

Case No.

991

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Application, Transcript,  
Small Exhibits, Etc.

# Memo

*Hold for review*  
To *Isu*

From  
*Jwg*  
1/23/55

Re case 991:

I would recommend  
the approval of this appli-  
cation for 200 acre NSP.

However, I would not  
recommend granting said  
approval until the  
farmout has been  
consummated.

December 15, 1955

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

CASE 991

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 part of New Mexico Oil Conservation Commission Order No. R-520 pertaining to the Jalmat Gas Pool, Lea County, New Mexico. The requested exception will be for the purpose of obtaining authority to form a 200 acre non-standard gas proration unit comprising the E/2 E/2 and the NW/4 NE/4, Section 16, T-24-S, R-37-E in the Jalmat Gas Pool. Contingent upon receiving Commission approval, the acreage in this non-standard unit would be assigned to Stanolind's State "D" Tract 14 Well No. 1, located 660' from the south and east lines of said Section 16. Attached is a map showing that portion of the Jalmat Field in which the proposed unit is located.

Of the 200 acres included in this proposed unit, Stanolind owns the working interest in the NW/4 NE/4 and the SE/4 SE/4 of section 16. The working interest in the remaining 120 acres is owned by the Humble Oil and Refining Company. The entire 200 acres is composed of State leases. If the proposed non-standard unit is approved, all of the above acreage will be unitized for gas proration purposes.

Tentative plans call for recompletion of Stanolind's State "D" Tract 14 Well No. 1 as a gas well in the Jalmat Gas Pool. We do not desire, however, to proceed with recompletion operation until the Commission has acted upon our request for a non-standard unit. There is no other well on the proposed unit to which the acreage can be assigned for gas allocation purposes. All acreage in Section 16, other than the non-standard unit proposed herein, is either currently assigned for proration purposes or is being considered for inclusion in other units.

Very truly yours,

Stanolind Oil and Gas Company

Map is on file NMOCC, Santa Fe, N. M.  
New Mexico Oil and Gas Engr. Comm.  
Hobbs, New Mexico  
December 30, 1955

TABLE II  
JATMAT GAS WELL TEST DATA  
STATE "ND" TRACT 14 AREA  
IEA COUNTY, NEW MEXICO

(5)

OPERATOR, LEASE & WELL

R. Olsen (Personal) - Hodges No. 2

DELIVERABILITY TEST DATA \*

DATE	Q	Pc	Pw	Pd	D
9-1-54	4 Point Test - 24 hr. SIMHP 1177 psig				
	1st Point 8449 MCFPD TP 663 psig CP 962 psig				
	2nd Point 6886 MCFPD TP 787 psig CP 982 psig				
	3rd Point 5136 MCFPD TP 882 psig CP 1016 psig				
	4th Point 3160 MCFPD TP 978 psig CP 1050 psig				
	Calc. Open Flow 25,800 MCFPD				
6-12-55	FLW. 1515 MCFPD against 444 psi line pressure w/WHP 456 psi				
6-13-55	FLW. 1738 MCFPD against 366 psi line pressure w/WHP 386 psi				
6-12-54	1602	459.2	TP 365.2 CP 388.2	367.4	1939
6-19-54	1230	935.2	TP 764.2 CP 955.2	748.2	1953
10-2-55 Deliverability at 320 psi of 3,970 MCFPD					
6-19-54	1666	1034.2	CP 848.2	827.4	1800
6-19-54	260	254.2	CP 79.2	203.4	122
6-19-54	746	945.2	CP 601.2	756.2	494
6-19-54	468	875.2	TP 534.2	700.2	297

\* Q = Actual flow at WHP (Pw) MCFPD @ 15.025 psia and 60° F  
Pc = 72-hr. WHSIP (psia)  
Pd = Deliverability pressure (80% WHSIP - psia)  
Pw = Static wellhead flowing pressure (psia)  
D = Deliverability in MCFPD at deliverability pressure @ 15.025 psia and 60° F

TABLE III  
JALMAT GAS WELL PRODUCTION DATA  
STATE "ND" TRACT 14 AREA  
LEA COUNTY, NEW MEXICO

Present Unit Size Acres	Operator, Lease & Well	Gas Purchaser	1955 Production Data - MCF										11-1-55 Over or Under Status	11-1-55 Cumulative Gas Production
			Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.		
160	R. Olsen (Personal) - Hodges No. 2	EPNG Co.	6,997	324	6,000	Zero	Zero	1,270	Zero	Zero	Zero	Zero	+ 5,191	63,617
160	Amerada - O. H. Hodges No. 1	PBPL Co.	Zero	Zero	Zero	17,675	38,496	46,475	43,569	1,322	Zero	9,913	-39,982	254,126
80	Sinclair - Fowler Hair No. 2	EPNG Co.	9,523	132	5,819	2,559	16,849	6,816	3,007	3,088	2,564	13,214	-10,659	1,653,179
160	Shelly - Mexico "G" No. 1	EPNG Co.	38,919	4,906	4,964	23,767	31,242	10,847	753	29,260	42,962	14,143	+19,661	1,033,995
280 (Proposed)	Gulf - J. R. Holt "A" No. 2	PBPL Co.											-	-
160	Continental - E. E. Jack B-17 No. 3	EPNG Co.	19,345	29,847	7,709	14,990	15,639	38,110	3,085	Zero	Zero	37,342	- 4,387	1,075,951
240	Continental - E. E. Jack A-20 No. 4	EPNG Co.	8,156*	7,166*	7,809*	6,291*	7,867*	7,611*	7,784*	7,119*	7,482*	7,939*	Marginal	408,554
200	Texas Co. - J. F. Black No. 2	EPNG Co.	10,264	337	28,017	20,899	40,053	36,803	24,809	12,067	11,130	8,219	-67,951	1,855,933
120	El Paso - Shell Black No. 2	EPNG Co.	15,452	5,150	23,958	8,089	156	2,373	19,519	18,971	17,081	16,362	+ 625	609,503

\* - Marginal Classification

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
Case 991

**TABLE I**  
**JALMAT GAS WELL COMPLETION DATA**  
**STATE "D" TRACT 1A AREA**  
**IEA COUNTY, NEW MEXICO**

S-T-R	OPERATOR, LEASE & WELL	ELEVATION	GAS COMPLETION	WELL TYPE	TYPE COMPLETION	COMPLETION INTERVAL	STIMULATION	INITIAL POTENTIAL TEST DATA
								METHOD MCFFPD SIWHP
8-24-37 NW/4 NE/4	R. Olsen (Personal)-Hodges No. 2	3286	8-23-54	Single	Open Hole	2800-3080	None	Open Flow 20,000 1225 (est.)
8-24-37 NE/4 SE/4	Amerada - O. M. Hodges No. 1	3283	4-3-53	Dual	Perforated	2857-2950 2990-3065	A/1500 gal.	Open Flow 3,200 NR
9-24-37 SW/4 NW/4	Sinclair - Fowler Hair No. 2	3267	9-1-38	Single	Open Hole	3143-3560	None	Open Flow 24,000 NR (est.)
16-24-37 NW/4 NW/4	Skelly - Mexco "G" No. 1	3256	5-24-51	Dual (Oil zone SI)	Perforated	2740-2780 3116-3131 3135-3140	NR	Open Flow 12,600 1060 (est.)
16-24-37 SE/4 SW/4	Gulf - J. R. Holt "A" No. 2	3245	10-2-55	Dual	Perforated	2650-2700 2760-2830 2885-2945	A/500 gal. SF/6000 gal.	Del. @ 320# 3,970 NR
17-24-37 NE/4 NE/4	Continental - E. E. Jack B-17 No. 3	3278	8-30-51	Single	Open Hole	2609-3050	None	Open Flow 6,000 1163
20-24-37 SW/4 NE/4	Continental - E. E. Jack A-20 No. 4	3280	5-18-50	Single	Perforated	2988-3030 3050-3068 Jet 4, SPF 2986-3040 3050-3080 3105-3135 Gun 1 SPF	NR	Open Flow 7,200 NR
21-24-37 NE/4 SW/4	Texas Co. - J. F. Black No. 2	3227	10-11-46	Single	Perforated	2926-2950	None	Open Flow 2,500 NR
21-24-37 SW/4 SE/4	El Paso - Shell Black No. 2	NR	3-21-51	Single	Perforated	2898-2937 2955-2986 3018-3076	A/500 gal. None HF/NR	Del. @ 250# 180 NR (Workover 4-19-51 increased open flow from 210 to 930 MCFFPD, NR on details)

Note: NR - No Record

TABLE II  
JALMAT GAS WELL TEST DATA  
STATE "D" TRACT 14 AREA  
IEA COUNTY, NEW MEXICO

DELIVERABILITY TEST DATA \*

DATE	Q	Pc	Pw	Pd	D
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OPERATOR, LEASE & WELL  
R. Olsen (Personal) - Hodges No. 2

9-1-54 4 Point Test - 24 hr. SIMHP 1177 psig  
1st Point 8449 MCFPD TP 663 psig CP 962 psig  
2nd Point 6886 MCFPD TP 787 psig CP 982 psig  
3rd Point 5136 MCFPD TP 882 psig CP 1016 psig  
4th Point 3160 MCFPD TP 978 psig CP 1050 psig  
Calc. Open Flow 25,800 MCFPD

Amerada - O. M. Hodges No. 1  
6-12-55 FLW. 1515 MCFPD against 444 psi line pressure w/WHP 456 psi  
6-13-55 FLW. 1738 MCFPD against 366 psi line pressure w/WHP 386 psi

Sinclair - Fowler Hair No. 2  
6-12-54 1602 459.2 TP 365.2 367.4 1939  
CP 388.2

Skelly - Mexico "G" No. 1  
6-19-54 1230 935.2 TP 764.2 748.2 1953  
CP 955.2

Gulf - J. R. Holt "A" No. 2  
10-2-55 Deliverability at 320 psi of 3,970 MCFPD

Continental-E. E. Jack B-17 No. 3  
6-19-54 1666 1034.2 CP 848.2 827.4 1800

Continental-E. E. Jack A-20 No. 4  
6-19-54 260 254.2 CP 79.2 203.4 122

Texas Co. - J. F. Black No. 2  
6-19-54 746 945.2 CP 601.2 756.2 494

El Paso - Shell Black No. 2  
6-19-54 468 875.2 TP 534.2 700.2 297

\* Q = Actual Flow at WHP (Pw) MCFPD @ 15.025 psia and 60° F  
Pc = 72-hr. WHSIP (psia)  
Pd = Deliverability pressure (80% WHSIP - psia)  
Pw = Static wellhead flowing pressure (psia)  
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STATE "D" TRACT 14 AREA  
IEA COUNTY, NEW MEXICO

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280 (Proposed)	Gulf - J. R. Holt "A" No. 2	PBPL Co.											-	-
160	Continental - E. E. Jack B-17 No. 3	EPNG Co.	19,345	29,847	7,709	14,990	15,639	38,110	3,085	Zero	Zero	37,342	- 4,387	1,075,951
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\* - Marginal Classification

*Stane*  
991 6



# STANOLIND OIL AND GAS COMPANY

OIL AND GAS BUILDING

FORT WORTH, TEXAS

C. F. BEDFORD  
DIVISION PRODUCTION SUPERINTENDENT

December 15, 1955

File: RGH-4632-986.510.1

Subject: Application for Exception  
to Rule 5(a), Order No. R-520,  
Jalmat Gas Pool,  
Lea County, New Mexico

New Mexico Oil Conservation Commission  
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 part of New Mexico Oil Conservation Commission Order No. R-520 pertaining to the Jalmat Gas Pool, Lea County, New Mexico. The requested exception will be for the purpose of obtaining authority to form a 200-acre non-standard gas proration unit comprising the E/2 E/2 and the NW/4 NE/4, Section 16, T-24-S, R-37-E in the Jalmat Gas Pool. Contingent upon receiving Commission approval, the acreage in this non-standard unit would be assigned to Stanolind's State "D" Tract 14 Well No. 1, located 660' from the south and east lines of said Section 16. Attached is a map showing that portion of the Jalmat Field in which the proposed unit is located.

Of the 200 acres included in this proposed unit, Stanolind owns the working interest in the NW/4 NE/4 and the SE/4 SE/4 of Section 16. The working interest in the remaining 120 acres is owned by the Humble Oil and Refining Company. The entire 200 acres is composed of State leases. If the proposed non-standard unit is approved, all of the above acreage will be unitized for gas proration purposes.

Tentative plans call for recompletion of Stanolind's State "D" Tract 14 Well No. 1 as a gas well in the Jalmat Gas Pool. We do not desire, however, to proceed with recompletion operations until the Commission has

Mr. W. B. Macey

- 2 -

December 15, 1955

acted upon our request for a non-standard unit. There is no other well on the proposed unit to which the acreage can be assigned for gas allocation purposes. All acreage in Section 16, other than the non-standard unit proposed herein, is either currently assigned for proration purposes or is being considered for inclusion in other units.

Very truly yours,



RGH:jm  
Attachment

cc: Gulf Oil Corporation  
Box 1290  
Fort Worth, Texas

Skelly Oil Company  
Box 1650  
Skelly Building  
Tulsa, Oklahoma

Humble Oil and Refining Company  
Midland, Texas

Continental Oil Company  
Fair Building  
Fort Worth, Texas

Sinclair Oil and Gas Company  
Fair Building  
Fort Worth, Texas

The Texas Company  
Box 1720  
Fort Worth, Texas

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

March 7, 1956

C  
O  
P  
Y

Mr. J. K. Smith  
Stanolind Oil & Gas Co.  
Oil and Gas Building  
Fort Worth, Texas

Dear Sir:

We enclose a copy of Order R-756 issued February 28, 1956,  
by the Oil Conservation Commission in Case 991, which was heard  
on January 19th.

Very truly yours,

W. B. Macey  
Secretary - Director

WBM:brp  
Encl.

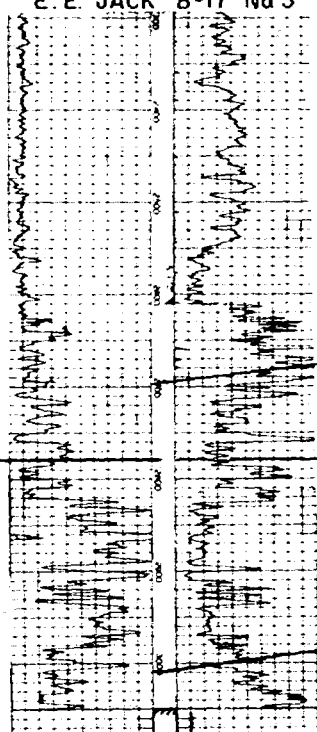
# CROSS SECTION A

ILLUSTRATING PAY ZONE DEVI

STATE "D" TRACT 14 A

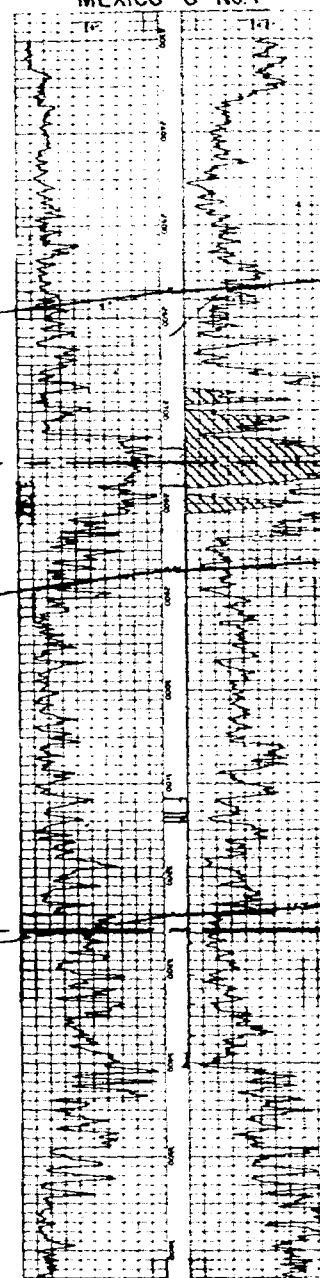
JALMAT FIELD

CONTINENTAL  
E. E. JACK 8-17 No 3



NE 1/4, NW 1/4 SECTION 17-24-37  
ELEVATION 3278 FT.  
JALMAT GAS WELL  
GAS COMPLETION 8-30-51  
INITIAL POTENTIAL 6000 MCF/D

SKELLY  
MEXICO "G" No. 1



NE 1/4, NW 1/4 SECTION 16-24-37  
ELEVATION 3256 FT.  
JALMAT GAS WELL  
GAS COMPLETION 5-24-51  
INITIAL POTENTIAL 12,600 MCF/D

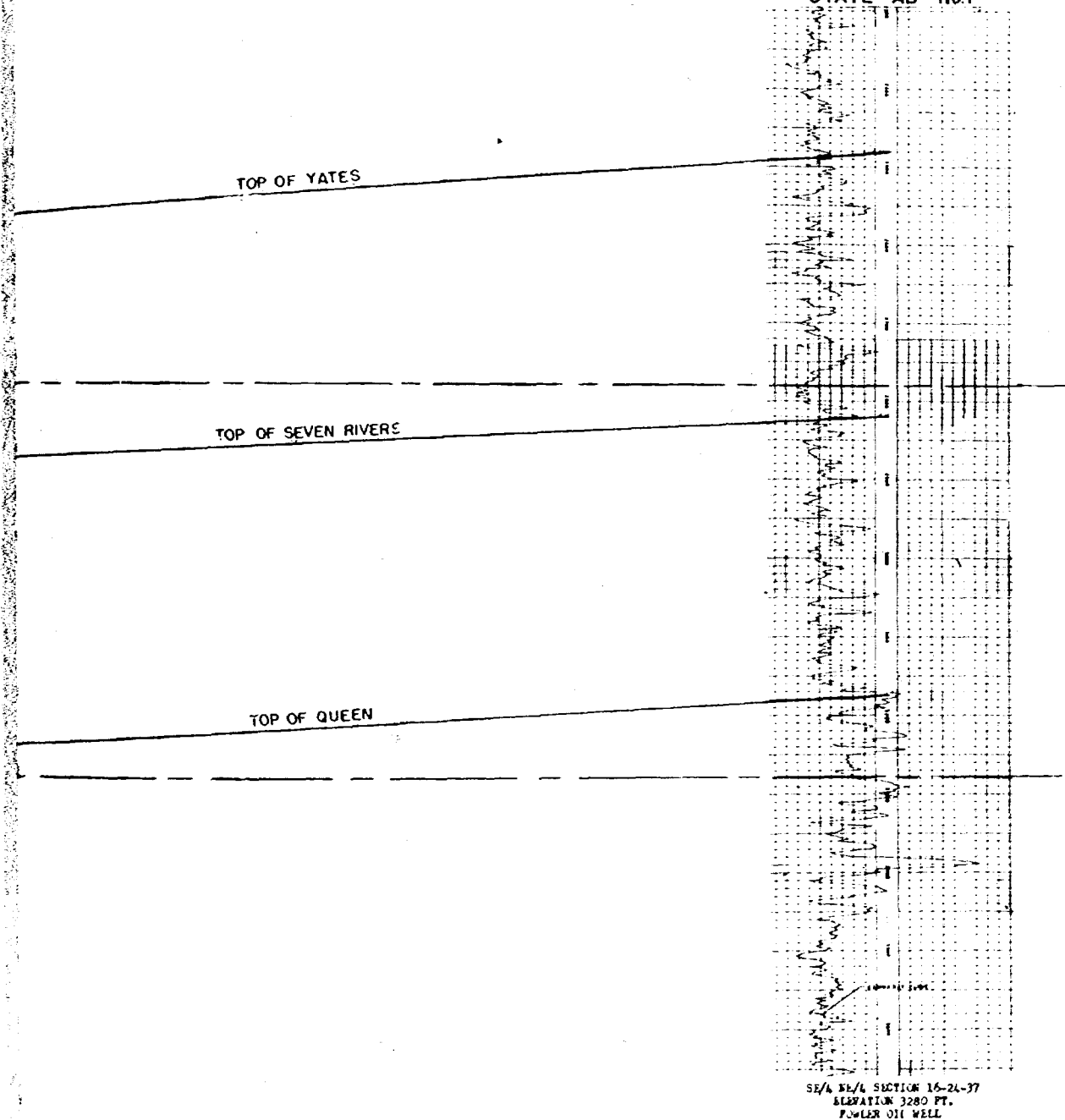
DATUM + 500

SEA LEVEL

A'  
EOPMENT  
REA

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
Hans EXHIBIT No. 2  
CASE 991

HUMBLE  
STATE "AB" No. 1



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. 991  
Order No. R-786

THE APPLICATION OF STANOLIND OIL  
AND GAS COMPANY FOR AN ORDER  
GRANTING APPROVAL OF AN EXCEPTION  
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 200 CONTIGUOUS ACRES IN LEA COUNTY,  
NEW MEXICO CONSISTING OF E/2 E/2 AND  
NW/4 NE/4 SECTION 16, TOWNSHIP 24  
SOUTH, RANGE 37 EAST, NMPM.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on  
January 19, 1956, at Santa Fe, New Mexico before the Oil Con-  
servation Commission, hereinafter referred to as the "Commission".

NOW, on this 23<sup>rd</sup> day of February 1956, the Com-  
mission, 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 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, Stanolind Oil and Gas Company and  
the Humble Oil and Refining Company, are the owners of oil and gas  
leases in Lea County, New Mexico, the land consisting of other than  
a legal section, and described as follows, to-wit:

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM  
Section 16: E/2 E/2 & NW/4 NE/4

containing 200 acres more or less.

(4) That applicant Stanolind Oil and Gas Company owns working interests in the NW/4 NE/4 and SE/4 SE/4 of said Section 16, and are in the process of entering into a farmout agreement with Humble Oil and Refining Company, owners of the working interest of the E/2 NE/4 and NE/4 SE/4 of said Section 16. Stanolind will be the operator under the proposed agreement.

(5) That applicant, Stanolind Oil and Gas Company has a producing well on the aforesaid lease known as State "D" Tract 14 Well No. 1, located 660 feet from the South line and 660 feet from the East line of Section 16, Township 24 South, Range 37 East.

(6) That applicant proposes the aforesaid well be recompleted in the Jalmat Gas Pool.

(7) That at present the proposed unit is not within the horizontal limits of the Jalmat Gas Pool but is within one mile of the boundary of said gas pool.

(8) 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 200 acres.

(9) 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.

(10) 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 Stanolind Oil and Gas Company for approval of a non-standard proration unit consisting of the following described acreage in the Jalmat Gas Pool:

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM  
Section 16: E/2 E/2 and NW/4 NE/4

be and the same is hereby approved, and a proration unit consisting of aforesaid 200 acres is hereby created.

(2) That applicant's well, State "D" Tract 14 Well No. 1, to be recompleted in the Jalmat Gas Pool, shall be granted an allowable in the proportion that the above described 200 acre unit bears to the standard proration unit for said pool. Said allowable will become effective on the date: (1) an affidavit as to the consumation of the proposed farmout agreement between applicant and Humble Oil and Refining Company is filed with the Commission at its Hobbs, New Mexico office and a copy of said affidavit is filed at the Commission's Santa Fe, New Mexico office, or (2) the well is connected to a gas transportation facility, or

-3-  
Order No. R-756

(3) the operator complies with the pool rules of the Jalnat Gas Pool, whichever date is later.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*John F. Simms*

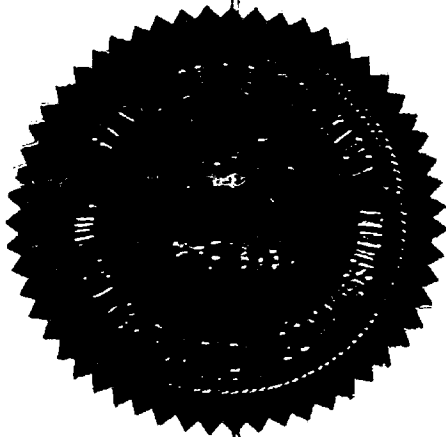
JOHN F. SIMMS, Chairman

*E. S. Walker*

E. S. WALKER, Member

*W. B. Macey*

W. B. MACEY, Member and Secretary



ir/



BEFORE THE  
**Oil Conservation Commission**  
SANTA FE, NEW MEXICO  
January 19, 1956

IN THE MATTER OF:

CASE NO. 991

TRANSCRIPT OF PROCEEDINGS

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



recompleted in the Jalmat Gas Pool. It is not presently completed in that zone.

R. G. HILTZ

having first been duly sworn, testified as follows;

BY: MR. SMITH:

Q Will you state your name, please? A R. G. Hiltz.

Q By whom are you employed?

A The Stanolind Oil and Gas Company.

Q In what capacity?

A I am a petroleum engineer.

Q How long have you been employed by Stanolind?

A Seven and a half years.

Q You have testified before the Commission on other occasions, have you not? A Yes, I have.

MR. SMITH: I would like to ask if the Commission will accept Mr. Hiltz's qualifications as an expert?

MR. MACEY: They are acceptable.

Q You are familiar with the application of Stanolind Oil and Gas Company for a non-standard gas proration unit in the Jalmat Gas Pool, the subject of your present testimony? A Yes, I am.

Q You have prepared or had prepared for you certain exhibits incident to the testimony you are about to give?

A Yes, I have.

(Marked Stanolind's Exhibits  
No. 1 through 6, inclusive.)

Q I hand you what has been marked for identification as Stanolind's Exhibit No. 1 and ask you what Exhibit No. 1 purports to display?

A Exhibit 1 is a map of a portion of the Jalmat Gas Pool showing the area of the proposed proration unit. Shown on this map are all gas wells currently producing from this portion of the Jalmat Gas Pool, certain oil wells underlying and producing from the acreage of the Langlie-Mattix Oil Pool and other wells in the Fowler Field. The map also shows the proposed gas proration unit with which this case is concerned. The area involved is outlined in a dotted red line and is further described as being the East Half of the East Half of Section 16, Township 24 South, Range 37 East, and the Northwest quarter of the Northeast quarter in the same section.

Q Is there a well presently located on the proposed unit?

A They are no wells located on the proposed unit which are currently producing from the Jalmat Gas Pool. There are two producing wells within the boundaries of the proposed unit. However, one of those is Humble's Ellenburger Well, their State "AB" Well Number 1 shown in the Southeast quarter of the Southeast quarter. There are two other wells in the -- correction -- Humble's well is located in the Southeast quarter of the Northeast quarter. Stanolind's well to which we propose to attribute the acreage is located in the Southeast quarter of the Southeast quarter and is shown as State "D" Tract 14, Well No. 1.

Q In what zone is that well completed?

A That well is currently completed as an oil well in the Langlie-Mattix Oil Field. However, it has an extremely high oil ratio and is shown on the gas proration schedule as a gas well. There is a dry hole immediately to

the east, and is known as a dry Ellenburger well drilled by Stanolind.

Q Does Stanolind propose to recompleate the Langlie-Mattix Oil Well as a gas well in the Yates and Seven River sands?

A Yes, we will if the unit is approved, recompleate the State "D" Tract 14 No. 1 well as a Jalmat Gas Well.

Q What is the situation with respect to whether or not other acreage in the same section constitutes an orthodox unit.

A As to the remaining acreage in the section, the Northwest quarter is a 160 acre gas proration unit currently attributed to Skelly's State Gas Well No. 1. The remaining acreage in the section, which in this case is also outlined by a dotted red line, in a gas proration unit which has now been approved by the Commission as a 280 acre gas proration unit to be assigned to Gulf's Holt No. 2, which is located in the Southeast quarter of the Southwest quarter. Thus all of the acreage in the section would be accounted for by the acreage being attributed now to existing gas wells or proposed to be attributed to the recompletion of our State "D" Tract No. 1.

Q All of the other proration units in the section are non-standard at present, as I understand your testimony, is that right?

A I believe that Exhibit 1 will reflect the fact that the other existing gas proration units are outlined by solid red lines and they obviously vary in size and shape. They are, for the most part, they are non-standard units, and they are not uniform either as to size or shape.

Q What is the situation with respect to whether or not the proposed unit lies within the present horizontal field limits of the Yates?

A As far as this section is concerned, only the west half of Section 16 is currently within the horizontal limits of the Jalmat Gas Pool. However, since the Commission has now approved the Gulf Unit, to which I have previously referred, it is my understanding that the February Docket of the Commission will include a nomenclature to consider enlargement of the field limits as necessary, to bring the additional units which may be approved by the Commission.

Q Does Stanolind Oil and Gas Company have a working interest in the entire 200 acres proposed in the unit?

A At the present they do not. Stanolind has a working interest only in the Southeast quarter of the Southeast quarter and the Northwest quarter of the Northeast quarter. The remaining 120 acres is held by Humble Oil and Refining Company. However, at the present time, Stanolind is negotiating with Humble to acquire their working interest in this 120 acres under a farmout contract. When that is consummated, Stanolind will then have all of the working interest in the entire 200 acres and the acreage will be pooled to form the unit as proposed.

Q Stanolind will be the operator of the unit?

A Yes, they will.

Q Now, are these leases that are to be pooled all State of New Mexico leases?

A Yes, it is all state acreage.

Q It will be the same royalty ownership? A Yes, sir.

Q You have already testified, I believe, with respect to the location of the well to be recompleted?

A Yes, I have.

Q Now, in your opinion, is all of that acreage to be attributed to this well reasonably proven to be productive of gas?

A In my opinion it is.

Q You have on Exhibit 1 certain blue lines, what do they purport to be?

A Exhibit 1 has been contoured on top of the Yates, which formation is in the vertical limits of the Jalmat Gas Pool. The contour interval shown is fifty feet. It is readily apparent that there is a local high in the Yates in this immediate area as reflected by the contours --

Q (Interrupting) Now -- excuse me, go ahead.

A (Continuing) -- and from a study of the structure, as indicated, there is no evidence of any structural anomalies which would indicate that all of this might not be producing from a common reservoir. In my opinion, based on structural information, all of the wells in this area are producing from a common source of supply.

Q I hand you what has been marked for identification as Stanolind's Exhibit No. 2 and Exhibit No. 3, and ask you to tell the Commission what the cross sections appearing thereon represent?

A Exhibits 2 and 3 are cross sections, the trace of which is shown in each case on our Exhibit No. 1. Each includes three wells in the immediate vicinity of the proposed unit. The objective in developing these cross sections is to show that the Yates Formation or the entire Jalmat Gas pay wherever indicated, is continuous throughout the area indicated by the cross sections. There is no evidence of any impermeable barrier which would indicate that

there would be a barrier to communication while the quality of the sand member seems to vary a little bit from well to well. In my opinion it does show that the Jalmat Gas pay can be correlated throughout the entire area and in my opinion all the wells are producing from a common source of supply and --

Q (Interrupting) Excuse me, go ahead.

A (Continuing) -- that all the acreage involved is thought to be reasonably proven productive.

Q Directing your attention to Stanolind's Exhibit 4, 5 and 6, will you please tell the Commission what those Exhibit show?

A Exhibit 4 is simply a tabulation of pertinent well completion data on all Jalmat Gas wells as reflected on Exhibit 1. Exhibit 5 is a tabulation of the latest deliverability test data on those same wells, and Exhibit 6 is a tabulation of production data for all months available for the year 1955 on the same group of wells.

Q What is your conclusion from examination of Exhibits 4, 5, 6?

A Based on the structural information and examination of the cross sections, and the productivity of wells producing from the Jalmat in the immediate area, I believe that all the acreage is reasonably proven productive and that all of the acreage can be assigned to that well for proration purposes.

Q In your opinion, are there other wells in the vicinity which may or probably are draining gas out from under the 200 acres involved in the proposed unit?

A Yes, I believe there are other producing Jalmat wells that are currently



draining gas from the proposed gas unit.

Q The well, after recompletion, in your opinion, will efficiently drain the gas from under the proposed unit either by compensation elsewhere in the unit or directly in the well?

A Yes, I believe the Commission has already found that one well in this field will efficiently drain 640 acres. I think we have shown that in this case the wells are producing from the same common source of supply in the Jalmat Gas Pool, for that reason I believe that one well will efficiently drain the acreage we desire to attribute to that well.

Q Are there any other wells in the proposed unit to which the acreage can be assigned in the Jalmat Pool?

A There are none at this time.

Q In your opinion, if the Commission should see fit grant our application, will it avoid the drilling of unnecessary wells?

A In my opinion it would.

Q In your opinion, would such action by the Commission prevent waste and protect correlative rights?

A Yes, it would.

MR. SMITH: That is all we have at this time.

MR. MACEY: Any questions of the witness?

CROSS EXAMINATION

BY MR. NUTTER:

Q I would like to ask Mr. Hiltz one question. Mr. Hiltz, what is Stanolind's C Meyers Number 5 in the Northeast quarter of the Southwest

quarter of Section 9?

A That well is currently carried, I believe on the Langlie-Mattix production schedule as a gas well. I beg your pardon, as a high gas oil ratio oil well. It has an allowable of one barrel per day with a gas oil ratio of three hundred and fourteen thousand. An attempt was made to complete that well in the Jalmat Gas pay and there was gas production from the well. When an attempt was made to complete it there, however, we did not at that time consider it to be sufficient to complete a commercial gas well, so it was then completed as an oil well in the Langlie-Mattix Oil Pool.

Q So at least for the present time there isn't any gas unit in the Jalmat Pool in that Section 9, is there in Township 10?

A No, there is not.

MR. NUTTER: That is all.

BY MR. GURLEY:

Q Mr. Hiltz, how long has Stanolind been negotiating with Humble about going into a farmout agreement in the upper portion of the unit?

A I am not aware of the exact date it started, but I can say that the agreement is now in our office for review by our attorneys.

Q Then it is in the final stages, is that correct?

A Yes, I believe our attorneys are examining it with the idea of preparing a re-draft or final draft to submit to Humble for their final approval.

Q Do you know of your own knowledge whether there is a possibility it will not be consummated?

A I know of nothing at this time that will prevent it's being consummated?

MR. GURLEY: That is all.

BY MR. KITTS:

Q Mr. Hiltz, on that same line of questions, could you give any estimate in the event of the approval of the unit when you expect the communitization to be completed?

A Oh, I would say probably within sixty days at the most.

MR. KITTS: I see. That is all.

MR. MACEY: Anyone else have a question of the witness? If no further questions, the witness may be excused.

(Witness excused)

MR. SMITH: That is all we have. I would like to offer in evidence Stanolind's Exhibits 1 through 6 inclusive.

MR. MACEY: Is there objection to the introduction of Stanolind's Exhibits 1 through 6?

MR. HINKLE: If the Commission please, Clarence Hinkle, representing Humble Oil and Refining Company. With respect to Case 991, it has been brought out in the testimony of Mr. Hiltz that Humble is interested in the area to the extent of 120 acres; that they are negotiating with Stanolind in connection with a communitization agreement. I am authorized to state for the record that this agreement has been agreed upon in principle, and is in the process of being executed and the details worked out and the Humble would like to go on record as being in favor of this application.

MR. MACEY: Anyone else have a statement or any more testimony? Our attorneys would like to make a request of Stanolind pertaining to the farmout agreement.

MR. GURLEY: We would like to make a formal request to have a certified copy of the farmout agreement for our records as soon as the deal is consumated.

MR. SMITH: As soon as it is consumated we will get it to you.

MR. MACEY: If there is nothing further we will take the case under advisement.

C E R T I F I C A T E

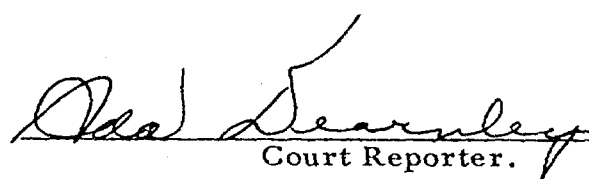
STATE OF NEW MEXICO, )

: ss

COUNTY OF BERNALILLO.)

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the Oil Conservation Commission for the State of New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

WITNESS MY HAND, this, the 20th day of January, A.D., 1956.

  
Court Reporter.

**TABLE II**  
JALMAT GAS WELL TEST DATA  
STATE "D" TRACT 14, AREA  
LEA COUNTY, NEW MEXICO

OPERATOR, LEASE & WELL

R. Olsen (Personal) - Hodges No. 2

Amerada - O. M. Hodges No. 1

Sinclair - Fowler Hair No. 2

Skelly - Mexico "G" No. 1

Gulf - J. R. Holt "A" No. 2

Continental-E. E. Jack B-17 No. 3

Continental-E.E. Jack A-20 No. 4

Texas Co. - J. F. Black No. 2

El Paso - Shell Black No. 2

DELIVERABILITY TEST DATA \*

DATE	Q	Pc	Pw	Rd	D
9-1-54 4 Point Test - 24 hr. SIMHP 1177 psig					
1st Point	8449 MCFPD	TP 663 psig	CP 962 psig		
2nd Point	6886 MCFPD	TP 787 psig	CP 982 psig		
3rd Point	5136 MCFPD	TP 882 psig	CP 1016 psig		
4th Point	3160 MCFPD	TP 978 psig	CP 1050 psig		
Calc. Open Flow 25,800 MCFPD					
6-12-55 Flow. 1515 MCFPD against 444 psi line pressure w/WHP 456 psi					
6-13-55 Flow. 1738 MCFPD against 366 psi line pressure w/WHP 386 psi					
6-12-54	1602	459.2	TP 365.2 CP 388.2	367.4	1939
6-19-54	1230	935.2	TP 764.2 CP 955.2	748.2	1953
10-2-55 Deliverability at 320 psi of 3,970 MCFPD					
6-19-54	1666	1034.2	CP 848.2	827.4	1800
6-19-54	260	254.2	CP 79.2	203.4	122
6-19-54	746	945.2	CP 601.2	756.2	494
6-19-54	468	875.2	TP 534.2	700.2	297

\* Q = Actual flow at WHP (Pw) MCFPD @ 15.025 psia and 60° F

Pc = 72-hr. WHSIP (psia)

Rd = Deliverability pressure (80% WHSIP - psia)

Pw = Static wellhead flowing pressure (psia)

D = Deliverability in MCFPD at deliverability pressure @ 15.025 psia and 60° F

**TABLE I**  
**JALMAT GAS WELL COMPLETION DATA**  
**STATE "ND" TRACT 14 AREA**  
**LEA COUNTY, NEW MEXICO**

<u>S-T-R</u>	<u>OPERATOR, LEASE &amp; WELL</u>	<u>ELEVATION</u>	<u>GAS</u> <u>COMPLETION</u>	<u>TYPE</u> <u>WELL</u>	<u>TYPE</u> <u>COMPLETION</u>	<u>COMPLETION</u> <u>INTERVAL</u>	<u>STIMULATION</u>	<u>INITIAL POTENTIAL TEST DATA</u> <u>METHOD</u>	<u>MCF/DPD</u>	<u>SI/HP</u>
8-24-37 NW/4 NE/4	R. Olsen (Personal)-Hodges No. 2	3286	8-23-54	Single	Open Hole	2800-3080	None	Open Flow (est.)	20,000	1225
8-24-37 NE/4 SE/4	Amerada - O. M. Hodges No. 1	3283	4-3-53	Dual	Perforated	2857-2950 2990-3065	A/1500 gal.	Open Flow	3,200	NR
9-24-37 SW/4 NW/4	Stinclair - Fowler Hair No. 2	3267	9-1-38	Single	Open Hole	3143-3560	None	Open Flow (est.)	24,000	NR
16-24-37 NW/4 NW/4	Skelly - Merdco "G" No. 1	3256	5-24-51	Dual (Oil zone SI)	Perforated	2740-2780 3116-3131 3135-3140	NR	Open Flow (est.)	12,600	1060
16-24-37 SE/4 SW/4	Gulf - J. R. Holt "A" No. 2	3245	10-2-55	Dual	Perforated	2650-2700 2760-2830 2885-2945	A/500 gal. SF/6000 gal.	Del. @ 320#	3,970	NR
17-24-37 NE/4 NE/4	Continental - E. E. Jack B-17 No. 3	3278	8-30-51	Single	Open Hole	2609-3050	None	Open Flow	6,000	1163
20-24-37 SW/4 NE/4	Continental - E. E. Jack A-20 No. 4	3280	5-18-50	Single	Perforated	2988-3030 3050-3068 Jet 4, SPF 2986-3040 3050-3080 3105-3135 Gun 1 SPF	NR	Open Flow	7,200	NR
21-24-37 NE/4 SW/4	Texas Co. - J. F. Black No. 2	3227	10-11-46	Single	Perforated	2926-2950	None	Open Flow	2,500	NR
21-24-37 SW/4 SE/4	El Paso - Shell Black No. 2	NR	3-21-51	Single	Perforated	2898-2937 2955-2986 3018-3076	A/500 gal. None HF/NR	Del. @ 250#	180	NR

(Workover 4-19-51 increased open flow from 210 to 930 MCFPD, NR on details)

Note: NR - No Record

TABLE III  
JALMAT GAS WELL PRODUCTION DATA  
STATE "ND" TRACT 14 AREA  
LEA COUNTY, NEW MEXICO

Present Unit Size Acres	Operator, Lease & Well	Gas Purchaser	1955 Production Data - MCF										11-1-55 Over or Under Status	11-1-55 Cumulative Gas Production
			Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.		
160	R. Olsen (Personal) - Hodges No. 2	EPNG Co.	6,997	324	6,000	Zero	Zero	1,270	Zero	Zero	Zero	Zero	+ 5,191	63,617
160	Amerada - O. N. Hodges No. 1	PBPL Co.	Zero	Zero	Zero	17,675	38,496	46,475	43,569	1,322	Zero	9,913	-39,982	254,126
80	Sinclair - Fowler Hair No. 2	EPNG Co.	9,523	132	5,819	2,559	16,849	6,816	3,007	3,088	2,564	13,214	-10,659	1,653,179
160	Skelly - Mexico "G" No. 1	EPNG Co.	38,919	4,906	4,964	23,767	31,242	10,847	753	29,260	42,962	14,143	+19,661	1,033,995
280 (Proposed)	Gulf - J. R. Holt "A" No. 2	PBPL Co.											-	-
160	Continental - E. E. Jack B-17 No. 3	EPNG Co.	19,345	29,847	7,709	14,990	15,639	38,110	3,085	Zero	Zero	37,342	- 4,387	1,075,951
240	Continental - E. E. Jack A-20 No. 4	EPNG Co.	8,156*	7,166*	7,809*	6,291*	7,867*	7,611*	7,784*	7,119*	7,482*	7,939*	Marginal	408,554
200	Texas Co. - J. F. Black No. 2	EPNG Co.	10,264	337	28,017	20,899	40,053	36,803	24,809	12,067	11,130	8,219	-67,951	1,855,933
120	El Paso - Shell Black No. 2	EPNG Co.	15,452	5,150	23,958	8,089	156	2,373	19,519	18,971	17,081	16,362	+ 625	609,503

\* - Marginal Classification

Case No.

990

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Unit Agreement  
Active at time  
of filming. See  
Unit Agreement files.