

Case 1447

The Ohio Oil Co. Exam

P.O. Box 552
Midland, Texas
June 25, 1958

Re: Revision of Existing Gas Proration Units
and Creation of Two 160 acre Tubb Gas Pool
Proration Units and Two 160 acre Blinebry
Gas Pool Proration Units within the E/2 of
SW/4, the SE/4 and the S/2 of NE/4, Section
24, Township 22 South, Range 37 East,
N.M.P.M., Lea County, New Mexico

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

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

Gentlemen:

*Conclusion
of 7/2/58
to 7/2/58
to 7/2/58*

The Ohio Oil Company by this application respectfully requests that, contingent upon the successful dual completion of the J. L. Muncy Well No. 2 in the NE/4 of SW/4 of Section 24, Township 22 South, Range 37 East, N.M.P.M., the Commission cancel the non-standard Blinebry Gas Pool Proration Unit approved for the J. L. Muncy Well No. 3 by Order No. R-815 rendered June 8, 1956 in Case No. 1074; that the Commission also cancel the standard Gas Proration Unit dedicated to the J. L. Muncy Well No. 1; and further requests that in conjunction with the cancellation of those existing Units the following Gas Proration Units be formed and designated:

A 160 acre Gas Proration Unit in the Blinebry Gas Pool and a 160 acre Gas Proration Unit in the Tubb Gas Pool, each consisting of the S/2 of NE/4, the NW/4 of SE/4, and the NE/4 of SW/4 of Section 24, Township 22 South, Range 37 East, N.M.P.M., on which is located the J. L. Muncy Well No. 2 which is to be dually completed in the Blinebry Gas Pool and the Tubb Gas Pool.

A 160 Acre Proration Unit in the Blinebry Gas Pool and a 160 acre Gas Proration Unit in the Tubb Gas Pool, each consisting of the E/2 of SE/4, the SW/4 of SE/4, and the SE/4 of SW/4 of Section 24, Township 22 South, Range 37 East, N.M.P.M., on which acreage is located the J. L. Muncy Well No. 3 completed in the Blinebry Gas Pool and the J. L. Muncy Well No. 1 completed in the Tubb Gas Pool.

Approval of the location of each of the wells for the purpose of production from the respective units described above is also requested.

The Ohio Oil Company is Operator of the above described acreage under an Operating Agreement entered into between The Ohio Oil Company and Phillips Petroleum

Company, The Ohio Oil Company being the owner of an undivided three-fourths interest in the oil and gas leasehold estate in said land, and Phillips Petroleum Company being the owner of an undivided one-fourth interest in the oil and gas leasehold estate in the land.

A separate application has been made to obtain authority for the dual completion of the J. L. Muncy Well No. 2. If for any reason that application is not granted without a hearing, it is requested that the application for dual completion be consolidated with this application so that both applications may be heard at the same time.

The J. L. Muncy Well No. 3 is capable of producing a volume of gas in excess of the allowable currently being assigned for a 160 acre gas proration unit in the Blinebry Gas Pool, and the J. L. Muncy Well No. 1 is capable of producing a volume of gas in excess of the allowable currently being assigned for a 160 acre gas proration unit in the Tubb Gas Pool. It is expected that the dual completion of the J. L. Muncy Well No. 2 will result in production of a volume of gas in excess of the respective allowables currently being assigned for 160 acre gas proration units in the Blinebry Gas Pool and in the Tubb Gas Pool. All of the acreage included within each of the proposed proration units described above is reasonably deemed to be productive of gas from the Blinebry Gas Pool and the Tubb Gas Pool. It is impractical to pool the acreage with other adjoining acreage within the Section and it is unnecessary to negotiate a pooling agreement to form the proposed units.

Unless the revision of existing proration units and creation of the proposed proration units is authorized as requested in this application, contingent upon the successful dual completion of the J. L. Muncy Well No. 2, The Ohio Oil Company and Phillips Petroleum Company will be deprived of a fair opportunity to recover their just and equitable shares of the gas and liquid hydrocarbons in the Blinebry Gas Pool and the Tubb Gas Pool. The granting of the relief sought by this application will protect correlative rights and will not cause but will prevent waste.


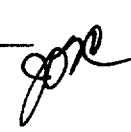
A plat is attached hereto which indicates the location of the proposed proration units and the location of the surrounding tracts. A list of names and addresses of all interested parties known to The Ohio Oil Company is also attached to this application.

The Ohio Oil Company requests that this application be set for hearing and that notice of the application and hearing be issued and published as required by law and the rules of the Commission. A hearing before an Examiner is hereby requested; however, if the Commission desires to conduct the hearing on this application or if objection to the hearing before the Examiner is made in the time and manner required by law and the rules, it is requested that this application be promptly set for hearing at the next regular hearing of the Commission.

Very truly yours,

THE OHIO OIL COMPANY

By


Coe S. Mills, District Manager 

cc - Phillips Petroleum Company
P. O. Box 791
Midland, Texas


I hereby certify that each and all of the statements in the foregoing letter are true and correct.


Coe S. Mills
District Manager

THE STATE OF TEXAS **I**

COUNTY OF MIDLAND **I**

Subscribed and sworn to before me by COE S. MILLS,
on this 25th day of June, A. D., 1958, to certify which witness my
hand and seal of office.

 LLOYD C. HUDMAN,
Notary Public in and for
Midland County, Texas

OFFSET OPERATORS TO J. L. MUNCY LEASE

Gulf Oil Corporation
P. O. Box 1150
Midland, Texas

Phillips Petroleum Company
P. O. Box 2105
Hobbs, New Mexico

R. Olsen Oil Company
2811 Liberty Bank Building
Oklahoma City, Oklahoma