

BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE NO. 752

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES
COURT REPORTERS
ROOMS 105, 106, 107 EL CORTEZ BUILDING
TELEPHONE 7-9548
ALBUQUERQUE, NEW MEXICO

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

August 18, 1954

IN THE MATTER OF:

Application of Ohio Oil Company for un-orthodox gas proration unit in Eumont Gas Pool: S/2 N/2 Section 9, Township 20 South, Range 37 East, Lea County, New Mexico.) Case No. 752

TRANSCRIPT OF HEARING

MR. MACEY: The next case is 752.

MR. COUCH: We will proceed on the application of Ohio Oil Company for formation of non-standard proration unit in the Eumont Gas Pool consisting of the south half of the north half of Section 9, Township 20 South, Range 37 East, Lea County, New Mexico. I believe you have a copy of the application with the plat attached.

D. K. SPELLMAN, J. R.

having previously been sworn, testified as follows:

DIRECT EXAMINATION

By MR. COUCH:

Q Please state your name. A D. K. Spellman, Jr.

Q You are the same Mr. Spellman who has testified in Case 751? A Yes, sir.

Q Before this Commission. We refer to the record in that case for the qualifications of the witness and his position with the Ohio Oil Company.

Q In your duties with Ohio Oil Company, you are acquainted with the area that I have described here?

A Yes.

Q For which we seek a non-standard proration unit?

A Yes.

Q The application as originally filed sought also approval of recompletion of W. H. Laughlin Well No. 4 on the acreage, did it not?

A Yes, sir.

Q Mr. Spellman, were waivers sent to the offset operators as their offset operators are identified by the record of the Ohio Oil Company?

A Yes, sir.

MR. COUCH: I believe the operators were the Amerada, the Texas Company, Skelly Oil Company, Cities Service Oil Company, Gulf Oil Corporation, Tidewater and Continental. We have received waivers signed by each of those companies consisting of a copy of the application with the Exhibit attached, which we offer in evidence.

(Marked Ohio's Exhibit
for identification.)

MR. MACEY: Is there objection to the introduction of these Exhibits? If not they will be received in evidence.

Q Mr. Spellman, after the application was filed, the Form C102 was filed with the Hobbs office of the Commission for authority to recomplete Well No. 4?

A Yes, sir. Form C102 was filed on our State W. H. Laughlin No. 4 on June 22, 1954 and was approved June 25, 1954.

Q For the record, you mentioned that as State Laughlin. I believe that is not a state lease in this instance?

A It is my understanding it is. Yes, sir.

Q After you had received approval for that recompletion and plugged off the Monument pay in that well, Mr. Spellman, did you, was it concluded to temporarily abandon that well?

A It was.

Q That it would be more feasible to dually complete Laughlin Well No. 3 on that same tract, is that right?

A Yes, sir, that was our opinion.

Q And was notice of the temporary abandonment of the well filed with the Commission?

A Yes, sir, it was filed, C103, on July 21, 1954.

Q As of that same date was application made for authority to dually complete Well No. 3 on that acreage? That is the date of the application I believe, July 21?

A I was going to say I was not in a position at this time to testify as to the exact date of the application, but I do know that the application was made and has been approved by the Commission.

Q In that connection, I have a photostatic copy of the Commission's Order C143, granting authority to dually complete the W. H. Laughlin Well No. 3 on the acreage referred to. It shows the application was filed with the Commission on July 26. The files will reflect that the application was dated July 21, that the customary administrative order was issued authorizing the dual completion of that Well No. 3.

Well No. 3 is located approximately how far from the nearest boundary of the 160 acres, Mr. Spellman?

A Well No. 3 is located within 660 feet of the nearest boundary.

Q That is, it is 660 feet from that boundary approximately?

A Yes.

Q The next nearest boundary is approximately how far?

A 1,080 feet.

Q Mr. Spellman, this well when dually completed pursuant to the order of DCL43 of this Commission issued August 6 would be dually completed in the Eumont Gas Pool, would it not, as presently delineated?

A As presently delineated, it would be dually completed so as to produce gas from the Eumont Gas Zone.

Q Would that remain completed as an oil well in that oil pool?

A It would remain as an oil well in the Monument Oil Pool.

Q In your opinion is it impractical to pool the Ohio's leasehold acreage as to form a standard gas proration unit in this case?

A Yes, sir.

Q In your opinion would it be deprived of its opportunity to recover its fair share of gas unless the dual completion is authorized, and the non-standard unit is granted, as applied for?

A That is correct.

Q Will it protect correlative rights and not result in waste to grant the proration unit that Ohio is seeking in this case?

A Yes, sir.

MR. COUCH: That is all.

MR. MACEY: Any further questions of the witness? If not, the witness will be excused and we will take both Cases 751 and 752 under advisement.

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. 752, were taken by me on August 18, 1954, that the same is a true and correct record to the best of my knowledge, skill and ability.


Reporter

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

December 7, 1954

The Ohio Oil Company
P. O. Box 3128
HOUSTON, TEXAS

Attention: Mr. Terrell Couch, Legal Department

Gentlemen:

We enclose a copy of Order R-527-A issued nunc pro tunc by the Commission in Case 752. We greatly appreciate your letter of October 8 furnishing us with information needed for clarification of the original order.

Very truly yours,

W. B. Macey
Secretary - Director

WBM:nr

Libon

The Chic Oil Co.

Legal Department

W. Hume Everett
Thomas H. McElroy
J. O. Terrell Couch
Attorneys

December 10, 1954

P.O. Box 3128
Houston, Texas

Mr. W. B. Macey, Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Re: Case 752

Dear Sir:

I acknowledge receipt of your letter of December 7 enclosing copy of Order R-527-A in the above numbered case.

Thank you for giving your attention to my request. I recognize that you have a multitude of new matters to consider at all times and, therefore, I am doubly grateful for your reconsideration of the Order originally entered in this case.

Very truly yours,


J. O. Terrell Couch

TC:MK