

Case No.

617

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Application, Transcript,  
Small Exhibits, Etc.

PLANNING OFFICE: OCC

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BEFORE THE  
**Oil Conservation Commission**  
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE NO. 617, 618

TRANSCRIPT OF PROCEEDINGS

**ADA DEARNLEY AND ASSOCIATES**  
COURT REPORTERS  
ROOMS 105, 106, 107 EL CORTEZ BUILDING  
TELEPHONE 7-9546  
ALBUQUERQUE, NEW MEXICO

BEFORE THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
August 18, 1954

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IN THE MATTER OF:

Texas Pacific Coal & Oil Company's application for approval of unorthodox gas proration unit of 160 acres in S/2 NE/4 Section 20 and S/2 NW/4 Section 21 in Township 23 S, Range 36 E; for extension of Jalco Pool to include S/2 NE/4 20-23S-36E; and for approval of present location of applicant's N. M. State 'A' a/c-1 Wells No. 3 and No. 6 in SW NW and SE NW, respectively of 21-23S-36E.

Cases 617 &  
618 (Cont'd.)

Texas Pacific Coal & Oil Company's application for approval of unorthodox gas proration unit of 160 acres in N/2 NE/3 Section 20 and N/2 NW/4 Section 21 in Township 23 South, Range 36 East; for extension of Jalco Gas Pool to include N/2 NE/4 20-23S-36E; and for approval of present location of applicant's N. M. State 'A' a/c-1 Well No. 4, NE NW 21-23S-36E.

Consolidated

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BEFORE:

Honorable Edwin L. Mechem  
Mr. E. S. (Johnny) Walker  
Mr. William B. Macey

TRANSCRIPT OF HEARING

MR. CAMPBELL: These other two cases involve the same area, if the Commission please, and for the purpose of expediting the hearing I would like to ask, that for the purpose of introducing evidence, that the two cases be consolidated since it will save some time.

MR. MACEY: Is there any objection to the consolidation of Cases 617 and 618?

MR. CAMPBELL: Cases 617 and 618, the application sought the approval of 160 acre non-standard units. We have decided to delete from the requested acreage the west 80 acres of the NE/4 of Section

20. In other words, what we are seeking is a 120 acre gas proration unit consisting of the north half of the northwest quarter of Section 21 and the northeast quarter, northeast quarter of Section 20. A similar unit, 120 acres immediately to the south of that acreage there.

JOHN YUROKA,

called as a witness, having been previously duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. CAMPBELL:

Q Mr. Yuroka, by whom are you employed?

A Texas Pacific Coal and Oil Company.

Q In what capacity?

A District Engineer.

Q You have testified previously before this Commission?

A Yes, I have.

MR. CAMPBELL: Are the witness's qualifications acceptable to the Commission?

MR. MACEY: They are.

Q In connection with your employment with Texas Pacific Coal and Oil Company, are you acquainted with their applications for non-standard gas proration units in the Jalmat Gas Pool in Sections 20 and 21, Township 23 South, Range 36 East?

A Yes, I am.

(Marked Texas Pacific Coal & Oil Company's Exhibit 1, Case 617, for identification.)

Q I show you what has been marked Texas Pacific Coal and Oil Company's Exhibit 1 in Case 617 and ask you to state what that

is?

A It is an east-west cross section from Well No. 5 in the east half of Section 20, Township 23 South, Range 36 East, through the Wells No. 3 and 6, Texas Pacific, and the south half of the northwest quarter of Section 21, over Texas Pacific Wells No. 19, in Section 22, Township 23 South, Range 36 East.

Q Referring to the proposed unit in Case 617, which is the south half of the northwest quarter and the southeast quarter of the northeast quarter of Section 20, where are the gas wells located on that unit?

A Number 3 is in the southwest of the northwest; Number 6 is in the southeast of the northwest.

Q What do the cross sections there reflect with reference to the completion data on those two gas wells, are they situated entirely within the Jalmat Gas Pool?

A They are all producing from the Yates Formation.

Q What information do you have on the potential of those two gas wells?

A Well Number 3, when it was worked over in '46, the potential was 8,200 MCF per day. The last absolute open-flow on the well is 2,800 MCF per day. Well Number 6, upon completion of remedial work in May of '46, it tested 6,000 MCF per day, and the last absolute open-flow potential showed that it could produce 2,200 MCF per day.

Q In your opinion, if the proposed unit is approved and a 120 acre allowable is granted, are these two wells capable of producing that allowable without waste?

A Yes, they are.

ADA DEARNLEY & ASSOCIATES  
STENOGRAPHIC REPORTERS  
ROOM 105-106-107 EL CORTEZ BLDG.  
PHONES 7-9645 AND 5-9546  
ALBUQUERQUE, NEW MEXICO

Q I notice on the plat here that there is a Well Number 5 in the west half of the northeast quarter of Section 20 which has been plugged and abandoned. Will you state briefly to the Commission the history of that well? I call the attention of the Commission to the fact that in this case we are seeking to have the limits of the Jalmat Gas Pool extended to cover the two 40-acre tracts in Section 20 which are proposed as parts of these two units. I assume the line was drawn originally where it is because of the plugged and abandoned hole, as far as gas is concerned. I want the witness to explain to the Commission the history of that Well Number 5 to show why we feel these should be included in the pool and granted an allowable. Will you do that, Mr. Yuronka?

A Well Number 5 was completed in August, 1930. Seven inch casing was set at 3645 and total depth was 3793. At this depth the well was tested and it produced one hundred percent water. So, it was plugged back to 3,500 feet and cement drilled out at 3690, then the Yates Formation was shot from 3645 to 3690 with nitro and the well tested 7,000 MCF per day. This gas has been reported making a total of 31,059 MCF, this was from a period of June to October, 1947. At that time the well watered out and in August '49 remedial work, the well was plugged back to the Yates and perforated from 3470 to 3540. When this was tested after acid treatment, no production was obtained.

In January of '52 the well was perforated again in the Yates in the indicated areas here, and the well was treated with a three batch hydrofac job. It was swabbed dry and no production at all was obtained. We have found that in trying to work over old wells in this area in the Jalmat area, that because of completion methods

in the early days, it is practically impossible to recover any appreciable amount of gas in the Yates Formation.

Q Have you had that experience with other wells that were drilled in the early days?

A Yes, we have quite a few wells like that.

Q I notice that the cross section you have there does not show any change in the presence of the Yates Formation as you move to the west, at least to the point where this Well Number 5 was drilled. What does that indicate to you?

A It would indicate no pinching out of the formation.

Q Based upon that, and upon the production history of this Well Number 5, as you have previously stated, is it your opinion that there is present not only the formation, but gas under the west half of the northeast quarter of Section 20?

A Yes.

(Marked Texas Pacific Coal and Oil Company's Exhibit 2, Case 617, for identification.)

Q I hand you what has been marked as Exhibit 2 in Case 617 and ask you to state what that is?

A Exhibit Number 2 is a contour map of the particular area involved, and indicates there is a sharp drop in the structure there and we have not been able to draw any contour lines past Number 5, as there aren't any wells drilled in that area, and there wouldn't be any control whatsoever.

Q As far as you have projected it by controls, is there any indication of the disappearance of the gas formation up to the center line of the northeast quarter of Section 20, with reference to Case Number --

A No.

Q With reference to Case 618.

(Marked Texas Pacific Coal and Oil  
Company's Exhibit No. 1, Case 618,  
for identification.)

Q I hand you what has been marked Exhibit Number 1 in Case 618, and ask you to state what that is, Mr. Yuronka?

A This exhibit is an east-west cross section from the north-half of the northeast quarter of Section 20, Township 23 South, Range 36 East, and includes the Texas Pacific State A, Account 1 Well Number 4 in Section 21, Township 23 South, Range 36 East, over to the Gulf Janda State E Number 2 in Section 21, Township 23, South, Range 36 East.

Q Where is the gas well you propose to use insofar as this unit is concerned, Well Number 4?

A This Well Number 4 is in the northeast quarter of the northwest quarter of Section 21.

Q Does that cross section reflect whether this well is completed entirely in the, what is now defined as the Jalmat Gas Pool?

A Yes.

Q What potential does that well have?

A Well Number 4, upon completion in August, 1930, was completed as an oil well and produced 1,247 barrels of oil before being converted to a gas well. This remedial work took place in September of 1946 and the last absolute openflow test on the well in July 1953, 440 MCF per day.

Q In your opinion, if the 120 acre gas unit were granted, with reference to this proposed non-standard unit, would Well Number 4 be able to make that allowable without waste?

ADA DEARNLEY & ASSOCIATES  
STENOGRAPHIC REPORTERS  
ROOM 105-106-107 EL CORTEZ BLDG.  
PHONES 7-9645 AND 5-9546  
ALBUQUERQUE, NEW MEXICO



A Yes.

Q With reference to the west portion, the west 40 acres of the proposed unit, which is the northeast quarter, northeast quarter of Section 20, does your same testimony with reference to Well Number 5 apply to this unit to the north?

A Yes, it does.

Q In your opinion, is the formation and gas present under the northeast quarter of the northeast quarter of Section 20, Township 23 South, Range 36 East?

A Yes.

MR. CAMPBELL: I believe that is all. I would like to offer those exhibits in evidence in Cases 617, 618.

MR. MACEY: Is there objection to the introduction of the exhibits in Cases 617 and 618? If not they will be received in evidence. Are there any questions of the witness?

MR. KELLAHIN: Jason Kellahin, representing Continental Oil Company. I have a couple of questions I would like to ask.

CROSS EXAMINATION

By MR. KELLAHIN:

Q Did Texas Pacific Coal and Oil Company drill a well in the southwest quarter of Section 20?

A Southwest of Section 20?

Q Yes.

A Yes, they have one well there.

Q Is it producing?

A No, pardon me, no, not in the southwest of 20.

Q You never drilled a well in that location?

A No.

Q The Well Number 5 you referred to, I take it, is State A Account Number 1, Well Number 5 in the northeast quarter, is it not?

A That is right.

Q You have no such well in the southwest quarter of Section 20?

A No.

MR. KELLAHIN: I would like to call the Commission's attention to its own records which disclose a miscellaneous report on wells, dated November 8, 1930, showing a Well A-5 drilled in the southwest quarter of Section 20, Township 23 South, Range 36 East, which apparently has been plugged and abandoned, and also the Commission's records disclose the completion data on this well under date of October 15, 1930, giving the same location. Perhaps there is some confusion in this. That is the reason I wanted to point it out to the Commission.

I would also like to call the attention to the Commission's records under date of June 8, 1952, the Texas Pacific Coal and Oil Company's proposal to perforate the Well Number 5, as giving the location, State A, Account 1 Well Number 5 in the northeast quarter of Section 20. Also the report, January 23, 1953, a proposal to perforate that same well, the latter one I referred to. Report of February 15, 1952, a report on the cementing program on the well located in the northeast quarter of Section 20 and also showing that that date the well was temporarily abandoned, and then under report of May 12, 1952, the plugging data and abandonment of the well, also giving the location as the east half of the northeast quarter of Section 20, Township 23 South, Range 36 East. Perhaps there was some mistake on the first two reports, I don't know.

ADA DEARNLEY & ASSOCIATES  
STENOGRAPHIC REPORTERS  
ROOM 105-106-107 EL CORTEZ BLDG.  
PHONES 7-9645 AND 5-9546  
ALBUQUERQUE, NEW MEXICO

Apparently, the witness says there was no such well down there, but the report filed with the Commission does show a well designated as A-5, located in the southwest quarter of Section 20. It caused some confusion in our minds as to whether that is the same well or not.

A To my knowledge the only well that Texas Pacific has drilled in Section 20 was Number 5, and we did remedial work on the early part of '52 and we plugged and abandoned it in July of '52.

Q Did you testify as to what that well tested on initial potential?

A I believe I did. I could repeat it for you if you like.

MR. CAMPBELL: 7,000.

MR. KELLAHIN: 7,000?

MR. CAMPBELL: Yes.

Q You don't have any data located in the southwest quarter as to whether it was tested or anything?

A There isn't anything there to my knowledge.

MR. KELLAHIN: I would like to call the Commission's attention to the report filed by the Texas Pacific Coal and Oil Company on the well located in the southwest quarter, showing that it tested approximately 7,000,000 cubic feet of gas per day.

RE-DIRECT EXAMINATION

By MR. CAMPBELL:

Q There isn't any well in the southwest quarter, is there?

A Well, the southwest quarter of Section 20, we don't own the property. Evidently it was a mistake, a typographical error on the part of the clerk or the man who made out the form.

~~MR. CAMPBELL: That is all.~~

ADA DEARNLEY & ASSOCIATES  
STENOGRAPHIC REPORTERS  
ROOM 105-106-107 EL CORTEZ BLDG.  
PHONES 7-9845 AND 5-9346  
ALBUQUERQUE, NEW MEXICO

MR. MACEY: Any further questions of the witness? Mr. Yuronka, could you clear up the confusion as to where the well is? To the best of your knowledge the well is located as it is expressed on this exhibit, is that correct?

A Yes, in the east half of the northeast quarter .

MR. MACEY: Any further questions of the witness? If not the witness may be excused.

MR. CAMPBELL: That is all.

(Witness excused.)

MR. KELLAHIN: Before the Commission continues, we would turn these in for the record. They are photostatic copies of the Commission's records.

MR. CAMPBELL: What is the point? If they made a mistake, they made a mistake.

MR. KELLAHIN: The point is that the well test showing the 7,000,000 cubic feet production shows the well to be located in the southeast quarter. Whether it is or not I have no way of knowing. It shows no production from the well in the northeast quarter.

MR. WALKER: Don Walker with Gulf. We own the 160 acre Janda E lease, which is directly east of the two units being proposed by Texas Pacific, and our records indicate that there is sufficient sand thickness underlying Well Number 5, which, with modern completion practices could be a producing gas well. We would favor the approval of Texas Pacific's amended applications.

MR. MACEY: Anyone else?

MR. KELLAHIN: I would like to make a statement on behalf of Continental. Continental owns the northwest quarter of Section 20. The record we have available indicates there is no production

whatever west of the line between the Section 21 and Section 20. We feel that the Commission's own records reflect that the acreage that is sought to be allotted to these units lying within Section 20 are not productive of gas and for that reason we oppose the application.

MR. MACEY: Anyone else? If not the case will be taken under advisement.

STATE OF NEW MEXICO    )  
                              :   SS.  
COUNTY OF BERNALILLO )

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 20th day of August, 1954.

  
\_\_\_\_\_  
Notary Public, Court Reporter

My Commission Expires:  
June 19, 1955

C  
P  
Y

Dec 17 1953 Hearing - CROSS FILE: RE CASES 613 - 626, incl.

In File Case 613, note Shell Oil Company statement which was to be applied  
to Cases 613 - 626, incl.

MAIN OFFICE CCC

1954 SEP 2 AM 8:21

BEFORE THE

Oil Conservation Commission  
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE NO. 616

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES  
COURT REPORTERS  
ROOMS 105, 106, 107 EL CORTEZ BUILDING  
TELEPHONE 7-9546  
ALBUQUERQUE, NEW MEXICO

BEFORE THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
August 18, 1954  
Afternoon Session - 1:30 P. M.

-----  
IN THE MATTER OF:

Texas Pacific Coal and Oil Company's appli-  
cation for approval of unorthodox gas pro-  
ration unit; 480 acres, NW/4 and S/2 of  
5-228-36E, Jalco Gas Pool, and for a triple  
allowable for said unit.  
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Case No. 616  
(Cont'd.)

BEFORE:

Honorable Edwin L. Mechem  
Mr. E. S. (Johnny) Walker  
Mr. William B. Macey

TRANSCRIPT OF HEARING

MR. MACEY: The meeting will come to order. The next Case  
on the Docket is Case 616. Mr. Campbell?

MR. CAMPBELL: I have a witness here to be sworn.

(Witness sworn.)

MR. CAMPBELL: If the Commission please, this case was  
filed a number of months ago under Order 368-A in Jalco Gas Pool.  
The recent order of the Commission has combined the Jalco and Lang-  
mat Pools and I would like the record to show that the proposed  
non-standard gas proration unit is situated in the Jalmat Gas Pool.  
Under the new order we could have proceeded under the waiver pro-  
visions, but since the application had been filed and advertised,  
we decided to go ahead and put on the evidence in connection with  
this proposed unit.



JOHN YURONKA,

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

DIRECT EXAMINATION

By MR. CAMPBELL:

Q Will you state your name, please?

A John Yuronka.

Q By whom are you employed?

A Texas Pacific Coal and Oil Company.

Q In what capacity?

A District Engineer, New Mexico District.

Q Have you testified before this Commission on previous occasions?

A Yes, sir, I have.

MR. CAMPBELL: I would like to make reference to the provision occasion on which this witness has been qualified as an expert, and ask the Commission to accept his qualifications as an expert witness.

MR. MACEY: His qualifications are acceptable.

Q In connection with your employment by the Texas Pacific Coal and Oil Company, are you acquainted with the application of that company for a non-standard gas proration unit, consisting of the northwest quarter and the south half of Section 5, Township 22 South, Range 36 East?

A Yes, I am.

MR. CAMPBELL: I call the Commission's attention to the fact that the application in each of these three cases has attached to it a plat showing the form of the proposed unit and the wells.

gas and oil wells situated on it.

Q Mr. Yuronka, let me ask you, this is a State lease, is it not?

A Yes, sir.

Q Does one State lease cover all of the proposed 480 acre non-standard proration unit?

A Yes, it does.

Q Where is the gas well that you proposed to use in the case, the non-standard unit, okayed by the Commission?

A In the southwest quarter of the southwest quarter.

Q Of Section 5?

A Yes, sir.

(Marked Texas Pacific Coal and Oil Company exhibit No. 1, for identification.)

Q I hand you what has been marked Texas Pacific Coal and Oil Company Exhibit No. 1, and ask you to state what that is.

A This exhibit is an east-west cross section. Perhaps I had better put it up here. Exhibit Number 1 is an east-west cross section in which the subject well is indicated; and it shows the producing interval and the drill-stem tests that were taken on the well, from the Tansil dolomite, down to the depth of 3644.

Q Does that reflect that the well that you are seeking to use as the gas well in this unit is completed entirely in the now defined limits of the Jalmat Gas Pool?

A Yes, sir, we have a -- as you can see it was T. D., was in the Seven Rivers and it was acidized and fraced and there was sufficient quantity of gas, we thought, for commercial value, so we

set a packer at this depth here, at 3,335, and we perforated the Tansil-dolomite in the upper portion of the Yates.

Q What potential information can you give us on that well?

A Well, that well potential is 28,000 M. C. F. per day.

Q In your opinion, if this non-standard unit is approved and a 480 acre proration unit allowable granted to this well, is it capable of making such an allowable without waste?

A Yes, sir, it is.

Q What has been the cumulative production from that gas well?

A Well, since the well was completed in October of 1952 the well has produced 703,505 MCF through July 1, 1954.

Q Mr. Yuronka, in your opinion is it necessary, in order to enable the Texas Pacific Coal and Oil Company to recover its fair share of the gas in this area, without the drilling of unnecessary wells, that this proposed non-standard proration unit be approved?

A Yes, sir.

MR. CAMPBELL: That is all.

MR. MACEY: Any questions of the witness?

MR. CAMPBELL: There is one other question I wanted to ask.

By MR. CAMPBELL:

Q There are oil wells drilled in the northwest quarter and the southeast quarter of that section, are there not?

A Yes, sir.

Q Do your company records reflect from drillstem tests taken on the oil wells that there was <sup>gas</sup> present in the gas pool zone when those oil wells were drilled in those other two quarter sections?

A Yes, sir.

MR. CAMPBELL: That is all.

MR. MACEY: Any question of the witness? Mr. Yuronka, are there any wells located on the proposed 480 acre non-standard unit which are completed within the defined producing zone of the Jalmat Gas Pool?

A Yes, No. 35. It is an oil well.

MR. MACEY: Is it an oil well?

A Yes.

MR. MACEY: Do you know whether it is producing any gas from the producing zone, an appreciable amount of gas?

A I don't know the exact figures of gas produced from that well per month. It has, if I remember correctly, GORS in the vicinity of, oh, approximately 15 quarts of oil.

MR. MACEY: Anyone else? If not the witness may be excused.

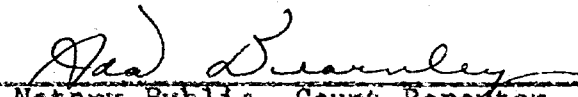
(Witness excused.)

MR. MACEY: Is there objection to the introduction of the Exhibit in Case 616? If not it will be received.

STATE OF NEW MEXICO )  
: SS  
COUNTY OF BERNALILLO )

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 20th day of August, 1954.

  
Notary Public, Court Reporter

My Commission Expires:  
June 19, 1955

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF THE STATE OF NEW  
MEXICO FOR THE PURPOSE OF CON-  
SIDERING:

CASE NO. 617  
Order No. R-535

THE AMENDED APPLICATION OF TEXAS  
PACIFIC COAL AND OIL COMPANY FOR  
AN ORDER GRANTING APPROVAL OF AN  
EXCEPTION PURSUANT TO RULE 7 (a) OF  
ORDER NO. R-368-A IN ESTABLISHMENT  
OF AN UNORTHODOX GAS PRORATION UNIT  
OF 120 CONTIGUOUS ACRES CONSISTING OF  
THE S/2 NW/4 OF SECTION 21 AND SE/4 NE/4  
OF SECTION 20, TOWNSHIP 23 SOUTH, RANGE  
36 EAST, NMPM, LEA COUNTY, NEW MEXICO  
IN WHAT IS NOW DELINEATED AS THE JALMAT  
GAS POOL UNDER THE PROVISIONS OF ORDER R-520.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on December 17, 1953, and was successively continued to August 18, 1954, at which time it came on for final hearing at Santa Fe, New Mexico before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this <sup>14</sup>/<sub>th</sub> day of October, 1954 the Commission, a quorum being present, having considered the records and testimony adduced, and being fully advised in the premises;

FINDS:

(1) That due notice of the time and place of hearing and the purpose thereof having been given as required by law, the Commission has jurisdiction of this case and the subject matter thereof.

(2) That pursuant to provisions of Rule 7 (a) of Order No. R-368-A, and Order R-520, the Commission has power and authority to permit the formation of a gas proration unit consisting of other than a legal quarter section after notice and hearing by the Commission.

(3) That applicant, Texas Pacific Coal and Oil Company, is the owner of an oil and gas lease in Lea County, New Mexico, the land consisting of other than a legal quarter section, and described as follows, to-wit:

Township 23 South, Range 36 East, NMPM  
S/2 NW/4 of Section 21  
SE/4 NE/4 of Section 20

containing 120 acres, more or less.

(4) That applicant, Texas Pacific Coal and Oil Company, has two producing wells on the aforesaid lease: State A, a/c-1, No. 3, located in the SW/4 NW/4 of Section 21, Township 23 South, Range 36 East, and State A, a/c-1, No. 6 located in the SE/4 NW/4 of Section 21, Township 23 South, Range 36 East.

(5) (a) That the aforesaid wells were completed and in production prior to January 1, 1954, the effective date of Order No. R-368-A, and are located within the limits of the pool heretofore delineated and designated as the Jalmat Gas Pool.

(b) That the Jalmat Gas Pool should be extended to include the E/2 NE/4 of Section 20, Township 23 South, Range 36 East.

(6) That it is impractical to pool applicant's said lease with adjoining acreage in Sections 20 and 21 and that the owners of adjoining acreage in said sections have not objected to the formation of the proposed proration unit of 120 acres.

(7) That unless a proration unit consisting of applicant's aforesaid acreage is permitted, applicant will be deprived of the opportunity to recover its just and equitable share of the natural gas in the Jalmat Gas Pool.

(8) That creation of a proration unit consisting of the aforesaid acreage will not cause but will prevent waste, and will protect correlative rights.

**IT IS THEREFORE ORDERED:**

(1) That the application of Texas Pacific Coal and Oil Company for approval of an unorthodox proration unit consisting of the following described acreage

Township 23 South, Range 36 East, NMPM  
S/2 NW/4 of Section 21  
SE/4 NE/4 of Section 20

be and the same is hereby approved, and a proration unit consisting of aforesaid acreage is hereby created.

(2) That applicant's wells, State A, a/c-1, No. 3 located in the SW/4 NW/4 and State A, a/c-1, No. 6, located in the SE/4 NW/4 of Section 21, Township 23 South, Range 36 East, NMPM shall be granted a total combined allowable from January 1, 1954, in the proportion that the above described 120 acre unit bears to the standard or orthodox proration unit for said pool, all until further order of the Commission.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION  
*E. L. Mechem*  
EDWIN L. MECHEM, Chairman  
*E. S. Walker*  
E. S. WALKER, Member  
*W. B. Macey*  
W. B. MACEY, Member and Secretary

MAIN OFFICE OCC

1954 MAR 20 AM 10:01

BEFORE THE  
OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO  
Santa Fe, New Mexico

\* \* \* \* \*

TRANSCRIPT OF PROCEEDINGS

CASE NO. 616, 617 & 618

Regular Hearing

March 17, 1954

BEFORE THE  
OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO  
at  
Santa Fe, New Mexico  
March 17, 1954

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In the Matter of:

Texas Pacific Coal & Oil Company's application  
for approval of unorthodox gas proration unit;  
480 acres, NW/4 and S/2 of 5-22S-36E, Jalco Gas  
Pool, and for a triple allowable for said unit.

Texas Pacific Coal & Oil Company's application  
for approval of unorthodox gas proration unit  
of 160 acres in S/2 NE/4 Section 20 and S/2 NW/4  
Section 21 in Township 23 S, Range 36 E; for  
extension of Jalco Pool to include S/2 NE/4  
20-23S-36E; and for approval of present location  
of applicant's N. M. State 'A' a/c-1 Wells No. 3  
and No. 6 in SW NW and SE NW, respectively of  
21-23S-36E.

Case No's.

616

617

&

618

(Consolidated)

Texas Pacific Coal & Oil Company's application  
for approval of unorthodox gas proration unit  
of 160 acres in N/2 NE/3 Section 20 and N/2 NW/4  
Section 21 in Township 23 South, Range 36 East;  
for extension of Jalco Gas Pool to include N/2  
NE/4 20-23S-36E; and for approval of present  
location of applicant's N. M. State 'A' a/c-1  
well No. 4, NE NW 21-23S-36E.  
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MR. SPURRIER: The next cases on the docket are 616, 617,  
and 618 which have been successively continued since December 17th.

MR. CAMPBELL: If the Commission please, Jack Campbell,  
Roswell, New Mexico. I am appearing on behalf of Texas Pacific  
Coal & Oil Company. The fact that the issuance of an order in  
Case 582 has been deferred, and for the purpose of avoiding the  
necessity of re-publishing these three cases, I would like to again  
request that they be carried forward on the docket until such time  
as an order is entered in 582 involving the Jalco Gas Pool.

ADA DEARNLEY & ASSOCIATES  
COURT REPORTERS  
ROOM 105-106, EL CORTEZ BLDG.  
PHONES 7-9645 AND 5-9546  
ALBUQUERQUE, NEW MEXICO



MR. SPURRIER: Is there objection to Mr. Campbell's motion? Without objection, we will continue the cases as requested.

- - - - -

C E R T I F I C A T E

I HEREBY CERTIFY that the foregoing and attached transcript of hearing in Cases No. 616, 617 and 618 (Continued) before the Oil Conservation Commission, State of New Mexico, at Santa Fe, on March 17, 1954, is a true and correct record of the same to the best of my knowledge, skill and ability.

DATED at Albuquerque, New Mexico, this 18<sup>th</sup> day of March, 1954.

Ada Dearnley  
COURT REPORTER

ADA DEARNLEY & ASSOCIATES  
COURT REPORTERS  
ROOM 105-106, EL CORTEZ BLDG.  
PHONES 7-9645 AND 5-9546  
ALBUQUERQUE, NEW MEXICO

BEFORE THE  
OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO

Transcript of Proceedings

Cases No. 616  
617  
618

Regular Hearing  
February 17, 1954

ADA DEARNLEY & ASSOCIATES  
COURT REPORTERS  
ROOM 105-106, EL CORTEZ BLDG.  
PHONES 7-9645 AND 5-9546  
ALBUQUERQUE, NEW MEXICO

BEFORE THE  
OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO  
at  
Santa Fe, New Mexico  
February 17, 1954  
Afternoon Session

-----  
In the Matter of:

Texas Pacific Coal & Oil Company's application  
for approval of unorthodox gas proration unit;  
480 acres, NW/4 and S/2 of 5-22S-36E, Jalco Gas  
Pool, and for a triple allowable for said unit.

Texas Pacific Coal & Oil Company's application  
for approval of unorthodox gas proration unit  
of 160 acres in S/2 NE/4 Section 20 and S/2 NW/4  
Section 21 in Township 23 S, Range 36 E; for  
extension of Jalco Pool to include S/2 NE/4  
20-23S-36E; and for approval of present location  
of applicant's N. M. State 'A' a/c-1 Wells No. 3  
and No. 6 in SW NW and SE NW, respectively of  
21-23S-36E.

Case No.s

616

617

&

618

(Consolidated)

Texas Pacific Coal & Oil Company's application  
for approval of unorthodox gas proration unit  
of 160 acres in N/2 NE/3 Section 20 and N/2 NW/4  
Section 21 in Township 23 South, Range 36 East;  
for extension of Jalco Gas Pool to include N/2  
NE/4 20-23S-36E; and for approval of present  
location of applicant's N. M. State 'A' a/c-1  
well No. 4, NE NW 21-23S-36E.

-----  
(Notice of Publication read by Mr. Graham).

MR. SPURRIER: The next cases are Consolidated 616, 617, 618.

MR. CAMPBELL: If the Commission pleases, Jack M. Campbell,  
Roswell, New Mexico. I represent Texas Pacific Coal and Oil Com-  
pany in the filing of these three applications. I would like to  
request that they be continued on the docket pending the order on  
rehearing in the Jalco Pool case.

MR. SPURRIER: Is there objections to Mr. Campbell's motion?

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PHONES 7-9645 AND 5-9546  
ALBUQUERQUE, NEW MEXICO

Mr. Campbell, would it be satisfactory to set continuation on that to the definite date of the March hearing which is the 17th of March?

MR. CAMPBELL: It depends on what the Commission has in mind with reference to the, to Jalco Gas Pool. The reason they have not been dismissed and refiled is that it would avoid the necessity of the new public hearing. If the Commission wants to postpone them indefinitely until an order has been reissued on the rehearing in the Jalco Gas Pool.

MR. SPURRIER: We can continue them until March 17, conditioned on the issuance of another order.

STATE OF NEW MEXICO }  
COUNTY OF BERNALILLO }

I HEREBY CERTIFY that the foregoing and attached transcript of hearing in Cases No. 616, 617 and 618 (Continued) before the Oil Conservation Commission, State of New Mexico, at Santa Fe, on February 17, 1954, is a true and correct record of the same to the best of my knowledge, skill and ability.

DATED at Albuquerque, New Mexico, this 20<sup>th</sup> day of February, 1954.

Ada Dearnley  
COURT REPORTER

ADA DEARNLEY & ASSOCIATES  
COURT REPORTERS  
ROOM 105-106, EL CORTEZ BLDG.  
PHONES 7-9645 AND 5-9546  
ALBUQUERQUE, NEW MEXICO

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

TRANSCRIPT OF PROCEEDINGS

Cases No. 616, 617 and 618  
(Consolidated and Continued)

January 20, 1954  
Regular Hearing

ADA DEARNLEY & ASSOCIATES  
COURT REPORTERS  
ROOM 105-106, EL CORTEZ BLDG.  
PHONES 7-9645 AND 5-9546  
ALBUQUERQUE, NEW MEXICO

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

January 20, 1954

-----  
In the Matter of:

Texas Pacific Coal & Oil Company's application for approval of unorthodox gas production unit: 480 acres, NW/4 and S/2 of 5-22S-36E (Jalco Gas Pool), and for a triple allowable for said unit.

Texas Pacific Coal & Oil Company's application for approval of unorthodox gas production unit of 160 acres in S/2 NE/4 Section 20 and S/2 NW/4 Section 21 in Township 23 South, Range 36 East; for extension of Jalco Pool to include S/2 NE/4 20-23S-36E; and for approval of present location of applicant's N. M. State 'A' a/c-1 Wells No. 3 and No. 6 in SWNW and SENW, respectively, of 21-23S-36E.

Cases No. 616  
617 and 618

(Consolidated  
and  
Continued)

Texas Pacific Coal & Oil Company's application for approval of unorthodox gas production unit of 160 acres in N/2 NE/4 Section 20 and N/2 NW/4 Section 21 in Township 23 South, Range 36 East; for extension of Jalco Gas Pool to include N/2 NE/4 20-23S-36E; and for approval of present location of applicant's N. M. State 'A' a/c-1 Well No. 4, NENE 21-23S-36E.

-----  
(Notice of Publication read by Mr. Graham).

MR. SPURRIER: The meeting will come to order, please.

The next case on the docket is Case 616.

MR. CAMPBELL: If the Commission please, on the Texas Pacific Coal and Oil Company, I would like to request that Case 616, 617 and 618 be carried forward on the docket until the February Hearing. As the Commission knows, and as I stated last month, there is pending a

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PHONES 7-8845 AND 5-9846  
ALBUQUERQUE, NEW MEXICO

rehearing in the Jalco Gas Pool and it is the position of Texas Pacific Coal and Oil Company that as a matter of law the Jalco Gas Pool proration order is now suspended. We want to ask the permission to continue these cases until a determination is made at least on the rehearing.

MR. SPURRIER: Is there objection to counsel's motion? If not the cases will be continued until the regular February hearing. The next case on the docket is Case No. 627.

STATE OF NEW MEXICO )  
COUNTY OF BERNALILLO )

I HEREBY CERTIFY that the foregoing and attached transcript of hearing in Cases No. 616, 617 and 618, continued and consolidated, before the Oil Conservation Commission, State of New Mexico, at Santa Fe, on January 20, 1954, is a true and correct record of the same to the best of my knowledge, skill and ability.

DATED at Albuquerque, New Mexico, this 25<sup>TH</sup> day of January, 1954.

Ada Dearnley  
REPORTER

ADA DEARNLEY & ASSOCIATES  
COURT REPORTERS  
ROOM 105-106, EL CORTEZ BLDG.  
PHONES 7-9645 AND 5-9546  
ALBUQUERQUE, NEW MEXICO

BEFORE THE  
**Oil Conservation Commission**  
SANTA FE, NEW MEXICO

IN THE MATTER OF:  
Regular Hearing  
CASE NO. 616, 617 & 618 (Cont'd.)

TRANSCRIPT OF PROCEEDINGS

**ADA DEARNLEY AND ASSOCIATES**  
COURT REPORTERS  
ROOMS 105, 106, 107 EL CORTEZ BUILDING  
TELEPHONE 7-9546  
ALBUQUERQUE, NEW MEXICO



BEFORE THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
July 15, 1954

IN THE MATTER OF:

These cases involve Texas Pacific Coal and Oil Company's request for approval of unorthodox gas proration units in the Jalco Gas Pool, and have been successively continued since December 17, 1953.

Cases 616,  
617 & 618  
Continued

BEFORE:

Mr. E. S. (Johnny) Walker  
Mr. R. R. Spurrier

TRANSCRIPT OF HEARING

MR. SPURRIER: We will move on to Cases 616, 617, 618. Mr. Campbell?

MR. CAMPBELL: If the Commission please. Jack Campbell, on behalf of Texas Pacific Coal and Oil Company. I would like to request that the cases be continued until the regular hearing of the Commission.

MR. SPURRIER: Is there objection? Without objection it will be continued to the regular hearing which I believe is on the 18th.

STATE OF NEW MEXICO )  
: ss.  
COUNTY OF BERNALILLO )

I, ADA DEARNLEY, Court Reporter, do hereby  
certify that the foregoing and attached transcript of proceedings  
before the New Mexico Oil Conservation Commission at Santa Fe,  
New Mexico, is a true and correct record to the best of my  
knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial  
seal this ~~17th~~ day of ~~July~~, 1954.

  
Notary Public, Court Reporter

My Commission Expires:

June 19, 1955

BEFORE THE  
OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO  
at  
Santa Fe, New Mexico  
December 17, 1953

In the Matter of:

Texas Pacific Coal & Oil Company's application  
for approval of unorthodox gas proration unit;  
480 acres, NW/4 and S/2 of 5-22S-36E, Jalco Gas  
Pool, and for a triple allowable for said unit.

Texas Pacific Coal & Oil Company's application  
for approval of unorthodox gas proration unit  
of 160 acres in S/2 NE/4 Section 20 and S/2 NW/4  
Section 21 in Township 23 S, Range 36 E; for  
extension of Jalco Pool to include S/2 NE/4  
20-23S-36E; and for approval of present location  
of applicant's N. M. State 'A' a/c-1 Wells No. 3  
and No. 6 in SW NW and SE NW, respectively of  
21-23S-36E.

Texas Pacific Coal & Oil Company's application  
for approval of unorthodox gas proration unit  
of 160 acres in N/2 NE/3 Section 20 and N/2 NW/4  
Section 21 in Township 23 South, Range 36 East;  
for extension of Jalco Gas Pool to include N/2  
NE/4 20-23S-36E; and for approval of present  
location of applicant's N. M. State 'A' a/c-1  
well No. 4, NE NW 21-23S-36E.

Case No.s

616

617

&

618

(Consolidated)

(Notice of Publication read by Mr. Graham).

MR. CAMPBELL: Jack M. Campbell, Roswell, New Mexico. I  
would like to make a statement and ask that it be included in the  
record in each of these three cases, 616, 617 and 618. As the  
Commission knows, there is pending a re-hearing in the Jalco Gas  
Pool proration order R-358, and R-358-A. The applicant in that  
case is Texas Pacific Coal & Oil Company. The applicant in these  
three cases, 617, - - 616, 617 and 618 is also Texas Pacific Coal &

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PHONES 7-9645 AND 5-9546  
ALBUQUERQUE, NEW MEXICO

Oil Company, and I am appearing for them in these three cases, although I am not appearing for them in Case 582. The applicant, Texas Pacific Coal & Oil Company, in compliance with Commission's directive, dated October 30, 1953, filed forms C-104 and C-110 for its wells in the Jalco Gas Pool. That was prior to the issuance of the Commission's order, and under compulsion of the Commission's directive. The application in these three cases, 16, 17 and 18 were filed prior to the request for re-hearing or the granting of the re-hearing in Case No. 528, involving the Jalco Gas Pool and were filed under compulsion of an order of the Commission then in effect. I am advised by the attorneys for Texas Pacific Coal & Oil Company, in Case 582, that they have taken the position and have filed a motion to the effect that gas proration order R-368-A is stayed and suspended pending the order of re-hearing. In other words, that the granting of the motion for the re-hearing by this Commission has the effect of suspending Rule R-358 until an order of re-hearing is issued.

MR. SPURRIER: 3687

MR. CAMPBELL: 368. If Order R-358 is sustained on re-hearing in subsequent appeal the Commission will be requested to consider these cases and make any allowable order retroactive to the first day of the proration period in accordance with the present rule. For these reasons I would like to request that the three cases be passed and continued on the docket until a future hearing.

MR. SPURRIER: Is there any objection to Mr. Campbell's motion?

MR. FOSTER: I understand that his motion is that he wants to make this order of proration of gas in the Jalco Pool retroactive

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ALBUQUERQUE, NEW MEXICO

to the old date in the event he is unsuccessful from making the proration from going into effect in that pool?

MR. CAMPBELL: I may answer you, Judge Foster, if the order is sustained on re-hearing and any other subsequent judicial proceeding, I simply want to have the right to proceed under the order in the event it is sustained at a future date. That is the only comment I made there.

MR. FOSTER: I wanted to ask you about the retroactive allowable.

MR. CAMPBELL: If the Commission's order, as it is sustained, if we are entitled to it under the order and the order is sustained we are going to seek it, we are going to ask for it, because - -

MR. FOSTER: (Interrupting) You can just record our objections to that.

MR. CAMPBELL: The order as it stands now anybody who seeks an unorthodox proration unit after they have made an effort to communitize and that is subsequent to the date the proration goes into effect, the order, as I read it, authorizes the allowable to be granted to anyone retroactively to the first day of the proration period, provided they are granted an exemption to the normal proration unit. That is all I am asking.

MR. KELLEHERIN: If the Commission<sup>please, I am</sup>/representing Continental Oil Company. . . . We have no objection to the motion for continuance, we do join with Phillips in objecting to a retroactive allowable in the event these cases are heard later.

MR. SPURRIER: Anyone else? The Commission will continue these cases 616, 617, 618, to the regular January hearing, which

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ALBUQUERQUE, NEW MEXICO

is January 20th, I believe.

MR. SPURRIER: Mr. Campbell, can you advise the Commission how we can put Texas Pacific on the proration schedule in the meantime?

MR. CAMPBELL: I presume on the basis of filing 104-110 we will be placed on schedule the same as anybody else on the acreage we have in each quarter section. In other words, if the Commission takes the position that the order is in effect, of course we will file the necessary forms I suppose we will get to produce our wells. We think it is suspended, but the Commission does not agree with us.

MR. SPURRIER: We will take a recess until 1:30.

(Recess)

STATE OF NEW MEXICO     )  
COUNTY OF BERNALILLO    )

I HEREBY CERTIFY that the foregoing and attached transcript of hearing in Cases No. 616, 617 and 618 (Continued) before the Oil Conservation Commission, State of New Mexico, at Santa Fe, on December 17, 1953, is a true and correct record of the same to the best of my knowledge, skill and ability.

DATED at Albuquerque, New Mexico, this 3<sup>rd</sup> day of December, 1953.

  
COURT REPORTER

ADA DEARNLEY & ASSOCIATES  
COURT REPORTERS  
ROOM 105-106, EL CORTEZ BLDG.  
PHONES 7-9645 AND 5-9546  
ALBUQUERQUE, NEW MEXICO

BEFORE THE OIL CONSERVATION COMMISSION OF THE  
STATE OF NEW MEXICO

APPLICATION OF TEXAS PACIFIC  
COAL & OIL COMPANY FOR AN  
UNORTHODOX GAS PRORATION UNIT  
CONSISTING OF THE S $\frac{1}{2}$ NE $\frac{1}{4}$  OF SECTION  
20 AND S $\frac{1}{2}$ NW $\frac{1}{4}$  OF SECTION 21, TOWNSHIP  
23 SOUTH, RANGE 36 EAST, N.M.P.M.,  
LEA COUNTY, NEW MEXICO.

Case No. 617

COMES NOW Texas Pacific Coal & Oil Company, Applicant, and states to the Commission:

1. It is the owner of oil and gas leases covering the S $\frac{1}{2}$ NE $\frac{1}{4}$  of Section 20 and the S $\frac{1}{2}$ NW $\frac{1}{4}$  of Section 21, Township 23 South, Range 36 East, Lea County, New Mexico.

2. There are two producing gas wells situated in the SW $\frac{1}{4}$ NW $\frac{1}{4}$  and SE $\frac{1}{4}$ NW $\frac{1}{4}$  of said Section 21.

3. All of the S $\frac{1}{2}$ NE $\frac{1}{4}$  of Section 20 and the S $\frac{1}{2}$ NW $\frac{1}{4}$  of Section 21 in said Township and Range is productive of gas.

4. Applicant has complied with Rule 12 of Order No. R-368-A of this Commission.

5. The creation of a 160 acre gas proration unit consisting of the S $\frac{1}{2}$ NE $\frac{1}{4}$  of Section 20 and the S $\frac{1}{2}$ NW $\frac{1}{4}$  of Section 21, Township 23 South, Range 36 East, is necessary to protect the correlative rights of the Applicant and to avoid the drilling of unnecessary wells.

6. A plat showing the location of the proposed proration unit and the gas wells located thereon is attached hereto as "Exhibit A".

WHEREFORE, Applicant respectfully prays for an order of this Commission as follows:

1. Extending the limits of the Jalco gas pool to such extent as may be necessary in order to include therein

the S $\frac{1}{2}$ NE $\frac{1}{4}$  of Section 20, Township 23 South, Range 36 East.

2. Creating a gas proration unit consisting of the S $\frac{1}{2}$ NE $\frac{1}{4}$  of Section 20 and the S $\frac{1}{2}$ NW $\frac{1}{4}$  of Section 21 in Township 23 South, Range 36 East and granting thereto a 160 proration unit allowable.

3. Approving the present location of Applicants N.M. State "A" a/c-1, No. 3 and No. 6 gas wells in the SW $\frac{1}{4}$ NW $\frac{1}{4}$  and SE $\frac{1}{4}$ NW $\frac{1}{4}$  respectively of Section 21, Township 23 South, Range 36 East as unorthodox gas well locations.

Texas Pacific Coal & Oil Company

By Jack M. Campbell  
Jack M. Campbell, its attorney



CORRECTED FILING

NEW MEXICO  
OIL CONSERVATION COMMISSION

Gas Well Plat

Date November 13, 1953

Texas Pacific Coal & Oil Co. N. M. State "A" a/c-1 3 & 6  
Operator Lease Well No.

Name of Producing Formation Yates Pool Jalco

No. Acres Dedicated to the Well 160

SECTION Noted TOWNSHIP 23-S RANGE 36-E

Section 20		Section 21	
	5 P&A	* 3	
			* 6

I hereby certify that the information given above is true and complete to the best of my knowledge.

Name J. E. Monte  
Position Production Foreman  
Representing Texas Pacific Coal & Oil Co.  
Address Box 1683, Hobbs, New Mexico

EXHIBIT "A"

(over)

INSTRUCTIONS

1. Is this gas well a dual completion? Yes        No x
2. If the answer to Question 1 is Yes, are there any other dually completed wells within the dedicated acreage? Yes                      No

A separate plat must be filed for each gas well, outlining the area dedicated to such well and showing the location of all other wells (oil and gas) within the outlined area.

Mail in duplicate to the district office for the district in which the well is located.

**TEXAS PACIFIC COAL AND OIL COMPANY**

MAIN OFFICE CCC

FIELD OFFICE

1954 AUG 20 AM 8:42

August 20, 1954

*Case 617*  
*618*

*Udon*

PLEASE ADDRESS REPLY TO COMPANY AT

P. O. Box 1688  
Hobbs, New Mexico

Mr. W. B. Macey  
Oil Conservation Commission  
Box 871  
Santa Fe, New Mexico

Dear Sir:

Because of the question raised in Case #617 and Case #618 as to the location of Texas Pacific Coal and Oil Company's N. M. State "A" a/c-1 Well #5, I have personally made a trip into the field to check the location. I have found that this plugged and abandoned well is in the E/2 NE/4 (1320' from the North line and 660' from the East line) of Section 20, Township 23 South, Range 36 East as stated in the Notice of Intention to Drill. There is no evidence of a well being drilled in either the SW/4 NE/4 or the SW/4 of Section 20; in fact, Well #5 is the only well ever drilled in that section. Consequently, it is requested that Well Record Form SG 108 dated 8/16/30 and Miscellaneous Report on Wells dated 10/13/30 and 10/25/30 be amended to read the E/2 NE/4 Sec. 20, T 23 S, R 36 E, instead of the indicated SW/4.

Very truly yours,

TEXAS PACIFIC COAL & OIL CO.

*John Yuronka*

John Yuronka,  
District Engineer