

Levin
1840

Case No.

1244

Application, Transcript,
Small Exhibits, Etc.

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

April 23, 1957

IN THE MATTER OF
CASE NO. 1244

TRANSCRIPT OF PROCEEDINGS

DEARMLEY - MEIER & ASSOCIATES
INCORPORATED
GENERAL LAW REPORTERS
ALBUQUERQUE - SANTA FE
3-6661 2-2211

2

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
April 23, 1957

IN THE MATTER OF:

Application of Amerada Petroleum Corporation for an order authorizing an oil-oil dual completion in the Penrose-Skelly Pool and the Paddock Pool in Lea County, New Mexico, in compliance with Rule 112-A of the New Mexico Oil Conservation Commission Rules and Regulations. Applicant, in the above-styled cause, proposes to dually complete, by means of parallel tubing strings, its Baker Well No. 2, located in SE/4 SE/4 of Section 10, Township 22 South, Range 37 East, Lea County, New Mexico, to produce oil from both the Penrose-Skelly and the Paddock Pools.

CASE NO.
1244

BEFORE:

Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

MR. NUTTER: The hearing will come to order, please, the next case on the Docket will be Case No. 1244.

MR. COOLEY: Case 1244. Application of Amerada Petroleum Corporation for an order authorizing an oil-oil dual completion of the Penrose-Skelly Pool and the Paddock Pool in Lea County, New Mexico, in compliance with Rule 112-A of the New Mexico Oil Conservation Commission Rules and Regulations.

DEARNLEY - MEIER & ASSOCIATES
INCORPORATED
GENERAL LAW REPORTERS
ALBUQUERQUE - SANTA FE
3-6691 2-2211

3
W. G. ABBOTT

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

DIRECT EXAMINATION

BY MR. COOLEY:

Q State your name and occupation for the record, please?

A W. G. Abbott. I am a District Engineer for Amerada Petroleum Corporation in Monument, New Mexico.

Q Mr. Abbott, have you previously qualified as an expert witness before the Oil Conservation Commission?

A Yes, sir.

MR. COOLEY: Does the Examiner accept the qualifications of the witness?

MR. NUTTER: Yes, sir, they are accepted, would you proceed Mr. Abbott?

A Amerada Petroleum Corporation is requesting permission to dually complete, through parallel tubing strings, its-A B Baker No. 2, located 660 feet from the South line and 660 feet from the Base line of Section 10, Township 22 South, Range 37 East, Lea County, New Mexico.

This well is presently producing from the Paddock Pool, Oil Pool, through perforations from 5,065 to 5,080; 5,150 to 5,125 feet.

I hand you Exhibit A, on which is shown the A B Amerada, AB Baker 80-acre lease shaded in red, and the subject well, the A B Baker No. 2, circled in red.

DEARNLEY - MEIER & ASSOCIATES
INCORPORATED
GENERAL LAW REPORTERS
ALBUQUERQUE - SANTA FE
3-5591 2-2211

This well was spudded February 24th, 1946, and was completed March 28, 1946. We have 13 and 3/8 inch casing set at 202 feet, with 200 sacks of cement, and cement was circulated. We have nine and five-eighths inch casing set at 2675 with a thousand sacks of cement, and the top of the cement came to 1300 feet. We have 7 inch casing set at 5205 feet, with 350 sacks of cement, and the top of that cement is 3175.

The initial potential on this well was 275 barrels of oil per day, with a gas-oil ratio of 1475.

Recent tests show 35 barrels of oil, 2 barrels of water, with a gas-oil ratio of 5612, and flowing tubing pressure of 120 pounds per square inch.

We propose to dually complete this Paddock Oil Well in the Penrose-Skelly Zone in the following manner.

I want to hand you Exhibit No., Exhibit B of this proposed dual completion. We will first run gamma-ray neutron surveys and then we will perforate the Penrose and Grayburg Sections, from approximately 3,495 to 3,640, as determined by gamma-ray neutron surveys. We will run a packer and retrievable bridge plug on 3 1/2 inch, on D tubing, and then at this time, we will fracture the Paddock perforation, then we will set the bridge plug at 3,655 and we will acidize and fracture the Penrose-Grayburg Zone. Then, we will retrieve the bridge plug and run two strings of two and three-eighths inch up-set tubing, with top bevelled collars, with production packers on the long string, then, we will set the packer at approxi-

ately 5,000 feet, and then we will swab the wells in.

The reason we want to dually complete this well, instead of drilling a new well to the Penrose-Skelly Pay, is because a new well will not pay out. To support this, I want to submit Exhibit C. This exhibit shows two decline curves. The curve labeled Rowan Waldon Nos. 1 and 2, and Skelly B. Baker Nos. 1, 2, and 3 is a curve showing the average barrels per day per well, plotted on a "Y" axis versus time in months on the "X" axis for five wells located in the immediate vicinity of our Baker No. 2 and completed in the Penrose-Skelly Pool. These wells circled in green on Exhibit A.

The second decline curve plotted on Exhibit C, is a production decline curve for our Amerada AB Baker No. 1, the well that was completed in the Penrose-Skelly Pool in 1942; temporarily abandoned in 1954, and placed back on schedule in June 1956, after fracturing. This well is checked by a green mark on Exhibit A.

This is a North off-set to our subject well, the Baker No. 2.

As Can be seen by this Exhibit, the average daily producing for the five wells, that is, the two Rowan Wells and the three Skelly Wells, is less than three barrels per day per well. Actually, they produce closer to two barrels per day per well. This shows the productive quality of the wells in the area.

Assuming that we could complete a better than average well by modern fracturing methods, that is a well similar to the Barker No. 1, it could be expected to have a production decline similar to

that shown on Exhibit C for the Amerada-Baker No. 1, or could be expected to decline to an economic limit of two barrels per day in approximately 25 months, or after producing about 10,000 barrels of oil.

That area, which is cross-hatched there on Exhibit C, represents approximately 10,000 barrels. A new well drilled to the Penrose-Skelly Pool would cost \$37,000.00. Under primary recovery, we can only expect to produce approximately 10,000 barrels of oil from the Baker No. 2 in this Penrose-Skelly Zone.

If we can convert this 10,000 barrels of oil to dollars, we will produce 33 gravity oil, at \$2.88 a barrel, if we will recover 7/8th of that oil, for \$25,200.00, we will pay a tax on that 10,000 barrels of oil of \$1,700.00, and approximately listing the cost of about 30 cents a barrel, or \$3,000.00, that will leave us about \$20,500.00. If we drilled a new well, this would mean a loss of \$16,500.00 by drilling that well. The dual completion would cost about \$10,000.00, and that would give us a profit of \$10,500.00, or about a dollar per barrel for the oil. Therefore, to prevent waste and to facilitate the recovery of this oil, we request that the Oil Conservation Commission grant this dual completion.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Abbot, do you have a tabulation of those various costs and so forth that you could enter?

A Yes, sir. I can read that off again, or submit another

Exhibit.

Q I would like to have it as an Exhibit.

A This will be Amerada's Exhibit C.

Q Do you want to offer those Exhibits?

A Yes, I would.

MR. NUTTER: Without objections, Amerada's Exhibits A through D will be received in Case 1244.

MR. COOLEY: Were these exhibits prepared by you or under your supervision, Mr. Abbott?

A Yes, sir.

BY MR. MANKIN:

Q Mr. Abbott, I noticed your application indicated you intended to produce the Penrose-Grayburg and the Penrose-Skelly Pool, is that correct?

A Yes, sir. Actually, some of that Penrose-Skelly Pool is up on the Penrose, although most of it is in the Grayburg Section.

Q Are you aware that the Penrose and the Queen was deleted in the Penrose-Skelly Pool?

A No, I wasn't aware of it, but, I can't tell until we run the log whether any of that Penrose will be oil productive or gas productive.

Q Would you be aware, then, that if you do obtain Penrose production in this well, that it would not be an authorized dual completion in the Penrose-Skelly Pool?

A Well, we could -- at completion we'll have to complete it

solely on the Grayburg.

MR. NUTTER: Let's go off the record.

(Discussion off the record.)

MR. MANKIN: Let's go on the record now.

Q (By Mr. Mankin) Mr. Abbott, all of this particular Section 10, has presently been designated as the Eumont Gas Pool, are you aware of that?

A Yes, sir.

Q Then if you did find that the Queen was productive in this particular well, you should not attempt to show it with the Grayburg Formation, are you aware of that?

A Yes, sir.

Q You have shown on your Exhibit No., I guess Exhibit B, which is your plat, is that correct?

A Yes, sir.

Q Exhibit B.

MR. NUTTER: Exhibit A is the Plat.

Q (By Mr. Mankin) Oh, Exhibit A, you have shown quite a number of wells in yellow. Did you mean to infer that those are the Penrose-Skelly Wells, or what?

A Those are all Penrose-Skelly Oil Wells.

Q They are not in the Penrose-Skelly schedule, that is why I was wondering.

A Yes, sir, I believe they are.

Q Some of them are, and some of them are not. I was wondering what they were, if they were not Penrose-Skelly. I believe it is

your testimony here that, primarily, this is a salvage operation to open up the Grayburg Formation here to produce the Penrose-Skelly Pool, is that correct? A Yes, sir.

Q And to protect your lease from drainage?

A Yes, sir.

Q Practically all the wells in this area, from the Grayburg Formation to the Skelly-Penrose Pool, are very small wells, is that correct?

A That's correct.

Q It wouldn't pay to drill a well to them to get the reserves of the individual wells? A No, sir.

Q Would Amerada be agreeable, if this application were approved for dual completion, to specify that only the Grayburg Formation would be opened in the Penrose-Skelly Pool to allow for oil-oil dual?

A Yes, sir, I believe it would be agreeable.

Q Or to show cause later, why this order should be amended, if the Grayburg was found to be productive, if it was found to be productive of oil in the area?

A That's right, we would have to examine all these off-set wells and wells in this area to determine whether they were producing.

Q Do you have knowledge that there are wells in this area which are gas productive from the Queen, rather than oil productive?

A No, sir.

Q Do you have knowledge of Skelly's Baker B No. 10 in the Northeast Quarter of the Southwest Quarter of Section 10, which is

directly west of your well?

A No, sir, I was not aware of it.

Q Are you aware that they obtained Queen gas production in that well?

A No, sir.

Q It is shown on your Exhibit No 1 as just an open well in the Northwest of the Southeast of Section 10?

A I believe that well --

Q (Interrupting) Dual completion?

A Oh, is it a dual. I have it in the Paddock Pool in our application.

Q They were granted a 320-acre -- sorry, 240-acre unit by NSP Order 303. Then, Amerada would be agreeable to keeping this dual completion only in the Grayburg Formation, Penrose-Skelly, and to continue as a Paddock Oil Well, if conditions were found in that manner?

A Yes, sir.

Q And conditions were found different from that, that would be a subject for a separate hearing?

A That's right.

MR. MANNIN: That's all.

BY MR. NUTTER:

Q Mr. Abbott, in the production decline curve, as shown on Exhibit C, this is the decline curve for the five wells that you mentioned and the average production for all five wells, is that right?

A That's right.

Q Is there much deviation from the average by any of the wells?

A No, they are fairly close together.

Q They are all average?

A Yes, sir. The reason I had to average them was because evidently there had been some fracturing in the area, which would bring one well up one month and then it would be down the next, and I couldn't plot up just one well's production and get a representative curve of the wells in the area.

Q Now, your Amerada AB Baker No. 1 Well, the production decline curve, which starts in June of 1956, this is after a work-over, is that correct?

A After fracturing, yes, sir.

Q And it had produced previously, but been temporarily abandoned for a period of quite a few months?

A Yes, sir.

Q Now referring to Exhibit C, A and C, simultaneously, are these five wells that are shown on Exhibit C the closest five wells that you could have included, the closest five wells that are depicted on Exhibit A, which are productive from the Penrose-Skelly Pool, the closest to your proposed dual completion, that being your AB Baker No. 2 Well?

A Yes, those are the closest wells that have a consistent production history. There are other wells that have been recompleted, or some remedial work has been performed on them, and you can't plot them up on the decline curve.

Q You feel then, that these five wells are the most repres-

entative wells in the near neighborhood?

A Yes, sir.

Q To determine what the decline would be for the Penrose-Skelly Pool?

A Yes, sir.

Q Mr. Abbott, I note that in your application, Exhibit B, which is attached to it, it mentions that the Paddock would be perforated from 5,115 to 5,125, and you have amended Exhibit C, as offered at the hearing, to also include from 5,065 to 5,080?

A Yes, sir. When we prepared this application, we overlooked some previous perforations from 5,065 to 5,080, although they are still in the Paddock Formation.

Q And you desire that your application be amended to include those additional perforations, is that right?

A Yes, sir.

Q Now, the proposed perforations for the Penrose-Skelly, I mean the Penrose-Grayburg Formation as depicted on Exhibit B, would be 3,495 to 3,640, is that correct?

A That's the approximate intervals, yes, sir.

Q What did you get those figures from, the electric logs, or what?

A I think we took those from a log that we had run on the off-set well, the Baker No. 1, although in that well we are producing in the Grayburg from 3,611 to 3,680.

Q It doesn't have any Penrose Section open?

A No, sir.

MR. NUTTER: Anyone else have any questions of the witness?
If there are not further questions, the witness may be excused.
Anyone have anything to offer in Case 1244? If not, we will take
the case under advisement and take up next, Case No. 1245.

C E R T I F I C A T E

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 was reported by me in Stenotype at the time and place hereinbefore set forth; that same was thereafter transcribed into 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 9th day of May, 1957,
in the City of Albuquerque, County of Bernalillo, State of New Mexico.

J. A. Trujillo
NOTARY PUBLIC

My Commission Expires:
October 5, 1960.

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

May 14, 1957

C
O
P
Y

Mr. W. G. Abbott
Amorada Petroleum Corp.
Drawer D
Monument, New Mexico

Dear Sir:

We enclose a copy of Order R-1001 issued May 10, 1957, by the Oil Conservation Commission in Case 1244, which was heard on April 23rd at Santa Fe, New Mexico.

Very truly yours,

A. L. Porter, Jr.
Secretary - Director

by
Encl.

**BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO**

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

CASE NO. 1244
Order No. R-1001

**APPLICATION OF AMERADA PETROLEUM
CORPORATION FOR AN ORDER AUTHORIZING
AN OIL-OIL DUAL COMPLETION OF ITS
BAKER NO. 2 WELL IN THE FENROSE-SHELLY AND
PADDOCK POOLS, SAID WELL IS LOCATED IN THE
SE/4 SE/4 OF SECTION 10, TOWNSHIP 22 SOUTH,
RANGE 27 EAST, NEPH, LEA COUNTY, NEW MEXICO.**

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on April 23, 1937, 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 Regulations.

NOW, on this 10th day of May, 1937, the Commission, a quorum being present, having considered the application, the evidence adduced, the recommendations of the Examiner, Daniel S. Nutter, and being fully advised in the premises,

FINDS:

(1) That due public 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 Petroleum Corporation, is the owner of the A. B. Baker No. 2 Well, located 600 feet from the South line and 600 feet from the East line of Section 10, Township 22 South, Range 27 East, NEPH, Lea County, New Mexico.

(3) That the applicant proposes to dually complete the above-mentioned A. B. Baker No. 2 Well in the Fenrose-Shelly Pool and the Paddock Pool, and to produce oil from both the aforementioned common sources of supply through parallel strings of tubing.

(4) That the perforations in the said A. B. Baker No. 2 Well should be restricted to the vertical limits of the Fenrose-Shelly and Paddock Pools respectively.

(5) That the proposed oil-oil dual completion will not cause waste nor impair correlative rights.

(6) That the mechanics of the proposed dual completion are feasible and consistent with good conservation practices.

IT IS THEREFORE ORDERED:

1. That the applicant, Amerada Petroleum Corporation, be and the same is hereby authorized to dually complete its A. B. Baker No. 2 Well, located 600 feet from the South line and 600 feet from the East line of Section 10, Township 22 South, Range 37 East, NEPM, Lea County, New Mexico, in the Foursess-Shelly Pool and the Paddock Pool, and to produce oil from both pools by means of parallel strings of tubing.

PROVIDED HOWEVER, That upon the actual dual completion of said subject well, applicant shall submit to the district office of the Commission in which the subject well is located, Form C-103, Form C-104 and Form C-110, outlining the information required on these forms by existing Rules and Regulations.

PROVIDED HOWEVER, That subject well shall be completed and thereafter in such a manner that there will be no commingling within the well bore either within or outside the casing of gas, oil and gas, or oil produced from either or both of the separate strata, and

PROVIDED FURTHER, That said subject well for dual completion and production shall be equipped in such a way that reservoir pressures may be determined separately for each of the two specified strata and further be equipped with all necessary connections required to permit the recording meters to be installed and used at any time as may be required by the Commission or its representatives in order that the oil and gas from each separate stratum may be accurately measured and the gas-oil ratio thereof determined, and

PROVIDED FURTHER, That the operator-applicant shall make any and all tests, including segregation tests, and packer leakage tests on completion and annually thereafter during the 600 test period for the Paddock Pool commencing in the year 1958, and whenever the packer is disturbed, but not excluding other tests and/or determinations at any convenient time and in such manner as deemed necessary by the Commission. The original and all subsequent tests shall be witnessed by representatives of offset operators if any there be at their election, and the results of each test properly attested to by the applicant herein and all witnesses, and shall be filed with the Commission within 15 days after the completion of such tests and, further, that applicant shall file with the Commission in duplicate a packer-setting affidavit, which affidavit shall be due within 15 days of the dual completion or whenever the packer is disturbed.

PROVIDED FURTHER, That upon the actual dual completion of such subject well, applicant shall submit to the Commission, a diagrammatic sketch of the mechanical installation which was actually used to complete and produce the seal between the strata and a special report of producing gas-oil ratio and reservoir pressure for each producing zone or stratum immediately following completion.

-3-
Case No. 1244
Order No. B-1001

IT IS FURTHER ORDERED: That jurisdiction of this cause is hereby retained by the Commission for such further order or orders as may seem necessary or convenient for the prevention of waste and/or protection of correlative rights. Upon failure of applicant to comply with any requirement of this order after proper notice and hearing the Commission may terminate the authority hereby granted and require applicant or its successors and assigns to limit its activities to regular single-well production in the interests of conservation.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

E. L. McQueen

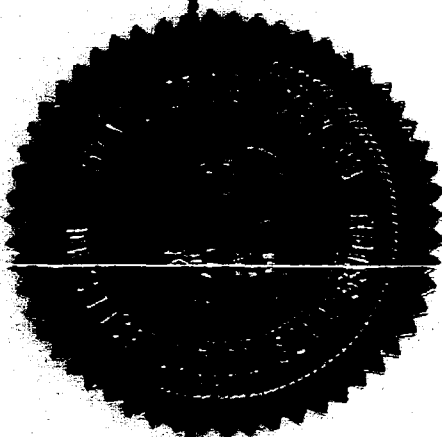
EDWIN L. MCQUEEN, Chairman

Murray E. Morgan

MURRAY E. MORGAN, Member

A. L. Porter, Jr.

A. L. PORTER, Jr., Member & Secretary



12/

AMERADA PETROLEUM CORPORATION
P. O. BOX 2000
TULSA 2, OKLAHOMA

MAIN OFFICE 000

*Examiner Reg. ② SF
9 am 4-23-57
Jew*

Drawer D
Monument, New Mexico
March 29, 1957

Case 1244

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

Re: Dual Completion for Baker No. 2
in Paddock and Penrose-Skelly
Oil Pools.

Gentlemen:

By this letter of application Amerada Petroleum Corporation
wishes to state the following:

(A) That Amerada Petroleum Corporation Baker No. 2
located 660 feet from the south line and 660
feet from the east line of Section 10, Township
22 South, Range 37 East, was completed April 1,
1946, at a total depth of 5205 feet in the
Paddock Pool. The attached Exhibit "A" shows
the location of this well on the Amerada A.B.
Baker lease together with the location of all
offset wells.

(B) That the subject well has 7" casing set at 5205
feet and cemented with 350 sacks of cement.
The well is an oil well producing from the per-
forated interval from 5115 to 5125 feet in the
Paddock Pool.

(C) That the applicant proposes to dually complete
the well in the following manner: (Exhibit "B")

- (1) Perforate the 7" casing within the approx-
imate interval from 3495 to 3640 feet
opposite the Penrose-Grayburg formation,
Penrose-Skelly Pool.
- (2) Set dual completion packer below these
perforations at approximately 5000 feet
to separate the two pay zones.
- (3) Produce the Paddock oil through 2-3/8"
OD regular tubing below the dual comple-
tion packer.
- (4) Produce the Penrose-Skelly oil through a
parallel 2-3/8" OD regular tubing string
above the packer.

comple 4-25-56

*Actual well would cost
37,500*

*Can get 10,500
BOP from Baker
7/8" @ 2.88 yield 20,000
of oil tubes
+ 6000 cts.*

*Dual
well cost
10,000*

*Wicket sent to
Bill Abbott
4-8-57 BP*

March 29, 1957

- (D) That by granting permission to the applicant to produce this well as a dual completion with oil from the Penrose-Grayburg formation and oil from the Paddock is in the interest of conservation and the protection of correlative rights.
- (E) That the manner and method of the proposed dual completion is mechanically feasible and practical.

Therefore, Amerada Petroleum Corporation requests that the Oil Conservation Commission set a certain day on which this application may be heard and after said hearing grant permission to the applicant to produce this well as a dual completion.

Respectfully submitted,

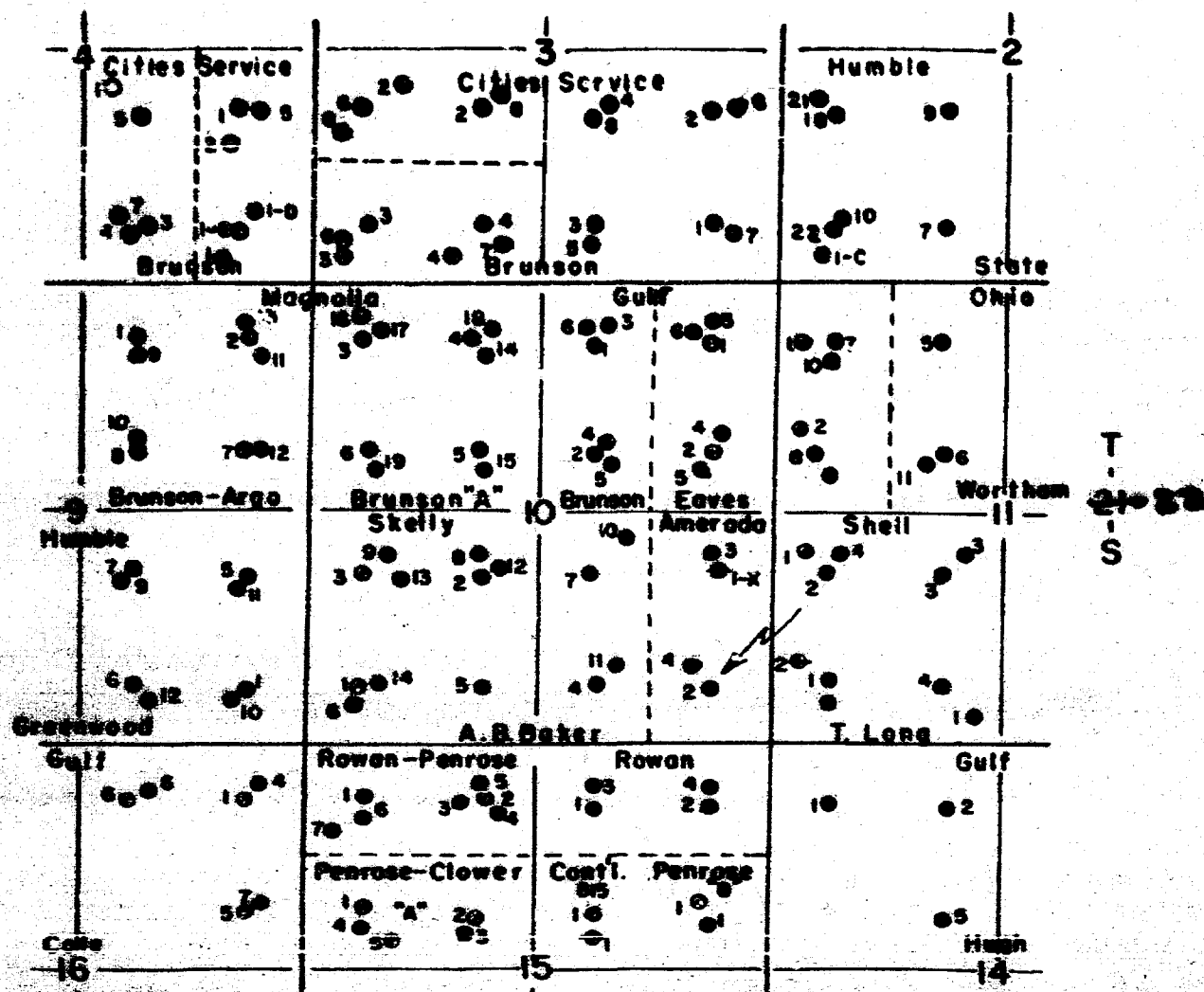
AMERADA PETROLEUM CORPORATION



D. C. Capps
District Superintendent

DCC/WGA/vh

R-37-E



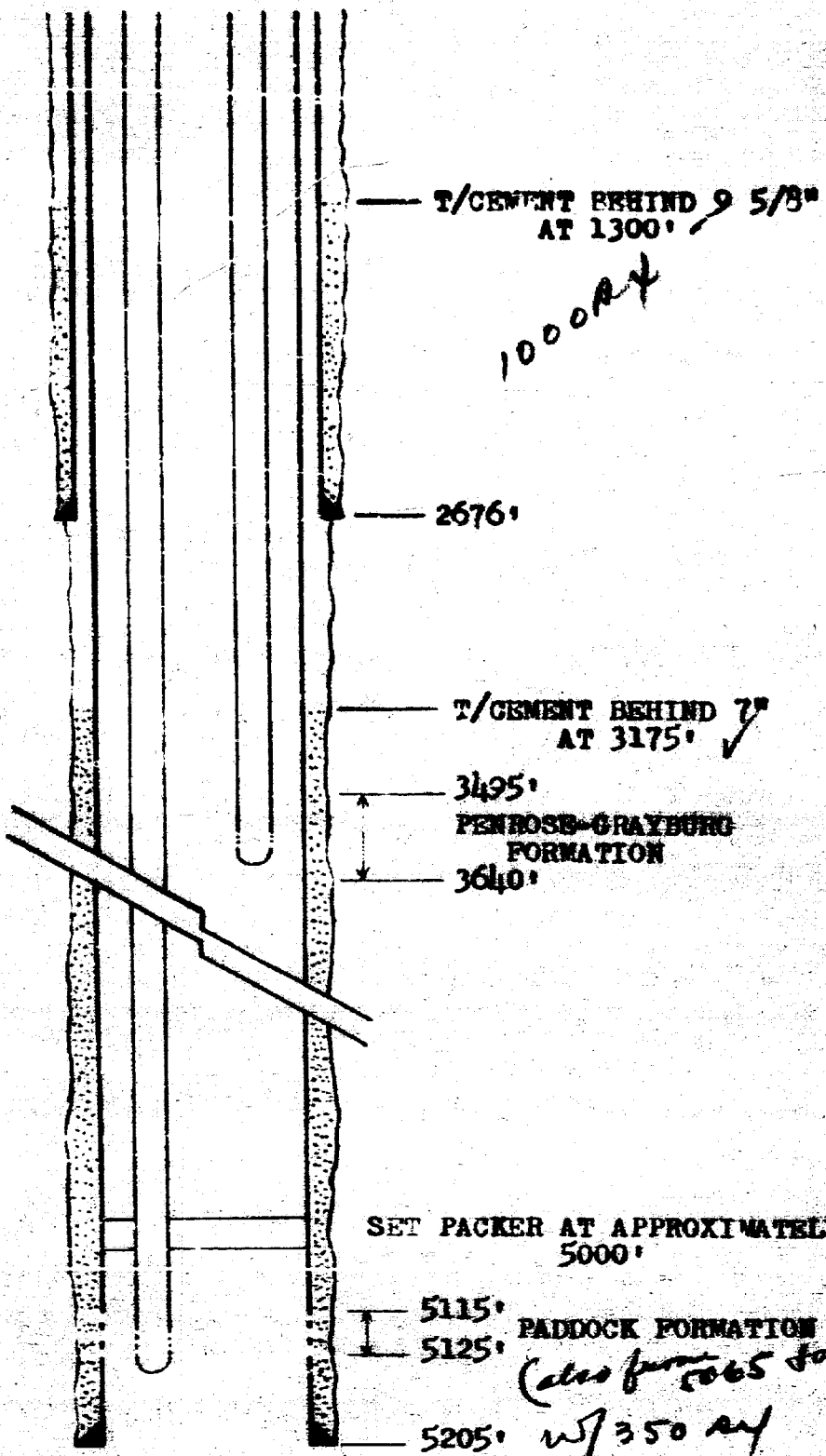
LEGEND

- Shallow
- Paddock
- Drinkard
- Brunson

Amerado Petroleum Corp.
A.B. Baker Lease (No. 2)
P-10-216-37E
Lea Co., New Mexico
Scale: 1" = 2000'

Exhibit "A"

1P 275 POPD 1475 GOR
 rec 3512 5612 GOR



AMERADA PETROLEUM CORPORATION
 Proposed Dual Completion for Baker No. 2
 in
 Paddock and Penrose-Skelly Oil Pools

Exhibit "B"

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 4/29/57

CASE 1244

Hearing Date 9 am 4/23/57 DEN @ SF

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

Enter an order granting Amerada's request
for oil-oil dual completion. Applicant
proposes to utilize parallel strings of
tubing. Order should restrict the dual zones
to within the vertical limits of the
Perrone Skelly Pool and the vertical
limits of the ~~Skelly~~ ^{Paddock} Pool
~~Don't describe~~ any specific zones by footage descriptions

Harold J. Tuttle
Staff Member
Examiner

DSN -
please give
slip on this
as a reminder

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

CASE

1244

Date

4/24/57

Hearing Date

4/23/57 @ 9am @ ST
Before DSN

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

OK to approve deal using
Parallel Tubing.

Put in order that Pennrose Kellyford
must hold only
open ~~and~~ (Grayburg formation
No Queen Pennrose)

Warren W. Mankin
Staff Member

DOCKET: EXAMINER HEARING APRIL 23, 1957

Oil Conservation Commission 9:00 a.m. Mabry Hall, State Capitol, Santa Fe

The following cases will be heard before Daniel S. Nutter, Examiner

- CASE 1240: Application of Leslie Frank Hale, dba Hale Production Company, for approval of an unorthodox oil well location in Section 22, Township 21 South, Range 34 East, Lea County, New Mexico, in exception to Rule 104 of the Commission Rules and Regulations. Applicant, in the above-styled cause, seeks an order authorizing the unorthodox location of its Sanders State Well No. 1, at a point 2,386 feet from the South line and 670 feet from the West line of Section 22, Township 21 South, Range 34 East, Lea County, New Mexico; said location is within one mile of the boundary of the West Wilson Pool.
- CASE 1241: Application of Gulf Oil Corporation for approval of a 234-acre non-standard gas proration unit in the Eumont Gas Pool, Lea County, New Mexico, in exception to Rule 5 (A) of the Special Rules and Regulations for said pool. Applicant, in the above-styled cause, seeks an order authorizing a 234-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the E/2 SW/4 Section 6 and the NW/4 Section 7, Township 22 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to applicant's H. T. Mattern "D" Well No. 6 located 660 feet from the South line and 1980 feet from the West line of said Section 6.
- CASE 1242: Application of Gulf Oil Corporation for permission to effect a gas-oil dual completion for its Alice Paddock No. 3 Well in the Blinebry Oil Pool and Tubb Gas Pool, Lea County, New Mexico, in accordance with Rule 112-A of the Commission Rules and Regulations. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Alice Paddock No. 3 Well in the Blinebry Oil Pool and Tubb Gas Pool located 660 feet from the South line and 660 feet from the East line of Section 1, Township 22 South, Range 37 East, Lea County, New Mexico. Applicant proposes to produce said well by means of parallel strings of tubing.
- CASE 1243: Application of Rowan Oil Company for approval of a 160-acre non-standard gas proration unit in the Eumont Gas Pool, Lea County, New Mexico, in exception to Rule 5 (A) of the Special Rules and Regulations for said Pool. Applicant, in the above-styled cause, seeks an order authorizing a 160-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the N/2 S/2 Section 7, Township 22 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the Rowan Oil Company and Neville G. Penrose, Inc. H. T. Mattern No. 1 Well located 1650 feet from the South line and 330 feet from the West line of said Section 7.

CASE 1244:

Application of Amerada Petroleum Corporation for an order authorizing an oil-oil dual completion in the Penrose-Skelly Pool and the Paddock Pool in Lea County, New Mexico, in compliance with Rule 112-A of the New Mexico Oil Conservation Commission Rules and Regulations. Applicant, in the above-styled cause, proposes to dually complete, by means of parallel tubing strings, its Baker Well No. 2, located in SE/4 SE/4 of Section 10, Township 22 South, Range 37 East, Lea County, New Mexico, to produce oil from both the Penrose-Skelly and the Paddock Pools.

CASE 1245:

Application of Geror Oil Corporation for an order granting an exception to Rule 309 (a) of the New Mexico Oil Conservation Commission Rules and Regulations. Applicant, in the above-styled cause, seeks an order authorizing the movement of oil before being measured from its State B-8318 lease in the SW/4 NW/4 of Section 23, from its State B-8605 lease in the NW/4 SW/4 of Section 22, and from its State B-10418 lease in the SE/4 SW/4 of Section 22 to a central tank battery on its B-10418 lease in the NE/4 SE/4 Section 22, all in Township 13 South, Range 31 East, Chaves County, New Mexico, and the commingling of the oil produced from the Caprock-Queen Pool underlying said separate leases in common tankage at the central battery.

CASE 1246:

Application of Claud E. Aikman for a 160-acre non-standard drilling and proration unit or, in the alternative, for a 120-acre non-standard drilling and proration unit, in the Fulcher Kutz-Pictured Cliffs Gas Pool in exception to Rules 2, 3, and 6 (A) of the Special Rules and Regulations for said pool as set forth in Order R-565-C. Applicant, in the above-styled cause, seeks an order establishing a 160-acre non-standard drilling and gas proration unit in the Fulcher Kutz-Pictured Cliffs Pool comprising the N/2 NE/4, SE/4 NE/4, and NE/4 SE/4 of Section 24, Township 29 North, Range 12 West, San Juan County, New Mexico, or in the alternative, a 120-acre non-standard drilling and gas proration unit comprising the N/2 NE/4 and SE/4 NE/4 of said Section 24; the acreage in either non-standard unit is to be dedicated to a well to be drilled 990 feet from the North and East lines of said Section 24.

CASE 1247:

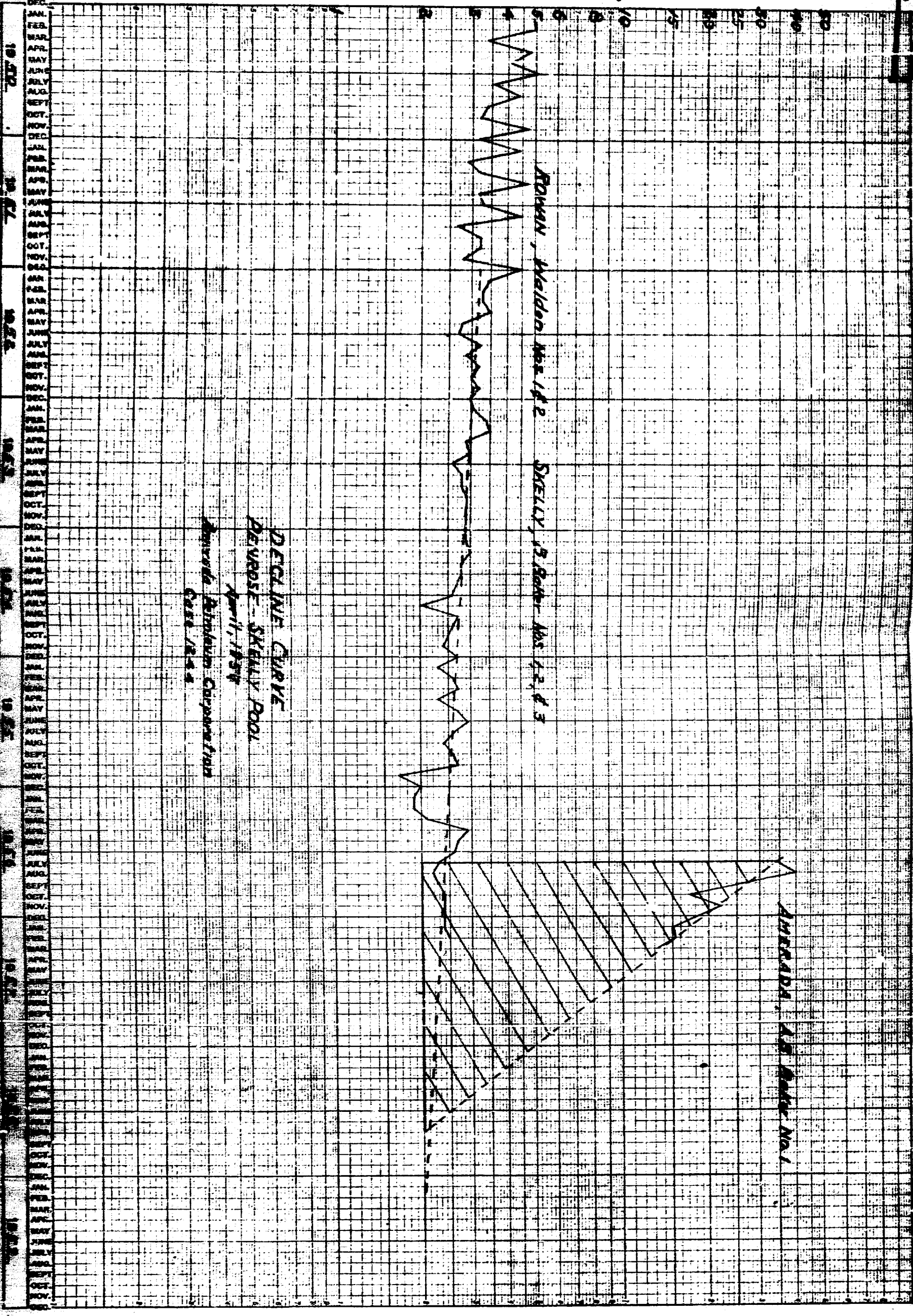
Application of Pan American Petroleum Corporation for an order authorizing the drilling of a salt water disposal well in the Hobbs Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order authorizing the drilling of a salt water disposal well at a point 1650 feet from the North line and 840 feet from the West line of Section 15, Township 19 South, Range 38 East, Hobbs Pool, Lea County, New Mexico. Applicant proposes to inject salt water in the lower San Andres formation, below the oil-water contact of the Hobbs Pool.

CASE 1248:

Application of Moran Oil Producing and Drilling Corporation for an order authorizing an unorthodox location and 80-acre non-standard gas proration unit in the Tubb Gas Pool, Lea County, New Mexico, for its Lineberry No. 1 Well and further, authorizing a gas-oil dual completion for said well in the Tubb Gas Pool and Drinkard Oil Pool. Applicant, in the above-styled cause, seeks an order authorizing the unorthodox location of its Lineberry No. 1 Well at a point 2240 feet from the North line and 1980 feet from the East line of Section 29, Township 22 South, Range 38 East, Lea County, New Mexico. Applicant proposes to effect a gas-oil dual completion for said well in the Tubb Gas Pool and Drinkard Oil Pool. Applicant further proposes to establish an 80-acre non-standard gas proration unit for the Tubb Gas Pool to be dedicated to said well; said unit consists of the S/2 NE/4 of said Section 29.

1r/

WELL NO. 1
WELL NAME
WELL LOCATION

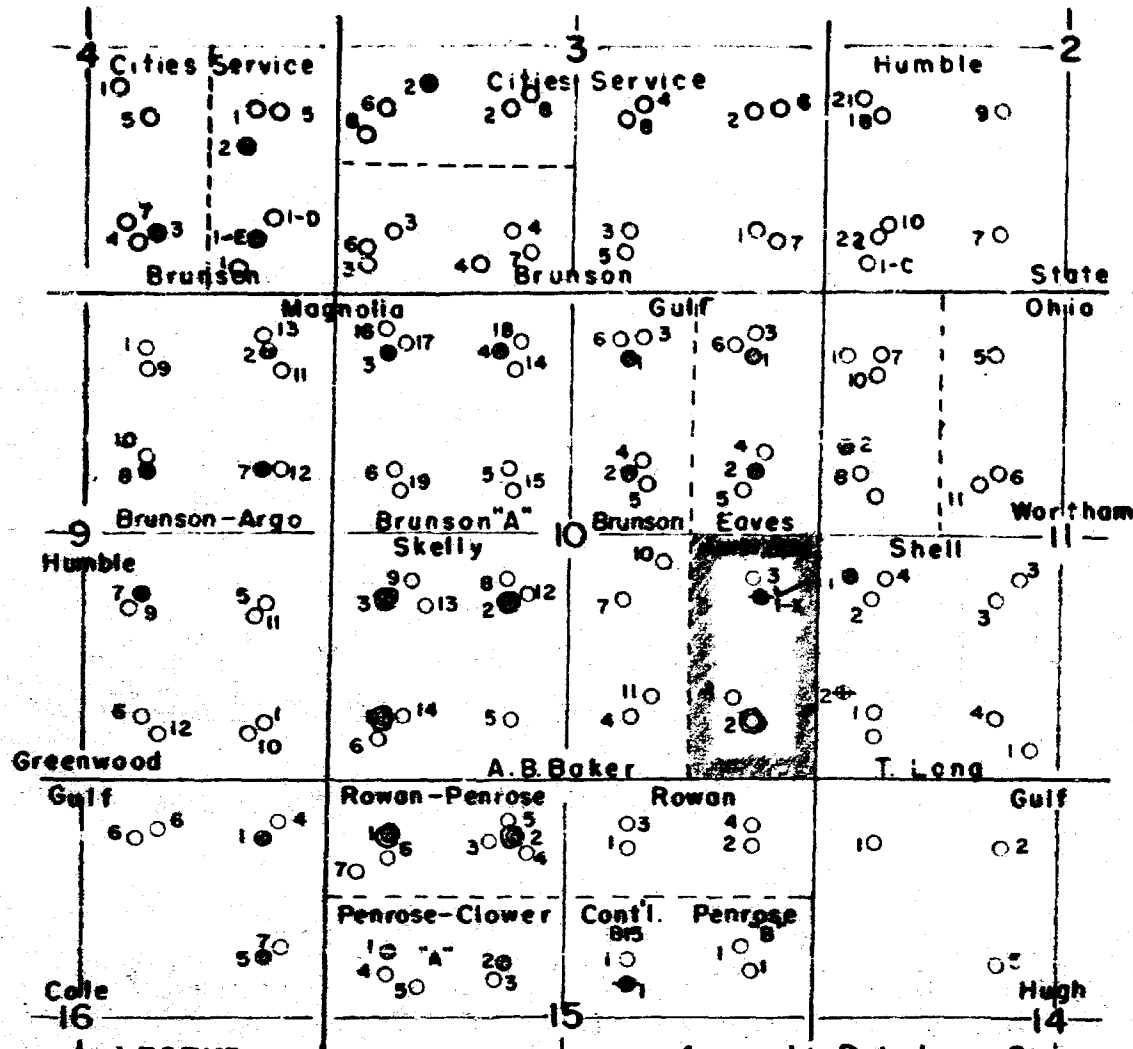


ROWAN, Weldon No. 1 & 2
SHELLEY, 13 Bldg. No. 1, 2, & 3

DECLINE CURVE
DEVEROSE - SHELLEY POOL
April, 1950
American Petroleum Corporation
Case 1244

AMERADA, 45 Bldg. No. 1

R-37-E



T
22
S

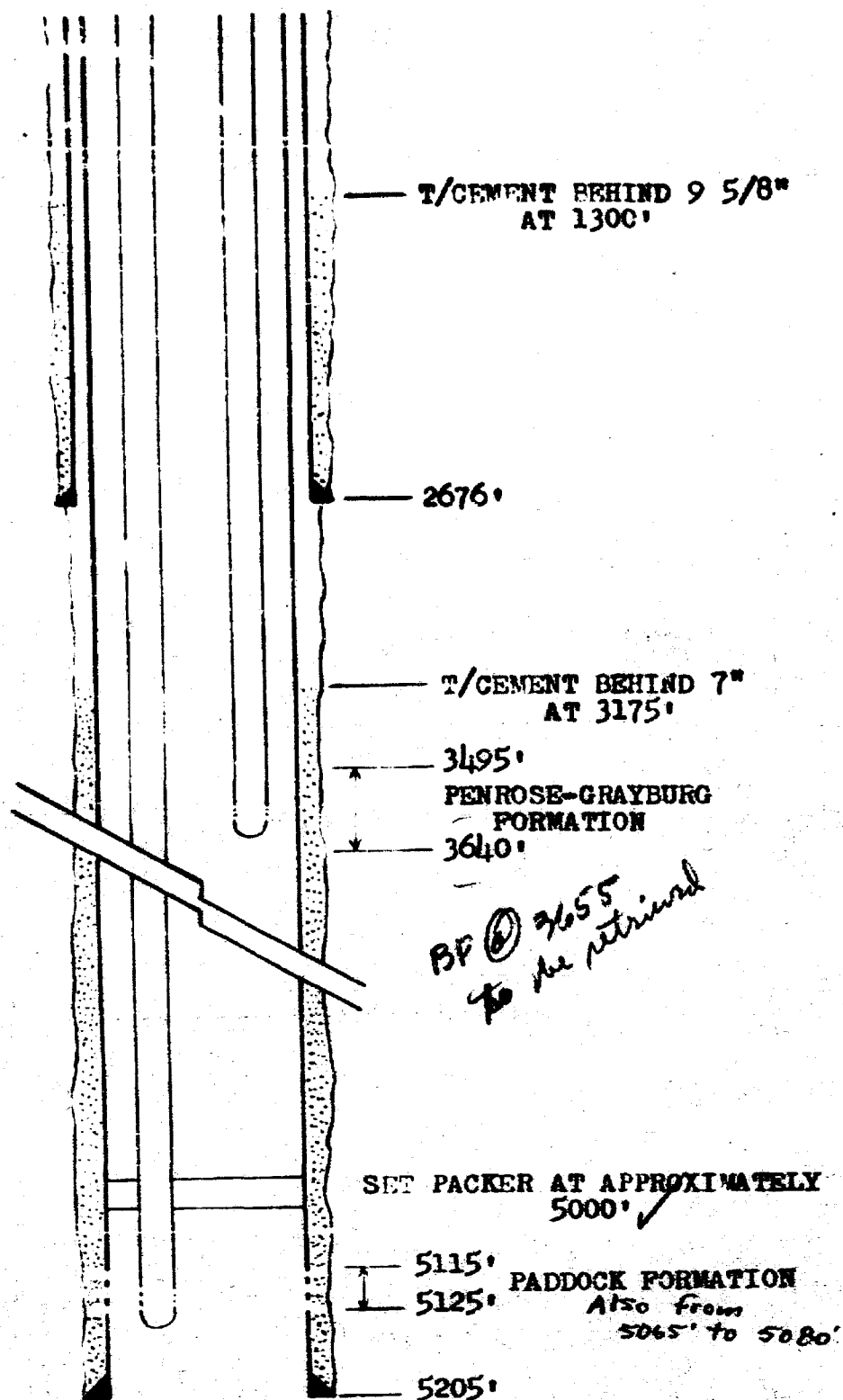
LEGEND

- Shallow
- Paddock
- Drinkard
- Brunson

Amerada Petroleum Corp.
A.B. Baker Lease (No. 2)
P-10-22S-37E
Lea Co., New Mexico
Scale: 1" = 2000'

Exhibit "A"

BEFORE THE
CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
Amerada EXHIBIT No. A
ONE 1245



BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
Amerada EXHIBIT No. **B**
DATE 12-17

AMERADA PETROLEUM CORPORATION
Proposed Dual Completion for Baker No. 2
in
Paddock and Penrose-Skelly Oil Pools

Exhibit "B"

PROXY

Cost for Fenness-Sully Well - \$37,000

Primary recoverable oil under Baker No. 2 40 acres - 10,000 bbl.

Price of 35° Gravity oil \$2.82/bbl.

Tax per barrel \$0.17

Lifting cost \$.30/bbl.

Oil Payment	= 10,000 x 7/8 x \$2.82	= \$25,200.00
Tax	= 10,000 x .17	= -1,700.00
Lifting Cost	= 10,000 x .30	= -3,000.00

	\$20,500.00
Cost of Deal	-10,000.00
Net Profit	\$10,500.00 or
	Approximately \$1.05/bbl.

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Ames EXHIBIT No. D
ONE 1244