Casa No.

Replication, Transcript, Smill Exhibits, Etc.

BEFORE THE OIL CONSERVATION COMMISSION Santa Fe, New Mexico
IN THE MATTER OF:
Case No. 1209
TRANSCRIPT OF FROCEEDINGS
DEARNLEY - MEIER & ASSOCIATES INCORPORATED GENERAL LAW REPORTERS ALBUQUERQUE - SANTE FE 3-6691 2-2211 February 20, 1957

Page

NEW MEXICO OIL CONSERVATION COMMISSION MABRY HALL - STATE CAPITOL SANTA FE, NEW MEXICO

REGISTER

HEARING DATE _____ February 20, 1957 _____ TIME: 10:00 a.m.

REPRESENTING: LOCATION NAME: Lieling to to the Atternary ·. / De Davo Mit . V. يبه يشجله ف int Ante 10. P. Jan Par Sin rand of the second Cyr a co An non de . **.** . Y. M. Stra). . Geo die ۰, Nan Many 1.4

-	BEFORE THE OIL CONSERVATION COMMISSION SANTA FE, NEW MEXICO February 20, 1957	
	IN THE MATTER OF: Application of Amerada Petroleum Corporation for an order establishing a 320-acre non- standard gas proration unit in the Jalmat Gas Pool in exception to Rule 5 (a) of the New Mexico Oil Conservation Commission Special Rules and Regulations for said pool as set forth in Order R-520. Applicant, in the above-styled cause, seeks an Order establish- ing a 320-acre non-standard gas proration N/2 of Section 3, Township 26 South, Range 37 East, Lea County, New Mexico; said acre- age to be dedicated to applicant's C. C. Cagle "C" No. 1 Well located 990 feet from the N _o rth line and 990 feet from the West line of said Section 3. The NE/4 of said Section 3 is not presently within the horizontal limits of the Jalmat Gas Pool.	
	BEFORE:	
	Mr. Daniel S. Nutter, Examiner	
	TRANSCRIPT OF PROCEEDINGS	
	MR. NUTTER: The hearing will come to order please. Let	
	the record show that this hearing convened in the office of the	
	secretary of the Oil Conservation Commission at 10:00 a.m., was	
	recessed, and reconvened in Matry will.	
	The first case on the docket this morning will be case lo.	
1000 m	1209.	
	OF A CHER MEIEP AND ASSOCIATES	

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M	R. COOLEY: Case No. 1209. Application of Amerada
Petroleum C	orporation for an order establishing a 320-acre non-
standard ga	s proration unit in the Jalmat Gas Pool in exception
to Rule 5 (a) of the New Mexico Oil Conservation Commission Speci
Rules and R	egulations for said pool as set forth in Order R-520.
Μ	R. BUSHNELL: H. D. Bushnell, attorney for Amerada
appearing o	n behalf of that corporation. I have two witnesses
who are goi	ng to testify, and I would like them to be sworn at
this time.	
(Witnesses sworn.)
	R. L. LAKSON
a witness,	having first been duly sworn, testified as follows:
	DIRECT EXAMINATION
BY: MR. BU	SHNELL:
Q W	Yould you state your name and place of residence?
A R	L. Lakson, Tulca, Oklahoma.
ତ୍ର A	nd for what company are you employed?
A I	am emplyed by Amerada Petroleum Corporation.
Q I	In what capacity.
, Par d	s a geologist.
ť, i	lave you ever cestified on prior occasions before this
Commission?	A llos
, i.	ben did you you have a degree in geology, is that
	DEAPRILEY MEIER AND ASSOCIATES - Remote Remoters - Standard New MEXICO - Standard Decol

correct?		A Yes, sir.
Q	When did you receive	e it and from what school?
A	I received a bacheld	or of science in Reology from the
South Dak	t ota School of Mine Te	echnology.
Q	And in what year did	you receive that degree?
A	ln 1949.	
Q	And how long have yo	ou been working as a geologist, since
graduatio	n?	
A	Since I graduated I	have been working for Amerada Petrol
Corporati	.on.	
	is a polocist, i.e.	liat orrect?
	n por€ciko ist.	
Q	Jow 10 to the	eau conting in the West Texas-New
Mexico ar	·ea?	A All of that time.
	MR RHSHRR · ·	is instion appendible?
		and the second sec
	MR. NUTTER: Th	er in margine en officiario:
Q		
-	MR. NUTTER: Th	war that is a structure in a last
marked Ex	MR. NUTTER: Th (EY Mr. Eushnell	n <u>k</u> ologija ukonitacjo interaliteta
marked Ex	MR. NUTTER: Th (EY Mr. Eushnell Sibit Lo. 1. Weau	n – Lastin – ta stitu v instruktione Wilder Stichter
marked Ex A	MR. NUTTER: Th (EY Mr. Eushnell Slibit Lo. 1. Woul This is a plat sh	 Land A when dependence Wat Shina is Uno is cointe area Land Is cointe area
marked Bx	MR. NUTTER: Th (BY Mr. Bushnell dibit Lo. 1. Weak This is a plat sh 5. 3, Township 26 3.	n i land a dhaoland bea Wal thais Allochta i realata araa

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	contour lines?	
	A We used what Amerada terms as a Zone One point to contour	
	this map on.	
	Q And what is Zone On⊖?	
	A Zone One is a point about twenty feet into the Yates.	
	Q Twenty feet below the top of the Yates, is that correct?	
	A That's right.	
	Q Why did you use that point?	
	A We used the Zone One marker because we find that it is	
	easier to pick up from samples than is the Tates top.	
	Q Now, what does this Exhibit show with reference to the	
	structure in the N/2 of Section 3, which is Township 26 South,	
	Range 37 East?	
	A It shows that the structural relationship of the $\mathbb{N}/2$ of	
	Section 3 does not go below a plus 275.	
	ϕ And how does that congare with the structure unity other	
	wells in this area?	
	R Sellova that that the life is a first burger for all	
	producto po acontecena (1962-201)	
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	À Do you want in a land on throse
	Q To, if for while ration tift that, those cally de orly
us '	.110.
	A And the church and the leftion 9. There is one in
Secti	on 4.
	MR. FUTTER: Which well is that, sir?
	A That is the 3/2 of the S/W.
	ζ And there is one in Jestich frienche contact from J/μ .
also,	isatu phare, in the S,W of Scewic. 31
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gamma ray neutron logs: Olson No. 1 Farnsworth in Section 4, the
Olson No. 2 Farnsworth in Section 4, the Amerada No. 1 Cagle "C"
in Section 3, and the Olson No. 1 Gregory-Federal in Section 35.
        Q Now, what does the yellow portion of this exhibit represent?
        A The yellow coloring represents the actual productive and
 probable productive sands in the Yates and Seven Rivers Formation.
         Q Now, you have furnished the Commission all the information
  that is available in this area, is that correct?
          Q And from this information, evidence, as shown on these
          A Yes.
   exhibits, in your opinion, do the productive sands in the Jalmat
   underlie all of the N/2 of Section 3?
               A.C. LUCHNELL: That's all the questions I have or this
           A Yes, they do.
               Un. 11:203.: Does autone faite ant questions of the withesp?
     witness.
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                and the second second second
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	Pool?	
y an Anna,	A The only thing I can say is that it was completed as an	
	oil well.	
	Q Completed as an oil well possibly from the Queen?	
	A Yes.	
	Q Was there any test of the Yates or the Seven Rivers in	: :
	that well as to gas productivity? A To my knowledge, no.	
	Q Just what the electric log shows?	
	A That's right.	
	Q Now, Mr. Lakson, you indicated that the yellow is the	
	actual productive and probable producing zones of the Yates and	
	Seven Rivers. Is that based on samples or is that based on the	
	interpretation of the logs?	
	A It is based on both, from the sample descriptions and	
	the electrical log interpretation.	
	Q Three of the wells to the left of the cross-section are	
	all productive, or have been tested to be productive of the gas	
	A That is right.	
	Qis these formations, and not lave p linowledge of the	
	wells to the far right?	
	NH: MADAIN: That is all.	
	NR. NUTTER: Does anyone else have any questions of the	
	abu.dss?	

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	MR. BUSHNELL: I would like to ask one more question. This
	information is correlated on this exhibit Mr. Mutter is referring
	to, and it is also based on test information, is that correct, as
	being productive, based on testing of those wells that were completed
	in the Jalmat? A Yes, that is right.
	MR. NUTTER: If there areno other questions of the witness
	MR. UTZ: I have a question.
	MR. NUTTER: Mr. Utz.
	BY: MR. UTZ:
	Q This projection on the basis of the electric log is
	projected from Amerada's Cagle "C" over to the Olson Gregory-Federal
	approximately two miles without any control, is that right?
	A That is right, yes, sir.
	Q And referring to Exhibit 1, I believe it was, the contour
	map, those contours are based on your so-called 1, which is twenty
	feet below the top of the Yates, is that correct?
	A Yes.
	Q What control did you have when you contoured the two
~	hundred, the plus 250 and the plus 300 intervals in Section 34
	and Section 3?
	A I had no control to put those in there other than an
	established rate of dip coming down from the top of the structure.
N e	Q And your electric log projection on Exhibit 2 doesn't
	DEARNLEY MEIER AND ASSOCIATES (CNOT OPE REPORTERS ALDUCTERQUE NEW MEXICO TEL: OFFICE 3-6091

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10 indicate the dip across the area? A No, sir. That is, Exhibit No. 2 is drawn using the top of the Yates as a reference plane, and it would not show structure interpretation. Q And you base your opinion that the NE/4 of Section 3 is productive from the Devonian Gas Pool on the basis of these two, A Yes, sir. entirely? MR. NUTTER: Correction, Jalmat. A Yes, Jalmat. MR. UTZ: Jalmat Gas Pool, excuse me. That's all I have. MR. BUSHNELL: I would like to state Mr. Mankin reminded me that I didn't ask the witness who prepared the exhibits, and I would like the privilege of doing so. MR. NUTTER: Go ahead. MR. BUSHNELL: Were these Exhibits prepared by you or under your supervision, both exhibits, No. 1 and No. 2? A Yes. MR. NUTTER: Are there any other questions of the witness? If not, the witness may be excused. MR. EUSHNELL: Mr. Ohristie. R. S. CHRISTLE having been duly sworn, testified as follows: DIRECT EXAMINATION DEAPNY FY-MEIEP AND ASSOCIATES ALBUQUERQUE NEW MEXICO TELEPHONE 3 5501

BY: MR. BUSHNELL:	
Q Would you state your name and residence, and the company	
for which you are employed?	
A R. S. Christie, Amerada Petroleum Corporation, Tulsa,	
Oklahoma.	
Q And have you testified previously before this Commission	2
A Yes, sir, I have.	
(Amerada's Exhibit No. 3 m ed for identification.)	ark-
Q I hand you what is marked Are his qualifications	
acceptable?	
MR. NUTTER: Yes, sir.	
Q I hand you what has been marked Exhibit No. 3. Will you	
state what it is and the purpose for which it is submitted?	
A Exhibit No. 3 is a plat showing the proposed 320-acre	
non-standard unit which is outlined in green and shows the location	ſ
of the subject well to be designated for the non-standard unit,	
and several surrounding wells, and also by red circle, the offset	
leases within fifteen hundred feet off the Cagle "C" No. 1.	
Q It shows the specific 320-acre that is being asked for i	ſ
this application, does it not? A Yes, it does.	
6 For the record, would you state the purpose for which it	
is being submitted?	
 A It is to support our exhibit copies attached to its	

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12 application. Q Now, Mr. Christie, when was the Cagle "C" No. 1, shown on that plat, originally drilled? A It was originally drilled in April of 1949. Q And how was it completed? A The intended depth at that time, or pay, was the Langlie Mattix, and it was proven non-commerical in the Langlie-Mattix, and was temporarily abandoned at that time. Q And since then, it has been re-completed? A Yes. Q Will you state when the re-completion was and in what formation? A Well, the well was re-completed approximately in June of 1956, and was completed in the Jalmat pay zone. (Amerada's Exhibit No. 4 marked for identification.) Q Now, I hand you what has been marked Exhibit No. 4. Would you state what that is? A Exhibit No. 4 is a gamma ray neutron log, Amerada's Cagle "O" No. 1. Q and what does it show with reference to the yellow area? A The sands that are colored in yellow, or the yellow color represents the saids that are considered to be productive in the Nates and Seven Rivers Formations. DEARNLEY-MEIER AND ASSOCIATES STENOTYPE REPORTERS

Q And what do the red hash marks represent on this exhibit? A The red hash marks indicate where the well has been perforated for production. Q It also shows the location of the top of the Yates, isn't that correct? A Yes, sir, it does. The top of the Yates shown on the log is at 2638 feet, which is a plus 366 feet. It also shows the top of zone one which Mr. Lakson testified to be 2662 feet, or plus 342. Q Now, it also shows the top of the Queens, is that correct? A Yes, sir. The top of the Queens is depicted at 3331 or minus 309. This, of course, is also the base of the Seven Rivers. Q What, Mr. Christie, is the -- was the initial potential test shown on this well? A Initial potential, those tests present on the perforation were bested by Amerada and Bl Pasc Natural Jas Company. The perforation opposite the faces done tested six million and le feet per day, and the perforation opposite the Seven Rivers tested three million cubic feet per day. Q And More evidence as you have while reference to the prest sure tests shown on this well' A We book a procedure test on the well in both source following completion and showed the pressure in the Mates Zore on Ter DEARNLEY-MEIER AND ASSOCIATES

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763 pounds per squa	re inch, and the pressure in the lower zone,
715 pounds per squa	re inch.
Q How does	this compare with the original pressure of the
well shown in this	area?
A Informati	on that we have indicates the original pressur
in this area was ap	proximately 1200 pounds, so that would indicat
we have reduction i	n pressure in this area of approximately 450
pounds.	
Q From this	information and the other evidence presented
here, Mr. Christie,	in your opinion, are the sands in the $\mathbb{N}/2$ of
Section 3 permeable	so that the Cagle Well in the $\mathbb{N}/4$ of Section
3 can drain all of	the North 320-asrest
A I think,	based on the potentials, the magnitude of
potentials, and als	o the fact that the area surrounding our Cagle
"g" I has been redu	eed in preserve by approximately 450 pounds.
indicates shat one	well will drain a larger appart. This put inclu-
formation, and int	alia, terepega ist, a a statut attendet.
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a a a a a a a a a a a a a a a a a a a	$(x_{ij}, x_{ij}, x_{ij}) \in \{x_{ij}, \dots, x_{ij}\}$, where $(x_{ij}, x_{ij}) \in \{x_{ij}, \dots, x_{ij}\}$
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×.	Corporation. Those two wells have produced from the Jalmac inter-	t
•	val one million seven hundred and some ouble fect of mas. Fused	
	on the commission records, approximately a million and a balt has	
	teen produced inc. the c. i weal.	
	$\hat{\mathbf{Q}}$. It seems to me that this real question conclusion at	
	whether or not the LL/2 of decals -3 is productive due to the co	
	bas Pool, com and de child that the Dye, at Dye second as	
	were drawn in mithous all northol or elternin los eresp-schielle	
	showed that there is no control over the area. Fernolally, a	
	just wanting information as no may you think that this is ast all.	
	produced to the fail as had not put the fit with the state of the	
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based on the premise that you consider the Northeastern Quarter of Section 34 to be productive of gas. I don't believe you made that statement. Is that your expert opinion? A Yes, it is. You will note our records will show that there are a hundred and ninety-two feet of the Yates Formation and about four hundred and electronic three feet of the Seven Rivers in our Cagle "C" Lo. 1. It is inconceivable to me that those sands will not at least earry to the east edge of Section 3, being of Q (By Mr. Utz) You would not be desirous of dedicating that thickness. any acreage to the Cagle "C"? MR. UTZ: That's all I have. MA. NUTTER: Does anyone else have any questions? Q Mr. Christie, Exhibit No. 1 showed that this well was a BY: MR. MANKIN: qual completion. Would you like to correct the record to show that that originally was a dual completion, and would you explain what S THE WELL WAS OPICIAL THE SECOND STRUCTURE TO A STATE TO A STRUCTURE THE SECOND STRUCTURE TO A STATE TO A STRUCTURE THE STRUCTURE AND A STRUCTURE has happened since that which with the boyes of occalling over all replaced on the and an and The six et al second and the assessment of the second second second second second second second second second s .1.0, and also, an plain in , or liter a carriere i car DEARNLEY MEIER AND ASSOCIATE in the ALBUQUERQUE NEW M RE TELEPHONE SHOWS

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We placed it further up the hole, and therefore, part of the perforations finally developed that they were in the Jalmat interval rather than in the Langlie-Mattix, and therefore, the well is now to be completed, and produced entirely from the Jalmat interval. Notice the perforations that are shown on drahilit to. 3. 4, paraon me, amilit no. 4. G Ther the well was plugged cash and the Langle-Hattix perforations were glagges all, to that porcerts A Well, the well as now been plugged back as yet, and as far as 1 more, the two such 1111 H 130 merforations. Incorpanse Mark gaslen no du . . J. J. J. . . Seret Lifered, Life a Setto lanca -ن بن ... - -

> DEARNLEY-MEIER AND ASSOCIATES TEN TO THE PART OF THE ALBUOYEPOUS, NEW MEXICO TELEPHONE 3-0001

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		*: -
	Q It would be plugged?	
-	A Not unless we go in and set that packer lower, or plug	
	the bottom off.	
	ζ You do have two sets of performations, two sets of per-	
	forations at the present time? A Yes, sir.	
	Q Separated by a packer? A Yes, sir.	
	Q To be able to produce both, you would have to remove	
	those packers or produce one through the tubing and one through	
	the casing, would you not? A That's right.	
	Q This will not be dual completion?	
	A It will not be dual completion.	
	Q And it will be production from the Yates and Seven Rivers?	
	A It will be production from the Jalmat Interval.	
:	Q Would you say that that was the lates and the Jalman	
	interval of the Seven Rivero? R Nes, sir.	
	MR. CANKIN: Statto all.	
	NR. HUITSH: Joesa your have any questions of the wisters	
	MR. UIC: I have our more quecklost	
	G. Le. Clristle, 10 the C /A of Section 3 another offset	
	on the horth, or the East by a dry hold in the lates-Seven nivers	
	Corration, world waterbauge your opicion as to whether the con-	
	1.1/12 is tradice interactions and state	_

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	A I don't know that it would change my opinion. I think	
	it might lower the value of the amount of reserves under the NE/4.	
	It would depend on how far they are offset, of course.	
	MR. UTZ: That's all.	
	MR. NUTTER: Does anyone else have any questions?	
	MR. BUSHNELL: I have one question.	
	REDIRECT EXAMINATION	
	BY: MR. BUSHNELL:	
	Q Mr. Christie, Exhibit No. 3 was prepared by you or under	
	your supervision, is that correct?	
	A Yes, sir, also Exhibit No. 4.	
	MR. BUSHNELL: That's all I have.	
	MR. NUTTER: Does anybody else have any questions of	
	the witness? If not, you may be excused.	
	MR. BUSHNELL: That is all the witnesses we have, and I	
	would like to offer these four exhibits late the record.	
	NR. NUTTER: Is there any objection to the introduction	
	of Amerada's Exhibits Hos. 1 through 4 as evidence in this case?	
	If not, they will be received. Does anyone have any statements	
	they wish to make in this case? We have a wire we received from	
	the Southern California Petroleum Corporation, addressed to the	
	New Mexico Gil Conservation Consission, Matery Hell, Santa, Se,	
and the second s	lew Mexico. ne: Dase 1209 bot for hearing chruany 20. Southers	

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DEARN LEY MOVER AND ASSOCIATES STANDARD SERVICES AUBIL SERVICE SUM MEXICO THE SYNCE COMM California Petroleum Corporation recommends 160-acre proration unit and objects to 320-acre proration unit for Amerada Petroleum Corporation's Cagle "C" No. 1 Well. We will not be represented at hearing. Letter follows. Signed Southern California Petroleum Corporation.

MR. BUSHNELL: Did the letter follow.

MR. NUTTER: We have not received the letter, to my knowledge.

MR. BUSHNELL: May I make a comment?

MR. NUTTER: Yes, sir.

MR. B. SHNELL: We have no objection to the telegram insofar as they state their objections, but if the subsequent letter attempts to state or conclude that there is no evidence of possible productive sands in the northeast, we would object to that bearing any weight.

MR. NUTTER: We recognize the fact that the letter is not subject to any robuttal, as it has not been received yet, and it will be taken for what it is worth, sir.

MR. SUSHIELL: That is stated for the record.

MR. NUTTER: If there is nothing further in this case, we will take the case under advisement and proceed to Case No. 1210.

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STATE OF NEW MEXICO)) ss COUNTY OF BERNALILLO)

I, J. A. Trujillo, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me in Stenotype and reduced to typewritten transcript by me; and that same is a true and correct record to the best of my knowledge, skill, and ability.

WITNESS my Hand and Seal, this, the 1st day of March, 1957, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

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My Commission Expires: October 5, 1960

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

March 11, 1957

Mr. H. D. Bushnell Amerada Petroleum Corporation P.O. Box 2040 Tulsa 2, Oklahoma

Dear Sir:

We enclose a copy of Order R-957 issued March 8, 1957, by the Oil Conservation Commission in Case 1209, which was heard on February 20th at Santa Fe.

Very truly yours,

A. L. Porter, Jr. Secretary - Director

bp Encl.

BEFORE THE OIL CONSERVATION COMMINTION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE MEARING CALLED BY THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

> CASE NO. 1209 Order No. 8-957

1 En 14

IN THE MATTER OF THE APPLICATION OF AMERADA PETROLEUM CORPORATION FOR AN ORDER ESTABLISHING A 320-ACRE NON-STANDARD GAS PRORATION UNIT IN THE JALMAT GAS POOL CONSISTING OF THE N/2 OF SECTION 3, TOWNSHIP 26 SOUTH, RANGE 37 EAST, NHPM, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 19:00 o'clock a.m. on February 20, 1957, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the New Mexico Oil Conservation Commission, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Negulations.

NOW, on this 3^{th} day of Earch, 1957, the Commission, a quorum being present, having considered the application, the evidence adduced and the recommendations of the Examiner, Daniel 5. Nutter, and being fully advised in the premises,

FINDS:

1. That due notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

2. That the applicant, Amerada Petroleus Corporation. is the owner of the N/2 of Section 3, Township 23 South, Range 37 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico.

3. That the applicant is the owner and operator of a gas well known as its Cagle "C" No. 1 Well, said well being located 990 feet from the Morth line and 990 feet from the Woot line of well Section 3.

4. That the applicant proposes to dedicate the N/2 of Gaid Soction 3 to said Sagle "C" No. 1 Well.

5. That the applicant has shown by the syndence that the H/2 of said Section 3 can be reasonably presumed to be productive of gas from the Jaluat Gas Pool.

6. That it was established by Commission (rder 2-320, duted August 12, 1954, that one well is sepable of draining 540 acres in the Jalmat Gas 2001.

-2-Case No. 1209 Order No. R-957

7. That the applicant should file the proper forms showing all present perforations in the said Cagle "C" No. 1 Well.

IT IS THEREFORE ORDERED:

(1) That the application of Amerada Petroleum Corporation for a 320-acre non-standard gas provation unit in the Jalmat Gas Pool consisting of the N/2 of Section 3, Township 26 South, Range 37 East, NMPM, Les County, New Mexico, be and the same is hereby approved, and a provation unit consisting of the aforesaid acreage is hereby created.

(2) That applicant's Cagle "C" No. 1 Well, located 990 feet from the North line and 990 feet from the West line of said Section 3, shall be granted an allowable in the proportion that the above-described acreage bears to a standard proration unit in the Jalmat Gas Pool in accordance with Rule 12 of the Special Rules and Regulations for said pool as set forth in Order R-520.

(3) That within a reasonable time the applicant shall file with the Commission the proper forms showing all the present perforations in the said Cagle "C" No. 1 Well.

DONE at Santa Fe, New Mexico, on the day and year herein+ above designated.

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

MISMozar

MURRAY E. MORGAN, Member

L. BORTER, Jr., Member & Secretary





1-29-57

6. The approval of this application for a 320-acre non-standard gas proration unit will, in the opinion of the applicant grevent waste, protect correlative rights and serve the best interest of construction.

The applicant therefore requests that this cause be set for hearing and that notice thereof be given as required by law and that upon such hearing the Commission enter its order approving the formation of the 320-acre nonstandard gas provation unit in the manner herein proposed.

Respectfully submitted,

AMERADA PETROLEUM COBPORATION

malue By, H. D. Bushnell, Attorney.

HDB:FC Att.

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STATE OF OKLAHOMA)) SS COUNTY OF TULSA)

N. D. BUERNELL, of leven age, being dury suorn upon his oath states: That he is attorney for the Applicant herein, Amerada Petrolaum Corporation, a Delaware corporation withorized to do business within the State of Oklahous; and that he has read the fore sing Application and is familiar with the contents thereof, and helicles that the facts therein set forth new true.

NEI South and a

Superious and even to before we this just any of Kendery, 1987.

My constantion explored:

CF OIL CONSERVATION COMMISSION DSN 2/2/57 SANTA FE, NEW MEXICO Date 2-20-57 2-20-57 Hearing Date____ CASE / 1209 My recommendations for an order in the above numbered cases are as follows: & recommend that the opplicants explication be granted a requested. 1. The applicant has promitted the N/I of Sec 3 - 26 N - 37 E can be nearonably assumed to be production J'das from the Galmat que Voob. 2. That its Amerada - Caple c #1 located 99%/ N and west time of Sec. 3-265-37E was vigonally and intended to be a dual completion is the falmaticut langlie Matting o it fool but is now to be completed only in the julmat que prol. 3. That the sit series of the to the well Hore - tout he' between 2638 ft (+ 366 5.2.) N. and 33/3 (- 3095.L.) 7. That the M/2 or sec. 3 - 265-376 - hall be dedicated to the Remender - Cuy us VI. Member

OIL CONSERVATION COMMISSION SANTA FE, NEW MEXICO

Date 2-21-57

1209 _____ Hearing Date ____ 2-20-57

My recommendations for an order in the above numbered cases are as follows:

Enter an order approving the request by Amerada for a 320 aere non-Standard provation wint comprising the N/2 Section 3 T 26 S, R 37E, to be dedicated their Cagle "C" no I were, located 990 jt from the north and west lines of said Sec 3. approval is based on these premises 1. The N/2 of the section may reasonably be assumed to be productive of gas. 2. no objections were entered to the mut other than a nice from So. Cal. which was falloued by a teller received 8:28 AM, 2/21/57 3. While there may be a facies change in the yates sand occurring to the East wherein the sand becomes an hydritic, it is doubtful whether the sand has become completely a descent in the 4290 ft to the 2 line of the Section. 5280 Stariel S, Muller 4290

CASE__

SOUTHERN CALIFORNIA PETROLEUM CORPORATION

SUITE 905 PETROLEUM LIFE BUILDING . . . MIDLAND, TEXAS

PHONE 4-8044 February 19, 1957

New Mexico Oil Conservation Commission 125 Mabry Hall Capitol Building Santa Fe, New Mexico

> Re: Case 1209, Feb. 20, 1957 Application of Amerada Petroleum Corp. for 320-Acre non-standard gas proration unit, Jalmat Gas Pool, Lea Co., N. M. comprising the N¹/₂ Sec. 3, T26S, R37E.

Gentlemen:

Southern California Petroleum Corporation again objects to the assignment of a proration unit in excess of 160 acres in the N $\frac{1}{2}$ of Section 3, T26S, R37E, to the Amerada Petroleum Corp., "Cagle C" No. 1 well, located in the NW $\frac{1}{4}$ NW $\frac{1}{4}$, Section 3, T26S, R37E, Jalmat Gas Pool, Lea County, New Mexico.

Southern California Petroleum Corporation is the owner and operator of the Dabbs No. 1, Jalmat Gas Pool well in the $SW\frac{1}{4}$ $SW\frac{1}{4}$, Section 34, T25S, R37E, approximately 2000' northwesterly from the "Cagle C" No. 1. Our well is assigned a 160-acre proration unit. We feel that Amerada's application is in exception to Commission Order R-520 (b) 3 in that the NE $\frac{1}{4}$ of said Section 3 may not reasonably be presumed to be productive of gas. We question whether the Yates zone would be productive of gas in the entire $E_{\frac{1}{2}}$ of Section 3, due to: (1) the structural low trending NNW-SSE through the $E_{\frac{1}{2}}$ of Section 3, and (2) a facies change in the Yates zones whereby Yates sands are rapidly going anhydritic eastward across said Section 3.

Further, that the NE_{4}^{1} of said Section 3 is not now considered to be within the horizontal limits of the Jalmat Gas Poel, and that the present stage of development of gas production in this immediate area does not warrant an extension of the poel to include the NE_{4}^{1} of Section 3, T26S, R37E.

We, therefore, recommend you agree to a 160-proration unit

Page 2 New Mexico Oil Conservation Commission February 19, 1957

consisting of the $NW^{\frac{1}{4}}$ of Section 3, T26S, R37E, for the Amerada Petroleum Corp., C. C. Cagle "C" No. 1 well.

Yours very truly,

SOUTHERN CALIFORNIA PETROLEUM CORP.

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Landaum J. A. Warren Division Engineer

cc Amerada Petroleum Corp. Monument, New Mexico

> El Paso Nat'l Gas Co. Jal, New Mexico Midland, Texas

Pan American Petroleum Corp. Roswell, New Mexico

R. Olsen Oil Company Jal, New Mexico

The Texas Company Midland, Texas



Castines

GENERAL OFFICES

APLERADA PETROLEISI CORPORATION

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TULSA 2, ORLA.

January 29, 1957

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

> Ne: Application of Amerada Petroleum Corporation to form a 320-acre Non-standard Gas Proration Unit in the J.lmat Gas Pool comprising the N/2 of Sec. 3-268-37E, Lea County, New Mexico.

Gentlemen:

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Amerada Petroleum Corporation hereby makes application for approach of a 320-acre non-standard gas provation unit in the Juliet for lass applicing the N/L of Sec. 3-265-372, Lea County, New Mexico, and in support be read states the following:

1. That Amerada Petroleum Corporation is sweet of the second model to in the N/2 of said Section 3-268-375, Les County, Dev Madri, we seek to the attached plat.

2. Applicant is owner and operator of the North Control of the North Located Vy Newt from the Morth Line and the Cost from the Solution 3, which was plugged and acondened on April 11, the control of the recompleted in the Jakrat Cho Coul on June 1, 1971.

j. That applicant was evaded to colleve that underlies the TRAM of Section 3.

4. That the applicant amplied that the location of the locatio

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1-29-57

5. The approval of this application for a 320-spre non-standard gas proration unit will, in the opinion of the applicant prevent waste, protect correlative rights and serve the best interest of construction.

The applicant therefore requests that this cause be set for hearing and that notice thereof be given as required by law and that upon such hearing the Commission enter its order approving the formation of the 320-acre nonstandard gas provation unit in the manner herein proposed.

Respectfully submitted,

AMERADA PETROLEUM COEFORATION

2 manuel B7 H. D. Bushnell, Attorney.

HDB:FC Att.

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ETATE OF OKLAHOMA)) 33 COUNTY OF TULSA)

I. D. DUCUILLI. of bound were beind due as were proved his eath states: "Furthe is attorney for the Applicant herein, Andrada Detrilion Corporation, lelaware composition with size to do business within the Date of Thisbard; only that he has a state that the Capital Appliestic control for with the second states thereof, and bulkenes that the Capital Capital Sciences for the brue.

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AMERADA P 288