

Case 1023

The Ohio Oil Co.

Box 552
Midland, Texas
February 2, 1956

Examined
by
@ Huber
on 3/1/56
@ 10 AM

Re: Amendment, redesignation and approval of the existing proration unit comprised of the N/2 of Section 11, T-22-S, R-37-E, N.M.P.M., Tubb Gas Pool, Lea County, New Mexico, to permit production therefrom by two of The Ohio Oil Company's wells.

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Attention: Mr. W. B. Macey, Secretary

Gentlemen:

The Ohio Oil Company by this application respectfully requests that the gas proration unit above referred to be amended to permit production therefrom by two of The Ohio Oil Company's wells and that such unit so amended be redesignated and approved.

The proration unit was established by the Commission's Order No. R-545 entered November 17, 1954, in Case No. 782. The only well on said unit which was then completed in the Tubb Gas Pool was The Ohio Oil Company's Lou Worthan Well No. 9, located 1905 feet from the north line and 440 feet from the west line of Section 11, Township 22 South, Range 37 East. It is probable that the Lou Worthan Well No. 9 will not be able to produce the entire gas allowable to be hereafter assigned in connection with the proration unit. Your applicant expects to dually complete in the Tubb Gas Pool another well on the proration unit and will file a separate application seeking authority to carry out such dual completion. It is contemplated that the well to be dually completed will be The Ohio Oil Company's Lou Worthan Well No. 11, located 2055 feet from the west line and 1905 feet from the north line of Section 11, which well is now completed in the Drinkard Oil Pool. If for any reason there should be a request and approval to dually complete in the Tubb Gas Pool another well in lieu of the Lou Worthan Well No. 11, your applicant requests that the amendment, redesignation and approval of the proration unit be made so as to include such other well and the Lou Worthan Well No. 9 as the wells authorized to produce from the proration unit.

Unless the proration unit is amended, redesignated and approved as requested in this application, The Ohio Oil Company will be deprived of a fair opportunity to recover its just and equitable share of the natural gas in the Tubb Gas Pool. The granting of the relief sought by this application will protect correlative rights and will not cause but will prevent waste. The Ohio Oil Company has no objection to a reasonable limitation

upon the volume of gas which may be legally produced from either of the gas wells on the proration unit as amended, redesignated and approved. In this connection, The Ohio suggests that it would not be unreasonable to impose the following restriction, effective at the time dual completion of the second well is finished and when the necessary arrangements have been made for the marketing of the production of said well from the Tubb Gas Pool:

"Neither of the gas wells on this proration unit shall be permitted to produce a greater volume of gas during any proration period than 75% of the volume of gas which such well would be permitted to produce during such proration period under the applicable rules and regulations if such well were the only well on said unit."

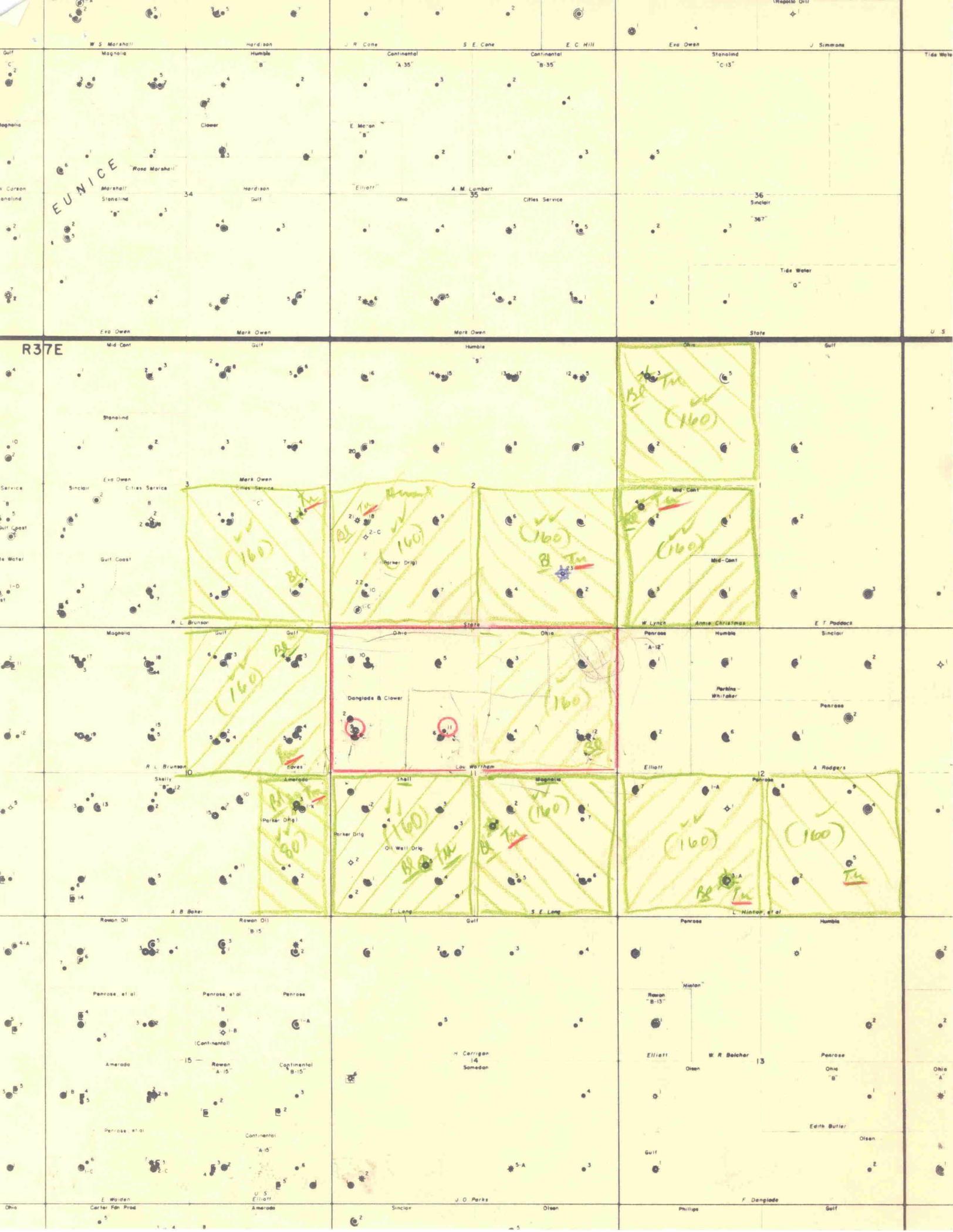
A plat is attached hereto which indicates the location of the proration unit and the location of the surrounding tracts. A list of the names and addresses of all interested persons known to applicant is also attached to this application.

The Ohio Oil Company requests that this application be set for hearing and that notice of the application and hearing be issued and published as required by law and the rules of the Commission. A hearing before an Examiner is hereby requested; however, if the Commission desires to conduct the hearing on this application or if objection to the hearing before the Examiner is made in the time and manner required by law and the rules, it is requested that this application be promptly set for hearing at the next regular hearing date of the Commission.

Very truly yours,

THE OHIO OIL COMPANY

By 
Coe S. Mills, District Manager



EUNICE

R37E

B-12
B-13
B-14
B-15
B-16
(160)

OFFSET OPERATORS TO LOU WORTHAM LEASE

Humble Oil & Refining Company
P. O. Box 1600
Midland, Texas

Magnolia Petroleum Company
P. O. Box 633
Midland, Texas

Amerada Petroleum Corporation
P. O. Box 312
Midland, Texas

Gulf Oil Corporation
P. O. Box 1150
Midland, Texas

Cities Service Oil Company
2nd Floor Midland Tower Building
Midland, Texas

Shell Oil Company
P. O. Box 1509
Midland, Texas

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 CON-
SIDERING:

CASE NO. 782
Order No. R-545

THE APPLICATION OF THE OHIO OIL
COMPANY FOR AN ORDER GRANTING
APPROVAL OF AN EXCEPTION PURSUANT
TO RULE 7 (a) OF ORDER NO. R-373-A IN
ESTABLISHMENT OF AN UNORTHODOX GAS
PRORATION UNIT OF 320 CONTIGUOUS ACRES
CONSISTING OF N/2 OF SECTION 11, TOWNSHIP
22 SOUTH, RANGE 37 EAST, NMPM, LEA
COUNTY, NEW MEXICO, IN THE TUBB GAS POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m. , on October 20, 1954, at Hobbs, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 17th day of November, 1954, 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 7 (a) of Order No. R-373-A, 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, The Ohio 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
N/2 of Section 11

containing 320 acres, more or less.

(4) That applicant, The Ohio Oil Company has a producing well on the aforesaid lease known as Ohio Lou Worthan Well No. 9, located 1905' from the North line and 440' from the West line of Section 11, Township 22 South, Range 37 East.

(5) That the aforesaid well is located within the limits of the pool heretofore delineated and designated as the Tubb Gas Pool.

(6) That the aforesaid well was completed and in production as an oil well producing from the Drinkard Oil Pool prior to January 1, 1954, the effective date of Order No. R-373-A; that thereafter the applicant plugged back out of the Drinkard Oil Pool, having been authorized by Commission Order DC-60-A, dated June 1, 1954, to dually complete the said well so as to produce gas from both the Blinebry and Tubb Gas Pools; that applicant has been producing from both the Blinebry and Tubb Gas Pools since on or about June 28, 1954.

(7) That it is impracticable to pool applicant's said lease with adjoining acreage in the said Section 11, and that the owners of adjoining acreage in said quarter sections have not objected to the formation of the proposed proration unit of 320 acres, consented thereto.

(8) 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 equitable share of the natural gas in the Tubb Gas Pool.

(9) 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 the Ohio Oil Company for approval of an unorthodox proration unit consisting of the following described acreage

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
N/2 Section 11

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

(2) That applicant's well, Ohio Lou Worthan No. 9, located in the SW/4 NW/4 of Section 11, Township 22 South, Range 37 East, NMPM, shall be granted an allowable from June 28, 1954, in the proportion that the above described 320 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.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Signed by: Edwin L. Mechem, Chairman; E. S. Walker, Member; W. B. Macey, Secretary and Member