

Case No.

717

Application, Transcript,
Small Exhibits, Etc.

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

August 16, 1954

Western Oil Fields, Inc.
Box 1139
Denver 2 - Colorado

Attention: Mr. R. M. Barnholt, jr.

Gentlemen:

We attach copy of Order No. -R-515 issued by the Commission
on August 12, 1954, in Case 717.

Very truly yours,

W. B. Macey
Secretary-Director

WBM:nr

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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. 717
ORDER NO. R-515

THE APPLICATION OF WESTERN OIL
FIELDS, INC. FOR AN ORDER GRANTING
APPROVAL OF AN EXCEPTION PURSUANT
TO RULE 7 (a) OF ORDER NO. R-372-A IN
ESTABLISHMENT OF AN UNORTHODOX GAS
PRORATION UNIT OF 160 CONTIGUOUS ACRES
CONSISTING OF LOTS 14 AND 15, NW/4 SE/4,
AND NE/4 SW/4 OF SECTION 4, TOWNSHIP 21
SOUTH, RANGE 37 EAST, NMPM, LEA COUNTY,
NEW MEXICO IN THE BLINEBRY GAS POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m., on July 15,
1954, at Santa Fe, New Mexico, before the Oil Conservation Commission,
hereinafter referred to as the "Commission".

NOW, on this th12 day of August, 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 pur-
pose 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-372-
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, Western Oil Fields, Inc. 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
LOTS 14 AND 15,
NW/4 SE/4, NE/4 SW/4
OF SECTION 4.

containing 160 acres, more or less.

(4) That applicant, Western Oil Fields, Inc. has a producing
well on the aforesaid lease known as Gulf-Hill, No. 1, located 1980' from the
South line and 1980' from the East line of Section 4, 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 Blinebry Gas Pool.

(6) That it is impractical to pool applicant's said lease with adjoining acreage in the South half of Section 4, Township 21 South, Range 37 East, 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 Blinebry Gas Pool.

(8) 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 Western Oil Fields, Inc. for approval of an unorthodox proration unit consisting of the following described acreage

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM.

LOTS 14 AND 15,
NW/4 SE/4, NE/4 SW/4 SECTION 4.

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

(2) That applicant's well, Gulf Hill, No. 1, located in the NW/4 SE/4 of Section 4, Township 21 South, Range 37 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

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EDWIN L. MECHEM, Chairman

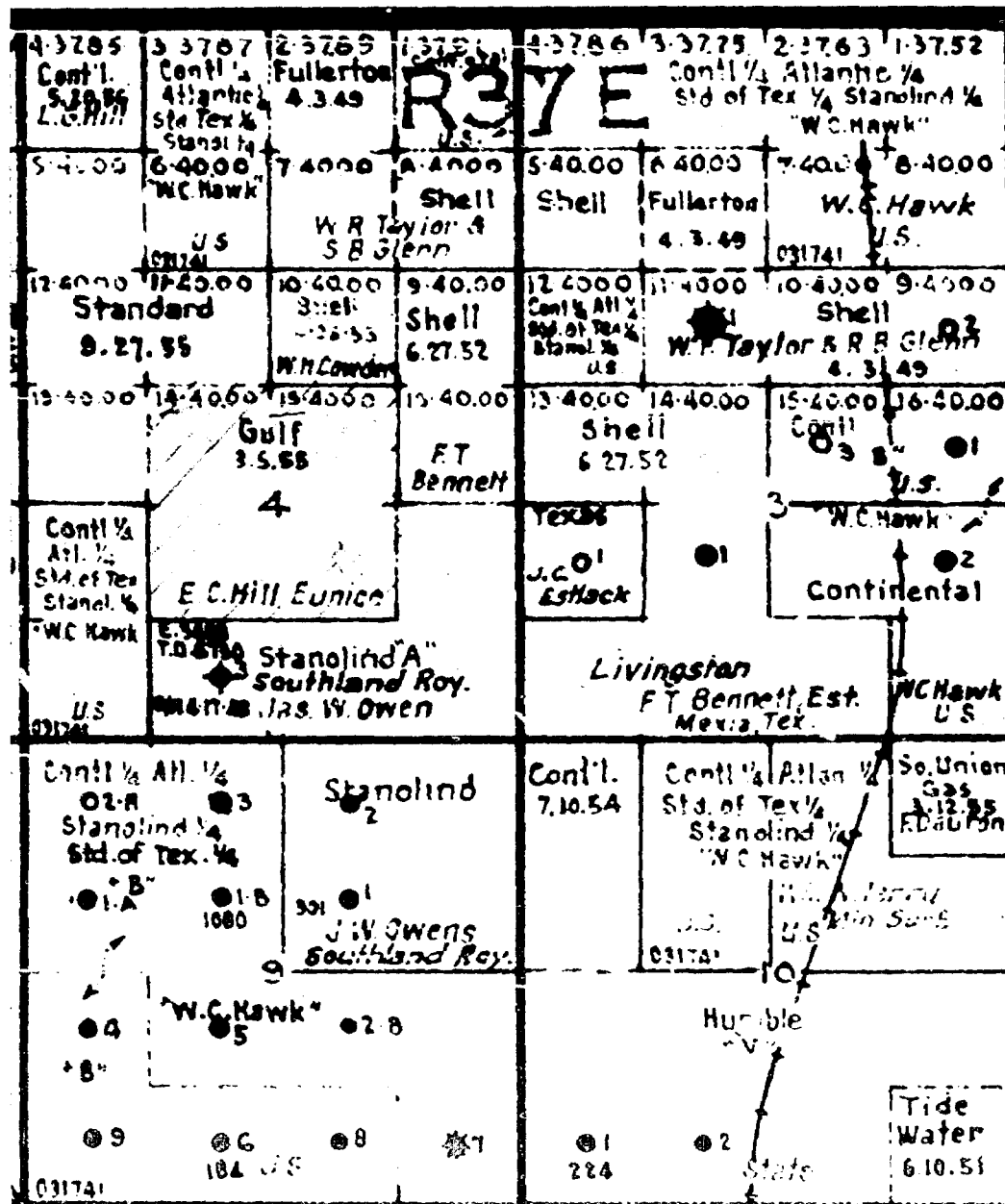
E S Walker

E. S. WALKER, Member

W B Macey

W. B. MACEY, Secretary and Member

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- Proposed Proration Unit

Case 717

April 28, 1954

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

Gentlemen:

Western Oil Fields, Inc., hereby submits application for approval of an unorthodox gas proration unit consisting of our 160-acre Gulf-Hill farmout lease, and we respectfully request that a hearing be set on the same at the next regular statewide hearing on May 19, 1954.

Supporting this application we submit the following:

1. Western Oil Fields, Inc., is the owner and operator of the 160-acre Gulf-Hill farmout lease described as the SW/4 NE/4, SE/4 NW/4, NW/4 SE/4 and the NE/4 SW/4, Section 4, T-21-S, R-37-E in Lea County, New Mexico, as shown on the attached plat.
2. Western Oil Fields, Inc., seek establishment of an unorthodox 160-acre gas proration unit containing the above described acreage, in exception to Rule 7 (a) of Order 372-A, to become effective upon the completion of a regularly approved, closely completed well.
3. Since the proposed unit lies in a contiguous square in the center of the section and thus overlaps into each of the regularly subdivided quarter section plots, establishment of such unorthodox gas proration unit would appear to lessen the complication of proration and at the same time secure an economically sound operation.

Very truly yours,

WESTERN OIL FIELDS, INC.

By *R. M. Barnholt, Jr.*

WLB/jr

WLB/nw

MAIN OFFICE **WESTERN OIL FIELDS, INC.**

~~XXXXXXXXXXXXXXXXXXXX~~ P.O. Box 1139

1954 JUL 8 AM 9:35

TELEPHONE MAIN 0226
(DENVER 2, COLORADO)

July 6, 1954

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

Attention: Mr. R. R. Spurrier, Secretary and Director.

Gentlemen:

Your letter of June 17, 1954, advised us of the continuance until July 15 of the hearing on our unorthodox 160-acre gas proration unit (SW/4 NE/4 and SE/4 NW/4 and NW/4 SW/4 of Section 4, Twp. 21 S., Rng. 37 E., Lea County, New Mexico).

We shall appear at the regular July 15th hearing and regret any inconvenience we may have caused by our failure to appear at the June 16th hearing.

Yours truly,

WESTERN OIL FIELDS, INC.


Earl H. Johnson

EHJ/nw

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

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TRANSCRIPT OF PROCEEDINGS

CASE NO. 217

Regular Hearing

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) ss.

I, Ada Seamenley, Court Reporter, do hereby
certify that the foregoing and attached transcript of proceedings
before the New Mexico Oil Conservation Commission at Santa Fe,
New Mexico, is a true and correct record to the best of my
knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial
seal this 18th day of June, 1954.

Ada Seamenley
Notary Public, Court Reporter

My Commission Expires:

June 19, 1955

BEFORE THE
OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

Santa Fe, New Mexico

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TRANSCRIPT OF PROCEEDINGS

CASE NO. _____

Regular Hearing

BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE NO. 717 Regular Hearing

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
Santa Fe, New Mexico
July 15, 1954

IN THE MATTER OF:

Application of Western Oil Fields, Inc., for
160-acre unorthodox gas proration unit in Blin-
bry Gas Pool: Lots 14 and 15, and NW/4 SE/4,
NE/4 SW/4 Section 4, Township 21 South, Range
37 East.

Case No.
717

BEFORE:

Mr. E. S. (Johnny) Walker
Mr. R. R. Spurrier

TRANSCRIPT OF HEARING

MR. SPURRIER: The next case on the docket is Case 717.

MR. JOHNSON: Earl Johnson, with Western Oil Fields, Inc.

MR. SPURRIER: Do you intend to testify, Mr. Johnson.

MR. JOHNSON: Yes, sir.

E A R L H. J O H N S O N

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

MR. JOHNSON: As a representative of Western Oil Field, we
state that we are the owner and operator of 160-acre Gulf-Hill
farm-out lease described as the Lots 14 and 15, and NW/4 SE/4,
NE/4 SW/4 of Section 4, Township 21 South, Range 37 East, Lea
County, New Mexico. We seek to establish an unorthodox gas pro-
ration unit containing the above described acres, excepting to Rule
7-A, Order 372-A, to become effective upon the completion of a

regular proved, duly completed well. I have here the letters of waiver, Stanolind Oil and Gas; Shell Oil Company and a letter from the Standard Oil Company of Texas, in which they state they have no interest in the property, even though it is shown that way on the plat. Does the Commission have copies of these? I don't believe they were furnished with the application.

MR. MACEY: According to your letter, you furnished copies of the application of Continental, Shell, Standard of Texas and Stanolind.

MR. JOHNSON: Continental replied that they would take the matter under advisement, and have not, as yet, waived, or furnished us with their waivers. The unit lies right directly in the center of Section 4. It is a contiguous square in the center of the section and overlaps over into the regular quarter subdivided section plots. If the unorthodox gas proration unit is granted, it would lessen the complication for the proration and at the same time secure an economically sound operation. It is impossible now in the northwest quarter of Section 4 to form any form of a unit as Stanolind has been granted the unorthodox unit. Shell is in the northeast quarter and has waived their right, it is 160 acres. The section is divided up into lots and the only quarter section is in the south half of two quarter section. Therefore, we ask that the unorthodox proration unit be granted.

MR. SPURRIER: Does anyone have a question of the witnesses?

MR. MACEY: Is the entire 160 acres productive of gas in the Blinbry Pool?

A Yes, sir.

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

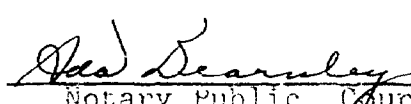
(Witness excused.)

MR. SPURRIER: Does anyone else have a comment in this Case? If not we will take it under advisement and move on to Case 719.

STATE OF NEW MEXICO)
 : SS
COUNTY OF BERNALILLO)

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 17th day of July, 1954.



Notary Public, Court Reporter

My Commission Expires:
June 19, 1955

April 23, 1954

File: Gulf-Hill III

Subject: Unorthodox Gas Proration
Unit, Gulf-Hill Lease,
Lea County, New Mexico.

Continental Oil Company
P. O. Box 2197
Houston, Texas

Shell Oil Company
P. O. Box 2099
Houston, Texas

Standard Oil Company of Texas
Box 1249
Houston, Texas

Stanolind Oil & Gas Company
Oil & Gas Building
Ft. Worth, Texas

Gentlemen:

We are making application to the New Mexico Oil and Gas Conservation Commission for approval of an unorthodox 160-acre gas proration unit on our Gulf-Hill Lease described as follows: SW/4 NE/4, SE/4 NW/4, NW/4 SE/4 and the NE/4 SW/4, Section 4, T-21-S, R-37-E, Lea County, New Mexico. The proposed unorthodox gas proration unit would contain the above described acreage which lies in a contiguous 160 surface-acre tract in the center of the section.

If formation of the above described unit meets with no objection we would appreciate your signing the attached waiver and returning the original and two copies to us.

We are enclosing a plat of the acreage together with a copy of our application to the New Mexico Oil Conservation Commission.

Very truly yours,

WESTERN OIL FIELDS, INC.

L. M. Barnholt, Jr.
L. M. Barnholt, Jr.

VMBJr/ew
Enclosures - 6

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

June 17, 1954

C
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Mr. R. M. Barnholt, Jr.
Western Oil Fields, Inc.
1636 Stout Street
Denver 2, Colorado

Dear Sir:

Your application for hearing on your proposed unorthodox 160-acre gas proration unit (SW/4 NE/4, SE/4 NW/4, NW/4 SW/4 of Section 4, Twp. 21 South, Rge. 37 East, Lea County, New Mexico) was advertised and scheduled to be heard at yesterday's regular Commission hearing.

Inasmuch as you failed to make an appearance or have representation at the hearing the case was continued until the regular July 15th hearing. Will you please advise us if you intend to make an appearance on that date and in the event that you do not we will have to dismiss the case.

Very truly yours,

R. R. SPURRIER
Secretary and Director

RRS:vc

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

May 6, 1954

C
O
P
V
Mr. R. M. Barnholt, jr.
Western Oil Fields, Inc.
1636 Stout Street
DENVER 2 - COLORADO

Dear Sir:

We received yesterday your application for hearing on your proposed unorthodox 160-acre gas proration unit (SW/4 NE/4, SE/4 NW/4, NW/4 SE/4, and NE/4 SW/4 of Section 4, Twp. 21 South, Rge. 37 East, Lea County, New Mexico).

Unfortunately this was received much too late to permit legal advertisement for the May 19 hearing. We prefer to have the applications in this office approximately 30 days prior to the hearing for which they are to be advertised. If it is satisfactory to you, we will therefore hold your application and advertise it as a case for the regular June 16, 1954, hearing.

Very truly yours,

W. B. Macey
Chief Engineer

WBM:nr

cc: Oil Conservation Commission
Hobbs N M

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Case 717

WESTERN OIL FIELDS, INC. MAIN OFFICE OCC
1636 STOUT STREET
TELEPHONE MAIN 0226
DENVER 2, COLORADO
1954 MAY 15 AM 8:20

April 28, 1954

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

Gentlemen:

Western Oil Fields, Inc., hereby submits application for approval of an unorthodox gas proration unit consisting of our 160-acre Gulf-Hill farmout lease, and we respectfully request that a hearing be set on the same at the next regular statewide hearing on May 19, 1954.

Supporting this application we submit the following:

1. Western Oil Fields, Inc., is the owner and operator of the 160-acre Gulf-Hill farmout lease described as the SW/4 NE/4, SE/4 NW/4, NW/4 SE/4 and the NE/4 SW/4, Section 4, T-21-S, R-37-E in Lea County, New Mexico, as shown on the attached plat.
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Very truly yours,

WESTERN OIL FIELDS, INC.

By *L. M. Barnholt, Jr.*

RMB/jr

WM/nw