

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

January 22, 1952

Case 337: In the matter of the application of R. S. Magruder to
unitize for proration and production and operation purposes, lots
1 and 2, Section 33, with the NE/4 NW/4 and SE/4 NW/4 of the same
section in Township 24 South, Range 38 East, NMPM, Lea County,
New Mexico.

R. S. MAGRUDER.

after first having been duly sworn, testified as follows:

MR. MAGRUDER: I'm an individual operator and I have two forty
(40) acre tracts and I would - - -

MR. SPURRIER: Will you speak up a little louder, please?

MR. MAGRUDER: These two lots are inside the forty(40) acre
tracts which are leased to Gulf on the west. In order for them to
continue with the drilling of the well and to increase the allow-
able on these two forty acre tracts.

MR. GRAHAM: Have you made application to the State Land
Office?

MR. MAGRUDER: No, not the State Land Office. These two lots
are seven and one-half acres each but there is State Land a little
to the west and north.

MR. GRAHAM: My question was - had you made application to the

State Land Office - - -

MR. MAGRADER: No. The State Land belongs to Gulf and I didn't think that was necessary and to increase the allowable, I thought we came to the Commission.

MR. SPURRIER: Mr. Campbell, are you representing the Gulf Oil Company?

MR. CAMPBELL: Yes, sir.

MR. SPURRIER: In this case?

MR. CAMPBELL: Yes, sir.

MR. SPURRIER: You have some comment?

MR. CAMPBELL: If I understood - - I couldn't hear Mr. Magrader very well - I understood that he is asking for an increase in the acreage allowable for the additional tracts to be unitized. I have no statement then.

MR. SPURRIER: Mr. Merrell, do you have any comment in this case?

MR. MORRELL: If the Commission please, I think it would be well to have the record show that the unitization of the narrow lots adjoin the Texas State Line. These lots for which Mr. Magrader has made application under case 337 are only a few of many. In Mr. Magrader's case, there are already producing wells in Texas Six hundred and sixty (660) feet from New Mexico's State Line. Drainage from the State of New Mexico is occurring. Mr. Magrader is the lessee from the Federal Government of two leases or two lots,

Lots 1 and 2, Section 33, Township 24 South, Range 38 East. We concur in his application to save steel, that these lots be communitized with the adjoining 40 acre tract from the State Line to the west. Those two lots having the specific acreage of - Lot 1, has 7.21 acres - Lot 2 has 7.24 acres according to surveys in the General Land Office, now the Bureau of Land Management. To be fair and equitable, to communitize the tracts comprising 47.21 acres and 47.24 acres should have an allowable adjustable to the actual acreage, possibly the nearest acre as compared to the allowable for a normal forty.

MR. GRAHAM: Thank you, Mr. Morrell.

MR. SPURRIER: Does anyone else - - -

MR. GRAHAM: Mr. Magruder, have you contacted the Gulf people on the matter?

MR. MAGRUDER: Yes. They say that they will be willing to unitize the two forty (40) acre tracts that adjoin to the west. They have indicated that they would be agreeable.

MR. GRAHAM: Illustrate what would happen if that seven acre tract of yours was consolidated with the forty (40) acre tract of Gulf's.

MR. MAGRUDER: Well, in that case they would drill their forty (40) acre tract - - -

MR. GRAHAM: To secure what allowable?

MR. MAGRUDER: To secure an allowable based on to say, forty

seven (47) acres over forty (40).

MR. GRAHAM: And then where would you come out?

MR. MAGRUDER: Well, I would participate in drilling that well or would make a deal with them whereby they would take over the lease. I don't know what that would be.

MR. GRAHAM: They are hopeful of getting that seven acre lease?

MR. MAGRUDER: Yes.

MR. SPURRIER: Does anyone else have any questions of Mr. Magruder? If there are no further questions of this witness, the witness will be excused. The case will be taken under advisement.

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STATE OF NEW MEXICO)
COUNTY OF LOS ALAMOS) ss

I hereby certify that the foregoing and attached transcript of hearing in Case 337 before the Oil Conservation Commission on January 22, 1952, at Santa Fe is a true record of the same to the best of my knowledge, skill and ability.

DATED at Los Alamos, this 24th day of January, 1952.


Audrey M. Henrickson

My commission expires September 20, 1955.