

Case No.

911

Application, Transcript,  
Small Exhibits, Etc.

Application of Gulf Oil Corp.  
Standard gas production unit,  
Gas Pool (Orcutt B No. 1)

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

IN THE MATTER OF:

CASE NO. 911

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  
STATE OF NEW MEXICO  
Santa Fe, New Mexico

May 18, 1955

IN THE MATTER OF:

Application of Gulf Oil Corporation for approval  
of a 160-acre non-standard gas proration unit in  
the Eumont Gas Pool, Lea County, New Mexico, to  
consist of Lots 7 and 8 of Section 5 and Lots 4  
and 5 of Section 4, Twp. 21 South, Rge. 36 East,  
and to be dedicated to applicant's H. T. Orcutt  
"B" Well No. 1, located 1980' FNL and 1980' FEL  
of said Section 5.

Case No. 911

Before: Honorable John F. Simms, E. S. (Johnny) Walker, and  
William B. Macey.

TRANSCRIPT OF HEARING

MR. MACEY: The next case is Case 911.

D O N W A L K E R

having previously been sworn, testified as follows:

DIRECT EXAMINATION

By MR. MALONE:

Q You are the same Mr. Don Walker who testified in Case 910?

A Yes.

MR. MALONE: We offer the record in that case as to his ex-  
perience and qualifications.

Q Are you familiar with the application which was filed by  
Gulf Oil Corporation in Case No. 911?

A Yes, sir, this is our application for the approval of 160-  
acre non-standard unit in the Eumont Gas Pool, consisting of Lots  
and 8 in Section 5 and Lots 4 and 5 in Section 4, Twp. 21 S, Rge.  
36 E, to be dedicated to our H. T. Orcutt "B" Well No. 1, located  
1980 feet from the north line and 1980 feet from the east line of

Section 5.

Q Have you caused exhibits to be prepared under your direction, which show the proposed unit, the approved units in the area, and the contouring on top of the Yates of the area?

A Yes, sir.

MR. MALONE: I will ask that they be marked as exhibits.

(Marked Gulf's Exhibits Nos. 1 and 2, for identification.)

Q The proposed unit is east on a somewhat unusual shape, is it not?

A Yes, sir.

Q What is the reason for that?

A Well, the reason for it is that we have acreage surrounding our Orcutt "B" No. 2 as well as acreage across the section line which we desire to have made into units caused by other units which have previously been proved in the area.

Q That is shown on Gulf's Exhibit 2 in its relation to the other approved units in the area, is it not?

A Yes, sir.

Q Which is the well to which the acreage would be attributed?

A Gulf H. T. Orcutt "B" Well No. 1.

Q Where located?

A 1980 from the north line and 1980 from the east line of Section 5, Twp. 21 south, Rge. 36, east.

Q The exhibit shows some oil wells included within the exterior boundaries of this unit. From what pools are they producing?

A Those wells are producing from the Eunice Oil Pool, which is Graburg or San Andres formation.

Q Can you give us a brief history of the Orcutt "B" State No.

1?

A This well was plugged back and recompleted on September 18, 1954 at a plugback depth of 3583 feet, as a gas well in the Eumont Pool. It is now producing from the vertical limits of said pool from casing perforations 3335 to 3550, on the electric log or radioactivity log, we show the top of the Queen formation at 3355. It is the top of our perforated interval.

Q Is Gulf the owner of the operating rights and all acreage included in the unit?

A Yes, sir.

Q Who is the owner of the royalty?

A State of New Mexico.

Q What information do you have as to the ability of the well to produce in the event the increased allowable is assigned?

A This well which is presently 385 M.C.F. per day on the basis of 160 acre allowable, this would be approximately 770 M.C.F. per day. The well has a deliverability of 3,982 M.C.F. at 771 P.S.I.A. This test conducted in June of 1954.

Q Do you have a radioactivity log of the well?

A Yes, sir.

MR. MALONE: We ask it be marked.

(Marked Gulf's Exhibit No. 3  
for identification.)

Q In your opinion, can all acreage included in the proposed unit be, reasonably be presumed to be productive of gas?

A Yes, sir.

Q do you base that conclusion?

A that on the fact that the well is completely surrounded by other gas wells producing from the Eumont Gas Pool, and is located very close to the top of the structure, and the contours shown on our Exhibit 3 indicate that it certainly should all be

productive of gas.

Q Do the units heretofore approved immediately adjacent to this proposed unit make it impractical to pool this acreage with other acreage?

A Yes, sir.

Q In your opinion, is the approval of this unit required to permit Gulf to produce its just and equitable share of the gas in the pool?

A Yes, sir.

Q In the event that additional wells would be required for that purpose, in your opinion are those wells necessary or unnecessary to that end?

A The requirement that additional wells be drilled would be an unnecessary expense in my opinion.

MR. MALONE: We offer in evidence Gulf's Exhibits 1, 2, 3 and 4.

MR. MACEY: Without objections they will be received.

MR. MALONE: That is all.

MR. MACEY: Any questions of the witness? If no questions of the witness, 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. 911 was taken by me on May 18, 1955, that the same is a true and correct record to the best of my knowledge, skill and ability.

  
Reporter



PETROLEUM AND ITS PRODUCTS

## GULF OIL CORPORATION

P. O. DRAWER 1290 FORT WORTH 1, TEXAS

B. E. THOMPSON  
DIVISION PRODUCTION MANAGER

April 29, 1955

FORT WORTH  
PRODUCTION DIVISION

Re: Application for 160-acre Non-Standard  
Gas Proration Unit, Eumont Gas Pool,  
Comprising Lots 7 and 8 of Section 5  
and Lots 4 and 5 of Section 4, T-21-S,  
R-36-E, Lea County, New Mexico

Oil Conservation Commission  
State of New Mexico  
Santa Fe, New Mexico

Gentlemen:

Gulf Oil Corporation respectfully submits application for a 160-acre non-standard gas proration unit, comprising Lots 7 and 8 of Section 5 and Lots 4 and 5 of Section 4, T-21-S, R-36-E, Lea County, New Mexico, to be assigned to its H. T. Orcutt "B" Well No. 1 in the Eumont Gas Pool. It is respectfully requested that the Commission place this matter on its Docket for the next regular Statewide Hearing on May 18, 1955.

The following facts are offered in support of this application:

- (1) The above-described 160 acres comprise the H. T. Orcutt "B" State Lease covering Lots 7 and 8 of Section 5, T-21-S, R-36-E and that portion of the Bell-Ramsay State Lease covering the Lots 4 and 5 of Section 4, T-21-S, R-36-E, Lea County, New Mexico, as shown on attached plat. Gulf Oil Corporation is the owner and operator of these two oil and gas leases.
- (2) Gulf Oil Corporation proposes that the above-described acreage be established as a non-standard 160-acre gas proration unit in exception to Rule 5(a) of Order No. R-520.
- (3) The H. T. Orcutt "B" Well No. 1, located 1980 feet from the north and east lines, Section 5, T-21-S, R-36-E, Lea County,



April 29, 1955


New Mexico, was plugged back and recompleted on September 18, 1951, at a depth of 3853 feet as a gas well in the Eumont Gas Pool, and is producing from within the vertical limit of said gas pool as defined in New Mexico Oil Conservation Commission's Order No. R-520. The applicant proposes to use this well as the unit well.

- (4) No other Eumont Gas well is completed on the 160-acre proration unit proposed under this application.

Respectfully submitted,

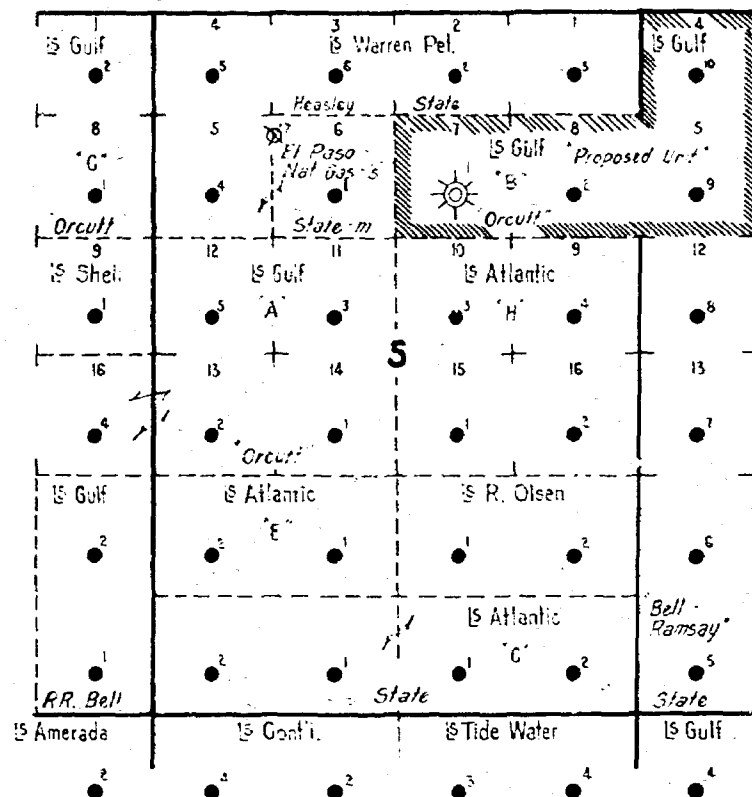
GULF OIL CORPORATION

By:

  
Division Production Manager

cc: New Mexico Oil Conservation Commission  
P. O. Box 2045  
Hobbs, New Mexico  
Att'n: Mr. A. L. Porter, Jr.

T  
21  
S



Gulf - Orcutt "B" Lease  
Bell-Ramsay State Lease

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

June 22, 1955

Gulf Oil Corporation  
P.O. Drawer 1290  
Fort Worth 1, Texas

Gentlemen:

We enclose a copy of Order R-652 issued on June 20, 1955, by the Oil Conservation Commission in Case 911, which was heard at the May 18th hearing upon your company's application.

Very truly yours,

W. B. Macey  
Secretary - Director

WBM:brp  
Enclosure

C  
O  
P  
Y

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. 911  
Order No. R-652

THE APPLICATION OF GULF OIL  
CORPORATION FOR APPROVAL OF  
A 160-ACRE NON-STANDARD GAS  
PRORATION UNIT IN THE FUMONT  
GAS POOL TO CONSIST OF LOTS 4  
AND 5 OF SECTION 4 AND LOTS 7  
AND 8 OF SECTION 5, TOWNSHIP 21  
SOUTH, RANGE 36 EAST, NMPM, LEA  
COUNTY, NEW MEXICO, TO BE  
DEDICATED TO APPLICANT'S H. T.  
ORCUTT "B" WELL NO. 1, LOCATED  
1980 FEET FNL AND 1980 FEET FEL  
OF SAID SECTION 5.

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, herein-  
after referred to as the "Commission".

NOW, on this 20<sup>th</sup> day of June, 1955, the Commission, a quorum  
being present, having considered the record and the 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 the Commission has the 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, Gulf Oil Corporation, is the owner of oil and  
gas leases in Lea County, New Mexico, covering lands other than a legal  
section and described as follows:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM  
Section 4:    Lots 4 and 5  
Section 5:    Lots 7 and 8

containing 160 acres, more or less.

(4) That applicant, Gulf Oil Corporation, has a producing well on the aforesaid lands known as the H. T. Orcutt "B" Well No. 1, located 1980 feet from the North and East lines of Section 5, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico.

(5) That approval of the above-described 160-acre non-standard gas proration unit will enable applicant to recover its just and equitable share of the natural gas in the Fument Gas Pool.

(6) That it is impractical to pool applicant's said acreage with adjoining acreage in the Fument Gas Pool, and that the owners of adjoining acreage have not objected to the formation of the proposed proration unit.

(7) That the creation of a non-standard gas proration unit consisting of the aforesaid acreage will prevent waste and will protect correlative rights.

**IT IS THEREFORE ORDERED:**

(1) That the application of Gulf Oil Corporation for approval of a non-standard gas proration unit in the Fument Gas Pool to consist of the following described acreage:

**TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM**

Section 4: Lots 4 and 5

Section 5: Lots 7 and 8

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

(2) That applicant's well, H. T. Orcutt "B" Well No. 1, located 1980 feet from the North and East lines of Section 5, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, shall be granted an allowable in the proportion that the above described 160-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 hereinafter above designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*John F. Simms*

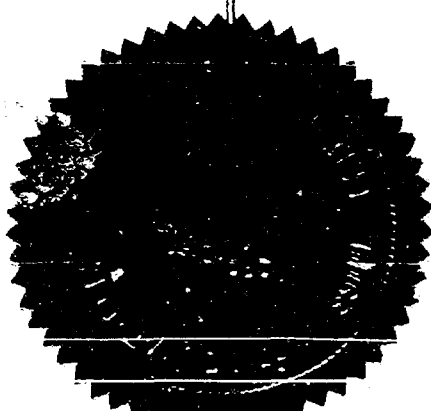
JOHN F. SIMMS, Chairman

*E. S. Walker*

E. S. WALKER, Member

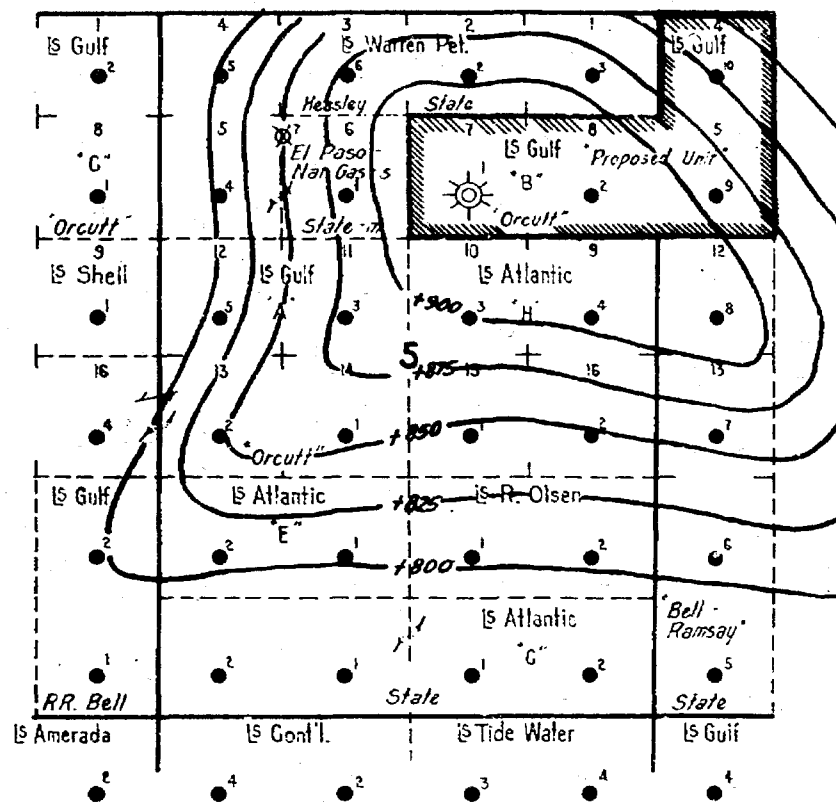
*W. B. Macey*

W. B. MACEY, Member and Secretary



R-36-E

T  
21  
S



GULF OIL CORPORATION  
FORT WORTH PRODUCTION DIVISION  
Scale 1" = 2,000'

Plat Accompanying Application for  
160-Acre Non-Standard Gas Unit

Gulf - Orcutt "B" Lease  
Bell-Ramsay State Lease

Structure Map Contoured on Top  
of Yates Horizon

Contour Interval - 25'

OCC

Case # 911

October 19, 1955

Campbell & Russell  
J. P. White Building  
Roswell, New Mexico

Attention: Mr. John F. Russell

Re: Gulf State Orcutt  
"B" No. 1  
Sec. 4-21S-36E  
Lots 4 & 5  
Sec. 5-21S-36E  
Lots 7 & 8

Gentlemen:

We are enclosing two copies of application for Communitization and two copies of Order of Approval or Communitization Agreement of the above designated description, which was approved by the Commissioner of Public Lands October 19, 1955.

Please transmit to us a five dollar filing fee (\$5.00) at your earliest convenience.

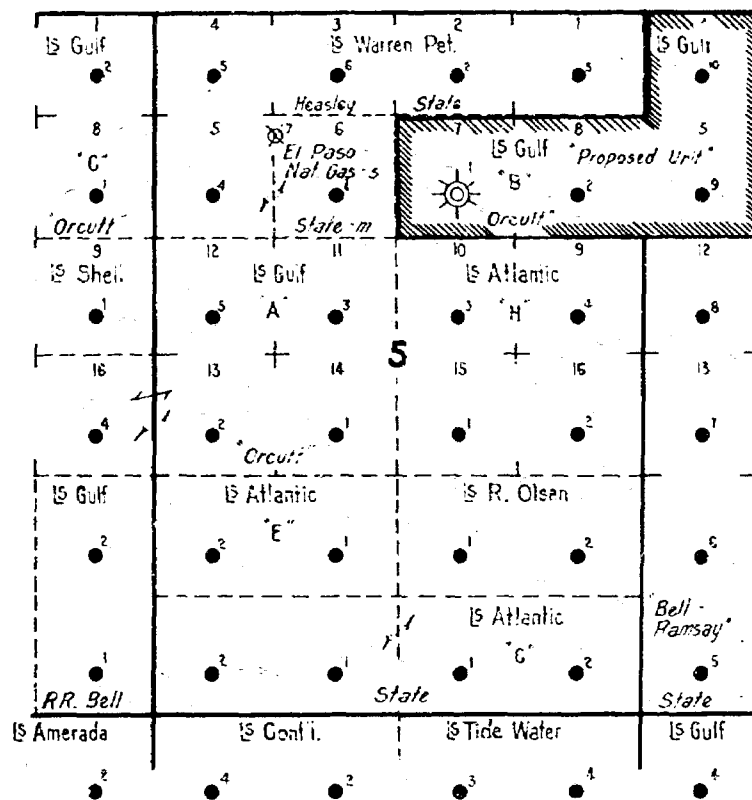
Very truly yours,

E. S. WALKER  
Commissioner of Public Lands

Encl.  
cc: OCC-Santa Fe  
RFR/m

R-36-E

T  
21  
S



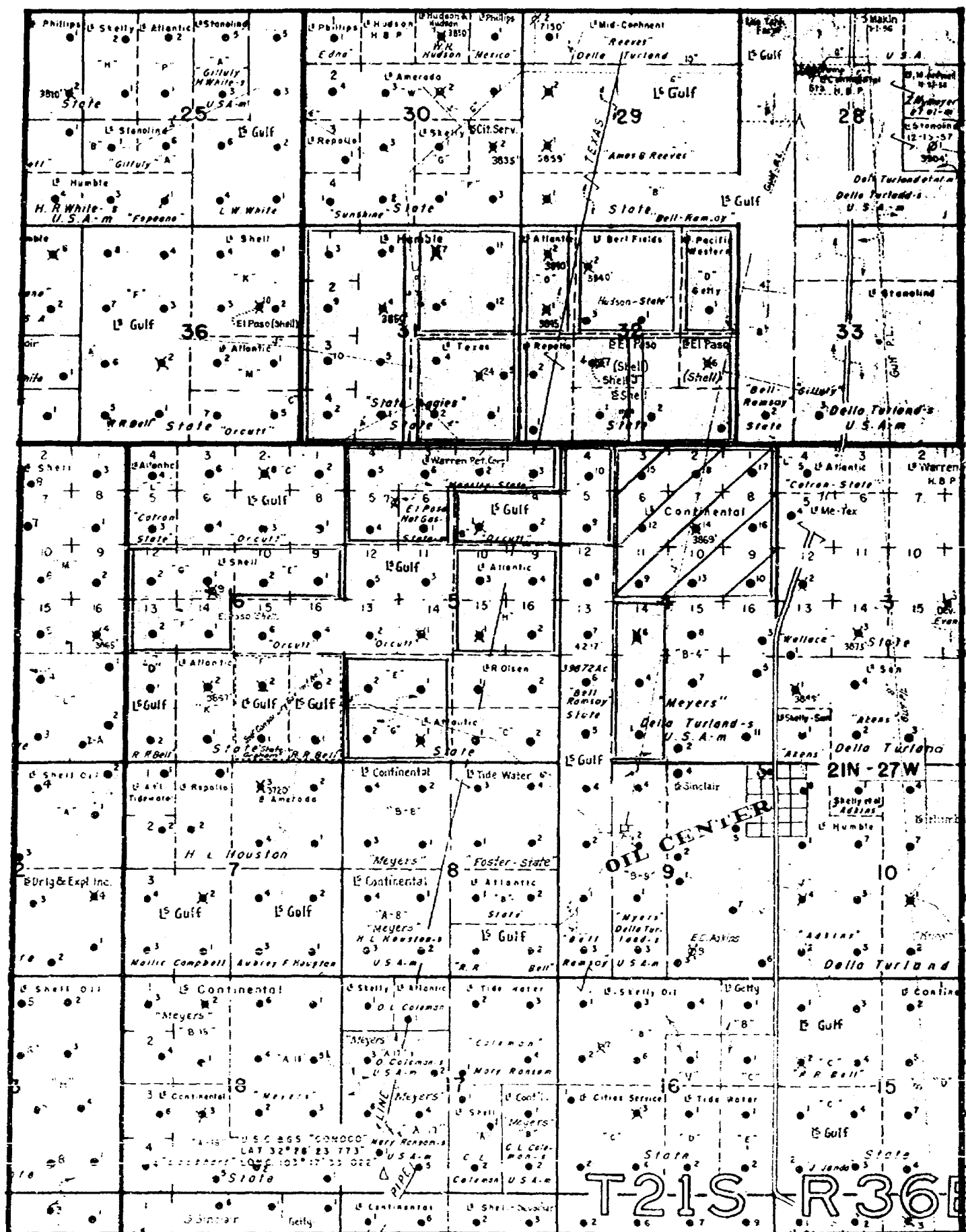
GULF OIL CORPORATION  
FORT WORTH PRODUCTION DIVISION  
Scale 1" = 2,000'

Plat Accompanying Application for  
160-Acre Non-Standard Gas Unit

Gulf - Orcutt "B" Lease  
Bell-Ramsay State Lease

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
*Gulf*  
EXHIBIT No. 1  
CASE 944

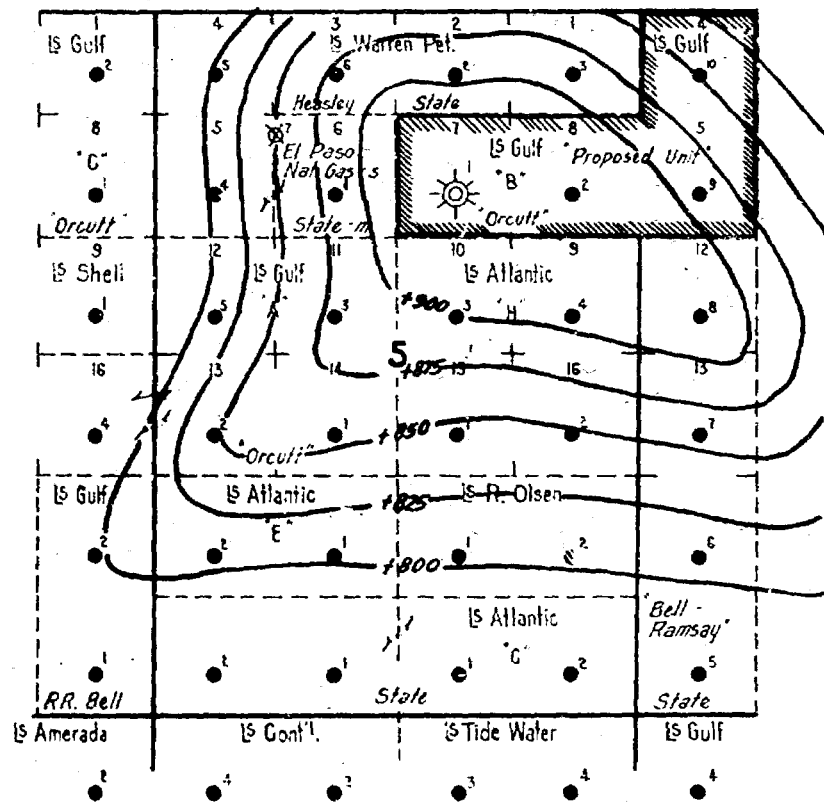




BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
*Quay* EXHIBIT No. 2  
CASE 1911

R-36-E

T  
21  
S



BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
*Handwritten signature* EXHIBIT No. 3  
CASE 6911

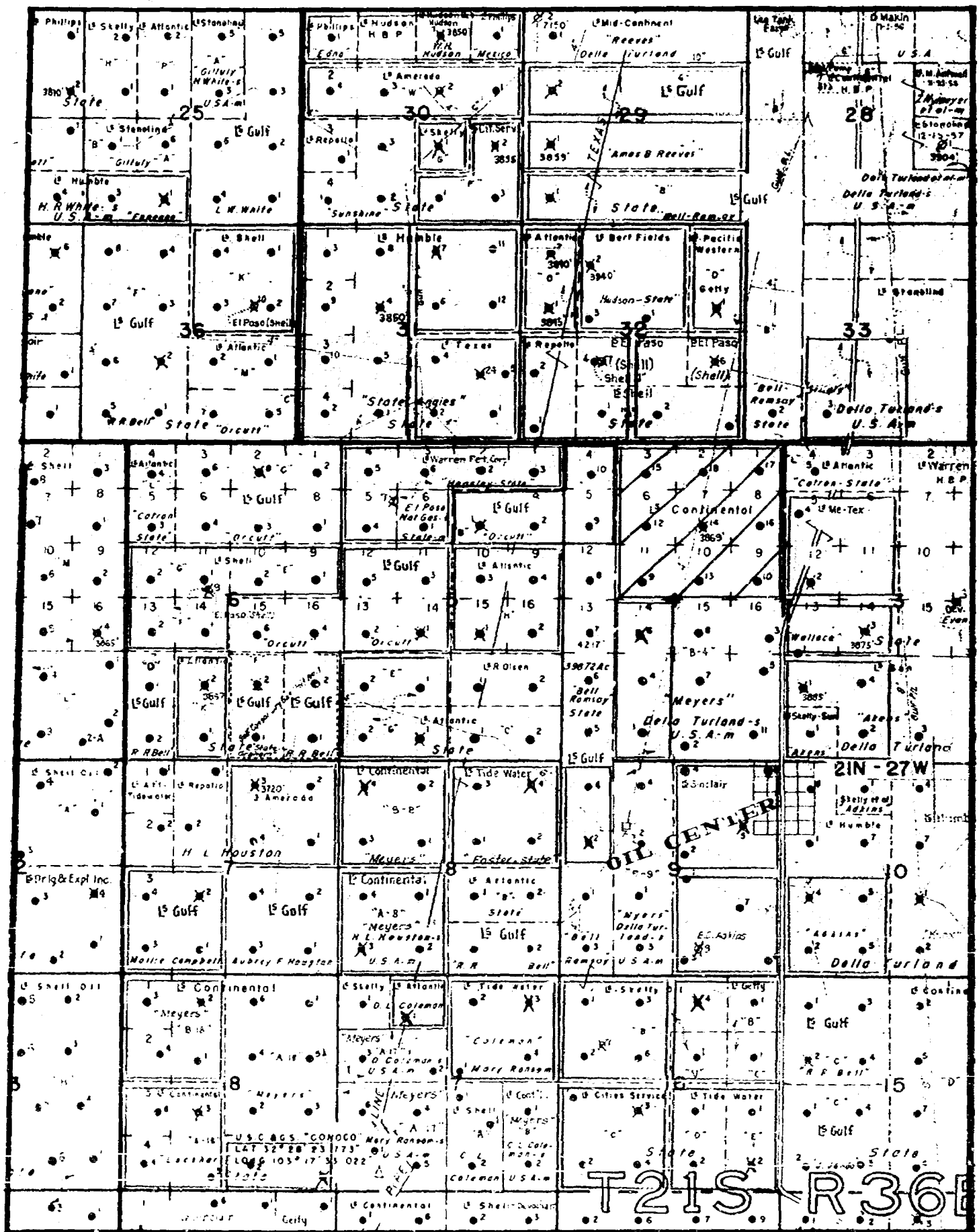
GULF OIL CORPORATION  
FORT WORTH PRODUCTION DIVISION  
Scale 1" = 2,000'

Plat Accompanying Application for  
160-Acre Non-Standard Gas Unit.

Gulf - Orcutt "B" Lease  
Bell-Ramsay State Lease

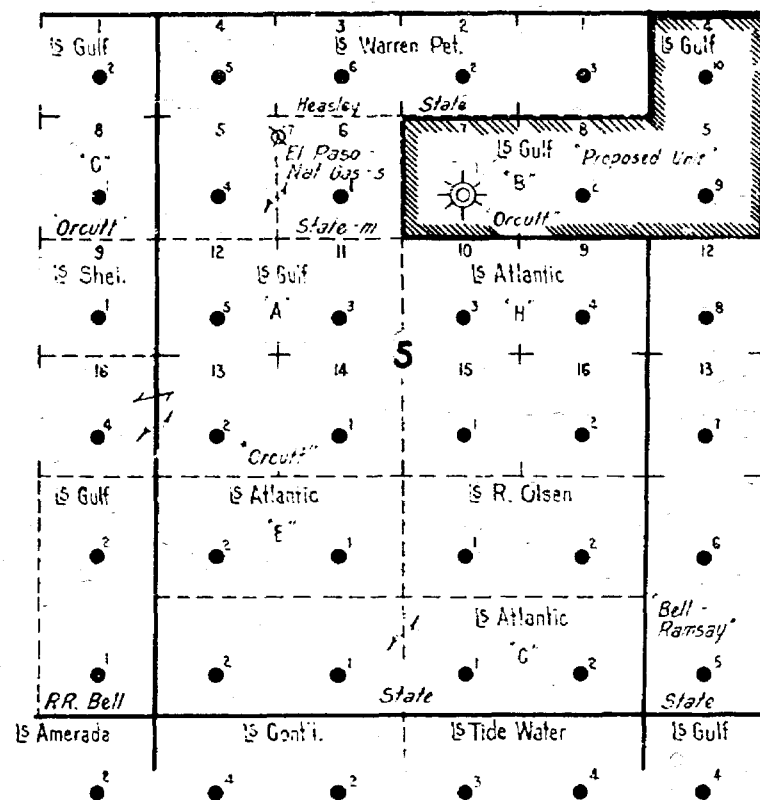
Structure Map Contoured on Top  
of Yates Horizon

Contour Interval - 25'



R-36-E

T  
21  
S



GULF OIL CORPORATION  
FORT WORTH PRODUCTION DIVISION  
Scale 1" = 2,000'

Plat Accompanying Application for  
160-Acre Non-Standard Gas Unit

Gulf - Orcutt "B" Lease  
Bell-Ramsay State Lease