

CASE 4523: Application of TEXAS
PACIFIC for the rededication of
acreage, Lea County, New Mexico.

Case Number
4523

Application

Transcripts

Small Exhibits

ETC.

dearley-meier

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS
209 SIMMS BLDG. P.O. BOX 1092 PHONE 243-6691 ALBUQUERQUE, NEW MEXICO 87103
FIRST NATIONAL BANK BLDG. EAST ALBUQUERQUE, NEW MEXICO 87108

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I N D E X

WITNESS

PAGE

ALLAN WICKE

Direct Examination by Mr. Russell

2

EXHIBIT

MARKED

OFFERED AND
ADMITTED

Applicants
One and Two

2

7

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A 1658 MCF.

MR. UTZ: In your opinion then, it will be a marginal unit even with both wells on it?

A Correct.

MR. UTZ: Are there other questions of the witness?

You may be excused.

Statements?

The case will be taken under advisement.

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1 Q Were your Exhibits One and Two prepared by
 2 you or under your supervision and direction?

3 A Yes.

4 MR. RUSSELL: I offer into evidence Applicant's
 5 Exhibits Numbers One and Two.

6 MR. UTZ: Without objection, Exhibits One
 7 and Two will be entered into the record of this case.

8 (Whereupon, Applicant's
 9 Exhibits One and Two were
 admitted into evidence.)

10 MR. RUSSELL: I have no further questions of
 11 this witness.

12 MR. UTZ: Are there questions of the
 13 witness?

14 Mr. Wicke, I guess I was digesting some other
 15 testimony, but why did the Legal Number One have zero
 16 cumulative production? When was it completed, 3/10/70?

17 A We do not have a connection with the gas pressure
 18 line.

19 MR. UTZ: You just never have connected it?

20 A Right.

21 MR. HATCH: Is that supposed to be '70 or is it
 22 supposed to be '71?

23 A It should be '71.

24 MR. UTZ: Well, that explains it then. And what
 25 did you say the AOP on that well was?

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1 A By a bridge plug set at approximately 3,050 feet
 2 in the Jalmat Gas Interval and perforated from 2766 feet
 3 to 3,015 feet.

4 Q And has this well been tested since completion?

5 A Not against the line pressure. We do have a
 6 core point test.

7 Q And what does it indicate?

8 A Absolute open flow of approximately 1600 MCF
 9 a day.

10 Q And if the entire 160 acres is dedicated to
 11 these two wells, in your opinion, will the two combined
 12 make a top allowable well?

13 A No.

14 Q It still will not?

15 A No.

16 Q In your opinion, is Legal Number Two such a
 17 producer as would justify its continued operation in the
 18 absence of some help from the Legal Number One?

19 A No, Legal Number Two presently is producing at
 20 an uneconomical rate.

21 Q In your opinion, will the granting of this
 22 application prevent waste due to the premature abandonment
 23 of a well and also allow you to get your fair share of
 24 gas under this lease and protect correlative rights?

25 A Yes, it will.

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1 MR. UTZ: Thank you.

2 Q (By Mr. Russell) Referring to what has been

3 marked as Applicant's Exhibit Number Two, will you please

4 state what that reflects?

5 A Exhibit Two is a brief resume of the history

6 of Legal Number Two and One.

7 Q And when was Legal Number Two completed?

8 A In 1951.

9 Q And in what interval was it completed?

10 A In the Jalmat Gas Interval from 2778 feet to

11 2952 feet.

12 Q And do you know the cumulative production from

13 completion to March 1st of this year?

14 A Approximately two billion cubic feet.

15 Q And what is the well capable of producing at

16 this time?

17 A Three hundred thirty thousand cubic feet per

18 month.

19 Q All right; now, on your Legal Number One, when

20 was it initially completed?

21 A It was initially completed in 1951 as a Langley-Max

22 Queen oil well.

23 Q And has it since been re-completed?

24 A Correct.

25 Q And how was it recompleted and where?

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1 made some exhibits?

2 A Yes.

3 Q I will refer you to what has been marked as
4 Applicant's Exhibit Number One, and ask you what that
5 exhibit reflects?

6 A This is a plat of our M. F. Legal Lease in
7 red, and with our Wells Number One and Two indicated by
8 arrows.

9 Q What is the location of your Legal Number One?

10 A Number One is in Unit "I," Section 31, Township 25
11 South, Range 37 East, Lea County, New Mexico.

12 Q And the other well?

13 A It's in Unit "I" of the same section.

14 Q Now, which well is presently on this lease and
15 producing?

16 A Well. Number Two.

17 Q And has it been able to make its allowable?

18 A It has not.

19 Q I'll refer you to what has been identified
20 as Applicant's Exhibit Two --

21 MR. UTZ: Excuse me just a moment, John. I'm
22 a little confused on the location. Did you say "I" for
23 both wells, or is it "P" and "I"?

24 A Number One is in Unit "P," and Number Two is
25 in "I."

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1 to give expert testimony before this Commission?

2 A I have not.

3 Q Will you please give a brief resume of your
 4 educational and professional background?

5 A I received a Bachelor of Science Degree in
 6 Mechanical Engineering from the University of Houston
 7 in 1967. I worked through 1971 for Shell Oil Company at
 8 their Houston and Midland offices, and I have been employed
 9 by Texas Pacific for eight months now.

10 Q Are you familiar with the area covered by the
 11 application in Case 4523?

12 A I am.

13 MR. RUSSELL: Are the witness' qualifications
 14 acceptable?

15 MR. UTZ: Yes sir, they are.

16 Q (By Mr. Russell) Are you familiar with the
 17 application in Case 4523?

18 A Yes.

19 Q What does it seek?

20 A We seek simultaneous dedication of a 16~~0~~-acre
 21 non-standard gas proration unit in the Jalmat Gas Pool
 22 to our Legal Wells Number One and Two, with the granting
 23 of one allowable to be produced from either well in any
 24 proportion.

25 Q In connection with this application, have you

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1 MR. UTZ: Case 4523.

2 MR. HATCH: Case 4523, application of Texas
 3 Pacific Oil Company, Incorporated, for the re-dedication
 4 of acreage, Lea County, New Mexico.

5 MR. RUSSELL: I am John F. Russell, Roswell,
 6 New Mexico, appearing on behalf of the Applicant, and I
 7 have one witness.

8 Rise and be sworn.

9 (Witness sworn.)

10 MR. UTZ: Are there other appearances?

11 (Whereupon, Applicant's
 12 Exhibits One and Two were
 13 marked for identification.)

14 ALLAN WICKE,

15 called as a witness, having been first duly sworn, was
 16 examined and testified as follows:

17 DIRECT EXAMINATION

18 BY MR. RUSSELL:

19 Q Will you please state your name, address, the
 20 name of your employer and the capacity in which you are
 21 employed?

22 A I am Allan Wicke, W-I-C-K-E, Midland, Texas.
 23 I am a petroleum engineer for Texas Pacific Oil Company.

24 MR. UTZ: Your first name was Allan?

25 A Allan.

Q (By Mr. Russell) Have you previously qualified

dearley-meier reporting service, inc.

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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
April 28, 1971

EXAMINER HEARING

)
)
IN THE MATTER OF:)

) Case No. 4523

) Application of Texas Pacific)
) Oil Company, Inc., for the)
) rededication of acreage,)
) Lea County, New Mexico)
)

BEFORE: Elvin A. Utz, Examiner

TRANSCRIPT OF PROCEEDINGS

dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

209 SIMMS BLDG. • P.O. BOX 1072 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO



BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
April 28, 1971

EXAMINER HEARING

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)
IN THE MATTER OF:)

Application of Texas Pacific)
Oil Company, Inc., for the)
rededication of acreage,)
Lea County, New Mexico)

) Case No. 4523
)
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BEFORE: Elvin A. Utz, Examiner

TRANSCRIPT OF PROCEEDINGS

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 4523
Order No. R-4141

APPLICATION OF TEXAS PACIFIC
OIL COMPANY, INC., FOR THE
REDEDICATION OF ACREAGE, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 28, 1971, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 10th day of May, 1971, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Texas Pacific Oil Company, Inc., is the operator of the Legal Wells Nos. 1 and 2, located, respectively, in Units P and I of Section 31, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico.
- (3) That a 160-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the SE/4 of said Section 31 is presently dedicated to said Well No. 2, a marginal well.
- (4) That said Well No. 1 has been recently recompleted as a Jalmat gas producer and is presently shut-in.
- (5) That the applicant seeks authority to dedicate the above-described 160-acre non-standard proration unit simultaneously to its Legal Wells Nos. 1 and 2 and to produce the allowable assigned to the unit from either of said wells in any proportion.

-2-

CASE NO. 4523
Order No. R-4141

(6) That the above-described 160-acre non-standard gas proration unit can be efficiently and economically drained and developed by the subject wells.

(7) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Jalmat Pool, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

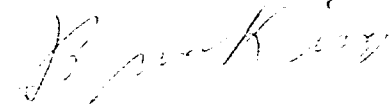
(1) That, effective as of May 1, 1971, the applicant, Texas Pacific Oil Company, Inc., is hereby authorized to dedicate the non-standard gas proration in the Jalmat Gas Pool comprising the SE/4 of Section 31, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, simultaneously to its Legal Wells Nos. 1 and 2, located, respectively, in Units P and i of said Section 31.


(2) That the operator of the above-described gas proration unit may produce the allowable assigned to the unit from the subject wells in any proportion.


(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


BRUCE KING, Chairman


ALEX J. ARMIJO, Member


A. L. PORTER, Jr., Member & Secretary


dr/

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

March 17, 1971

Case 4523

Texas Pacific Oil Company, Inc.
P. O. Box 1069
Hobbs, New Mexico 88240

DOCKET MAILED

Date 4-16-71

Attention: Mr. Sheldon Ward

Re: Simultaneous dedication of the
Legal Wells Nos. 1 and 2, Section
31, Township 25 South, Range 37
East, Jalmat Gas Pool, Lea County,
New Mexico

Gentlemen:

As the Commission will approve such matters as described above only after notice and hearing, the matter will be set for hearing on April 28, 1971, at Santa Fe, New Mexico.

A copy of the docket will be mailed to you when available.

Very truly yours,

GEORGE M. HATCH
Attorney

GME/esr

cc: Oil Conservation Commission
P. O. Box 1980
Hobbs, New Mexico 88240

C
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DOCKET: EXAMINER HEARING - CONTINUOUS - APRIL 28, 1971

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Steve A. Utz, Examiner, or Daniel S. Nutter, Alternate Examiner:

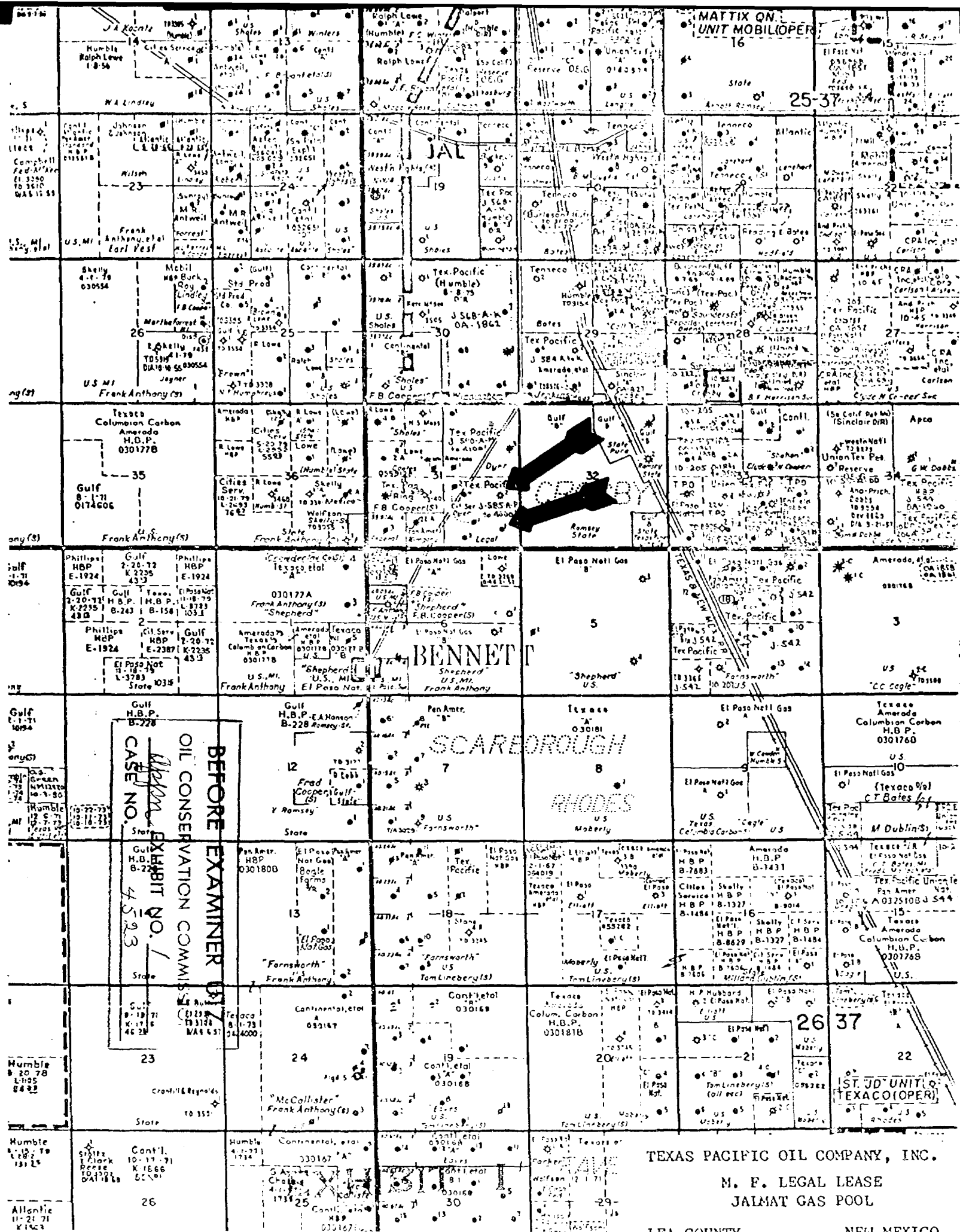
CASE 4352: (Reopened) Continued from the April 14, 1971 hearing. This case will again be continued - to the May 19, 1971 hearing.

In the matter of Case 4352 being reopened by the Oil Conservation Commission upon its own motion to give all interested persons an opportunity to appear and present evidence as to whether the Double L-Queen and Suble-Queen Pools, Chaves County, New Mexico, are in fact separate reservoirs or one common reservoir. Further, in the event it is found that the two pools comprise one common reservoir, the Commission will consider the adoption of special rules and regulations to provide for the classification of oil and gas wells, spacing and well location requirements for oil and gas wells, and an allocation formula for withdrawals from the gas wells and oil wells.

CASE 4523: Application of Texas Pacific Oil Company, Inc., for the re-dedication of acreage, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the rededication of a 160-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the SE/4 of Section 31, Township 25 South, Range 37 East, Lea County, New Mexico, to its Legal Wells Nos. 1 and 2, located, respectively, in Units P and I of said Section 31. Applicant further seeks authority to produce the allowable assigned to said unit from either of said wells in any proportion.

CASE 4524: Application of Texaco Inc. for reinstatement of cancelled underproduction, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the general rules and regulations for the prorated gas pools of Southeastern New Mexico to permit the reinstatement of accumulated underproduction cancelled for its Blinbry "A" Federal (NCT-1) Well No. 2 located in Unit I Section 31, Township 23 South, Range 37 East, Jalmat Gas Pool Lea County, New Mexico.

CASE 4525: Application of Wolfson Oil Company for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 280-acre non-standard gas proration unit comprising the SE/4, S/2 NE/4, and NE/4 NW/4 of Section 20, Township 22 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, to be dedicated to its



TEXAS PACIFIC OIL COMPANY, INC.
 M. F. LEGAL LEASE
 JALMAT GAS POOL

Texas and New Mexico

SALMAT GAS POOL
CASE 4523--TEXAS PACIFIC OIL CO., INC.
PERTINENT DATA SHEET

<u>WELL NAME & NUMBER</u>	<u>GAS COMPLETION DATE</u>	<u>COMPLETION INTERVAL</u>	<u>CUMULATIVE PROD. -3/1/71</u>	<u>ANTICIPATED MONTHLY CAPACITY</u>	<u>ANTICIPATED MONTHLY ALLOW.</u>
M. F. Legal #2 1980' FSL, 660' FEL Section 31-25-37	9/29/51	2778-2952'	2,086,718	330 MCF @ 100 psig Test 11/10/70	
M. F. Legal #1 660' FSL, 660' FEL Section 31-25-37	3/10/70	2766-3015'	0 <i>1655 O.P.</i>	(10,500 MCF @ 100 psig estimated) 10,830 MCF Total	10,830 MCF

AAW:ab 4/23/71

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
Appn. EXHIBIT NO. II
CASE NO. 4523

EXHIBIT II

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form O-192
Supersedes O-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

Case 4523

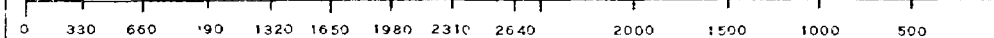
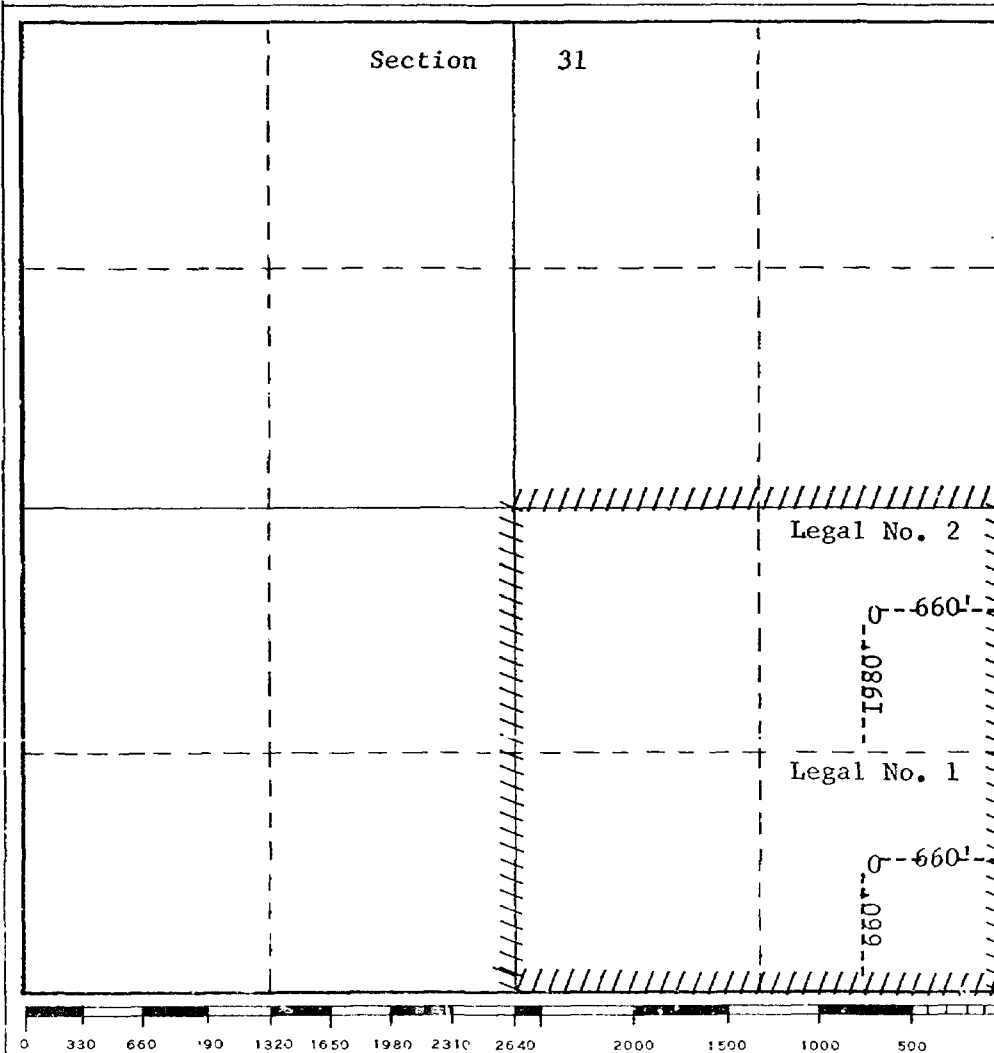
Owner TEXAS PACIFIC OIL COMPANY, INC.			Legal		Well No. 1 & 2
Unit Letter P	Section 31	Township 25-S	Range 37-E	County Lea	
Location of Well: No. 2 - 1980' South No. 1 - 660' feet from the South			Line and 660'	feet from the East	Line
Ground level No. 2 - 2996'	Producing Formation Yates	Pool Jalpat Gas	Dedicated Acreage: 160 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
Name	<i>Sheldon Ward</i>
Position	Area Superintendent
Company	Texas Pacific Oil Company, Inc.
Date	March 15, 1971
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.	
Date Surveyed	
Registered Professional Engineer and/or Land Surveyor	
Certificate No.	

DRAFT

GMH/dr

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 4523

Order No. R-4141

APPLICATION OF TEXAS PACIFIC OIL
COMPANY, INC., FOR THE REDEDICATION
OF ACREAGE, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

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at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this _____ day of May, 1971, the Commission, a
quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, and being fully advised
in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Texas Pacific Oil Company, Inc., is the operator of the Legal Wells Nos. 1 and 2, located, respectively, in Units P and I of Section 31, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico.
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-2-

CASE NO. 4523

Order No. R-

(4) That said Well No. 1 has been recently recompleted as a Jalmat gas producer and is presently shut-in.

(5) That the applicant ^{seeks} authority to dedicate the above-described 160-acre non-standard proration unit simultaneously to its Legal Wells No. 1 and 2 and to produce the allowable assigned to the unit from either of said wells in any proportion.

(6) That the above-described 160-acre non-standard gas proration unit can be efficiently and economically drained and developed by the subject wells.

(7) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Jalmat Pool, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That, effective as of May 1, 1971, the applicant, Texas Pacific Oil Company, Inc., is hereby authorized to dedicate the non-standard gas proration in the Jalmat Gas Pool comprising the SE/4 of Section 31, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, simultaneously to its Legal Wells Nos. 1 and 2, located, respectively, in Units P and I of said Section 31.

(2) That the operator of the above-described gas proration unit may produce the allowable assigned to the unit from the subject wells in any proportion.

-3-

CASE NO. 4523
Order No. R-

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

