereto was published once a week in the regular and entire issue of said paper, and not in a supple-

ment thereof for a period of ____ Ine lime

Beginning with the issue dated _ Sumber 28, 19.58

and ending with the issue dated _

ler 28. 19.58

Publisher.

Sworn and subscribed to before

day of . me 19 Notary Public.

My commission expires ίοu 19_ (Seal)

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937, and payment of fees for said publication has been made.

LEGAL NOTICE November 28, 1958 NOTICE: OF PUBLICATION STATE OF NEW MEXICO OIL CONSERVATION

COMMISSION SANTA FE, NEW MEXICO The State of New Mexico by its Oil Conservation Commission hereby gives notice pursuant to law and the Rules and Regulations of s a l d Commission promulgated thereunder of the following public hearing to be held at 9:00 o'clock hearing to be held at 9:00 o'clock a.m. on December 10, 1958, at Mabry Hall, State Capitol, Santa Fe, New Mexico, before Daniel S. Nutter, Examiner, duly appointed for said hearing as provided by law. STATE OF NEW MEXICO TO:

STATE OF NEW MEXICO TO: All named parties and persons having any right, title, interest or claim in the following case, and notice to the public. (Note: All land descriptions here'n refer to the New Mexico Principal Meridian, whether or not so stated) stated.) CASE 1567:

stated.) CASE 1567: Tu the matter of the application of Olsen Oils, Inc., for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 160-acre non-standard gas pro-ration unit in the Tubb Gas Pool consisting of the N/2 NW/4, SW/4 NW/4 and the NW/4 SW/4 of Sec-tion 25, Township 22 South, Range 37 East, Lea County, New Mexico; or in the alternative for a com-pulsory pooling order pooling all interests within the vertical limits of the Tubb Gas Pool in the NW/4 of said Section 25 as one Tubb Gas Unit and a like order pooling all interests within the vertical limits of the Tubb Gas Pool in the NW/4 of said Section 25 as one Tubb Gas Unit and a like order pooling all interests within the vertical limits of the Tubb Gas Pool in the SW/4 of said Section 25 as another Tubb Gas Unit. GIVEN under the seal of the New Mexico Oil Conservation Com-mission at Santa Fe, New Mexico, on this 24th day of November, 1958. STATE OF NEW MEXICO OIL CONSERVATION

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION A. L. Porter, Jr. Secretary

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

28, 1958

The State of New Metico by its Oil Conservation Commission hereby gives notice pursuant to law and the Rules and Regulations of said Commission promulgated thereunder of the following public hearing to be held at 9:00 o'clock alm. on December 10, 1958, at Mabry Hall, State Capitol, Santa Fe, New Mexico, before Daniel S. Nutter, Examiner, duly appointed for said hearing as provided by law.

STATE OF NEW MEXICO TO:

All samed parties and persons having any right, title, interest or claim in the following case, and notice to the public.

(Note: All land descriptions herein refer to the New Mexico Principal Meridian, whether or not so stated.)

CASE 1567:

In the matter of the application of Olsen Oils, Inc., for a non-standard gas proration unit.

Applicant, in the above-styled cause, seeks an order establishing a 160-acre non-standard gas proration unit in the Tubb Gas Pool consisting of the N/2 NW/4, SW/4 NW/4 and the NW/4 SW/4 of Section 25. Township 22 South, Range 37 East, Lea County, New Mexico; or in the differentive for a compulsory pooling order pooling all interests within the vertical limits of the Tubb Gas Pool in the NW/4 of said Section 25 as one Tubb Gas Unit and a like order pooling all interests within the vertical limits of the Tubb Gas Pool in the SW/4 of said Section 25 as another Tubb Gas Unit.

GIVEN under the seal of the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 24th day of November, 1958.

> STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

A. D. Porter, Jr. Secretary

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BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

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

> CASE NO. 1567 Order No. R-/310

APPLICATION OF OLSEN OILS, INC. FOR A 160-ACRE NON-STANDARD GAS PRORATION UNIT IN THE TUBB GAS POOL, LEA COUNTY, NEW MEXICO; CR IN THE ALTERNATIVE FOR AN ORDER FORCE POOLING THE NW/4 OF SECTION 25 AS A TUBB GAS UNIT AND THE SW/4 OF SECTION 25 AS A TUBB GAS UNIT, BOTH IN TOWNSHIP 22 SOUTH, RANGE 37 EAST, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

15-54

This cause came on for hearing at 9 o'clock a.m. on December 10, 1958, at Santa Fe, New Mexico, before Daniel S. Nutter, 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 day of December, 1958, the Commission, a quorum being present, having considered the application, the evidence adduced and the recommendations of the Examiner, Daniel S. Nutter, and being fully advised in the premises.

FINDS:

(1) Usual

(2) That the applicant, Olsen Oils, Inc., is the owner and operator of the W/2 of Section 25, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the applicant proposes the establishment of a 160-acre non-standard gas proration unit in the Tubb Gas Pool comprising the N/2 NW/4, SW/4 NW/4 and the NW/4 SW/4 of said Section $25_{11}^{5a.4}$ (a) + be dedicated to a Tubb gas well to be drilled in the NE/4 NW/4 of said Section 25.

(4) That in the alternative the applicant seeks an order standard force pooling the NW/4 of said Section 25 as one Tubb gas unit and standard the SW/4 of said Section 25 as another Tubb gas unit.

(5) That the applicant has made diligent efforts to standard while for the intercommunitize all interests in the above-described **fortists** but has been unable to obtain the consent of all persons owning an interest in said units. -2-Case No. 1567 Order No. R-

(6) That all parties owning an interest in the abovedescribed unit were given actual notice of the hearing in this case and that the Commission has received no objection to the approval of the subject application.

(7) That the most efficient and orderly development of the subject acreage can be accomplished by force pooling the NW/4 of said Section 25 and the SW/4 of said Section 25 to form two standard gas proration units in the Tubb Gas Pool, and that such an order should be entered.

IT IS THEREFORE ORDERED:

(1) That the interests of all persons having the right to drill for, produce, or share in the production of dry gas and associated liquid hydrocarbons, or either of them, from the Tubb Gas Pool underlying the NW/4 of Section 25, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico, be and the same are said unit to be dedicated to applicants denos diell no.2 hereby pooled, and that Olsen Oils, Inc., be and the same is hereby designated as the operator of said pooled unit until further order of the Commission.

(2) That the production from the above-described pooled unit be allocated to each tract in the unit in the same proportion in that the acreage in said tract bears to the total acreage in the unit.
(3) That the interests of all persons having the right to drill for, produce, or share in the production of dry gas and associated liquid hydrocarbons, or either of them, from in the same properties of the same properties of the same properties in the same properties of the same properties

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(3) That the interests of all persons having the right to drill for, produce, or share in the production of dry gas and associated liquid hydrocarbons, or either of them, from the Tubb Gas Pool underlying the SW/4 of Section 25, Township 22 Range 37 East, NMPM, Lea County, New Mexico, be and the same are hereby pooled, and that Olsen Oils, Inc., be and the same is hereby designated as the operator of said pooled unit until further order of the Commission with during he down a unit with the NE/4 Confection 25.

NEH Said State Solar 28. (4) That the production from the above-described pooled unit be allocated to each tract in the unit in the same proportion that the acreage in said tract bears to the total acreage in the unit.

-(5) That the effective date of this order shall be-

-3-Case 1567 -Desembe R-677 -DONE_at (5) That Commission Order no. A. 677, lated lugert 17, 1955 be he and the seme is hereby rescinded upon the effective date of this order. (6) That The effective date of this order and of all of the provisions contained herein shall be January!, 1959. Done at etc.





Replication, Transcript, Smill Exhibits, Etc.

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