

Case No.

983

Application, Transcript,
Small Exhibits, Etc.

Memo

12/15/15

From

WMM (for EDU)

Re: Case #983

JWG

Go ahead and write
order approving ~~the~~
280 acre NS Gas Unit
for Jalisco Gas Pool

BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE NO. 983

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
December 14, 1955

IN THE MATTER OF:

CASE NO. 983

Application of Gulf Oil Corporation for an order approving a non-standard gas proration unit in exception to Rule 5 (a) of the Special Rules and regulations for the Jalmat Gas Pool contained in Order R-520. Applicant, in the above-styled cause, seeks approval of a 280 acre non-standard gas proration unit consisting of the NW/4, S/2 NE/4 and the NW/4 NE/4 Section 16, Township 25 South, Range 37 East, Lea County, New Mexico; said acreage to be dedicated to Applicant's A. Ramsey "E" Well No. 5 located in the SW/4 NW/4 Section 16, Township 25 South, Range 37 East.

BEFORE:

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

TRANSCRIPT OF PROCEEDINGS

MR. MACEY: The next case on the docket is Case 983.

MR. MALONE: Ross L. Malone, Roswell, for Gulf Oil Corporation. We have one witness, Mr. Walker.

(Witness sworn.)

D O N W A L K E R,

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

DIRECT EXAMINATION

BY MR. MALONE:

Q State your name, please. A Don Walker.

Q You are employed by the Gulf Oil Corporation?

A Yes, sir.

Q You reside in Fort Worth? A Yes.

Q What capacity?

A Division Proration Engineer.

Q You have testified before this Commission as an expert on previous occasions? A Yes.

MR. MALONE: Are the witness' qualifications still satisfactory?

MR. MACEY: Yes.

Q Are you familiar with the Case 983?

A Yes. This is Gulf's application for a 280-acre non-standard gas proration unit consisting of the NW/4, S/2 NE/4 and the NW/4 NE/4 Section 16, Township 25 South, Range 37 East, Lea County.

Q To what well, or through what well is it proposed to produce the Unit allowable?

A Gulf proposes the Unit well to be Arnot Ramsey "E" Well No. 5, located 560 feet from the west line and 1980 feet from the north line of said Section 16, Township 25 South, Range 37 East.

Q I hand you an exhibit which has been marked Gulf's Exhibit 1, and ask you to state what that is.

A This is an area plat which we have prepared to show the Jalmat Gas Proration Units within the immediate area of our proposed unit.

Q Was that prepared by you or under your direction?

A Yes, sir.

Q What information do you have as to the history of the proposed unit well?

A This well, Arnot Ramsey "E" No. 5 Well, was originally

drilled as an oil well in the Langlie-Mattix Oil Field to a total depth of 3,385 feet; this well was completed in August, 1953, and produced through open hole from 3169 to 3385. The five and a half inch casing was set at 3169 feet. Initial potentiality, 6 barrels of oil and three barrels of water, with gas ratio of 26,150.

Q Was the well recently completed in the Jalmat Gas Pool?

A Yes, sir. It was never very successful as an oil well. In fact, the cumulative production through the time it was plugged back was 935 barrels, and, on October 8th, we completed a plug-back to 3,160 feet, and recompleted in the Yates Formation of the Jalmat Gas Pool, casing perforation now 2990 to 3040, and 3080 to 3150, which is within the vertical limits of the Jalmat Gas Pool as defined in Order 520.

Q Do you have available an electric log of the well?

A Yes, sir, I have.

Q It has been identified as Gulf's Exhibit No. 2?

A Yes, sir, and on this log has been indicated the top of the Yates and the top of the Seven-Rivers as well as the casing, five and a half inch casing point, and the perforated interval.

Q By whom are the operating rights in the acreage included in this proposed unit owned?

A Gulf Oil Corporation is the Lessor.

Q And by whom are the royalty interests owned?

A The State of New Mexico.

Q Is the ownership of both the lease hold interests and royalty common throughout the acreage in the proposed unit?

A Yes, sir.

Q Does the well, as recompleted, produce any fluid?

A Right now, it is closed in waiting connection with the Permenian pipe line, but on test it didn't produce any fluid and we don't anticipate it will.

Q What information can you give the Commission as to the ability of the well to deliver the increased allowable if the application is approved?

A On the deliverability test it produced 8470 MCF; this test conducted at the time of completion, open flow potential estimated at 8800 MCF.

Q Have you made a study of the available information in an effort to determine whether or not all of the acreage included in the proposed unit can reasonably be presumed to be productive of gas?

A Well, based on the fact that our well, well No. 5, completed in the Yates is fairly low -- in fact, it is almost 100 feet lower than the east side of the section, structurally, on top of the Yates and we have gas wells on nearly every side of this proposed unit, none directly north, but about a mile and a half north, we do. There is a gas well there also from the Jalmat Pool, and I based on that, and the contours which have been prepared, and we present as Exhibit 3.

Q Was Gulf's Exhibit 3 prepared by you and under your direction?

A Yes, sir.

Q And what does it show?

A It shows -- it is just a structure map on top of the Yates horizon on a fifty foot contour intervals.

Q Did I understand you to testify that in your opinion all of the acreage in the unit can reasonably be assumed to be productive of gas?

A Yes, sir.

Q In reaching that conclusion, have you taken into consideration the Leonard well in the NE/4 NE/4, Section 16?

A Yes, sir, Leonard well was completed as an oil well with initial of over, I believe, two hundred and sixty-four barrels. I don't have the completion data. However, it was just a few months back, and the well has declined now to where in September it only made 508 barrels of oil. At least, that is what was reported, which was between 15 and 20 barrels of oil per day, and this well, according to -- I don't have a log on it, but according to the operator's call producing from the interval 2966 to 3016 which is partially in the lower part of the Yates, but primarily in the Seven-Rivers.

Q In contrast to that, what formation is the producing horizon in your No. 5?

A Our No. 5 is wholly within the formation.

Q Did I understand you to testify that there are producing wells from the Jalmat to the north, south, east and west?

A Yes, directly west of Leonard's No. 1 and Stanolind Langlie B No. 2, is a gas well producing gas only, as I understand it, from the interval of 2862 to 82, which is wholly within the Yates formation.

Q And, in your opinion, would the approval of Gulf's application prevent waste and protect correlative rights of interested parties?

A Yes, sir.

Q Is there any further information you would like to give the Commission in support of the application?

A I don't believe so.

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

MR. MACEY: Without objection, they will be received.

MR. MALONE: That is all.

MR. MACEY: Any questions of the witness?

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Walker, just for the record, you pointed out another Jalmat gas well in that area. I think you just referred to one to the west there; was that in the NE/4 of --

A That is in the --

Q NE/4 of Section 16?

A This well that I made reference to is direct offset of Leonard's well No. 1 which is in the NE/4 of the NE/4 of Section 16; Stanolind's is in the NW/4 of the NW/4 of 15. Actually, all the units shown in Exhibit 1 have gas wells and are producing from the Jalmat.

MR. UTZ: That is all.

MR. MACEY: Does anyone else have a question of the witness?

CROSS EXAMINATION

BY MR. MACEY:

Q Mr. Walker, do you happen to know what the top of the Yates and Leonard well is?

A My papers show that to be 2762, I believe, a plus 369.

Q Plus 369?

A Yes.

Q Plus 369. Your contour map is off?

A That is what it seems, isn't it?

Q I just wondered if you had an explanation for them making an

oil well on the base of the Yates structure higher than you are.

A Let me change that, the contour map made in Fort Worth, and I got this 369 out of Roswell this morning.

Q It looks like it might have shifted about forty feet in going to Fort Worth.

A They didn't have the information there in Fort Worth and based it on 389, of Stanolind, and what information we have. The contours are drawn fairly evenly spaced.

Q There is no question that it is structurally higher, and I wondered if you thought that your well was going to produce any large volume of fluid?

A In my opinion, the Leonard well is primarily Seven-Rivers which I think goes separate from the Yates, but that is an opinion, and just based on what information I have, it looks like eight to ten feet of lower Yates is exposed in the Leonard.

MR. MALONE: Mr. Commissioner, we have available a geologist, who would be glad to testify on that if you would like to put him on.

MR. MACEY: I don't think it is necessary.

CROSS EXAMINATION

BY MR. CAMPBELL:

Q Mr. Walker, do you think that the Leonard well in the NE/4 of the NE/4 will be termed a gas well?

A We have had such experience on some of our wells, oil well No. 4 directly south of our well No. 5 was initially completed as an oil well, and I believe the total accumulative production on that well was four thousand two hundred and twenty-six barrels; it was completed in June, 1953, and sometime this year, I believe around June, our well No. 4 was reclassified as a gas well in the Jalmat, because of a ratio

MR. MACEY: Does anyone else have a question of the witness? If not, the witness may be excused. Do you offer the exhibits?

MR. MALONE: Yes, I do.

MR. MACEY: Received without objection. I might have done it before, but I don't remember it. Does anyone have anything else to offer in this case? If not, we will take the case under advisement.

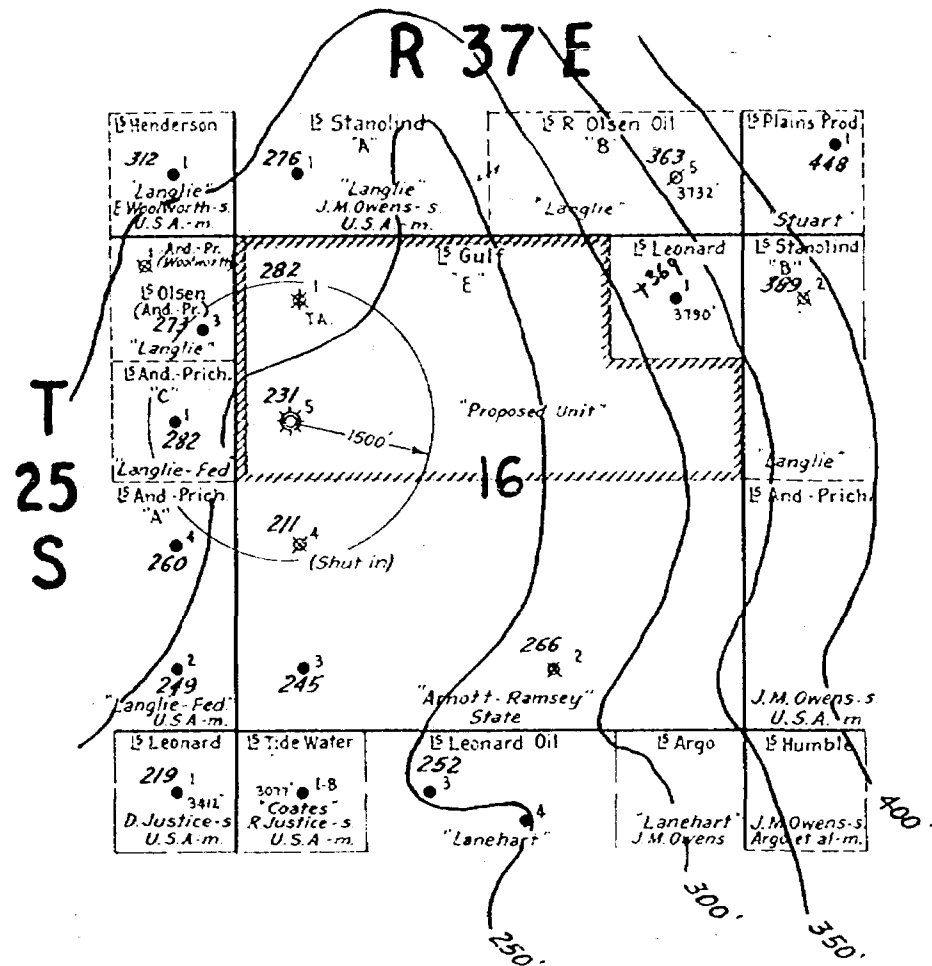
C E R T I F I C A T E

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) ss

I, THURMAN J. MOODY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission of 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, this, the 30th
day of December, 1955.

Phurman Mond
Court Reporter.



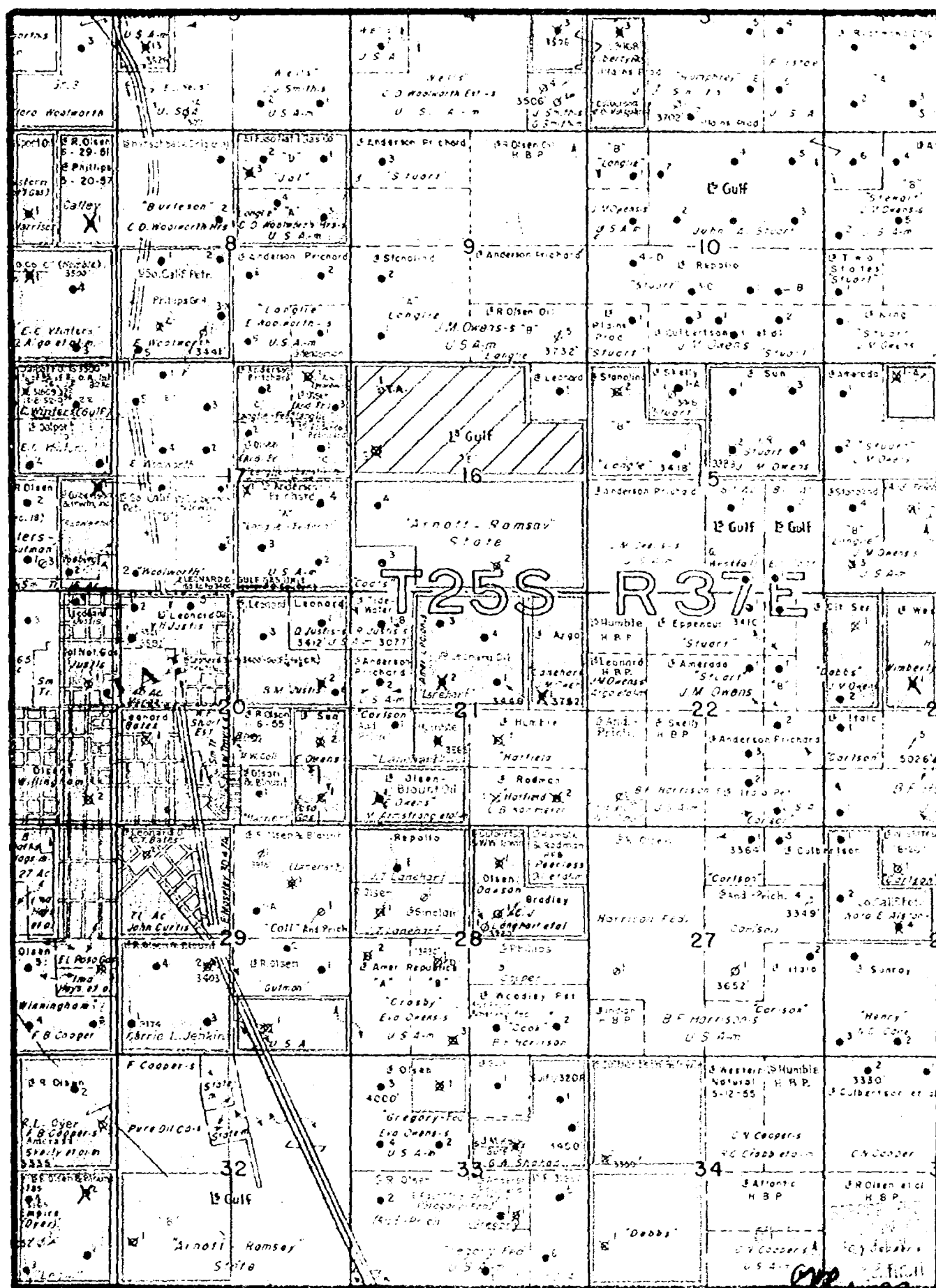
BEFORE THE
OIL COMMISSION
NEW YORK
APR 19 1933
CASE # 983

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

Gulf - Arnott-Ramsay "E" Lease
280-Acre Non-Standard Gas Unit

Structure Map on Water Horizon

Section Interval - 50'



CFR

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

January 16, 1956

C
O
P
Y

Mr. Ross Malone
200 West First St.
Roswell, New Mexico

Dear Sir:

We enclose two copies of Order R-740 issued January 12, 1956, by the Oil Conservation Commission in Case 983, which was heard on December 14th.

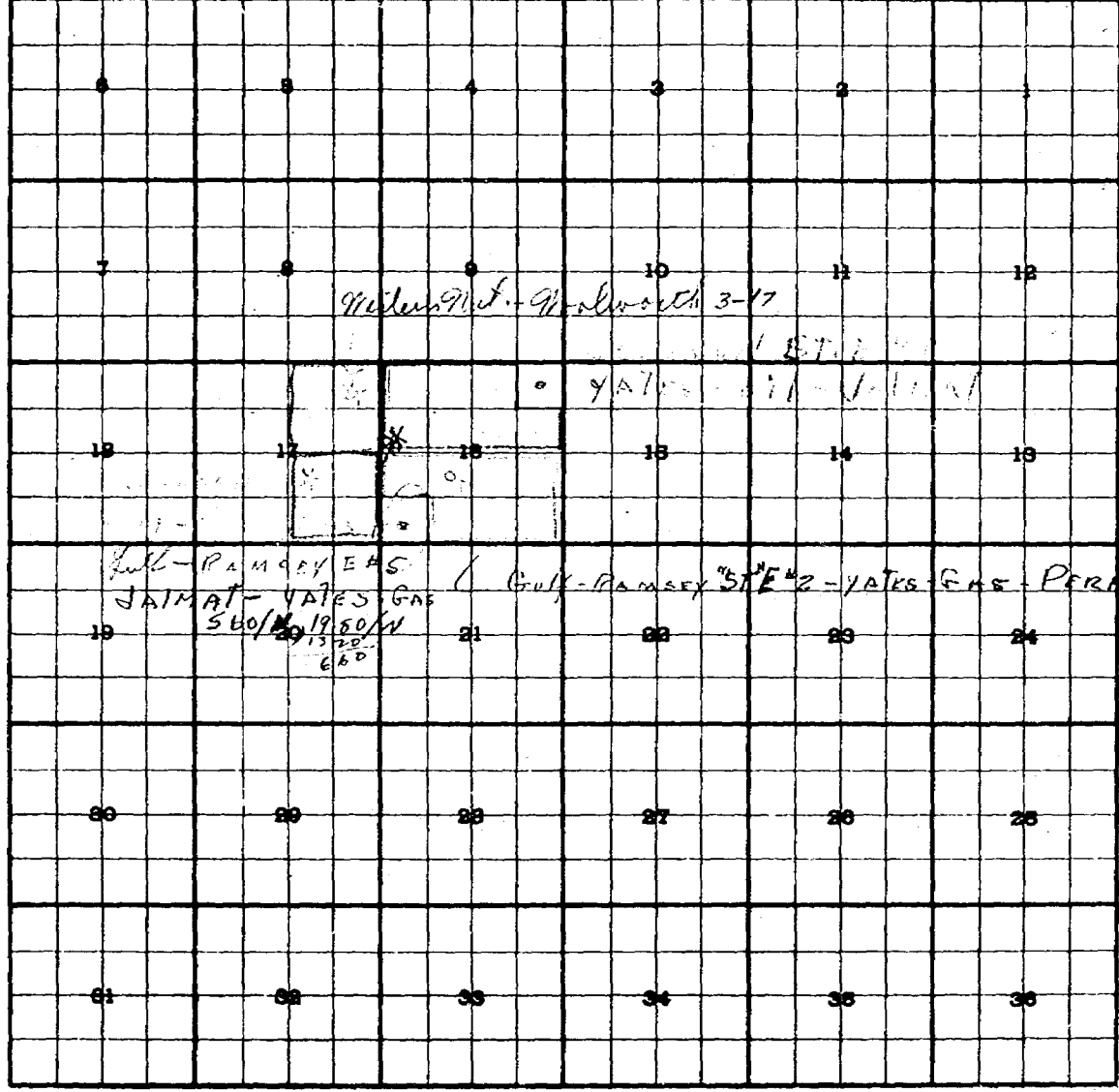
Very truly yours,

W. B. Macey
Secretary - Director

WBM:brp
Encls.

County _____ Pool _____

TOWNSHIP _____ South, RANGE _____ East, NEW MEXICO PRINCIPAL MERIDIAN





PETROLEUM AND ITS PRODUCTS

GULF OIL CORPORATION

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

B. E. THOMPSON
DIVISION PRODUCTION MANAGER

November 22, 1955

FORT WORTH
PRODUCTION DIVISION

Case # 983

Re: Application for a 280-acre Non-Standard Gas Proration Unit, Jalmat Gas Pool, Comprising the NW/4 of Section 16, and the S/2 and NW/4 of the NE/4 of Section 16, T-25-S, R-37-E, Lea County, New Mexico

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

Gentlemen:

Gulf Oil Corporation respectfully submits application for a 280-acre non-standard gas proration unit comprising the NW/4 of Section 16, and the S/2 and the NW/4 of the NE/4 of Section 16, T-25-S, R-37-E, to be assigned to Gulf's Arnott-Ramsay "E" Well No. 5 recently recompleted as a gas well in the Yates formation of the Jalmat Gas Pool. It is requested that the Commission place this matter on its Docket for the next Statewide Hearing.

The following facts are offered in support of this application:

- (1) Gulf Oil Corporation is the owner and operator of the 600-acre oil and gas lease known as the Arnott-Ramsay "E" Lease, Section 16, T-25-S, R-37-E, 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 280-acre gas proration unit in exception to Rule 5 (a) of New Mexico Oil Conservation Commission Order No. R-520.
- (3) The proposed unit well, Gulf's Arnott-Ramsay "E" Well No. 5, located 560 feet from the west line and 1980 feet from the north line of Section 16, T-25-S, R-37-E, Lea County, New Mexico, was originally completed August 1, 1953, in the Langlie-Mattix Oil Pool. On October 8, 1955,

November 23, 1955

this well was plugged back to 3160 feet and recompleted in the Yates formation in the Jalmat Gas Pool through perforations 2990 - 3040 and 3080 - 3150 feet, which is within the vertical limit of the Jalmat Gas Pool as defined in Order No. R-520.

- (4) No other Jalmat gas well is completed on the 280-acre proration unit proposed under this application.

Respectfully submitted,

GULF OIL CORPORATION

BY:

B. E. Thompson
Division Production Manager

cc: Oil Conservation Commission
P. O. Box 2045
Hobbs, New Mexico

Anderson-Prichard Oil Corporation
P. O. Box 2197
Hobbs, New Mexico

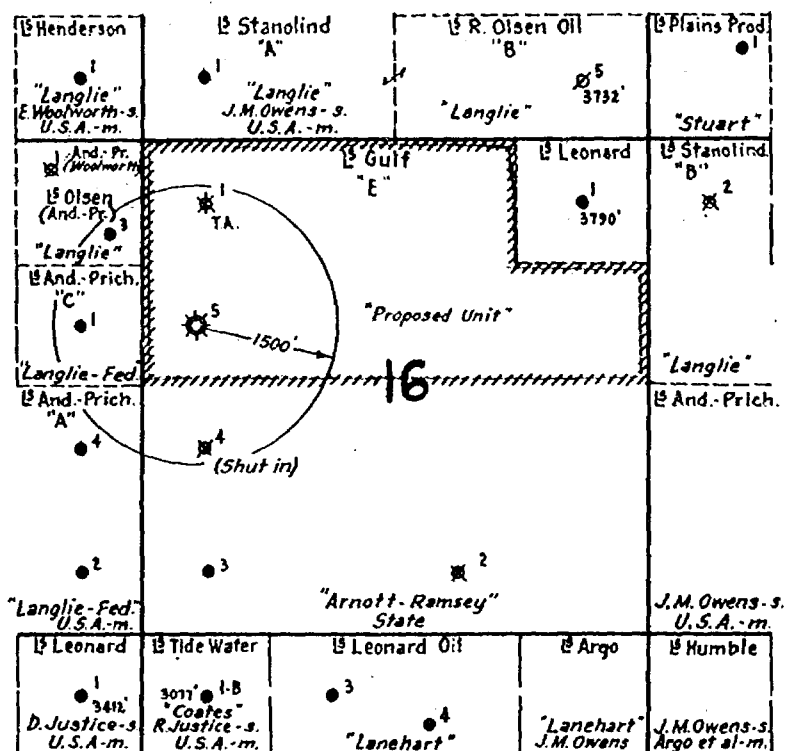
R. Olsen Oil Company
Drawer Z
Jal, New Mexico

Stanolind Oil and Gas Company
P. O. Box 899
Roswell, New Mexico

W. L. ...

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

Gulf - Arnott-Ramsay "E" Lease
280-Acre Non-Standard Gas Unit

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. 983
Order No. R-740

THE APPLICATION OF GULF OIL CORPORATION
FOR AN ORDER GRANTING APPROVAL OF AN EX-
CEPTION PURSUANT TO RULE 5 (a) OF THE
SPECIAL RULES AND REGULATIONS OF THE
JALMAT GAS POOL AS SET FORTH IN ORDER NO.
R-520 IN ESTABLISHMENT OF A NON-STANDARD
GAS PRORATION UNIT OF 280 CONTIGUOUS ACRES
CONSISTING OF TOWNSHIP 25 SOUTH, RANGE 37
EAST, SECTION 16: NW/4, S/2 NE/4 AND
NW/4 NE/4.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on December 14, 1955,
at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter
referred to as the "Commission".

NOW, on this 12th day of JANUARY, 1956, 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 Jalmat Gas Pool, as set forth in Order R-520, the Commis-
sion 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, Gulf Oil Corporation, is the owner of an oil and
gas lease in Lea County, New Mexico, which consists in part of the following
described acreage, to-wit:

Township 25 South, Range 37 East, NMPH
Section 16: NW/4, S/2 NE/4, NW/4 NE/4

containing 280 acres, more or less.

(4) That applicant, Gulf Oil Corporation, has a producing well on the
aforesaid lease known as the Arnott-Ramsay "E" Well No. 5 located 560' from
the West line and 1980' from the North line of Section 16, Township 25 South,
Range 37 East, NMPH, Lea County, New Mexico.

(5) That the aforesaid well was recompleted and in production after the effective date of Order No. R-520 and is located within the horizontal limits of the pool heretofore delineated and designated as the Jalmat Gas Pool.

(6) That it is impractical to pool applicant's said lease with adjoining acreage in the Jalmat Gas Pool and that the owners of adjoining acreage in said area have not objected to the formation of the proposed proration unit of 280 acres.

(7) 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.

(8) That creation of a proration unit consisting of the aforesaid acreage will not cause, but 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 proration unit in the Jalmat Gas Pool consisting of the following described acreage:

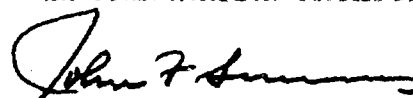
Township 25 South, Range 37 East, NMPM, Lea County, New Mexico
Section 16: NW/4, S/2 NE/4, NW/4 NE/4

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

(2) That applicant's well, Arnott-Ramsay "E" Well No. 5 located in the SW/4 of the NW/4 Section 16, Township 25 South, Range 37 East, in the Jalmat Gas Pool, be and the same is hereby granted an allowable in the proportion that the above-described 280 acre unit bears to the standard 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, Chairman


E. S. WALKER, Member


W. B. MACEY, Member and Secretary





PETROLEUM AND ITS PRODUCTS

GULF OIL CORPORATION

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

B. E. THOMPSON
DIVISION PRODUCTION MANAGER

November 22, 1955

FORT WORTH
PRODUCTION DIVISION

Re: Application for a 280-acre Non-Standard
Gas Proration Unit, Jalmat Gas Pool,
Comprising the NW/4 of Section 16, and
the S/2 and NW/4 of the NE/4 of Section
16, T-25-S, R-37-E, Lea County, New
Mexico

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

Gentlemen:

Gulf Oil Corporation respectfully submits application for a 280-acre non-standard gas proration unit comprising the NW/4 of Section 16, and the S/2 and the NW/4 of the NE/4 of Section 16, T-25-S, R-37-E, to be assigned to Gulf's Arnott-Ramsay "E" Well No. 5 recently recompleted as a gas well in the Yates formation of the Jalmat Gas Pool. It is requested that the Commission place this matter on its Docket for the next Statewide Hearing.

The following facts are offered in support of this application:

- (1) Gulf Oil Corporation is the owner and operator of the 600-acre oil and gas lease known as the Arnott-Ramsay "E" Lease, Section 16, T-25-S, R-37-E, 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 280-acre gas proration unit in exception to Rule 5 (a) of New Mexico Oil Conservation Commission Order No. R-520.
- (3) The proposed unit well, Gulf's Arnott-Ramsay "E" Well No. 5, located 560 feet from the west line and 1980 feet from the north line of Section 16, T-25-S, R-37-E, Lea County, New Mexico, was originally completed August 1, 1953, in the Langlie-Mattix Oil Pool. On October 8, 1955,

November 23, 1955

this well was plugged back to 3160 feet and recompleted in the Yates formation in the Jalmat Gas Pool through perforations 2990 - 3040 and 3080 - 3150 feet, which is within the vertical limit of the Jalmat Gas Pool as defined in Order No. R-520.

- (4) No other Jalmat gas well is completed on the 280-acre proration unit proposed under this application.

Respectfully submitted,

GULF OIL CORPORATION

BY: B. E. Thompson
Division Production Manager

cc: Oil Conservation Commission
P. O. Box 2045
Hobbs, New Mexico

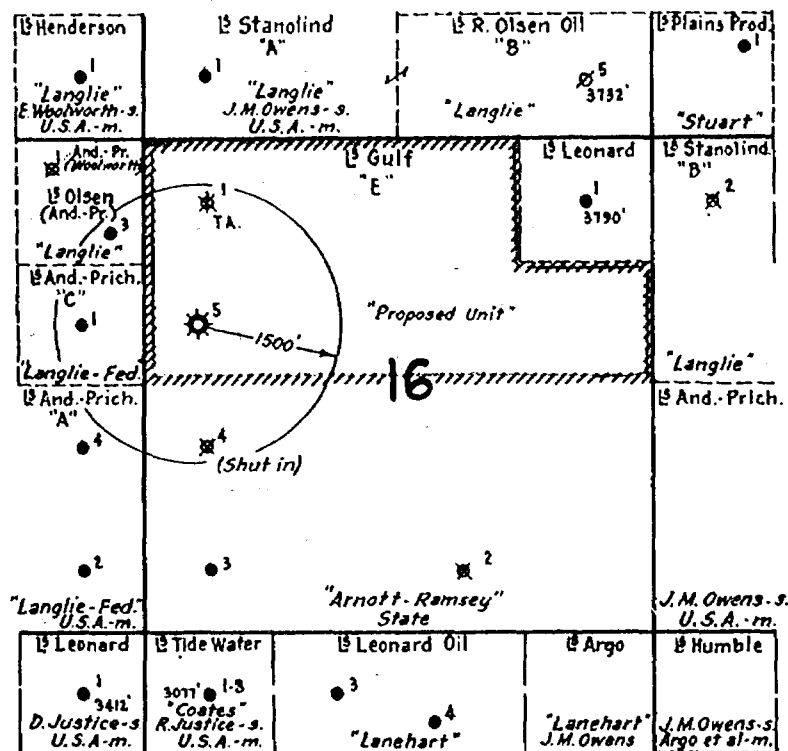
Anderson-Prichard Oil Corporation
P. O. Box 2197
Hobbs, New Mexico

R. Olsen Oil Company
Drawer Z
Jal, New Mexico

Stanolind Oil and Gas Company
P. O. Box 899
Roswell, New Mexico

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

Gulf - Arnott-Ramsay "E" Lease
280-Acre Non-Standard Gas Unit

Sample

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. _____
Order No. R- _____

THE APPLICATION OF
FOR AN ORDER GRANTING APPROVAL OF
AN EXCEPTION PURSUANT TO RULE 5 (4)
OF ORDER NO. R-520 IN
ESTABLISHMENT OF AN UNORTHODOX GAS
PRORATION UNIT OF CONTIGUOUS ACRES
CONSISTING OF

ORDER OF THE COMMISSION

BY THE COMMISSION:

AS F This cause came on for hearing at 9 o'clock a. m. on
before the Oil Conservation Commission, hereinafter
referred to as the "Commission".

NOW, on this _____ 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 (4) 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, _____ is the owner of an oil and gas lease in
New Mexico the land consisting of other than a legal section, and
described as follows, to-wit:

(4) That applicant, _____ has a producing well on the afore-
said lease known as _____ located _____ feet from the _____ and _____
feet from the _____ of Section _____ Township _____ Range _____.

(6) That it is impractical to pool applicant's said lease with adjoining acreage in the

(7) 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 Gas Pool.

IT IS THEREFORE ORDERED:

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

(2) That applicant's well, located in the NE 1/4 Sec 36, T1N, R10E, S10E
~~shall~~ ^{be} granted an allowable in the proportion that the above described 1.00 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, the day and year hereinabove designated.