

CASE 1567: Olsen Oils, Inc. application for
160-acre NS gas proration unit, Tubb Gas
Pool, or in the alternative for forced pool-
ing.

160-acre NS gas proration unit

Case No.

1567

Application, 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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BEFORE THE
OIL CONSERVATION COMMISSION
DECEMBER 10, 1958

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 in the alternative 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.

Case
1567

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.)

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.

MR. RUSSELL: Are the witness' qualifications acceptable?

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 of the southwest quarter of Section 25, Township 22 South, Range 37 East, Lea 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.)

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

owned by Olsen Oils, 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 Gas 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.

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

Q Directing your attention to Exhibit 2, state what that is?

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

would you propose to drill this well?

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

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 correct?

A The Number 1 Well there.

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

A Right.

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?

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.

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 north-east of the northwest, two standard units, it will be this north-east 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. (Witness excused.)

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:

Q 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 Texas.

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 Mexico 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~~

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

A 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.

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.

Q Was such presented and described to them?

A Yes.

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.

Q Could you tell the Commission which royalty owner

refused to execute the pooling agreement?

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.

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 of that lease?

A Mrs. Simms and Mr. Drinkard.

Q To what extent is Mrs. Simms the owner of the royalty under that?

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

BY MR. NUTTER:

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.

(Witness excused.)

MR. NUTTER: Does anyone have anything further to offer in Case 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.)

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) ss

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 typewritten 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 Calvin Bevell
NOTARY PUBLIC

My Commission Expires:

January 24, 1962

I do hereby certify that the foregoing is
a correct and true transcript of the proceedings in
the Bernalillo County Oil Conservation Commission Case No. 1567
heard by me on 12-10, 1958.

John Calvin Bevell, Examiner
New Mexico Oil Conservation Commission

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 Mr. 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.

Very truly yours,

A. L. Porter, Jr.
Secretary - Director

bp
Encls.

C
O
P
Y

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

26 November 1958

JACK M. CAMPBELL
JOHN F. RUSSELL

*Case 1567
Dec 18, 1958
Ham hearing*

TELEPHONES
MAIN 2-4641
MAIN 2-4642

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.

*Dismiss
1478*

Very truly yours,

CAMPBELL & RUSSELL

Jack M. Campbell
Jack M. Campbell

JMC:bb
Enclosures

R-677

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 $N\frac{1}{2}NW\frac{1}{4}$, $SW\frac{1}{4}NW\frac{1}{4}$, AND $NW\frac{1}{4}SW\frac{1}{4}$ 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 $NW\frac{1}{4}$)
OF SAID SECTION 25 AS A TUBB GAS UNIT, AND)
A LIKE ORDER POOLING ALL INTERESTS IN THE)
 $SW\frac{1}{4}$ 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 $W\frac{1}{2}$ 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 $W\frac{1}{2}$ of Section 25, being the $N\frac{1}{2}NW\frac{1}{4}$, $SW\frac{1}{4}NW\frac{1}{4}$, and $NW\frac{1}{4}SW\frac{1}{4}$, and to drill a Tubb well in the $NE\frac{1}{4}NW\frac{1}{4}$ 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 quarter-quarter 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 $N\frac{1}{2}NW\frac{1}{4}$, $SW\frac{1}{4}NW\frac{1}{4}$ and $NW\frac{1}{4}SW\frac{1}{4}$ of Section 25, Township 22 South, Range 37 East, Lea County, New Mexico.

OLSEN OILS, INC.

By: Jack M. Campbell

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 $W\frac{1}{2}$ of Section 25, consist of two leases, one of which covers 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 other of which covers the $N\frac{1}{2}NW\frac{1}{4}$, $SW\frac{1}{4}NW\frac{1}{4}$ and $NW\frac{1}{4}SW\frac{1}{4}$ 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 $NW\frac{1}{4}$ of said Section 25, and the other being the $SW\frac{1}{4}$ of said Section 25. For the purposes of the Tubb Gas Unit consisting of the $NW\frac{1}{4}$ of said Section 25, the Sims No. 2 Tubb Gas Well in the $SE\frac{1}{4}NW\frac{1}{4}$ should be designated as the unit well, and applicant intends, in the event the $SW\frac{1}{4}$ of Section

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 NW $\frac{1}{4}$ as to one unit, and the SW $\frac{1}{4}$ as to another unit.

OLSEN OILS, INC.

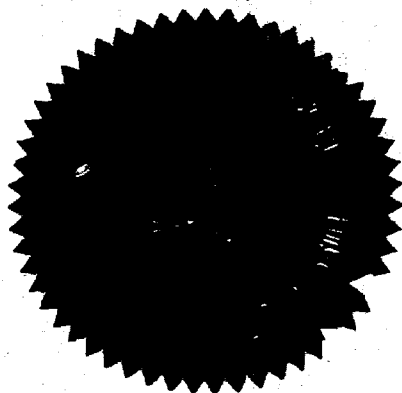
By: Alex M. Campbell

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.
A. L. Porter, Jr.

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

Ila 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 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 17th 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.

(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.

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Case No. 1567
Order No. R-1310

(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 herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

MURRAY E. MORGAN, Member

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

S E A L

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GOVERNOR
EDWIN L. MECHEM
CHAIRMAN
New Mexico
OIL CONSERVATION COMMISSION

LAND COMMISSIONER, MURRAY E. MORGAN
MEMBER

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



P. O. BOX 871
SANTA FE, NEW MEXICO

November 24, 1958

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

Re: Notice of Publication

Case 1567

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,

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

Encl.

RECEIPT FOR CERTIFIED MAIL—20¢

SENT TO
STREET AND NO.
CITY AND STATE *Hobbs*

If you want a return receipt, check which
☐ 10¢ shows to whom and when delivered
☐ 35¢ shows to whom, when, and address where delivered

If you want restricted delivery, check here
☐ 50¢ fee

FEES ADDITIONAL TO 20¢ FEE

POSTMARK OR DATE

POD Form 3800
Jul 1957

SEE OTHER SIDE

INSTRUCTIONS TO DELIVERING EMPLOYEE

- ☐ DELIVER ONLY TO ADDRESSEE (20¢ additional)
☐ SHOW ADDRESS WHERE DELIVERED IN ITEM 4 BELOW (31¢ additional)

RECEIPT

Received from the Postmaster the Registered, Certified, or Insured Article, the number of which appears on the face of this return receipt.

1. SIGNATURE OR NAME OF ADDRESSEE
Advertising Manager
2. SIGNATURE OF ADDRESSEE'S AGENT (Agent should enter addressee's name in item 1 above)
[Signature]
3. DELIVERY DATE
NOV 25 1958

AFFIDAVIT OF PUBLICATION

State of New Mexico,

County of Lea.

I, Robert L. Summers,
Publisher

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 _____

One Time _____

Beginning with the issue dated _____

November 28, 1958

and ending with the issue dated _____

November 28, 1958

Robert L. Summers
Publisher.

Sworn and subscribed to before

me this _____ day of _____

December, 1958

M. L. Bannan
Notary Public.

My commission expires _____

3-17 1961

(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 said Commission promulgated thereunder of the following public 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:

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 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 alternative 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. L. Porter, Jr.

Secretary

(SEAL)

Santa Fe, New Mexico CITY, ZONE, AND STATE		REGISTERED NO. 277704
Box 871 STREET AND NO. OR P.O. BOX		CERTIFIED NO. 277704
Oil Conservation Commission NAME OF SENDER		
INSTRUCTIONS—Show name, address and number of article below. Complete instructions to delivering employee on other side, when applicable. Moistened gummed ends and securely attach to back of article. Endorse front of article RETURN RECEIPT REQUESTED.		
RETURN TO 		

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PENALTY FOR PRIVATE USE TO AVOID
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1. Stick postage stamps to your article to pay:
 - 20¢ certified mail fee
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2. If you want this receipt postmarked, stick the gummed stub on the address side of the article, leaving the receipt attached, and present the article to a postal employee.
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5. If you want the article delivered only to the addressee, endorse it on the front DELIVER TO ADDRESSEE ONLY. Place the same endorsement in line 2 of the return receipt card.
6. Save this receipt and present it if you make inquiry.

Dep. Nutter
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 said Commission promulgated thereunder of the following public 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:

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 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 alternative 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. L. Porter, Jr.
Secretary

SEAL

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

12/15
12-15-58
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 _____ 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, ^{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.
- (5) That the applicant has made diligent efforts to
communitize all interests in the above-described ^{standard units for the unit} ~~units~~ 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} 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 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 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 the effective date of this order shall be~~

~~December~~, 1958.

~~DONE~~ at

R-677

(5) That Commission Order No. R-677, dated August 17, 1955, ~~shall be~~ be and the same 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 1, 1959.

Done at
etc.

Case No.

1567

Application, Transcript,
Small Exhibits, Etc.