

Care 46



PETROLEUM AND ITS PRODUCTS

### **GULF OIL CORPORATION**

TULSA · OKLAHOMA

GYPSY DIVISION

February 17, 1945

New Mexico Oil Conservation Commission Santa Fe, New Mexico

Attention Mr. John M. Kelly, Secretary

Gentlemen:

It is requested that the Oil Conservation Commission accord Gulf Oil Corportion-West Grime: No. 4, located in the NE/4 NE/4 NE/4 Section 32-185-38E, the same treatment as other gas wells in the State, particularly those connected to the El Paso Natural Gas Company lines, and that Provation Umpire, Mr. C. G. Staley, be authorized to grant allowable for the amount of condensate produced with the gas utilized or merketed as is now customary for gas wells which produce some oil, particularly in the southern portion of Lea County. West Grimes No. 4 is a gas well producing from the Byers sand in the Hobbs Field. The Byers sand is a separate producing horizon, and present information indicates it will not be productive of crude oil.

The handling of the production from the well in this manner is in keeping with past practice and in keeping with practice in neighboring oil and gas producing states. In Oklahoma gas production is limited only by the market available except for the usual general rules regarding the maximum percentage of potential that may be produced. In the case of gas wells producing condensate the only limitation is that the gas produced be marketed or utilized, but not wasted. This division of Gulf does not operate in the State of Texas. It is my understanding, however, that gas and condensate wells are under the same limitations as in Oklahoma. In the State of Texas there are a number of condensate pools in which re-cycling operations are being carried out. According to my information, the reason for the re-cycling is that there is insufficient market for gas to produce the market demand of condensate. Under such circumstances the Texas Railroad Commission requires that gas produced in except of the market be returned to the reservoir.

The Byers ges sand is a separate pool within the Hobbs Field. Being a separate pool, it appears that it should be administered in the same manner as any other separate pool, even though it is within the general boundary of the Hobbs Field. The Hobbs Field then would consist of two pools; namely, the Hobbs dolomite oil pool, and the Byers sand gas pool. As time goes on this field will undoubtedly be further expanded to cover the Bowers sand and possibly other horizons, each being separate pools as defined by sub-section (b), and further clarified in subsection (c) of Section 24, Chapter 72 of the Session Laws of New Mexico 1935.

Since the proposed menner of handling gas production from West Grimes No. 4 has adequate precedence both in the State of New Mexico and neighboring states, DATE 2-17-45 FROM Gulf Oil Corporation To New Mexico Oil Cons, Com, SHEET NO 2

it appears that a public hearing would be unnecessary. However, if in the opinion of the Commission it is necessary to hold a hearing, I would suggest that it be held along with the hearing which I understand will be called some time in April for consideration of permanent gas-oil ratio order and the fersibility of permitting transfer of oil allowable on a production unit basis.

Immediate relief is needed, however, since our storage facilities will not last more than about another ten days. If the Commission feels a hearing is necessary, it is requested that temporary relief be given by granting permission to run 1,154 barrels of condensate which was in storage as of February 4, 1943 on the West Grimes lease, with the understanding that adjustments will be made in the future to conform with the subsequent order of the Commission.

ry tri yours, S. G. Sanderson

General Superintendent

LLG:LD



#### PRODUCTION DEPARTMENT

#### PRODUCTION ENGINEERING DIVISION

#### MEMORANDUM

#### West Grimes No. 4

West Grimes No. 4 was completed during 1930 and, although it had a reasonable gas-oil ratio initially, due to the spread of the gas cap, it developed a rather high ratio by 1932. In the early part of 1933 a canvas packer was set which successfully reduced the gas-oil ratio. The packer failed, however, after only a few months of operation, and attempts to unseat it were unsuccessful. The well was shut in as a producer in October 1934 and the production for the unit has since been obtained from Well No. 7 which is the south offset to Well No. 4 on the same 40-acre unit. There is attached, Exhibit A, a copy of the well record which summarizes the various operations at the well.

The well was plugged back on August 15, 1940 after setting cement retainer at a depth of 3909', squeezing 70 sacks of 4% Aquagel cement below the retainer, and leaving 5 sacks of cement on top of the retainer. The plugged back total depth was 3884'. After satisfactory test for shut off, the well was perforated from 3650' to 5700', after which the well's potential was 23,750,000 cubic feet of gas per day.

West Grimes No. 4 was plugged back for a gas well for the purpose of furnishing gas to gas lift wells No. 3 and No. 4 on the North Grimes lease which is approximately 12 miles north and east. These wells had begun producing water and ceased flowing. At that time very little was known of the producing characteristics of the Byors gas cand except that it had fairly large volumes and had an initial rock pressure of 1,625 psi. Early tests as reported in the Lea County engineering reports indicated the gas had low Btu content of between 350 and 400, and would be unsatisfactory to use for fuel purposes.

Since the gas from the Byers sand sppeared to have no commercial value for fuel, it appeared its best utilization would be that for gas lift of wells producing from the Hobbs dolomite. Consequently New Mexico Oil Conservation Commission Form C-102 was submitted and approved to convert West Grimes No. 4 to a gas well, it being stated in this form that the gas would be used for gas lift purposes. Exhibit B, attached, is a copy of Form C-102 as submitted.

Accordingly, upon completion of the well as a gas well, lines were laid to connect it to the North Grimes lease. At the same time samples of gas were submitted for analysis and it was determined that the gas was actually sweet and had a Btu content in excess of 1,100. Since gas of such quality was highly desirable as domestic fuel, it was decided that in the best interests of conservation such gas should not be used for gas lift purposes. Accordingly, Mr. Sanderson in his letter of September 17, 1940 instructed Mr. Cummings to discontinue the use of the sweet gas from West Grimes No. 4 for gas lifting wells on the North Grimes lease, a copy of this letter is attached and marked Exhibit C. The well was shut in except for small amounts of gas which were used for local domestic fuel.

#### Memorandum

area.

During the period the gas was used for local domestic fuel, only insignificant amounts of condensate was produced with the gas. However, there was a tendency for the well to load up with condencate making it necessary to blow it about once every three months.

During 1942 the Lea County Water Company made connections with the well as a purchaser of gas. It is our understanding that this gas is used in the City of Hobbs and for the local Army Air Training Station and to other connections which the Lea County Water Company have made with the lines serving the Artesia-Roswell

As a result of the increased rate of withdrawals after this connection was made, the well began producing substantial quantities of condensate, ranging as high as 45 barrels per day, but averaging substantially less. Production of oil and gas during the last six months of 1942 and for January 1943 is as follows:

## West Grimes Hell No. 4

| C     | Gross Production |               |  |  |
|-------|------------------|---------------|--|--|
|       | 011              | Gas           |  |  |
|       | Bbl              | NCF           |  |  |
| 1942  | 202              | 2,157         |  |  |
| July  | ň                | 3,593         |  |  |
| Aug.  | ň                | 6,018         |  |  |
| Sept. | ň                | 1,701         |  |  |
| Oct.  | Ő                | 21,807        |  |  |
| Nov-  | 776              | 74,786        |  |  |
| Doc.  | 110              |               |  |  |
| 1943  | 873              | Not available |  |  |
|       | 378              |               |  |  |

Jan.

In order to handle the condensate production, a high pressure separator was installed and on December 24 Certificate of Compliance and Authorization to Transport Oil Form C-110 was submitted to the Commission by the Hobbs district office. A copy of this form together with Mr. Anderson's accompanying letter is attached and marked Exhibit D. At about the same time a request was made to the Shell Pipe Line Company to run 650 barrels of the accumulated condensate. This was a rather unusual situation so far as New Mexico operations were concerned, and Mr. Staley did not want to take jurisdiction until the matter had been passed upon by the Commission. He, therefore, referred the matter to the Commission by letter of December 28, a copy of which is attached and marked Exhibit E.

Since this was the first time condensate in sufficient quantities to require an allowable had been produced in the State, Mr. Carl B. Livingstone, attorney for the Commission, requested an analysis of the condensate. The analysis was made by Mr. D. C. Sears on January 14, 1943 and transmitted to Mr. Livingstone together with affidavit as shown in the attached Exhibit F. The condensate was water white havin, an A.P.I. gravity of 72.2 and on distillation test exhibited qualities of cooline rather than that of crude oil.

Page 2

#### Memorandum

No decision was reached in the matter, however, and during the latter part of January Mr. John Kelly, State Geologist, stated that there was no precedent in the hundling of a situation such as this, and requested that Gulf submit a more detailed and definite request on which to base an opinion.

The purpose of this memorandum is merely to bring together the significant actions which have been taken regarding this well in order to eliminate the need for referring to the numerous files involved.

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#### L. L. Gray

LLG:LD Att'd. February 17, 1943 Page 5

Form 879-1M-9-29-T. P. Co.

### WELL RECORD

Exhibit A

WELL NO. 4 LEASE W. D. Grimes COMPANY Cypsy 011 Company AUTH. NE-15 DATE-Drilling Began 7-16-30 Well Completed 9-21-30 First Production 9-21-30

SHOT-Deze Not sho twith Quarte-From To By

SAND RECORD Terry Line 3975' to 4153'. TOTAL DEPTH - 4153'.

INITIAL PRODUCTION\* "F" Thru tubing & casing one hour, 324.00 bbls, or rate of 7776.00 bbls in 24 hours. Gas estimated at 11,000,000 cubic feet. CASING RECORD S-32 T-185 R-38E

|     |          |               |   | -                                    |  |  |  |  |
|-----|----------|---------------|---|--------------------------------------|--|--|--|--|
| WL. | The      | Class         | Make *                                  | Ruo                                  | Sects<br>Counset   | Cil. Cila.   | Polled   | Left In  |
| 70  | 8        | SH            | Lapweld                                 | 2201                                 | 200  | 200  | 0  | 220.   |
| 36  | 10       | Now           | Seamless                                | 2742'                                | 600  | 400  | . 0  | 2742'  |
| 24  | 10       | New           | Seanless                                | 3931'                                | 400  | 400  | 0  | 3931'  |
|     |          |               |   |                                      |  |  |  |  |
|     | 70<br>36 | 70 8<br>36 10 | 70     8     SH       36     10     New | 70 8 SH Lapweld   36 10 New Seauless | 70     8     SH     Lapweld     220'       36     10     New     Seatcless     2742'       2     2     2     2     2       24     10     New     Seatcless     3931' | 70     8     SH     Lapweld     220'     200       36     10     New     Seamless     2742'     600       24     10     New     Seamless     3931'     400 | 70     8     SH     Lapweld     220'     200     200       36     10     New     Seamless     2742'     600     400       24     10     New     Seamless     3931'     400     400 | 70     8     SH     Lapweld     220'     200     200     0       36     10     New     Seamless     2742'     600     400     0       24     10     New     Seamless     3931'     400     400     0 |



3640\*

Elevation -

(\*) Best Duy; "F", Flowing, Naturally; "L", Air-Gas Lift; "S", Swabb'ng; "P", Pumping.

RUN TUBING ANCHOR 1-12-33 PACKER (WITH SPUDDER): To 1-19-33 PRODUCTION (12 HOURS "F" 174 Bbls. (55,150 7as-011 Hatic) - "F" 270 Bbls. (1,665 Ges-011 THRU 50/64" CHOKE): Ratio ) PRODUCTION (24 HOURS -"F" 345 Bbls. (63,800 Ges-Cil Ratio) - "F" 506 Bbls. (2,040 Gas-Cil CHONE OPEN: Ratio.) . 2/18/34 with 1000 gallons of 50% acid solution ACIDIZLD: Before, 400 bbls., 15myn.CF Gas - After, 480 bbls, 22 myn.CF Gas PRODUCTION:

|                   |         | S & S ARC  |      |
|-------------------|---------|--|------|
| PLUG BACK & TEST: |         | 8-15-40 to sta 8-27-40 AFE #5071                   |      |
| <br>DEPTH:        |         | Set Retainer at 3200'A with 5 macks coment on top; |      |
|                   |         | plugged back to 3884'                              | TD   |
| CASING:           | 7"      | Perforated from 3700' to 3630'                     |      |
| PRODUCTION:       | Before: | None - shit in                                     | 1. 1 |
|                   | After:  | 23,750,000 cu. ft. gas. S.1. Cising Pressure 1625* |      |
|                   |         |  |      |

NEW MEXICO OIL CONSERVATION COM ISSION Santa Fo, New Mealco

Exhibit B

12.00

#### MISCELLANEOUS NOTICES

Form C-102

Submit this notice in triplicate to the Oil Commission or its proper agent before the work specified is to begin. A copy will be returned to the sender on which will be given the approval, with any modifications considered advisable, or the rejection by the Commissioner or agant, of the plan submitted. The plan as approved should be followed, and work should not begin until approval is obtained. See additional instructions in the Rules and Regulations of the Commission.

| ,                                     | Indicate nature of a                                    | DEICO DY CHECKING DEIOW.               |   |                                  |
|---------------------------------------|---|--|---|----------------------------------|
| 10 mg                                 | NOTICE OF INTENTION TO TEST CASING<br>SHUT-OFF          | NOTICE OF INTENTION<br>CHEMICALLY TREA |   |                                  |
|                                       | NOTICE OF INTENTION TO CHANGE PLANS                     | NOTICE OF INTENTION<br>OTHERWISE ALTER | CASING  |                                  |
| eràs de                               | NOTICE OF INTENTION TO REPAIR WELL                      |  | A second s | . شريعة ال                       |
|                                       | NOTICE OF INTENTION TO DEEPEN WELL                      | NOTICE OF INTENTION                    | TO PLUG WELL  |                                  |
|                                       | Bobbe. New  | Nex.                                   | Notice big gas XX   | n <mark>i</mark> jas<br>statista |
|                                       |   | Place                                  | Date  |                                  |
|                                       | OIL CONSERVATION COMMISSION.                            |  |   |                                  |
|                                       | Santa Fe. New Mexico.                                   |  |   |                                  |
|                                       | Gentlemen:  |  |   | •                                |
|                                       | Following is a notice of intention to do certain work a | s described below at the Gul           |   | -                                |
|                                       | Gypey Proda. Division                                   | Well                                   | No in INE   |                                  |
|                                       | Company or Operator Lease                               | The second second                      | and a second  |                                  |
|                                       | of Sec. 38 , T. 188 , R. 398                            |  | <b>Field</b>  | •                                |
|                                       | Les   | en al l'altra de la construction       |   |                                  |
|                                       | FULL DETAILS OF F                                       | ROPOSED PLAN OF WO                     | )RK   |                                  |
| i i i i i i i i i i i i i i i i i i i | FOLLOW INSTRUCTIONS IN THE RUL                          | ES AND REGULATIONS OF T                | HE COMMISSION   |                                  |
|                                       | Authority is requested to plug with on                  | ent from total denth                   | to casing seat and new-   |                                  |
|                                       | forste casing between 3630' and 3700',                  |  |   |                                  |
|                                       | to gas-lift other wells in Hobbs Pool                   |  |   |                                  |
| e estatu,                             | Sed. 21-185-588) .                                      |  | -   |                                  |
| 1.00                                  | This well now has a canvas packer set                   | at 4055' and one unaud                 | cessful attempt was mad   |                                  |
|                                       | in 1954 to remove it. Should it be im                   |  |   | -                                |

will be out off immediately above the packer and a Baker Cement Metainer set near the bottom of the casing. Heavy Fiber-Aquagel and will then be pumped through the cement retainer to plug the lower producing section. Then 50° of coment will be placed on top of the retainer to insure successful shut off. With the lower section properly plugged the casing will then be perforated as described above.

| Approved                     | Gult 911 Corporation - Gypay Prodn. Div.                               |  |  |  |
|------------------------------|--|--|--|--|
|                              | By   |  |  |  |
|                              | Position District Superintendent Send communications regarding well to |  |  |  |
| OIL CONSERVATION COMMISSION, | Name C. C. Cuntings  |  |  |  |
| By                           | Address Hotha, New Vexico.   |  |  |  |
| Title                        |  |  |  |  |

Exhibit C

1.00

Tulsa, Oklahoma September 17, 1940 Sec 2- 6

Mr. C. C. Commings Hobbs, New Merico

Dear Sir:

You recently plugged back West Orimes No. 4 and perforated the casing opposite the Byers gas sand. After perforation, the well tested 32,000 M cubic feet. The ger analysis indicates that this gas is sweet and that the fuel value is 1,140 BTU. It was planned to use this gas to flow the North Grimés Nos. 3 and 4; however, when this work was planned and authorized it was everyene's thought that the gas had very low fuel value. I am advised by Mr. Gray that the Byers gas sand varies from 30 feet to 100 feet in thickness. Based upon the information we have there is a very large reserve of sweet gas of high fuel value at high pressure in this Byers sand. After careful consideration we have concluded that in the interest of conservation and public welfare, this gas should not be used for gas lift purposes but should be conserved for fuel for the comps and towns in New Mexico and Texas. Therefore, you will please fundiately, in accordance with my wire of today, discontinue using Byers gas from the West Grimes No. 4 for today, gas lifting the oil from the North Grimes wells. You will please immediately submit authorization for pumping equipment for North Grimes Nos. 5 and 4.

The Humble Oil & Refining Company has advised that they would like to purchase gas from our West Grimes No. 4 for gas lift purposes on their Federal Bowers "B" lease. Mr. Gray will advise the Humble Oil & Refining Company that we have concluded that gas should not be used for gas lift purposes, that we have discontinued its use for such purposes on the North Grimes lease, and that we do not wish to sell them gas for gas lift purposes.

Very truly yours,

ORIGINAL SIGNED FT

208:80

16005-7

cc - Mr. A. M. Bell, Jr. Mr. R. L. Clarke Mr. H. F. Brindel Mr. H. R. Auerswald Mr. D. O. Barrett Mr. L. L. Clay



Exhibit D-1

Hobbs, New Mexico December 34, 1962

nak

Carl B. Livingston New Mexico Oil Conservation Commission Sente Fe. New Mexico

Dear Sir:

On August H6, 1910, Gulf Oil Corporation a Ment Orimes No. 4, in NE NE NV Sec. 52-189-382, was plugged back and performed for completion as a gas well in the "Big Oas" send as arthurised and reported in the attached approved sopies of forms C-108 and C-108.

Gas from this well has been used primarily for denosite purpases. Increased distribution this summer, excasioned by connection to the Lee County Water Company's system, procipitabed the need for continuous removal of condenacts from the produced gas. On Nevenber 28, a high pressure separator was placed in service.

Condensate production from the well varies over a comparatively wide range dependent on rate of takes, atmospheric conditions, see. Next Origon No. 4 is located on the same producing unit, d 32-108-208, with Ment Origon No. 7, a Hobbs Doluite preducer. Therefore, we wish to be granted permission to produce and transport the condensate produced with the gas from the No. 4 well.

Executed copies of 0-110 are attached for your approval.

Tours very truly,

OTLY OTL COMPANATION OYPSY PRODUCTION DIVISION

Division Seperintende

 $M^{\prime}$ 

WDM/fk

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CC - Sanderson - 18 ' Sanderson - 13

| Exhi | bi | t | D-2 |
|------|----|---|-----|
|      |    |   |     |

Form C 110

### OIL CONSERVATION COMMISSION STATE OF NEW MEXICO

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## Certificate of Compliance and Authorization to Transport Oil

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| e valid until f<br>ation Commis   | of oil produced from<br>further notice to the l<br>sion of New Mexico.  | transporter name  | d herein or unt   | il cancelled by th   | ie Oil Conser-  |   |
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Exhibit E

Decembor 28, 1942

Hon. Carl Livingston Oil Conservation Commission Santa Fe, New Liexico

Dear Carl:

35:11

eet Gilf

Enclosed herewith is a copy of a letter from the Gulf Oil Corporation in which they request that permission be given the Shell Pipe Line to run 650 barrels of condensate from the Oulf W. Grimes Mr. 4 Unit C. Sec. 32-13-33. This unit is producine oil from the Fip Lime pay and the cas is coming from an upper pay, probably the Bowers. This 650 barrels of condensate would be under present Commission orders, in addition to the allowable on the proration schedule.

In my opinion, the upper pay will have to be treated as another field in order to allow this condensate to be marketed. Please rive me your opinion.

Yours very trily,

Glenn Staley

Exhibit F-1

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Sole.

Functy 34, 1948

b. Cust B. Livingston De Raziae VII Conservation Commission Nation To, Now Maxies

Dear Strt

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JW/IX

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Complying with your request of Jammery 9, 1948, we have analyzed the condensate from the West Grimbe No. 4 with 5 sec. 38-185-586.

19.

JAN 18 1943

IN- -

Inclosed are the analysis data and affidevit to

Yours very touly,

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Exhibit F-2

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Exhibit F-3

#### General of they million a annual of the

On this the lith. day of January, 1943 personally appeared before us, the undersigned notary public, D.C. Sears, to me known to be a representative of the Galf Oil Corporation, who on his

eeth states:

That the analysis attached hereto is a true and correct sopy of distillation test made on gasoline obtained from walf Oil Corporation's W. Grimes No. 4 well (gas well) Unit

C See. 32-185-385. Hobbe Post.

Sworn to and subscribed before me this 14th, day of January, 1943.

My commission expires Oct. 24, 1962

at: Notary Public Les County

## OIL CONSERVATION COMMISSION SANTA FE. NEW MEXICO

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at at suprembre and requesting perstance A 7.24 is being bain

**F** 1 title to gathe south firster in. President constants

Very traly yours, Very and yours,

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John M. Kelly Director. 

differits os Glenn Staley

OIL CONSERVATION COMMISSION

Dane Hr. Benthymmythi

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Near seganth of September 20ed requesting particular to run distillate with all is being held up punking an Order of this Countenties, requested at prints bearing by the Galf Oll Coupany on a similar case in the same part.

5, 1943

12

You will be notified as to the result of this are and therefore will be able to golds your faints equals accertingly.

Yory totaly yours,

's i

John H. Kelly Director.

JMK:MS



4

## SHELL OIL COMPANY

PETROLEUM BUILDING MIDLAND, TEXAS September 23, 1943

New Mexico Oil Conservation Commission Santa Fe, New Mexico

#### Gentlemen:

We herewith request temporary permission to be allowed to run to the pipe line distillate produced in conjunction with the gas production from our State "A" funct No. 1 gas well, completed from the Byers Sand in the Hobbs Pool. This permission is requested on a temporary basis, pending the results of your consideration of the request by the Gulf Oil Corporation for the establishment of a distillate allowable for their gas well producing from the Byers Sand.

Six barrels of distillate per day are produced from approximately one-half million cubic feet of gas, this being the average daily gas flow from the well at this time. As the distillate is extremely volatile, a greater portion is recovered by mixing with the oil rather than allowing it to accumulate in a separate tonk. This request for permission to run the distillate on a basis of six barrels per day is therefore made so that the distillate can be produced and run with the oil from the lease to recover the greatest percentage of the distillate.

Yours very truly,

SHELL OIL COMPANY, INC. row Division Manager

JHM: RUF: ud: rj

also on some unit are steep stote & 24 for the full amount of the unit ollowable-see Projections Schechule for 9-43 the pro. tech 10-43 G.O.R. 3800. My 3500 for Hottes. Will Pro. tech 10-43 G.O.R. 3800. My 3500 for Hottes. Also, 10-43 Pro Ach. shows: Humble- Sources A5 NESE, Unit I, 30 also, 10-43 Pro Ach. shows: Humble- Sources A5 NESE, Unit I, 30 also, 10-43 Pro Ach. shows: Humble- Sources A1, is consplicted unit 185-38E producing full amount of unit allowable, on which unit 185-38E producing full amount of unit allowable, on which unit allowable of the source of the sources A1, is consplicted of a and good will in the Big Gas Same.

Clare 4 6 P. O. Box 2038 Pittsburgh, 30,

July 10, 1943

Mr. Rush Greenslade Tulsa, Cklahoma

Subject: West Grimes No. 4 - RK-23

Dear Sir:

Please refer to your letters dated June 3 and July 7, in regard to reservoir conditions in the 3700-foot sand at Hobbs, New Mexico, and to a sample taken from the well at 3500 ft. in the latter part of June.

Shortly after receiving the sample, the pressure in the bomb was raised to 2500 psi at 92°F., its contents agitated to insure equilibrium, and a portion was transferred to our dew point apparatus. The pressure was then slowly dropped at constant temperature until liquid was observed. From these observations, it was concluded that the dew point of the contents of the bomb was approximately 750 psi, indicating that it was dry gas at reservoir temperature and at pressures above 750 psi.

While, for reasons already discussed with Dr. Knappen and Mr. Gray, observations made on bottom hole samples such as that sent to us from Grimes 4 cannot be regarded as comparable to those made on separator samples taken from tubed wells, there can be little dou't that the fluid entering the well is a single phase gas. Confirmation of this conclusion is obtained from the very high ratio of gas to liquid (100,000 cubic feet per barrel) and the complete absence of color in the condensate as reported from the field. In recombination experiments made in this laboratory on fluids from many reservoirs, we have never found a case of such high gas-fluid ratio which did not assume single phase when brought to reservoir conditions, nor is there a single instance where a fluid producing a water-white liquid did not likewise assume single phase.

It is understood that tubing will be run in the well at some future time. It'so, perhaps it would be worthwhile to obtain separator samples so that data of greater accuracy could be secured. Mr. Rush Greenslade Page 2

July 10, 1943

by Mr. Grey.

There is attached a drawing of the bomb as received as requested

3 85

Very truly yours,

face

Alex Const

Paul D. Poote

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HTE/mso

### NEW MEXICO Dil Conservation Commission

GOVERNOR JOHN E. HILES, Chriman STATE LAND COMMISSIONER H. R. RODGERS, Member STATE GEOLOGIST JOHN M. KELLY, Sociationy



P. O. Box 871

#### SANTA FE, NEW MEXICO

December 29, 1942

Mr. J: W. Anderson Division Superintendent Gulf Oil Corporation Gypsy Production Division Hobbs, New Mexico

Re: C-110 for Well No. 4 (gas well), Unit C, 32-185-38E.

Dear Mr. Anderson:

Reference is made to your letter of December 24 submitting C-110 to cover the above captioned gas well producing condensate along with the gas used for commercial purposes. Accompanying your letter is C-102 and C-103 approved to plug back so as to turn the well in question into a gas well.

On the December Provation Schedule is Gulf, West Grimes No. 7, an oil well on the same provation unit. There is also in the well file for the latter well an approved C-110. The question arises whether there should be an additional C-110 to cover well No. 4, the gas well producing condensate, or whether there should be a new C-110 to cover both the oil well and the gas well producing condensate.

Circular 5, Division 2, Rule 35, governs the issuance of C-110.

A new C-110 is to be executed and submitted for approval in three cases; namely, upon the change of operating ownership, change of transporter or when C-110 is cancelled by the Commission for cause.

The instant situation covers neither of the foregoing cases. The instant case is simply including in C-llO an additional well which is a gas well producing some condensate. The well in question producing condensate should be covered by C-llO in that it produces "liquid hydrocarbons from a gas well" as provided by said rule. If, however, the new C-llO to cover the gas well only which you submit is approved it may cause some confusion as to the existing C-llO to cover the oil well on the same unit. Since no new C-llO is required and since the gas well producing the condensate should be within the provisions of C-llO the following is recommended: Revise a C-llO which you submit along the following lines: at the top designate it as "amended". In the space for "Wells No. \_\_\_\_\_", insert No. 4 and 7, indicating No. 4 as gas well producing condensate. There is not enough space for this but you can J. W. Anderson

12-29-42

attain the result by interlineation. Within the body of the amended C-110, for the purpose of clarity of records for all parties concerned, state in substance that this amended certificate is intended to amend C-110 covering Gulf, West Grimes well No. 7, an oil well, dated December 10, 1941, and approved December 23, 1941, so as to include Gulf, West Grimes No. 4, a gas well producing condensate.

-2-

In making your C-115, Monthly Report, report the production of the condensate in accordance with the directions just below the middle of said report designated as: "(4) Report distillate, condensate or other liquid hydrocarbons (other than oil) in this column, starring with \*." That will keep the oil and the condensate produced upon the same unit separated so as to preclude confusion.

The C-110 which you submitted and the enclosures C-102 and C-103 in proof of your compliance with the rules and regulations to turn said well into a gas well are herewith returned.

I hope the foregoing suggestions will straighten the matter out for you.

Very truly yours,

Carl B. Livingston Chief Clerk & Legal Advisor.

CHLIMS cc Glenn Staley Roy Yarbrough Shell Pipe Line Company - Houston

Come 44

Linu

Hobbs, New Mexico July 84, 1945

Nr. V. B. Wilson Der 661 Telse, 2 Oklahoma

Dour Stri

In view of the bearing before the State 011 Conservation Comminute emouning the disposal of continuate produced in the Company's No. 6 Next Grines gas well, pertinent data relative to the gas receivedr has been requested. A report is herewith solutited on the investigation of analights data perturbing to the "Rig Gas" or Ryers sens. These data have been compiled primerily to determine, if pensible, what finid modia - as they are annually recognized - are present within this reservair. It is not within the angus of this report nor an I gualified to discuss the phenomena related to the sector of gas and whether or not such phenomena cour within the reservair or within the bore hole.

Mach exact data relative to the Eyers some are lacking. Sample information is particularly meagre, but from the few widely distributed logs that are available, some idea as to the lithelogy, thickness, and stratigraphic position of the some are possible.

The Byers zone appears to have an average thickness of 25 feet, and is composed prodominantly of porces sendatons although interbedied anhydrite and dolomite are present. Of particular importance is the fact the some occurs over the structure at the uniform interval of 300 feet above the top of the Hobbs dolomite. From this apparent uniformity of interval, it is possible to estimate with some degree of accuracy the position of the some in many wells from which samples are lacking through this partion of the stratigraphic meetion.

The method of procedure in attempting to ascertain what showings were reported from this zone has been to closely examine soout tickets, drilling records, and any other available data on all wells within the pool. If any showing were reported which fell within the interval between a maximum of 380 feet and a minimum of 280 feet shows the Hobbs dolomite, it was assumed to be in the Byers and in the rare cases where possible was confirmed by samples. The nature of the showings and the respective wells from which they were reported have been indicated on the accompanying copy of the structure map of the field.

In evaluating these data, the most concrete evidence is furnished from those wells where either a blow-out occurred and some estimate of gap

Page 2 Mr. V. B. Wilson July 36, 1943

was possible, or where definite information regarding water was reported as is the sevenal wells drilled with cable tools in the coath and of the puel. One ranging in volume from 2,000 MDF to 60,000 MDF was reported in 11 wells. Mult water was unconstared in 5 wells and in one instance, in the Shardhind Me. 26 Gappe, 52 SF 3- 198-500; a sharing of gas was reported in the the top of the send although the main portion of the zone was water-bearing.

Brillers records, particularly in those wells where rotary equipment was used, are not two dependence, and in view of the fact that in only 4 wells was a showing of eil and gas reported by the driller, much meagre evidence is hardly sufficient to confirm the presence of eil within the recerveir. However, if only from their unmerical proposationse, some consideration, should be given the numerous gas showings recorded in drilling reports. Also the fast that the wells in which these showings were reported are secregated on the higher part of the structure is addet varification of them as evidence that only gas is present over the greater part of the structure. It will be noted from the map that with but fry exceptions all the gas showings reported fall within the sizes 400 foot contour (as drawn on the Webbe delowite).

Birect evidence relative to the existence of oil within the reserveir is lacking. Particularly significant is the fact that is the Standlind No. 11 Hyurs, NE ME 4-195-SER, some 7,000 MG7 gas were encountered in the Byurs more while in the southwest offset, the No. 33 Byers, which is only 12 feet hower structurally, a bole full of water was reported. It is improbable that oil could have been confined to such a limited interval without having been indicated in either of the above walls. Mention was previously made of the wall in which both gas and water were present within this some.

The evidence suggests the following conditions relative to the Byers reservoir: It is a none emposed predominantly of porous sendstone and has an average thickness of 25 feet. It occurs over the structure at a relatively uniform interval of 300 fest above the Hobbs dolomite. Over the greater pertion of the structure - more specifically, within the minus 400 foot contour - the none may be expected to contain only gas, and throughout the remaining portion, or along the flanks, the zone contains salt water or is barren. There is no direct evidence that the reservoir contains oil.

Respectfully submitted, R.L. Boss

R. L. Boss

co - Mr. S. G. Sanderson (8)

RLB/sha

#### OIL CONSERVATION COMMISSION SANTA FE, NEW MEXICO

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#### IT IS THEREFORE CHEA. CHEA.

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A. Shak the yeal in the Ng the And Into shall be designable as the Mg the Just Perk in the Initia Find.

2. Suit 642-612 Composition-Most Grinne Mail In. 4 shall be possibled to produce and saches and where white Mappid hydrogenheader destroyer anough produced in the spacer out out in 2 shows, actualization my presention only or pos-all mails opport provided that the gas then without down out around in value 255, the span flow principal.

C. That Gulf Cill Corporation-Mpot Grinne Well No. 7 and the powering of the production to its corresponding Weit C, as not out in 3 above, are wantituded by Weis order.

Shat this other shall become effective on the first day of the results and and consoling the scath is which and where is adapted. The production and resisting of and unter-shite liquid hydrocarbons from and thell No. 4 the wholese are retified and confirmed. Reservation is made herein for a final order upon further hearing as provided by law.

Date at Santa Ma, New Hexico, on the day and year hereinabove

OIL CONSERVATION COMMISSION

JOHN J. DENPSEY, CHAIRMAN H. R. RODGERS, MEMERER JOHN H. KELLY, SFORETARY

## OIL CONSERVATION COMMISSION

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CASE NO. 46

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CHENER MO.

THE APPELEDATION OF THE GOLF OIL CONFEMENTED TO STATE LINE AND ME ("MOMMENTE PROMITED TO PERSIA GROWN NO. 4 MOMPHUM IN THE MONTH QUARTER OF THE SOUTHERN' QUARTER OF THE MOMENTE GRAVITER OF SOUTHERN OF THE MOMENTE GRAVITER OF SOUTHERN DE, TOWNSELF IS MOMEN, MALES IN EAST, MANUE FOOL, MAN

#### CHOIR OF THE CONSISTENT

#### BT THE CORLECTORS

this muse can an for hearing at tax stalask Lalle, August 3, 1943, is Spain 20, her mained, weiver the all conservation Counterton of New Nation, hereingfor referred to as the "Counterton".

#### TINDINGS

). That the Big Gas Sand Zone is in the general structure of the Hobbs Field, is a reservoir containing an important counce accumulation of natural gas, is completely separated from any some now producing in the White Crystalline Line below, thereby constituting the Big Gas Sand Zone, a separate pool within the meaning of the basic Oil Conservation Act as amended.

2. That the Gulf Oil Corporation-West Grimes Well No. 4, in the NENN Section 32, 185-38E, has been recoupleted as a gas well so as to produce from the Big Gas Sand Zone. Said well is producing large quantities of gas, being beneficially utilized for fuel purposes. With such gas production is produced at the surface a substantial quantity of water-white liquid hydrocarborg of high gravity and of a highly volatile nature. Said

#### NEW MEXICO DIL CONSERVATION COMMISSION

BOVERNOR JOHN J. DENPERY BIAIRMAN LAND COMMISSIONER N. R. ROCHER

BYATE BEOLOGIST JOHN M. KELLY

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DIRECTOR JOHN M. CELLY DORESS ALL DOMNUNICATIONS TO THE ORECTOR

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Novomber 29, 1943

Mr. John M. Kelly Oil Conservation Commission Santa Fe, New Mexico

#### Dear John:

The rough draft in effect simply gives the Commission's approval to the production of the condensate in Gulf-Grimes No. 4, so as to clear the operator with the Federal Tender Board under the Connally Act; however, the legal difficulties encountered are not as simple as they appear for the reason we do not have any gas statute as such. Our statute authorizes gas regulation to prevent waste in a number of ways but nearly all of these are in connection with an oil pool. A distinct gas pool is quite another thing. The statute authorizes the Commission to limit production of gas to prevent waste but what is waste where gas is produced in an oil pool may not be waste at all when the gas is produced from a gas pool. Except to prevent injury to neighboring properties (treated in the latter portion herein). I do not believe the Commission has power under existing law to limit the amount of gas to be produced from a gas pool where the gas is applied to beneficial use for the following reasons:

Under Section 2 (a), Oil Conservation Act, gas produced for beneficial use in any amount would not be a dissipation of reservoir energy-the purpose of that provision is obviously to conserve energy for the lifting of oil in a pool predominately oil. In the same section provision is made against that form of underground waste that would tend to reduce the total quantity of crude petroleum oil or natural gas ultimately recoverable from a pool. If this were a pool predominately oil, excessive gas production would tend to reduce the amount of recoverable oil but it is predominately a gas pool. An engineering question involved is: will gas produced in large volume in any amount tend to reduce the total quantity of natural gas ultimately recoverable from the pool?

Section 2 (b), Oil Conservation Act. This section prevents surface waste. Within the surface waste is the unnecessary or excessive surface loss or destruction without beneficial use, however caused, of natural gas stc. The gas is, according to testimony, being applied to beneficial useto heat the Army camp, supply Nobbs and Roswell with fuel gas. John H. Kelly

#### 11-29-43

Section 2 (c) includes another form of waste in excess of market demand but that section applies to cil and not gas.

The safest ground we have to stand on is Section 10 (7) the requiring of wells to be "operated and produced in such manner as to prevent injury to neighboring leases or properties". But upon this point there is no testimony.

If one well from a gas pool is curtailed to 25%, why not all of them? That would require a public hearing on the limitation of gas production in gas pools to prevent injury to neighboring properties.

I believe as far as we can go is to approve the production of distillate up to 25% of open flow of the well but beyond that the production of condensate would have no approval. The excess of distillate, if any, would be without approval and should be returned to the ground when no ) ? approval can be obtained in order to prevent surface waste. If the operator chose to produce a gas well at a higher rate than 25% and put the gas to beneficial use and return the excess distillate to the ground, I doubt whether the 25% limitation would be valid, until a general hearing is called to limit gas to prevent injury to neighboring properties. That would no doubt be highly controversial.

It is most apparent that this seemingly simple small matter can develop into a block-buster unless all angles are considered. The Shell and Stanolind will come in with the same thing as the Gulf. The same or a kindred question no doubt will arise in other fields, especially the matter of limiting gas production in gas fields.

In another connection thasmuch as the condensate is treated as oil taking its character as such in the form it takes at the surface we encounter the following legal obstacles which I think have all been surmounted in the suggested order; they are:

If the condensate is oil, then we have to take Gulf-Grimes No. 4 out of the Hobbs Proration Order. That was done by finding that the pool is a gas pool and by expressly taking the matter herein out of the Hobbs Proration Order.

According to the exhibits Gulf-Grimes No. 4 has been known to produce as high as 45 barrels of condensate per day. That could exceed the top whit allowable is only somewhat lower than it is now. The amount of condensate produced daily would not always make Gulf-Grimes No. 4 a marginal well. To meet this situation Gulf-Grimes', 5. 4 has simply been left out of the operation of the State-wide Provation Order in the same way as pools other than Lea and Eddy.

## John N. Kelly

If we treat condensate as oil we are not aloul of the gas-oil ratio order but, as said before, we hade a finding that Gulf-Grimes No. 4 is in a pool prodominately gas, then in the order provision was made wherein the condensate was authorized to be produced and marketed up to 25% of the open flow regardless of any gas-oil ratio order.

-3-

Very truly yours,

Carl B. dimpty Chief Clerk & Legal Advisor

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CBL: S



## **GULF OIL CORPORATION**

TULSA OKLAHOMA

GYPSY DIVISION September 10, 1945.

USH GREENSLADE

New Mexico Conservation Commission, Santa Fe, New Mexico.

Attention: Mr. John N. Kelly, Secretary

#### Gentlemen:

My attention has been called to the fact that slight discrepancies have been made in the amount of gas produced from our West Grimes well No. 4 and the amount reported to you on Form C-115. It has also been noted that the gas production figures we included on our request that a condensate allowable be assigned to this well, vary slightly from the actual gas produced.

The errors which were made were due partly to the figures on gas sold to the Lea County Water Company being reported one month late; that is, actual sales for July were reported on the August statement, August sales reported on September statement, etc. Also on some of the statements the gas reported as being sold to Lea County Water Company was figured on the wrong pressure base.

The difficulties which were responsible for the incorrect figures have been overcome, however, and the figures now being reported are on a current being reported are on a current

The variations between the correct figures and the figures reported on Report C-115 and on our application for assignment of allowable are small and probably of no great importance. However, we are calling these variations to your attention so that the record may be corrected.

The following statement shows the corrected figures for the months in which the discrepancies occurred:

|                | diobs meter  |
|----------------|--------------|
|                | Actual Prod. |
| 1942 – July    | 2,054        |
| August         | 3,505        |
| September      | 5,620        |
| Octuber        | 1,891        |
| November       | 21,793       |
| December       | 74,601       |
| 1943 – Jenuary | 49,302       |
| February       | 29,836       |
| Marcin         | 33,833       |
| April          | 14,452       |
|                |              |

Yours very truly,

HD and

Groce M.C. F.

SRS:mc

# CONSERVATION COMMISSION

the Come So. AL. Colum No. 543

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1944

have applicated and.

Very truly yours,

John M. Kelly

By Constant

Chief Clerk & Legal Advisor

CBL:MS

#### BEFORE THE OTL 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 CONSTDERING:

CASE NO. 46

ORDER NO. 563

THE APPLICATION OF THE GULF OIL CORPORATION TO CONNECT TO PIPE LTT. AND RUN CONDENSATE FROM ITS WEST GRIMES NO. 4 LOCATED IN THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 32, TOWNSHIP 18 SOUTH, RANGE 38 HAST, HCBES POOL, MEN MEXICO.

#### ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at ten o'clock A.M., August 3, 1943, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NCN, on this 24<sup>th</sup> day of March, 1944, the Commission having before it for consideration the testimony adduced at the hearing of said case and being fully advised in the premises, the Commission finds:

FINDLINGS 1. That the Byers Pool in the gener 13 year is no by Finn is a reservoir containing an suportant common accumulation of Latural jas, is completely separated from any zone now producing in the White Crystalline Lime below, thereby constituting the Evers Pool, a separate pool within the meaning of the basic Oil Conservation Act as amended.

2. That the Gulf Oil Corporation-Mest Grimes Well No. 4, in the NEAN Section 32, 188-38E, has been completed as a gas well so as to produce from the Eyers Pool. Said well is producing large quantities of gas, being beneficially utilized for fuel purposes. With such gas production is produced at the surface a substantial quantity of water-white liquid hydrocarbons of high gravity and of a highly volatile nature. Said well is produced primarily for gas, the production of said liquid hydrocarbons is incidental to such gas production.

3. On the same 40-acro tract is Gulf Oil Corporation-Mest Grimes Well No. 7, producing from a reservoir, predominately oil, in the White Crystalline Lime below the Byers Pool shown on the proration schedule as Unit C and as a non-marginal unit producing the full allowable of crude petroloum oil under applicable proration orders.

#### IT IS THIT FFORT ORDERED:

A. That the pool in the 3500 to 3800 ft. depth zone shall be designated as the Dyors Pool in the Nobbs Field.

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E. That Gulf-Oil Corporation-West Grimes Well No. 4 shall be permitted to produce and market said water-white liquid hydrocarbons in whatever amount produced in the manner set out in 2 above, notwithstanding any promation order or gas-oil ratio order; provided that the gas thus produced does not exceed in volume 25% of its open flow potential and is utilized commercially for heat, power or lease use.

C. That Gulf Oil Corporation-West Grimes Well No. 7 and the proration of its production to its corresponding Unit C, as set out in 3 above, are unaffected by this order.

That this order shall become effective on the first day of the proration month next succeeding the month in which said order is adopted. The production and marketing of said water-white liquid hydrocarbons from said Well No. 4 theretofore are ratified and confirmed. Reservation is made herein for a final order on condensate and/or distillate production upon further hearing as provided by law.

Done at Canta Fo, Non Mexico, on the day and year hereinabove designated.

STAL

OIL COMSERVATION COMPLISSION JOHN J. DEMPSEY, CHAIRMAN

H. R. RODGERS, MEMBER

## OI CONSERVATION COMMISSION

My 8 , 1963

The State. Fo Has Dacim Santa Po, Dir Husley

halita Antigr Basto-An Dalita, Dar Phadas

Hes Game Ho. 46, Motion for Publication

Gundamens:

Figure publish the employed notice once, <u>involtated</u> Figure puerf and the motion correctily and send a copy of the paper correcting such motion.

UPON CONFIGENCE OF THE PUBLICATION, PLEASE SEND PUBLICATION, PLEASE SEND

For payment planes saint statement in deplicate ecceptual by version ecception in deplicatio. The versions not be signed by a notary in the space provided on the back of the version. The necessary version blanks are ecclosed.

Vory truly yours,

John M. Kelly Director

By

Chief Clerk & Legsl Advisor

CBLINS

## SANTA FE, NEW MEXICO

1941 9, 1943

Recentl C. Lons. Enced re Assistant Atterney Culf Oil Corporation Tulsa, Oklahous

> Ro: No. 13,965 - West Grimes Leave No. 4 -HELISLING SHALL SALES ME, Les County

Dear Hr. Lone:

In reply to your lotter of April 7th it would come preper for the Lee County Operators Countition to polition the Counterion for a hearing on contaments incounts as the Lee County Operators Countities is a technical ergeningtics within the area in which the condemnate matter is arising.

Inasauch as a hearing upon one well would involve prestically as much technical information as for condensate wells generally is does not never practical to hold a hearing with the matter in a more comprehensive my can be hearing bearing, if this procedure is not estimatery to your company and nod wish to petition for a hearing only on the question of condensate as it involves your well, the Consistent will entertain such a position.

Very truly yours,

Jahn M. Kelly Director

By

Chief Clerk & Legal Advisor

CBLINS oc S. G. Sanderson Glenn Staley


# **GULF OIL CORPORATION**

TULSA · OKLAHOMA

GYPSY DIVISION

April 7, 1943

Mr. Carl B. Livingston, Chief Clerk and Legal Adviser, Oil Conservation Commission, Santa Fe, New Mexico.

Dear Mr. Livingston:

No. 13,965 - West Grimes Lease No. 4 -NEL NEL NWL 32 - 18<sup>S</sup> - 38 East, Lea County, New Mexico.

Replying further to your letter of April 1st to Mr. Sanderson, copy of which was sent to me, it is our thought it would be preferable for the Oil Conservation Commission to call a general state-wide hearing; this, for the reason that much of the information that should be obtained and incorporated in any application is not known to the Gulf Oil Corporation at this tirl nor is it readily accessible, and for Gulf Oil Corporation to put on a case it would have to make extensive investigations which would have a state-wide scope, whereas, the hearing could be called by the Oil Conservation Commission, at which time the operators in the various areas affected could produce the facts and thus minimize the labors of all interested parties.

I should appreciate your reaction to the foregoing suggestion.

Yours very truly,

Runce How

RGL.W CC-Mr. Sanderson



# **GULF OIL CORPORATION**

TULSA · OKLAHOMA

April 5, 1943

GYPSY DIVISION

> Mr. Carl B. Livingston, Chief Clerk and Legal Adviser, Oil Conservation Commission, Santa Fe, New Mexico

Dear Mr. Livingston:

No. 13,965 - West Grimes Lease No. 4 -NEL NEL NWL 32 -188 - 38 East, Lea County, New Mexico.

I appreciate your forwarding me copy of your letter to Mr. Sanderson under date of April 1st, and particularly your personal note.

I shall advise with you further in regard to this matter.

With very kindest of personal regards, I am,

Yours very truly, Russell Thows

RGL W

# OIL CONSERVATION COMMISSION SANTA FE, NEW MEXICO

Ser.

April 1, 1943

AIRMAIL SPECIAL DELIVERY

Hr. S. G. Senderson General Superintendent Galf Oll Corporation Tales, Oklahowa

> Bo: Golf Oil Corporation-Neot frimes Bo. 4, located in the NEWRING 32-135-338, Hobbe Field - application to produce condensate from gas reserveir not producing crude oil.

Dear Mr. Sanderson:

With regard to your above application to produce and market condensate, the Condension doesn it advigable to hold a hearing upon condensate since and/ore concerning condensate no doubt will arise elsewhere. Any hearing for the promolgation of an order should be bread enough to include such other matters as may arise in the future. In other mercis, with the maring sufficiently bread, the Consistion would have a formetation for the promotentiation of an order to govern endensate generally and thereby precide individual hearings as each condensate patter arises from time to time.

Ther application is informal in the form of a letter. Please now file year formal petition broad enough to include condensate matters generally.

Lussman as the hearing upon petition is hald before the Commission in its quasi-judicial capacity I am taking the liberty of transmitting a carbon copy of this letter to your counsel, R. G. Lowe, Esquire, who has represented your Company before this Cormission for many years.

> Very truly yours, John M. Kelly Director

CELIES CO R. G. LONG By

Chief Clerk & Legal Advisor



JOHN H KELLY=

I HAVE TODAY MAILED APPLICATION FOR HANDLING CONDENSATE PRODUCED FROM GULF OIL CORPORATIONS WEST GRIMES NUMBER FOUR UNIT C SECTION THIRTY TWO DASH EIGHTEEN SOUTH DASH THIRTY EIGHT EAT. WE ARE RUNNING SO SHORT ON TANK STORAGE ROOM THIRTY EIGHT EAT. WE ARE RUNNING SO SHORT ON TANK STORAGE ROOM THAT I WOULD APPRECIATE IT IF YOU COULD APPROVE THE RUNNING OF 1.154 BARRELS OF CONDENSATE SUBJECT OF COURSE TO LATER ADJUSTMENT WHEN FORMAL RULING IS MADE IN THIS MATTER= S G SANDERSON GENERAL SUPT GULF OIL CORPN.

WILL APPRECIATE SUGGESTIONS

C 1.154.

10 8245 Time Phoned

Sobbs, New Marico February 25, 1943

Mr. Glemn Staley, Proration Umpire Lea County Operators Countities Hebbs, New Maxies

Dear Mr. Staley:

t.

The Countesian is hereby granting the Chif Oil Corparation permission to run 1960 barrels of condensate from their West Grimes No. 4. Nebbe Poel. Lan County, New Hexide.

This production is to be recorded on your books and is to be 'aken into consideration when a prevation order is issued governing this will and this type of production.

Very

JOHN M. KELLY, DIRECTOR

truly yours,

CC-8. 0. Senderson Oulf Oil Corporation Tulsa, Dilahoma

JMK : NB

1. 1. 1. 1.

# OIL CONSERVATION COMMISSION SANTA FE, NEW MEXICO

February 24, 1943

# Gulf GLL Corporation Take, Oklahous

the state of the second second

Attention: S. G. Sanderson

Ros Gulf-West Grimes No. 4, Hobis Field - Application to run contensate.

Dear Mr. Senderson:

This is to acknowledge receipt of your letter of Pebruary 17 with regard to your application to run a large amount of condensate that has accumulated for the well noted in the caption.

Mr. Kelly has had the matter of condensate from this well under study for some time and your letter will have his attention immediately upon his return.

Very truly yours,

John M. Kelly Director

By

Chief Clerk & Legal Advisor

CELINS

Hobbs, New Mexico December 24, 1942

Carl B. Livingston New Mexico Oil Conservation Commission Santa Pe, New Maxico

Dear Sir:

On Angust 26, 1940, Gulf Oil Corporation's West Grimes No. 4, in ME NE NW Sec. 32-188-385, was plugged back and perforated for completion as a gas well in the "Big Gas" sand as antherized and reported in the attached approved copies of forms C-102 and C-103,

Gas from this well has been used primarily for domestic purpesse. Increased distribution this summer, occasioned by connection to the Lee County Water Company's system, precipitated the need for continuous removal of condensate from the produced gas. On November 28, a high pressure separator was placed in service.

Condensate production from the well varies over a comparatively wide range dependent on rate of takes, atmospheric conditions, etc. West Grimes No. 4 is located on the same producing unit, C 32-185-385, with West Grimes No. 7, a Hobbs Dolmite producer. Therefore, we wish to be granted permission to produce and transport the condensate produced with the gas from the No. 4 well.

Executed copies of C-110 are attached for your approval.

Yours very truly,

GULF OIL CORPORATION GYPSY PRODUCTION DIVISION Division Superintendent

WDM/fk

CC - Sanderson - 12 Sanderson - 13

| Form C-102  | Corporation  |
|---|--|
| NELV ALE BOR 1667   | N SSION  |
|   | en Mexico  |
| N States  |  |
| Submit this notice in triplicate to the Oil Commission  | or its proper agent before the work specification Children. QEEN   |
| relation by the Commissioner or agent, of the plan  | the approval, with any modifications considered advisable, or the<br>submitted. The plan as approved should be followed, and work<br>ional instructions in the Rules and Regulations of the Cammission.  |
|   | notice by checking below:  |
| NOTICE OF INTENTION TO TEST CASING  | NOTICE OF INTENTION TO SHOOT OR  |
| SHUT-OFF  | NOTICE OF INTENTION TO BILLI, OP   |
| NOTICE OF INTENTION TO CHANGE PLANS   | OTHERWISE ALTER CASING HOBBS OF  |
| NOTICE OF INTENTION TO REPAIR WELL  |  |
| NOTICE OF INTENTION TO DREPRN WELL  | NOTICE OF INTENTION TO PLUG WELL   |
|   | Perforate sag to profess big gas   |
|   | C Place Date   |
| OIL CONSERVATION COMMISSION,  |  |
| Santa Fe, New Mexico.   |  |
| Geutlemen:  |  |
| Following is a notice of intention to do certain work   |  |
| Gypey Proin. iliviaion Vest Gr<br>Company or Operator Lease   | Well No in WE WE WW  |
| of Sec  | , N. M. P. M., Hobbs Field,  |
| County.   |  |
| Anthority is requested to plug with or<br>forste casing between \$650' and \$700'   | PROPOSED PLAN OF WORK<br>ULES AND REGULATIONS OF THE COMMISSION<br>meat from total depth to easing seat and per-<br>, or into Byars "big gas" some. This gas is to<br>(Immediate need at North Grimes Nos. 5 and 4 in  |
| Authority is requested to plug with or<br>forsts casing between 3630' and 3700'<br>te gas-lift other wells in Hobbs Poel<br>Sec. F1-189-563).<br>This well now has a curves packer set<br>i. 1934 to remove it. Should it be in<br>will be out off immediately above the<br>bottom of the casing. Heavy Fiber-Aqu   | ULES AND REGULATIONS OF THE COMMISSION<br>meant from total depth to easing seat and per-<br>, or into Byars "big gas" some. This gas is to<br>(Immediate need at North Grimes Nos. 3 and 4 is<br>at 4035' and one unsuccessful attempt was made<br>speciable to remove the packer now the tubing<br>peaker and a Bakar Cancet Rotainer set near the<br>magel and will then be pumped through the comen   |
| Authority is requested to plug with or<br>forsts casing between 3630' and 3700'<br>te gas-lift other wells in Hobbs Poel<br>Sec. F1-189-363).<br>This well now has a curves packer set<br>i. 1934 to remove it. Should it be in<br>will be cut off immediately above the<br>bottom of the casing. Heavy Fiber-Aqu<br>retainer to plug the lower producing of  | The section will then be pumped through the communications of the provide the place of the section properly plug.  |
| Authority is requested to plug with on<br>forsts casing between 3630' and 3700'<br>to gan-lift other wells in Hobbs Poel<br>Sec. F3-189-383).<br>This well now has a cunves packer set<br>i. 1934 to remove it. Should it be in<br>will be out off immediately above the<br>bottom of the casing. Heavy Fiber-Aqu<br>retainer to plug the lower producing of<br>the retainer to insure successful of  | The section will then be pumped through the communications of the provide the place of the section properly plug.  |
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| Authority is requested to plug with or<br>forsts easing between 3630' and 3700'<br>to gas-lift other wells in Hobbs Pool<br>Sec. F3-189-362).<br>This well now has a cunves packer set<br>i. 1934 to remove it. Should it be in<br>will be out off immediately above the<br>bottom of the easing. Heavy Fiber-Aqu<br>retainer to plug the lower producing of<br>the retainer to insure successful of<br>the casing will then be perforated as | The section will then be pumped through the communications of the provide the place of the section properly plug.  |
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| Authority is requested to plug with or<br>forsts casing between 3630' and 3700'<br>to gas-lift other wells in Hobbs Pool<br>Sec. FillS-Sec).<br>This well now has a curves packer set<br>i. 1936 to remove it. Should it be in<br>will be sut off immediately above the<br>bottom of the casing. Heavy Fiber-Aqu<br>retainer to plug the lower producing of<br>the retainer to insure successful is<br>the casing will then be perforated as  | The second secon |
| Authority is requested to plug with on<br>forsts casing between 3630' and 3700'<br>to gas-lift other wells in Hobbs Pool<br>Sec. F3-189-362).<br>This well now has a curves packer set<br>[. 1934 to remove it. Should it be in<br>will be cut off immediately above the<br>bottom of the casing. Heavy Fiber-Aqu<br>retainer to plug the lower producing of<br>the retainer to insure successful of<br>the casing will then be perforated as | Compray or Operator<br>Bull. Oil Corporation - Gypsy Prodn. Div.<br>Compray or Operator<br>By  |
| Authority is requested to plug with on<br>forsts casing between 3630' and 3700'<br>to gas-lift other wells in Hobbs Pool<br>Sec. F3-189-362).<br>This well now has a curves packer set<br>[. 1934 to remove it. Should it be in<br>will be cut off immediately above the<br>bottom of the casing. Heavy Fiber-Aqu<br>retainer to plug the lower producing of<br>the retainer to insure successful of<br>the casing will then be perforated as | Culf. Oil Corporation - Cypsy Prodn. Div.<br>Compray or Operator<br>District. Superintendent<br>Constitution District. Superintendent  |
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| Authority is requested to plug with or<br>forste casing between 3630' and 3700'<br>to gas-lift other wells in Hobbs Poel<br>Sec. F1-189-563).<br>This well now has a curves packer set<br>i. 1934 to remove it. Should it be in<br>will be out off immediately above the<br>bottom of the casing. Heavy Fiber-Aqu<br>retainer to plug the lower producing of<br>the retainer to insure successful is<br>the casing will then be perforated as | Culf. 011 Corporation - Cypsy Prode. Div.<br>Comparison of the lower section properly plug<br>described above.<br>Culf. 011 Corporation - Cypsy Prode. Div.<br>Company or Operator<br>By<br>Position District Superintencent<br>Send communications regarding well to<br>Name C. C. Cumings  |

TORM C-t RECEIVED

5.1

NEW MEXICO OIL CONSERVATION COMMISSION Senta Fe, New Mexico

## MISCELLANEOUS REPORTS ON WELL

Second different in triplicate to the Oil Conservation Commission or its proper agent within ten days after the work destined is completed. It should be signed and swera to before a notary public for reports on the signed different operations, results of shooting well, results of test of casing shut-offs, result of plurging of with other superstant operations, even though the work was witnessed by an agent of the commission. Reports on mission operations need not be signed and sworn to before a notary public. See additional instructions in the Rules and Regulations of the Commission.

Indicate sature of report by checking below:

| EPORT ON BEGINNING DRILLING OPERATIONS  | SEPORT ON REPAIRIN   | g WELL  |                                    |
|---|--|---|------------------------------------|
| TREATE ON RESULT OF SHOOTING OF CHEMICAL  | BEPORT ON PULLING  | OR OTHERWISE  |                                    |
| EPORT ON RESULT OF TEST OF CASING<br>SHUT-OFF   | REPORT ON DEEPEND  | NG WELL   |                                    |
| EPORT ON RESULT OF PLUGGING OF WELL   |  | performent outin  |                                    |
| Tabbe.  | i in big gas not   | e<br>September  | 2. 1940                            |
| OIL CONSERVATION COMMISSION<br>anta Fe, New Mexico.<br>entlemen:                                      | Place  | Date  |                                    |
| allowing is a report on the work done and the result  | ts obtained under the head   | ing noted above at                                      | the                                |
| Company or Operator   | Lese   |   | in the                             |
| L III of Sect.  |  | R. (*** <b>398</b> ************************************ | N. M. P. M.,                       |
| bbe Field,  | <b>T</b> = =   |   | 1. Totali (1                       |
| e dates of this work were as follows: Cenented  |  | as perforated a   | ME 36. 1940                        |
| btice of intention to do the work was fight for sub   |  |   |                                    |
| d approvalof the proposed plan was (maximum obt   | ained. (Cross out incorr   | ect words.)   |                                    |
| DETAILED ACCOUNT OF WO  | a North Contract of Contract o | 1   | • •                                |
| g 26, 1940; Perforated 7" easing as fo<br>pth <u>Ro.Holcs</u> <u>Approx.Intervals</u><br>50-3608 4 5' | Depth<br>3670-3660   | Ho.Holes App<br>45                                      | S" (Main (                         |
| <b>34-3675</b> 11 1'  | 36593-3646   | 80  | 6 <b>*</b>                         |
| ther and is tested 23,750,000 ou. ft. ga  | 5645-3630<br>A. Shut in pressur  | • 1625 <u>7</u> .                                       | 51                                 |
| itnessed by C. C. Quessings Gul   |  | affirm that the info                                    | Title                              |
| ubscribed and sworn to before me this   |  |   | ormation given                     |
| and day of September , 19 40  | Name   | alun  | ormation given                     |
| $\sim$ $10$   |  | atriet Superine   | in the second                      |
| VIX Tarme -   | Position   | strict Superint   | enden t                            |
| J.W. Tarme<br>Notars: Public  | Position   | etrict Superint<br>Oil Corp-Gypsy<br>Company of         | endens<br>Prodn. Div.              |
| Notar: Public<br>Notar: Public<br>Ay Commission expires <b>February 25, 1942.</b>                     | PositionDi<br>RepresentingOult   | 011 Corp-Gypey  | endent<br>Prodn. Div.<br>Operator  |
|   | PositionDi<br>RepresentingOult   | Oil Corp-Gypey<br>Company of<br>. New Mexico.           | enden t<br>Prodn. Div.<br>Operator |

Tile

Form C-110

**^:** 

# OIL CONSERVATION COMMISSION STATE OF NEW MEXICO

| Certificate of Compliance and Aut  | T is a set of the set  |
|--|--|
| pany or Operator Gulf Oil Corporation<br>Robbs, New Marico<br>(Local or Field Office)<br>(Local or Field Office)   |  |
| pany or Operator   | Tul sa ; Charles ( Business)   |
| Hobbs, New Horles  | (Principal Place of Business)<br>Hobbs County New Mexico.<br>cation of Tanks On lease.<br>Hobbs New Mexico.  |
| ress (Local or Field Office)   | Hobbe Hobbe  |
| d of Lease Pine Line Co A  | On lease.  |
| Louis and a stally out of 30   | Lobbs Ner Merico.  |
| d of LeaseA  | ddress of Transporter(Local or Field Office)   |
| d of Lease <u>Brivetely central 20</u> Lo<br>insporter <u>Shell Pipe Line Co</u> A   | o be transported 100. Other transporters author-<br>00 %   |
| insporter - Percent of oil to  | o be transported Ou  |
| Houston, Tex Percent of oil f<br>(Principal Place of Business)<br>ed to transport oil from this unit are multiplication of the second  | at a transmission of the sector of the secto |
| (Principal Place of Business)<br>ed to transport oil from this unit are and in the state of the sta    | <u>e andersen en de la de la de la de la de la de la de</u> la de la dela de la dela de la dela dela   |
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| an to Mr. J. We Allow Jon a such he sold have  | n ing natara di kana dalam na mangana kana kana kana di kana di<br>Na na   |
| or of trainforaty cause to the destably and sach   | nd regulations of the Oil Conservation Commission<br>nd that gathering agent is authorized to transport<br>and that gathering agent that this authorization will<br>scribed property and that this authorization will  |
| <ul> <li>A state in the state of the sta</li></ul> | Oil Conservation Commission  |
| A LAST AND        | nd regulation of the anthorized w  |
| mbe undersigned certifies that above a   | nd that gathering and that this authorization will   |
| the unuplied with except as in the above de  | scribed property intil cancelled by the Oil Conser   |
| ave been come of oil produced from the transporter na  | imed herein of anal  |
|  | 이는 것 같은 것 같  |
| walid until further notice to the state  | nd regulations of the ont is authorized to transport<br>and that gathering agent is authorization will<br>scribed property and that this authorization will<br>amed herein or until cancelled by the Oil Conser-   |
| be value una of New Mexico.  | <b>December</b> , 194_2.   |
| be value una of New Mexico.  | <b>December</b> , 194_2.   |
| be value una of New Mexico.  | <b>December</b> , 194_2.   |
| be value una of New Mexico.  | <b>December</b> , 194_2.   |
| vation Commission of New Mexico.<br>Executed this the day of   | Gul 1: 011: Corps<br>(Company or Operator)   |
| vation Commission of New Mexico.<br>Executed this the day of   | Gul 1: 011: Corps<br>(Company or Operator)   |
| vation Commission of New Mexico.   | By Company or Operator)<br>By Company or Operator)<br>By Company or Operator)<br>By Company or Operator)   |
| be value unanission of New Mexico.<br>Executed this the day of   | By Sulf Oil Sup te<br>Title Di strict Sup te   |
| be value unanission of New Mexico.   | By Sulf Oil Sup te<br>Title Di strict Sup te   |
| vation Commission of New Mexico.<br>Executed this the day of day of day of   | By Clarks Supto<br>Title District Supto<br>SS.   |
| State of Lea   | By Company or Operator)<br>By Company or Operator)<br>Title District Sup to<br>SS.   |
| State of Lea   | By Company or Operator)<br>By Company or Operator)<br>Title District Sup to<br>SS.   |
| State of Lea   | By Company or Operator)<br>By Company or Operator)<br>Title District Sup to<br>SS.   |
| State of Lee<br>County of<br>Before me, the undersigned authority, on the the person whose name is su  | <b>December</b> , 194_2<br><b>Gulf Oil Corps</b><br>(Company or Operator)<br>By <b>Status</b><br>Title <b>District Supt</b> .<br>Ss.<br>is day personally appeared <b>Lester LeFayour</b><br>bscribed to the above instrument, who being by m<br>ad to make this report and has knowledge of the fac   |
| State of Lee<br>County of<br>Before me, the undersigned authority, on the the person whose name is su  | <b>December</b> , 194_2<br><b>Gulf Oil Corps</b><br>(Company or Operator)<br>By <b>Status</b><br>Title <b>District Supt</b> .<br>Ss.<br>is day personally appeared <b>Lester LeFayour</b><br>bscribed to the above instrument, who being by m<br>ad to make this report and has knowledge of the fac   |
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| State of Lee<br>County of<br>Before me, the undersigned authority, on the the person whose name is su  | <b>December</b> , 194_2<br><b>Gulf Oil Corps</b><br>(Company or Operator)<br>By <b>Status</b><br>Title <b>District Supt</b> .<br>Ss.<br>is day personally appeared <b>Lester LeFayour</b><br>bscribed to the above instrument, who being by m<br>ad to make this report and has knowledge of the fac   |
| State of Lee<br>County of<br>Before me, the undersigned authority, on the the person whose name is su  | <b>December</b> , 194_2<br><b>Gulf Oil Corps</b><br>(Company or Operator)<br>By <b>Status</b><br>Title <b>District Supt</b> .<br>Ss.<br>is day personally appeared <b>Lester LeFayour</b><br>bscribed to the above instrument, who being by m<br>ad to make this report and has knowledge of the fac   |
| State of day of State of Mexico. State of day of State of day of State of County of Lee County of Before me, the undersigned authority, on the is subscribed and sworn to be fore me, the is authorized authorized herein and that said report it true and constant of the is subscribed and sworn to before me, this Notary Public in and for   | <b>December</b> , 194_2<br><b>Gulf Oil Corps</b><br>(Company or Operator)<br>By <b>Status</b><br>Title <b>District Supt</b> .<br>Ss.<br>is day personally appeared <b>Lester LeFayour</b><br>bscribed to the above instrument, who being by m<br>ad to make this report and has knowledge of the fac   |
| State of Lee<br>County of<br>Before me, the undersigned authority, on the the person whose name is su  | December       , 194_2         Gulf Oil Corpany or Operator)         By Chick Sup to Company or Operator)         By Chick Sup to Company or Operator)         By Chick Sup to Company or Operator)         SS.         his day personally appearedLester LeFayour         Ibscribed to the above instrument, who being by m         bascribed to the above instrument, who being by m         correct.         the 24 day ofDecember, 194.         J.W. Manual         County, New MexIcOs         My com. expires Feb 25-1946.   |

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This form shall be executed and filed in quadruplicate with the Oil Conservation Com-mission at Santa We New Marken covering each unit from which follows the state of the second state o

(a) Operating ownership changes

(b) The Thisporter is chinged or

(c) The permit is cancelled by the Commission

If any of the rules and regulations of the Oli Conservation Commission have not been complied with at the time this report in filed, explain fully under the heading "REMARKS."

In all cases where this contificate is filed to cover a change in operating ownership or a change in the wangedter designated to move all, show under "REMARKS" the previous owner or operator and the transporter previously authorized to transport oil.

A separate report shall be filed to cover each producing unit as designated by thei

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Bobbs, New Mexico Jamary 14, 1945

Mr. Carl B. Livingston New Maxico Oil Conservation Commission Santa Pe, New Maxico

# Dear Sir:

certify.

Complying with your request of January 9, 1945, we have enalyzed the condensate from the West Grimes No. 4 unit C sec. 52-185-582.

Enclosed are the analysis data and affidavit to

Yours very truly,

GILF OIL CORPORATION

District Superintendent

JWA/TK

mel.

# STATE OF NEW MEXICO

# COUNTY OF LEA

On this the 14th. dry of January, 194 personally appeared before me, the undersigned notary public, D.C. Sears, to me known to be a representative of the Gull' Oil Corporation, who on his

oath states: That the analysis attached hereto is a true and correct copy of distillation test made on gasoline obtained from Gulf Oil Co.poration's W. Grimes No. 4 well (gas well) Unit

C Sec. 32-185-28E. Hobbs Pool.

56

Sworn to and subscribed before me this 14th. day of January, 1943.

Notary Public Lea County atricia

My commission expires Oct. 24, 1943

## CASOLINE DISTLIATION TEST

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Tested By D.C. Sernas

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anary 9, 1943

Hiddensity Claud: Stalley Flootstan Caline Bobbs, New Hackee

Re: O-LIG for Well No. 4 (gas well) Unit C, 33-105-982. Oxif Cil Coryonation.

Br dear Glanns

. A. ?

P

Reference is unde to your latter of December 25 with regard to the Maid White brittened from the discobut the set will a fig emband story of latters to Mr.

With kindest personal regards.

BI

Very truly yours,

JOHN M. KELLY DIRECTOR

Chief Clerk & Legal Advisor

P. C. Bar 871

and the states

CELINS

# JIL CONSERVATION COMMISSIC

SANTA FE, NEW MEXICO

P. O. Box 871

i de la compañía de

January 9, 1943

The Je We Anderson Division Separation Colf Cil Corporation Coper Production Holds, New Mariao

Het C-110 for Well No. 4 (gas well), Sait C, 39-163-355.

Dear Hr. And rooms

P

Reference is made to your letter of December 24-

Plance supply cortified copy of analysis of field being produced in the gas well in question in order to determine whether the fixed be condensate) in fact or crade oil. This information will be greatly appreciated.

Very traly yours,

JOHN M. KRLLY DIRECTOR

BY

Chief Clerk & Legal Advisor

CHLINS og Olenn Staley A. M. MEDORKLE, CHAIRMAN OPERATORS COMMITTEE

GLENN STALEY, CHAIRMAN Engineering committee

# LEA COUNTY OPERATORS COMMITTEE

HOBBS, NEW MEXIBO

January 18, 1943

Julf - Grunes his 4 -(gus well) Hotbs Hidd

Hon. Carl Livingsion Oil Conservation Commission Santa Fe, N.M.

Dear Carl:

Please rofer to my letter to you of December 28 'n which was discussed Gulf Oil Corporation's request to run 650 barrels of condensate from their Grimes No. 4 well in the Hobbs Field. In this letter I stated that the gas is coming from an upper pay, probably the Bowers. Will you kindly correct said letter to read "Byers" pay rather than Bowers.

Thanking you, I am,

Yours very truly, un Glemn Staley

GS :M

 $S^{2j}$ 

cc: Gulf

BLENN STALEY, CHAIRMAN ENGINEERING COMMITTEE

or the there

A. M. MOCORKLE, CHAIRMAN

# LEA COUNTY OPERATORS COMMITTEE

HOBBS, NEW MEXIBO

December 28, 1942

Hon. Carl Livingston Oil Conservation Commission, Santa Fe, N.M.

Dear Carl:

Enclosed herewith is a copy of a letter from the Gulf Oil Corporation in which they request that permission be given the Shell Pipe Line to run 650 barrels of condensate from the Gulf W. Grimes No. 4 Unit C Sec. 32-18-38. This unit is producing oil from the Big Line pay and the gas is coming from an upper pay, probably the Bowers.) This 650 barrels of condensate would be under present Commission orders, in addition to the allowable on the proration schedule.

 $\sum$ 

In my opinion, the upper pay will have to be treated as another field in order to allow this condensate to be marketed. Please give me your opinion.

Yours very truly,

Glenn Staley

Byers

GS:M cc: Gulf

Hobbs, N. Marico December 26, 1942

37

Mr. Glass Staley Provision Office Makes, H. Marice

Dear Sir:

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e e

Hey us have extherity for the Shell Pipe Line Company to run 680 berrels of condemnate from the Galf Oll Corporation Nest Grines No. 4, Unit 0-58-38-38. This essent of condemnate was produced with gas during the month of persector.

Yours very truly,

Gulf all Corporation -

#### CASE NO. 46.

#### BEFORE THE OIL CONSERVATION COMMISSION OF THE

#### STATE OF NEW MEXICO.

IN THE MATTER OF: THE APPLICATION OF THE GULF OIL COR-PORATION TO CONNECT TO PIPE LINE AND RUN CONDENSATE FROM ITS WEST GRIMES NO. 4 LOCATED IN THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 32, TOWNSHIP 18 SOUTH, RANGE 38 EAST, HOBBS POOL, NEW, MEXICO.

Pursuant to notice by the Commission, duly made and published, setting August 3, 1943, at ten o'clock, A. M., for hearing in the above entitled matter, said hearing was convened on said day, at said hour, in the Coronado Room, La Fonda, Santa Fe, New Mexico, the Commission sitting as follows:

HON. JOHN J. DEMPSEY, Governor of New Mexico, Chairman HOM. JOHN M. KELLY, State Geologist, Secretary HON. H. R. RODGERS, Commissioner of Public Lands, Member HON. CARL B. LIVINGSTON, Chief Clerk and Legal Adviser.

The Texas Company

Harvey E. Yates

**APPEARANCES:** 

Name

#### Company

Address

A. S. Willig Harvey E. Yates Roy Yarborough Walter F. Luck C. H. Brooke A. M. McCorkle P. H. Lillie Leo Fry L. F. Peterson Lake J. Frazier Geo. P. Livermore U. S. Welch F. W. Brigance R. U. Fitting H. J. Kemler R.B.F. Hummer C. A. Daniels E. H. Foster Lloyd L. Gray Neville G. Penrose Rice Tilley Harvey Hardison Edgar Kraus R. F. Windjohr James M. Murray J. C. Echlin Glenn Staley K. M. Fagin S. P. Hannafin C. C. Campbell Leo R. Manning W. K. Davis

N.M.Asphalt & Ref. Co. Agua Negra Ranch Stanolind Oil & Gas Co. Agua Negra Ranch Stanolind Oil & Gas Co. Stanolind Oil & Gas Co. Maryland Casualty Co. Geo. P. Livermore, Inc. Flynn, Welch & Yates Rowan Drilling Co. Shell Oil Co., Inc. Shell Oil Co., Inc. Phillips Petroleum Co. Phillips Petroleum Co. Phillips Petroleum Co. Gulf Oil Corp.

Atlantic Oil & Ref. Co.Dallas, TexasNash, Windjohr & BrownFt. Worth, TexasMe-Tex Co's.Hobbs, N. M.American Employers Ins.Co.El Paso, TexasLea County OperatorsHobbs, N. M.Magnolia Petroleum Co.Dallas, TexasMagnolia Petroleum Co.Roswell, N. M.Texas Pacific Coal & Oil Co.Midland, TexasState Land OfficeState Land OfficeSanta Fe, N. M.

Ft. Worth, Texas Artesia, N. M. Hobbs, N. M. Artesia, N. M. Santa Rosa, N. M. Ft. Worth, Texas Santa Rosa, N. M. Hobbs, N. M. Ft. Worth, Texas Roswell, N. M. Lubbock, Texas Artesia, N. M. Ft. Worth, Texas Midland, Texas Midland, Texas Bartlesville, Okla. Amarillo, Texas Amarillo, Texas Tulsa, Okla. Ft. Worth, Texes Ft. Worth, Texas Houston, Texas Dallas, Texas Ft. Worth, Texas Hobbs, N. M. Hobos, N.M. Dallas, Texas Roswell, N. M. Jal, N. M.

Foster Morrell Harry Leonard Hugh L. Sawyers John P. Morgan J. O. Seth R. S. Dewey W. L. Morrison U. S. Geological Survey Leonard Oil Co. N.M.Oil & Gas Asso. Sun Oil Co. Seth & Montgomery Humble Oil Co. Honolulu Oil Corp. Roswell, N. M. Roswell, N. M. Dallas, Texas Santa Fe, N. M. Midland, Texas Lubbock, Texas

The meeting was called to order by the Chairman, and upon request of the Scoretary, the Chief Clerk read the call of

the meeting, as follows:

"NOTICE FOR PUBLICATION STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

The Oil Conservation Commission, by law invested with jurisdiction as the oil and gas regulatory body of the State of New Mexico, hereby gives notice of the following hearing to be held at Santa Fe, New Mexico:

## Case No. 46

In the matter of the application of the Gulf Oil Corporation to connect to pipe line and run condensate from its West Grimes No. 4 located in the Northeast Quarter of the Northeast Quarter of the Northwest Quarter of Section 32, Township 18 South, Range 38 Fast, Hobbs Pool, New Mexico. This case is set for 10 A. M., August 3, 1943.

Any person having any interest in the subject of said hearing is entitled to be heard.

The foregoing Notice of Publication was made pursuant to the direction of the Commission at its Executive Meeting June 22, 1943.

Given under the seal of said Commission at Santa Fe, New Mexico, on July 8, 1943.

#### OIL CONSERVATION COMMISSION

(SEAL)

## BY (SGD) JOHN M. KELLY SECRETARY"

## LLOYD L. GRAY

being first duly sworn, testified as follows:

BY MR. GRAY: Mr. Chairman, I would like to call attention to a typographical error in our application, which occurs in the next to the last line of the first paragraph, where it shows us to be in Section 38, it should read Section 32. In the preamble, however, the proper description is given. BY MR. LIVINGSTON: For your information, the Commission noted that typographical error, and published the call with the correct description.

BI MR. CRAY: I might summarize what I have to present. Gulf is the owner of a 320 acre lease, on which a total of nine wells were drilled on one 40 acre unit. On the one on which this well No. 4 is completed, we have two wells drilled, all of them to the white lime formation, I believe what is now called the Hobbs Dolomite Formation. Along in 1934 the gasoil ratio of this well became rather excessive, and the well was shut in, and the allowable from that unit was taken from our No. 7, located in the same unit. Then in about 1940 we were in need of gas to flow our north grounds lease, about a mile to the northeast. At that time it had been considered that the big gas, or what is commonly known as the Byers Formation, or Byers Sand, had a rather low heat content gas. That analysis, I think, was shown in the Lea County Engineer's Report dated in 1933. They plugged the well back to 3884 with cement, and perforated it with 7 inch holes, I guess there were 150 holes between 3630 and 3700, which covired the range of the Byers Formation, or zone. The Byers zone covers about 25 feet that is productive. The well tested at the rate of 23% per 750,000 cubic feet daily, and had a shut in gas pressure of 1625 pounds. It was found that the gas, instead of having a low heat content, was equal to that of other horizons, and did not contain any objectionable quantity of hydrogen sulfide. For this reason we abandoned using the well for gas at that time, since we had a temporary supply, and used the gas only for domestic purposes. During the period from 1940 to July 1942, the only use made of the gas was to take care of our camps and houses and miscellaneous lease appliances. During the period we were producing at low rates, probably not to exceed 1,000,000 to 1,500,000 a month, some condensate would build up in the well and would have to

-3-

BY MR. LIVINGSTON: For your information, the Commission noted that typographical error, and published the call with the correct description.

BY MR. GRAY: I might summarize what I have to present. Gulf is the owner of a 320 acre lease, on which a total of nine wells were drilled. in one 40 acre unit, the one on which this Well No. 4 is completed, we have two wells drilled, all of them to the white lime formation, I believe what is now called the Hobbs Dolomite formation. Along in 1934 the gas-oil ration of this well became rather excessive, and the well was shut in, and the allowable from that unit was taken from our No. 7., located in the same unit. Then in about 1940 we were in need of gas to flow our north grounds lease, about a mile to the northeast. At that time it had been considered that the big gas, or what is commonly known as the Byers formation, or Byers sand, had a rather low heat content gas. That analysis, I think, was shown in the Lea County Engineer's Report dated in 1933. They plugged the well back to 3884 with cement, and perforated it with 7 inch holes, I guess there were 150 holes between 3630 and 3700, which covered the range of the Byers formation, or zone. The Byers zone covers about 25 feet that is productive. The well tested at the rate of 23,759,000 cubic feet daily, and had a shut in gas pressure of 1625 pounds. It was found that the gas, instead of having a low heat content, was equal to that of other horizons, and did not contain any objectionable quantity of hydrogen sulfide. For this reason we abandoned using the well for gas at that time, since we had a temporary supply, and used the gas only for domestic purposes. During the period from 1940 to July 1942, the only use made of the gas was to take care of our camps and houses and miscellaneous lease appliances. During the period we were producing at low rates, probably not to exceed 1,000,000 to 1,500,000 a month, some condensate would build up in the well and would have to

be blown with air from time to time. About the middle of the year 1942, we began marketing the gas for fuel to the Lea County Water Company. The increased takes, of course, resulted in the production of increased quantities of condensate, and caused trouble in surface equipment and pipe lines, to the extent it was necessary to install a separator. At that time we found the well was capable of producing substantial quantities of condensate, and we immediately ran this condensate into tanks, and made application to the Commission for permission to market the condensate. Tests were run on the liquid, and it was found to be water white, having an A.b.I. gravity of 72.2 degrees. In our letter of February 17th, to the Commission, we discussed the condition of the well, and made request for marketing the condensate. I would like to have that letter made a part of this hearing, for I believe it includes all the pertinent data, up to the date of that letter. I don't know--should this be an Exhibit? BY MR. LIVINGSTON: Yes, it can be marked for identification. BY MR. GRAY: The letter is to the New Mexico Oil Conservation Commission, Attention of Mr. John M. Kelly, Secretary, dated February 17, 1943, from S. G. Sanderson, General Superintendent of the Gulf Oil Company. I want also to later introduce

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testimony that this is not an oil reservoir, but is a gas reservoir, and does not contain liquid in the reservoir, itself. I would like to read into the record one or two paragraphs that are particularly pertinent, of a letter from our District Geologist, Mr. R. L. Boss, to our Chief Geologist, Mr. W. B. Wilson, of Tulsa. (Reading):

"The Byers zone appears to have an average thickness of 25 feet, and is composed predominently of porous sandstone although interbedded anhydrite and dolomite are present. Of particular importance is the fact that the zone occurs over the structure at the uniform interval of 300 feet above the top of the Hobbs dolomite. From this apparent uniformity of interval, it is possible to estimate with some degree of accuracy the position of the zone in many wells from which samples are lacking through this portion of the stratigraphic Section." \* \* \* "The evidence suggests the following conditions relative to the Byars reservoir: It is a zone composed predominantly of porous sandstone and has an average thickness of 25 feet. It occurs over the structure at a relatively uniform interval of 300 feet above the Hobbs dolomite. Over the greater portion of the structure - more specifically, within the minus 400 feet contour - the zone may be expected to contain only gas, and throughout the remaining portion, or along the flanks, the zone contains salt water or is barren. There is no direct evidence that the reservoir contains oil."

I believe the description of condensate is, a liquid which is produced with gas, that exists in the reservoir as a gas. It is a result, I believe, in most cases, if not all cases, of a retrograde condensation, or a phenomena of the formation of liquid with the reduction of pressure. That is just about the opposite of the manner in which, in the earlier days, we considered the reaction of gas. In order to show that that condition existed in this reservoir, we obtained a sample of gas from the West Grimes No. 4, and I should like to read into the record, again, a portion of a letter which gives pertinent information concerning the taking of that sample. This letter is to Dr. Paul D. Foote, of Pittsburgh, Pennsylvania, who is in charge of our Gulf Rijearch and Development Company. The letter is from Mr. Rush Greenslade, Vice-President in charge of the Geology Division of the Gulf. (Reads):

"West Grimes No. 4 produces condensate with a gas-oil ratio of approximately 100,000 cubic feet per barrel. The well is not equipped with tubing. In obtaining the bottomhole sample the well was blown through 4" casing opened wide. The well was then shut in and static pressure of 1640 psi was found after a shut-in period of 18 hours and 45 minutes. Bottom-hole temperature was 92° F. The well was then produced at a rate of 50 MCF per day and a sample was taken at 3500 feet. The total depth of the well is 3884 feet. From a pressure gradient survey we concluded the liquid level in the well was approximately 3600 feet and the sample was therefore taken well above any standing liquid in the hole."

I want to digress there just a moment. The liquid level was 3600 feet, and the top perforation of the formation was 3630, approximately 30 feet through which this gas had to travel through liquid. (Continuing reading).

"Dr. Wescott discussed with Mr. Knappen the possibility that the liquid in the hole would tend to saturate the gas and, accordingly, the sample submitted might not be a satisfactory sample. The casinghead pressure of the well when standing shut in before blowing down was 1407 pounds. It was blown down to 1150 pounds to eliminate fluid from the hole and

-5-

casinghead pressure was 1410 pounds while producing 50 MCF daily. Since there is no tubing in the hole it is probably impossible to blow the well entirely dry, and there is a possibility that if we did blow long enough to dry up the hole we would produce sufficient pressure drop in the formation to cause condensation in the pore spaces surrounding the well. We therefore feel that the sample taken is the most accurate which can be secured unless we were to operate the well at 50 MCF for a period of several weeks to be certain that equilibrium conditions had been established. Since we need the gas for lease operations it is impractical to operate at the very slow rate over a period of many days.

"In view of the very high gas-oil ratio and the irregularity with which fluid is produced, we do not believe that a more accurate sample could be obtained by recombining samples of condensate and gas from the separator. For the reasons stated, we think the submitted sample is the best which can be submitted under existing operating conditions."

I have here a photostatic copy of a letter to Mr. Rush Greenslade, Tulsa, Oklahoma, dated July 10, 1943, regarding the testing of the sample taken from West Grimes No. 4 by the Gulf Research and Development Company, and signed by Paul D. Foote, which I will have marked as an Exhibit in this case. (Marked as an Exhibit in Case No. 46, and original attached to original copy of this Transcript).

It is my opinion that, due to the manner of taking the sample, the dew point may be slightly low. Personally, I would anticipate the dew point in the neighborhood of 1000 bounds, instead of 750, but because of the liquid standing in the hole, the liquid probably being heavy, there may have been some absorption of the liquid, so that it gave a lower dew point. However, our laboratory has been working for a period of years on what they term "single phase reservoirs" and "dew point determinations", and they state that in their experience they have never found a well that produced such a high ratio of gas to liquid, approximately 100,000 cubic feet per barrel, and one which produced water-white which was in single phase in the reservoir, or actually was a gas in the reservoir. There are a few figures on production since February, which I believe should possibly be introduced at this time. During March the production of condensate was 261 barrels. The sale was 1507 barrels. I will give the production of gas in the

-7-

nearest millions. The gas produced was 34,000,000 cubic feet. In April 165 barrels of condensate were produced, and 272 barrels marketed. And (14,000,000 cubic feet of gas was marketed. In May the production of condensate was 173 barrels. No sales. 43,000,000 cubic feet of gas was marketed. In June the production of condensate was 105 barrels. We have not completed our records on the gas production. The same is true for July, 105 barrels of condensate in 25 days. The runs, or the sales, were 364 barrels. I wish to call attention to the last previous run to the one made in July. At that time they still had relatively cool weather, and the gravity was 74 degrees A.P.I. Also it will be noted that the gas-oil ratio has greatly increased, and undoubtedly is the result of warmer weather and greater settling, and loss of liquid as a vapor into the atmosphere. Preliminary negotiations are now being carried out to determine whether the condensate can be marketed through some of the gasoline plants, for they will have full facilities for maintaining back pressure. Provided this sale does not materialize, it is believed that there will be a conservation measure to market this condensate through mixing with the crude with the other wells on the lease. It was obvious that, during the summer months, particularly serious losses result, due to evaporation. Because of the low volume, runs can be made only infrequently. The lease at this time has a production of approximately 320 barrels. So we average runs from the lease about 1 chance a day, or one every two days. If the condensate is mixed with the crude, there will be a tendency to haul higher fractions and solution and result in much less loss, But, of course, under such conditions we propose to put in proper additional separator equipment and test tankage, so that gas condensate pressure tests may be made at frequent intervals in order to determine as accurately as possible the amount of liquid produced daily. It is our opinion that this well should be classed as a gas well, and be subject to the laws, rules or regulations concern-

-8-

ing gas wells, and that the Gulf be permitted to market the condensate which is produced with the gas marketed or beneficially utilized.

BY MR. DUNLEVY: Is this distillate produced predominantly sweet? BY MR. GRAY: The test on that is including in the letter that we submitted to the Commission on February 17th, and it was shown to be substantially sweet, although there was a small quantity of salt.

BY MR. DUNLEVY: At the time of drilling the wells in the Hobbs pool, did you people make any test in the Byers pay as to the gas condition, whether it was sweet or sour?

BY MR. GRAY: We did not. The only test we made of the Byers was in West Grimes No. 8, which blew out while drilling. We didn't obtain a sample of the gas, but the potential was measured, and it was approximately 90,000,000 cubic feet daily.BY MR. DUNLEVY: The early records of the Hobbs pool indicate the Byers gas was sour. And the Bowers gas coming in between 3100 and 3200 feet was sweet.

BY MR. GRAY: I don't recall that particular test. It was wellknown that Bowers was sweet, because in the blow-outs there they had apparently taken tests, but in the Byers zone I don't know who made those original tests. I don't recall it was sour, but it was of a very low BTU content, in the neighborhood of 40 or 50, but this was found to be err'. is, and I imagine what was wrong was a substantial quantity got into the formation. BY MR. DUNLEVY: Have you people attempted to do any test to deter-

mine if this gas is coming from the Byars definitely? BY MR. GRAY: No, only that the well-perforations are through a

section that should not permit any other zones to produce. The well was cemented with sufficient cement to cover. BY MR. DUNLEVY: Provided no channeling developed? BY MR. GRAY: If channeling had developed, I believe there would

have been indications of such by pressure on the bradenhead.

-9-

BY MR. DUNLEVY: As a matter of rocord, can you tell me where you landed the string of 9 5/8 or intermediate string of pipe?

BY MR. KELLY: According to the record, that string is landed at

2742 feet and cemented with 600 sacks of cement. BY MR. DUNLEVY: That would be about the Bowers pay?

BY MR. KELLY: Yes.

BY MR. DUNLEVY: Other than that, I believe if the Gulf is permitted to produce this gas well, if it is possible, they should establish that this gas is coming from the Byars, since in the early days of the Hobbs Pool, in the years 1930 and 1931, it was commonly known that the Byars gas was sour. And we feel that it should be established that this gas is producing from that zone, and not from some other zone.

BY MR. GRAY: I believe the best answer to that question would be that this is not the only well in the pool producing from the Byars zone. There are at this time two other wells, the Humble Powers No. 1, and I believe Shell State-A No. 1. It is my understanding that these companies perforated a 7 inch casing through approximately the same zone as in Gulf's West Grimes N o. 4, and obtained substantially the same type of gas, although I don't know about the volume of condensate which may be produced.

BY MR. WILLIG: Mr. Gray, with the casing, the intermediate string of casing set at 2742 feet, doesn't that leave the Yates exposed to below that string?

BY MR. GRAY: I am not sure that the Yates is recognized as such in the H obbs Pool. I am not a geologist, but it may be--it is my understanding there is a little variation in there, there is, of course, a zone conforming to the Yates, and it is possible that the Bowers may be the Yates, but early tests show that the Bowers contains oil. I believe in the blow-outs occurring during the drilling of the Bowers there is a substantial quantity of oil reduced. The Byers zone was considered the big gas zone, had exceptionally high initial bottom-hole pressure, but I recall no record showing it to be sour. But definitely the white lime of the Hobbs dolomite

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zone was known to be sour.

BY MR. WILLIG: Isn't it true most of the wells in the Hobbs field have been completed in similar manner to this, with the intermediate string set fairly high, and possibly that the Byars and Bowers both operate with 7 inch casing, and the Byars with 8<sup>1</sup>/<sub>4</sub> or 9 5/8?

BY MR. GRAY: I believe that is correct, although I think generally we considered the setting of the intermediate string necessitates 2700 or 2800 feet. Subsequent to the time of the drilling of these wells, through a later study showing that the wells on the edge of the pool did not have either Byars or Bowers production. It was permitted to set the intermediate casing on top of the salt, or in some instances to eliminate it entirely. But the large majority of the wells built in the Hobbs Pool have the casing set in the same manner as this well.

BY MR. WILLIG: I would lik: to call the attention of the Commission to Texas! H. D. McKinley Well No. 1, which was crilled with cable tools, and the log on file with the Commission shows that a test was made at 3190 feet, showing what the drillers termed "one barrel of oil per hour." That log of the well is on file with the Commission.

BY MR. GRAY: Was that in the Bowers zone, or the Byars? BY MR. WILLIG: I don't know, apparently in the same zone as your well. BY MR. GRAY: No, that is what is commonly termed, I believe, the

Bowers zone, found about 3200 feet, and is productive of oil. BY MR. DUNLEVY: But if your casing, the intermediate string, is set at 2742, and your perforations, I believe you stated, at 3600,

wouldn't that be exposed behind your casing?

BY NR. GRAY: Not unless in the cementing of the well a great deal of cement is lost in the formation. We cemented that with 600 sacks, and it should have been accurate to cover it all.

(Witness excused)

#### R. S. DEWEY

being first duly sworn, testified as follows:

BY MR. DEWEY: As Mr. Gray stated, the Humble has a well that is

producing from approximately the same horizon, and is netting approximately 10 barrels of distillate, or condensate, per day. However, we have not asked the Commission for a separate allowable from this gas condensate. I understand the Gulf has. However, if the Gulf is permitted to obtain a separate allowable, such as I understand the request is being made to the Commission today, we request that we have a similar allowable from cur Federal B owers A-1 Well.

BY MR. KELLY: You would have to file an application with the Commission for it. This case today is specifically the Gulf case.
BY MR. DEWEY: I understand, and we would like to be allowed to do that without a separate hearing, without the necessity of going through a public hearing on a similar basis of fact.
BY MR. KELLY: We will take it up and will probably have to hear your case. This is specifically set out as the Gulf case. Is your condensate of a similar grade as Mr. Gray's?
BY MR. DEWEY: We haven't run an analysis on it. I know it is of

a very high gravity, and being mixed with crude oil on the same unit as what the combined gravity of the two----BY MR. KELLY: Mr. Murray, Mr. Gray stated they were selling to the

Water Company, is that correct?

BY MR. MURRAY: That is correct. Are they still using some gas from this well for other purposes?

BY MR. CRAY: Still using it for camp purposes, and we are supplying the Air Base. I think I should add one more thing. As I said before, we perforated this well to get a supply of gas for use on our North Grimes wells. Recently our other gas supply decreased to such a point it was inadequate to supply that lease, and now we plan to use a portion of the gas produced from this well for gasoline purposes, as well as for minor uses, for domestic and camp use, there on these leases. BY GOVERNOR DEMPSEY: The Commission willtake the case under advice-

ment.

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# CERTIFICATE.

I hereby certify that the foregoing and attached twelve pages of typewritten matter constitute a true, correct and complete transcript of the shorthand notes taken by me in Case No. 46, on the 3rd day of August, 1943, and by me extended into typewriting; that the original exhibits introduced in evidence in this case are attached to the original of this transcript.

Witness my hand this 12th day of August, 1943.

Alice Stewart.



## HOTINE FOR PHILIPATION STATE OF MAN MEXIDO OIL COMMENTATION CONSIDERED

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The CLL Commervation Cominstan, by Jaw invested with jurisdiction as the all and gas regulatory budy of the State of New Hurles, hereby gives notice of the Sullening hearing to be hold at Santa To, New MaxLee:

## Ccan 30. 45

In the antiter of the application of the Gelf GLL Gerperstim to ements to pipe line and run evaluates from its Heat enhant He. 4 London in the Hartheast Gampter of the Hartheast Gaminer of the Hartheast quarter of Section 32, Jonnship 18 South, Hange 38 Mart, Holes Peel, New Mexico. Sele ease is set for 10 4.17 August 3, 1943.

Any person having any interest in the subject of said bearing is entitled to be heard.

The foregoing Notice of Publication was made pursuant to the direction of the Commission at its Ansentive Mosting June 22, 1943. Olyon onder the seal of said Commission at Banta Po, New

Hercies, on July 8, 1943.

OIL CONSURVATION COPPLESION

BY (SOD) JOHN N. KELLY SECRETARY

(SSAL)

#### AFFIDAVIT OF PUBLICATION

State of New Mexico, County of Les. immu

Of the Hobbs Daily Ne daily newspaper published at Hobbs, New Mexico, do solemnly swear that the clipping attached hereto was published once a week in the regular and entire issue of said paper, and not in a supplement thereof for a

period of مد G  $\overline{}$ 

beginning with the issue dated

<u>ð</u> ... 190 ending with the i

uner mas Publisher.

Sworn and subscribed to before me

12th this day of..... 191 Notary Public 10 ion expires 192/6

This newspaper is duly qualified to publish legal notices or ad-vertisements within the mean-ing of Section 3, Chapter 167, Laws of 1937, and payment of fees for said publicaton has been made.

Try-

(July 12) NOTICE FOR PUBLICATION STATE OF NEW MEXICO OIL CONSERVATION COMMISSION The Oil Conservation Commis-sion, by law invested with juris-diction as the oil and gas regu-latory body of the State of New Mexico, hereby gives notice of the following hearing: to be held at Santa Fe, New Mexico. Case No. 46 In the matter of the application of the Galf Oil Corporation to connect to pipe line and run condensate from its West Grineff No. 4 located in the Northeast

in the No duarter of 18 South,

er of the needsmast quarter of Section 32. Township 18. South, Hange 38 East, Hobbs Pool, New Mexico. This case is set for 10 A. M. August 3, 1943. "Any person having any interest in the subject of said hearing is mattled to be heard. "The foregoing Notice of Publi-cation was made pursuant to the direction of the Commission at its Executive Meeting, June 22, 1943, Given under the scal of said Commission at Santa Fe, New Mexico, on July 8, 1943. Oil Conservation Commission. By (Sgd) John M. Kelly, Secretary. (SEAL)

(SEAL)



By.....

# Affidavit of Publication

State of New Mexico, } ss.

being first duly sworn, I, A. N. Morgan declare and say that I am the (Manaman Edamand) (Editor) of the Sunta Fe Now Maxican ....., a daily newspaper, published in the English Language, and having a general circulation in the City and County of Santa Fe, State of New Mexico, and being a newspaper duly qualified to publish legal notices and advertisements under the provisions of Chapter 167 of the Session Laws of 1937; that the publication, a copy which is hereto attached, was published in said paper mountainmed for ODE time consecutive weeks, and on the same day of each week in the regular issue of the paper during the time of publication, and that the notice was published in the newspaper proper, and not in any supplement, oppersection for one time water conserve by the sing publication being on the for said advertisement has been (duly made), or (assessed as court costs); that the undersigned has personal knowledge of the matters and things set forth in this affidavit.

PUBLISHER'S BILL

| 37 lines          | s, one time at \$ | 2.96 |
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| An Morgan<br>Editor                |                |
|------------------------------------|----------------|
| Editor                             | KOMMAN BORT    |
| Subscribed and sworn to before me, | this 13th      |
| day of July                        | , A.D., 194 3. |
| day of                             | 1              |

ana R. Ormst Notary Public. My Computation expires une 11, 1940

PETROLEUM AND ITS PRODUCTS

# **GULF OIL CORPORATION**

TULSA · OKLAHOMA

GYPSY DIVISION LL G. LO

April 15, 1943

Hon.Carl B. Livingston, Chief Clerk & Legal Adviser, Oil Conservation Commission, Santa Fe, New Mexico.

Dear Mr. Livingston:

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No. 13,965 - West Grimes Lease No. 4 -NE/4 NE/4 NW/4 32-185-38 East, Lea County, New Mexico.

Thanks for yours of the 9th.

I have conferred with Mr. Sanderson and Mr. Gray and it is their desire to have a hearing on the one well owned by Gulf Oil Corporation and petition for that purpose has been prepared and forwarded for filing.

With very kindest of personal regards, I am,

Yours very truly,

RGL.W CC-Mr. Sanderson

Runce for

Oil Conservation Coumission State of New Mexico

In the Matter of the Application of the Gulf Oil Corporation to Connect to Pipe Line and hun Condensate from its West Grimes No. 4 located in the Northeast Quarter of the Northeast Quarter of the Northwest Quarter of Section 32, Township 18 South, Range 38 East, Hobbs Pool, New Mexico

Application for Hearing

COMES NOW the Gulf Oil Corporation, a Pennsylvania corporation duly registered to do business in the State of New Mexico, and respectfully requests that it be permitted to connect to pipe line or other marketing facility and market the condensate produced with the gas marketed or beneficially utilized from its West Grimes No. 4 located in the Northeast Quarter of the Northeast Quarter of the Northwest Quarter, Section 38, Township 13 South, Range 38 East, Hobbs Pool, Lea County, New Mexico.

Applicant states it is the owner of the West Grimes lease which comprises the West Half of Section 32, Township 18 South, Range 38 East upon which it has drilled 9 wells, each being completed in the Hobbs dolonite encountered at a depth of approximately 4050', and that each well is on a separate 40-acre unit except Well No. 4 which is located on the same unit as Well No. 7. The location of the well being shown on the attached plat marked Exhibit "A", the West Grimes lease boundaries being indicated in red.

Applicant further states that West Grimes No. 4 was completed during 1930 and was produced until October 1934 when it was shut down due to excessive gas-oil ratio and the production allocated to that unit obtained from Well No. 7, located 660' south but on the same proration unit.

Applicant further states that Well No. 4 was plugged back on August 15, 1940 to a depth of 3884' and the 7" casing perforated with 100 holes between the depths of 3630' and 3700' opposite what is commonly known as the Byers gas zone, that the initial potential tests after perforation was at the rate of 23,750,000 cubic feet per 24-hour day, and that the shut-in casinghead pressure was 1,625 psi.

Applicant further states that from August 15, 1940 until September 1942 the well produced only smell quantities of gas to be used for local domestic purposes, that small quantities of condensate built up in the casing, and that it was necessary

-1-

from time to time to blow the well to air in order to eliminate the hezard of the condensate entering the gas lines?

Applicant further states that during 1942 the Lee County Water Company made connection to the well and began taking substantial quantities of gas, that the increased rate of gas production resulted in the production of substantial quantities of condensate, that it became necessary that a high pressure separator and other necessary equipment be installed to separate and save the condensate produced, and that the production of gas and condensate from the well since July 1942 is as follows:

## West Grimes Well No. 4

| Gross Production |   |
|------------------|---|
| 011              | Gas   |
| Bbl              | MCF   |
| 0                | 2,137   |
| 0                | 3,593   |
| 0                | 6,018   |
| 0                | 1,701   |
| 0                | 21,807  |
| 776              | 74,788  |
|                  |   |
| 378              | 48,501  |
| 204              | 29,994  |
| 268              | Not Available   |
|                  | 011<br><u>Bb1</u><br>0<br>0<br>0<br>0<br>0<br>776<br>378<br>204 |

Applicant further states that analysis was made of the condensate by Mr. D. C. Sepre on January 14, 1943, and a copy of such analysis together with Mr. Sear's affidavit was transmitted to Mr. Carl Livingstone, Chief Clerk and Legal Advisor of the Commission, that such analysis shows the condensate was water white, having an A.P.I. gravity of 72.2°, and a distillation test which exhibited qualities of gasoline rather than those of crude oil.

Applicant further states that there are two other wells completed in the Byers formation in this pool, being Shell's State "D" No. 1, located in the Southwest Guarter of the Northeast Guarter of Section 2, Township 18 South, Range 58 East, and Humble Refining Company's Bowers No. 1, located in the Northeast Guarter of the Southeast Guarter of Section 30, Township 18 South, Range 38 East, and that these wells are indicated by the usual gas well symbol on the attached plat, Exhibit "A".

WHEREFORE applicant grays that the Commission make an order granting Gulf Oil Corporation permission to connect to pipe line or other marketing facilities and market the condensate produced with the ges marketed on beneficially utilized from its West Grimes Well No. 4 located in the Northeast Guarter of the Northeast

-2-

Quarter of the Northwest Cuarter of Section 38, Township 18 South, Range 38 East,

310

Hobbs Pool, Les County, New Mexico.

PORATION GUI OIL

LLG:LD April 14, 1943 Tulsa, Oklahoma

Exhibit "A"



BYERS SAND GAS WELLS





Killed

NOTICE FOR PUBLICATION STATE OF NEW MEXICO OIL CONSERVATION CONTISSION

The Oil Conservation Commission, by law invested with jurisdiction as the oil and gas regulatory body of the State of New Mexico, hereby gives notice of the following hearing to be held at Santa Fe, New Mexico.

Case No. 42

In the matter of the application of the Gulf Oil Corporation for an order governing the running of condensate over and above the current allowable permitted for crude petroleum on the same proration unit. This case is set for 10 o'clock A.M., April 27, 1943.

Any person Kiving any interest in the subject of said hearing

shall be entitled to be heard.

The foregoing Notice of Publication was made pursuant to the direction of the Commission at its Executive Meeting March 29, 1943.

Given under the seal of said Commission at Santa Fe, New

Mexico, on April 2, 1943.

OIL CONSERVATION COMISSION

BY (SGD) JOHN N. KELLY SECRETARY.