

Casa No.

856

Application, Transcript,
Small Exhibits, Etc.

C
O
P
Y

May 17, 1955

Mr. Jack M. Campbell, Attorney
CAMPBELL AND RUSSELL
J. P. White Building
ROSWELL, NEW MEXICO

Dear Sir:

In behalf of your client, Texas Pacific Coal and Oil
Company, we enclose Order R-633 in Case 856 and Order
R-634 in Case 857, both dated May 12, 1955.

Very truly yours,

W. B. Macey
Secretary - Director

WBM:nr

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 856
Order No. R-633

THE APPLICATION OF TEXAS PACIFIC
COAL AND OIL COMPANY FOR AN ORDER
GRANTING APPROVAL OF AN EXCEPTION
TO RULE 5 (a) OF ORDER NO. R-520 IN THE
ESTABLISHMENT OF A NON-STANDARD GAS
PRORATION UNIT IN THE JALMAT GAS POOL
CONSISTING OF THE E/2 OF SECTION 9, TOWN-
SHIP 23 SOUTH, RANGE 36 EAST, NMPM, LEA
COUNTY, NEW MEXICO, AND THE ASSIGNMENT
OF SAID ACREAGE TO THEIR STATE "A" a/c-1
WELL NO. 12 FOR GAS PRORATION PURPOSES.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m. on March 16, 1955, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 12th day of May, 1955, 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 the provisions of Rule 5 (a) of Order No. R-520, the Commission has power and authority to permit the formation of a gas proration unit consisting of other than a legal section after notice and hearing by the Commission.

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

TOWNSHIP 23 SOUTH, RANGE 36 EAST, NMPM
E/2 of Section 9

containing 320 acres, more or less.

(4) That applicant, Texas Pacific Coal and Oil Company, has a producing gas well on the aforesaid lease, known as the State "A" a/c-1 Well

No. 12, located 660 feet from the south line and 1980 feet from the east line of Section 9, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico.

(5) That the aforesaid well is located within the horizontal limits of the Jalmat Gas Pool, and said well is completed in the Yates formation of the Jalmat Gas Pool vertical interval.

(6) That applicant has a second well located on the above-described acreage known as the State "A" a/c-1 Well No. 36, located 990 feet from the north line and 1650 feet from the east line of Section 9; further, this well produces as a top allowable oil well from the Yates formation of the Jalmat Gas Pool.

(7) That the Commission takes notice of the possible over-dedication of acreage to the aforementioned gas well, and the existence of numerous similar proration units in the Jalmat Gas Pool at the present time, and

(8) 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, and

(9) That in view of the aforementioned facts, applicant should be granted approval of the 320-acre proration unit requested, until such time as the Commission can adjust the acreage dedications in the Jalmat Gas Pool on a pool-wide basis.

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
E/2 of Section 9

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

(2) That applicant's well, State "A" a/c-1 Well No. 12, located 660 feet from the south line and 1980 feet from the east line of Section 9, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico, shall be granted an allowable in the proportion that the above-described 320-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 on the day and year hereinabove designated.

State of New Mexico

Oil Conservation Commission

John F. Simms
John F. Simms, Chairman

E. S. Walker
E. S. Walker, Member

W. B. Macey
W. B. Macey, Member and Secretary



Shd. N. 1/2, 1/2

(3477)

(3750)

2.10
(3743')

(3743')

17/9/81
4600 MCF

BPA 336 ✓

~~4/2/94~~
9,600 Net
2" ok.

Oct 19, 1958

Ref Oil Corp

Wanda #3

2-4-73-36

Elevation - 3495' (3497) 181021
Total Depth - 3750
Top Oil Pay - 3194' (3194 to 3750)
Depth Cg Shc - 3129 (3127)

3750
3194
556

3495	3750	
3194	3495	Oil pay + 301 to - 255
+ 301	- 255	556 feet thick OH

76 Bbl 36.3° API no water

Illas Pacific Crude Co.

State "A" 9/1 #36

6-4-73-36

Elevation - 3481 (3481)
Total Depth - 3573 (3573)
Top Oil Pay - 3208 (3208 to 3390)
(3390 to 3573)
Depth Cg Shc - 3049 (3048)

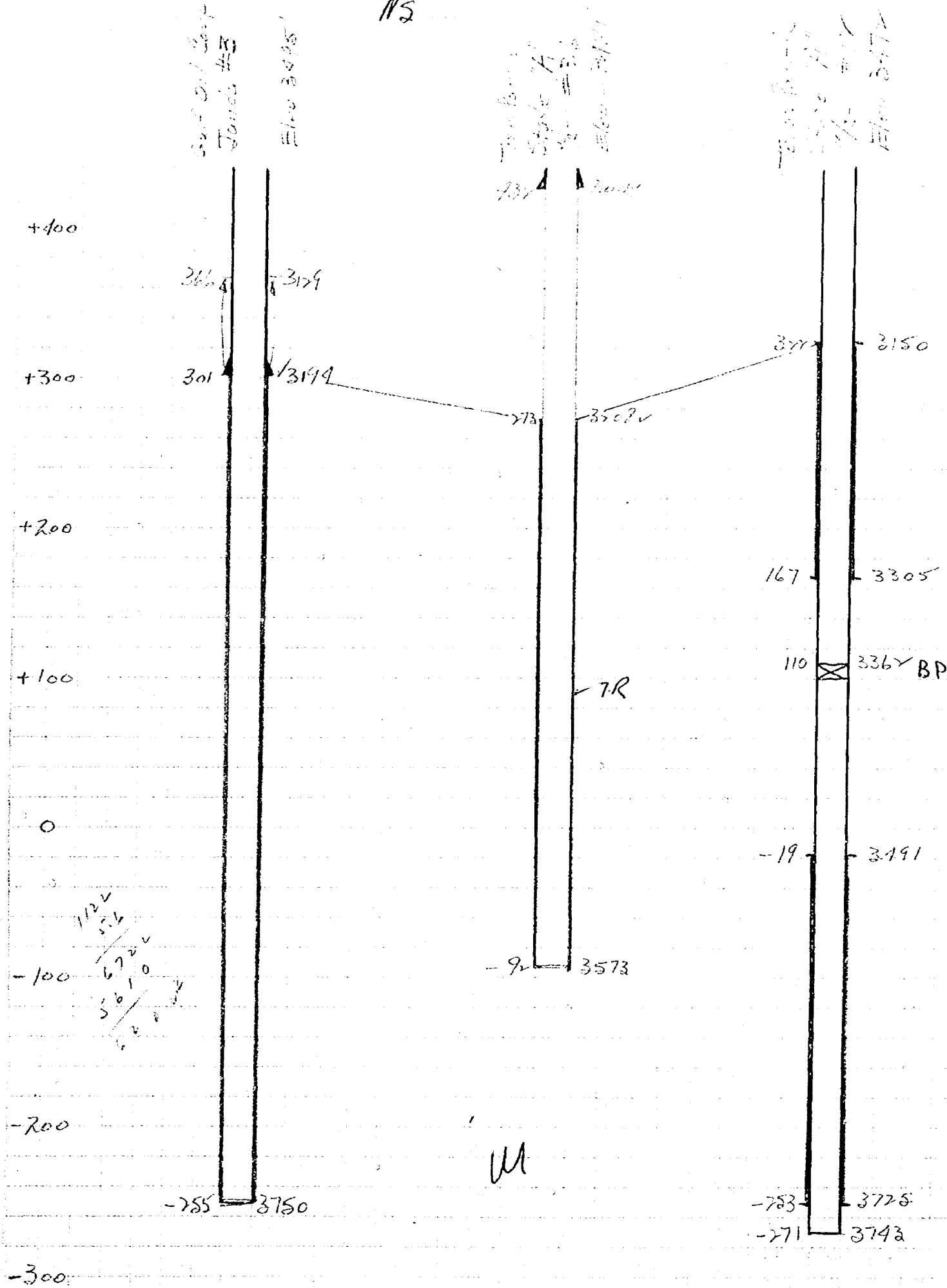
3573
3208
365

3481	3573	
3208	3189	Oil pay + 273 to - 92
+ 273	- 92	368 feet thick OH

103 Bbl 36° API no water

Shot 1/560 qt (3208 - 3390)

NS



1
Lumber & Oil Co
M-9-73-36

State "A" 1/2-1 #18

M-9-73-36

Elevation - 3470

(3470)

Total Depth - 3875'

(3875)

Top of Pay - 3050' (+490)

(+)

Depth Csg - 3050' [+490]

(3050')

Pay Sand +490 to -35

Proposed Plug Back to 3445 (+75)

Texas Pacific Coal & Oil Co

State "A" 1/2-1 #37

F-10-73-36

Elevation - 3471

(3471)

Total Depth - 3290

(3290)

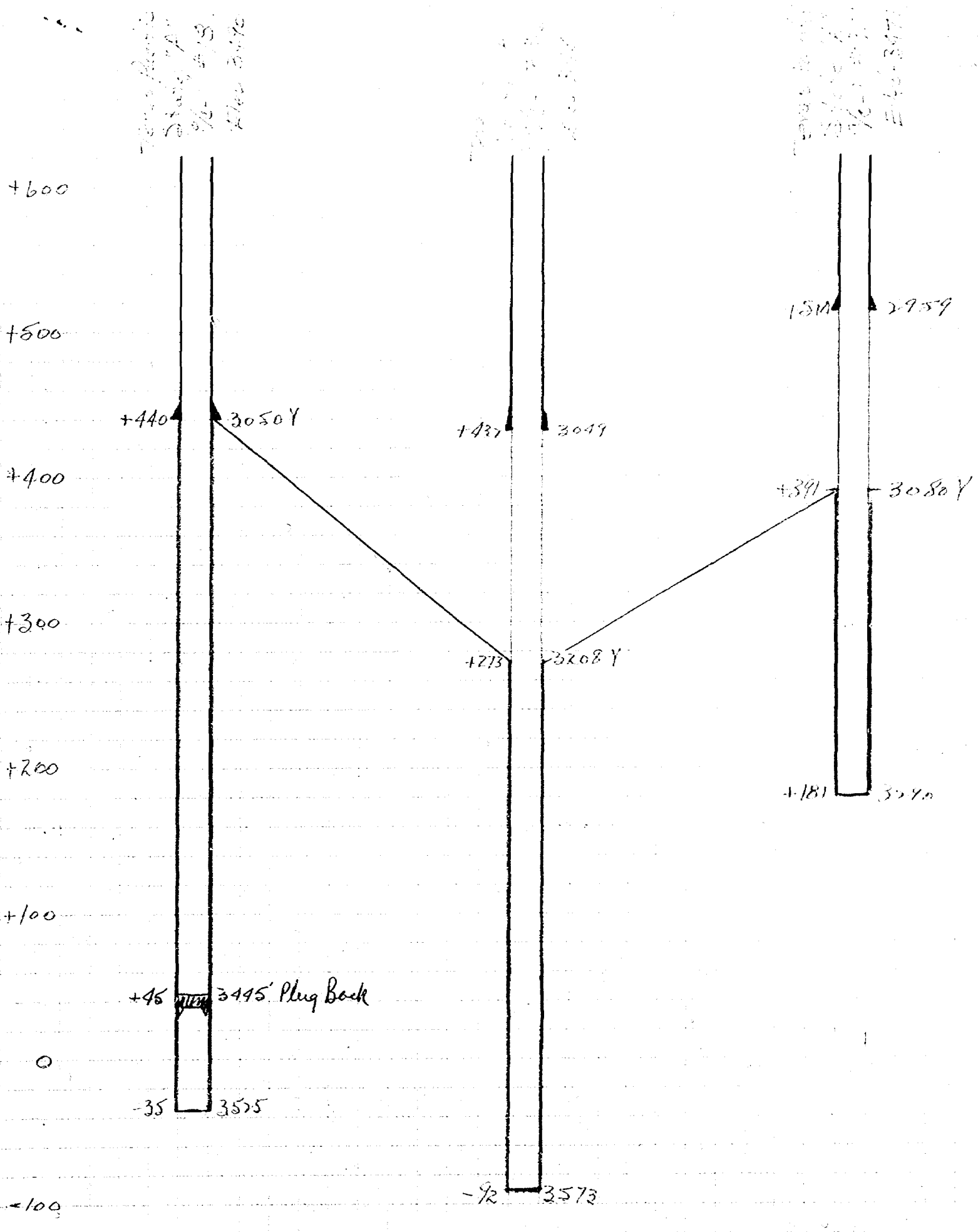
Top of Yates - 3080 [+391]

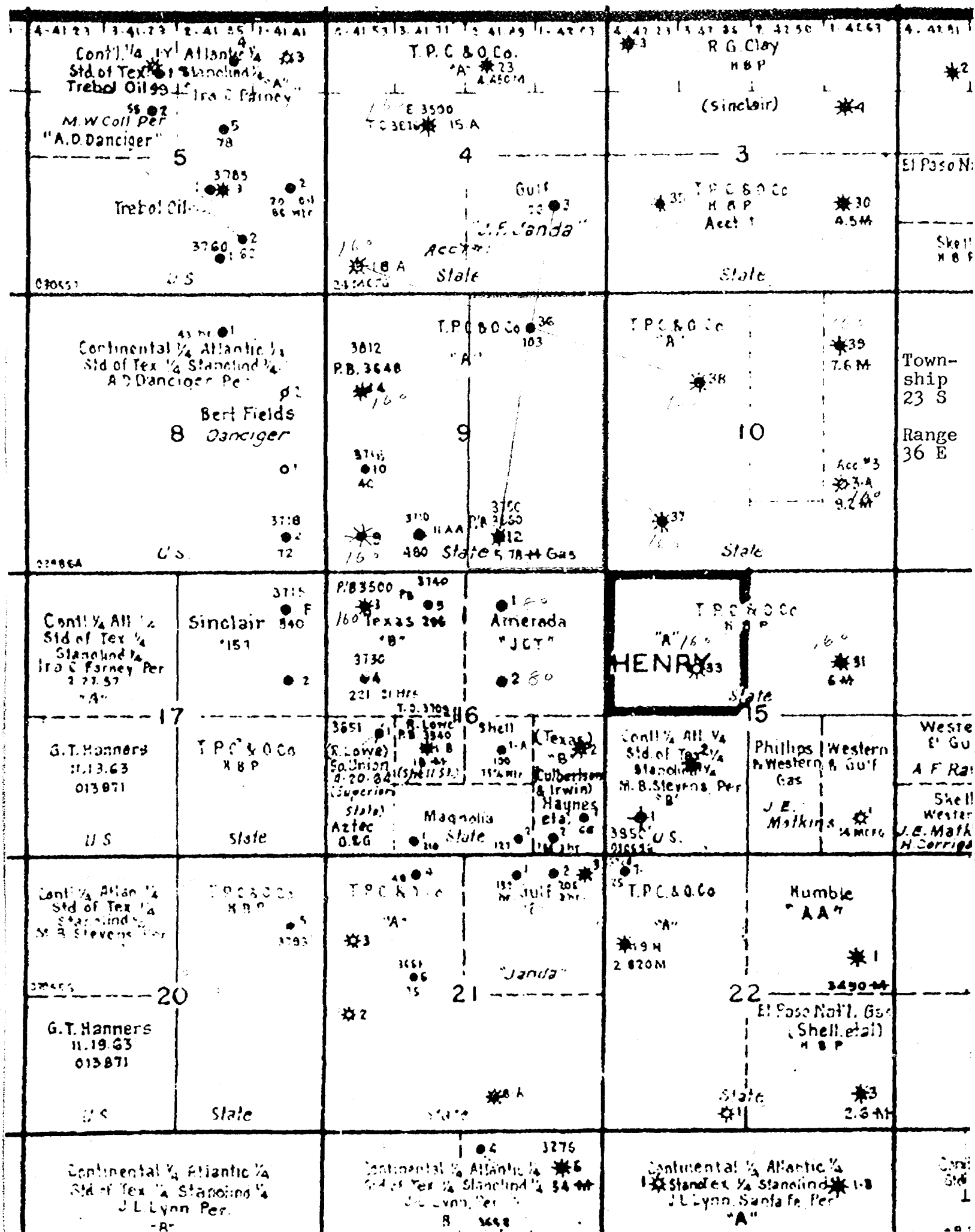
(3080)

Depth Csg - 2989 [+391]

(2989)

Pay Sand +391 to +181





BEFORE THE OIL CONSERVATION COMMISSION OF THE
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
TEXAS PACIFIC COAL AND OIL COMPANY
FOR AN EXCEPTION TO RULE 5(a) AND
5(b) OF THE SPECIAL RULES FOR THE
JALMAT GAS POOL, LEA COUNTY, NEW
MEXICO, FOR ITS STATE "A" a/c-1 WELL
#12, BEING 660 FT. FROM THE SOUTH LINE
AND 1980 FT. FROM THE EAST LINE OF
SECTION 9, TOWNSHIP 23 SOUTH, RANGE 36
EAST, N.M.P.M. LEA COUNTY, NEW MEXICO

Case No. 856

COMES NOW Texas Pacific Coal and Oil Company and requests the Commission to grant it an exception to Rule 5 of the Special Rules of the Jalmat Gas Pool for its State "A" a/c-1 Well #12, and for its grounds therefor states:

1. Applicant seeks a non-standard gas proration unit consisting of the E $\frac{1}{2}$ of Section 9, Township 23 South, Range 36 East, N.M.P.M. Lea County, New Mexico, and the allocation of an appropriate gas allowable to said unit.
2. The well to which Applicant seeks to have the allowable granted for its State "A" a/c-1 Well #12 is situated 660 ft. from the South line and 1980 ft. from the East line of said Section 9. All of the said gas proration unit lies wholly within a single governmental section and the entire non-standard gas proration unit may reasonably be presumed to be productive of gas.
3. There is attached hereto a plat showing the acreage to be dedicated, the well location and the offset ownership.
4. The granting of the exceptions requested herein will not adversely affect the correlative rights of any offset owners and will protect the correlative rights of Applicant and prevent waste and avoid the drilling of unnecessary wells.
5. Applicant's State "A" a/c-1 Well #36, being an oil well producing in the gas interval, is located in the NE $\frac{1}{4}$ of said Section 9.

WHEREFORE, Applicant requests the Commission to set this matter down for hearing, to publish notice as required by law and to issue its order granting Applicant an exception to the rules of the Commission noted herein for its State "A" a/c-1 Well #12, and allocating to the said well a 320-acre gas proration unit consisting of the E $\frac{1}{2}$ of Section 9, Township 22 South, Range 36 East, N.M.P.M. Lea County, New Mexico.

TEXAS PACIFIC COAL AND OIL COMPANY

By

Jack M Campbell

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
March 16, 1955

IN THE MATTER OF:

The application of Texas Pacific Coal and
Oil Company for approval of a non-standard
gas proration unit.

Applicant, in the above-styled cause, seeks
approval of the creation of a 320-acre
non-standard gas proration unit in except-
ion to Rule 5(a) of the Special Rules and
Regulations for the Jalmat Gas Pool, as
set forth in Order R-520, said unit to
consist of E/2 of Section 9, Township 23
South, Range 36 East, Lea County, New
Mexico, and to be dedicated to applicant's
State "A" a/c-1 Well No. 12, located 660
feet from the south line and 1980 feet
from the east line of said Section 9.

Case No. 856

BEFORE:

Honorable John F. Simms
Mr. E. S. (Johnny) Walker
Mr. William B. Macey

TRANSCRIPT OF HEARING

MR. MACEY: The next case on the docket is Case 856.

MR. RUSSELL: John F. Russell appearing on behalf of
Texas Pacific Coal and Oil Company.

JOHN YURONKA,

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

DIRECT EXAMINATION

By MR. RUSSELL:

Q State your name to the Commission.

A John Yuronka.

Q By whom employed?

A Texas Pacific Coal and Oil Company.

Q In what capacity?

A District Engineer in the Hobbs Office.

Q Have you previously qualified to testify before this Commission?

A Yes, I have.

Q Are you familiar with the Texas Pacific Coal and Oil Company application in Case No. 856 for a non-standard gas proration unit consisting of the east half of Section 9, Township 23 South, Range 36 East, Lea County, New Mexico?

A Yes.

Q What is the location of the well to which you wish to attribute the acreage?

A Well No. 12 is 660 feet from the south line and 1980 feet from the east line of said section.

Q Will you give a brief history of that well to the Commission?

A The well was completed in May of 1944, total depth of 3750, casing was set at 3743, plugged back to 3517, perforated from 3491 to 3515, and after an acid treatment of 2,000 gallons it tested 5,780 MCF per day. After a series of workovers from 1949 to 1951, the Yates was perforated from 3150 to 3345, four shots per foot and it tested 9,600 MCF per day absolute openflow.

Q Have you taken recent tests as to the capability of this well?

A Deliverability test of this well, taken in July, 1954, was

2,355 MCF per day.

Q In your opinion, if a 320-acre allowable is granted, will this well be able to produce that allowable?

A It will.

Q In your opinion, is the entire 320-acre unit sought reasonably productive of gas?

A Yes.

Q Will this well drain the entire acreage sought?

A I believe it will.

Q I believe you have an oil well producing in the gas interval in the northeast quarter of this Section 9, is that correct?

A Yes.

Q Is that well defined, or by Commission definition, an oil well?

A Yes, it is.

Q In your opinion, will the granting of the exceptions requested here, adversely effect correlative rights of any offset owner?

A No.

Q You think it will protect correlative rights of the applicant?

A Yes.

Q Do you think it will prevent waste and avoid the drilling of unnecessary well?

A It will.

MR. MACEY: Any questions of the witness? Mr. Reider.

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CROSS EXAMINATION

By MR. REIDER:

Q Your No. 1 Well, what formation is that well completed to?

A Presently producing from the Yates.

Q Presently producing from the Yates?

A Yes.

Q Your Well No. 36 is also presently producing from the Yates?

A Yes, it is.

Q No. 36 is an oil well and No. 12 a gas?

A That is right.

Q Well, how could the north quarter section be productive of gas?

A Well, that is one of the mysteries of that area. That is a low in the stratigraphic trap, in my opinion. You will find that condition exists throughout the western flank of the Jalmat Gas Pool. For instance, the north offset of 36, Gulf Janda No. 3 is an oil well in the Yates and the well north of that, Texas Pacific State "A" a/c 1 Well No. 23, also in the Yates, is a gas well.

Q My only question is this, you are proposing to dedicate a quarter section, which is, I think there is reasonable doubt as to whether it would be productive of gas?

A In my opinion it is. From Commission records, there has been an acreage allotted in such cases where you have an oil well or, rather a gas well in, say, a 160 and there are also oil wells from the same formation and the gas well has been granted an allowable for that 160 or 320.

Q I think possibly what you are referring to would be in the Eumont where there are Queen oil, but the gas is coming from other formations within the Eumont interval.

ADA DEARNLEY & ASSOCIATES
STENOGRAPHIC REPORTERS
ALBUQUERQUE, NEW MEXICO
TELEPHONE 3-6691

In this case the two wells are not only completed in the same interval, but in the same formation. It casts serious doubt as to whether that one quarter section would be productive of gas, which is basic to the requirements of the formation of the unit.

A May I read the completion data? For this No. 36 the well was completed in February of '53 and casing was set at 3047, total depth is 3573, it tested 1,230 MCF per day. We decided, or we thought we should be able to get more gas, and we shot it with nitro, and when we did is when we got the oil.

Q What would a similar effect be on your Well No. 12? Have you performed any remedial work on it, such as fracturing?

A No, as I say, we completed it in '51 and it has been able to meet the allowable, and consequently it was economically infeasible to do any workover on the well until we could not meet the allowable.

Q Does that well make any fluid?

A To my knowledge it does not. May I also state that on this deal you stated, as to the Eumont, the condition also exists in the Jalmat Pool where you have a dually completed well given the gas allowable and oil allowable from the gas interval.

Q My only point here it is not only within the vertical limits from the pool, but further, it is from the same formational boundary. I still very seriously doubt as to whether the northeast quarter section would be productive of gas.

A Well, in my opinion it is.

MR. MACEY: Is your No. 36 well a top allowable well?

A Yes, it is.

MR. MACEY: Is it abnormally high?

A 6,500.

MR. MACEY: If you were to draw a cross section north-south from your No. 23 Well, through the Gulf Janda No. 3, and your Well No. 36, down to your Well No. 12, running north and south--

A Yes, sir.

MR. MACEY: You get a synclinal occurrence?

A There is a small low spot right in there that includes R-36 and Gulf Janda No. 3.

MR. MACEY: It doesn't extend east and west in any way?

A No.

MR. MONTGOMERY: I have contoured this particular area, it appears to me there is a possibility, there appears to be two more locations in this area that would be productive of oil from the Yates. I do not feel we should dedicate acreage to this gas well that has already been proven to be productive of oil, and we can reasonably presume that the entire east half of the northeast quarter will produce Yates oil, that they should not get that acreage dedicated to this gas well.

MR. MACEY: Mr. Reider, do you have a question?

By MR. REIDER:

Q I was going to ask, Mr. Yuronka, the wells in the west half of Section 9, are they not also oil wells in the Jalmat interval?

A No, they are all gas wells. The only oil well we have, outside of 36 in that section, is well No. 11, that is producing from the oil interval. That is in the southwest quarter. No. 10 is shut-in, it has been shut-in for about four years. We have tried to complete that as a gas well and the workover was a failure. The

other two wells in the west half are gas wells.

Q Gulf 2 and 4?

A Yes.

Q Do they show any fluid?

A To my knowledge we have never been notified by El Paso that either one has been making fluid.

Q But you do not have a separator?

A No, we do not.

MR. REIDER: That is all.

MR. MACEY: Anyone have any questions of the witness?
If not the witness may be excused.

(Witness excused.)

MR. RUSSELL: I would like to introduce Exhibit 1 in evidence.

MR. MACEY: Without objection Exhibit 1 in Case 856 will be received. We will take the case under advisement.

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) SS.

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 18th day of March, 1955.

My Commission Expires:
June 19, 1955

Ada Dearnley
Notary Public, Court Reporter

ADA DEARNLEY & ASSOCIATES
STENOGRAPHIC REPORTERS
ALBUQUERQUE, NEW MEXICO
TELEPHONE 3-6691