

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
at
Santa Fe, New Mexico
December 17, 1953

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In the Matter of:)

Application of Southern Union Gas Company for)
exception to Rule 7(a) of Order No. R-370-A to)
permit establishment of an unorthodox gas pro-)
duction unit of 120 acres, more or less, consist-)
ing of the W/2 NE/4 and the SE/4 NE/4 of Section)
33, Township 19 South, Range 37 East, NMPM, in)
the Eumont Gas Pool, Lea County, New Mexico)

Case No.s

623

&

624

(Consolidated)

Application of Southern Union Gas Company for)
exception to Rule 7(a) of Order No. R-370-A to)
permit establishment of an unorthodox gas pro-)
duction unit in the Eumont Gas Pool comprising)
the E/2 SE/4 and the NW/4 SE/4 Section 33, Town-)
ship 19 South, Range 37 East, Lea County, New)
Mexico, said unit containing 120 acres, more or)
less)
-----)

(Notice of Publication read by Mr. Graham).

S. M. WIEDERKEHR

further testifies as follows:

DIRECT EXAMINATION

By MR. DAVIS:

Q Please state your name.

A A. M. Wiederkehr.

Q Are you the same Mr. Wiederkehr that testified in Cases
619, 620 and 621?

A I am.

MR. DAVIS: Are the qualifications of this witness acceptable
in these cases?

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MR. SPURRIER: They are.

Q Would you explain briefly the nature of our application in Cases 623 and 624?

A Cases 623 and 624, Southern Union Gas Company is the lease holder of the area here, being the east half of 33-19-37, with the exception of the northeast northeast and southwest southeast 40's. Southern Union has drilled on these two wells, Southern Union No. 1 Williams and No. 2 Williams.

Q Where located?

A One in the northwest of the northeast, one in the northeast of the southeast, except for the two 40 acre tracts.

Q Mr. Wiederkehr, except for the two 40 acre tracts that you described, we would have regular orthodox gas proration units?

A That is correct.

(Southern Union Gas Company's Exhibit No. 2 in Case 623 and Exhibit No. 2 in Case 624 Marked for Identification)

Q I hand you, Mr. Wiederkehr, Southern Union Gas Company's Exhibit No. 2 in Case 623 and Exhibit No. 2 in Case 624, would you please tell the Commission what those Exhibits relate to?

A These are letters from representatives of the Sinclair Oil and Gas Company, who own these two 40 acre tracts within the 160 acre unit, stating "We are advised Southern Union Gas Company, in 623, has requested an exemption to Rule 7(a)" - - goes ahead and gives the location, says Sinclair Oil and Gas Company as an offset lease owner, waives any objection to the above described unorthodox gas unit under the rules of Provision 7B, would be of Commission Order Number R-37-A.

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Q Is the letter with respect to Case No. 624 identical with that read for 623?

A It is.

Q Except for referring to location?

A Location, correct.

Q Do you have any other information that might be helpful to the Commission concerning these two cases?

A No, I don't think so.

MR. DAVIS: That is all. We would like to introduce Southern Union Gas Company's Exhibits No. 1, 2, in each case, in the record, and ask the Commission to issue an order approving the unorthodox proration units as requested.

MR. SPURRIER: Are there any questions of the witness?

MR. STANLEY: I didn't understand that. Sinclair Oil and Gas has no objection to your forming that 120 acre unit, is that correct?

A That is correct.

MR. STANLEY: Ordinarily wouldn't this be normally handled by receiving waivers?

A This was received after we had filed the application.

MR. STANLEY: I see.

MR. DAVIS: The waivers are dated December 11 and the application was filed in November.

MR. STANLEY: In other words the reason I brought this, I think this is a normal routine matter, being a part of the normal proration unit which is actually disposed of in a district proration office and can be disposed of at a later date by obtaining waivers by all offset, 160 acre offset operators.

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MR. MACY: Perhaps they didn't choose to get waivers from the offset.

MR. GRAHAM: In your opinion would Sinclair object to a standard unit there?

A They have advised us that they do not object. They are the owner of the odd 40's, in both instances.

MR. WHITE: He said would Sinclair object to making it a standard unit?

A They had the opportunity to ask for a unitization and did not do so, I suspect due to the fact that the wells are of a low capacity. They didn't feel like they would be justified, I am guessing.

MR. WILLIAMS: Sinclair Oil and Gas Company. I am Mr. Williams. They did approach Sinclair asking if we would be interested in going in a regular 160. It is being taken under consideration by our management. We will give an answer to that at an early date.

MR. SPURRIER: Anyone else? If not the witness may be excused.

(Witness excused)

MR. SPURRIER: Do you have anything further?

MR. DAVIS: That is all.

MR. SPURRIER: Anyone have a comment in these cases. If not we will take them under advisement and move on to Case 652.

STATE OF NEW MEXICO)
)
COUNTY OF BERNALILLO)

I HEREBY CERTIFY that the foregoing and attached transcript of hearing in Case No.s 623 and 624 (Consolidated) before the Oil Conservation Commission, State of New Mexico, at Santa Fe, on December 17, 1953, is a true and correct record of the same to the best of my knowledge, skill and ability.

DATED at Albuquerque, New Mexico, this 26TH day of December, 1953.


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ADA DEARNLEY & ASSOCIATES
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