

Case No.

725

Application, Transcript,
Small Exhibits, Etc.

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. 725
ORDER NO. R-492

THE APPLICATION OF SHELL OIL
COMPANY 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 80 CONTIGUOUS ACRES
CONSISTING OF S/2 NE/4 OF SECTION 15,
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 June 16, 1954,
at Santa Fe, New Mexico, before the Oil Conservation Commission, herein-
after referred to as the "Commission".

NOW, on this 7th 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-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, Shell 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 21 SOUTH, RANGE 37 EAST, NMPM.
S/2 NE/4 of Section 15

containing 80 acres, more or less.

(4) That applicant, Shell Oil Company, has a producing well on the
aforesaid lease known as State, No. 2, located 1980' from the North line
and 660' from the East line of Section 15, Township 21 South, Range 37 East.

(5) That the aforesaid well was completed and in production prior to
January 1, 1954, the effective date of Order No. R-372-A, and 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 NE/4 of Section 15, Township 21 South, Range 37 East, and that the owners of adjoining acreage in said quarter section have not objected to the formation of the proposed proration unit of 80 acres, but have expressly consented thereto.

(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 Shell Oil Company for approval of an unorthodox proration unit consisting of the following described acreage:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM.
S/2 NE/4 of Section 15

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

(2) That applicant's well, State, No. 2, located in the SE/4 NE/4 of Section 15, Township 21 South, Range 37 East, NMPM, shall be granted an allowable from January 1, 1954, in the proportion that the above described 80 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.

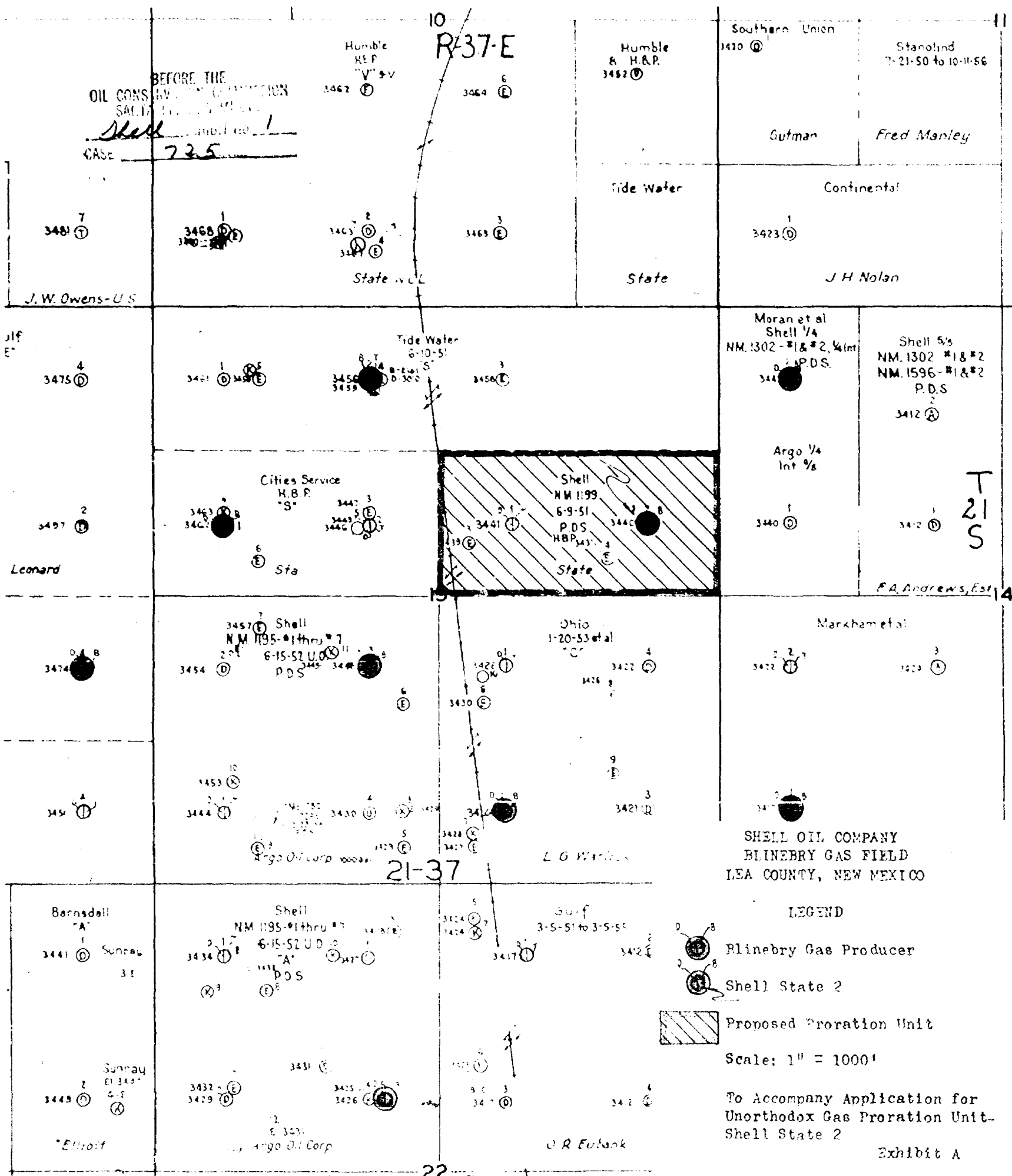
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


EDWIN L. MECHEM, Chairman


E. S. WALKER, Member


R. R. SPURRIER, Secretary and Member

SEAL



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

TRANSCRIPT OF PROCEEDINGS
CASE NO. 725
Regular Hearing

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
June 16, 1951

IN THE MATTER OF:

Application of Shell Oil Company for 80-
acre unorthodox gas proration unit in the
Flinbry Gas Pool; S/2 NE/4 of Section 15,
Township 21 South, Range 37 East, R4E1,
Lea County, New Mexico.

Case NO. 725

BEFORE:

Honorable Edwin L. Mechem
Mr. I. S. (Joanny) Walker
Mr. A. R. Spurrier

TRANSCRIPT OF HEARING

MR. SPURRIER: Case number 725.

A. J. EDWARDS

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

DIRECT EXAMINATION

By MR. HUGHSTON:

Q You are prepared to state that the facts stated there are
true and correct?

A Yes, sir.

(Marked Shell's Exhibit No. 1,
for identification.)

MR. HUGHSTON: To offer the plac in evidence as Shell's
exhibit 1.

Q. SPUAR: All right, order for 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100.

Q. This is the same area or the same area as that involved in Case 723, isn't it, Mr. SPUAR?

A. Yes, sir.

Q. There, as in Case 723, you have three wells that are completed in the gas formation under consideration, which is the Blinebry, in the north half of the section?

A. Yes, sir.

Q. And there, as in Case 723, Tilerater has been granted an unorthodox unit consisting of the north half of the northwest quarter and the north half of the northeast quarter?

A. Yes, sir.

Q. Will you give us the number of that order and case?

A. I can give you the order number. It is Order A-449. I don't have the case number.

Q. The well, as to which the unorthodox unit is requested, will you give us the date on which it was completed in the Blinebry?

A. Shell State 2 is a Blinebry-Driftard dual well which was completed as a dual December 2, 1952.

Q. It has been on the production allowable for the past months beginning January 1, 1951 and up to date?

A. Yes, sir, in the Blinebry production schedule.

Q. Shell was authorized to complete the well as a dual completion. Will you give us the number of that order?

A. The permission to finally complete the well in the Blinebry

and Drinkari was granted in Order Number A-143, dated August 23, 1952, by the Oil Conservation Commission.

Q It would be impractical in view of the Tlewater unit to effect a unitization of the northeast quarter of Section 15, would it not?

A That is right.

MR. HUGHSTON: That is all.

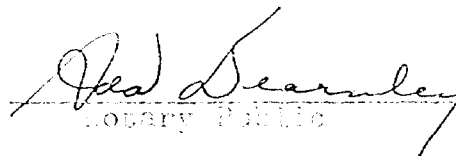
MR. SPURRIS: Does anyone have a question of the witness in Case 725? If not we will take this one under advisement and move on to Case 724.

(Witness excused.)

C E R T I F I C A T E

I, ADA DEARNLEY, do hereby certify that the above and foregoing transcript of proceedings before the Oil Conservation Commission on Wednesday, June 10, 1954, in Sabry Hall, Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

Dated at Albuquerque, New Mexico, this 10th day of June, 1954.


Notary Public

My Commission expires:
June 12, 1955



MAIN OFFICE 000
SHELL OIL COMPANY

1051 MAY 19 AM 10:00

Box 1957
Hobbs, New Mexico

May 14, 1954

Subject: Application for Unorthodox
Gas Proration Unit, Shell
State (B-9188) Lease,
Blinebry Gas Pool, Lea County,
New Mexico

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

Gentlemen:

Shell Oil Company respectfully submits application for an unorthodox gas proration unit for its State 2 well in the Blinebry Gas Pool. Further, it is requested that this matter be considered at the next regular statewide hearing on June 16, 1954.

The following data is offered in support of this application:

1. Shell Oil Company is the owner and operator of the 80-acre State (B-9188) lease which includes the S/2 NE/4 of Section 15, T-21-S, R-37-E, Lea County, New Mexico, as shown on the attached plat.
2. Shell Oil Company proposes that the above described acreage be established as an unorthodox 80-acre gas proration unit in exception to Rule 7 (a) of Order R-372A.
3. Shell State 2, located 1980 feet from the north line and 660 feet from the east line of Section 15, T-21-S, R-37-E, Lea County, New Mexico, was completed as a Blinebry (gas) - Drinkard (oil) dual well December 9, 1952. Permission to dually complete this well in the Blinebry Gas Pool and the Drinkard Pool was granted by the Oil Conservation Commission in Order R-189 dated August 28, 1952.
4. No other Blinebry gas well is completed on the 80-acre proration unit proposed under this application.

Yours very truly,

W. E. Owen
Division Manager