

Case No.

701

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Application, Transcript,  
Small Exhibits, Etc.

CASE 701: Claud E. Aikman -  
Unorthodox gas proration unit,  
adjacent to Summit Gas Pool

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

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TRANSCRIPT OF PROCEEDINGS

CASE NO. 701

Regular Hearing

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

IN THE MATTER OF:

Application of Claud E. Aikman for  
unorthodox gas proration unit.

Case No. 701.

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 provi-  
sions of Rule 7(a) of Order R-370-A and  
consisting of 3/2 NE/4 and N/2 SE/4 of Section  
7, Township 21 South, Range 37 East, adjacent  
to the Eumont Gas Pool, Lea County, New Mexico.

TRANSCRIPT OF PROCEEDINGS

MR. MORRELL: My name is Foster Morrell, Petroleum Consultant,  
Roswell, New Mexico, appearing on behalf of Mr. C. E. Aikman in  
Case No. 701 for the consideration of the application of Mr. Aikman  
for approval of 160 acre unorthodox gas proration unit, being adjacent  
to the Eumont Gas Pool, consisting of the south half of the northeast  
quarter and the north half of the southeast quarter, Section 7,  
Township 21 South, Range 37 East, Lea County, New Mexico. I have  
here what is marked Exhibit No. 1 in Case 701, on which is shown the  
gas wells located in Section 7 and 8 in Township 21 South, Range 37  
East. On this map outlined in red is the 160 acre unorthodox gas  
proration unit requested by Mr. Aikman.

The gas wells shown thereon are as follows: The Claude E. Aik-  
man No. 1 Currie, located 660 feet from the east line and 1080 feet  
from the south line of Section 7. This well was completed July 22,  
1953 at a total depth of 3732 feet, plugged back to 3630 feet. Gas  
is produced through casing perforation from 3565 to 3630 in the

Queen Formation. The initial potential after the acid and dolomite was three million cubic feet a day with a shutin pressure of 1000 pounds. Gas is currently being sold from this well to the El Paso Natural Gas Company. There is also shown on this exhibit one the Neville G. Penrose well Alves, located 660 feet from the east line and 330 feet from the south line of Section 7, Township 21 South, Range 37 East. This well was completed September 23, 1953 at a total depth of 3602 feet. The gas producing interval is from the 3524 to 3602 feet in the Queen formation. The initial potential of the well after treatment with mud acid and stratafac was 3,221,000 cubic feet of gas per day with a shutin pressure of 1000 pounds. Gas is not being produced from the well at the present time.

The third well shown on Exhibit 1 is Neville G. Penrose, Inc. well #2, Alves, located 1980 feet from the north line and 1980 feet from the east line of Section 18, Township 21 South, Range 37 East. This well was completed October 30, 1953 at a total depth of 3828 feet, plugged back to 3609 feet. The gas producing interval is from 3490 to 3595 feet in the Queen formation. The initial potential of the well after treatment with acid and shot with nitroglycerin was one million and a half per day with a shutin pressure of 1100 pounds. Gas is not being produced from this well at the present time. At the present time the Claude A. Aikman Well No. 1, Currie, is the only well producing high pressure gas in Section 7 and 18. As the well is at present not included in any gas pool defined by the Oil Conservation Commission, the purchaser is taking gas only on the basis of 80 acres within a standard Governmental quarter section attributed to the Aikman well. It is for this reason that Mr. Aikman has filed his application for a 160 acre unorthodox gas acreation unit, so that

he may be permitted to recover his just and equitable share of natural gas in the area now proposed to be included in the Eumont Gas Pool by extension thereof, to be considered during this hearing under Case No. 713 (f). We wish to express our endorsement of the proposed extension of the Eumont Gas Pool so far as it includes Section 7, Township 21 South, Range 37 East and the Claude E. Aikman No. 1 well Currie, as it is our opinion that the gas reservoir as developed in the Aikman Well probably belongs in the Eumont Gas Pool.

In support of this opinion, we wish to call attention to the fact that the Eumont Gas Pool was created by Oil Conservation Commission Order No. R-264, dated February 17, 1953 in Case 245. This order provided that the producing formation in the Eumont Gas Pool shall extend from the top of the Yates formation to a point 200 feet below the top of the Queen formation, thereby including all of the Seven Rivers formation. By Oil Conservation Commission order 264-A dated October 17, 1953 in Cases Nos. 245 and 521, it was held that the vertical productive limits of the Eumont Gas Pool as fixed by Order No. 246 should be changed to include all the Queen formation. The producing formations of the Eumont Gas Pool therefore now include all of the Yates, Seven Rivers, and Queen formations.

I have here what is marked Exhibit No. 2 in Case No. 701, being a West-East cross section showing wells in Section 11, Township 21 South, Range 36 East, now within the Eumont Pool to and including Section 7, Township 21 south, Range 37 east.

Exhibit No. 3 is a well map of the area on which is indicated the line of the West-East cross section shown on Exhibit No. 2. Referring to Exhibit No. 2, the three westernmost wells are the Continental Well No. 1, State D-11 in the northwest quarter, southwest

quarter of Section 11, the Two Sisters Well No. 1 in the northwest, southeast Section 11 and the Two Sisters Well No. 1 Riddell in the southeast quarter, southwest quarter of Section 12, all in Township 21 South, Range 36 east. These three wells are on a gas proration schedule for April 1954 under the Eumont Gas Pool. You will note from Exhibit 2 that the producing interval from these three wells includes the Queen sand. The Claude A. Aikman No. 1 Currie shown on the right-hand side of Exhibit 2 likewise produces high pressure gas from the same Queen sand formation. It is our opinion, therefore, that the Eumont Gas Pool should be extended to include the Aikman well. It is further stated that the Aikman Well No. 1 Currie was completed and on production prior to January 1, 1954, the effective date for proration of gas in the previously defined Eumont Gas Pool under Order R-370-A dated November 10, 1953 in Case No. 584, and that the Aikman well is within the limits of the pool as proposed for extension of the Eumont Pool under Case No. 713.

The applicant's Currie lease embraces the south half, northeast quarter and the north half, southeast quarter, Section 7, Township 21S, Range 37 east. It is impractical to pool applicant's lease with the adjoining acreage within the east half of Section 7. The owners of the adjoining acreage in said section have not objected to the formation of the proposed unorthodox gas proration unit covering this 160 acre lease. I present herewith as Exhibit Four, a letter dated April 1, 1954 written by Mr. William H. Aikman to the New Mexico Oil Conservation Commission requesting that Claude Aikman be granted a hearing on May 19, 1954 for the formation of the unorthodox gas proration unit, the said unit being the subject of this Case 701.

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It will be noted from this letter that copies were mailed to J. G. Rodman, Amerada, Neville G. Penrose, Inc., Tide Water Associated Oil Company, and Continental Oil Company. The parties named are holders of working interest in oil and gas leases in Section 7 and of offset acreage to the east in Section 8. No objections to the gas proration unit requested by Mr. Aikman have been received from these parties. Mr. Rodman has orally expressed his opinion that he offers no objection to the request in this case.

Further, I wish to present as Exhibit 5 a letter dated May 13, 1954 addressed to Mr. Claude Aikman from Mr. John P. McNaughton which states that, "This will advise that Neville G. Penrose Inc. has no objection to the formation of an unorthodox gas unit comprising the south half, northeast quarter and north half, southeast quarter of Section 7, Township 21 south, Range 37 east, Lea County, New Mexico." Neville G. Penrose Inc. owns the shallow operating rights through the Queen formation including the south half of the southeast quarter of Section 7.

We wish to state further that unless a proration unit embracing the south half of the northeast quarter, and north half of the southeast quarter of Section 7 is permitted, Mr. Aikman will be deprived of an opportunity to recover his just and equitable share of the natural gas from the gas reservoir of the Dumont Gas Pool, and that the creation of the gas proration unit consisting of this acreage will prevent waste and protect correlative rights, and is necessary to prevent confiscation of applicant's property.

It is further requested that the proration unit created in respect to this application be granted effective January 1, 1954 so that the allowable thereunder may be effective from that date the same as any standard or orthodox proration unit for said Dumont Gas

Pool.

I wish to enter into the record of Case No. 701 Exhibits 1 through 5 inclusive.

MR. WALKER: Any objections? They will be admitted.

MR. MORRELL: That is all.

MR. WALKER: Any questions of the witness? Any statement?  
The witness is excused.

(Witness excused.)

MR. WALKER: The case will be taken under advisement. The next case on the Docket is 702.

#### 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. 701 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.

  
Reporter



Legal Notice OCC Hearing

Date: 5 19

CASE 701:

Case 701  
Publication:

Consisting of S/2 NE/4 and N/2 SE/4 of  
Section 7, Township 21 South, Range 37  
East, N.M.P.M. ~~is~~ adjacent to the  
Eumont Gas Pool, Lea County, N.M.

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

April 23, 1954

Mr. William H. Aikman  
1700 West Kentucky  
Midland, Texas

Dear Sir:

We have your request of April 1, 1954, on behalf of Claud E. Aikman for a hearing for approval of a projected unorthodox gas proration unit consisting of S/2 NE/4 and W/2 SE/4 of Section 7, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

Inasmuch as the Claud E. Aikman No. 1 Currie well (located 1980' from the south line and 660 feet from the east line of Section 7, Twp. 21 South, Rge. 37 East) is not within a designated Lea County gas pool, no exception can be granted under our present regulations.

Very truly yours,

W. B. Macey  
Chief Engineer

WBM:nr

cc: Oil Conservation Commission  
Hobbs

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O  
P  
Y

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11-27-1954  
?

WILLIAM H. AIKMAN  
1700 WEST KENTUCKY  
MIDLAND, TEXAS

1954 APR 3 AM 10:55

April 1, 1954

New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

Gentlemen:

It is hereby requested that Claud E. Aikman be granted a hearing during the May 19, 1954, monthly session, for the formation of an unorthodox 160 acre gas proration unit. The acreage in question consists of the S/2 NE/4 and N/2 SE/4 of Section 7, Township 21-South, Range 37-East, containing 160 acres.

The Claud E. Aikman #1 Barnie Currie, located 1980' from the South line and 660' from the East line of Section 7, Township 21-South, Range 37-East, Lea County, New Mexico, is producing dry gas from the Queen Formation.

Operators of all offset acreage are being notified of this request.

Yours very truly,

*William H. Aikman*

WILLIAM H. AIKMAN

WHA-r

cc- E. G. Rodman  
Neville G. Penrose, Inc.  
Amerada Petroleum Corporation  
Tide Water Associated Oil Company  
Continental Oil Company  
Foster Morrell

*(Noted and approved by the  
Neville G. Penrose, Inc.)*

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. 701  
ORDER NO. R-486

THE APPLICATION OF CLAUDE E.  
AIKMAN FOR AN ORDER GRANTING  
APPROVAL OF AN EXCEPTION PUR-  
SUANT TO RULE 7 (a) OF ORDER NO.  
R-370-A IN ESTABLISHMENT OF AN  
UNORTHODOX GAS PRORATION UNIT  
OF 160 CONTIGUOUS ACRES CONSISTING  
OF THE S/2 NE/4 AND N/2 SE/4 OF  
SECTION 7, TOWNSHIP 21 SOUTH, RANGE  
37 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, herein-  
after referred to as the "Commission".

NOW, on this 7<sup>th</sup> day of July, 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 jurisdic-  
tion 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, Claude E. Aikman, 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 21 SOUTH, RANGE 37 EAST, NMPM.  
S/2 NE/4 and N/2 SE/4 of Section 7

containing 160 acres, more or less.

(4) That applicant, Claude E. Aikman has a producing well on the  
aforesaid lease known as No. 1, Currie, located 1980' from the South line  
and 660' from the East line of Section 7, Township 21 South, Range 37 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 East half of Section 7, Township 21 South, Range 37 East, NMPM., 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 his 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 Claude E. Aikman for approval of an unorthodox proration unit consisting of the following described acreage

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM.  
S/2 NE/4 and N/2 SE/4 of Section 7

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

(2) That applicant's well, No. 1 Currie, located in the NE/4 SE/4 of Section 7, Township 21 South, Range 37 East, NMPM, shall be granted an allowable from January 1, 1954 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

RECEIVED APR 2 1954

WILLIAM H. AIDMAN  
1700 WEST KENTUCKY  
MIDLAND, TEXAS

April 1, 1954

New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

Gentlemen:

It is hereby requested that Glend E. Aidman be granted a hearing during the May 19, 1954, monthly session, for the duration of an ~~unlimited~~ <sup>240</sup> acre gas production unit. The acreage in question consists of the S/2 NE/4 and N/2 SE/4 of Section 7, Township 22-South, Range 37-East, containing 240 acres.

The Glend E. Aidman #1 Devine Gusher, located 1900' from the South line and 600' from the East line of Section 7, Township 22-South, Range 37-East, Lea County, New Mexico, is producing dry gas from the Queen Formation.

Operators of all offset acreage are being notified of this request.

Yours very truly,

*William H. Aidman*  
WILLIAM H. AIDMAN

WHA-g

cc- E. O. Redman  
Hoville G. Fawcett, Inc.  
American Petroleum Corporation  
Tide Water Associated Oil Company  
Continental Oil Company  
Foster McNeill

UNITED

APR 2 1954

RECORDED

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

*C. E. Aidman*  
FILE 201

NEVILLE G. PENROSE, INC.  
FAIR BUILDING  
FORT WORTH 2, TEXAS

May 13, 1954

Mr. Claude Aikman  
1700 W. Kentucky  
Midland, Texas

Re: Formation Unorthodox Gas Unit, Lea County, New Mexico

Dear Sir:

This will advise that Neville G. Penrose, Inc. has no objections to the formation of an unorthodox gas unit comprising the S/2 of the NE/4 and N/2 of the SE/4 of Section 7, 21S-37E, Lea County, New Mexico.

Very truly yours,

*John P. McNaughton*  
John P. McNaughton

JPM:mb

BEFORE THE  
OIL CONSERVATION COMMISSION  
C. E. Aikman  
CASE 701

*case 701  
10/1/54*