

JASON W. KELLAHIN
ATTORNEY AT LAW
54½ EAST SAN FRANCISCO STREET
POST OFFICE BOX 597
SANTA FE, NEW MEXICO
TELEPHONE 3-9396

April 25, 1956

Mr. A. L. Porter, Director
New Mexico Oil Conservation Commission
State Capitol
Santa Fe, New Mexico

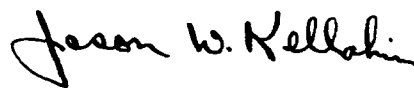
Dear Mr. Porter:

Attached are three applications seeking exceptions to the appropriate orders pertaining to cancellation of unproduced gas allowables in the Tubb, Eumont, Jalmat and Blinbry Gas Pools, Lea County, New Mexico, filed in behalf of Permian Basin Pipeline Company.

Due to the fact that the unproduced gas allowables involved in these applications will be subject to cancellation July 1, 1956, it is requested that the applications be set for hearing at the May 16th meeting of the New Mexico Oil Conservation Commission or as soon thereafter as possible.

Your consideration of this request will be greatly appreciated.

Yours very truly,


Jason W. Kellahin

JWK:lm

Encl. (3)

cc: Mr. Lawrence I. Shaw

MAIN OFFICE 000
1956 MAY 16 PM 3:52

ROWAN OIL COMPANY

FAIR BUILDING
FORT WORTH 2, TEXAS

May 11, 1956

Oil Conservation Commission
Santa Fe, New Mexico

Gentlemen:

We have reviewed the applications of Permian Basin Pipeline Company for exceptions to the cancellation provisions of certain proration orders in Lea County. Specifically, the applications refer to Rule 9, Order No. R-520; Rule 13, Order No. R-610; Rule 9, Order No. R-586.

Periodically, we have discussed with Permian representatives reasons why they were unable to accept minimum take deliveries. It is apparent the accelerated completion rate of gas wells resulted in gas deliveries in excess of Permian's plant capacity. It is also apparent Permian is making a diligent effort to increase their capacity by enlarging their present facilities.

Since waste will not result and correlative rights will be protected by granting Permian's application for exception to the above mentioned orders, it is respectively requested their applications be approved.

Yours very truly,

ROWAN OIL COMPANY



Leroy Gideon
Production Superintendent

LG:dg

REPLY TO:
P. O. BOX 2076
HOBBS, NEW MEXICO

ALBERT GACKLE, OPERATOR
419 FORT WORTH NATIONAL BANK BUILDING
FORT WORTH 2, TEXAS

June 14, 1956

Case 1082
MAIN OFFICE OCC
1956 JUN 22 PM 1:15

file

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

Gentlemen:

Albert Gackle, Operator wishes to make the following statement for record in the matter pertaining to over production and under production from gas wells located in the Jalmat Gas Pool, Lea County, New Mexico.

In particular we refer to the N 1/2 of Section 3, T 23S, R 36E, N. M. P. M., Lea County, New Mexico.

This acreage is owned by Albert Gackle et al and the Sinclair Oil & Gas Company.

The acreage is operated by Albert Gackle, Operator.

The referred to acreage is under contract to Southern Union Gas Company.

Due to mechanical conditions for a peroid of time it was not possible to produce the allowable assigned to this acreage. However, the mechanical conditions have been corrected and it is now possible to make up the under production from this acreage.

The present production status of the acreage is as follows:

May current allowable	28,892 MCF
May net allowable	323,467 MCF
Credit from April	14,859 MCF
Corrected May net allowable	308,608 MCF
May Production	88,580 MCF
June current allowable	26,430 MCF
June net allowable	246,458 MCF

During the month of May 59,688 MCF of gas, of the under production assigned to the acreage, was made up.

It can be expected that the under production will be made up in a reasonable length of time.

It is our position that gas under production should not be cancelled where ever it is possible for the under production to be produced in a reasonable length of time.

Further, under such conditions, unless an extension of time is granted, the operator or operators will be deprived of the opportunity to produce their just and equitable share of the hydrocarbons in the Jalmat Gas Pool. The granting of an extension of time will protect correlative rights and will not cause, but will prevent waste.

Further, I refer specifically to our Esmond Lease in the NE 1/4 of Section 33, T 22S, R 36E. Presently this acreage has an under production of some 200,000 MCF. The acreage is under contract to El Paso Natural Gas Company. We are currently negotiating with El Paso Natural Gas Company and with United Carbon Company to obtain a lower pressure connection for the gas. Unless an extension of time is granted we will here again be deprived of the opportunity to produce our just and equitable share of the hydrocarbons in the Jalmat Gas Pool.

Respectfully submitted

ALBERT GACKLE, OPERATOR

A handwritten signature in black ink, reading "Paul S. Johnston". The signature is written in a cursive, flowing style with a large, prominent initial "P".

Paul S. Johnston
Superintendent of Production

PSJ:fl

Case 1082

MAIN OFFICE 000

1956 JUN 13 11:17
QUILMAN B. DAVIS
SECRETARY AND GENERAL ATTORNEY

AZTEC OIL & GAS COMPANY

920 MERCANTILE SECURITIES BUILDING

DALLAS 1, TEXAS

June 12, 1956

AIR MAIL

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

Attention: Mr. A. L. Porter
Secretary-Director

Gentlemen:

I had initially planned to be present at the June 14 hearing for the purpose of presenting testimony in Case 1082 with respect to underproduction of our wells in the Eumont and Blinebry gas pools; however, obligations here will prevent me from attending the hearing.

It is my understanding that Permian Basin Pipeline Company has filed an application with the Commission asking for an extension of time within which to make up underproduction of certain wells, including Aztec's Burk Wells 1 and 2 and State Unit E Wells, connected to their transportation system. Aztec would like to go on record as concurring in the application of Permian Basin.

It is also our understanding that Southern Union Gas Company will present testimony relative to overproduction and underproduction of certain wells, including Aztec's Dauron No. 2-B Blinebry Gas Well, and it is the purpose of this letter to concur in Southern Union's application and submit to the Commission certain additional information concerning negotiations with Continental Oil Company with respect to the formation of a 160-acre unit for the Dauron No. 2-B Well.

The underproduction charged to our Dauron 2-B Well is due to a voluntary cut back in December, 1955, and at approximately the date on which Aztec filed its application for a 40-acre non-standard gas proration unit for the well. Following the hearing of our application, several meetings were held with representatives of Continental in an effort to settle our differences.

Last Thursday, June 7, Aztec signed and delivered to Continental communitization agreements covering the Blinebry and Tubb formations

June 12, 1956

of the NE $\frac{1}{4}$ of Section 10, Township 21 South, Range 37 East, and I have been advised by Continental today that such agreements have been signed by them and have been submitted to the other NMFU partners for final approval and signature. It is very doubtful that the other three companies involved will have an opportunity to review and execute the agreements prior to the hearing; therefore, we are not in a position at this time to definitely state that communitization of the NE $\frac{1}{4}$ has been effected. I would like to point out, however, that there has been no indication to date that the transaction will not be consummated.

In view of the foregoing and our efforts to resolve the questions involved in the communitization of the NE $\frac{1}{4}$ of Section 10 for the Blinbry gas formation, we respectfully urge the Commission to grant Southern Union additional time to make up the present underproduction of the well, some of which accrued during the last month or two of the year 1955.

In the event testimony in connection with the Dauron 2-B Well is desired from Aztec or Continental, we ask that the case be held open to permit us to present such testimony after the above mentioned agreements have been fully executed by all parties.

Yours very truly,

AZTEC OIL & GAS COMPANY



Quilman B. Davis,
General Attorney

QBD:NL

cc - Mr. Hugh Johnston
Continental Oil Company

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

July 13, 1956

C
O
P
Y

Mr. A. S. Grenier
Southern Union Gas Company
1104 Burt Building
Dallas, Texas

Dear Sir:

We enclose a copy of Order R-836 issued July 9, 1956, by the Oil Conservation Commission in Case 1082, which was heard on June 14th.

Very truly yours,

A. L. Porter, Jr.
Secretary - Director

brp
Encl.

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

July 11, 1956

Mr. Jason W. Kellahin
P.O. Box 597
Santa Fe, New Mexico

Dear Sir:

In behalf of your client, Permian Basin Pipeline Company,
we enclose two copies of Order R-836 issued July 9, 1956, by the
Oil Conservation Commission in Case 1082, which was heard on
June 14th.

Yours very truly,

A. L. Porter, Jr.
Secretary - Director

brp
Encls.

C
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P
Y

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

Copy mailed to
El Paso Nat. Gas Co., El Paso
So. Union, Dallas
Permian, Omaha
July 11, 1956

Memo No. 23-56

MEMORANDUM

TO: All gas producers and purchasers in the pratered pools of Lea County, New Mexico

FROM: A. L. Porter, Jr., Secretary - Director

SUBJECT: Temporary suspension of overproduction and underproduction rules in pratered gas pools of Lea County

Commission Order R-836 suspends, for one year, the provisions of Orders R-520, R-586 and R-610 which require the cancellation of underproduction and the shutting in of wells for overproduction.

The purpose of this Order is to afford the producers of underproduced wells an opportunity to make up the underproduction and to allow the purchasers connected to wells that are overproduced sufficient time to bring these wells into balance without having to shut them in for long periods of time.

The order is entered in good faith on the premise that purchasers will make every effort to regulate gas takes in such a manner as to assure a balance of production on each well prior to June 30, 1957, at which time the Order will expire and it will be necessary to revoke the cancellation and shut-in provisions of the various orders referred to above.

/bp

July 11, 1956