

Casa No.

899

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Application, Transcript,  
Small Exhibits, Etc.

BEFORE THE  
**Oil Conservation Commission**  
SANTA FE, NEW MEXICO  
May 14, 1955

IN THE MATTER OF:

CASE NO. 899

TRANSCRIPT OF PROCEEDINGS

**ADA DEARNLEY AND ASSOCIATES**  
COURT REPORTERS  
605 SIMMS BUILDING  
TELEPHONE 3-6691  
ALBUQUERQUE, NEW MEXICO

BEFORE THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
May 18, 1955

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INTHE MATTER OF:

The application of Stanolind Oil and Gas Company  
for approval of an unorthodox gas proration unit.

Applicant, in the above-styled cause, seeks an  
exception to Rule 5(a) of the Special Rules and  
Regulations for the Sumont Gas Pool, as set  
forth in Order R-520, to permit the establish-  
ment of a 320-acre non-standard gas proration  
unit consisting of E/2 Section 21, Township 20  
South, Range 37 East, Lea County, New Mexico,  
said unit to be dedicated to applicant's O. J.  
Gilluly Well "B" No. 6X, located 390 feet from  
the north line and 660 feet from the east line  
of said Section 21.

Case No. 899

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BEFORE:

Mr. E. S. (Johnny) Walker  
Mr. William B. Macey

TRANSCRIPT OF HEARING

MR. MACEY: The next case on the docket is Case No. 899.

MR. SMITH: May it please the Commission, Mr. Hiltz is our  
only witness in this case, too. He has been sworn in the previous  
case. I would like to inquire of the Commission if they would  
accept his qualifications as an expert witness in this case?

MR. MACEY: They will.

R. G. H I L T Z ,

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

DIRECT EXAMINATION

By MR. SMITH:

Q State your name, please.

A R. G. Hilcz.

Q You are employed by Stanolind Oil and Gas Company?

A Yes, I am.

Q In what capacity?

A I am proration engineer in Stanolind's North Texas-New Mexico Division in Fort Worth, Texas.

Q Directing your attention to Case 899, which is a request for approval of a 320-acre non-standard gas proration unit consisting of the East half of Section 21, Township 20 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to applicant's O. J. Gilluly Well "B" No. 6X, located 390 feet FNL and 660 feet FEL of said Section 21. I don't know what the FNL stands for.

A Yes, sir, that is from the north line.

Q Is that statement a correct statement of the location of the well in the proposed unit?

A Yes, sir, that is correct.

Q What is the completion history of the well?

A It was originally completed in December of 1939 as a Monument Oil Field well, with an initial potential of 43 barrels per day in the Grayburg Formation. Application to dually complete the well for gas in the Eumont Field was made in March, 1954, and was approved by Commission Order No. DC-85, dated March 16, 1954.

Q Is that the current status of the well now?

A I have some more data on it.

Q Proceed.

A Subsequently the oil zone was successfully plugged back and tested until commercial production was obtained from additional perforations opposite the Grayburg Formation. Various intervals were then perforated from 2,678 feet to 3,495 feet opposite the Yates, Seven Rivers and Queen Section in the Humont Gas Field, and the well was given an acid-wash treatment of 500 gallons. Production packer was set at 3,575 feet to affect the dual completion as approved by the Commission, after which the well tested 4,838 MCF per day at a line pressure of 945 pounds. That was from the gas zone. It also indicated an ability to produce oil from the Grayburg at the rate of about six barrels per day. That completion was affected in September of 1954.

Q Is that also the date of the potential test that was taken?

A Yes, the well was potentialled in September of '54.

Q Is the well presently producing from the Humont Gas Pool?

A Yes, sir.

Q What is the current situation with reference to the proration unit assigned to the producing well?

A Prior to going into that, I think it would be desirable to go ahead and introduce the map of the area, showing the location of the well.

(Marked Stanolind Oil and Gas Company's  
Exhibit No. 1, for identification.)

Q You have prepared a plat showing the location of the well involved in this case?

A Yes, sir, I have.

Q It has been marked for identification purposes as Stanolind's

Exhibit No. 1. Do you have any comments to make at this time with respect to Stanolind's Exhibit No. 1?

A I would like to point out that the well to which the proposed acreage would be assigned is encircled in red and the proposed gas proration unit is also encircled in red. Other pertinent information will be discussed later.

Q Do you have another exhibit or map showing the size and location of units in the vicinity of the proposed unit?

A Yes, sir, I do.

(Marked Stanolind Oil and Gas Company's Exhibit No. 2, for identification.)

Q With respect to these other units in the vicinity, is there any comment you would care to make about the size and location of them?

A Yes.

Q What is that comment?

A Again in this case, the size and shape of the units vary considerably. We can note in this immediate area of the field that proration units vary in size from 80 to as great as 480 acres.

I should also like to point out that the Commission has recently approved a request, essentially identical to this, for a non-standard proration unit for Sinclair's Roach No. 1; the proration unit approved comprising the western half of this same section. Also on this Exhibit No. 2, we have outlined again the proposed proration unit in this case.

Q Do you have any evidence or testimony with respect to whether or not the acreage to be included within the proposed unit is productive?

A Yes, from an examination of Exhibit 1 and Exhibit 2, it is apparent that the proposed unit is virtually surrounded by producing gas wells. In addition, an examination of Figure 1, will show that from a structural standpoint, there do not appear to be any structural anomalies in this case which would act as any impediment to communication throughout the proposed area. Further to illustrate the --

Q (Interrupting) Do you have a cross-section reflecting the continuity of pay in the area?

A Yes, sir. The trace of this cross-section is shown on Exhibit 1, by a green line.

(Marked Stanolind Oil and Gas Company's Exhibit 3, for identification.)

A Relative to the cross-section, it illustrates the fact that the Eumont gas pay can be readily identified and correlated from well to well throughout the area indicated by the cross-section. There are no obvious impermeable barriers to communication throughout the area, hence, I believe that the proposed gas proration unit consists of a continuous and reasonably developed Eumont gas pay.

Q That is your opinion. What is your belief?

A Yes, whichever I said, I will corroborate it by the other.

Q Are the working interests and royalty interest common?

A Yes.

Q It is all in one section?

A Yes, sir.

Q The acreage is continuous and contiguous?

A Yes, sir.

Q Is the acreage all within the Eumont Pool limits?

A Yes, sir.

Q Is there any other acreage to which, or is there any other well to which this acreage could be attributed?

A No, sir, there is not.

Q If the Commission grants this request or application, it would avoid the drilling of an unnecessary well, in your opinion?

A That is correct.

Q Will such action on the part of the Commission prevent waste and protect correlative rights?

A Yes.

Q And give the operators an opportunity to recover the fair share of the reserves?

A Yes.

MR. SMITH: That is all.

CROSS EXAMINATION

By MR. NUTTER:

Q I believe you gave the depth that the production packer was set?

A The information I have indicates that it was set at 3,575 feet.

Q Where is the casing set in that well? Our file is incomplete.

A I don't have it readily available. I will be happy to get it for you and furnish it.

Q Is the well completed with open hole, or is casing set?

A It was perforated both in the Grayburg and Eumont pay, so I think that casing was possibly set well into the Grayburg, or possibly through it.

Q On the location, am I correct in stating that the well is



7  
located 390 feet from the north line and 660 feet from the east line of that section?

A That is correct.

Q According to Rule 5(a) of Order R-520, I believe that 160 acres is the maximum acreage that can be assigned to a well with 660, 660 spacing?

A I believe that is with administrative approval, or without notice or hearing. I know of nothing to prevent the Commission authorizing any size proration unit after notice and hearing.

Q Also, I think that Rule 35(a) of Order R-520, will give a 300 foot or 330 foot tolerance to a well that has been completed and producing before that order went into effect?

A I believe that is correct.

Q The effective date of the order is August 12, 1954?

A Yes, I believe that is correct.

Q This well was completed in September, 1954?

A No, it was dually completed at that time.

Q It was dual completion?

A It was originally completed in December of 1939. We re-entered the well in September of 1954, reworked the Grayburg and dually completed in the Eumont.

Q But it was not dually completed, nor producing from the Eumont at the time of the effective date of the order?

A That is correct.

MR. NUTTER: That is all.

MR. MACEY: Anyone else have any questions of the witness?

A Let me add one further comment there. The Commission had

approved dual completion in that location in March of 1954, which was well in advance of the issuance of the Order A-320.

Q (By MR. NUTTER) But the well was not producing from theumont at the time that the order went into effect?

A No, I don't believe it was.

MR. NUTTER: That is all.

By MR. CHRISTIE:

Q Do you think that the increase in allowable that you might get on the allowable, would cause any physical waste by the concentration of waste around that particular corner? That is, the southeast corner of Section 16 and northwest corner of Section 22?

A No, sir, I know of no physical underground waste that would occur, nor any surface waste.

MR. CHRISTIE: That is all.

MR. MACEY: Does anyone else have a question of the witness? If not the witness may be excused.

(Witness excused.)

MR. MACEY: Do you have anything further, Mr. Smith?

MR. SMITH: No, except I would like to offer into evidence Stanolind's Exhibits 1, 2 and 3.

MR. MACEY: Without objection they will be received. Anyone have anything further in this case? If not we will take the case 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 25th day of May, 1954.

Ada Dearnley  
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  
CONSIDERING:

CASE NO. 899  
Order No. R-685

THE APPLICATION OF STANOLIND OIL  
AND GAS COMPANY FOR AN ORDER  
GRANTING APPROVAL OF AN EXCEPTION  
TO RULE 5 (a), OF THE SPECIAL RULES  
AND REGULATIONS FOR THE EUMONT GAS  
POOL, OF ORDER NO. R-520 IN THE  
ESTABLISHMENT OF A NON-STANDARD GAS  
PRORATION UNIT IN THE EUMONT GAS POOL,  
CONSISTING OF THE E/2 OF SECTION 21,  
TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM,  
LEA COUNTY, NEW MEXICO, AND TO BE  
ASSIGNED TO THE O. J. GILLULLY "B" WELL  
NO. 6-X FOR GAS PRORATION PURPOSES.

ORDER OF THE COMMISSION

BY THE COMMISSION

This cause came on for hearing at 9 o'clock a.m. on May 18,  
1955, at Santa Fe, New Mexico, before the Oil Conservation Commission,  
hereinafter referred to as the "Commission".

NOW, on this 15<sup>th</sup> day of September, 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 provisions of Rule 5 (a) of the Special Rules  
and Regulations of the Eumont Gas Pool of Order No. R-520, the Commission  
has power and authority to permit the formation of a gas proration unit consist-  
ing of other than a legal section after notice and hearing by the Commission.

(3) That applicant, Stanolind Oil and Gas Company, is the 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, to-wit:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM  
E/2 of Section 21

containing 320 acres, more or less.

Order No. R-685

(4) That applicant, Stanolind Oil and Gas Company, has a producing gas well on the aforesaid acreage, known as the O. J. Gillully "B" Well No. 6-X, located 390 feet from the North line and 660 feet from the East line in the NE/4 of the NE/4 of Section 21, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico.

(5) That the aforesaid mentioned well was completed as an oil well within the Monument Oil Pool in 1939. Permission was obtained to dually complete said well before issuance of Order R-520. This well was dually completed after the issuance of Order R-520 as a gas well in 1954 in the Eumont Gas Pool. That this well and the requested unit is located within the horizontal and vertical limits of the Eumont Gas Pool.

(6) That all of the acreage contained in the proposed proration unit will not be efficiently drained by wells presently producing in the Eumont Gas Pool.

IT IS THEREFORE ORDERED:

That the application of Stanolind Oil and Gas Company for approval of a non-standard gas proration unit consisting of the E/2 of Section 21, Township 20 South, Range 37 East, Eumont Gas Pool, NMPM, Lea County, New Mexico, be and the same is hereby denied for its O. J. Gillully "B" Well No. 6-X.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*John F. Shams*

JOHN F. SHAMS, Chairman

*E. S. Walker*

E. S. WALKER, Member

*W. B. Macey*

W. B. MACEY, Member and Secretary



tr/

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

September 20, 1955

C  
O  
P  
Y

Mr. Alex Clarke, Jr.  
Stanolind Oil & Gas Company  
Oil and Gas Building  
Fort Worth, Texas

Dear Sir:

We enclose a copy of Order R-682 and Order R-685 issued  
September 15, 1955, by the Oil Conservation Commission in  
Cases 914 and 899 respectively.

Very truly yours,

W. B. Macey  
Secretary - Director

WBM:brp  
Encls. 2

# STANOLIND OIL AND GAS COMPANY

OIL AND GAS BUILDING

FORT WORTH, TEXAS

April 14, 1955

File: RGH-4187-986.510.1

Subject: Application for Non-Standard  
Gas Proration Unit  
Eumont Gas Pool  
Lea County, New Mexico

New Mexico Oil Conservation Commission (3)  
P. O. Box 871  
Santa Fe, New Mexico

Attention: Mr. W. B. Macey

Gentlemen:

It is requested that a hearing be set on the application of the Stanolind Oil and Gas Company for an exception to Rule 5(a) of that portion of New Mexico Oil Conservation Commission Order No. R-520, pertaining to the Eumont Gas Pool, Lea County, New Mexico. Exception to this rule will be sought for the purpose of forming a non-standard gas proration unit comprising 320 acres in the E/2 of Section 21, T-20-S, R-37-E, Lea County, New Mexico. This non-standard unit would be assigned for gas allocation purposes to Stanolind's O. J. Gilluly "B" No. 6X, located 390 feet from the north line and 660 feet from the east line of Section 21, T-20-S, R-37-E, as shown on the attached plat.

The referenced well was originally completed December 31, 1939, as a Monument Field oil well and was subsequently dually completed in September, 1954, with gas production being obtained from the Eumont Gas Pool. Authority to dually complete this well was granted by Commission Order No. DC-85, dated March 16, 1954. For gas allocation purposes, this well is currently assigned a proration unit comprising the 160 acres in the NE/4 of Section 21, T-20-S, R-37-E.

We should like to point out that the proposed non-standard unit is composed of contiguous quarter quarter sections which lie wholly within a single governmental section and that neither the length nor width of the proposed unit exceeds 5,280 feet. The entire proposed unit lies within the horizontal limits of the Eumont gas pool as defined by the Commission and may reasonably be presumed to be productive of gas.

All of the acreage in the proposed unit is a part of a single basic lease and the working interest and royalty interest are common

Oil Conservation Commission

- 2 -

April 14, 1955

throughout. There are no other wells in this proposed unit to which the acreage could be assigned for gas allocation purposes.

Yours very truly,



ALEX CLARKE, JR.  
Division Engineer

RGH:cp  
Attachments



BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF  
STANOLIND OIL AND GAS COMPANY FOR  
AN ORDER GRANTING APPROVAL OF AN EX-  
CEPTION TO RULE 5(a), OF THE SPECIAL  
RULES AND REGULATIONS FOR THE EUMONT  
GAS POOL, OF ORDER NO. R-685 IN THE  
ESTABLISHMENT OF A NON-STANDARD GAS  
PRORATION UNIT IN THE EUMONT GAS POOL,  
CONSISTENT OF THE N/2 OF SECTION 22,  
TOWNSHIP 20 SOUTH, RANGE 37 EAST, T14N,  
14E, LEA COUNTY, NEW MEXICO, AND TO BE AS-  
SIGNED TO THE C. J. CHARLTON #1 WELL  
NO. 1-X FOR GAS PRORATION PURPOSES.

CASE NO. 177

APPLICATION FOR REHEARING

TO THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO:

NOW COMES, Stanolind Oil and Gas Company and files this its application for Rehearing with the Commission of its Order No. R-685 entered in the above captioned cause in respect of the following stated matters determined by such Order; and would respectfully show the Commission as follows:

1. On the 21st day of September, 1955, the Commission entered its Order No. R-685 in the above captioned case, which Order is dated the 15th day of September, 1955, and this application is made and submitted for filing within twenty days from and after the date said Order was entered in the records of the Commission.
2. Said Order No. R-685 denies the application of Stanolind Oil and Gas Company for an order granting approval to exception of Rule 5(a) of the Special Rules and Regulations of the Eumont Gas Pool.
3. The Commission should have granted the application of Stanolind Oil and Gas Company, from which action denying the requested approval applicant requests a rehearing. The Order is believed to be erroneous in the following respects:
  - (a) Finding of the Commission (6) that all of the acreage contained in the proposed proration unit will not be efficiently drained by wells presently producing in the Eumont Gas Pool is not supported by the evidence.

(b) Finding of the Commission (6) that all of the acreage contained in the proposed proration unit will not be efficiently drained by wells presently producing in the Dumont Gas Pool is contrary to the evidence submitted to the Commission in open hearing.

(c) Finding of the Commission (6) that all of the acreage contained in the proposed proration unit will not be efficiently drained by wells presently producing in the Dumont Gas Pool is contrary to the physical facts as they exist in the Dumont Gas Pool, which facts can be demonstrated by additional testimony before the Commission upon rehearing.

(d) That denial of application of Stanolind Oil and Gas Company for approval of a non-standard gas proration unit consisting of the N/2 of Section 21, Township 20 South, Range 37 East, Dumont Gas Pool, NMPN, Lea County, New Mexico, is discriminatory because of the action of the Commission in granting to Sinclair Oil and Gas Company approval of a non-standard proration unit comprising approximately 320 acres, being the N/2 of Section 21, Township 20 South, Range 37 East, Dumont Gas Pool, NMPN, Lea County, New Mexico; the facts presented in support of Sinclair's application being substantially the same or identical with the facts that exist with reference to the application of Stanolind Oil and Gas Company for approval of a non-standard gas proration unit in the N/2 of Section 21, Township 20 South, Range 37 East, Dumont Gas Pool, NMPN, Lea County, New Mexico; all of which facts can be demonstrated on rehearing and were established at the hearing in connection with Case No. 899.

(e) That the action of the Commission in denying application of Stanolind Oil and Gas Company for a non-standard proration unit, all as aforesaid, although granting application of Sinclair Oil and Gas Company, permitting the establishment of a non-standard gas unit in the N/2 of the same Section, was and is contrary to the

directions to the Commission contained in the Laws of the State of New Mexico, with particular reference to Article (5-2-15(c)), Article (5-2-14(b)) and Article (5-2-13(c)), any or all, New Mexico Statutes 1950 Edition. The facts with reference to failure of the Commission to follow the directions contained in the New Mexico Statutes can be brought before the Commission on rehearing for which this application is made.

(f) That said order is believed to be erroneous because of the physical facts, testimony concerning which was offered at the hearing, and testimony concerning which in greater detail and additional testimony will be offered on rehearing, which will establish that the O. J. Gillully "C" Well No. 6-A, located 390 feet from the North Line and 660 feet from the East line of said Section 21, Township 20 South, Range 37 East, Lea County, New Mexico, will efficiently and economically drain and develop an area of at least 320 acres; that the approval of a non-standard proration unit consisting of the E/2 of said section will prevent the drilling of an unnecessary well in the Mumont Gas Pool; that applicant will suffer economic loss caused by the drilling of such unnecessary well; that correlative rights, including those of royalty owners, will be fully protected and waste prevented if application of Stanolind Oil and Gas Company is approved for said non-standard gas proration unit; that the risk arising from the drilling of an additional well in the E/2 of said section will be greater if application of Stanolind Oil and Gas Company for a non-standard proration unit is not approved; that the quantity of gas that will be recovered by reason of the one well located on said non-standard gas proration unit for which application is made will be the same, or substantially the same, as if two wells were drilled thereon, and that the action of the Commission in approving the non-standard proration unit for which application was made by Sinclair Oil and Gas Company covering the E/2 of said Section 21, while denying the application of Stanolind Oil and Gas Company

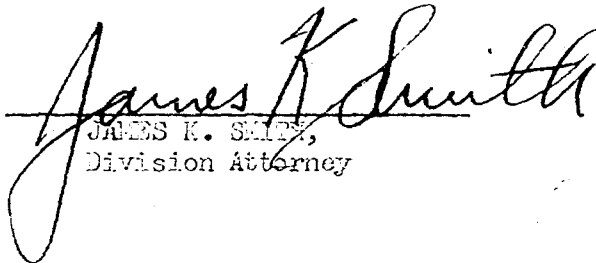
for approval of a similarly sized gas proration unit in the E/2 of said Section, does not adequately protect correlative rights in the Parent Gas Pool because such action will permit drainage between producing tracts in the Parent Gas Pool, which is not equalized by counter-drainage.

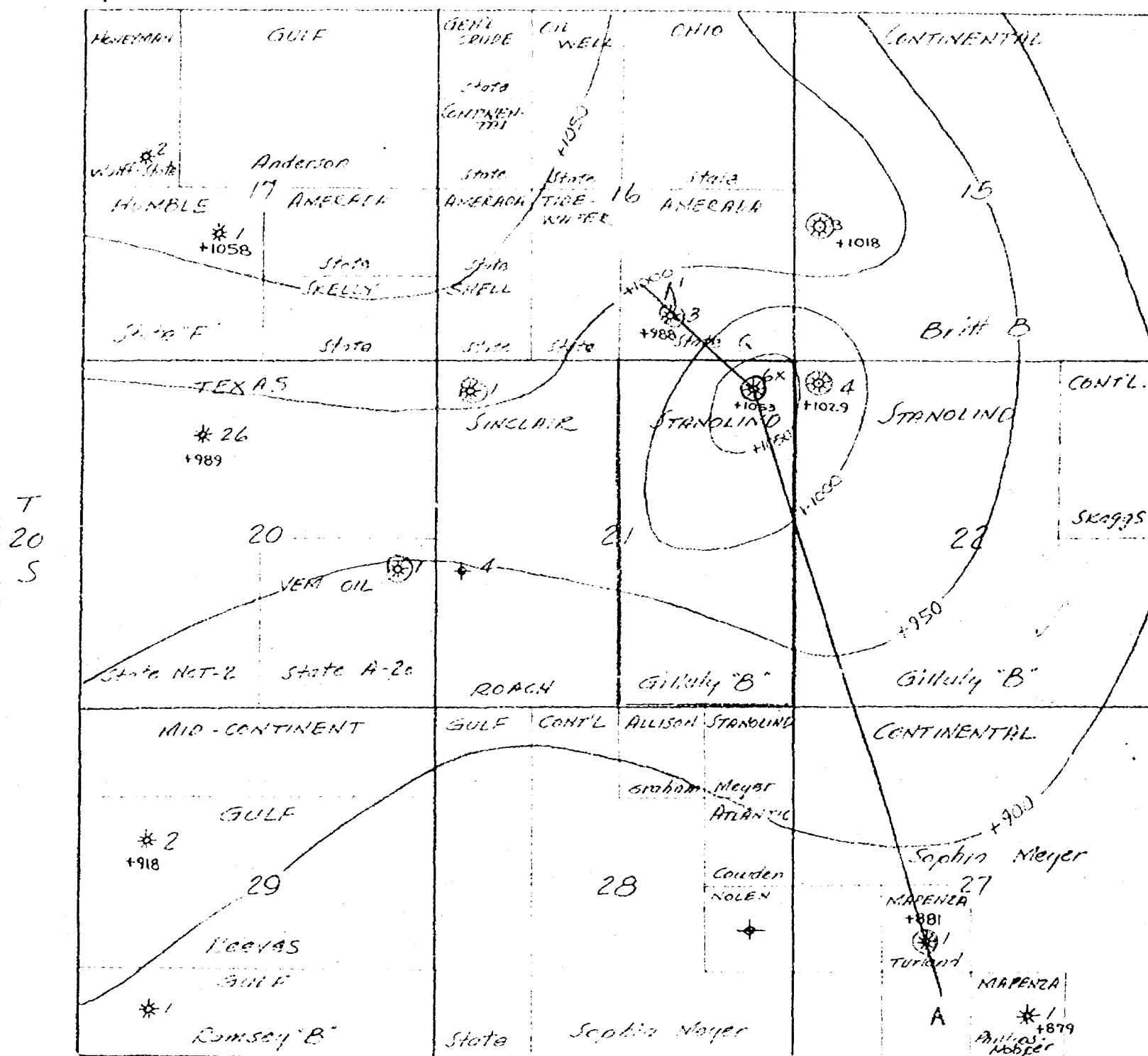
(g) That the findings of the Commission in Order No. R-685 do not support the order that was entered, being inadequate, insufficient, contrary to the requirements of the Statutes of the State of New Mexico, and do not apprise, fairly or otherwise, applicant of the basis or reason for the order that was entered.

WHEREFORE, Stanolind Oil and Gas Company files this its application with the Commission and asks that the Commission grant the rehearing herein requested for the reasons hereinabove stated, that upon rehearing Stanolind Oil and Gas Company may submit additional testimony and evidence respecting each of the matters stated hereinabove, any or all of them, and upon rehearing that the application of Stanolind Oil and Gas Company for a non-standard proration unit comprising the E/2 of Section 21, Township 20 South, Range 37 East, Lea County, New Mexico, be approved. Stanolind Oil and Gas Company prays for such other and further relief as the evidence before the Commission may warrant.

Respectfully submitted,

STANOLIND OIL AND GAS COMPANY

  
JAMES K. SMITH,  
Division Attorney



R-37-E

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

*Standard* EXHIBIT No. *899*

~~ONE~~

*Ex 76. 1*

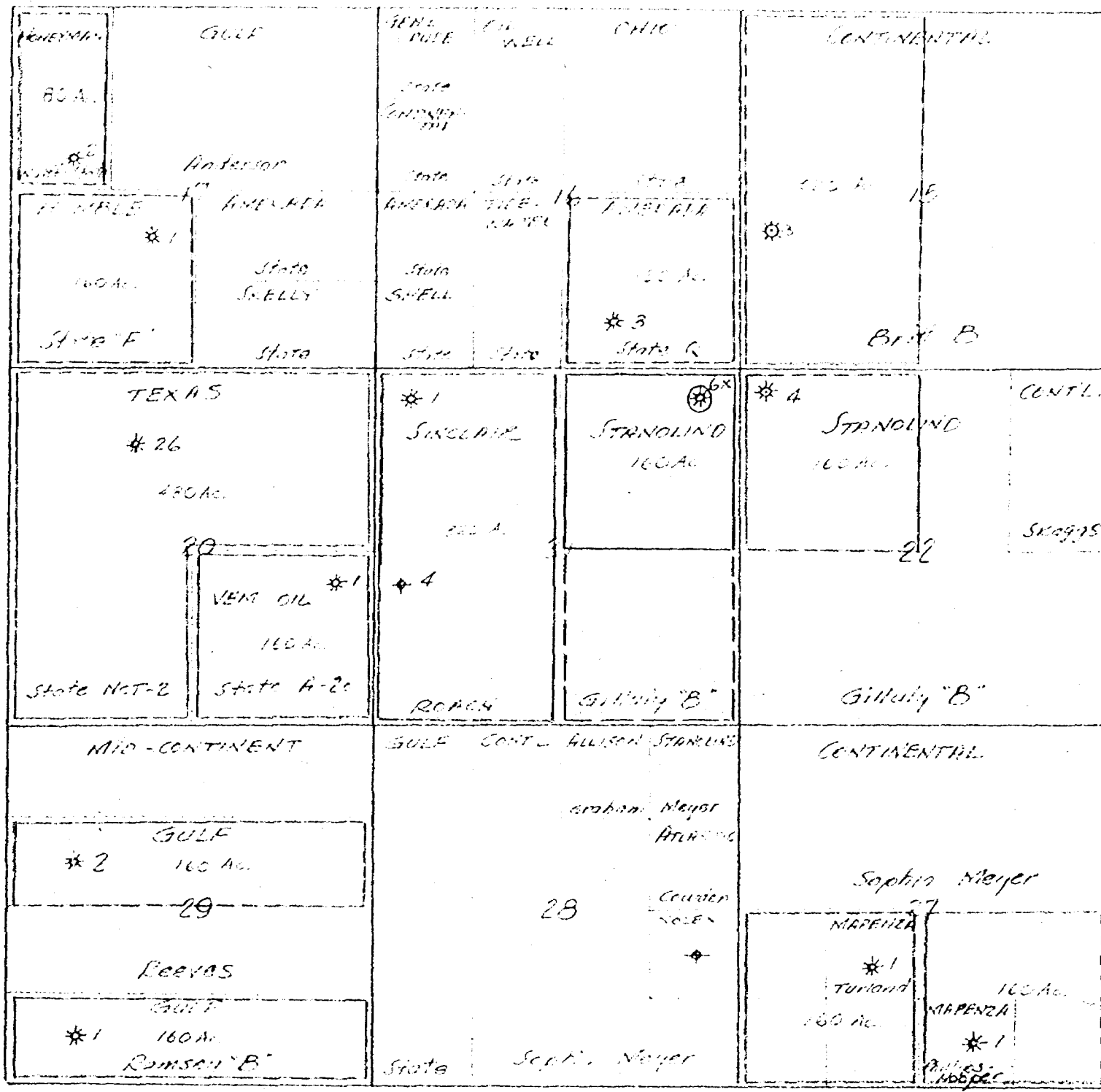
STANOLIND OIL AND GAS COMPANY  
TULSA, OKLA.

PORTION OF  
ELMONT GAS  
POOL

DR.	TR.	CK.	AP.	NO.
264				

SCALE 1" = 2000'      DATE 4-12-55

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20  
S



R-37-E

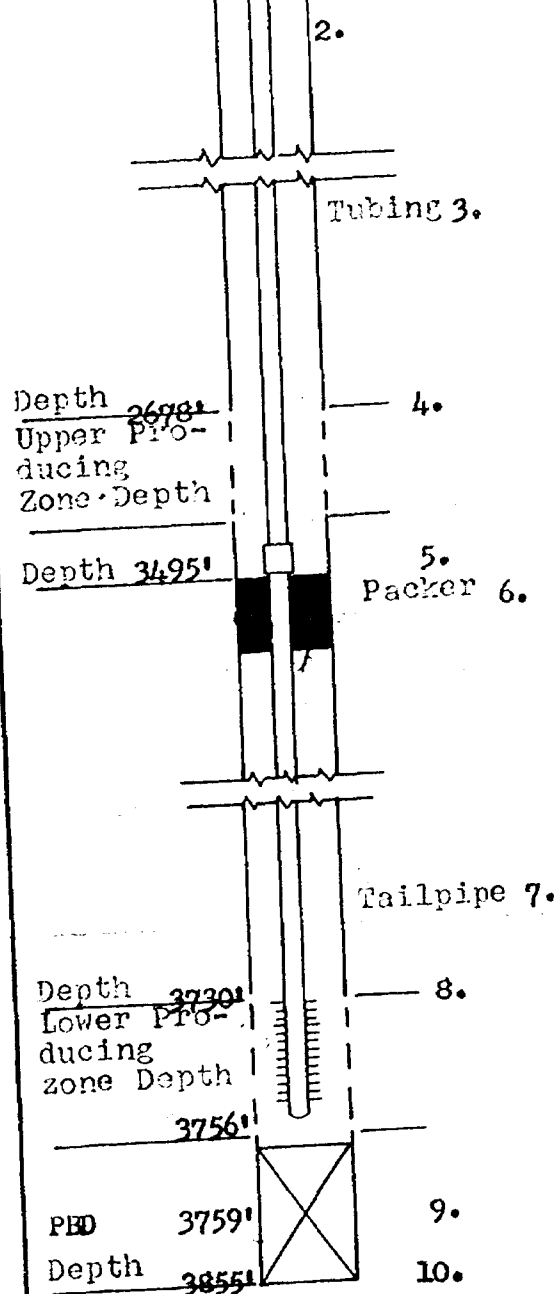
BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
STANOLIND EXHIBIT No. 2  
CASE 899

STANOLIND OIL AND GAS COMPANY TULSA, OKLA.				
PORTION OF EUMONT GAS POOL				
DR. 201	TR.	CK.	AP.	NO.
SCALE 1"=2000' DATE 8-12-55				

Surface

Tubing Head 1.

Lease and Well No. O. J. Gully "B" No. 6X  
 Field Elmont State New Mexico  
 (Grayburg - oil)  
 (Yates, Seven Rivers, Queen - Gas)



### DUAL COMPLETION EQUIPMENT

ITEM	DESCRIPTION, MAKE AND SIZE
1.	Tubing head: 2" x 5-1/2" Type HX-30 BIN
2.	Oil String - 5-1/2" -17# set at 3776'
3.	Tubing: 2"-4.7# set in packer at 3575'.
4.	Upper producing interval: Various intervals from 2678' to 3495' perforated with 2 shots per foot.
5.	Circulating Valve: Garrett Oil Tool Type "B".
6.	Packer: Baker Model "D" production packer set at 3575'.
7.	Tailpipe: 1-1/4" from 3575' to 3736'.
8.	Lower producing interval: Grayburg perforated 3730' to 3756' with 4 shots per foot.
9.	Plugback total depth: 3759'.
10.	Total depth: 3855'.

STANOLIND OIL & GAS COMPANY

DUAL COMPLETION SKETCH

SCALE:

DRG.  
No.

Stanolind Oil & Gas Company  
Fort Worth, Texas

CASE NO: 899

April 14, 1955

File: RGH-4187-986.510.1

Subject: Application for Non-Standard  
Gas Proration Unit Eumont Gas Pool,  
Lea County, New Mexico

New Mexico Oil Conservation Commission (3)  
P. O. Box 871  
Santa Fe, New Mexico

Attention: Mr. W. B. Macey

Gentlemen:

It is requested that a hearing be set on the application of the Stanolind Oil and Gas Company for an exception to Rule 5 (a) of that portion of New Mexico Oil Conservation Commission Order No. R-520, pertaining to the Eumont Gas Pool, Lea County, New Mexico. Exception to this rule will be sought for the purpose of forming a non-standard gas proration unit comprising 320 acres in the E/2 of Section 21, T-20-S, R-37-E, Lea County, New Mexico. This non-standard unit would be assigned for gas allocation purposes to Stanolind's O. J. Gilluly "B" No. 6X located 390 feet from the north line and 660 feet from the east line of Section 21, T-20-S, R-37-E, as shown on the attached plat.

The referenced well was originally completed December 31, 1939, as a Monument Field oil well and was subsequently dually completed in September, 1954, with gas production being obtained from the Eumont Gas Pool. Authority to dually complete this well was granted by Commission Order No. DC-85, dated March 16, 1954. For gas allocation purposes, this well is currently assigned a proration unit comprising the 160 acres in the NE/4 of Section 21, T-20-S, R-37-E.

We should like to point out that the proposed non-standard unit is composed of contiguous quarter quarter sections which lie wholly within a single governmental section and that neither the length nor the width of the proposed unit exceeds 5,280 feet. The entire proposed unit lies within the horizontal limits of the Eumont Gas Pool as defined by the Commission and may reasonably be presumed to be productive of gas.

All of the acreage in the proposed unit is a part of a single basic lease and the working interest and royalty interest are common throughout. There are no other wells in this proposed unit to which the acreage could be assigned for gas allocation purposes.

Yours very truly,  
Alex Clarke, Jr.  
Div. Engr.



SUBJECT: DUAL COMPLETION (GAS-OIL)

MARCH 16, 1954

THE APPLICATION OF STANOLIND OIL AND GAS  
COMPANY FOR PERMISSION TO EFFECT DUAL  
COMPLETION OF ITS O. J. GILLULLY 'B' WELL  
NO. 6-X, NE/4 NE/4 SECTION 21, TOWNSHIP 20  
SOUTH, RANGE 37 EAST, NMPM, LEA COUNTY,  
NEW MEXICO.

ORDER NO. DC-85

ADMINISTRATIVE ORDER  
OF THE OIL CONSERVATION COMMISSION

Under the provisions of Order No. R-316, Rule 112-A, Stanolind Oil and Gas Company made application to the New Mexico Oil Conservation Commission on March 5, 1954, for permission to dually complete its O. J. Gillully 'B' Well No. 6-X, NE/4 NE/4 Section 21, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, and

The Secretary-Director Finds:

- (1) That application has been duly filed under the provisions of Sub-section 'c' of Rule 112-A of the Commission's Rules and Regulations;
- (2) That satisfactory information has been provided that all operators of offset acreage have been duly notified; and
- (3) That no objections have been received within the waiting period as prescribed by said rule.

IT IS THEREFORE ORDERED:

That the applicant herein, Stanolind Oil and Gas Company, be and it hereby is authorized to dually complete its O. J. Gillully 'B' Well No. 6-X, NE/4 NE/4 Section 21, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, in such manner as to permit production of gas from the Yates-Seven Rivers-Queen formation of the Eumont Gas Pool through the casing-tubing annulus, and oil from the Grayburg-San Andres formation of the Eunice-Monument Oil Pool through the tubing, by proper perforations and the installation of a suitable packer;

PROVIDED HOWEVER, That subject well shall be completed and thereafter produced in such a manner that there will be no commingling within the well-bore, either within or outside the casing, of gas, oil and gas, or oil produced from either or both of the separate strata,

PROVIDED HOWEVER, That prior to the actual dual completion the operator shall make pressure tests of the casing to prove that no casing leaks have developed since the well was originally completed. In the event a casing leak is apparent the operator shall take appropriate steps to adequately repair the leak. The results of these tests shall be reported to the Commission on Form C-103.

STANOLIND OIL AND GAS COMPANY  
FORT WORTH, TEXAS

April 14, 1955

File: RGR-4187-986.510.1

Subject: Application for Non-Standard  
Gas Proration Unit  
Eumont Gas Pool  
Lea County, New Mexico

New Mexico Oil Conservation Commission (3)  
P. O. Box 871  
Santa Fe, New Mexico

Attention: Mr. W. B. Macey

Gentlemen:

It is requested that a hearing be set on the application of the Stanolind Oil and Gas Company for an exception to Rule 5(a) of that portion of New Mexico Oil Conservation Commission Order No. R-520, pertaining to the Eumont Gas Pool, Lea County, New Mexico. Exception to this rule will be sought for the purpose of forming a non-standard gas proration unit comprising 320 acres in the E/2 of Section 21, T-20-S, R-37-E, Lea County, New Mexico. This non-standard unit would be assigned for gas allocation purposes to Stanolind's O. J. Gilluly "B" No. 6X, located 390 feet from the north line and 660 feet from the east line of Section 21, T-20-S, R-37-E, as shown on the attached plat.

The referenced well was originally completed December 31, 1939, as a Monument Field oil well and was subsequently dually completed in September, 1954, with gas production being obtained from the Eumont Gas Pool. Authority to dually complete this well was granted by Commission Order No. DC-85, dated March 16, 1954. For gas allocation purposes, this well is currently assigned a proration unit comprising the 160 acres in the NE/4 of Section 21, T-20-S, R-37-E.

We should like to point out that the proposed non-standard unit is composed of contiguous quarter quarter sections which lie wholly within a single governmental section and that neither the length nor width of the proposed unit exceeds 5,280 feet. The entire proposed unit lies within the horizontal limits of the Eumont gas pool as defined by the Commission and may reasonably be presumed to be productive of gas.

All of the acreage in the proposed unit is a part of a single basic lease and the working interest and royalty interest are common

COPY


Oil Conservation Commission

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throughout. There are no other wells in this proposed unit to which the acreage could be assigned for gas allocation purposes.

Yours very truly,



ALEX CLARKE, JR.  
Division Engineer

ROH:cp  
Attachments