CASE 5210:

SOUTHEASTERN NEW MEXICO NOMENCLATURE

CASE Mo. 52/0

Application,

Transcripts,

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BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION Santa Fe, New Mexico April 10, 1974

EXAMINER HEARING

IN THE MATTER OF:

Application of the Oil Conservation Commission upon its own motion for the contraction of the House-Tubb Gas Pool and the creation of the East House-Tubb Oil Pool.

Case No. 5210

BEFORE: Richard L. Stamets, Examiner.

TRANSCRIPT OF HEARING

APPEARANCES

For the New Mexico Oil Conservation Commission:

Thomas Derryberry, Esq. Legal Counsel for the Commission State Land Office Bldg. Santa Fe, New Mexico

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PAGE

CARL ULVOG

Direct Examination by Mr. Derryberry

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Commission's Exhibits A and B 6 6

ULVOG-DIRECT

CASE 5210

MR. STAMETS: We call the next Case 5210 in the matter of the Application of the Oil Conservation Commission upon its own motion for the contraction of the House-Tubb Gas Pool and the creation of the East House-Tubb Oil Pool.

MR. DERRYBERRY: Mr. Examiner, I'm Tom Derryberry, Attorney for the Commission and I have one witness to be sworn.

MR. STAMETS: You'll stand and be sworn please.

CARL ULVOG

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

DIRECT EXAMINATION

BY MR. DERRYBERRY:

- Q Would you please state your name and your position for the record.
- A Carl Ulvog, Senior Petroleum Geologist for the Oil Conservation Commission in Santa Fe.
- Q Have you previously testified before the Oil

 Conservation Commission and had your qualifications accepted as a matter of record?
 - A Yes, I have.
 - Q As parc of your functions as Senior Petroleum

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Geologist do you make periodic studies of oil and gas reservoirs in New Mexico to determine the proper vertical and horizontal limit of such reservoirs?

A Yes, sir, I do.

Q In connection with this function have you made a study of the House-Tubb Gas Pool in Lea County, New Mexico?

A Yes, I have.

Q Are the results of that study summarized in the form of Exhibits?

A Yes, I have 2 Exhibits which I have called 5210-A and 5210-B.

Q Would you please briefly summarize the Exhibits and explain their significance to the Examiner?

A Yes. Exhibit A shows the proposed limits of the new field to be created which we are calling the East House-Tubb Pool and it consists of 160 acres in the northwest corner of Section 12, Township 20 South, Range 38 East. Then I have Exhibit B which is a display of the portions of the House-Tubb Gas Pool which is to be deleted, that present limits of the House-Tubb Gas Pool are Sections 11 and 12, Township 20 South, Range 38 East. We are proposing to delete all of Section 12.

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Q Would you briefly explain the reasons for the conclusions which are evidenced in these Exhibits?

A Yes. The House-Tubb Gas Pool was originally set up on the basis of the Amoco No. 1-A Arnold Well located in Unit F at Section 11, Township 20 South, Range 38 East which was a gas well. There never was another well drilled in that field, therefore, Section 12 should not have been included in that field. However, the Amoco No. 1-A Cone Well in Unit F, Section 12, Township 20 South, Range 38 East was drilled, in Section 12, and this made an oil well. This necessitated us creating the new field to take care of the oil well and therefore also the deletion of that section from the House Tubb Gas Pool.

- Q So, in other words, the deletion and subsequent formation of the new and separate oil pool was occasioned by the failure of the completion of another gas well in Section 12?
 - A That is correct.
- Q All right. Do you have anything further to add to your testimony?
 - A No, that is all I have.

MR. DERRYBERRY: I have no further questions.

Would you submit your Exhibits? At this time I would like

to submit Commission's Exhibits A and B for the record.

MR. STAMETS: Commission's Exhibits A and B
will be admitted.

(Whereupon, Commission's Exhibits A and B were marked for identification and admitted into evidence.)

MR. STAMETS: Are there any questions of this Witness? If not he may be excused and the Hearing will be adjourned.

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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

a complete record of the proceedings in the Examiner hearing of Case No. 526

New Mexico Oil Conservation Commission

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. 5210 Order No. R-4763

APPLICATION OF THE OIL CONSERVATION COMMISSION ON ITS OWN MOTION FOR THE CONTRACTION OF THE HOUSE-TUBB GAS POOL BY THE DELETION OF ALL OF SECTION 12, TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM, LEA COUNTY, NEW MEXICO, AND THE CREATION OF THE EAST HOUSE-TUBB OIL POOL COMPRISING ALL OF THE NW/4 OF SAID SECTION 12.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 10, 1974, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 23rd day of April, 1974, 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 House-Tubb Gas Pool was established by Commission Order No. R-408, dated February 26, 1954, which order specified the horizontal limits of said pool as comprising all of Sections 11 and 12, Township 20 South, Range 38 East, NMPM, Lea County, New Mexico.
- (3) That the only gas well in the pool at the time of the pool's formation was the Amoco Production Company Arnold "A" Well No. 1, located in Unit F of said Section 11.
- (4) That subsequent to the establishment of said pool the Amoco Production Company Cone "A" Well No. 1, located in Unit F of said Section 12, was completed as an oil well in the Tubb formation.
- (5) That the evidence presently available indicates that the Amoco Production Company Cone "A" No. 1 well has discovered a separate common source of supply from the Tubb formation which

-2-CASE NO. 5210 Order No. R-4763

should be designated the East House-Tubb Pool, the vertical limits of which should be the Tubb formation and the horizontal limits of which should be as follows:

LEA COUNTY, NEW MEXICO TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM Section 12: SE/4 NW/4

(6) That the horizontal limits of the House-Tubb Gas Pool should be contracted by the deletion of the following described area:

LEA COUNTY, NEW MEXICO TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM Section 12: All

IT IS THEREFORE ORDERED:

(1) That the horizontal limits of the House-Tubb Gas Pool, established by Commission Order No. R-408, dated February 26, 1954, are hereby contracted by the deletion of the following described area:

LEA COUNTY, NEW MEXICO TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM Section 12: All

(2) That a new pool in Lea County, New Mexico, classified as an oil pool for Tubb production is hereby created and designated as the East House-Tubb Pool, consisting of the following described area:

LEA COUNTY, NEW MEXICO TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM Section 12: SE/4 NW/4

- (3) That said pool shall be governed by the Statewide Rules for Southeastern New Mexico.
- (4) 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.

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member

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

SEAL jr/

DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 10, 1974

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 from seventeen prorated pools in Lea, Eddy, Roosevelt, and Chaves Counties, New Mexico, for May, 1974;
 - (2) Consideration of the allowable production of gas from five prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, for May, 1974.
- CASE 5201: Application of Mobil Oil Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the S/2 of Section 33, Township 22 South, Range 27 East, South Carlsbad Field, Eddy County, New Mexico, to form a standard 320-acre proration unit to be dedicated to a well to be drilled at a stardard location for said unit. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 5202: Application of El Paso Natural Gas Company for special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the West Sand Dunes-Morrow Gas Pool in Township 23 South, Range 31 East, Eddy County, New Mexico, including a provision for 640-acre spacing.
- CASE 5203: Application of Jake L. Hamon for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Devonian formation in the perforated interval from 13,230 feet to 13,320 feet in his Getty State L-736 Well No. 1 located in Unit D of Section 32, Township 16 South, Range 36 East, East Shoe Bar-Devonian Pool, Lea County, New Mexico.

CASE 4790: (Reopened)

In the matter of Case No. 4790 being reopened pursuant to the provisions of Order No. R-4370, which order established temporary rules for the Dublin-Ellenburger Gas Pool, Lea County, New Mexico, including a provision for 640-acre spacing. All interested parties may appear and show cause why said pool should not be developed on 320-acre spacing units.

- CASE 5204: Application of Cities Service 011 Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Government T Well No. 1 located in Unit C of Section 14, Township 20 South, Range 28 East, Russell Field, Eddy County, New Mexico, in such a manner as to produce gas from the Wolfcamp and Morrow formations through the casingtubing annulus and tubing, respectively.
- CASE 5205: Application of Cities Service Oil Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Paslay "A" Com Well No. 1 located in Unit K of Section 8, Township 22 South, Range 27 East, Eddy County, New Mexico, to produce gas from undesignated Strawn and Morrow gas pools through the casing-tubing annulus and tubing, respectively.
- CASE 5211: Application of Cities Service Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the W/2 of Section 8, Township 22 South, Range 27 East, South Carlsbad Field, Eddy County, New Mexico, to be dedicated to its Paslay Well No. 1, located in Unit K of said Section 8. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 5212: Application of Cities Service 011 Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Citgo Empire-Abo Unit Area comprising 361 acres, more or less, of Federal and State lands in Townships 17 and 18 South, Range 27 East, Empire-Abo Pool, Eddy County, New Mexico.
- CASE 5213: Application of Cities Service 0il Company for a pressure maintenance project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project on its Citgo Empire-Abo Unit, Empire-Abo Pool, Eddy County, New Mexico, by the injection of gas into the Abo formation through a well to be drilled at an unorthodox location 990 feet from the South line and 2635 feet from the East line of Section 35, Township 17 South, Range 27 East. Applicant further seeks the establishment of special rules for said pressure maintenance project including a provision for the operation of the project under a net GOR rule and the establishment of a gas injection credit "bank" against which injection credit could be drawn in order to maintain full allowables during such times as injection plant shut-downs, etc.

CASE 5206: Application of Continental Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle West Warren-Blinebry and East Skaggs-Drinkard production in the wellbore of its SEMU Burger Well No. 21 located in Unit O of Section 19, Township 20 South, Range 38 East, Lea County, New Mexico.

CASE 5207: Application of Craig Folson for a non-standard proration unit and compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying a non-standard oil proration unit comprising the SW/4 NE/4 SE/4, NW/4 SE/4 SE/4, NW/4 SE/4, and the SE/4 NW/4 SE/4 of Section 12, Township 13 South, Range 3: East, Caprock-Queen Pool, Chaves County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location 1340 feet from the South line and 1300 feet from the East line of said Section 12, said location having been previously been approved by Order No. R-4750. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5208: Application of S. P. Yates for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks, as an exception to Order No. R-3221, as amended, authority to dispose of produced salt water in an unlined surface pit on its Federal LC 065598 lease in the SW/4 SW/4 of Section 4, and the NE/4 of Section 5, Township 17 South, Range 30 East, Square Lake Pool, Eddy County, New Mexico.

CASE 5209: Application of Union Oil Company of California for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Estacado Unit Area comprising 1280 acres, more or less, of State and fee lands in Township 14 South, Range 35 East, Lea County, New Mexico.

CASE 5210:

In the matter of the application of the Oil Conservation Commission on its own motion for the contraction of the House-Tubb Gas Pool by the deletion of all of Section 12, Township 20 South, Range 38 East, Lea County, New Mexico, and the creation of the East House-Tubb Oil Pool comprising all of the NW/4 of said Section 12.

CASE 5214: Application of Inexco 0il Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Robb Spring Unit Area comprising 6402 acres, more or less, of State, Federal, and fee lands in Townships 23 and 24 South, Range 25 East, Eddy County, New Mexico.

CASE 5215: Application of Morris R. Antwell for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order

Examiner Hearing - Wednesday - April 10, 1974

Docket No. 9-74

(Case 5215 continued from Page 3)

pooling all mineral interests in the Pennsylvanian formation underlying the S/2 of Section 17, Township 22 South, Range 27 East, South Carlsbad Field, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location for said unit. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

Memo

CARL ULVOG SENIOR

PETROLEUM GEOLOGIST

House Tulk Rose. amoro #1-A Ameld.

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F-12-205-38E

CASE 5210:

Southeastern New Mexico nomenclature case calling for the creation and contraction of certain pools in Lea County, New Mexico.

(a) Create a new pool in Lea County, New Mexico, classified as an oil pool for Tubb production and designated as the East House-Tubb Pool. The discovery well is Amoco Production Company, Cone "A" No. 1 located in Unit F of Section 12, Township 20 South, Range 38 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM SECTION 12: NW/4

(b) Contract the House-Tubb Gas Pool in Lea County, New Mexico, by the deletion of the following described area:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM SECTION 12: All

NEW POOLS

It is recommended that a new <u>oil</u> pool be created and designated
as the <u>EAST HOUSE-TUBB</u> Pool.
Vertical limits to be the formation and the
horizontal limits should be as follows: As shown in Paragraph (a), Exhibit I
Discovery well was Amoco Production Company - Cone "A" #1
located in Unit F Section 12 Township 20S Range 38E and was completed on
February 22, 1974 . Top of perforations is at 6638 feet.
It is recommended that a newpool be created and designated
as thePool.
Vertical limits to be the formation and the
horizontal limits should be as follows:
Discovery well was
located in Unit Section Township Range and was completed on
Top of perforations is at feet.
It is recommended that a new pool be created and designated
as thePool.
Vertical limits to be the formation and the
horizontal limits should be as follows:
Discovery well was
located in UnitSectionTownshipRange and was completed on
. Top of perforations is at feet.

CASE 5210: (a) CREATION OF A NEW OIL POOL
COUNTY LEA POOL EAST HOUSE-TUBB

TOWNSHIP	20 South	RANGE	38 East	NMPM	
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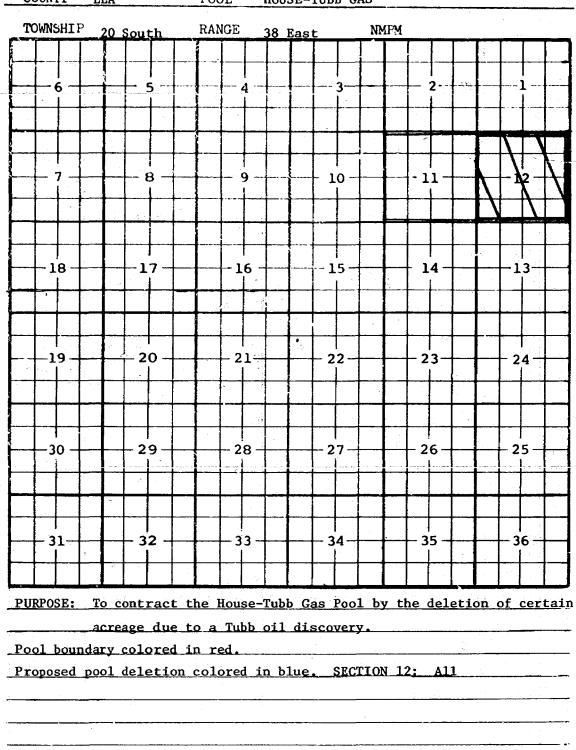
PURPOSE: One completed oil well capable of producing.

AMOCO PRODUCTION COMPANY - Cone "A" #1 in Unit F of Section 12-20-38.

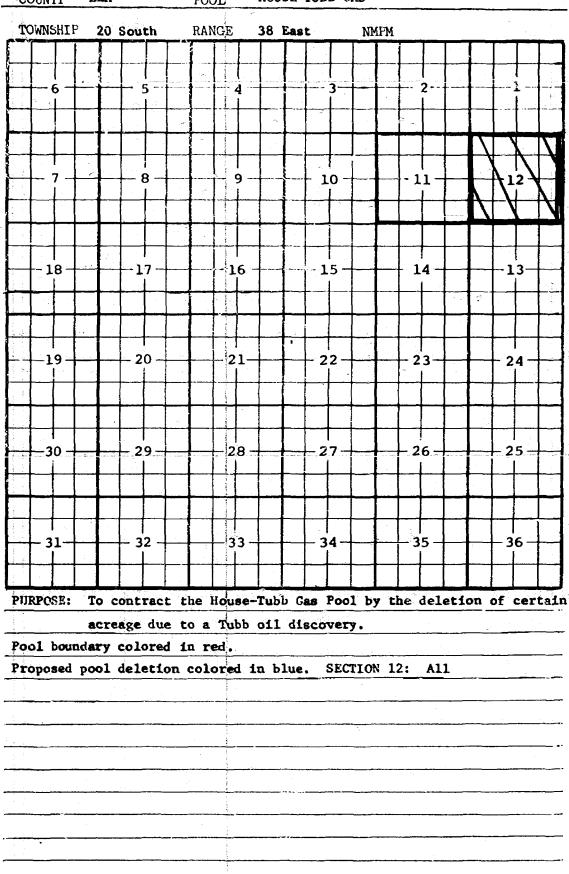
Completed in Tubb on February 22, 1974. Top of Perforations 6638'.

Proposed pool boundary colored in red. SECTION 12: NW/4

CASE 5210: (b) DELETION OF AN EXISTING GAS POOL COUNTY LEA POOL HOUSE-TUBB GAS



CASE 5210: (b) DELETION OF AN EXISTING GAS POOL
COUNTY LEA POOL HOUSE-TUBB GAS



CASE 5210: (a) CREATION OF A NEW OIL POOL

COUNTY EAST HOUSE-TUBB LEA POOL TOWNSHIP RANGE NMPM 38 East 20 South 10 -8 --11 14 -18 -17 -- 16 15 -13--19 20 -21 22 23 ·30 · 29 28 -27-- 26 -25 -31 32 33 -34 35 36 PURPOSE: One completed oil well capable of producing. AMOCO PRODUCTION COMPANY - Cone "A" #1 in Unit F of Section 12-20-38. Completed in Tubb on February 22, 1974. Top of Perforations 6638'. Proposed pool boundary colored in red. SECTION 12: NW/4

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BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

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

CASE NO. 5210

Order No. R-1/772

R-4163

Ref

APPLICATION OF THE OIL CONSERVATION
COMMISSION ON ITS OWN MOTION FOR THE
CONTRACTION OF THE HOUSE-TUBB GAS
POOL BY THE DELETION OF ALL OF SECTION
12, TOWNSHIP 20 SOUTH, RANGE 38 EAST,
LEA COUNTY, NEW MEXICO, AND THE CREATION
OF THE EAST HOUSE-TUBB OIL POOL COMPRISING
ALL OF THE NW/4 OF SAID SECTION 12.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 10, at Santa Fe, New Mexico, before Examiner Richard L. Stamets

NOW, on this day of April , 1974, 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 House-Tubb Gas Pool was established by Commission Order No. R-408, dated February 26, 1954, which order specified the horizontal limits of said pool as comprising all of Sections 11 and 12, Township 20 South, Range 38 East, NMPM, Lea County, New Mexico, and provided for 640-acre specing of wells.

-2-CASE NO. 5210 Order No. R-

- (3) That the only gas well in the pool at the time of the pool s formation was the Amoço Production Company Arnold "A" well, located in Unit F of Section 11, to which was dedicated all of Section II.
- (4) That subsequent to the establishment of said pool the well No!,

 Amoco Production Company Cone "A" Head Well, located in Unit F

 said

 of Section 12, was completed in the Tubb formation and was

 found to be productive of oil from the Tubb formation.
- (5) That the evidence presently available indicates that the Amoco Production Company Cone "A" No. 1 well has discovered a separate common source of supply from the Tubb formation which should be designated the East House-Tubb Pool, the vertical limits of which should be the Tubb formation and the horizontal limits of which should be as follows:

LEA COUNTY, NEW MEXICO

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM Section 12: SE/4 NW/4

(6) That the horizontal limits of the House-Tubb Gas Pool should be contracted by the delection of the following described area:

LEA COUNTY, NEW MEXICO TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM Section 12: All

IT IS THEREFORE ORDERED:

That a new pool in Lea County, New Mexico, classified as an oil pool for Tubb production is hereby created and designated as the East House-Tubb Pool, consisting of the following described area:

LEA COUNTY, NEW MEXICO
TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 12: SE/4 NW/4

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- (5) That said pool shall be governed by the Statewide Rules for Southeastern New Mexico.
- established by Commission Order No. R-408, dated February 26, 1954, are hereby contracted by the deletion of the following described area:

LEA COUNTY, NEW MEXICO TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM Section 12: All

(4) 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.