

4590

Application  
Transcripts.

Small Exhibits

ETC.

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BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
September 15, 1971

EXAMINER HEARING

IN THE MATTER OF:

Application of Wolfson Oil Company,  
MKA Oil Properties, John H. Hendrix,  
and Bruce A. Wilbanks for a special  
gas-oil ratio limitation, Lea County,  
New Mexico.

Case No. 4590

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

I N D E XROY C. WILLIAMSONPAGE

Direct Examination by Mr. Christy

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Cross Examination by Mr. Nutter

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E X H I B I T S

Applicant's Exhibits Nos. 1 thru 5

<u>Marked</u>	<u>Offered and Admitted</u>
3	14

MR. NUTTER: Case No. 4590

MR. HATCH: Case No. 4590. Application of Wolfson Oil Company, MKA Oil Properties, John A. Hendrix, and Bruce A. Wilbanks for a special gas-oil ratio limitation, Lea County, New Mexico.

MR. CHRISTY: Mr. Examiner, I am Sim Christy of Jennings, Christy and Copple, for the Applicant. We have one witness.

(Witness sworn.)

(Whereupon, Applicant's Exhibits Nos. 1 through 5 were marked for identification.)

ROY C. WILLIAMSON, JR.

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

DIRECT EXAMINATION

BY MR. CHRISTY:

Q Would you please state your name, occupation, by whom you are employed and in what capacity?

A My name is Roy C. Williamson, Jr. I am a partner in the consulting firm of Bailey, Sypes, Williamson and Runyon, Incorporated from Midland, Texas.

Q What is your occupation, sir?

A I am a Petroleum Engineer.

Q Have you previously testified before this regulatory Commission as a Petroleum Engineer and had your qualifications accepted?

A Yes, I have.

Q I believe this case involves the Drinkard pool. Are you generally familiar with the pool and its production and engineering characteristics?

A Yes, I am.

MR. CHRISTY: Are the witness' qualifications acceptable, Mr. Examiner?

MR. NUTTER: Yes, sir.

BY MR. CHRISTY:

Q Briefly, can you tell us what is sought by Case No. 4590?

A We are seeking through Case 4590 to have a change in the field rules for the Drinkard field whereby the limiting gas-oil ratio would be increased from the current 2000 Cubic feet per barrel to 6000 Cubic feet per barrel.

Q Briefly describe the Drinkard pool for us and you may also refer to Exhibit No. 1 at this point.

A Exhibit 1 is a structure map on top of the Drinkard pay and, generally, we see that it is an

elongated anticline in a north-south direction. I have noted on here in script writing the bottom-hole pressure measurements which were recorded in November of 1970 and these are the most recent bottom-hole pressures that are made public. This circle denotes there is one well located in Section 28 of 21 South, 38 East, that is capable of producing 2000 barrels a month or over. There are no other wells in the field that can produce 2000 barrels of oil per month. In the upper righthand portion of the map, we have just a type-log depicting the general shape of the log response through the Drinkard pay.

Q Is this a new field or an old field or what state of development is it in?

A This is an old field that I would term in the late stage of completion.

Q I notice on Exhibit No. 1 your A to A prime and I wonder what that means, and refer to Exhibit 2, please?

A A to A prime is the trace of the cross-section. It starts in Section of 22, 37 East and trends toward the east to Section 12 of 22, 37 East. Exhibit 2 is a structure or a cross-section showing the top of the Drinkard pay at perforated intervals, and again, it just

takes the general character of the log response in the pay in field.

Q Exhibit 2 shows us graphically how the field looks underneath the surface?

A That is correct.

Q Now, let me refer you to Exhibit 3, please, sir, and ask you first of all to identify it and then tell us what it has to do with this Application?

A Exhibit 3 is the historical performance data depicting the Drinkard field, and on this we have shown as a function of time, gas production, oil production, bottom-hole pressure, and gas-oil ratio history. I will point out on the gas-oil ratio curve that we have shown the average annual gas-oil ratio through 1970, and in the first five months of 1971, we have shown the monthly gas-oil ratio which as you can see has shown a fairly rapid increase.

MR. NUTTER: This is the producing ratio?

THE WITNESS: Yes, sir, this is taken from the production. Now, the bottom-hole pressure curve, I will call your attention to that and you will note that the bottom-hole pressure flattened pretty well, actually from about 1955 and it has shown just a very slight decline up

to the present time, and this is a function of the fact that this reservoir is producing from a combination of solution gas drive and gas cap expansion drive. There was a gas cap originally present in the field as there is now. So, the expansion of the gas has maintained to some degree the bottom-hole pressure and has resulted in this flat bottom-hole pressure trend.

BY MR. CHRISTY:

Q And Exhibit 3 gives us production versus time?

A That is correct.

Q What does Exhibit 4 depict?

A Exhibit 4 depicts the bottom-hole pressure and the gas-oil ratio in this case as a function of cumulative production rather than time. This is just another way to show that the gas-oil ratio is increasing as a function of production and that, again, the bottom-hole pressure is tending to flatten with production.

Q So we have that two means of depicting the increase in G.O.R. What about Exhibit 5?

A Exhibit 5 is production statistics for all the leases in the field as taken from the published records showing the oil, gas, number of wells and gas-oil ratio for the month of June, 1971, and the average annual gas-oil



ratio for 1970 for all of the leases. I will further point out that of some approximate 205 total leases shown here in the Drinkard Field, that about 124 of them showed a gas-oil ratio increase from the annual 1970 to the monthly June of '71 figure. There were approximately 60 leases that showed slight declines and some 21 leases stayed approximately the same. So, this is prepared to point out that the gas-oil ratio increase is occurring over all of the field and is not localized in some particular part.

Q What data does Exhibit 5 come from, please?

A It comes from the New Mexico production records.

Q Did you make a calculation as to the increased gas production, if any, in the proposed 6000 to 1 versus the present 2000 to 1?

A Yes, I have. Utilizing the July and August proration schedule and the June production, and assuming that the 6000 ratio will be in force, I calculate that the gas production will actually be reduced over what is currently being produced. It certainly will not be any increase. Of course, I realize these data from the proration schedule and the production may not quite jibe at all times, but I can say that there certainly will be

no increase in the total amount of gas production.

Q Now, based upon your study of the Drinkard pool and based upon these exhibits, do you have an opinion as to whether or not the gas-oil ratio should be increased in the Drinkard pool?

A Yes, I think they should.

Q To what point do you think they should be increased?

A We have recommended here that the ratio be increased to 6000. I am not saying that this is the maximum limit that the ratio could be increased to. In fact, I feel because of the late stage of completion that a higher ratio would still protect correlative rights and prevent waste, but in order to take a conservative approach and one that we feel will protect correlative rights and prevent underground waste, we have recommended the 6000 ratio limit.

Q Is there anything else that I have not asked you that you think would be of information to the Examiner in consideration of this Application?

A No, sir, I don't think so at this time.

Q Were Exhibits 1 through 5 prepared by you or under your direct supervision?

A Yes, they were.

MR. CHRISTY: That is all we have from this witness.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Williamson, your comparison here of G.O.R.'s you said that it indicates that there is no localized area where your G.O.R.'s might be going up. You do have many instances where the G.O.R.'s have gone down. What do you attribute this to?

A The only thing I can say there is that possibly you've got some localized areas that are depleting at a different rate than other areas.

Q In the areas where you have these rather phenomenal increases in G.O.R.'s -- take the second one on your exhibit there -- the G.O.R. has gone up from 2.3 MCF per barrell to 4.2 which is almost doubled. Would this be attributable to an increase in the gas or a decrease in the oil?

A Well, it actually could be either way.

Q The change in the G.O.R. itself is not really significant if it is a result of a reduction in a small amount of oil which could change the G.O.R. tremendously.

We know we have a lot of wells here that produce just a small amount of oil.

A Right. That is very true, and of course, this is just an average depiction. You actually have to go in and trace the production, the actual oil production and gas production with time for each well. So, realize that in one month a well could have trouble. It could produce less oil, therefore kicking the ratio up higher. But I think the overall producing trend of the field is evident by our Exhibits 3 and 4 which does show an increase generally in the gas-oil ratio and a general decrease in the oil producing capacity.

Q Well, I notice that starting in 1962, we have a slight increase in the production of oil from the pool for a period of four or five years. What was that attributable to, do you know?

A I really don't know. I guess we had probably some additional completions and maybe more effective method of producing the oil.

Q And the previously established rate of decline has set in again?

A That is correct.

Q It is down to about 10,000 barrels per month or

1,000,000 barrels per year --

A (Interrupting) On the left margin there.

Q You stated that you felt that the G.O.R. for the amount of gas produced if the 6000 to 1 were imposed and enforced, would be less than the amount that is currently being produced?

A That is correct.

Q Would it be more than the current G.O.R. of 2000 to 1 if it were --

A (Interrupting) It would be somewhat more, yes, sir, but the majority of the gas that would be cut would be from some of the real low producing wells, the one-barrel wells and these type wells. Most of the other wells, looking at the proration schedule are producing pretty well at capacity. They have indicated in the proration schedule that some of the wells had excess capacity, but you look at production for June and they were not even able to make the allowable that they had presented, so it would really be difficult to determine exactly unless you went in and ran a capacity test on all of the wells and compare that with that month's production.

Q According to Exhibit 5 in the month of June, the

pool produced about 2,000,000 M.C.F. gas. What is your calculated amount of gas production of the 6000 were instituted and enforced?

A I have not made a direct calculation of that. I do have a number here that I could run up, if you would like, and send them to you.

Q Well, I think it would be pertinent to have a comparison of what the future production is going to be compared with what we have had in the past.

A This would have to be based, of course, on the proration schedule on this production because, as we pointed out, it changes with time and from month to month.

Q You go by test G.O.R.'s?

A Right. We can add these up and I can get this to you probably before we leave in a rough form, if you would like, and then I can type it and send it to you.

Q It wouldn't have to be that hurriedly.

A Fine.

MR. NUTTER: Are there any further questions of Mr. Williamson?

MR. PORTER: Right now there are no problems so far as market for gas is concerned; the plants in this area do have excess capacity, is that right?

THE WITNESS: That is what I understand, and I think some additional data will be presented on capacity of the plants.

MR. PORTER: Thank you.

MR. NUTTER: Any further questions, Mr. Porter?

MR. PORTER: No, that is all.

MR. NUTTER: Are there further questions of Mr. Williamson?

You may be excused.

(Witness dismissed.)

MR. CHRISTY: At this time we would offer in evidence Applicant's Exhibits 1 through 5, inclusive.

MR. NUTTER: Applicant's Exhibits Nos. 1 through 5 will be admitted in evidence.

(Whereupon, Applicant's Exhibits Nos. 1 through 5 were offered and admitted in evidence.)

MR. CHRISTY: That is all for the Applicant.

MR. NUTTER: Does anyone have anything else to present in Case No. 4590?

MR. BUELL: Mr. Examiner, my name is Sumner Buell of the firm of Montgomery, Federici, Andrews, Hannahs, and Morris, and we appear on behalf of Shell Oil Company and support the Application in this case.

MR. NUTTER: Do you have a witness, Mr. Buell?

MR. BUELL: No, sir, just that statement.

MR. NUTTER: That is for Shell?

MR. BUELL: Yes, sir.

MR. TWEED: Mr. Examiner, I am Jerry Tweed of the Atlantic Richfield Company in Midland and we would like to make a statement.

We do support the case for the increased G.O.R., however, we would like to say that in cases such as this we think that the effect on ultimate recovery should be one of the major considerations when deciding whether or not to grant an increase in G.O.R. In this case, due to the latter stages of depletion and since the reservoir is primarily a solution gas drive reservoir, we think there will be no appreciable effect on recovery, however, this would not be the case in all reservoirs. Future applications, I think, should be considered on the merits based on the effect that it would occur to ultimate recovery.

MR. NUTTER: Thank you. Any other questions or statements?

MR. AZBILL: I am Luther Azbill with Skelly. I believe you have with your records, a letter from



Mr. Selinger of our legal department generally supporting -- giving Skelly's support to the proposed 6000 to 1 G.O.R. Our unit plants do have the capacity to handle the gas and will sustain the volume with 6000 to 1 ratio and with the proposed deletion of this one rule will be less, and on Skelly's portion, I do have the figures run out for the months of May and June, if you would like to have them?

MR. NUTTER: Yes, sir, I would like them.

MR. AZBILL: Now, this is only on Skelly which is about 70 per cent of the Drinkard pool. For the month of May, the actual volume was 1,548,487 MCF. With a strict interpretation on the 2000 to 1 G.O.R. based on the deletion of this one rule, the volume would have been 1,169,660 MCF. And with the 6000 to 1 G.O.R., it would have been 1,463,929 MCF. That would have been a daily decrease of 12,220 MCF on the 2000 to 1 case, and a daily decrease of 2,728 MCF with the 6000 to 1 G.O.R. The figures for June are very comparable. If you would like to have them, I can --

MR. NUTTER: If they are comparable, I think this would indicate what the trend would be.

MR. AZBILL: All right. There is one other thing

I would like to point out. In the years past, other companies have petitioned for an increase in the Drinkard G.O.R. and we have opposed the increase because we did not have compression facilities to handle it. At the present time we will have room for about 10,000,000 feet of gas per day additional. That is, we are running about 132,000,000 to 133,000,000 now and our capacity at as high an intake pressure as we wish to go is around 143,000,000. Now, if there are an excessive number of recompletions back into the Drinkard pool, we could be back in trouble again, and I am thinking particularly about how the Blinebry pool developed which was a recompletion process and it blew us off the hill for a while. So, I would like to point that out to the Commission and to the members present here today that this would be a possibility.

MR. NUTTER: Thank you, Mr. Azbill. Mr. Lyon?

MR. LYON: V. T. Lyon, L-Y-O-N. Continental has had under consideration for a number of years applying for an increase in gas-oil ratio limit in the Drinkard pool, and we were on the verge of filing such an Application approximately 18 months ago. We held back at that time because of the inability of Skelly to handle

additional produced gas. I believe that the Commission is about to implement the amended Rule 506 effective November 1st, and I concur with Mr. Williamson and Mr. Azbill that the gas production even with the increased ratio to 6000 to 1 will be less than it is now. We would recommend to the Commission that they increase the limiting ratio in the Drinkard pool to at least 6000 cubic feet per barrel and that it be increased coincident with the implementation of the amended Rule 506.

MR. NUTTER: Thank you, Mr. Lyon. Any further statements?

MR. HATCH: The Commission has received a letter from Skelly Oil Company written by George Selinger in support of the Application here. We also received a telegram from the Amerada-Hess supporting the recommendation to increase to 6000 to 1. A telegram from Gulf Oil Corporation concurring in the Application. A telegram from -- two telegrams from Warren Petroleum Corporation; one supporting the Application to increase the limit of gas-oil ratio to 600 to 1 -- and the second telegram correcting that to 6000 to 1.

MR. NUTTER: Thank you, Mr. Hatch. Is there anything further to be offered in Case No. 4590? We will take the case under advisement.

STATE OF NEW MEXICO )  
 ) SS.  
 COUNTY OF SANTA FE )

I, RICHARD L. NYE, Court Reporter, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.

Richard L. Nye  
 COURT REPORTER

My commission expires March 25, 1975.

I do hereby certify that the foregoing is a true and correct record of the proceedings in the hearing of Case No. 4590 on 2/13/75. 1975.  
William, Examiner  
 New Mexico Oil Conservation Commission

BAILEY, SIPES, WILLIAMSON & RUNYAN,  
CONSULTING ENGINEERS

Midland, Texas

September 15, 1971

1100 V & J TOWER  
MIDLAND, TEXAS 79701  
915 683-1841

**RECEIVED**  
SEP 17 1971  
OIL CONSERVATION BUILDING  
SANTA FE  
HOUSTON, TEXAS 77002  
713 228-8148

Mr. Dan Nutter  
New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Dear Mr. Nutter:

Subject: Case 4590: Application of Wolfson Oil Co.,  
MKA Oil Properties, John H. Hendrix and  
Bruce A. Wilbanks for a change in the  
field rules for the Drinkard Pool, Lea  
County, New Mexico, increasing the GOR  
limit from 2000 CF/Bbl to 6000 CF/Bbl

Utilizing the July and August, 1971 proration schedule and the  
June, 1971 production figures as a basis, I calculate that an  
enforced 6000 GOR rule in the Drinkard Pool would result in a  
reduction of approximately 3 MMCF/day of gas production from  
the June production for the entire field.

Please let me know if you have further questions.

Yours very truly,

BAILEY, SIPES, WILLIAMSON & RUNYAN, INC.

*Roy C. Williamson, Jr.*

Roy C. Williamson, Jr., P. E.  
Consultant for Wolfson Oil Co.,  
MKA Oil Properties, John H. Hendrix  
and Bruce A. Wilbanks

/pw



# OIL CONSERVATION COMMISSION

**STATE OF NEW MEXICO**  
**P. O. BOX 2088 - SANTA FE**  
**87501**

October 12, 1971

**GOVERNOR  
BRUCE KING  
CHAIRMAN**

**LAND COMMISSIONER  
ALEX J. ARMIJO  
MEMBER**

STATE GEOLOGIST  
A. L. PORTER, JR.  
SECRETARY - DIRECTOR

Mr. Sim Christy  
Jennings, Christy & Copple  
Attorneys at Law  
Post Office Box 1180  
Roswell, New Mexico 88201

Re: Case No. 4590

Order No. R-4202

**Applicant:**

Wolfson, MKA, Hendrix, & Wilbanks

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. Porter, Jr.

A. L. PORTER, Jr.  
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC **x**

Artesia OCC

Aztec OCC

Other                      Mr. Sumner Buell

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. 4590  
Order No. R-4202

APPLICATION OF WOLFSON OIL  
COMPANY, MKA OIL PROPERTIES,  
JOHN H. HENDRIX, AND BRUCE A.  
WILBANKS FOR A SPECIAL GAS-OIL  
RATIO LIMITATION, LEA COUNTY,  
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 15, 1971, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 8th day of October, 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 applicants, Wolfson Oil Company, MKA Oil Properties, John H. Hendrix, and Bruce A. Wilbanks, seek as an exception to Rule 506 of the Commission Rules and Regulations, a limiting gas-oil ratio of 6,000 cubic feet of gas per barrel of oil in the Drinkard Pool, Lea County, New Mexico.

(3) That the reservoir characteristics of the subject pool presently available justify the establishment of a gas-oil ratio limitation of 6,000 cubic feet of gas per barrel of liquid hydrocarbons.

(4) That in order to afford to the owner of each property in the Drinkard Pool the opportunity to produce his just and

-2-

CASE NO. 4590  
Order No. R-4202

equitable share of the oil and gas in the subject pool and for this purpose to use his just and equitable share of the reservoir energy, a limiting gas-oil ratio of 6,000 cubic feet of gas per barrel of liquid hydrocarbons should be established for the subject pool.

(5) That approval of the subject application will prevent waste and protect correlative rights, provided the flaring or venting of gas in the Drinkard Pool is prohibited.

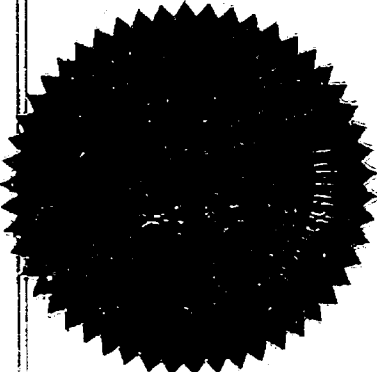
IT IS THEREFORE ORDERED:

(1) That, effective November 1, 1971, the limiting gas-oil ratio in the Drinkard Pool, Lea County, New Mexico, shall be 6,000 cubic feet of gas for each barrel of oil produced; that, effective November 1, 1971, each proration unit in the Drinkard Pool shall produce only that volume of gas equivalent to 6,000 multiplied by top unit oil allowable for the pool.

(2) 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*  
BRUCE KING, Chairman

*Alex J. Armijo*  
ALEX J. ARMIJO, Member

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

S E A L

dr/



*Case File*

*SEP 14 1971*

VH

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PMS A L PORTER, JR., SECRETARY-DIRECTOR

NEW MEXICO OIL CONSERVATION COMMISSION SANTA FE, NMEX

BT

WARREN PETROLEUM CORPORATION IS TAKING CASINGHEAD GAS FROM THE DRINKARD POOL IN LEA COUNTY, NEW MEXICO, WHICH HAS A PRESENT GAS-OIL RATIO LIMIT OF 2000/1. OUR EUNICE GASOLINE PLANT WOULD EASILY BE ABLE TO TAKE THE INCREASED GAS MADE AVAILABLE IF THE GOR WERE INCREASED TO 6000/1 AS REQUESTED BY THE APPLICANTS IN CASE NO. 4590, AND THEREFORE, WE SUPPORT THIS APPLICATION TO INCREASE LIMITING GAS-OIL RATIO IN THE DRINKARD POOL TO 600/1. JOINT A L PORTER, JR., SANTA FE, NEWMEX - J D RAMEY, HOBBS, NEWMEX. C W MILLER, VICE PRESIDENT WARREN PET CORP.

NNNN

ZCZC 330 PD TULSA OKLA

PMS J D RAMEY NEW MEXICO OIL CONSERVATION COMMISSION

HOBBS NEWMEX

BT

NNNN

ACCEPTED

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SF

Confirming copies by mail 9-14-71 to Messrs. Porter and Ramey.



western union

# Telegram

KA019

1971 SEP 15 AM 8 20 (0958A EDT)

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09/15/71,=ZCZC 338 PD : TULSA OKLA,=

PMS A L PORTER, JR., SECRETARY-DIRECTOR,=  
NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE NMEX,=

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DRINKARD POOL.,=CORRECTION NEXT TO LAST LINE LAST  
WORD = FIGURE SHOULD READ 6000/1,= INSTEAD OF 600/1.,=  
C W MILLER, VICE PRESIDENT WARREN PET CORP.,=

WU 1201 (R 5-69)



western union

# Telegram

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(1055A EDT)

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A L PORTER, JR., SECRETARY-DIRECTOR,=

NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NMEX,=

WARREN PETROLEUM CORPORATION IS TAKING CASINGHEAD GAS  
FROM THE DRINKARD POOL IN LEA COUNTY, NEW MEXICO,  
WHICH HAS A PRESENT GAS-OIL RATIO LIMIT OF 2000/1.  
OUR EUNICE GASOLINE PLANT WOULD EASILY BE ABLE TO  
TAKE THE INCREASED GAS MADE AVAILABLE IF THE GOR WERE  
INCREASED TO 6000/1 AS REQUESTED BY THE APPLICANTS  
IN CASE NO. 4590, AND THEREFORE, WE SUPPORT THIS

1049A EDT 09/14/71  
RECEIVED  
SEP 14 1971  
OIL CONSERVATION COM.  
TULSA, OK

WU 1201 (R 5-69)



# Telegram

APPLICATION TO INCREASE LIMITING GAS OIL RATIO IN  
THE DRINKARD POOL TO 600/1 JOINT A L PORTER, JR.,  
SANTA FE, NEWMEX J D RAMEY, HOBBS, NEWMEX  
C W MILLER, VICE PRESIDENT WARREN PET CORP.

WU 1201 (R 5-69)



# Telegram

KA086 NSC365

1971 SEP 14 PM 8 15

(343)

NS MDA031 PB PD 1 EXTRA FAX MIDLAND TEX 14 332P CDT=  
A L PORTER J, SECRETARY DIRECTOR=

PO BOX 2088 NEW MEXICO OIL CONSERVATION

COMMISSION SANTA FE NMEX=

GULF OIL CORPORATION CONCURS WITH THE APPLICATION OF  
WOLFSON OIL COMPANY, ET AL, IN CASE NO. 4590. IT IS  
OUR OPINION AS AN OPERATOR IN THE DRINKARD POOL THAT  
A GAS OIL RATIO OF 6000 TO 1 WOULD NOT BE HARMFUL TO  
THIS RESERVOIR IN ITS CURRENT STATE OF DEPLETION FOR  
AS A PRACTICAL MATTER THE PRODUCING RATIOS FOR MANY  
YEARS HAVE BEEN THIS HIGH OR HIGHER. WE BELIEVE THAT  
THE COMMISSION'S RECENT AMENDMENT OF RULE 506 INTENDED

WU 1201 (R 5-69)



# Telegram

TO TAKE THIS PARTICULAR SITUATION INTO CONSIDERATION  
SO AS NOT TO CAUSE ANY UNDUE HARDSHIP AMONG THE  
OPERATORS IN THE DRINKARD POOL=

GULF OIL CORPORATION BY W B HOPKINS DISTRICT  
MANAGER.==

#4590 6000 1 506c

WU 1201 (R 5-59)



# Telegram

KA045 NSB104

1971 SEP 14 PM 4 01

(208) 222

NS MDA025 DJ PD=SEMINOLE TEX 14 206P C D T=  
NEW MEXICO OIL CONSERVATION COMM=

STATE LAND OFFICE BLDG SANTA FE NMEX=

ATTN A L PORER JR=

REGARDING CASE #4590 GENTLEMEN: AMERADA HESS  
CORPORATION SUPPORTS THE RECOMMENDATION TO INCREASE  
THE LIMITING GOR FOR THE DRINKARD POOL TO 6,000 TO 10  
WE FEEL THAT CURRENT RESERVOIR CONDITIONS WARRANT THIS  
INCREASE AND THAT CORRELATIVE RIGHTS WILL BE PROTECTED=  
G F DEWHURTS REGIONAL MANAGER SEMINOLE HOBBS  
REGION.==

#4590 GOR 6,000 1

WU 1201 (R 5-59)



# SKELLY OIL COMPANY RECEIVED

P. O. BOX 1650

TULSA, OKLAHOMA 74102

September 7, 1971

LAW DEPARTMENT  
GEORGE W. SELINGER  
SENIOR ATTORNEY

SEP 9-1971  
OIL CONSERVATION COMMISSION

Re: Case 4590  
Drinkard Pool

*MA*

Mr. A. L. Porter, Jr.  
Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Dear Sir:

On Wednesday, September 15, 1971, the Commission will hear an application to increase the limiting ratio to 6,000 to 1 in the Drinkard Pool.

The latest schedule indicates that the pool totals 470 wells with an oil allowable of 3,690 barrels or a daily per well average of less than 8 barrels of oil. It is also to be noted that no single well produces anywhere near the top unit allowable of 124 barrels per day, except one project operated as such. However, all the wells produce substantial gas volumes and are connected to gasoline plants utilizing the liquids and sale of the gas to markets. Our gasoline plant is connected to a number of pools in this vicinity, including the Blinebry pool with its 6,000 cubic feet limitation to which the Drinkard pool can be likened. Our plant has the capacity to serve all the gas produced from all pools to which we are connected, including the present completions in the Drinkard pool. In fact, we would still have excess capacity from 3 to 4 million daily.

Skelly also operates 13 wells in the Drinkard pool with substantial volumes of gas.

We, therefore, support the proposal of a 6,000/1 gas-oil ratio limit for the Drinkard pool as both a producer and as a gasoline plant operator for the reasons enumerated above.

Yours very truly,

*George W. Selinger*

GWS:br

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 15, 1971

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

The following cases will be heard before Daniel S. Nutter, Examiner, or A. L. Porter, Jr., Alternate Examiner:

- ALLOWABLE: (1) Consideration of the allowable production of gas for October, 1971, from fifteen prorated pools in Lea, Eddy, Chaves and Roosevelt Counties, New Mexico;
- (2) Consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba, and Sandoval Counties, for October, 1971.

CASE 4222 (Reopened): In the matter of Case 4222 being reopened pursuant to the provisions of Order No. R-3850-A, which order continued 80-acre spacing units for the West Sawyer-San Andres Pool, Lea County, New Mexico, for an additional one-year period. All interested parties may appear and show cause why said pool should not be developed on 40-acre spacing units and present evidence as to whether or not said pool is in fact an associated reservoir.

CASE 4588: Application of V. H. Westbrook for a pressure maintenance project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project by the injection of water into the Delaware formation through his Guy A. Reed Well No. 2 located in Unit L of Section 24, Township 24 South, Range 28 East, Malaga-Delaware Pool, Eddy County, New Mexico.

CASE 4589: Application of Anadarko Production Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Burnham Grayburg San Andres Unit Area comprising 480 acres, more or less, of state lands in Section 2, Township 17 South, Range 30 East, Square Lake Field, Eddy County, New Mexico.

CASE 4590: Application of Wolfson Oil Company, MKA Oil Properties, John H. Hendrix, and Bruce A. Wilbanks for a special gas-oil ratio limitation, Lea County, New Mexico. Applicant, in the above-styled cause, seeks as an exception to Rule 506 of the Commission Rules and Regulations, a limiting gas-oil ratio of 6,000 cubic feet of gas per barrel of oil in the Drinkard Pool, Lea County, New Mexico.

CASE 4591: Application of American Quasar Petroleum Company of New Mexico for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill an exploratory gas well at an unorthodox location 660 feet from the South and East lines of Section 21, Township 25 South, Range 33 East, Lea County, New Mexico, to test the Devonian, Pennsylvanian, and Wolfcamp formations within one mile of the Red Hills Field.

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- CASE 4592: Application of Gulf Oil Corporation for amendment of order permitting commingling of production, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-4079, which order authorized the applicant to commingle production from the Hobbs (Grayburg-San Andres) and Hobbs-Blinbry Pools on its W. D. Grimes NCT-B Lease and to commingle production from said lease with the Hobbs (Grayburg-San Andres) Pool on its W. D. Grimes NCT-A lease, located in Sections 32 and 33, Township 18 South, Range 38 East, Lea County, New Mexico. Applicant seeks to allocate production to each lease and pool on the basis of bi-monthly tests rather than monthly tests.
- CASE 4593: Application of Continental Oil Company for an exception to Order No. R-3221, as amended, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, to dispose of water produced by wells located on its W. R. Means lease comprising the S/2 and NW/4 of Section 28, and E/2 and E/2 W/2 of Section 29, Township 14 South, Range 30 East, Vest Ranch-Queen Pool, Chaves County, New Mexico, in unlined surface pits.
- CASE 4594: Application of Continental Oil Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its second well on a proration unit at an unorthodox location 660 feet from the South line and 2540 feet from the East line of Section 19, Township 26 South, Range 37 East, Scarborough Yates-Seven Rivers Pool, Lea County, New Mexico.
- CASE 4595: Application of Continental Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from undesignated Gallup and Dakota oil pools in the wellbores of two wells to be drilled in Section 27, Township 25 North, Range 4 West, West Lindrith Field, Rio Arriba County, New Mexico. Applicant further seeks the establishment of a procedure whereby similar approval may be granted administratively for other wells to be drilled in said area.
- CASE 4597: Application of Morris R. Antweil for lease commingling and off-lease storage, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle condensate produced from his Little Jewel Well No. 1 and Allen Well No. 1 located in Units F and J, respectively,

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(Case 4597 continued)

of Section 31, Township 22 South, Range 27 East, and from his Joell Well No. 1 located in Unit C of Section 6, Township 23 South, Range 27 East, South Carlsbad-Strawn Gas Pool, Eddy County, New Mexico, after separation and measurement of the liquids from each well.

CASE 4583: (Continued from the August 18, 1971, Examiner Hearing) Application of V. F. Vasicek and J. M. Fullinwider, doing business as V-F Petroleum for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the E/2 of Section 15, Township 16 South, Range 35 East, Lea County, New Mexico, said acreage to be dedicated to a well to be re-entered and recompleted in the Pennsylvanian formation and located 1980 feet from the South and East lines of said Section 15. Also to be considered will be the costs of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.

CASE 4596: Southeastern New Mexico nomenclature case calling for an order for the creation, extension and abolishment of certain pools in Lea, Eddy, and Chaves County, New Mexico.

(a) Create a new pool in Eddy County, New Mexico, classified as an oil pool for Strawn production and designated as the South Hackberry-Strawn Pool. The discovery well is the Perry R. Bass Big Eddy Unit No. 33 located in Unit P of Section 4, Township 20 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 31 EAST, NMPM  
SECTION 4: SE/4 SE/4

(b) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Maroon Cliffs-Morrow Gas Pool. The discovery well is the Perry R. Bass Big Eddy Unit No. 7 located in Unit O of Section 19, Township 20 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 31 EAST, NMPM  
SECTION 19: S/2



(c) Create a new pool in Lea County, New Mexico, classified as an oil pool for Pennsylvanian production and designated as the McDonald-Pennsylvanian Pool. The discovery well is the J. M. Huber Corporation Griffin No. 1 located in Unit A of Section 4, Township 14 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 14 SOUTH, RANGE 36 EAST, NMPM  
SECTION 4: NE/4

(d) Abolish the Northwest Vacuum-Abo Pool in Lea County, New Mexico, described as:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM  
SECTION 2: SW/4  
SECTION 3: NE/4 SE/4

(e) Extend the North Vacuum-Abo Pool in Lea County, New Mexico to include therein:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM  
SECTION 2: SW/4  
SECTION 3: SE/4

(f) Extend the Blinebry Oil Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM  
SECTION 36: NE/4

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM  
SECTION 8: NW/4

(g) Extend the South Carlsbad-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH RANGE 26 EAST, NMPM  
SECTION 25: S/2

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM  
SECTION 30: S/2  
SECTION 31: W/2

(h) Extend the South Carlsbad-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

Examiner Hearing  
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TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM  
SECTION 30: S/2

- (i) Extend the Double L-Queen Associated Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 29 EAST, NMPM  
SECTION 25: NW/4 SE/4

- (j) Extend the Eagle Creek-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 25 EAST, NMPM  
SECTION 22: W/2

- (k) Extend the Flying "M"-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM  
SECTION 9: NE/4

- (l) Extend the Flying "M"-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM  
SECTION 9: W/2, NE/4 and N/2 SE/4

- (m) Extend the Grayburg Jackson Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM  
SECTION 18: S/2 NW/4

- (n) Extend the Langlie-Mattix Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM  
SECTION 20: NW/4 and NW/4 SW/4

- (o) Extend the Power Grayburg-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM  
SECTION 1: NE/4 NE/4

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM  
SECTION 6: SW/4 NW/4

Examiner Hearing  
September 15, 1971  
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Docket No. 20-71

(Case 4596 continued)

(p) Extend the East Shoebar-Devonian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM  
SECTION 29: SW/4  
SECTION 30: SE/4

(q) Extend the North Vacuum-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM  
SECTION 12: S/2  
SECTION 14: S/2  
SECTION 23: N/2

(r) Extend the North Vacuum-Lower Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM  
SECTION 4: NW/4

(s) Extend the Northwest Vacuum-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM  
SECTION 5: SE/4

(t) Extend the Vada-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 34 EAST, NMPM  
SECTION 2: S/2 and NW/4  
SECTION 3: NE/4  
SECTION 7: S/2  
SECTION 10: E/2  
SECTION 11: N/2

# BEFORE EXAMINER NUTTER

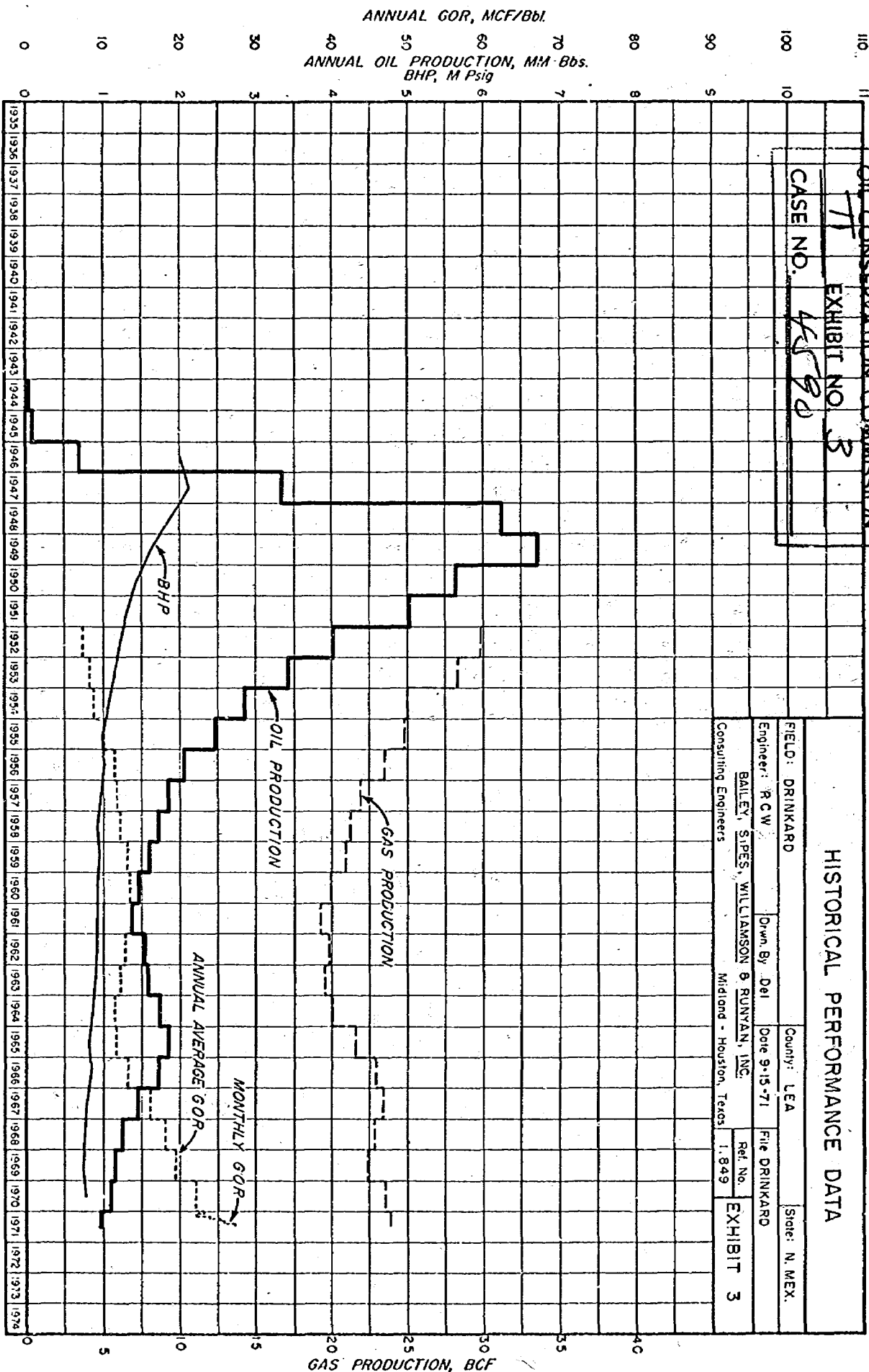
OIL CONSERVATION COMMISSION

EXHIBIT NO. 3

CASE NO. 4580

## HISTORICAL PERFORMANCE DATA

FIELD: DRINKARD County: LEA State: N. MEX.  
 Engineer: R. C. W. Drawn By: Del Date: 9-15-71 File: DRINKARD  
 BAILEY, S. P. & WILLIAMSON & RYAN, INC. Ref. No. 1,849 EXHIBIT 3  
 Consulting Engineers Midland - Houston, Texas



BEFORE EXAMINER NOTED

THE CONSERVATION COMMISSION

EXHIBIT NO. 4

CASE NO. 4590

BOTTOM HOLE PRESSURE AND GOR  
VS  
CUMULATIVE PRODUCTION

FIELD DRINKARD

COUNTY LEA

STATE N. MEX.

Engineer R. C. W.

Date 9-15-71

Drawn By Del

File DRINKARD

BAILEY, SITES WILLIAMSON & RUNYAN, INC.

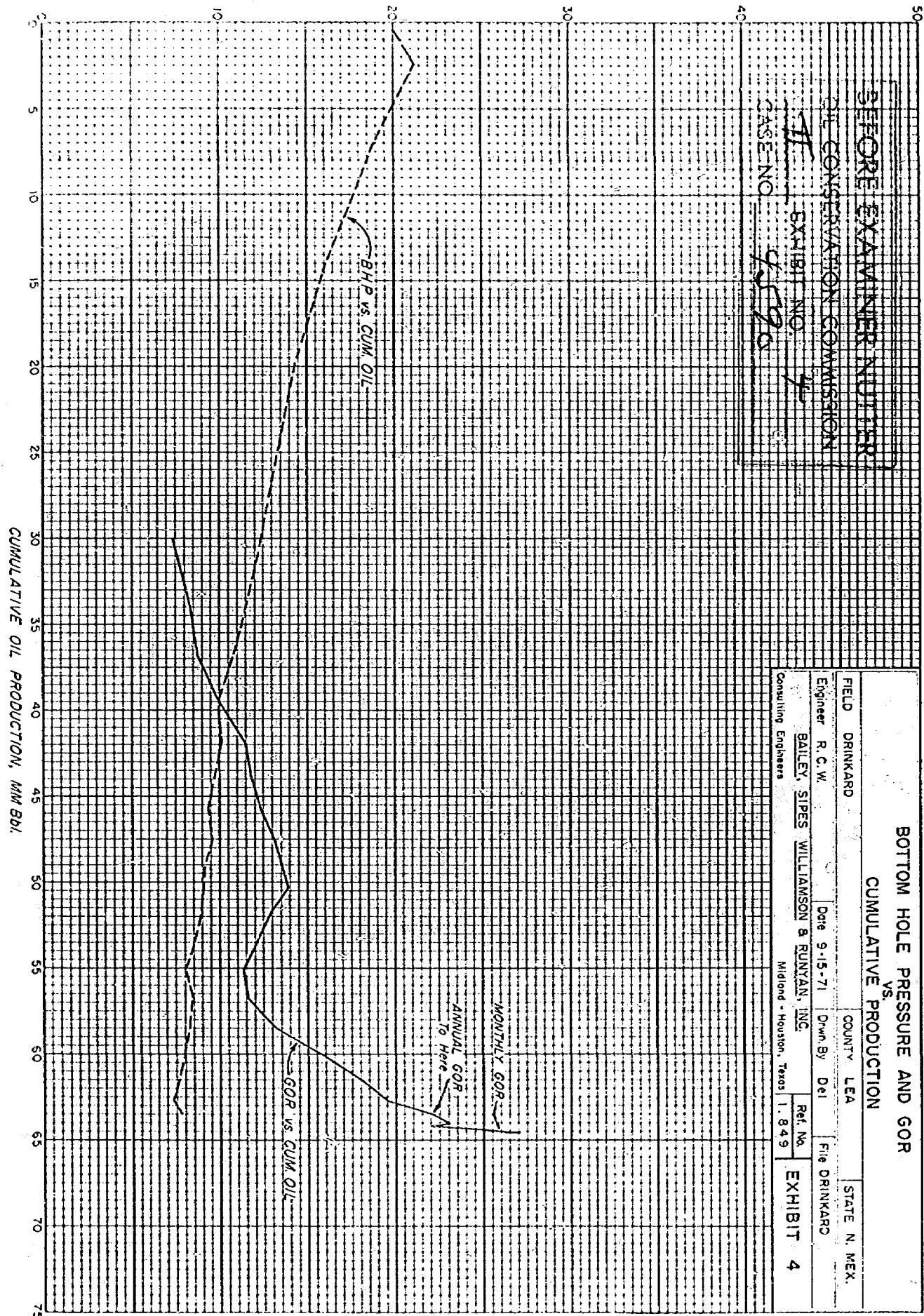
Ref. No.

EXHIBIT 4

Consulting Engineers

Midland - Houston, Texas 1. 849

BHP x 100 Psig  
GOR, MCF / Bbl.



BEFORE EXAMINER NUTTER  
OIL CONSERVATION COMMISSION  
EXHIBIT NO. 5  
CASE NO. 4590

PRODUCTION STATISTICS - MONTH OF JUNE, 1971  
AND GOR FOR YEAR - 1970  
DRINKARD FIELD  
LEA COUNTY, NEW MEXICO

OPERATOR Lease	S	T	R	CURRENT MONTH - JUNE, 1971			GOR -	MCF/Bbl	Annual Average 1970
				Oil, Bbl	Gas, MCF	No. Wells	Current Month		
<u>ACOMA OIL CORPORATION</u>									
S. J. Sarkeys A	26	21S	37E	117	827	1	7.1		5.5
<u>AMERADA DIV. AMERADA HESS CORP.</u>									
A. B. Baker	10	22S	37E	105	444	1	4.2		2.3
H. Corrigan	4	22S	37E	390	15,954	4	40.9		26.7
J. G. Randle	20	21S	37E	149	8,218	1	55.2		45.6
State DA	16	21S	37E	538	27,927	4	51.9		42.2
State DC	19	21S	37E	175	3,312	2	18.9		19.5
E. W. Walden	15	22S	37E	264	11,300	4	42.8		33.6
L. G. Warlick	19	21S	37E	101	1,295	2	12.8		13.8
L. G. Warlick A	19	21S	37E	363	8,400	2	23.1		15.8
E. Wood	22	22S	37E	454	12,151	3	26.8		22.9
<u>AMERICAN PETROFINA CO. OF TEXAS</u>									
Edith Butler	18	22S	38E	142	2,561	3	18.0		14.2
<u>AMOCO PRODUCTION CO.</u>									
Grizzell	5	22S	37E	34	6,560	1	192.9		170.8
Owen B	34	21S	37E			3(II)			
Pike Federal	6	23S	38E	141	3,240	1	23.0		19.6
Southland Royalty A	964	21S	37E	1,373	14,726	8	10.7		11.9
State C Tr. 12	16	21S	37E	474	15,658	4	33.0		27.7
State C Tr. 13	36	21S	37E	140	2,322	1	20.2		10.7
State CK	19	21S	37E	1,063	5,328	2	5.0		10.7
State S	32	22S	38E	444	6,167	1	13.9		12.2
<u>ATLANTIC RICHFIELD COMPANY</u>									
Roy Barton	23	21S	37E	634	4,498	2	7.1		6.2
Ollie J. Boyd - Well 4F	23	22S	37E			1(S)			39.8
Well 5E (recompleted to another formation)									
R. L. Brunson	463	22S	37E	388	7,730	3	19.9		5.0
Annie L. Christmas	28	22S	37E			1(S)			
J. R. Cone A	26	21S	37E	158	4,275	2	27.1		23.1
J. R. Cone B	26	21S	37E	330	6,773	1	20.5		21.7
Elmer C. Hill	26	21S	37E			1(S)			
Parcell Federal	6	23S	38E			1(T)			
S. J. Sarkeys	23	21S	37E	1,101	14,375	5	13.1		12.8
State 367	36	21S	37E	424	23,823	2	56.2		31.6
H. S. Turner	29	21S	37E			1(S)			
W. H. Turner	29	21S	37E	421	6,984	2	16.6		21.9
A. M. York A	20	21S	37E	494	8,705	1	17.6		13.2
A. M. York B	20	21S	37E	254	3,272	1	12.9		16.0

DRINKARD FIELD  
LEA COUNTY, NEW MEXICO  
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OPERATOR Lease	S	T	R	CURRENT MONTH - JUNE, 1971			GOR - MCF/Bbl	Annual Average 1970
				Oil, Bbl	Gas, MCF	No. Wells	Current Month	
<u>AZTEC OIL AND GAS COMPANY</u>								
Gutman	11	21S	37E	118	1,028	1	8.7	25.8
State (Well 1M)	2	21S	37E	94	2,252	1	24.0	5.1
State (Well 2E)	2	21S	37E	106	1,310	1	12.4	5.7
State B	36	22S	37E	76	1,907	1	25.1	22.2
State BD 36	36	22S	37E			1(U)		
<u>CAMPBELL AND HEDRICK</u>								
Christmas	17	22S	37E	260	7,233	1	27.8	30.9
W. E. Lee	20	21S	37E	224	2,173	2	9.7	10.2
Weatherly	17	21S	37E	334	2,452	1	7.3	6.9
<u>CARTER FOUNDATION PRODUCTION CO.</u>								
E. M. Elliott	22	22S	37E	359	5,044	2	14.1	14.1
<u>CHAMPLIN EXPLORATION INC.</u>								
Baker	26	22S	37E			1(U)		
<u>CITIES SERVICE OIL COMPANY</u>								
Brunson B	3	22S	37E	101	1,232	3	12.2	15.3
Brunson B	4	22S	37E	85	2,091	1	24.6	19.1
Owen	35	21S	37E	223	20,713	4	92.9	43.5
State P	32	22S	38E	50	199	1	4.0	5.6
State S	15	21S	37E	53	1,699	2	32.1	34.3
<u>J. R. CONE</u>								
Anderson	21	21S	37E	62	1,097	1	17.7	23.0
Eubanks	14	21S	37E	814	6,154	3	7.6	8.7
<u>CONTINENTAL OIL COMPANY</u>								
Elliott A 15	15	22S	37E	151	4,623	2	30.6	36.6
Elliott B 15	15	22S	37E			2(S)		
Hawk A	8,9 & 4	21S	37E	1,066	22,926	5	21.5	18.4
Hawk B 1	9&8	21S	37E	2,750	64,814	12	23.6	21.3
Hawk B 3	3	21S	37E	374	7,062	4	18.9	17.9
Hawk B 10	10	21S	37E	594	6,671	4	11.2	7.6
Lockhart A 17	17	21S	37E	490	5,837	3	11.9	9.7
Lockhart A 27	27	21S	37E	491	53,808	7	109.6	107.3
Lockhart A 35	35	21S	37E	173	16,507	2	95.4	107.8
Lockhart B 11	11	21S	37E	1,381	13,573	10	9.8	7.6
Lockhart B 12	12	21S	37E	358	1,313	2	3.7	0.3
Lockhart B 14 A	14	21S	37E	142	614	1	4.3	4.4
Lockhart B 35	35	21S	37E	388	12,118	3	31.2	27.3
J. H. Nolan	11	21S	37E	401	6,818	3	17.0	15.3
Semu Burger	19	20S	38E	(not in June, 1971 report)			-	*
* 110,578 MCF gas in 1970 - no oil, therefore no GOR								
State 10	10	21S	37E	590	20,850	2	35.3	12.6
M. E. Wantz	21	21S	37E	61	2,374	3	38.9	15.7
<u>COQUINA OIL CORPORATION</u>								
Baker	26	22S	37E	181	10,405	1	57.5	(NP)

DRINKARD FIELD  
LEA COUNTY, NEW MEXICO  
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OPERATOR Lease	S	T	R	CURRENT MONTH - JUNE, 1971			GOR - MCF/Bbl	Annual
				Oil, Bbl	Gas, MCF	No. Wells	Current Month	Average 1970
THE FUNDAMENTAL OIL CORPORATION								
Gulf Leonard	24	21S	36E	114	85	1	0.7	0.7
GETTY OIL COMPANY								
D. C. Hardy	20	21S	37E	378	10,153	2	26.9	26.4
S. J. Sarkeys	26	21S	37E	160	20,555	3	128.5	129.7
State S	15 & 10	21S	37E	849	21,150	5	24.9	22.7
GULF OIL CORPORATION								
T. R. Andrews	32	22S	38E			1(U)		
L. I. Baker	5	22S	37E	37	4,663	1	126.0	94.5
O. I. Boyd	23	22S	37E	77	1,237	2	16.1	11.2
Rollon Brunson	10	22S	37E	125	8,706	2	69.6	72.6
R. E. Cole NCT A	16	22S	37E	100	839	1	8.4	23.0
R. E. Cole NCT A Battery 2	16	22S	37E	128	851	1	6.6	4.6
S. E. Cone	26	21S	37E	29	988	1	34.1	47.1
Drinkard NCT B	30	22S	38E	446	8,498	1	19.1	21.9
Central Drinkard Unit	28	21S	37E)	8,286	108,312	44	13.1	10.4
	29	21S	37E)					
	31	21S	37E)					
	32	21S	37E)					
	33	21S	37E)					
Eaves	10	22S	37E	250	8,563	2	34.3	29.0
Eubank	22	21S	37E	272	3,705	4	13.6	21.7
Graham State NCT I	19	21S	37E	176	1,288	2	7.3	6.1
C. L. Hardy	20	21S	37E	443	7,074	1	16.0	29.1
Higgins	29	22S	38E			1(S)		
Hugh	14	22S	37E	163	6,858	4	42.1	42.2
Naomi Keenum	14	21S	37E	502	1,134	1	2.3	2.4
Harry Leonard NCT E	16	21S	37E	443	33,068	2	74.6	49.4
Harry Leonard NCT F	2	21S	37E	339	7,236	4	21.3	13.1
Mark	3	22S	37E	197	18,395	4	93.4	85.2
H. T. Mattern NCT A	24	21S	36E (not in June, 1971 report)					58.3
H. T. Mattern NCT B	30	21S	37E			1(U)		
Mark Owen	34	21S	37E	180	652	2	3.6	12.4
W. A. Ramsay NCT B	25	21S	36E	64	9,702	1	151.6	2.3
W. M. Rinewalt	4	22S	37E	43	280	1	6.5	8.4
H. P. Saunders	7	22S	38E	122	508	1	4.2	4.4
Scarborough Estate	31	22S	38E	91	2,160	1	23.7	28.2
Lee Stebbins NCT B	5	22S	37E	249	12,920	2	51.9	49.4
Nancy Stephens	24	21S	37E	545	4,023	3	7.4	4.1
E. A. Sticher	4	22S	37E	43	458	1	10.7	10.5
Vivian	30	22S	38E	283	9,861	3	34.8	19.5
Watkins	29	22S	38E	135	645	1	4.8	9.9
HANSON OIL CORPORATION								
Max Gutman	19	22S	38E	526	35,085	2	66.7	42.0
HARPER OIL COMPANY								
Sarkeys	26	21S	37E	362	40,997	2	113.3	80.6



DRINKARD FIELD  
LEA COUNTY, NEW MEXICO  
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OPERATOR Lease	S	T	R	CURRENT MONTH - JUNE, 1971			GOR - MCF/Bbl	Annual
				Oil, Bbl	Gas, MCF	No. Wells	Current Month	Average 1970
<u>JOHN H. HENDRIX</u>								
Danglade	24	22S	37E	30	15,000	1	500.0	(NP)
J. L. Greenwood	9	22S	37E	96	43,630	3	454.5	71.6
Karoles	23	22S	37E	93	7,305	1	78.5	15.4
S. E. Long	11	22S	37E	209	25,749	1	123.2	277.6
M. E. Wantz	21	21S	37E	225	21,608	2	96.0	64.0
<u>HUMBLE OIL AND REFINING COMPANY</u>								
W. B. Ferrel	22	22S	37E	92	321	1	3.5	6.5
J. L. Greenwood	9	22S	37E	168	5,832	2	34.7	15.3
F. F. Hardison B	34&27	21S	37E	629	19,918	6	31.7	30.8
New Mexico S	2	22S	37E	267	11,286	5	42.3	26.5
New Mexico V State	10	21S	37E	761	12,525	5	16.5	10.5
<u>N. B. HUNT</u>								
Weatherly	21	21S	37E	359	2,183	4	6.1	11.2
<u>IMPERIAL AMERICAN MANAGMENT CO.</u>								
Bowden Federal	4	23S	38E	103	1,224	1	11.9	7.8
Elliott Fields	6	21S	38E	138	209	1	1.5	0.4
Gibson Federal	7	23S	38E			1(S)		1.7
Gulf Sarkeys	25	21S	37E	71	402	1	5.7	6.5
L. B. Jones	6	22S	38E			1(S)		
Rosa Lee Federal	19	21S	38E	177	197	1	1.1	0.7
McAllister	7	22S	38E	7	295	1	42.1	(NP)
Merry X-Mas	30	21S	38E			1(S)		
Peterson Federal	4	23S	38E	300	556	1	1.9	2.5
Royalty Holding	25	21S	37E	102	220	2	2.2	(NP)
Sims Federal	7	22S	38E			1(T)		
Art Yeager	25	21S	37E	50	211	1	4.2	4.0
<u>LUNAR OIL AND GAS</u>								
Spear Federal	21	22S	38E			2(U)		
<u>MAYBEE ROYALTIES INC.</u>								
Belcher	7	22S	38E	143	7,221	1	50.5	32.4
<u>MACDONALD OIL CORPORATION</u>								
Gulf Mattern	30	21S	37E	181	1,269	1	7.0	7.3
<u>MARATHON OIL COMPANY</u>								
Edith Butler B	13	22S	37E	72	468	1	6.5	14.8
J. W. Grizzell	5	22S	37E	187	3,889	1	20.8	19.3
Dayton Hardy	20	21S	37E	161	2,230	2	13.9	18.8
W. S. Marshall B	27	21S	37E	228	6,249	4	27.4	20.7
J. L. Muncy	24	22S	37E	518	11,717	2	22.6	20.3
Mark Owen	35	21S	37E	84	9,998	4	119.0	39.9
L. G. Warlick C	15	21S	37E	1,057	10,509	6	9.9	13.9
Lou Worthan	11	22S	37E	135	13,315	3	98.6	74.7

DRINKARD FIELD  
LEA COUNTY, NEW MEXICO  
PAGE 5 OF 7

OPERATOR Lease				CURRENT MONTH - JUNE, 1971			GOR - MCF/Bbl	
	S	T	R	Oil, Bbl	Gas, MCF	No. Wells	Current Month	Annual Average 1970
<u>MARK PRODUCTION COMPANY</u>								
Sunshine Royalty	17	22S	38E	347	751	1	2.2	1.8
<u>McGRATH &amp; SMITH INC.</u>								
Baker	26	22S	37E (not in June, 1971 report)					43.5
<u>MOBIL OIL CORPORATION</u>								
Brunson Argo	9&10	22S	37E	215	9,820	4	45.7	26.9
Cordelia Hardy	29	21S	37E	420	1,540	2	3.7	4.6
S. E. Long	11	22S	37E	116	11,522	3	99.3	61.2
Marshall Com	34	21S	37E	243	24,000	4	98.8	69.1
Stephens Estate	24	21S	37E	204	2,205	2	10.8	18.2
D. A. Williamson	23	21S	37E	89	211	1	2.4	33.3
<u>MORAN OIL PRODUCING AND DRILLING CORP.</u>								
Owen	14	21S	37E	323	4,807	2	14.9	13.1
<u>E. F. MORAN INCORPORATED</u>								
E. M. Elliott	35	21S	37E	58	10,209	1	176.0	154.0
<u>J. W. PEERY</u>								
Hardy	19	21S	37E	158	3,834	1	24.3	16.2
Lockhart	17	21S	37E	105	1,787	1	17.0	23.3
<u>PENROSE PRODUCTION COMPANY</u>								
Hinton	12	22S	37E	28	0	1	0.0	0.0
Jones	6	22S	38E	298	0	1	0.0	0.0
L. G. Warlick	19	21S	37E	450	2,706	1	6.0	19.7
<u>PHILLIPS PETROLEUM COMPANY</u>								
Sims	24	22S	37E	130	28,083	2	216.0	199.5
<u>J. W. RODGERS</u>								
Hawk B 10	10	21S	37E	171	2,489	1	14.6	11.0
Lockhart B 11	11	21S	37E	308	4,203	1	13.6	13.2
Wantz	21	21S	37E	345	6,456	3	18.7	18.1
<u>SAMEDAN OIL CORPORATION</u>								
Boyd	23	22S	37E	40	5,212	1	130.3	121.9
Parks	14	22S	37E			1	(NP)	5.0
Parks A	14	22S	37E	132	4,015	3	30.4	9.8
<u>SHELL OIL COMPANY</u>								
Andrews	14	21S	37E	173	2,755	2	15.9	12.9
Argo	15	21S	37E	791	22,448	4	28.4	21.8
Argo A	22	21S	37E	1,110	20,921	4	18.8	15.8
Grizzell	8	22S	37E	1,029	14,718	4	14.3	13.3

DRINKARD FIELD  
LEA COUNTY, NEW MEXICO  
PAGE 6 OF 7

OPERATOR Lease	S	T	R	CURRENT MONTH - JUNE, 1971			GOR - MCF/Bbl	Annual
				Oil, Bbl	Gas, MCF	No. Wells	Current Month	Average 1970
SHELL OIL COMPANY (cont'd)								
Livingston	364	21S	37E	1,212	27,795	8	22.9	22.0
Rinewalt	4	22S	37E			1(U)		
Sarkeys	23	21S	37E	497	10,834	2	21.8	17.7
Smith	14	21S	37E	582	9,924	2	17.1	13.6
State Sec 2	2	21S	37E	787	5,938	6	7.5	6.3
State Sec 15	15	21S	37E	175	15,162	2	86.6	32.9
Taylor Glenn	3	21S	37E	635	10,325	3	16.3	13.6
Turner	22	21S	37E	1,236	40,388	7	32.7	32.2
SKELLY OIL COMPANY								
Baker A	26	22S	37E	240	3,572	4	14.9	14.9
Baker B	10	22S	37E	666	19,310	5	29.0	26.3
J. V. Baker	22	22S	37E	79	982	1	12.4	9.0
J. V. Baker Battery 2	27	22S	37E	113	3,797	2	33.6	27.6
E. A. Sticher	4	22S	37E	178	1,954	2	11.0	18.4
SOHIO PETROLEUM COMPANY								
Christmas Cowden	5	22S	37E	275	2,805	1	10.2	20.2
Percy Hardy	17	21S	37E			1(U)		
Penrose	9	22S	37E	336	11,205	1	33.3	26.3
Walden A	15	22S	37E	423	2,216	2	5.2	4.3
SOTAU OIL COMPANY								
Susan Federal	18	23S	38E			1(X)		
SUMMIT ENERGY INC.								
Drinkard B	30	22S	38E			1(X)		
Drinkard Estate	25	22S	37E	287	1,886	2	6.6	12.2
A. M. Drinkard	30	22S	38E	141	1,512	1	10.7	12.2
Gulf Drinkard	30	22S	38E			1	(NP)	(NP)
Gulf Hill	4	21S	37E	33	3,292	1	99.8	161.2
Gulf Sims	25	22S	37E	66	933	1	14.1	16.5
Amanda Sims	25	22S	37E	181	2,492	1	13.8	12.6
SUN OIL COMPANY								
Elliott A	21	21S	37E	571	43,162	2	75.6	39.9
Elliott B	20	21S	37E			1(T)		
Eva Owen	3	22S	37E	351	3,929	2	11.2	20.2
J. G. Randle	20	21S	37E	217	3,446	1	15.9	11.4
State Land 15	16	21S	37E	142	1,283	3	9.0	16.9
W. W. Weatherly	17	21S	37E	66	1,123	1	17.0	14.9
TENNECO OIL COMPANY								
Sunshine State	19	21S	37E	408	TSTM	1	-	12.8
TEXACO INCORPORATED								
V. M. Henderson	30	21S	37E	309	1,100	5	3.6	4.3
Mittie Weatherly	17	21S	37E	486	5,625	2	11.6	10.5

DRINKARD FIELD  
LEA COUNTY, NEW MEXICO  
PAGE 7 of 7

OPERATOR Lease	S	T	R	CURRENT MONTH - JUNE, 1971			GOR - MCF/Bbl	Annual
				Oil, Bbl	Gas, MCF	No Wells	Current Month	Average 1970
TEXACO INC. (JAL DISTRICT)								
Dollie Ballenger		17	22S 38E	352	1,881	2	5.3	5.5
A. H. Blinebry	19, 20							
Federal NCT 1	& 21	22S 38E		1,762	10,578	11	6.0	9.4
A. H. Blinebry								
Federal NCT 1 Battery 2F	29	22S 38E		775	7,859	5	10.1	6.7
A. H. Blinebry								
Federal NCT 1 Battery 3F	28 & 33	22S 38E		983	6,614	9	6.7	6.8
A. H. Blinebry								
Federal NCT 2	29	22S 38E		156	759	1	4.9	29.5
A. H. Blinebry								
Federal NCT 4	31	22S 38E		446	9,980	4	22.4	29.4
C. P. Falby A Federal	8	22S 37E		530	5,819	3	11.0	8.0
C. P. Falby B Federal	8	22S 37E		38	120	2	3.2	13.8
C. H. Lockhart Federal NCT 1	18	22S 38E		511	9,109	7	17.8	9.0
W. L. Nix	17 & 20	22S 38E		1,009	5,481	7	5.4	5.0
TEXAS PACIFIC OIL CO. INC.								
Boyd	23	22S 37E		218	31,008	5	142.2	109.0
Will Cary	22	22S 37E				4(T)		
S. E. Cone	26	21S 37E		405	8,362	2	20.6	18.5
Elliott A 15	15	22S 37E		122	7,276	1	59.6	75.8
Elliott B 9	9	22S 37E		85	21,102	1	248.3	227.0
Elliott B 15	15	22S 37E		82	39,793	2	485.3	101.4
Elliott B 17	17	22S 37E		368	972	1	2.6	2.4
E. W. Walden	15	22S 37E		46	6,196	1	134.7	30.3
UNION TEXAS PETRO. CORP.								
Lee	23	22S 37E		145	6,996	1	48.2	34.2
Western Federal	5	23S 38E		67	23	1	0.3	0.8
W. E. K. DRILLING INC.								
Ollie I. Boyd	23	22S 37E		189	6,304	1	33.4	51.4
BRUCE A. WILBANKS								
Brunson C	3	22S 37E		546	95,772	4	175.4	108.6
THE WISER OIL CO.								
Downes D	32	21S 37E		536	5,719	2	10.7	10.5
Rinewalt A	4	22S 37E		201	2,774	1	13.8	13.9
WOLFSON OIL COMPANY								
Grizzell	5	22S 37E		20	32,258	1	1,612.9	457.5
Thomas Long	11	22S 37E		290	87,530	4	301.8	184.0
GUY R. ZACHRY								
Downes	5	22S 37E		142	12,274	1	86.4	75.2
L. E. Grizzell	8	22S 37E		119	12,081	2	101.5	169.5
FIELD TOTAL				74,139	2,015,729	561	27.2	22.0

BAILEY, SIPES, WILLIAMSON & RUNYAN, INC.  
1100 V & J TOWER MIDLAND, TEXAS 79701  
ROY C. WILLIAMSON, JR., P.E./pw 9/10/71

NP No production reported  
(S) SHUT-IN  
(T) TEMPORARILY ABANDONED  
(X) PERMANENTLY ABANDONED  
(U) TEMPORARILY ABANDONED & REPORTS DISCONTINUED  
BY OPERATOR

Sept. 15<sup>th</sup>

JAMES T. JENNINGS  
SIM B. CHRISTY IV  
ROGER L. COPPLE  
BRIAN W. COPPLE

LAW OFFICES OF  
JENNINGS, CHRISTY & COPPLE  
1012 SECURITY NATIONAL BANK BUILDING  
P. O. BOX 1180  
ROSWELL, NEW MEXICO 88201

TELEPHONE 822-8432  
AREA CODE 505

August 13, 1971

RECEIVED  
AUG 16 1971  
OIL CONSERVATION COMM

New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Case 4590

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

Dear Sir:

We enclose herewith in triplicate Application of MKA Et Al for special pool rules in the Drinkard Pool, Lea County, New Mexico including the redetermination of a limiting gas-oil ratio of 6,000 cubic feet of gas for each barrel of oil produced from such pool.

We would appreciate it if the case may be set at the next appropriate available examiner or full commission hearing.

Respectfully,

JENNINGS, CHRISTY & COPPLE

*S. B. Christy IV*  
S. B. Christy IV

SBC/le

cc: MKA Et Al, Mr. Roy Williamson

DOCKET MAILED

Date 9-3-71

RECEIVED  
AUG 11 1971  
OIL CONSERVATION COMMISSION

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION )  
OF WOLFSON OIL COMPANY, MKA )  
OIL PROPERTIES, JOHN H. HENDRIX )  
AND BRUCE A. WILBANKS FOR A )  
REDETERMINATION OF THE SPECIFIC )  
GAS-OIL RATIO LIMIT AND ESTABLISHING )  
SPECIAL POOL RULES FOR THE DRINKARD )  
POOL, LEA COUNTY, NEW MEXICO LIMITING )  
GAS-OIL RATIO TO 6,000 CUBIC FEET OF )  
GAS FOR EACH BARREL OF OIL PRODUCED )  
FROM SAID POOL. )

CASE NO. 4590

APPLICATION

Comes now Wolfson Oil Company, MKA Oil Properties, John H. Hendrix and Bruce A. Wilbanks (collectively "MKA Et Al") and hereby makes application to the Commission, after notice and hearing, for an Order redetermining the specific gas-oil ratio limit in the Drinkard Pool, Lea County, New Mexico and establishing special pool rules limiting the gas-oil ratio to 6,000 cubic feet of gas for each barrel of oil produced from said pool and for grounds thereof states:

1. That MKA Et Al are operators of one or more wells in the Drinkard Pool, Lea County, New Mexico.
2. That there are no special pool rules in the Drinkard Pool, Lea County, New Mexico limiting gas-oil ratio above those provided in Rule 506(a) of the Commission's Rules and Regulations, establishing such ratio at 2,000 cubic feet of gas for each barrel of oil produced.

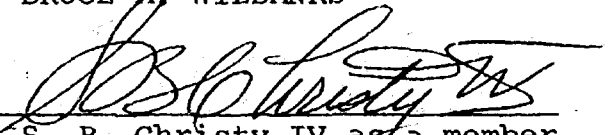
3. That in view of the advance stage of depletion of the Drinkard Pool, Lea County, New Mexico that a gas-oil ratio limitation of 2,000 cubic feet of gas to each barrel of oil produced from said pool reduces or tends to reduce the total quantity of crude petroleum oil or natural gas ultimately recovered from such pool and that as a consequence in order to prevent waste and protect correlative rights special pool rules should be promulgated for the Drinkard Pool, Lea County, New Mexico increasing the gas-oil ratio for such pool.

4. MKA Et Al is of the opinion that a gas-oil ratio of 6,000 cubic feet of gas for each barrel of oil produced from the Drinkard Pool, Lea County, New Mexico would presently permit the ultimum of crude petroleum oil and natural gas to be recovered from such pool and would prevent waste and protect the correlative rights of the interested parties and the special pool rules for such pool should be established redetermining such gas-oil ratio for such pool.

WHEREFORE, MKA Et Al prays, after notice and hearing, that the Commission enter its Order establishing special pool rules for the Drinkard Pool, Lea County, New Mexico including a limiting gas-oil ratio of 6,000 cubic feet of gas for each barrel of oil produced from said pool.

WOLFSON OIL COMPANY, MKA OIL  
PROPERTIES, JOHN H. HENDRIX  
AND BRUCE A. WILBANKS

By



S. B. Christy IV as a member  
of the firm of Jennings,  
Christy & Copple  
P. O. Box 1180  
Roswell, New Mexico 88201  
Attorneys for MKA Et Al



*JM*  
DRAFT

GMH/dr *(JP)*

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:

*ASP* *JM*  
APPLICATION OF WOLFSON OIL COMPANY,  
MKA OIL PROPERTIES, JOHN H. HENDRIX,  
AND BRUCE A. WILBANKS FOR A SPECIAL  
GAS-OIL RATIO LIMITATION, LEA COUNTY,  
NEW MEXICO.

CASE No. 4590

Order No. R- *R-4202*  
*10-5001*

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 15, 1971,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this October day of September, 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, Wolfson Oil Company, MKA Oil Properties,  
John H. Hendrix, and Bruce A. Wilbanks, seek an exception to  
Rule 506 of the Commission Rules and Regulations, ~~to provide for~~  
a limiting gas-oil ratio ~~in excess of the existing ratio of 6,000~~ *6,000*  
cubic feet of gas per barrel of oil in the Drinkard Pool, Lea County,  
New Mexico.

(3) That the reservoir characteristics of the subject pool presently available justify the establishment of a gas-oil ratio limitation of 6000 cubic feet of gas per barrel of liquid hydrocarbons.

(4) That in order to afford to the owner of each property in the Drinkard Pool the opportunity to produce his just and equitable share of the oil and gas in the subject pool and for this purpose to use his just and equitable share of the reservoir energy, a limiting gas-oil ratio of 6000 cubic feet of gas per barrel of liquid hydrocarbons should be established for the subject pool.

(5) That approval of the subject application will prevent waste and protect correlative rights, provided the flaring or venting of gas in the Drinkard Pool is prohibited.

~~(6) That in order to assure the protection of correlative rights, the operator of each well in the Drinkard Pool should file a new gas-oil ratio test with the Commission's~~ Hobbs  
District Office on or before \_\_\_\_\_, 1971.

IT IS THEREFORE ORDERED:

(1) That, effective November 1, 1971, the limiting gas-oil ratio in the Drinkard Pool, Lea County, New Mexico, shall be 6000 cubic feet of gas for each barrel of oil produced; that, effective November 1, 1971, each proration unit in the Drinkard Pool shall produce only that volume of gas equivalent to 6000 multiplied by top unit oil allowable for the pool.

~~(2) That the operator of each well in the Drinkard Pool shall file a new gas-oil ratio test with the Commission's~~ Hobbs  
District Office on or before \_\_\_\_\_, 1971, and shall furnish a schedule of test dates to the Commission's Hobbs  
District Office in order that the tests may be witnessed.

-3-

CASE NO. 4590

Order No. R-

(3) That no gas shall be flared or vented in the Drinkard Pool more than 60 days after a well begins to produce or 60 days after the date of issuance of this order, whichever is later. Any operator desiring to obtain an exception to this provision shall submit to the Secretary-Director of the Commission an application for such exception with a statement setting forth the facts and circumstances justifying it. The Secretary-Director is hereby authorized to approve such an application if he determines that the exception is necessary to prevent waste. If the Secretary-Director declines to grant administrative approval of the requested exception, the matter shall be set for hearing if the operator so requests.

(2) ~~(2)~~ 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.

CASE 4591: Appli. of AMERICAN  
QUASAR FOR AN UNORTHODOX GAS WELL  
LOCATION, LEA COUNTY, NEW MEXICO.