

Case No.

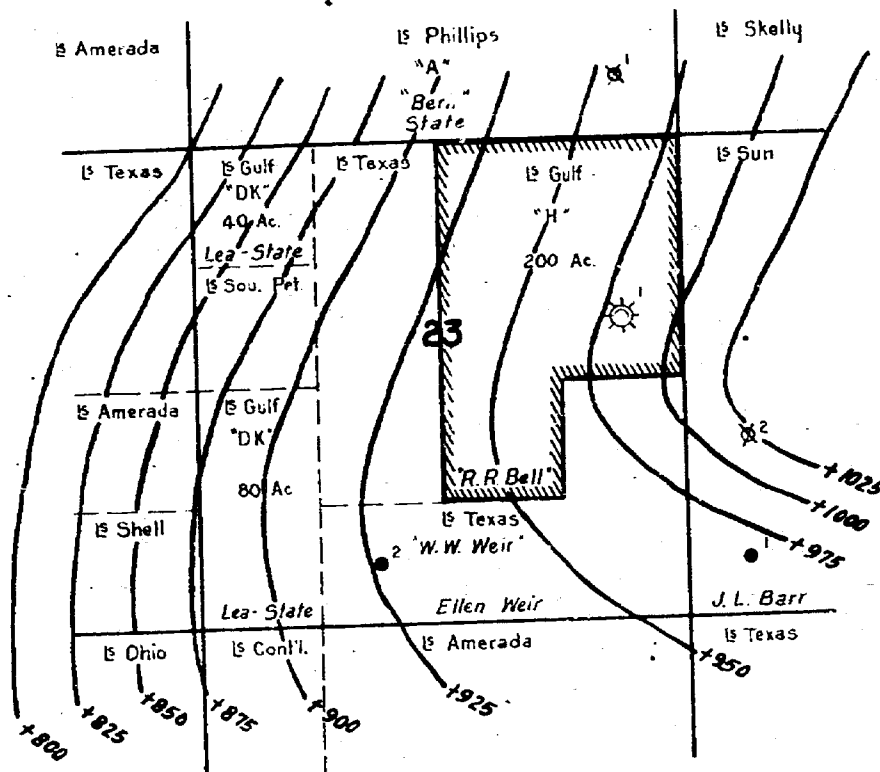
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Application, Transcript,
Small Exhibits, Etc.

Application of Gulf Oil Corp.
Standard gas proportion unit,
R.R. Bell 'H' Well No. 1)

R-36-E

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

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

Gulf - R. R. Bell "H" Lease

Structure Map Contoured on Top
of Yates Horizon
Contour Interval - 25'



PETROLEUM AND ITS PRODUCTS

GULF OIL CORPORATION

P. O. DRAWER 1290 · FORT WORTH 1, TEXAS

B. E. THOMPSON
DIVISION PRODUCTION MANAGER

FORT WORTH
PRODUCTION DIVISION

April 29, 1955

Re: Application for 200-acre Non-Standard Gas
Proration Unit, Eumont Gas Pool, Comprising
NE/4 and NW/4 of the SE/4 of Section 23,
T-19-S, R-36-E, Lea County, New Mexico

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

Gentlemen:

On December 6, 1954, Gulf Oil Corporation made written application for an exception to the New Mexico Oil Conservation Commission's Order No. R-520 in regard to the creation of a 200-acre non-standard gas proration unit in the Eumont Gas Pool to be located in Section 23, T-19-S, R-36-E, Lea County, New Mexico. By your letter of January 10, 1955, we were advised that according to Rule 5(a), Paragraph 3, of Order No. R-520, 160 acres is the maximum acreage that could be assigned administratively to our R. R. Bell "H" Well No. 1 because of the well's location in respect to the south and east boundaries.

Therefore, Gulf Oil Corporation hereby resubmits the application for a 200-acre non-standard gas proration unit, comprising the NE/4 and the NW/4 of the SE/4, Section 23, T-19-S, R-36-E, Lea County, New Mexico, to be assigned to its R. R. Bell "H" 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) Gulf Oil Corporation is the owner and operator of the 200-acre oil and gas lease known as the R. R. Bell "H" Lease, Lea County, New Mexico, as shown on the attached plat.
- (2) Gulf Oil Corporation proposes that the above-described acreage be established as a non-standard 200-acre gas proration unit in exception to Rule 5(a) of Order No. R-520.
- (3) The R. R. Bell "H" Well No. 1, located 1980 feet from the north line and 660 feet from the east

April 29, 1955

line, Section 23, T-19-S, R-36-E, Lea County, New Mexico, was completed on June 6, 1954, at a depth of 3915 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 200-acre proration unit proposed under this application.

Respectfully submitted,

GULF OIL CORPORATION

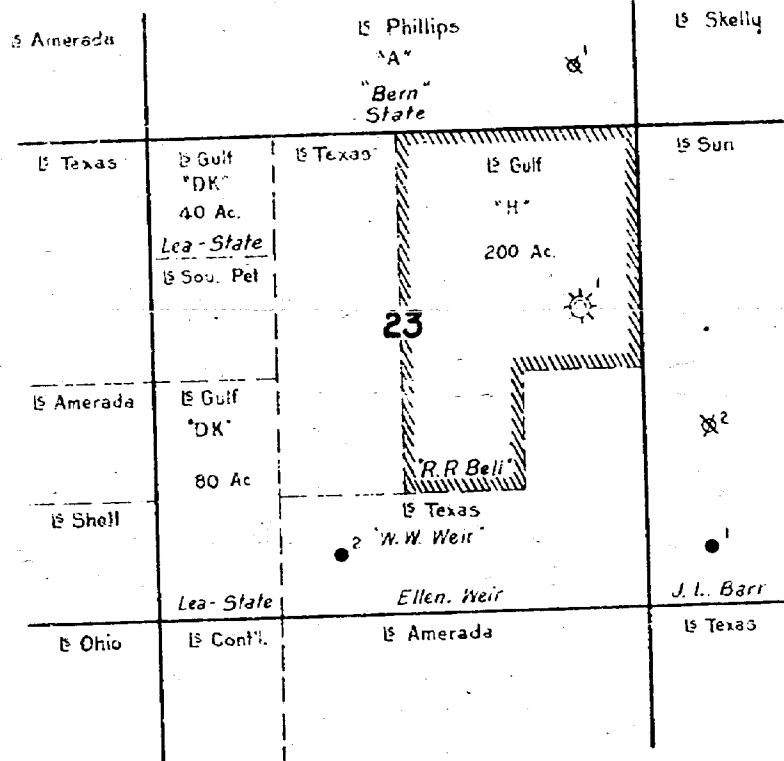
By:


Division Production Manager

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

R-36-E

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

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

Gulf - R. R. Bell "H" Lease

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. 912
Order No. R-655

THE APPLICATION OF GULF OIL
CORPORATION FOR APPROVAL OF
A 200 ACRE NON-STANDARD GAS
PRORATION UNIT IN THE EUMONT GAS
POOL, LEA COUNTY, NEW MEXICO, TO
CONSIST OF THE NE/4 AND THE NW/4 SE/4
OF SECTION 23, TOWNSHIP 19 SOUTH, RANGE
36 EAST, NMPM, SAID UNORTHODOX OR NON-
STANDARD UNIT TO BE DEDICATED TO APPLICANT'S
R. R. BELL "H" WELL NO. 1 LOCATED 1980 FEET
FROM THE NORTH LINE AND 660 FEET FROM THE
EAST LINE OF SAID SECTION 23.

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 Commissioner, hereinafter referred to as the "Commission".

NOW, on this 28th day of June, 1955, the Commission, a quorum being present, having considered the record and the testimony adduced 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 Commission has the 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, Gulf Oil Corporation, is the owner of oil and gas leases in Lea County, New Mexico, which leases cover lands comprising other than a legal section and described as follows:

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM
Section 23: NE/4, NW/4 SE/4

containing 200 acres more or less.

Order No. R-655

(4) That applicant, Gulf Oil Corporation, has a producing gas well on the aforesaid leases which well is known as applicant's R. R. Bell "H" Well No. 1, located 1980 feet FNL and 660 feet FEL of Section 23, Township 19 South, Range 36 East, NMPM, Lea County, New Mexico.

(5) That the aforesaid well was completed as a gas well in the Eumont Gas Pool on June 6, 1954, and is producing from within the horizontal and vertical limits of said gas pool as such limits are defined by Commission Order R-520 and subsequent pertinent orders.

(6) That it is impractical to pool applicant's aforesaid leases with adjoining acreage and that the owners of adjoining acreage have not objected to the formation of the proposed proration unit.

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

(8) That the creation of a 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 an unorthodox gas proration unit consisting of the following described acreage be, and the same is hereby approved, and a proration unit consisting of the following described acreage is hereby created:

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM
Section 23: NE/4, NW/4 SE/4

containing 200 acres more or less.

(2) That applicant's well, R. R. BELL "H" Well No. 1, located 1980 feet FNL and 660 feet FEL of Section 23, Township 19 South, Range 36 East, NMPM, Lea County, New Mexico, in the Eumont Gas Pool, shall be granted an allowable which allowable shall be in the proportion that the above described 200 acre non-standard or unorthodox gas proration unit bears to the standard or orthodox proration unit for the Eumont Gas Pool, all until further order of the Commission.

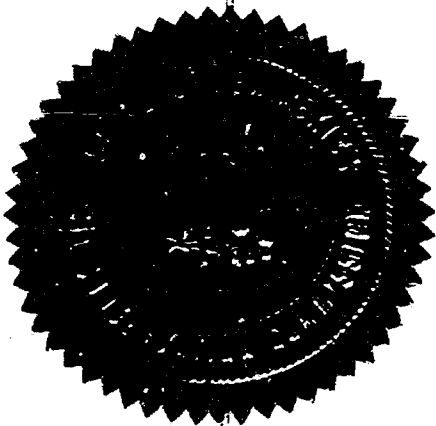
DONE at Santa Fe, New Mexico on the day and year hereinabove designated.

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



OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

July 1, 1955

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

Gentlemen:

We enclose a copy of Order R-655 issued on June 28, 1955, by the Oil Conservation Commission in Case 912, which was heard at the May 18th hearing upon your company's application.

Very truly yours,

W. B. Macey
Secretary - Director

WMH:brp
Enclosure

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BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE NO. 912

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 200-acre non-standard gas proration unit in
the Eumont Gas Pool, Lea County, New Mexico, to
consist of NE/4 and NW/4 SE/4 of Section 23,
Township 19 South, Range 36 East, and to be dedi-
cated to applicant's R. R. Bell "H" Well No. 1,
located 1980' FNL and 660' FEL of said Section 23.)

Case No. 912

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

TRANSCRIPT OF HEARING

MR. MACEY: We will proceed to Case 912.

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 Don Walker who testified in the two pre-
ceeding cases on behalf of Gulf? A Yes, sir.

MR. MALONE: We adopt the testimony in the other records as
to his qualification and experience and the Commission ruling
thereon.

Q Are you familiar with the application filed by Gulf Oil
Corporation in Case 912? A I am.

Q What is the purpose of that application?

A Purpose of the application was to obtain approval of a 200-acre
non-standard gas proration unit in the Eumont gas pool to consist
of the northeast quarter and the northwest quarter of the south-
east quarter of Section 23, township 19, Range 36 east.

Q Have you caused plats to be prepared showing the proposed unit, its relation to other approved units in the area, and a contouring of the top of the Yates? A Yes, sir.

MR. MALONE: We ask that the exhibits be marked 1, 2, 3 and 4.

(Marked Gulf's Exhibits Nos. 1, 2, 3, and 4, for identification.)

Q What is the well to which the acreage will be attributed in the event of the approval of application?

A This is Gulf's R. R. Bell "H" No. 1 located 1980 feet from the north line and 660 feet from the east line of Section 23, Township 19 south, Range 36 east.

Q How much acreage is now attributed to that well?

A 160.

Q The application merely seeks to add an additional 40 acres?

A That is right.

Q The 40 acres is described as what?

A The northwest quarter of the northwest quarter of the southeast quarter of Section 23, Township 19 south, Range 36 east.

Q Who is the owner of the leasehold estate in all of the acreage included in the unit? A Gulf Oil Corporation.

Q Who is the owners of the royalty interest?

A State of New Mexico.

Q Have you testified as to the location of this well with reference to the boundaries of the proposed unit?

A I believe I have, yes, sir.

Q Will you give us a brief history of the well?

A This well was completed on June 6, 1954 at a depth of 3915 feet as a gas well in the Eumont Gas Pool. It is producing

from the vertical limits of this pool as we show on the attached, I mean on the log which we marked Exhibit 4.

Q You have a radioactivity log of the well?

A Yes.

MR. MALONE: We ask that the log be marked Exhibit 4.

(Marked Gulf's Exhibit No. 4,
for identification.)

Q What information do you have as to ability of the well to produce the additional allowable if this application is approved?

A The present is, approximate flow, 770 M.C.F. per day with the addition of 40 acre allowable assigned, it would make it about 970 M.C.F. per day, and a test September 10, 1954, the well produced 1,536 M.C.F. at 733 P.S.I.A, atmospheric wellhead pressure.

Q In your opinion is all of the acreage included in the proposed unit reasonably to be assumed to be productive of gas?

A Yes, sir.

Q On what do you base that conclusion?

A We base that conclusion on the fact that the well is productive of gas. It has a north offset productive and one on the east productive of gas. The contours indicate that the area to the west should be productive of gas.

Q Did you give notice to adjoining operators at the time that application was made for administrative approval of this unit?

A We did.

Q Any protests received? A None.

Q In your opinion is the approval of the unit necessary to permit Gulf to recover its equitable and just share of the gas in the pool?

A Yes, sir.

Q If the unit is not approved, would it require the drilling of an additional well to accomplish that?

A It would.

Q In your opinion would the approval of the application prevent waste and protect correlative rights?

A Yes, sir.

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

MR. MACEY: Without objection they will be received.

A This well is tied into the Permian Pipeline Company, seven inch casing set at 3680, total depth 3915, and is producing from the open hole.

MR. MACEY: Any questions of the witness.

By MR. REIDER: CROSS EXAMINATION

Q Is that well completed to the Queen?

A Yes, sir.

Q It is producing some fluid right now?

A Yes, sir.

Q What is the approximate volume of the fluid?

A I believe in February measured 59 barrels for the month, which would give a ratio of around 380,000 as a rough calculation.

Q Do you have any figures since February?

A No, sir, I do not.

Q You wouldn't be aware whether it was increasing or not?

A Apparently not. During the six or seven months that it produced last year, I believe the figure was around five or six hundred barrels total, which was approximately the same as the monthly figure I just gave. 641 barrels since June of '54. I assume that

is through February, this doesn't say.

Q There is a separator on the lease? Or is it producing directly into the line?

A That I don't know.

MR. MACEY: If you are measuring the crude, you must have some kind of separation?

A Must have.

MR. MACEY: Anyone else have a question? Anything further?

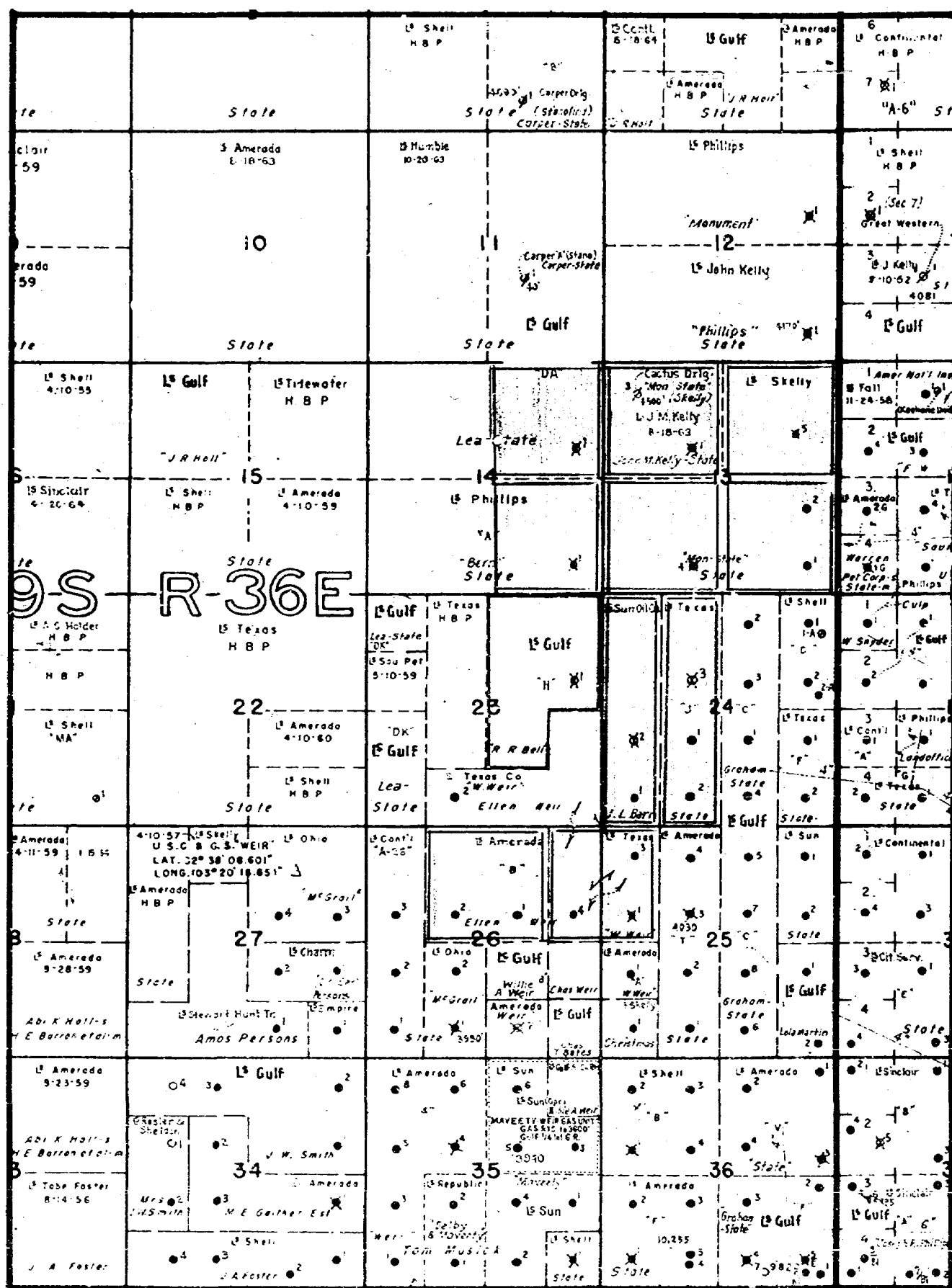
MR. MALONE: Nothing further.

MR. MACEY: If no further questions, the witness may be excused. We will take the case under advisement.

C E R T I F I C A T E

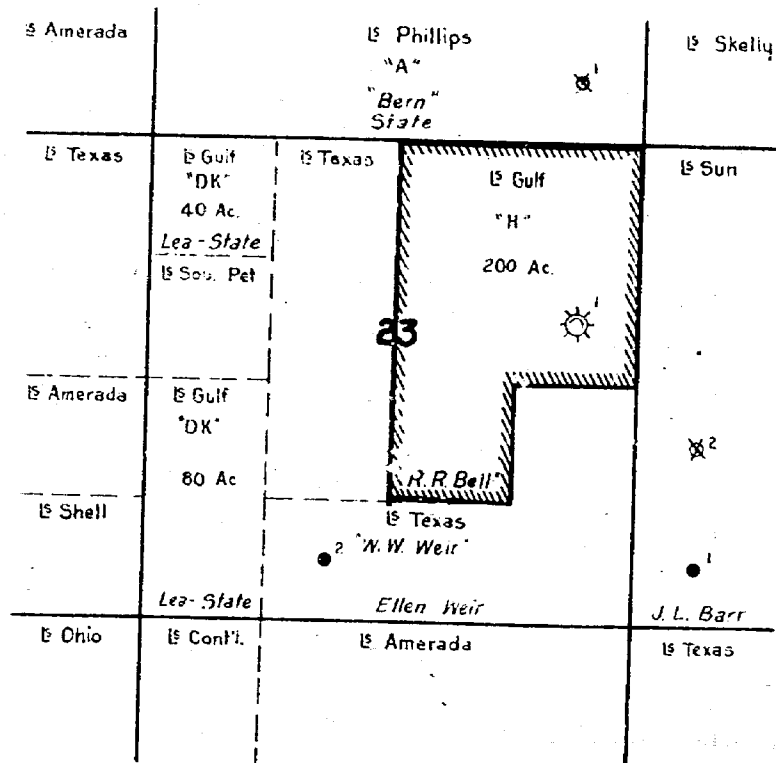
I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings in the matter of Case No. 912, was taken by me on May 18, 1955, that the same is a true and correct record to the best of my knowledge, skill and ability.

Ada Dearnley
Reporter



R-36-E

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

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200-Acre Non-Standard Gas Unit

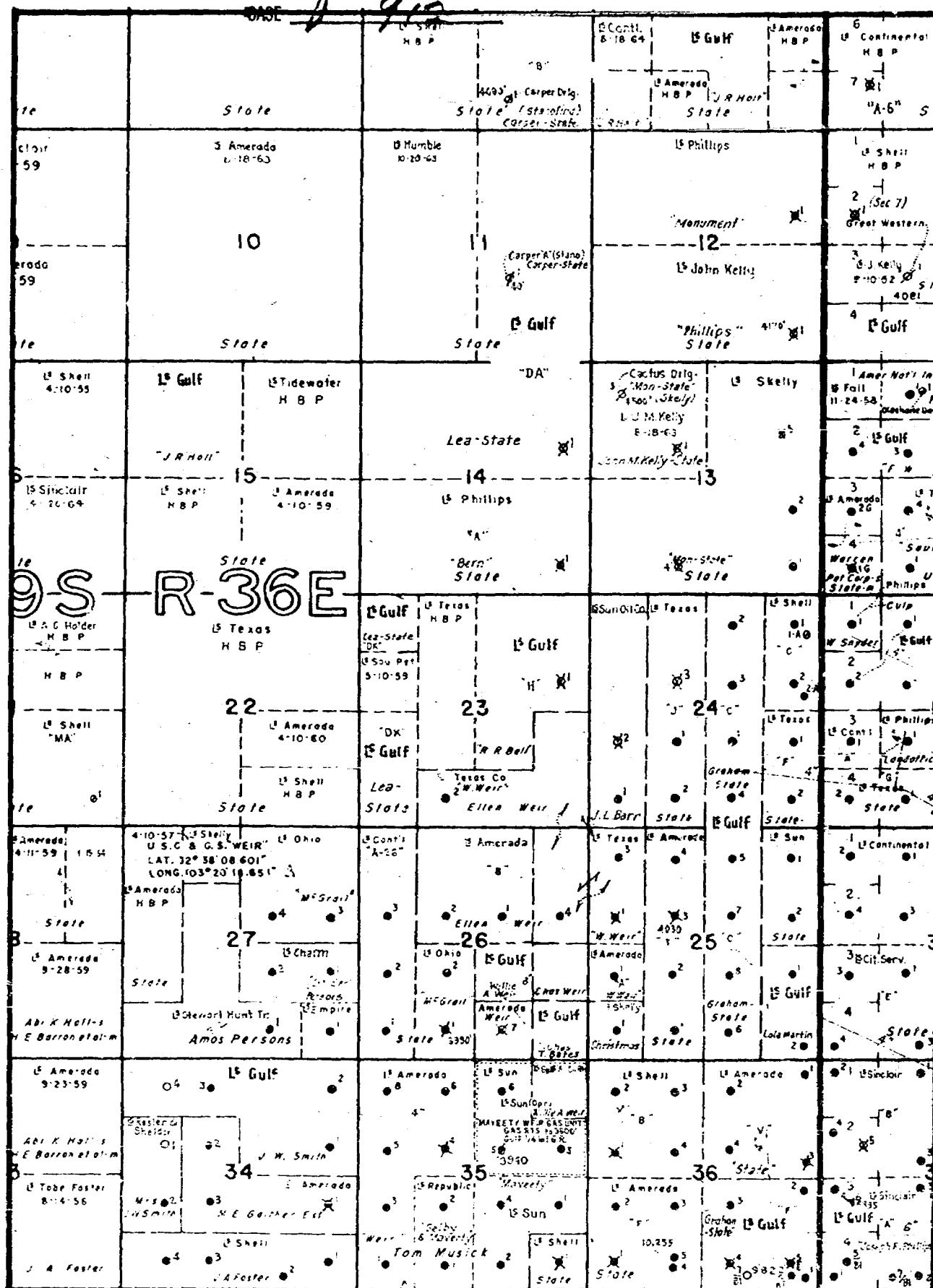
Gulf - R. R. Bell "H" Lease

Survey EXHIBIT No. 2

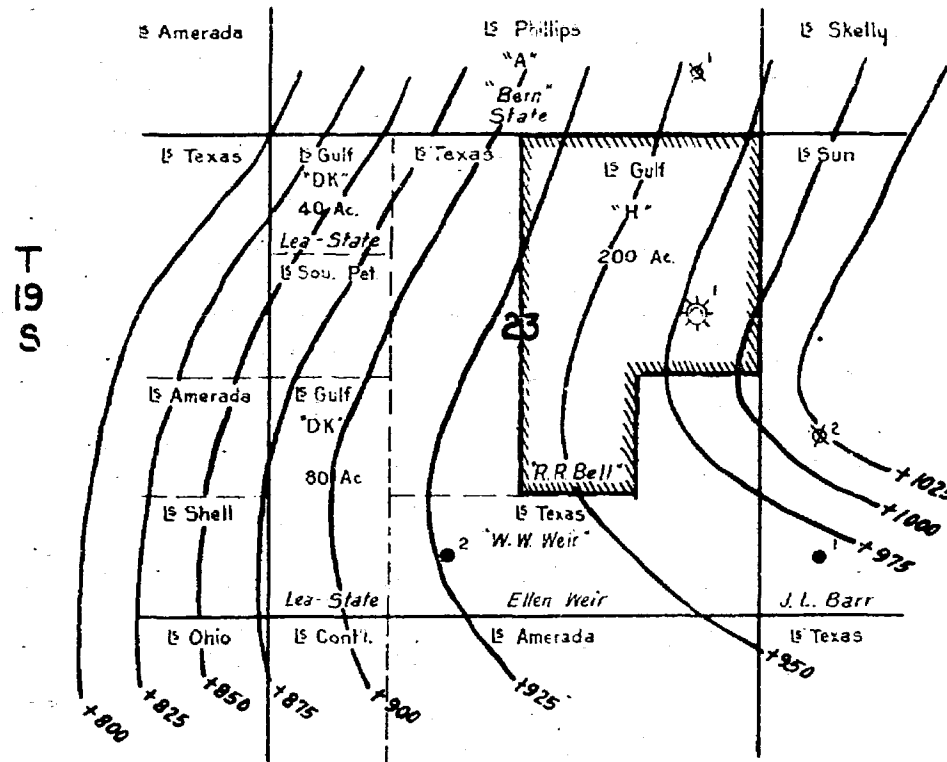
EXHIBIT No. 2

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R-36-E



BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
EXHIBIT No. 3
CASE 7912

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

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Gulf - R. R. Bell "H" Lease

Structure Map Contoured on Top
of Yates Horizon

Contour Interval - 25'