

Case Number

4719

Application

Transcripts

Small Exhibits

ETC.

dearnley, meier & mc cormick

209 SIMMS BLDG., P.O. BOX 1092, PHONE 243-6891, ALBUQUERQUE, NEW MEXICO 87103
1216 FIRST NATIONAL BANK BLDG. EAST, ALBUQUERQUE, NEW MEXICO 87108

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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
CONFERENCE HALL, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO
May 17, 1972

EXAMINER HEARING

IN THE MATTER OF:

The Application of Gulf Oil Corporation
for a dual completion, Lea County, New
Mexico.

CASE NO. 4719

BEFORE: RICHARD L. STAMETS
Examiner

TRANSCRIPT OF HEARING

dearnley, meier & mc cormick

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1 MR. STAMETS: Case 4719

2 MR. HATCH: Application of Gulf Oil Corporation
3 for a dual completion, Lea County, New Mexico.

4 MR. KASTLER: Bill Kastler, attorney with Gulf
5 Oil Corporation of Midland, Texas. Our witness today is
6 Mr. Jim Gibson.

7 MR. STAMETS: Are there any other appearances in
8 this Case?

9 (No response.)

10 * * * * *

11 JAMES C. GIBSON,

12 was called as a witness and, after being duly sworn, testified
13 as follows:

14 DIRECT EXAMINATION

15 BY MR. KASTLER:

16 Q Will you state your name, by whom you are employed
17 and in what capacity and in what city.

18 A James C. Gibson. I am employed by the Gulf Oil
19 Company of the United States in Hobbs, New Mexico. I
20 am a senior petroleum engineer.

21 Q Have you previously appeared before the New Mexico
22 Oil Conservation Commission at one of its Examiner
23 Hearings and been qualified in your field as an expert
24 in petroleum geology?

25 A Yes, I have.

1 MR. KASTLER: Are the witness' qualifications
2 satisfactory?

3 MR. STAMETS: Are you a petroleum geologist or
4 petroleum engineer?

5 THE WITNESS: Engineer.

6 MR. STAMETS: Yes, they are.

7 Q (By Mr. Kastler) Mr. Gibson, what is Gulf seeking
8 in this Application?

9 A We are seeking approval for a dual completion for
10 the G.C. Matthews Well No. 5, in the Monument-Paddock
11 and Eunice-Monument Grayburg and San Andres pools
12 in Lea County, New Mexico.

13 Q Do you have an Exhibit showing the location of this
14 well?

15 A Yes, I do. Exhibit 1-A is a plat showing the
16 G. C. Matthews lease outlined in red and described
17 as being in the SE/4 of Section 6, Township 20 South,
18 Range 37 East.

19 Well Number 5 is circled and colored in red and
20 is located in unit J 100 feet from the south line and
21 2110 from the east line of Section 6.

22 Also, the G. C. Matthews Well Number 10 is shown
23 on the plat. Wells 5 and 10 will be in the same
24 proration unit.

25 Well Number 10 is located 650 feet from the south

dearnley, meier & mc cormick

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1 line and 2310 feet from the east line of Section 6
2 and is 660 feet south of Well Number 5.

3 Q What is Exhibit Number 1 and what does it show?

4 A Exhibit 1 is a plat showing the same information as
5 Exhibit 1-A. And, in addition, it identifies the
6 surrounding Monument-Paddock completions shown by
7 yellow circles.

8 The offset operators are also shown on Exhibit 1.

9 Q What is Exhibit Number 2?

10 A Exhibit Number 2 is a log of Well Number 5.

11 Q Would you please explain what is shown in that log?

12 A Yes. Exhibit 2 is a log of the G. C. Matthews Well
13 Number 5 taken at the top and at the base of the
14 Eunice-Monument Grayburg-San Andres and the top of
15 the Monument-Paddock formations. The perforation
16 marked on the log of the top of the Grayburg is
17 3410 feet. The tests were taken at 3437 to 3439;
18 3466 to 3468; 3506 to 3508; 3546 to 3568; and 3610 to
19 3612.

20 Q What is shown on that Exhibit?

21 A I'm sorry, but I have more.

22 Q Beg your pardon.

23 A The proposed perforations for the top of the Paddock
24 are from 5139 to 5143; 5171 to 5176; 5186 to 5190;
25 and 5204 to 5208.

1 Q What is shown in Exhibit Number 3, please?

2 A Exhibit 3 is a diagram of the proposed conventional
3 dual completion.

4 Q Is the proposed method of dual completing this well
5 more or less standard?

6 A Yes, it utilizes equipment previously approved for
7 dual completions in southeast New Mexico.

8 Q Do you have any bottom hole pressures?

9 A We do not in the well bore, however, 1200 pounds have
10 been calculated for the Monument-Paddock area and the
11 latest data indicates that in the San Andres pool there
12 is approximately 600 pounds.

13 The difference in pressure between the two pools
14 would create approximately a 600 pound differential.

15 Q Do you have any production tests?

16 A This dual completion is not yet effected, therefore
17 we have no tests regarding the Monument-Paddock pool.
18 The latest test in the Eunice-Monument pool in Well
19 Number 5 shows the well flowing 41 barrels of water
20 and 371 MCF of gas per day, with a tubing pressure of
21 200 psi. This well has recently been reclassified from
22 an oil well to a gas well.

23 As I previously stated, Well Number 5 is in the
24 same proration unit as the G. C. Matthews Number 10
25 well. The latest tests on that show 15 barrels of oil

1 and 22 barrels of water per day.

2 It is anticipated that Well Number 5 shows
3 potential for better than 50 barrels of oil per day.
4 With the current allowable of 107 barrels per day,
5 this would allow Well Number 5 to produce up to 92
6 barrels per day. That would be 15 from Well Number
7 10 and 92 from Well Number 5.

8 Q Do you have drilling and completion cost figures
9 concerning the dual completion?

10 A It is estimated that the drilling and completion
11 costs for a single zone Monument-Paddock well to be
12 \$80,000.

13 The proposed cost for dually completing Well
14 Number 5 is \$16,000. Therefore, an approximate saving
15 of \$64,000 can be realized by dually completing Well
16 Number 5.

17 Q Do you have anything to add to your testimony?

18 A No, sir.

19 Q Is this Application in the interest of conservation
20 and prevention of waste and protection of correlative
21 rights?

22 A Yes, it is.

23 Q Were Exhibits 1-A, 1, 2 and 3 either prepared by you
24 or at your direction or under your supervision?

25 A Yes, sir.

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1 MR. KASTLER: This concludes our testimony on
 2 direct examination, Mr. Examiner.

3 MR. STAMETS: Would you like to offer the Exhibits?
 4 MR. KASTLER: Yes, I would move for the
 5 introduction of Exhibits 1-A, 1, 2 and 3.

6 MR. STAMETS: Are there any objections to the
 7 admission of these Exhibits?
 8 (No response.)
 9 MR. STAMETS: They will be admitted.
 10 (Whereupon, Applicant's Exhibits, 1-A, 1, 2
 11 and 3 were admitted in evidence.)
 12 MR. STAMETS: Any questions of this witness?
 13 (No response.)
 14 * * * * *
 15 CROSS-EXAMINATION
 16 BY MR. STAMETS:
 17 Q Would you run over the current potential on the
 18 Number 5 Well in the Eunice-Monument pool?
 19 A It is making 41 barrels of oil and 371 MCF of gas
 20 per day, with a flowing tubular pressure of 200 psi.
 21 Q I presume there are no other dual completions between
 22 these two pools, at this time?
 23 A As far as we can ascertain, there have been none.
 24 Q And you wish to continue to produce Well Number 10
 25 from the Monument-Paddock?

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1 A Yes, sir.

2 Q And the dedicated acreage for the two wells would be

3 the same?

4 A Yes, sir.

5 Q Do you anticipate that either zone will be pumped at

6 any time?

7 A Yes, I feel sure the Paddock pay will be pumped at a

8 later date, but the Eunice-Monument, Grayburg-San

9 Andres will probably not since it is all gas now.

10 Q And you, of course, will take all Packer Leakage tests

11 as required by Commission Rules?

12 A Yes, sir.

13 MR. STAMETS: Any other questions of this witness?

14 (No response.)

15 MR. STAMETS: He may be excused.

16 (Witness excused.)

17 MR. STAMETS: Any statements in this Case?

18 (No response.)

19 MR. STAMETS: Telegrams or letters?

20 (No response.)

21 MR. STAMETS: The Case will be taken under

22 advisement.

23

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I N D E X

<u>WITNESS:</u>	<u>PAGE</u>
<u>JAMES C. GIBSON</u>	
Direct Examination by Mr. Kastler	3
Cross-Examination by Mr. Stamets	8

E X H I B I T S

<u>APPLICANT'S</u> (Gulf Oil)	<u>OFFERED</u>	<u>ADMITTED</u>
Exhibit 1-A	4	8
Exhibit 1	5	8
Exhibit 2	5	8
Exhibit 3	6	8

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. 4719
Order No. R-4313

APPLICATION OF GULF OIL
CORPORATION FOR A DUAL
COMPLETION, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 17, 1972, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 24th day of May, 1972, 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, Gulf Oil Corporation, seeks authority to complete its G. C. Matthews Well No. 5, located in Unit J of Section 6, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, as a dual completion (conventional) to produce oil from the Eunice-Monument and Monument-Paddock Pools through parallel strings of tubing.

(3) That the mechanics of the proposed dual completion are feasible and in accord with good conservation practices.

(4) That approval of the subject application will prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Gulf Oil Corporation, is hereby authorized to complete its G. C. Matthews Well No. 5, located in Unit J of Section 6, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, as a dual completion (conventional) to produce oil from the Eunice-Monument and Monument-Paddock Pools through parallel strings of tubing, with separation of zones by a packer set at approximately 5,065 feet.

-2-
CASE NO. 4719
Order No. R-4313

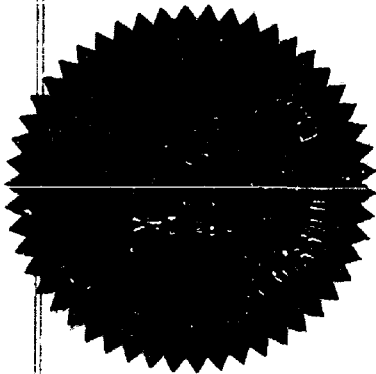
PROVIDED HOWEVER, that the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Commission Rules and Regulations insofar as said rule is not inconsistent with this order;

PROVIDED FURTHER, that the applicant shall take packer-leakage tests upon completion and annually thereafter during the Annual Gas-Oil Ratio Test Period for the Monument-Paddock 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 4713 continued from page 1

7. An 80-acre unit comprising Lot 1 and the NE/4 NW/4 of Section 19, Township 17 North, Range 8 West, to be dedicated to Well No. 26;
8. An 80-acre unit comprising the N/2 NW/4 of Section 24, Township 17 North, Range 9 West, to be dedicated to Well No. 28.

Applicant further seeks a procedure whereby other non-standard proration units may be established administratively.

CASE 4714: Application of Thunderbird Oil Corporation for an unorthodox well location and amendment of Order No. R-1145, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a producing oil well at an unorthodox location 2635 feet from the North line and 1315 feet from the West line of Section 8, Township 13 South, Range 32 East, in the North Caprock-Queen Unit Waterflood Project, Lea County, New Mexico, authorized by Order No. R-1145. Applicant further seeks a procedure whereby additional production and injection wells at orthodox and unorthodox locations may be approved administratively.

CASE 4715: Application of Glen D. Aaron and James C. Whitten for an unorthodox well location, Eddy County, New Mexico. Applicants, in the above-styled cause, seek approval for an unorthodox gas well location for their well to be drilled 990 feet from the South line and 1650 feet from the West line of Section 11, Township 18 South, Range 26 East, Atoka-Pennsylvanian Gas Pool, Eddy County, New Mexico, with the W/2 of said Section 11 to be dedicated to the well.

CASE 4716: Application of Union Oil Company of California for directional drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill its Owens Well No. 2, having a surface location in Unit I of Section 34, Township 14 South, Range 35 East, Morton-Wolfcamp Pool, Lea County, New Mexico. Applicant proposes to set a whipstock at approximately 7200 feet and to directionally drill to bottom the well in the Wolfcamp formation within 100 feet of a point in Unit H 1730 feet from the North line and 560 feet from the East line of said Section 34. Applicant proposes to dedicate the S/2 NE/4 of Section 34 to the well.

CASE 4717: Application of Sohio Petroleum Company for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard unit in an undesignated San Andres gas pool comprising the S/2 SE/4 of Section 7 and the W/2 SW/4 of Section 8, Township 21 South, Range 37 East, Lea County, New Mexico, to be dedicated to its well located 660 feet from the South line and 660 feet from the West line of said Section 8.

CASE 4718: Application of E. B. White, Jr. for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Phantom Banks Unit Area comprising 7680 acres, more or less, of federal, state, and fee lands in Township 26 South, Range 31 East, Eddy County, New Mexico.

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 17, 1972

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

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

- ALLOWABLE: (1) Consideration of the allowable production of gas for June, 1972, from fifteen prorated pools in Lea, Eddy, Roosevelt and Chaves Counties, New Mexico; also presentation of purchaser's nominations for said pools for the six-month period beginning July 1, 1972;
- (2) Consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba and Sandoval Counties, New Mexico, for June, 1972.

CASE 4712: Application of Texaco Inc. for multiple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to complete its Lockhart (NCT-1) Well No. 3 located in Unit O of Section 18, Township 22 South, Range 38 East, Lea County, New Mexico, in such a manner as to produce oil from the Paddock and Blinbry Oil Pools through a single string of tubing and gas from the Tubb Gas Pool through the casing-tubing annulus.

CASE 4713: Application of Tenneco Oil Company for non-standard proration units, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of the following-described non-standard proration units in the Lone Pine-Dakota "D" Oil Pool, McKinley County, New Mexico.

1. An 80-acre unit comprising the SE/4 NE/4 and the NE/4 SE/4 of Section 7, Township 17 North, Range 8 West, to be dedicated to Well No. 2;
2. An 80-acre unit comprising the SW/4 NE/4 and NW/4 SE/4 of Section 7, Township 17 North, Range 8 West, to be dedicated to Well No. 3;
3. A 91.66-acre unit comprising Lots 7 and 8 and SW/4 SE/4 of Section 12, Township 17 North, Range 9 West, to be dedicated to Well No. 5.
4. A 91.59-acre unit comprising Lots 1 and 2 and NW/4 NE/4 Section 13, Township 17 North, Range 9 West, to be dedicated to Well No. 12;
5. A 91.56-acre unit comprising Lots 3 and 4 and SW/4 NE/4 of Section 13, Township 17 North, Range 9 West, to be dedicated to Well No. 14;
6. An 80-acre unit comprising the SW/4 NW/4 and NW/4 SW/4 of Section 17, Township 17 North, Range 8 West, to be dedicated to Well No. 17;

Case No. 4724 continued from page 3

(a) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the South Empire-Morrow Gas Pool. The discovery well is the Midwest Oil Corporation South Empire Deep Unit No. 1 located in Unit F of Section 6, Township 18 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM
SECTION 6: N/2

(b) Create a new pool in Lea County, New Mexico, classified as an oil pool for Strawn production and designated as the Humble City-Strawn Pool. The discovery well is the Harding Oil Company Shipp No. 1 located in Unit K of Section 11, Township 17 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM
SECTION 11: SW/4

(c) Create a new pool in Chaves County, New Mexico, classified as an oil pool for Abo production and designated as the Many Gates-Abo Pool. The discovery well is the Jack Phillips Isler Federal No. 1 located in Unit A of Section 31, Township 9 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 9 SOUTH, RANGE 30 EAST, NMPM
SECTION 31: NE/4

(d) Create a new pool in Roosevelt County, New Mexico, classified as a gas pool for Pennsylvanian production and designated as the Peterson-Pennsylvanian Gas Pool. The discovery well is the Amoco Production Company Peterson "A" Gas Com No. 1 located in Unit B of Section 19, Township 5 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 5 SOUTH, RANGE 33 EAST, NMPM
SECTION 19: All

(e) Abolish Loco Hills-Queen Pool in Eddy County, New Mexico, described as:

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM
SECTION 29: SW/4
SECTION 31: SE/4 NE/4 and NE/4 SE/4
SECTION 32: NW/4

- CASE 4719: Application of Gulf Oil Corporation for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its G.C. Matthews Well No. 5 located in Unit J of Section 6, Township 20 South, Range 37 East, Lea County, New Mexico, in such a manner as to produce oil from the Eunice-Monument and Monument-Paddock Pools through parallel strings of tubing.
- CASE 4720: Application of Rotary Oil & Gas Company for an unorthodox location and non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a non-standard gas proration unit in the Osudo-Devonian Gas Pool comprising the NE/4 of Section 32 and the NW/4 of Section 33, Township 20 South, Range 36 East, Lea County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the North line and 1980 feet from the East line of said Section 32.
- CASE 4721: Application of C. W. Trainer for a non-standard gas unit, Lea County, New Mexico. Applicant in the above-styled cause, seeks approval of a 316.9-acre non-standard gas spacing unit comprising Lots 1 and 2 and E/2 W/2 of Section 31, Township 24 South, Range 37 East, and Lots 2 and 3 of Section 6, Township 25 South, Range 37 East, undesignated Fusselman and Devonian gas pools, Lea County, New Mexico, to be dedicated to his Sherrell Well No. 1 located 660 feet from the South line and 1590 feet from the West line of said Section 31.
- CASE 4722: Application of C. W. Trainer for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Devonian, Fusselman and Ellenburger formations underlying Lots 1 and 2 and E/2 W/2 of Section 31, Township 24 South, Range 37 East, and Lots 2 and 3 of Section 6, Township 25 South, Range 37 East, Custer Field, Lea County, New Mexico, to form a 316.9-acre non-standard spacing unit for the production of gas from said formations, to be dedicated to his Sherrell Well No. 1 located 660 feet from the South line and 1590 feet from the West line of said Section 31.
- CASE 4723: Application of Black River Corporation for pool abolishment, creation of two new gas pools, and a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the abolishment of the Washington Ranch-Morrow Gas Pool, Eddy County, New Mexico, and the creation of the Washington Ranch-Upper Morrow and Washington Ranch-Lower Morrow Gas Pools for the production of gas from the upper and lower Morrow formations. Applicant further seeks approval of the dual completion (conventional) of its Cities 3 Federal Well No. 1 located in Unit F of Section 3, Township 26 South, Range 24 East, to produce the lower Morrow through tubing and the upper Morrow through the casing-tubing annulus.
- CASE 4724: Southeastern New Mexico nomenclature case calling for an order for the creation, extension, abolishment and contraction of certain pools in Lea, Eddy, Chaves and Roosevelt Counties, New Mexico.

Case No. 4724 continued - (i)

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM

SECTION 2: All
SECTION 3: Lots 1, 2, 3, 4, 5, 6, 7,
8, 9, and 16
SECTION 4: Lots 1, 3, 4, 5, 6, 8, 11,
12, 13, 14, and 15
SECTION 11: E/2 and NW/4
SECTION 12: All
SECTION 13: All
SECTION 14: E/2
SECTION 24: All
SECTION 30: NW/4

- (j) Contract the Bagley-Lower Pennsylvanian Gas Pool in Lea County, New Mexico, by the deletion of the following described area:

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM

SECTION 33: SE/4
SECTION 34: W/2 SW/4

TOWNSHIP 12 SOUTH, RANGE 33 EAST, NMPM

SECTION 3: NE/4

- (k) Contract the Bagley-Upper Pennsylvanian Gas Pool in Lea County, New Mexico, by the deletion of the following described area:

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM

SECTION 33: N/2 and SE/4
SECTION 34: W/2 and SE/4

TOWNSHIP 12 SOUTH, RANGE 33 EAST, NMPM

SECTION 3: SE/4
SECTION 4: N/2
SECTION 5: N/2 and SW/4
SECTION 10: NE/4

- (l) Contract the Bagley-Pennsylvanian Pool in Lea County, New Mexico, by the deletion of the following described area:

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM

SECTION 34: W/2 NE/4 and W/2 SW/4

TOWNSHIP 12 SOUTH, RANGE 33 EAST, NMPM

SECTION 3: S/2 SW/4
SECTION 4: S/2
SECTION 5: S/2

Case No. 4724 continued from page 4

(f) Abolish the Sand Tank-Queen Pool in Eddy County, New Mexico, described as:

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM
SECTION 7: NE/4 SE/4

(g) Extend the vertical limits of the Loco Hills Grayburg-San Andres Pool in Eddy County, New Mexico, to include the Queen formation and redesignate said pool to Loco Hills Queen Grayburg-San Andres Pool.

(h) Abolish the Terry-Blinebry Pool in Lea County, New Mexico, described as:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
SECTION 32: SE/4
SECTION 33: S/2 and NE/4
SECTION 34: S/2 and NW/4
SECTION 35: S/2
SECTION 36: W/2

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
SECTION 1: Lots 4, 5, 9, 10, 11, 12,
13, 14, 15, 16, and S/2
SECTION 2: All
SECTION 3: Lots 1, 2, 3, 4, 5, 6, 7,
8, 9, and 16
SECTION 4: Lots 1, 3, 4, 5, 6, 8, 11,
12, 13, 14, and 15
SECTION 11: E/2 and NW/4
SECTION 12: All
SECTION 13: All
SECTION 14: E/2
SECTION 24: All

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

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
SECTION 32: SE/4
SECTION 33: S/2 and NE/4
SECTION 34: S/2 and NW/4
SECTION 35: S/2
SECTION 36: W/2

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
SECTION 25: NE/4

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
SECTION 1: Lots 4, 5, 9, 10, 11, 12,
13, 14, 15, 16, and S/2

Case No. 4724 continued

(u) Extend the Garrett-Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 38 EAST, NMPM
SECTION 28: NE/4

(v) Extend the Jennings-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 32 EAST, NMPM
SECTION 4: NE/4

(w) Extend the Round Tank-Queen Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 28 EAST, NMPM
SECTION 24: SE/4

(x) Extend the West Sawyer-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 37 EAST, NMPM
SECTION 27: SE/4

(y) Extend the Townsend-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
SECTION 9: W/2 and SE/4
SECTION 10: S/2
SECTION 15: E/2

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

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
SECTION 21: SE/4
SECTION 22: SW/4

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
SECTION 19: NE/4

(aa) Extend the Washington Ranch-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 25 SOUTH, RANGE 24 EAST, NMPM
SECTION 35: W/2

(bb) Extend the Osudo-Devonian Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 36 EAST, NMPM
SECTION 31: E/2

Case No. 4724 continued

(m) Extend the North Bagley-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM
SECTION 34: N/2 NE/4 and W/2 SW/4

TOWNSHIP 12 SOUTH, RANGE 33 EAST, NMPM
SECTION 3: S/2 SW/4

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

TOWNSHIP 9 SOUTH, RANGE 36 EAST, NMPM
SECTION 11: SW/4

(o) Extend the Atoka-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
SECTION 11: All

(p) Extend the Boyd-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM
SECTION 9: All

(q) Extend the Chambers-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 35 EAST, NMPM
SECTION 35: SW/4

(r) Extend the Dollarhide-Devonian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 38 EAST, NMPM
SECTION 30: SW/4

(s) Extend the Dollarhide-Ellenburger Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 38 EAST, NMPM
SECTION 31: E/2

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

TOWNSHIP 15 SOUTH, RANGE 29 EAST, NMPM
SECTION 1: NW/4 NE/4
SECTION 12: E/2 NW/4

Case 4725 continued from page 9

(d) Create a new pool in San Juan County, New Mexico, classified as an oil pool for Paradox production, designated as the Cone-Paradox Oil Pool and described as:

TOWNSHIP 31 NORTH, RANGE 18 WEST, NMPM
SECTION 22: SE/4

(e) Create a new pool in San Juan County, New Mexico, classified as a gas pool for Mesaverde production, designated as the Crouch Mesa-Mesaverde Pool and described as:

TOWNSHIP 29 NORTH, RANGE 11 WEST, NMPM
SECTION 5: W/2
SECTION 6: N/2

TOWNSHIP 30 NORTH, RANGE 11 WEST, NMPM
SECTION 31: SW/4

(f) Create a new pool in San Juan County, New Mexico, classified as an oil pool for Mesaverde production, designated as the Cuervo-Mesaverde Oil Pool and described as:

TOWNSHIP 24 NORTH, RANGE 8 WEST, NMPM
SECTION 28: NE/4

(g) Create a new pool in Rio Arriba County, New Mexico, classified as an oil pool for Mesaverde production, designated as the Devils Fork-Mesaverde Oil Pool and described as:

TOWNSHIP 24 NORTH, RANGE 6 WEST, NMPM
Section 16: SW/4

(h) Create a new pool in San Juan County, New Mexico, classified as an oil pool for Dakota production, designated as the Dufers Point-Dakota Oil Pool and described as:

TOWNSHIP 25 NORTH, RANGE 8 WEST, NMPM
Section 17: E/2
Section 19: N/2 & SW/4
Section 20: N/2

(i) Create a new pool in San Juan County, New Mexico, classified as an oil pool for Dakota production, designated as the Escrito-Dakota Oil Pool and described as:

TOWNSHIP 24 NORTH, RANGE 8 WEST, NMPM
Section 1: W/2
Section 2: N/2
Section 12: W/2

TOWNSHIP 25 NORTH, RANGE 8 WEST, NMPM
Section 35: SW/4

CASE 4725: Northwest New Mexico nomenclature case calling for an order for the creation, extension and contraction of certain pools in San Juan and Rio Arriba Counties, New Mexico.

(a) Create a new pool in San Juan County, New Mexico, classified as an oil pool for Farmington production, designated as the Alamo-Farmington Oil Pool and described as:

TOWNSHIP 30 NORTH, RANGE 9 WEST, NMPM
SECTION 4: S/2
SECTION 9: NE/4
SECTION 10: W/2
SECTION 15: NW/4 & SW/4 NE/4

(b) Create a new pool in San Juan County, New Mexico, classified as an oil pool for Gallup production, designated as the Amarillo-Gallup Oil Pool and described as:

TOWNSHIP 28 NORTH, RANGE 13 WEST, NMPM
SECTION 33: SE/4 SE/4
SECTION 34: SW/4 & SE/4 NW/4

(c) Create a new pool in San Juan County, New Mexico, classified as a gas pool for Fruitland production, designated as the Blanco-Fruitland Pool and described as:

TOWNSHIP 29 NORTH, RANGE 9 WEST, NMPM
SECTION 2: W/2
SECTION 3: N/2
SECTION 4: NE/4
SECTION 11: NW/4

TOWNSHIP 30 NORTH, RANGE 8 WEST, NMPM
SECTION 29: S/2
SECTION 30: S/2

TOWNSHIP 30 NORTH, RANGE 9 WEST, NMPM
SECTION 8: N/2 & SE/4
SECTION 9: S/2
SECTION 16: E/2
SECTION 21: E/2
SECTION 25: S/2
SECTION 26: S/2
SECTION 27: S/2
SECTION 28: E/2
SECTION 33: N/2 & SE/4
SECTION 34: All
SECTION 35: W/2

Case No. 4725 continued from page 11

(o) Create a new pool in San Juan and Rio Arriba Counties, New Mexico, classified as a gas pool for Chacra production, designated as the Largo-Chacra Pool and described as:

TOWNSHIP 27 NORTH, RANGE 7 WEST, NMPM
SECTION 19: S/2

TOWNSHIP 27 NORTH, RANGE 8 WEST, NMPM
SECTION 23: S/2
SECTION 24: S/2
SECTION 26: W/2
SECTION 35: NW/4

(p) Create a new pool in Rio Arriba County, New Mexico, classified as a gas pool for Gallup production, designated as the Lindrith-Gallup Pool and described as:

TOWNSHIP 24 NORTH, RANGE 2 WEST, NMPM
SECTION 20: All
SECTION 21: All
SECTION 28: All
SECTION 29: All

(q) Create a new pool in San Juan County, New Mexico, classified as an oil pool for Gallup production, designated as the Meadows-Gallup Oil Pool and described as:

TOWNSHIP 30 NORTH, RANGE 15 WEST, NMPM
SECTION 33: S/2 & SW/4 NW/4
SECTION 34: SW/4

(r) Create a new pool in San Juan County, New Mexico, classified as an oil pool for Mesaverde production, designated as the Nenahnezad-Mesaverde Oil Pool and described as:

TOWNSHIP 29 NORTH, RANGE 15 WEST, NMPM
SECTION 10: SW/4

(s) Create a new pool in Rio Arriba County, New Mexico, classified as an oil pool for Dakota production, designated as the Ojito-Dakota Oil Pool and described as:

TOWNSHIP 25 NORTH, RANGE 3 WEST, NMPM
SECTION 17: SW/4
SECTION 18: SE/4
SECTION 19: NE/4

(t) Create a new pool in San Juan County, New Mexico, classified as a gas pool for Fruitland production, designated as the North Pinon-Gallup Pool and described as:

TOWNSHIP 29 NORTH, RANGE 12 WEST, NMPM
SECTION 28: SW/4

Case 4725 continued from page 10

(j) Create a new pool in San Juan County, New Mexico, classified as a gas pool for Gallup production, designated as the Flora Vista-Gallup Pool and described as:

TOWNSHIP 30 NORTH, RANGE 12 WEST, NMPM
SECTION 2: SW/4
SECTION 3: N/2 & SE/4
SECTION 4: N/2

(k) Create a new pool in Rio Arriba County, New Mexico, classified as a gas pool for Mesaverde production, designated as the Gonzales Mesa-Mesaverde Pool and described as:

TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM
SECTION 5: W/2
SECTION 6: All
SECTION 7: NE/4
SECTION 8: All

(l) Create a new pool in San Juan County, New Mexico, classified as a gas pool for Chacra production, designated as the Harris Mesa-Chacra Pool and described as:

TOWNSHIP 28 NORTH, RANGE 9 WEST, NMPM
SECTION 26: SW/4
SECTION 27: S/2
SECTION 28: S/2
SECTION 29: E/2

(m) Create a new pool in San Juan County, New Mexico, classified as a gas pool for Pictured Cliffs production, designated as the Huerfano-Pictured Cliffs Pool and described as:

TOWNSHIP 25 NORTH, RANGE 10 WEST, NMPM
SECTION 1: NE/4

TOWNSHIP 26 NORTH, RANGE 9 WEST, NMPM
SECTION 19: S/2

TOWNSHIP 26 NORTH, RANGE 10 WEST, NMPM
SECTION 24: SE/4
SECTION 25: E/2
SECTION 36: E/2

(n) Create a new pool in San Juan County, New Mexico, classified as an oil pool for Gallup production, designated as the Jewett Valley-Gallup Oil Pool and described as:

TOWNSHIP 29 NORTH, RANGE 16 WEST, NMPM
SECTION 3: W/2 & SE/4

Case No. 4725 continued from page 12

(u) Create a new pool in San Juan County, New Mexico, classified as a gas pool for Fruitland production, designated as the Pump Mesa-Fruitland Pool and described as:

TOWNSHIP 32 NORTH, RANGE 8 WEST, NMPM
SECTION 32: SW/4

(v) Create a new pool in San Juan County, New Mexico, classified as a gas pool for Pictured Cliffs production, designated as the Twin Mounds-Pictured Cliffs Pool and described as:

TOWNSHIP 30 NORTH, RANGE 14 WEST, NMPM
SECTION 31: SE/4
SECTION 32: S/2
SECTION 33: S/2

(w) Create a new pool in Rio Arriba County, New Mexico, classified as an oil pool for Dakota production, designated as the Wild Horse-Dakota Oil Pool and described as:

TOWNSHIP 26 NORTH, RANGE 4 WEST, NMPM
SECTION 26: NW/4 NW/4
SECTION 27: N/2 & NW/4 SW/4

(x) Contract the Cavilan-Pictured Cliffs Pool boundary in Rio Arriba County, New Mexico, by the deletion of the following described area:

TOWNSHIP 26 NORTH, RANGE 3 WEST, NMPM
SECTION 23: SE/4

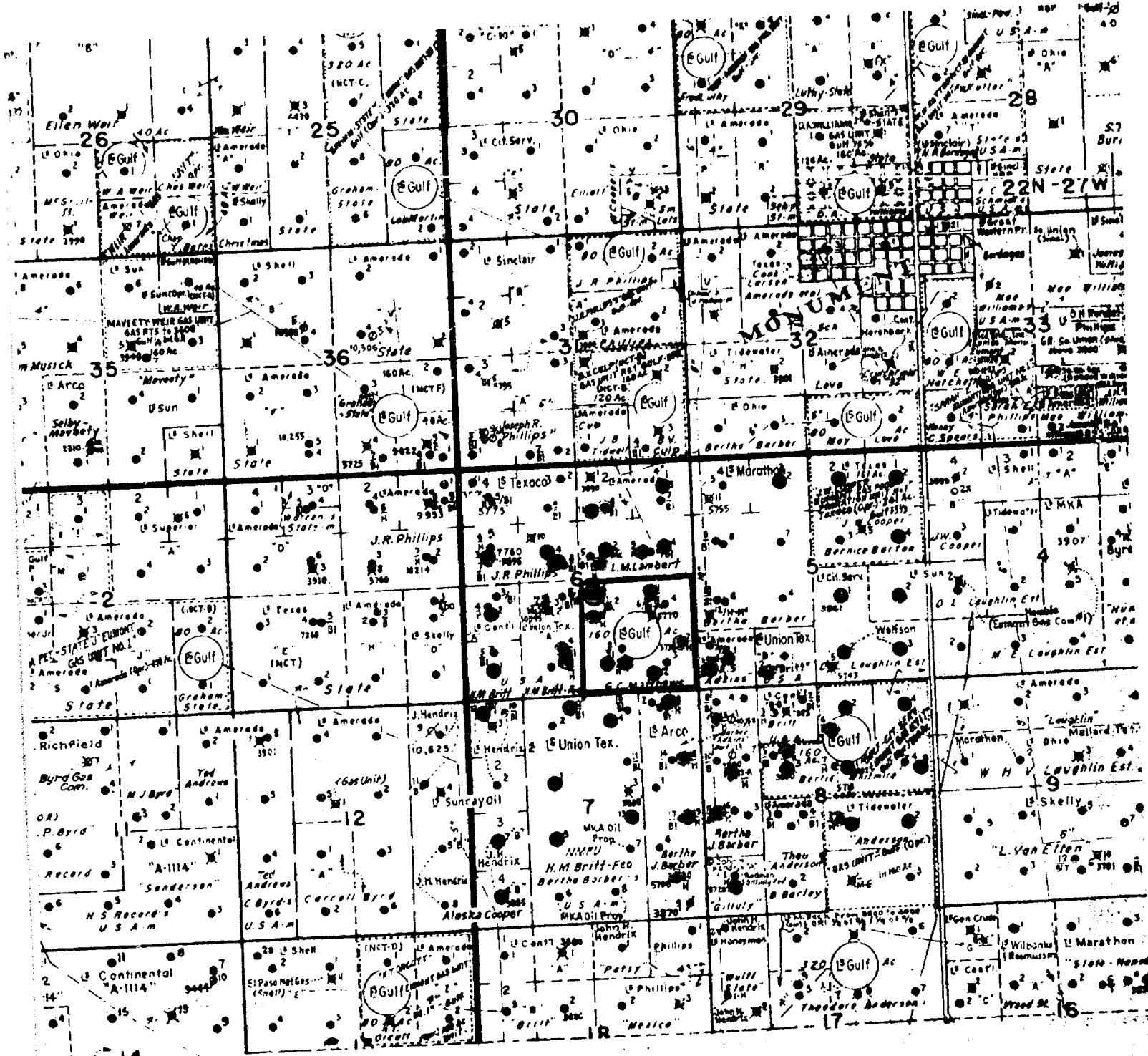
(y) Create a new pool in Rio Arriba County, New Mexico, classified as an oil pool for Pictured Cliffs production, designated as the Sleeper-Pictured Cliffs Oil Pool and described as:

TOWNSHIP 26 NORTH, RANGE 3 WEST, NMPM
SECTION 23: S/2
SECTION 26: NE/4

(z) Extend the Tapacito-Gallup Associated Pool boundary in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 4 WEST, NMPM
SECTION 19: S/2
SECTION 20: SW/4
SECTION 29: NW/4

TOWNSHIP 26 NORTH, RANGE 5 WEST, NMPM
SECTION 24: S/2



WELL No. 5
 G.C. MATTHEWS LEASE
 2310' FSL & 2310' FEL SEC. 6, T-20 - S
 LEA COUNTY, NEW MEXICO

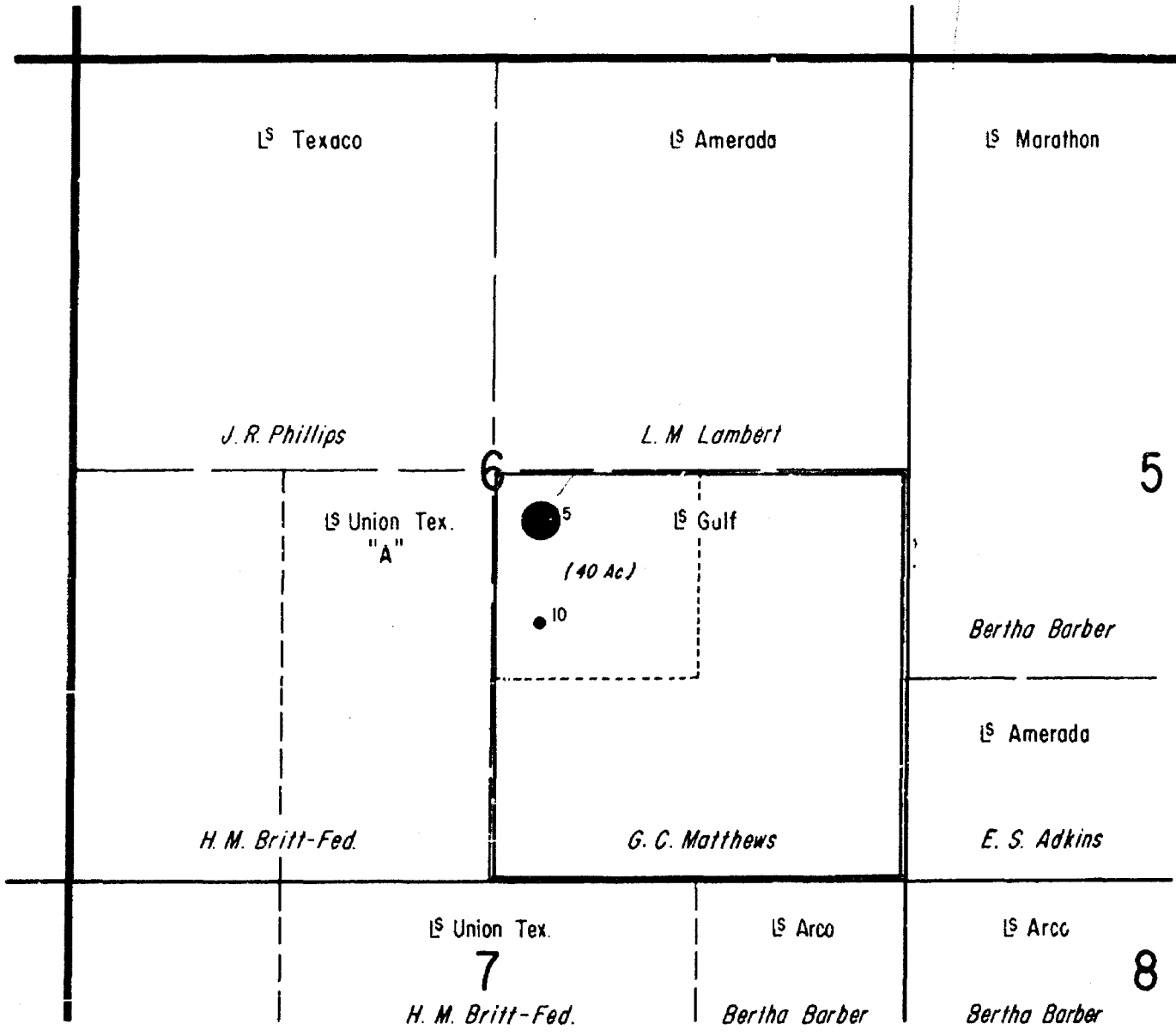
R - BEFORE EXAMINER STAMETS
 OIL CONSERVATION COMMISSION
 EXHIBIT NO. 1
 CASE NO. 4719
 Submitted by Gulf Oil Corp.
 Hearing Date May 17, 1972

Dual Complete in Monument Paddock and Eunice - Monument (G-SA) Pools

- LEGEND
- Pertinent Lease
 - Pertinent Well
 - Eunice-Monument (G-SA) Completions
 - Monument Paddock Completions

Scale: 1" = 3000'

Exhibit No. 1
 Case No. 4719
 May 17, 1972



WELL NO. 5
 G. C. MATTHEWS LEASE
 2310' FSL & 2310' FEL SEC. 6, T-20-S
 LEA COUNTY, NEW MEXICO

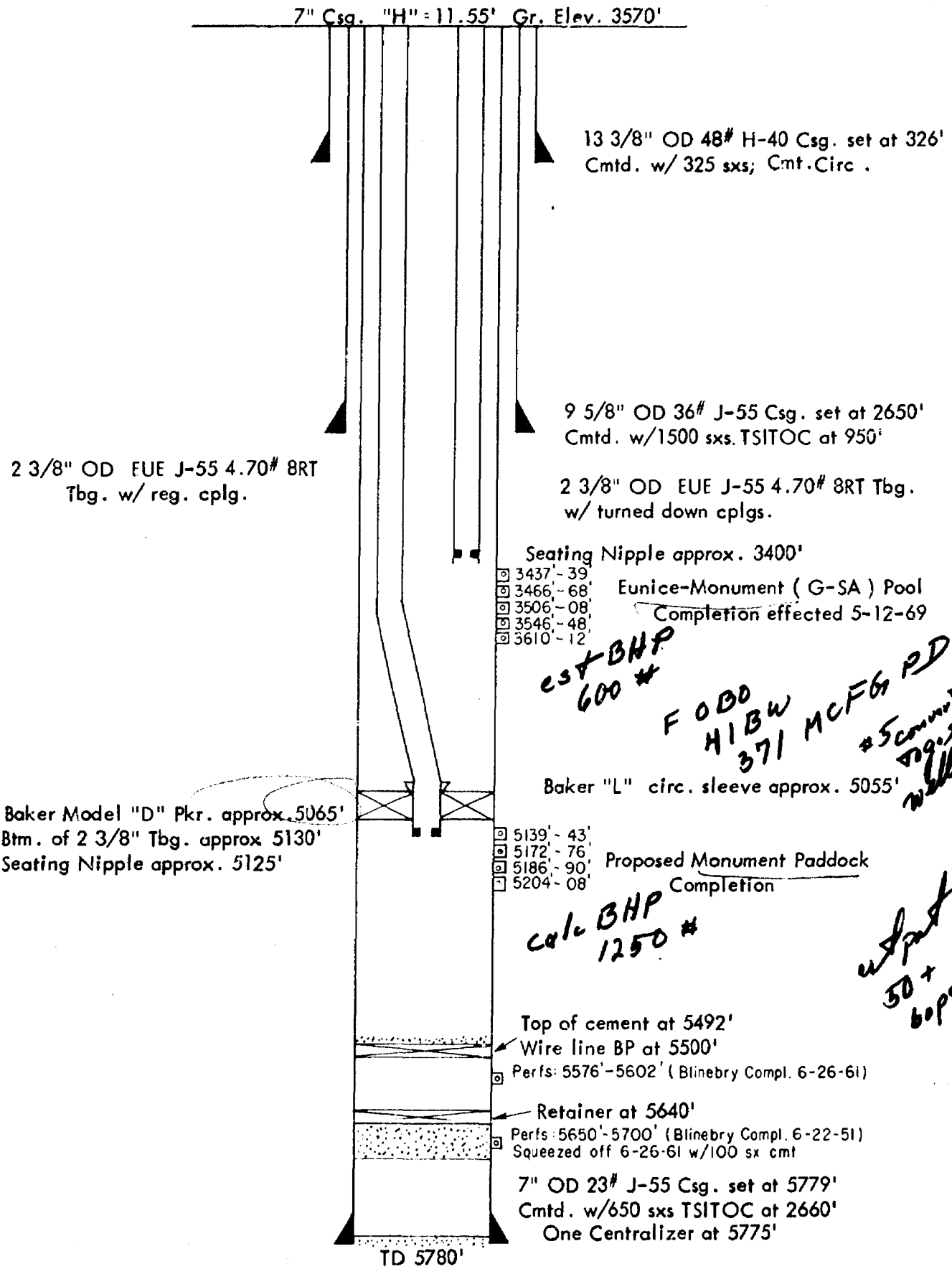
BEFORE EXAMINER STAMPS
 OIL CONSERVATION COMMISSION
 EXHIBIT I - A
 CASE NO. 4719
 Submitted by Gulf Oil Corp
 Hearing Date May 17, 1972

Dual Complete in Monument Paddock and Eunice - Monument (G-SA) Pools

— LEGEND —
 □ Pertinent Lease
 ● Pertinent Well
 Scale 1" = 1000'

EXHIBIT NO. I-A
 CASE NO. 4719
 MAY 17, 1972

PROPOSED DUAL COMPLETION
 MONUMENT PADDOCK OIL WITH EUNICE-MONUMENT (G-SA) POOLS
 G.C. MATTHEWS WELL No. 5
 2310' FSL & 2310' FEL SEC. 6, T-20-S, R-37-E
 LEA COUNTY, NEW MEXICO



Seating Nipple approx. 3400'
 3437'-39'
 3466'-68'
 3506'-08'
 3546'-48'
 3610'-12'

est BHP 600 #
F O B O H I B W 371 MCF6 PD #5 mounted 79.5 well

5139'-43'
 5172'-76'
 5186'-90'
 5204'-08'

calc BHP 1250 #

up part 50 + bopd

BEFORE EXAMINER STAMETS
 CONSERVATION COMMISSION
 EXHIBIT NO. 3
 CASE NO. 4719
 Submitter Gulf Oil Corp.
 Hearing Date May 17, 1972

Exhibit No. 3
 Case No. 4719
 May 17, 1972

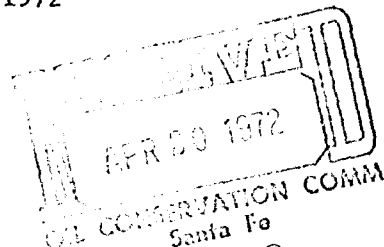
Gulf Oil Company - U.S.

EXPLORATION AND PRODUCTION DEPARTMENT
MIDLAND DISTRICT

W. B. Hopkins
DISTRICT MANAGER
J. A. Hord
DISTRICT EXPLORATION
MANAGER
J. L. Pike
DISTRICT PRODUCTION
MANAGER
H. E. Braunig, Jr.
DISTRICT PRODUCTION
MANAGER
M. B. Mosley
DISTRICT SERVICES MANAGER

P. O. Drawer 1150
Midland, Texas 79701

April 17, 1972



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

Attention: Mr. A. L. Porter, Jr.

Re: Application of Gulf Oil Corporation
for the Dual Completion of G. C. Matthews
Well No. 5 in the Monument Paddock and
Eunice-Monument (G-SA) Pools, Lea County,
New Mexico

Gentlemen:

Gulf Oil Corporation respectfully requests an Examiner Hearing for approval to dual complete their G. C. Matthews No. 5 in the Monument Paddock and Eunice-Monument (G-SA) Pools, Lea County, New Mexico.

In support of this application, the following information is submitted:

- (1) Gulf Oil Corporation's G. C. Matthews No. 5, located in Unit J 2310 feet from the South Line and 2310 feet from the East Line of Section 6, T-20-S, R-37-E, Lea County, New Mexico, was drilled to a total depth of 5780' and single completed in the Blinebry oil pool on June 22, 1951. The well produced from the Blinebry pool from several intervals until May, 1969 at which time a Eunice-Monument (G-SA) completion was made. The attached plat locates the lease and well and shows offset operators.
- (2) G. C. Matthews No. 5 is located on the same proration unit with Well No. 10. Well No. 10 is located in Unit J 1650 feet from the South Line and 2310 feet from the East Line of Section 6, T-20-S, R-37-E or 660 feet South of G. C. Matthews Well No. 5. Well No. 10 is presently completed in the Monument Paddock pool and on test taken in February, 1972 the well pumped 15 barrels oil and 22 barrels water.



A DIVISION OF GULF OIL CORPORATION

DOCKET MARKED

Date 5-5-72

April 17, 1972

The current proration unit allowable of 107 barrels oil per day would allow another 92 barrels oil per day to be produced from the proposed completion in Well No. 5.

- (3) G. C. Matthews Well No. 5 has seven inch (7") casing set at 5779' and cemented with 650 sacks. Top of cement behind the 7" casing as indicated by a temperature survey is at 2660'. The well was recently reclassified from oil to gas by virtue of Commission ruling on gas well definition.
- (4) The proposed mechanical installation is shown on the attached diagrammatic sketch. This method of dual completing is mechanically feasible and practical.
- (5) This application is in the interest of prevention of waste and the protection of correlative rights.
- (6) The attached list of offset operators are being notified by copy of this application.

Yours very truly,

H. E. Brauning, Jr.
H. E. BRAUNIG, JR.

ROB:jmc
Attachments

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

Case 4719

OFFSET OPERATORS

Amerada Hess Corporation
Drawer 817
Seminole, Texas 79360

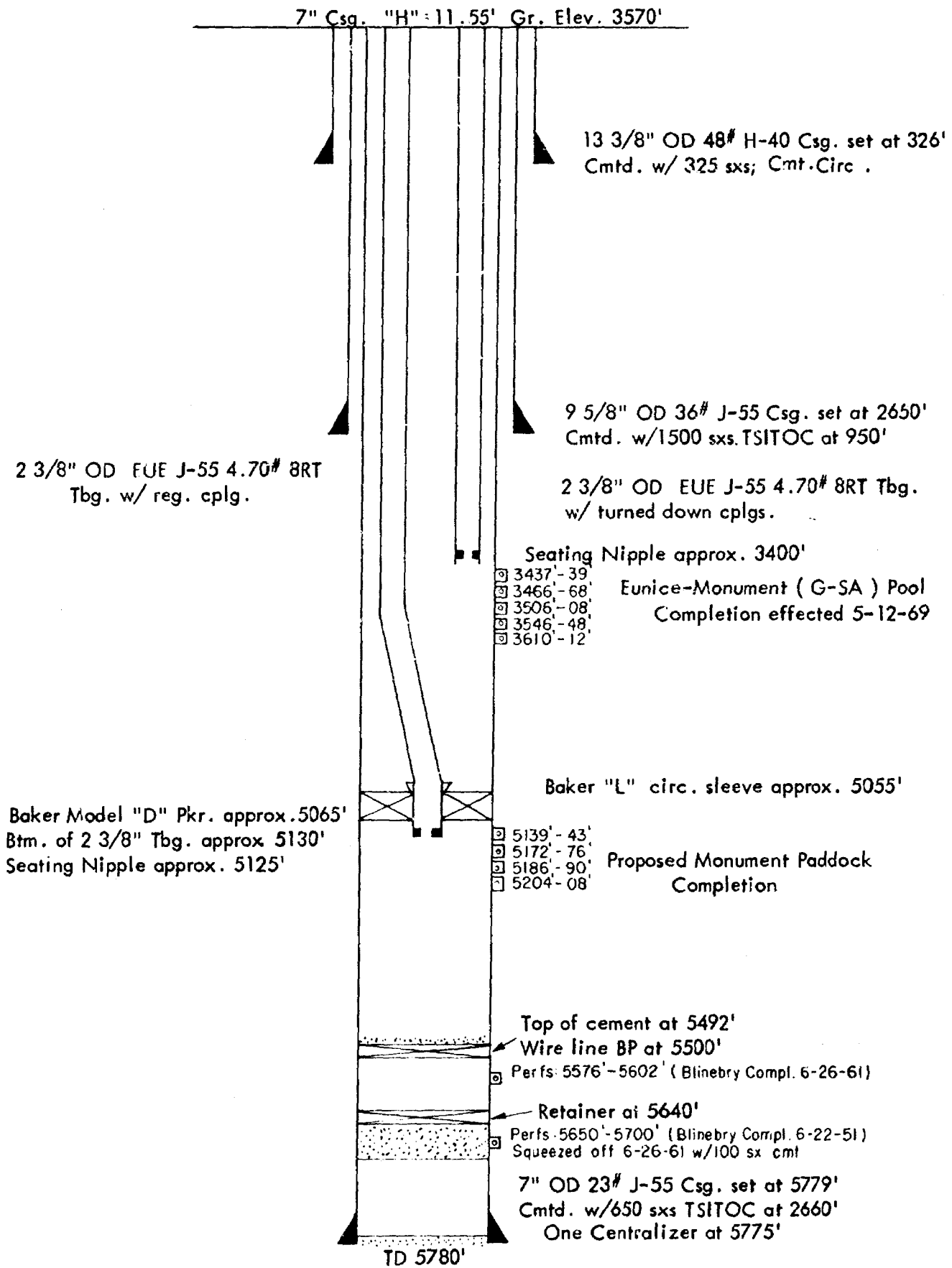
Atlantic Richfield Company
P. O. Box 1710
Hobbs, New Mexico 88240

Marathon Oil Company
P. O. Box 2409
Hobbs, New Mexico 88240

Texaco, Inc.
P. O. Box 728
Hobbs, New Mexico 88240

Union Texas Petroleum Corporation
1300 Wilco Building
Midland, Texas 79701

PROPOSED DUAL COMPLETION
MONUMENT PADDOCK OIL WITH EUNICE-MONUMENT (G-SA) POOLS
G.C. MATTHEWS Well No. 5
2310' FSL & 2310' FEL SEC. 6, T-20-S, R-37-E -
LEA COUNTY, NEW MEXICO



DRAFT

GMH/dr

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

GMH

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

CASE No. 4719

Order No. R- 4213

APPLICATION OF GULF OIL
CORPORATION FOR A DUAL
COMPLETION, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 17, 1972,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this _____ day of May, 1972, 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, Gulf Oil Corporation, seeks
authority to complete its G. C. Matthews Well No. 5, located
in Unit J of Section 6, Township 20 South, Range 37 East, NMPM,
Lea County, New Mexico, as a dual completion (conventional)
to produce oil from the Eunice-Monument and Monument-Paddock
Pools through parallel strings of tubing.

(3) That the mechanics of the proposed dual completion are feasible and in accord with good conservation practices.

(4) That approval of the subject application will prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Gulf Oil Corporation, is hereby authorized to complete its G. C. Matthews Well No. 5, located in Unit J of Section 6, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, as a dual completion (conventional) to produce oil from the Eunice-Monument and Monument-Paddock Pools through parallel strings of tubing, with separation of zones by a packer set at approximately 5065 feet.

PROVIDED HOWEVER, that the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Commission Rules and Regulations insofar as said rule is not inconsistent with this order;

PROVIDED FURTHER, that the applicant shall take packer-leakage tests upon completion and annually thereafter during the Annual Gas-Oil Ratio Test Period for the ~~Eunice Monument~~ and Monument-Paddock Pools.

(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 herein-above designated.

CASE 4720: Application of ROTARY
OIL & GAS FOR UNORTHODOX LOCATION
& NON-STANDARD GAS PRORATION UNIT.