

Case No.

700

Application, Transcript,
Small Exhibits, Etc.

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

* * * * *

TRANSCRIPT OF PROCEEDINGS
CASE NO. 700
Regular Hearing

May 19, 1954

REPORT OF THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
Santa Fe, New Mexico
May 19, 1954

IN THE MATTER OF:

Application of the Texas Company
for unorthodox gas proration unit.

Case No. 700

Applicant in the above-styled case, seeks
an order authorizing the formation of a
160-acre unorthodox gas proration unit
as an exception pursuant to provisions
of Rule 7(a) of Order R-370-A and con-
sisting of E/2 W/2 of Section 24, Town-
ship 19 South, Range 36 East, Lea County,
New Mexico, in the Sumont Gas Pool.

TRANSCRIPT OF PROCEEDINGS

MR. WHITE: Charles White appearing on behalf of Texas Company
and our one witness is Mr. Mankin.

WARREN W. MANKIN

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

DIRECT EXAMINATION

By MR. WHITE:

Q Mr. Mankin, will you state your full name for the record,
please? A Warren W. Mankin.

Q By whom are you employed and in what capacity?

A Texas Company, as Petroleum Engineer.

Q Have you previously testified before the Commission?

A I have not.

Q Will you briefly give the Commission your professional quali-
fications and experience?

A Yes, sir. Graduated from West Virginia University, Petrol-
eum Geology, and also in Petroleum Engineering. Worked on a masters

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degree in Petroleum Engineering at the University of Oklahoma.
Worked a year and a half as natural gas petroleum engineer in the
fields of Pennsylvania and New York. Eight and a half years as
petroleum engineer with the Texas Company in Texas and New Mexico,
with a year and a quarter break in service to re-enter the service
Air Force.

Q Have you had an occasion to study the proposed unorthodox
unit comprising the east half of the west half of Section 24, Town-
ship 19 South, Range 36 East? A I have.

Q I hand you what is marked Petitioner's Exhibit A and ask if
that was prepared under your direction and supervision?

A It was.

Q Will you identify the same and state to the Commission what
it is designed to show?

A This is a map of the Eumont, portion of the Eumont gas pool
in which the Texas Company's proposed unit is outlined in red. The
east half of the west half of Section 24, Township 19, South, Range
36 East, Lea County, New Mexico.

Q Does this Exhibit show the adjoining wells producing in the
area? A It does.

Q What is the location of the proposed well?

A Location of the proposed well which is the Texas Company's
State J Well No. 3 is 1980 feet from the north line, and 1980 feet
from the west line of Section 24, Township 19 South, Range 36 East.

Q Is it impractical to attempt to unitize this area with the ad-
joining tracts within the respective quarter sections, and if so,
why?

Yes. It is impractical to unitize with other operators in

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This particular section as will be noted from a previous case, No. 663, that was heard on February 17, Sun Oil Company, in their J. L. Barnum 3 was heard and proposed to form the west half of the west half of that same section which adjoins the proposed unit of the Texas Company.

Q Have you received waivers from the operator on the west or east which would be Gulf?

A We have not received or requested waiver, but Gulf had indicated to me a few moments ago as they had to leave and were not able to state that the unit was satisfactory to them as they have the west half of the east half of that same section which adjoins the Texas Company proposed unit.

Q In your opinion, is this area commercially productive of gas?

A It is.

MR. WHITE: We have no further questions unless the Commission wishes to ask some.

MR. SPURRIER: Anyone have a question of the witness?

MR. SELINGER: Skelly Oil Company, Selinger, owns the north offset and we have no objection to the granting of their application.

MR. SPURRIER: Mr. White, what did Gulf Oil Company say in this?

MR. WHITE: It was my understanding that they were going to offer no objection to it had they been able to remain.

MR. SPURRIER: If they had objection, I presume they would have remained.

MR. WHITE: I presume they would have.

MR. SPURRIER: Anyone else have a question of the witness? If not the witness may be excused.

(Witness excused.)

MR. SPURRIER: We will take the case under advisement and move

on to Case 701.

MR. WHITH: No offer in evidence Exhibit A.

MR. SPURRIER: Without objection it will be received.

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. 700 was taken by me on May 19, 1954, that the same is a true and correct record to the best of my knowledge, skill and ability.

Ada Dearnley
Reporter

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
CONSIDERING:

CASE NO. 700
Order No. R-478

THE APPLICATION OF THE TEXAS COMPANY
FOR AN ORDER GRANTING APPROVAL OF AN
EXCEPTION PURSUANT TO RULE 7 (a) OF
ORDER NO. R-370-A IN ESTABLISHMENT OF AN
UNORTHODOX GAS PRORATION UNIT OF 160
CONTIGUOUS ACRES CONSISTING OF EAST HALF
OF WEST HALF OF SECTION 24, TOWNSHIP 19
SOUTH, RANGE 36 EAST, NMPM, LEA COUNTY,
NEW MEXICO IN THE EUMONT GAS POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m., on May 19, 1954, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 27th day of May, 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-370-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 Texas 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 19 SOUTH, RANGE 36 EAST, NMPM
E/2 W/2 of Section 24.

containing 160 acres, more or less.

(4) That applicant, The Texas Company proposes to drill a well on the aforesaid lease known as State "J" No. 3, to be located 1980' from the North line and 1980' from the West line of Section 24, Township 19 South, Range 36 East.

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

(6) That it is impractical to pool applicant's said lease with adjoining acreage in the West half of Section 24 and that the owners of adjoining acreage in said half section have not objected to the formation of the proposed proration unit of 160 acres.

(7) 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 Eumont Gas Pool.

(8) That creation of a proration unit consisting of the aforesaid acreage will not cause but will prevent waste, will protect correlative rights, and is necessary to prevent confiscation of applicant's property.

IT IS THEREFORE ORDERED:

(1) That the application of The Texas Company for approval of an unorthodox proration unit consisting of the following described acreage:

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM
E/2 W/2 of Section 24

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

(2) That applicant's well, State "J" No. 3, to be located in the SE/4 NW/4 of Section 24, Township 19 South, Range 36 East, NMPM, shall be granted an allowable in the proportion that the above described 160 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


EDWIN L. MECHEM, Chairman


E. S. WALKER, Member


R. R. SPURRIER, Secretary and Member

S E A L

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

June 7, 1954

Mr. L. C. White
Box 787
Santa Fe, N. M.

Dear Mr. White:

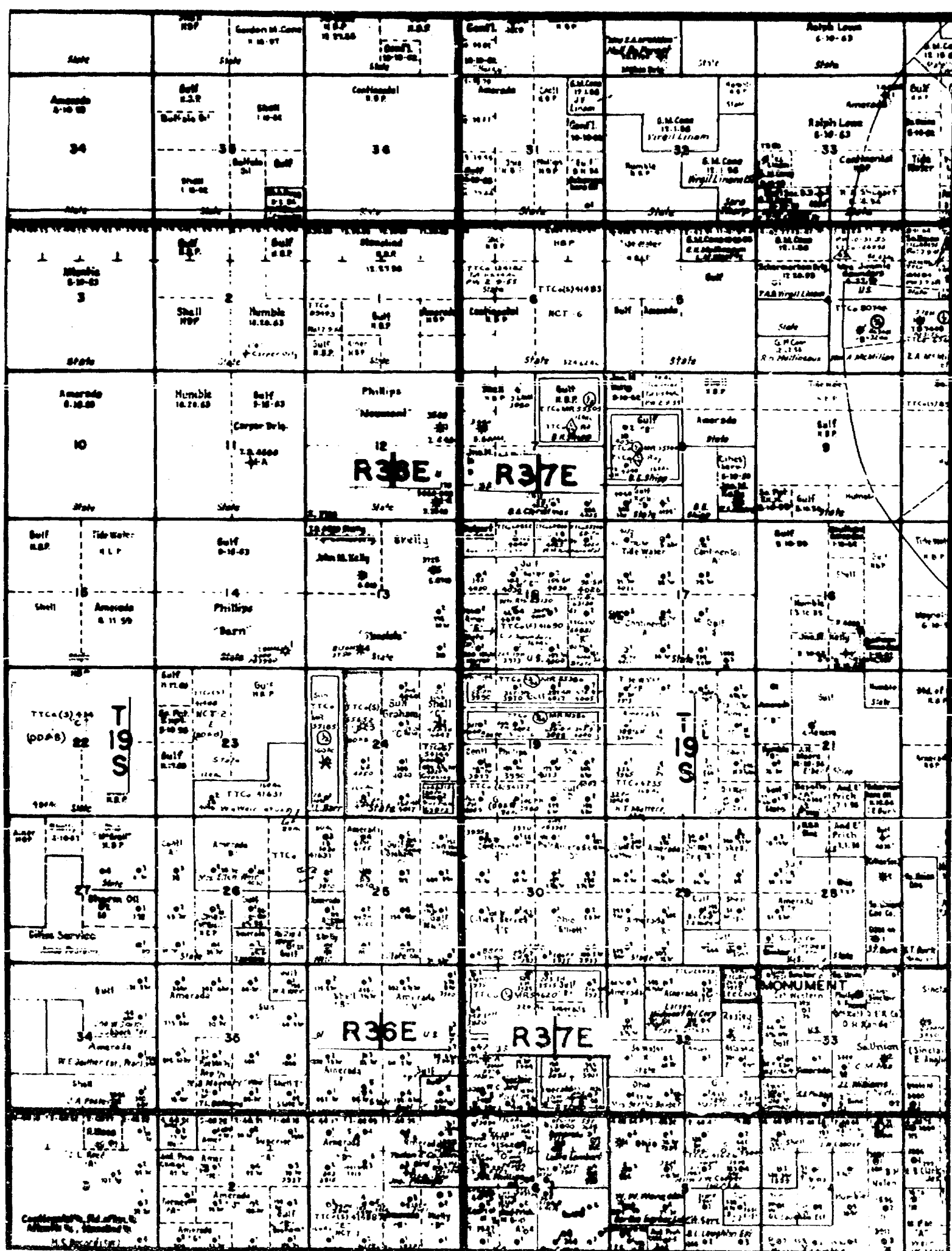
In behalf of your client, The Texas Company, we enclose
copies of Order R-478 issued in Case 700, which was heard
at the regular hearing on May 19, 1954.

Very truly yours,

W. B. Macey
Chief Engineer

WBM:nr

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BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF)
THE TEXAS COMPANY FOR AN EXCEPTION TO)
ORDER NO. R-370-A TO PERMIT APPLICANT)
TO ASSIGN AN UNORTHODOX 160-ACRE GAS)
PRORATION UNIT TO ITS STATE "J" LEASE,)
LOCATED IN E $\frac{1}{2}$ W $\frac{1}{2}$ OF SECTION 24, TOWNSHIP)
19 SOUTH, RANGE 36 EAST, LEA COUNTY,)
NEW MEXICO.)

CASE NO. 700

PETITION

Comes now The Texas Company, Petitioner herein, and respectfully shows to
the Honorable Oil Conservation Commission of the State of New Mexico, as fol-
lows:

I.

That the Petitioner is the owner and operator of an oil and gas lease
known as its State "J" Lease, covering the E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 24, Township 19
South, Range 36 East, Lea County, New Mexico. Order No. R-370-A requires
standard proration units to be in the form of a square, which is a govern-
mental quarter-section. This Petitioner desires to form an unorthodox gas
proration unit consisting of the E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 24, Township 19 South, Range
36 East.

II.

That the Petitioner proposes to drill its No. 3 well located 1980 feet
from the North and 1980 feet from the West lines of Section 24 on the afore-
said lease as a gas well to produce from the Eumont Gas Pool.

III.

Unitization of portions of this tract with other tracts within Section
24 so as to form a standard 160-acre gas proration unit is impracticable;
that permission has heretofore been requested by the Sun Oil Company in Case
No. 663 before this Commission to drill its L. L. Barr Well No. 2 in the NW $\frac{1}{4}$
of the SW $\frac{1}{4}$ of Section 24, Township 19 South, Range 36 East, wherein a 160-acre

GILBERT WHITE AND GILBERT
ATTORNEYS AT LAW
SANTA FE, NEW MEXICO

GILBERT, WHITE AND GILBERT
ATTORNEYS AT LAW
SANTA FE, NEW MEXICO

1 proration unit consisting of the $W\frac{1}{2}W\frac{1}{2}$ of said Section is the acreage assigned
2 to said well.

3 IV.

4 At the present time, to Petitioner's knowledge, there has been no gas
5 well drilled in the Eumont Gas Pool within the $NW\frac{1}{4}$ of Section 24, Township 19
6 South, Range 36 East.

7 V.

8 That the granting of this application will not interfere with the estab-
9 lishment of four 160-acre proration units with four reasonably spaced gas
10 wells within the Section.

11 VI.

12 Attached hereto and incorporated herein by reference is a plat showing
13 the location of the unit well, the outline of the proposed 160-acre gas pro-
14 ration unit, and other tracts in the Section and other wells located thereon.

15 WHEREFORE, Petitioner prays that this matter be set for hearing, that
16 notice be given thereof as required by law, and that upon final hearing, the
17 Oil Conservation Commission of the State of New Mexico enter its order, autho-
18 rizing Petitioner to assign an unorthodox gas proration unit to its Well No.
19 3 in accordance with this Petition, and the rules and regulations of the Oil
20 Conservation Commission.

21 Respectfully submitted,

22 THE TEXAS COMPANY

23 By 
24 Its Attorney.

