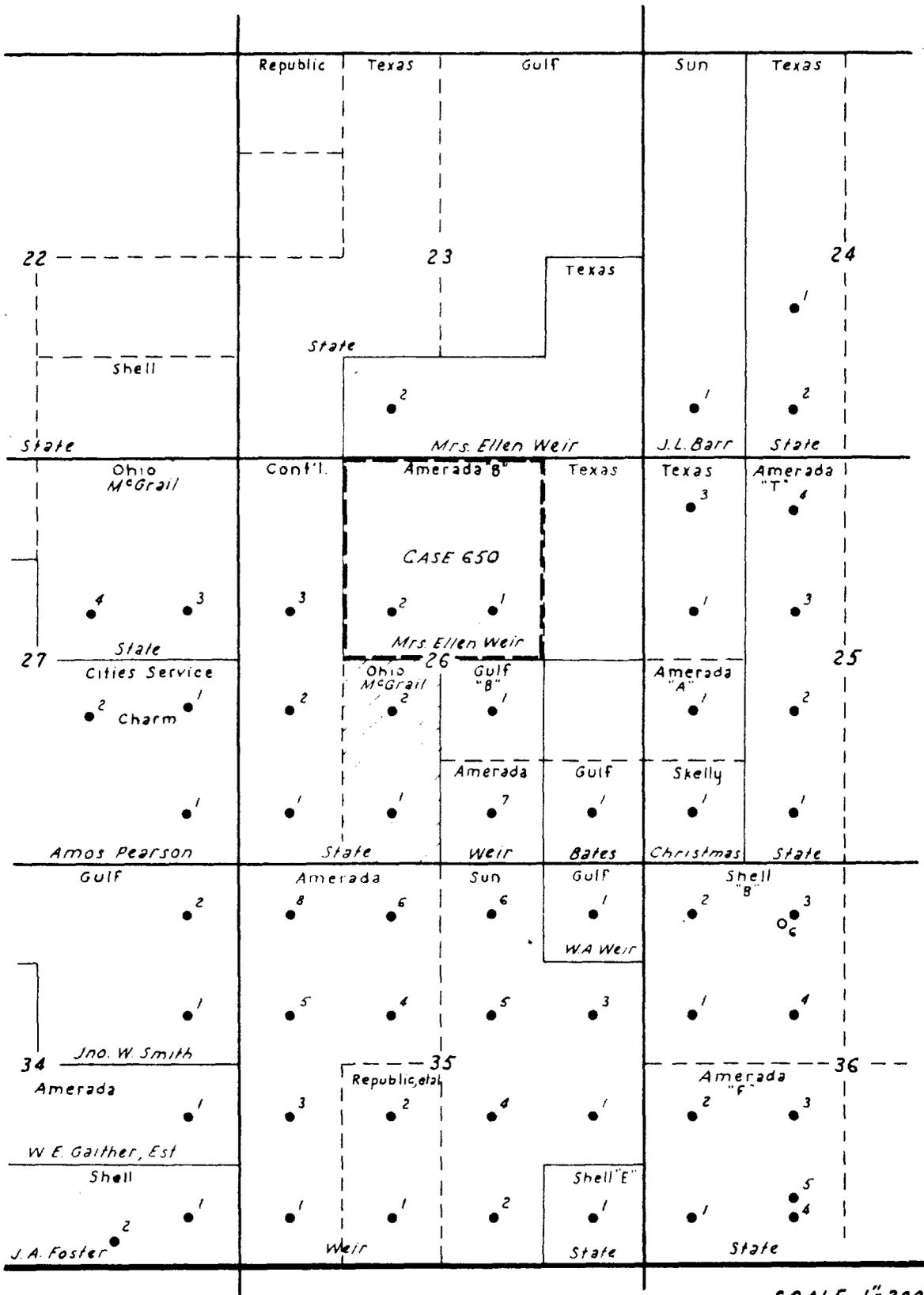


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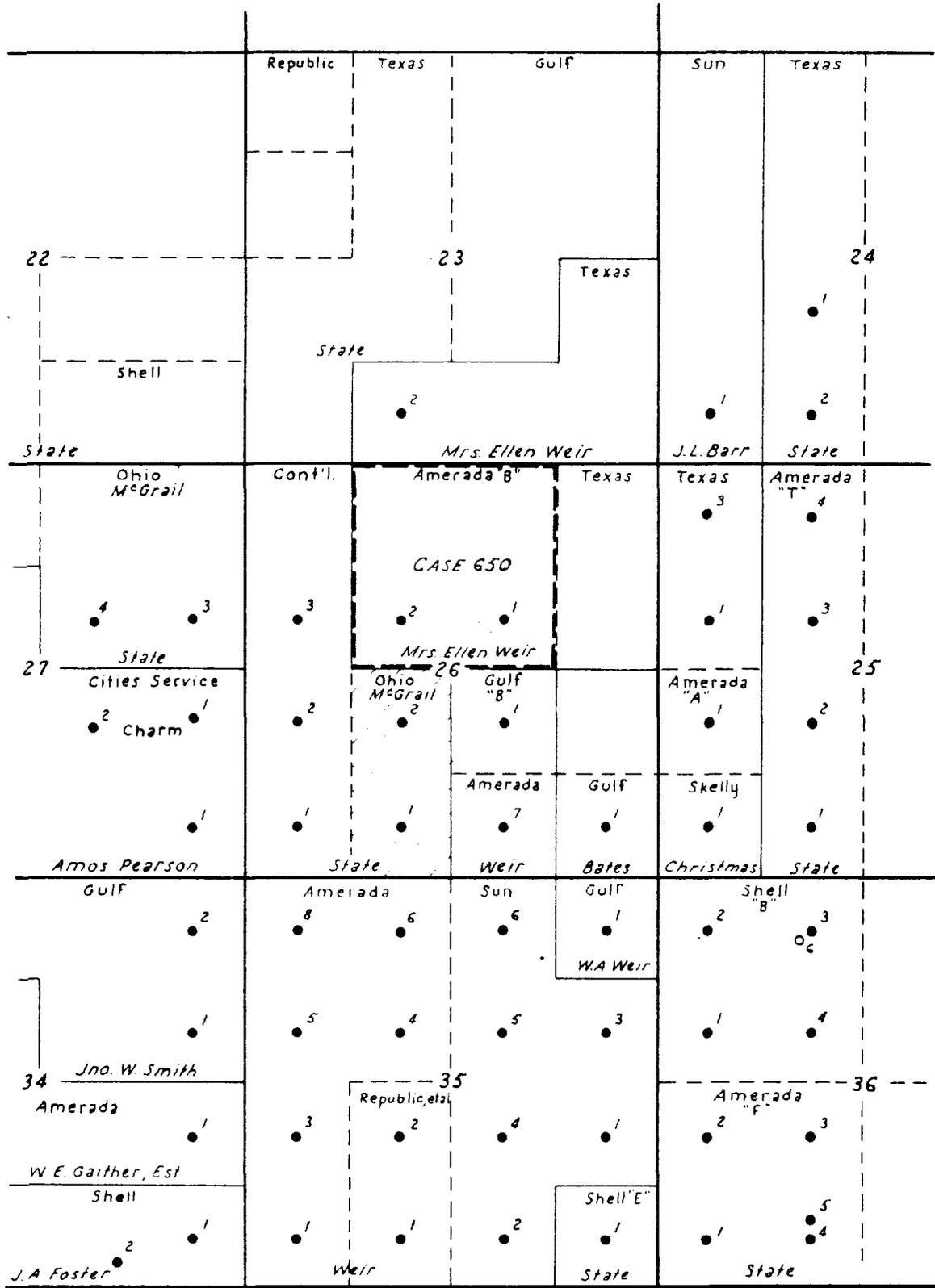


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SCALE 1"=2000'

PLAT OF OHIO'S APPLICATION FOR UNORTHODOX GAS PRORATION UNIT FOR E 1/2 OF SW 1/4 26-19-36

R 36 E



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19  
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SCALE 1"=2000'

PLAT OF OHIO'S APPLICATION FOR UNORTHODOX GAS PRORATION UNIT FOR E 1/2 OF SW 1/4 26-19-36

BEFORE THE  
**Oil Conservation Commission**  
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE NO. 751

TRANSCRIPT OF PROCEEDINGS

**ADA DEARNLEY AND ASSOCIATES**  
COURT REPORTERS  
ROOMS 105, 106, 107 EL CORTEZ BUILDING  
TELEPHONE 7-9546  
ALBUQUERQUE, NEW MEXICO

BEFORE THE  
OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO  
Santa Fe, New Mexico

August 18, 1954.

IN THE MATTER OF: )

Application of Ohio Oil Company for un- )  
orthodox gas proration unit in Eumont )  
Gas Pool: E/2 SW/4 Section 26, Town- )  
ship 19 South, Range 36 East, Lea County; )  
and for approval of recompletion of its )  
State McGrail Well No. 1 in said unit. )

Case No. 751

TRANSCRIPT OF HEARING

MR. COUCH: Terrill Couch, with the Ohio Oil Company.

D. K. SPELLMAN, J. R.

having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. COUCH:

Q Please state your name. A D. K. Spellman, Jr.

Q You are employed by the Ohio Oil Company?

A Yes.

Q In what capacity?

A District Petroleum Engineer in Midland, Texas.

Q That includes the area in Lea County, does it?

A Yes.

Q Mr. Spellman, have you previously testified before the  
Commission? A Yes, sir.

Q Your qualification as a Petroleum Engineer are of record  
in other proceedings here? A Yes.

MR. COUCH: We refer to the proceedings for the qualification.

MR. MACEY: No objection to the witness's qualifications.

Q In connection with your duties, are you acquainted with the operations of the Ohio on the east half of the southwest quarter, Section 26, of 19 south, 36 east in Lea County?

A Yes, sir.

Q Are you acquainted with the fact that the Ohio has filed application for the designation of that 80 acre tract as a non-standard gas proration unit?

A Yes, sir.

Q Within the Eumont Gas Pool? A Yes, sir.

Q Also that application, Mr. Spellman, sought the approval of recompleting the State McGrail Well No. 1 on that tract?

A That is correct.

Q In that connection, was there a Form C102 filed seeking, notifying the Commission of the desire to recomplete that well in the Eumont Gas Pool?

A Form C102 was filed with the Hobbs Office of the Commission by the Ohio Oil Company's Hobbs office on June 23, 1954 and was approved June 24, 1954.

Q Would you state for the record the nature of the proposed recompletion work?

A Consisted primarily of plugging off the Grayburg pay which is the Monument Pool pay and by bridge plug and squeeze operations, and then reperforating the production string in the productive zones chosen in the Eumont Gas pays.

Q The offset operators to this 80 acre tract we have been discussing, all have been furnished a copy of the application filed in this case, is that correct? A That is correct.

MR. COUCH: We have received waivers signed by the Amerada, Gulf,

and Continental in this connection, which we submit to the Commission for the record in this case. A copy of this application was also sent to Sun Oil?

A Yes, sir, at the same time that the others were distributed out of our office on June 28, 1954.

Q You have heard nothing from the Sun Oil Company with respect to that notice?

A We did not receive the waiver back. However, we also did not receive any evidence of opposition to our application.

Q Mr. Spellman, in your opinion, is it impractical to pool the Ohio's 80 acres in leasehold estates with adjoining acres so as to form a standard proration unit?

A That is what we so consider.

Q Do you think that the 80 acres is reasonably productive of gas from the Eumont Gas Pool?

A Yes, sir.

Q If approval, recompletion and designation of the non-standard unit is not approved, then the Ohio would be deprived of its opportunity to recover its fair share of the gas from that pool?

A Yes, sir.

Q You think that it will protect correlative rights and will not result in waste to designate this non-standard unit and to approve this recompletion?

A Yes.

MR. COUCH: I call to the Commission's attention as indicated by the plat attached as Exhibit A, the fact that the proration unit of 160 acres immediately to the north has previously been granted, and the way the leasehold estates are segregated as shown by that plat, and request that the application of Ohio be granted as sought. We have no further evidence.

MR. MACEY: Any questions of the witness?

I take it that you notified the people within the section or within the area?

MR. COUCH: According to the records of the Ohio, notice was given to all offset operators as far as our records show. Those offset operators being the ones indicated here. Referring to the plat, notice was sent to Continental, the Amerada, the Gulf, and Sun. Sun is in Section 35 immediately to the south and adjoining. Notice was furnished to them also. I think no notice was sent to the Texas Company. They apparently hold the leasehold estate on the east half of the northeast quarter of Section 26 which is some distance from this acreage involved.

Of course, the case was advertised and published.

MR. MACEY: Were these offered as Exhibits?

MR. COUCH: I offer them as Exhibits.

(Marked Ohio's Exhibits for identification.)

MR. MACEY: Is there any objection to the receipt of the Exhibits in evidence? If no questions of the witness, he may be excused. The case will be taken under advisement.

C E R T I F I C A T E

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings in the matter of Case No. 751, were taken by me on August 18, 1954, that the same is a true and correct record to the best of my knowledge, skill and ability.

  
Reporter