

Case No.

756

Application, Transcript,
Small Exhibits, Etc.

CASE 756: Amerada's application for un-
orthodox proration unit in Bronco-Siluro-
Devonian Pool (66.61 acres)

NOTICE OF PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION
SANTA FE - NEW MEXICO

The State of New Mexico by its Oil Conservation Commission hereby gives notice pursuant to law and the Rules and Regulations of said Commission promulgated thereunder of the following public hearing to be held at 9 o'clock a.m. on August 18, 1954, at Mabry Hall, State Capitol, Santa Fe, New Mexico.

STATE OF NEW MEXICO TO:

All named parties and persons
having any right, title, interest
or claim in the following cases,
and notice to the public.

CASE 756:

In the matter of the application of Amerada Petroleum Corporation for the establishment of an unorthodox production unit in the S/2 of the NE/4 of Section 11, Township 13 South, Range 38 East, NMPH, Bronco-Siluro-Denman Pool, Lea County, New Mexico, being the SE/4 and Lot 2 of said quarter-section, containing 66.61 acres, more or less.

GIVEN under the seal of the Oil Conservation Commission at Santa Fe, New Mexico, this 4th day of August, 1954.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

W. B. MACEY
Secretary

S E A L

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

October 11, 1954

Amerada Petroleum Corporation
P. O. Box 2040
TULSA, OKLAHOMA

Attention: Mr. Woodward, Legal Department

Gentlemen:

We enclose copy of Order R-533 issued by the Commission under date of October 4, 1954, in Case 756, which was heard on August 18 upon your company's application.

Very truly yours,

OIL CONSERVATION COMMISSION

By

For W. B. Macey

WEM:mr

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BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE NO. 756

TRANSCRIPT OF PROCEEDINGS

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

R 511

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

August 18, 1954

IN THE MATTER OF:

The application of Amerada Petroleum Corp-
oration for the establishment of an unor-
thodox proration unit in the S/2 of the
NE/4 of Section 11, Township 13 South,
Range 38 East, NMPM, Bronco-Siluro-Devon-
ian Pool, Lea County, New Mexico, being the
SW/4 and Lot 2 of said quarter-section,
containing 66.61 acres, more or less.

Case No. 756

TRANSCRIPT OF HEARING

MR. MACEY: The next case on the docket is Case 756.

MR. WOODWARD: John Woodward, appearing for Amerada
Petroleum Corporation. Our witness will be Mr. R. S. Christie.

R. S. CHRISTIE

having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. WOODWARD:

(Marked Amerada's Exhibits No. 1
and 2 for identification.)

Q Mr. Christie, will you state your name, please?

A R. S. Christie.

Q Where do you live? A Tulsa, Oklahoma.

Q By whom are you employed and in what capacity?

A Amerada Petroleum Corporation, Petroleum Engineer.

Q Have you previously testified before this Commission in
your capacity as an expert witness as a Petroleum Engineer?

A Yes, sir.

ADA DEARNLEY & ASSOCIATES
STENOGRAPHIC REPORTERS
ROOM 105-106-107 EL CORTEZ BLDG.
PHONES 7-9845 AND 5-9546
ALBUQUERQUE, NEW MEXICO

MR. WOODWARD: Are Mr. Christie's qualifications accepted?

MR. MACEY: They are.

Q Amerada's Exhibit 1 was placed on the board. Was this Exhibit prepared under your direction and supervision?

A Yes, sir.

MR. WOODWARD: We would like to submit Exhibit 1 in evidence.

MR. MACEY: Is there objection to the introduction of this Exhibit? Without objection it will be received.

Q Mr. Christie, will you explain what Exhibit 1 shows?

A Exhibit 1 shows the Bronco-Siluro-Devonian Field in the States of New Mexico and Texas were all completed and drilling wells at the present time and the unorthodox proration unit sought, outlined in red as shown on Exhibit A. The hatched outline shown on Exhibit A is merely a drilling unit and has no reference to this case.

Q Mr. Christie, does the area outlined in red represent the south half of Section 11?

A Yes, sir.

Q What is the acreage content of that area?

A The acreage content is made up of the southwest quarter, of the southeast quarter which is 40 acres, and a lot along the correction line of 26.61 acres known as lot 2 in the southeast quarter.

Q How many acres does lot 2 contain?

A Lot 2 contains 26.61 acres. It would make a total of 66.61 acres for this unorthodox proration unit.

Q This deficiency in the south half of the northeast quarter is due to a correction along the survey, along the boundary

line between New Mexico and Texas, is that correct?

A Yes, sir, that is correct.

Q Mr. Christie, what area, I believe this Exhibit shows a well, a Federal R No. 1 in the center of the southwest quarter of the northeast quarter of the section, is that correct?

A Yes, sir, that is correct.

Q In what formation is that well completed?

A It is completed in the Devonian formation.

Q What area, in your opinion, does that area efficiently and economically drain, Mr. Christie?

A It will drain in excess of 66.61 acres.

Q On what do you base that opinion?

A It is based on production history and productivity index tests.

Q Do those tests reflect the porosity and permeability of the Devonian in this area?

A Yes, sir, they do. They particularly reflect permeability.

Q What are your recommendations concerning the allowable for this unorthodox proration unit if it is established?

A I recommend that the allowable be established on the basis of 66.61 acres.

Q In your opinion will such a unit and allowable prejudice correlative rights?

A No, sir.

Q In your opinion would it result in waste?

A No, sir.

Q Will it prevent the drilling of unnecessary wells, in your opinion?

A Yes, it will.

MR. WOODWARD: We have no further direct testimony in

4
this matter.

A I might put into the record that we produced this well at the approximate rate that it would be assigned, which is about 380 barrels. We had a drop of approximately 275 pounds flowing at that rate, which would give a productivity index of about 2.3.

MR. MACEY: Are there any questions of the witness?

Mr. Christie, do you know of the provisions of the Pool Rules which exist in the Bronco-Siluro-Devonian Pool which would prevent this Commission from approving your application?

A No, sir, I do not.

MR. MACEY: You don't think the State of Texas would get mad if we approved it?

A No, sir, Mr. Macey.

MR. MACEY: If no further questions of the witness, the witness may be excused. Any further statements or evidence in the case?

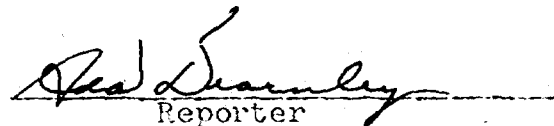
MR. WOODWARD: No further evidence.

(Witness excused.)

MR. MACEY: If not, we will take the case under advisement.

C E R T I F I C A T E

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings in the matter of Case No. 756, were taken by me on August 18, 1954, that the same is a true and correct record to the best of my knowledge, skill and ability.


Reporter

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. 756
ORDER NO. R-533

THE APPLICATION OF AMERADA PETROLEUM
CORPORATION FOR AN ORDER ESTABLISHING AN
UNORTHODOX PRORATION UNIT IN THE SOUTH HALF
OF THE NORTHEAST QUARTER OF SECTION 11, TOWNSHIP
13 SOUTH, RANGE 38 EAST, NMPM, BRONCO-SILURO-
DEVONIAN POOL, LEA COUNTY, NEW MEXICO, BEING
THE SW/4 AND LOT 2 OF SAID QUARTER SECTION,
CONTAINING 66.61 ACRES OF LAND, MORE OR LESS.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 18, 1954, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

Now, on this 4th day of October, 1954, the Commission, a quorum being present, having considered the testimony adduced and the exhibits received at said hearing, 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 cause and the subject matter thereof.

(2) That the S/2 of the NE/4 of Section 11, Township 13 South, Range 38 East, NMPM, Lea County, New Mexico, is composed of the SW/4 NE/4 containing 40 acres of land and Lot 2 containing 26.61 acres of land.

(3) That the acreage in question lies within the defined limits of the Bronco-Siluro-Devonian Pool.

(4) That a well drilled on Lot 2 would be entitled to only approximately 27/40 of the allowable assigned to a full 40-acre unit.

(5) That the land in question lies adjacent to the State line between Texas and New Mexico, and that approval of this application would not be contrary to the provisions of the Bronco-Siluro-Devonian Pool rules as adopted by the Railroad Commission of Texas and this Commission.

(6) That Amerada Petroleum Corporation is the owner of an oil and gas lease covering, among other lands, the S/2 of the NE/4 of Section 11, Township 13 South, Range 38 East, NMPM, Lea County, New Mexico, and that applicant has heretofore completed a well in the SW/4 NE/4 of said Section 11, the well known as the Federal "B", No. 1, being completed in the common source of supply heretofore designated as the Bronco-Siluro-Devonian Pool.

(7) That applicant's well, Federal "B", No. 1, will efficiently and economically drain the proposed proration unit; that the formation of the proposed unit will not result in waste, but will prevent the drilling of unnecessary wells and will protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of Amerada Petroleum Corporation for approval of an unorthodox proration unit consisting of the following acreage:

Township 13 South, Range 38 East, NMPM
Lot 2 and the SW/4 NE/4 of Section 11

be, and the same hereby is approved, and apportionment unit of the aforesaid acreage is hereby created.

(2) That applicant's well, Federal "B", No. 1, located in the SW/4 NE/4 of Section 11, Township 13 South, Range 38 East, NMPM, shall be granted an allowable effective October 1, 1954, in the proportion that the above-described 66.61-acre unit bears to the standard proration unit for said pool.

DONE at Santa Fe, New Mexico, on 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

SEAL

215 \$ 280

MAIN OFFICE OCC

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

APPLICATION OF AMERADA PETROLEUM CORP-
ORATION FOR THE ESTABLISHMENT OF AN
UNORTHODOX PRORATION UNIT IN THE S/2
OF THE NE/4 OF SECTION 11, TOWNSHIP 13
SOUTH, RANGE 38 EAST, N.M.P.M., BRONCO-
SILURO DEVONIAN POOL, LEA COUNTY, NEW
MEXICO, BEING THE SW/4 AND LOT 2 OF SAID
QUARTER SECTION, CONTAINING 66.61 ACRES,
MORE OR LESS

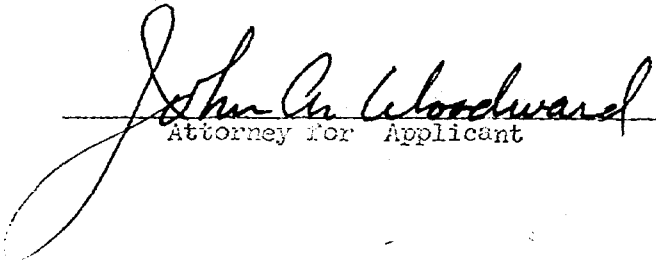
CASE NO. 756

APPLICATION

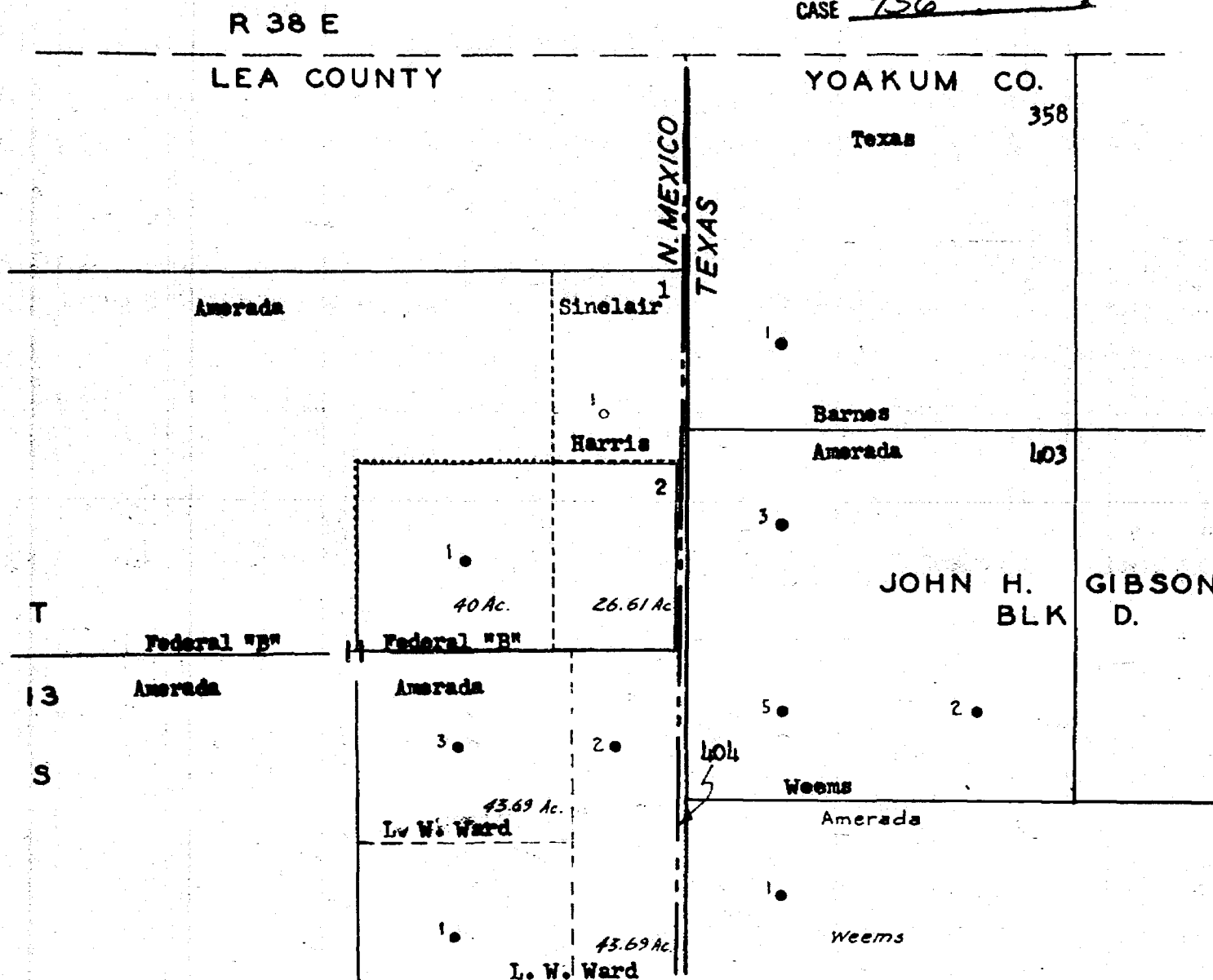
COMES NOW, Amerada Petroleum Corporation and alleges and states:

1. That it is the owner of an oil and gas lease covering, among other lands, the S/2 of the NE/4 of Sec. 11-13S-38E, Lea County, New Mexico, being the SW/4 and the SE/4, sometimes called Lot 2, of said quarter section.
2. That it has heretofore completed its Federal "B" Well #1 in the Bronco-Siluro-Devonian Pool in the center of the SW/4 of said quarter section.
3. That due to the correction in the survey along the boundary line between New Mexico and Texas, the SE/4 of said quarter section contains only 26.61 acres and the S/2 of said quarter section contains only 66.61 acres.
4. That Applicant hereby proposes that the said SW/4 and Lot 2, being the S/2 of said quarter section, be constituted a proration unit as an exception to Rule 2 of this Commission's Order R-510.
5. That the allowable for said unorthodox proration unit be increased proportionate to the increase in acreage proposed herein.
6. That Applicant's well in the SW/4 of said quarter section will efficiently and economically drain the proration unit proposed herein, will not result in waste but will prevent the drilling of unnecessary wells and will protect correlative rights.

WHEREFORE, Applicant respectfully requests this matter be set down for hearing, that notice thereof be given as required by law, and that upon final hearing the S/2 of said quarter section be constituted a proration unit and assigned the allowable proposed herein.


Attorney for Applicant

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
Amerada EXHIBIT NO. 1
CASE 756



OPERATOR OF LEASE Amerada Petroleum Corporation NAME OF LEASE Federal "B"
TOTAL ACRES IN LEASE 266.61 ACRES COVERED BY THIS PLAT 66.61
DESCRIPTION OF PROPERTY All of N/2 of Sec. 11, Less Lot 1, 27.32 Ac.
COUNTY Lea-Yoakum FIELD Bronco-Siluro-Devonian Pool
SCALE OF PLAT 1" = 1000'

STATE OF Oklahoma
COUNTY OF Tulsa

I HEREBY CERTIFY THAT I AM FAMILIAR WITH THE CONDITIONS AS THEY ACTUALLY EXIST ON THIS LEASE; THAT THE ABOVE PLAT WHICH IS DRAWN TO THE SCALE INDICATED HEREON IS TO THE BEST OF MY KNOWLEDGE TRUE AND CORRECT; THAT IT ACCURATELY REFLECTS SAID LEASE WITH ALL WELLS THEREON AND THAT THE NUMBER AND LOCATION OF WELLS THEREON ARE AS INDICATED ON THE PLAT

R. S. Christie

SUBSCRIBED AND SWORN TO BEFORE ME THIS 12 DAY OF August 195 4

My commission expires Jan. 17, 1955

A. J. [Signature]
NOTARY PUBLIC IN AND FOR

Tulsa COUNTY Oklahoma

GENERAL OFFICES
120 BROADWAY NEW YORK

MAIN OFFICE OCC

1954 AUG 5 PM 1:08

AMERADA PETROLEUM CORPORATION

BEACON BUILDING
P. O. BOX 2040

TULSA 2, OKLA.

August 4, 1954

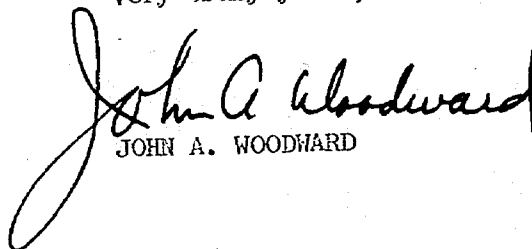
Mr. William B. Macey
State Geologist
Oil Conservation Commission
Santa Fe, New Mexico

Dear Bill:

In line with Bob's telephone conversation with you today, we are sending you an original and three copies of our Application ~~for~~ an unorthodox unit in the Bronco Pool, hoping that if at all possible it be heard at the August hearings.

In any event, we will be out to see you on the 18th. With personal regards, I am

Very truly yours,


JOHN A. WOODWARD

JAW:MT
Encl.

NEW MEXICO OIL CONSERVATION COMMISSION

Addition to Oil Conservation Commission Docket: August 18, 1954

CASE 756:

Application of Amerada Petroleum Corporation for the establishment of an unorthodox proration unit in the S/2 of the NE/4 of Section 11, Township 13 South, Range 38 East, NMPM, Bronco-Siluro-Devonian Pool, Lea County, New Mexico, being the SW/4 and Lot 2 of said quarter-section, containing 66.61 acres, more or less.