CASE 1574: Texas Co. application for 160-acre NS gas proration unit, Tubb Gas Pool, Sec. 31-22S-38E, (A.H. Blinebry NCT Well #1)

Case No.

1574

Application, Transcript,
Small Exhibits, Etc.

No. 1-59

DOCKET: EXAMINER HEARING JANUARY 7, 1959

OIL CONSERVATION COMMISSION 9 a.m., Mabry Hall, State Capitol, Santa Fe

The following cases will be heard before Elvis A. Utz, Examiner:
CASES 1572 - 1580

CASE 1572: Application of Mrs. E. G. Woods for a dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of her Federal-Simon "A" Well No. 1 located in the NW/4 NE/4 of Section 29, Township 17 South, Range 32 East, Lea County, New Mexico, in such a manner as to permit the production of oil from an undesignated Yates oil pool and oil from the Maljamar Pool through parallel strings of tubing.

CASE 1573: Application of Southwestern, Inc. Oil Well Servicing for permission to make a "slim hole" completion. Applicant, in the above-styled cause, seeks an order authorizing it to utilize the "slim hole" method of completion for a well located in the SE/4 NW/4 Section 32, Township 16 South, Range 30 East, Square Lake Pool, Eddy County, New Mexico. Applicant proposes to utilize 2½ inch tubing as a substitute for casing in the above-described well.

CASE 1574: Application of The Texas Company for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 160-acre non-standard gas proration unit in the Tubb Gas Pool consisting of the W/2 NW/4, NE/4 NW/4, NW4 NE/4 of Section 31, Township 22 South, Range 38 East, Lea County, New Mexico, said unit to be dedicated to applicant's A. H. Blinebry NCT-3 Well No. 1 located 660 feet from the North and West lines of said Section 31.

CASE 1575: Application of The Texas Company for a dual completion. Applicant, in the above-styled cause, seeks an order authorizing it to dually complete its Henderson Well No. 5 located in the NW/4 NE/4 of Section 30, Township 21 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Penrose-Skelly Pool and oil from the Paddock Pool through parallel strings of tubing.

CASE 1576: Application of Sinclair Oil & Gas Company for a salt water disposal well. Applicant, in the above-styled cause, seeks an order authorizing it to convert its dry and abandoned No. 2 State Lea 403 Well to a salt water disposal well in the Devonian formation, South Vacuum-Devonian Pool; said well is located 660 feet from the South and West lines of Section 22, Township 18 South, Range 35 East, Lea County, New Mexico.

CASE 1577: Application of Pure Oil Company for permission to install lease automatic custody transfer equipment. Applicant, in the above-styled cause, seeks an order authorizing it to install lease automatic custody transfer equipment to receive and measure the oil produced and marketed from the South Vacuum Unit located in Township 18 South, Range 35 East, Lea County, New Mexico. Applicant proposes to utilize positive displacement meters for measurement of the oil delivered to the pipeline.

CASE 1578: Application of Amerada Petroleum Corporation for a dual completion. Applicant, in the above-styled cause, seeks an order authorizing it to dually complete its Turner Well No. 1 located in the SW/4 SW/4 of Section 17, Township 20 South, Range 38 East, Lea County, New Mexico, in such a manner as to permit the production of oil from an undesignated Abo pool and oil from the Warren-McKee Pool through parallel strings of tubing.

CASE 1579: Application of Amerada Petroleum Corporation for a dual completion. Applicant, in the above-styled cause, seeks an order authorizing it to dually complete its Turner No. 2 Well located in the NW/4 SW/4 of Section 17, Township 20 South, Range 38 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Warren-McKee Pool and oil from an undesignated Connell pool through parallel strings of tubing.

CASE 1580: Application of Cities Service Oil Company for permission to install lease automatic custody transfer equipment. Applicant, in the above-styled cause, seeks an order authorizing it to install lease automatic custody transfer equipment to receive and measure the oil produced and marketed from its Government "B" Lease in Sections 3 and 10, Township 14 South, Range 31 East, Chaves County, New Mexico. Applicant proposes to utilize positive displacement meters for measurement of the oil delivered to the pipeline.

CONTINUED CASE

CASE 1516: Application of El Paso Natural Gas Company for two non-standard gas proration units and for the approval of one unorthodox gas well location. Applicant, in the above-styled cause, seeks an order establishing a 120-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the N/2 SW/4 and the SW/4 SW/4 of Section 4, Township 25 South, Range 37 East, said unit to be dedicated to the applicant's Wells Federal No. 3 Well located 1980 feet from the South and West lines of said Section 4. Applicant further seeks the establishment of a 200-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the SE/4 SW/4 of Section 4 and the NW/4 of Section 9, Township 25 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the applicant's Wells Federal No. 11 Well located 430 feet from the South line and 2317 feet from the West line of said Section 4. Applicant further seeks approval of the unorthodox gas well location of the said Wells Federal No. 11 Well.

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BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

IN THE MATTER OF:

Case No. 1574

TRANSCRIPT OF HEARING

January 7, 1959

DEARNLEY - MEIER & ASSOCIATES
GENERAL LAW REPORTERS
ALBUQUERQUE NEW MEXICO
Phone CHapel 3-6691

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

IN THE MATTER OF:

Case 1574 Application of the Texas Company for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 160-acre non-standard proration unit in the Tubb Gas Pool consisting of the W/2 NW/4, NE/4 NW/4, NW/4 NE/4 of Section 31, Township 22 South, Range 38 East, Lea County, New Mexico, said unit to be dedicated to applicant's A. H. Blinebry NCT-3 Well No. 1 located 660 feet from the North and West lines of said Section 31.

Mabry Hall
Santa Fe, New Mexico
January 7, 1959

BEFORE:

Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

MR. UTZ: The next case will be 1574.

MR. PAYNE: Case 1574, "Application of the Texas Company for a non-standard gas proration unit."

(Whereupon, the documents were marked for identification as Applicant's Exhibits One and Two).

MR. WHITE: Charles White of Gilbert, White and Gilbert, Santa Fe, New Mexico, appearing on behalf of the applicant. We have one witness, Mr. Wade.

(Witness sworn in).

MR. UTZ: Are there other appearance to be made in this

case?

If not, you may proceed.

H. N. WADE

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

DIRECT EXAMINATION

BY MR. WHITE:

Q Mr. Wade, would you state your full name, please?

A H. N. Wade.

Q By whom are you employed and in what capacity?

A I am employed by the Texas Company as a Division Proration Engineer located in Fort Worth.

Q Are you familiar with the applicant's application in Case Number 1574?

A I am.

Q Have you previously testified before this Commission?

A Yes, sir.

MR. WHITE: Are the witness' qualifications acceptable?

MR. UTZ: The witness has previously qualified.

Q (By Mr. White) Mr. Wade, referring to the application, do you have an ownership map covering the subject area?

A Yes sir, I have.

Q Is that Exhibit One?

A Yes, sir.

Q Would you refer to Exhibit One and explain it, if you

please?

A Yes sir, Exhibit One was prepared to show the lease in question, the Texas Company's A. H. Blinebry NCT-3, upon which is shown Well Number 1, the subject well of this application.

Q Where is it located?

A That well is located 660 feet from the north and west lines of Section 31, Township 22 South, Range 38 East. The lease in question comprises the west half of the northwest quarter, the northeast quarter of the northwest quarter, and the northwest quarter of the northeast quarter of Section 31.

Q Does it also show the names of the offset operators?

A Yes sir, it does, and it also has in legend form the producing horizons of the various wells shown on the plat.

Q In regard to this 160 acres, is it your opinion that it is underlying with the productive gas from the Tubb gas pool?

A Yes sir, it is.

Q Is there continuity of sand, in your opinion?

A So far as I have been able to determine, there is continuity of sand. This is best illustrated by the fact that there are Tubb producing wells producing from gas to the north, to the west and to the southeast of the well in question.

Q And is the porosity good, in your opinion?

A Our tests on the Tubb formation in this well indicate that the porosity and permeability is as would be expected, and it's reasonably good, yes sir.

Q Has this well been dually completed?

A It was dually--will be completed, dually completed in the Blinebry oil and the Tubb gas.

MR. WHITE: We'll ask that the Commission take administrative notice of its Order 670, DC670, which was issued October 9 of last year, permitting a dual completion.

Q (By Mr. White) Mr. Wade, will you give some completion data on the well?

A Yes sir, I'll refer to the Tubb completion since it's the subject of the hearing, if that's all right. The perforations of--the Tubb zone has been perforated from 6,022 to 62 feet. On a 24-hour test, the well produced 2,950 MCF per day with 38 barrels of 62.5 gravity distillate and 11 barrels of BS and water. The well is not completely cleaned up as yet and we feel there is still BS and water to dissipate. This test was made through a 25/64 inch choke and the tubing pressure during the test was 1225 PSI.

Q Will you refer to Exhibit Two and explain what that is, please?

A Exhibit Two is a radio activity log which was run on this well at its completion, and it merely outlines in red the producing interval, the perforated interval in the Tubb. It is a fairly characteristic log, I would say, of the Tubb formation.

Q Were these exhibits prepared by you or under your direction?

A Yes sir, they were.

MR. WHITE: At this time, we move for the admission of Exhibits One and Two.

MR. UTZ: Without objection, Exhibits One and Two will be accepted.

Q (By Mr. White) Mr. Wade, have you made any attempt to unitize this acreage with adjoining acreage?

A Not to my knowledge, Mr. White. We found that it would not be practical to do so.

Q Why not, Mr. Wade?

A The Gulf Oil Corporation's Scarborough State Well Number 2, which is located in the southeast quarter of the northeast quarter of Section 31, is a dually completed well which has assigned to it in the Tubb formation the east half of the northeast quarter, the southwest quarter of the northeast quarter and the northeast quarter of the southeast quarter of Section 31. The resulting proration unit makes it quite difficult to arrange assignments in the form of squares in the section, and if such arrangements were made, assuming that the Gulf proration unit remained the same, then it would be almost impossible for the Texas Company's--the portion of the Texas Company's lease, which falls in the northwest quarter of the northeast quarter, to be assigned for production of Tubb gas. For that reason, we have not attempted to try to communitize these.

Q Would it be possible to communitize across sectional lines?

A That is also not possible in this instance because all of the acreage across section lines to the west, to the northwest and to the north of our Well Number 1 is all assigned in 160-acre proration units to existing Tubb wells.

Q Do you know whether or not similar non-standard proration units have been approved by the Commission in this same pool?

A Yes, sir. In fact, there are several involving the same general type drainage situation in the immediate vicinity, particularly to the southeast of the proposed unit.

Q In your opinion, would the granting of this application impair any correlative rights?

A None whatsoever.

Q In the event the application is refused, in your opinion, would you be deprived of the opportunity to recover your just and equitable share of gas from the gas pool?

A Yes, I think we would.

MR. WHITE: That's all the questions we have.

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Wade, generally what is the direction of the contours on the Tubb formation across this area? In other words, how do they run, particularly in relation to the well in the southeast northeast of Section 31 and the western oil field Well Number 1 northeast of 36?

A Mr. Utz, I have forgotten exactly how it was. I mean, I don't recall the tops of pay on those two wells. It is my recollection that the stripe or general direction of the contour lines would be from a northwest to a southeast direction.

Q Would that be your reason for believing that the southwest is productive?

A Actually, there are Tubb wells producing gas to the southeast, as I mentioned before, which are not shown here.

Q I see. Where are those wells?

A In Section 32, 22, 38.

Q Section 32?

A Yes, 22, 38.

Q Up here?

A Yes sir, Cities Service State "P" Well Number 1 is producing gas from the Tubb formation.

Q What is the location of that well?

A It's in Unit "F," and Pan American State "S" Gas Unit Well Number 3 is also in 32, 22, 38.

Q The location of that?

A It's in Unit "E." There are other wells producing in that section, as I recall, from looking at the map, but I cannot recall whose wells they were.

Q Part of my questioning is to show the productivity of the southwest northwest.

A Yes, sir.

Q There are no wells further south than these two you mentioned?

A The two, Pan American and Cities Service?

Q Yes.

A It was my impression from recollection of the map that there are some further south in Section 32, but I can't recall the names of the wells or whose they are.

Q But there are none directly south of here?

A No sir, we have no information that would definitely show that there is production in the southwest of the northwest, but likewise we have no information that would indicate that there is not since there has not been development to the south in this particular section.

Q The test that you made on this well was 290 MCF, 62 barrels of distillate per day through a 25/64 choke, was it?

A No sir, it was 2,950 MCF per day.

Q 950?

A And it had 38 barrels of distillate.

Q 38?

A Yes, sir.

Q The tubing pressure was 1225?

A Yes sir, that's correct.

Q That indicates the well's ability to produce on a one hundred and sixty acre allowable?

A Yes, sir.

Q The Blinebry part of this well is an oil well, is that correct?

A Yes sir, that's correct.

Q It has forty acres, northwest and northwest dedicated to it?

A That's correct.

MR. UTZ: Are there other questions of the witness?

If there are no other questions, the witness may be excused.

(Witness excused).

MR. UTZ: Any other statements to be made in this case?

If there are none, the case will be taken under advisement.

STATE OF NEW MEXICO)
: ss
COUNTY OF BERNALILLO)

I, JERRY MARTINEZ, 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 and that the same was reduced to typewritten transcript by me and contains a true and correct record of said hearing, to the best of my knowledge, skill and ability.

DATED this 8th day of January, 1959, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Jerry Martinez
Notary Public

My Commission Expires:
January 24, 1962

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 1574, heard by me on 1-7, 1959.

Examiner
New Mexico Oil Conservation Commission

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 1574
Order No. R-1319

APPLICATION OF THE TEXAS COMPANY
FOR ESTABLISHMENT OF A 160-ACRE
NON-STANDARD GAS PRORATION UNIT
IN THE TUBB GAS POOL, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on January 7, 1959, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 14th day of January, 1959, the Commission, a quorum being present, having considered the application, the evidence adduced and the recommendations of the Examiner, Elvis A. Utz, 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, The Texas Company, is the owner and operator of the W/2 NW/4, NE/4 NW/4, and the NW/4 NE/4 of Section 31, Township 22 South, Range 38 East, NMPM, Lea County, New Mexico.

(3) That the applicant is the owner and operator of the A. H. Blinebry NCT-3 Well No. 1, located 660 feet from the North line and 660 feet from the West line of said Section 31.

(4) That the applicant proposes that the above-described acreage be established as a 160-acre non-standard gas proration unit in the Tubb Gas Pool and that said unit be dedicated to the aforementioned A. H. Blinebry NCT-3 Well No. 1.

(5) That approval of the subject application will not cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

That the application of The Texas Company for the establishment of a 160-acre non-standard gas proration unit in the Tubb Gas Pool, consisting of the W/2 NW/4, NE/4 NW/4, and the NW/4 NE/4 of Section 31, Township 22 South, Range 38 East, NMPM, Lea County, New Mexico, be and the same is hereby granted. Said unit is to be dedicated to the applicant's A. H. Blinebry NCT-3 Well No. 1, located 660 feet from the North line and 660 feet from the West line of said Section 31.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John Burroughs

JOHN BURROUGHS, Chairman

Murray Morgan

MURRAY E. MORGAN, Member

A. L. Porter Jr.

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

ir/

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

January 16, 1959

COPY

Mr. L. C. White
Gilbert, White & Gilbert
P.O. Box 787
Santa Fe, New Mexico

Dear Mr. White:

On behalf of your client, The Texas Company, we enclose two copies of Orders R-1319 and R-1320 issued January 14, 1959, by the Oil Conservation Commission in Cases 1574 and 1575, respectively, which were heard on January 7th at Santa Fe before an examiner.

Very truly yours,

A. L. Porter, Jr.
Secretary - Director

bp
Encls.

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 1-7-59

CASE NO. 1574 HEARING DATE 1-7-59

My recommendations for an order in the above numbered case(s) are as follows:

Approve NSP for Dubb pool as requested by the Texas Co.,

1. Unit consists of W/2 ~~S~~W/4, NE NW, NW NE - sec. 31 22S - 38E.

2. Unit well is Texas Co. - A.H. Blinebry NCT-3 #1, 660 N & W lines of sec 31 - 22S - 38E.

Staff Member

Exam Hearing

BEFORE THE OIL CONSERVATION COMMISSION OF
THE STATE OF NEW MEXICO

IN RE MATTER OF THE APPLICATION OF THE TEXAS COMPANY FOR AN ORDER GRANTING APPROVAL OF AN EXCEPTION TO THE SPECIAL RULES AND REGULATIONS OF THE TUBB GAS POOL AS SET FORTH IN ORDER R-586 FOR THE ESTABLISHMENT OF A NON-STANDARD GAS PRORATION UNIT OF 160 CONTIGUOUS ACRES, CONSISTING OF THE W½ NW¼, NE¼ NW¼, NW¼ NE¼ OF SECTION 31, TOWNSHIP 22 SOUTH, RANGE 38 EAST, LEA COUNTY, NEW MEXICO.

CASE NO. 1574

APPLICATION

TO: THE HONORABLE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

Comes now the applicant The Texas Company, and states as follows:

1. That the applicant is the owner and operator of the W½ NW¼, NE¼ NW¼ and NW¼ NE¼ of Section 31, Township 22 South, Range 38 East, Lea County, New Mexico, containing 160 contiguous acres more or less.

2. That the entire 160 acres is underlain by and productive of gas from the Tubb Gas Pool.

3. That the applicant proposes to establish a 160-acre non-standard gas proration unit consisting of the above described acreage, said unit to be dedicated to applicant's A. H. Blinebry NCT-3, No. 1 Well, located 660 feet from the north line and 660 feet from the west line in the NW¼ NW¼ of said Section 31.

4. That, heretofore, applicant dually completed the subject well and has perforated the Blinebry Oil Pool from 5440 to 5610 feet and the Tubb Gas Pool from 6022 to 6062 feet.

5. That attached hereto marked Exhibit "A" and made a part hereof by reference is a plat showing the area covered by this application with the location of all wells drilled or drilling in the area, together with the names of all offset operators.

Docket Mailed 12-24-58 RS

GILBERT, WHITE AND GILBERT
ATTORNEYS AT LAW
SANTA FE, NEW MEXICO

6. That approval of the subject application will not cause waste nor impair correlative rights.

7. That unless the subject application is approved, the applicant will be deprived of the opportunity to reasonably recover its just and equitable share of the natural gas in the Tubb Gas Pool.

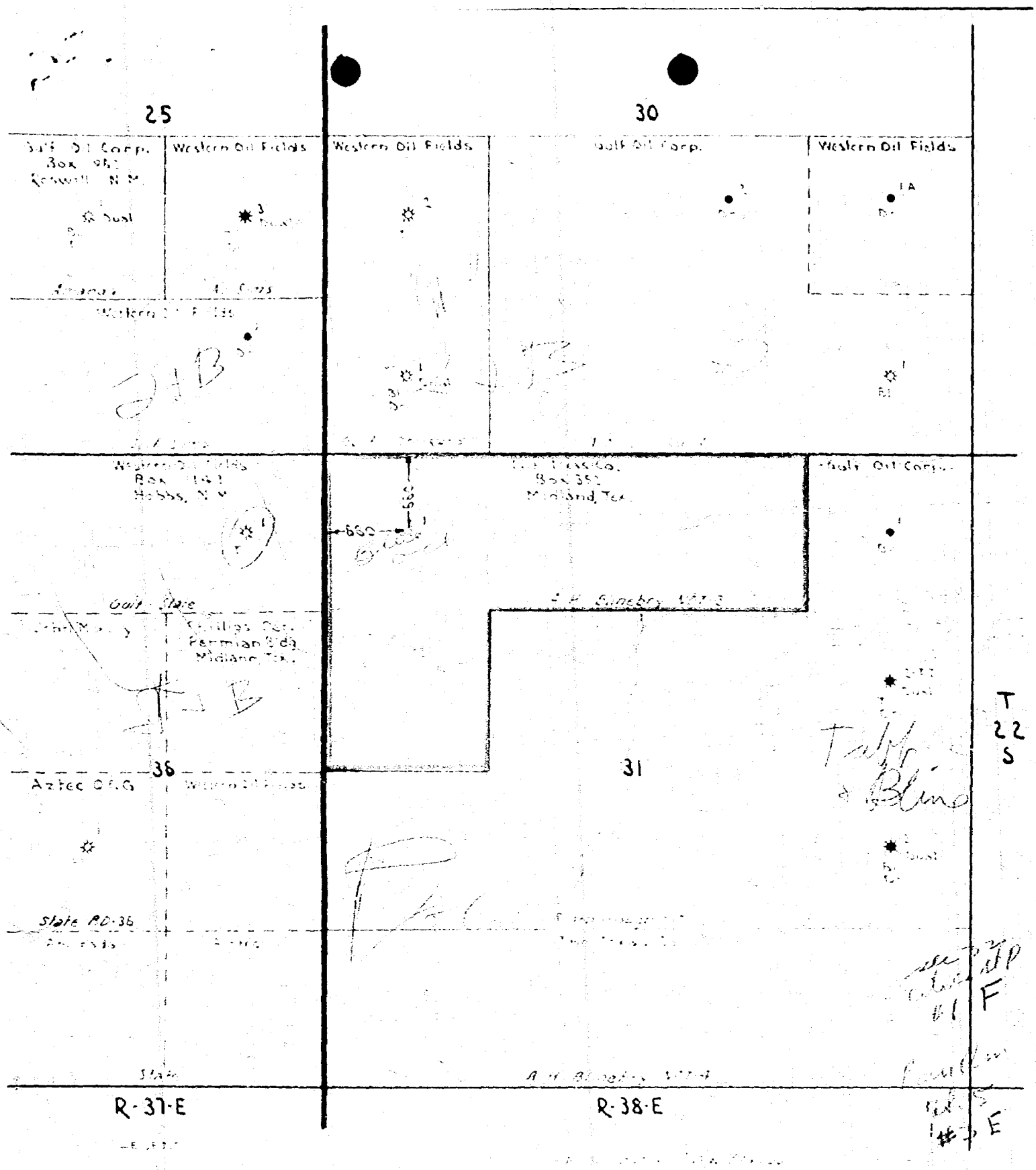
WHEREFORE, applicant prays this application be set for hearing; that notice thereof be given as required by law, and that upon evidence adduced at such hearing, the Commission issue an Order for the establishment of a non-standard gas proration unit as herein requested.

THE TEXAS COMPANY

By GILBERT, WHITE AND GILBERT

Through Lewis B.

P. O. Box 787
Santa Fe, New Mexico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Gulf Oil Corp.
Western Oil Fields
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Hobbs, N. M.
Gulf Oil Corp.
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Gulf Oil Corp.
Box 352
Midland, Tex.
Gulf Oil Corp.
Permian Bldg.
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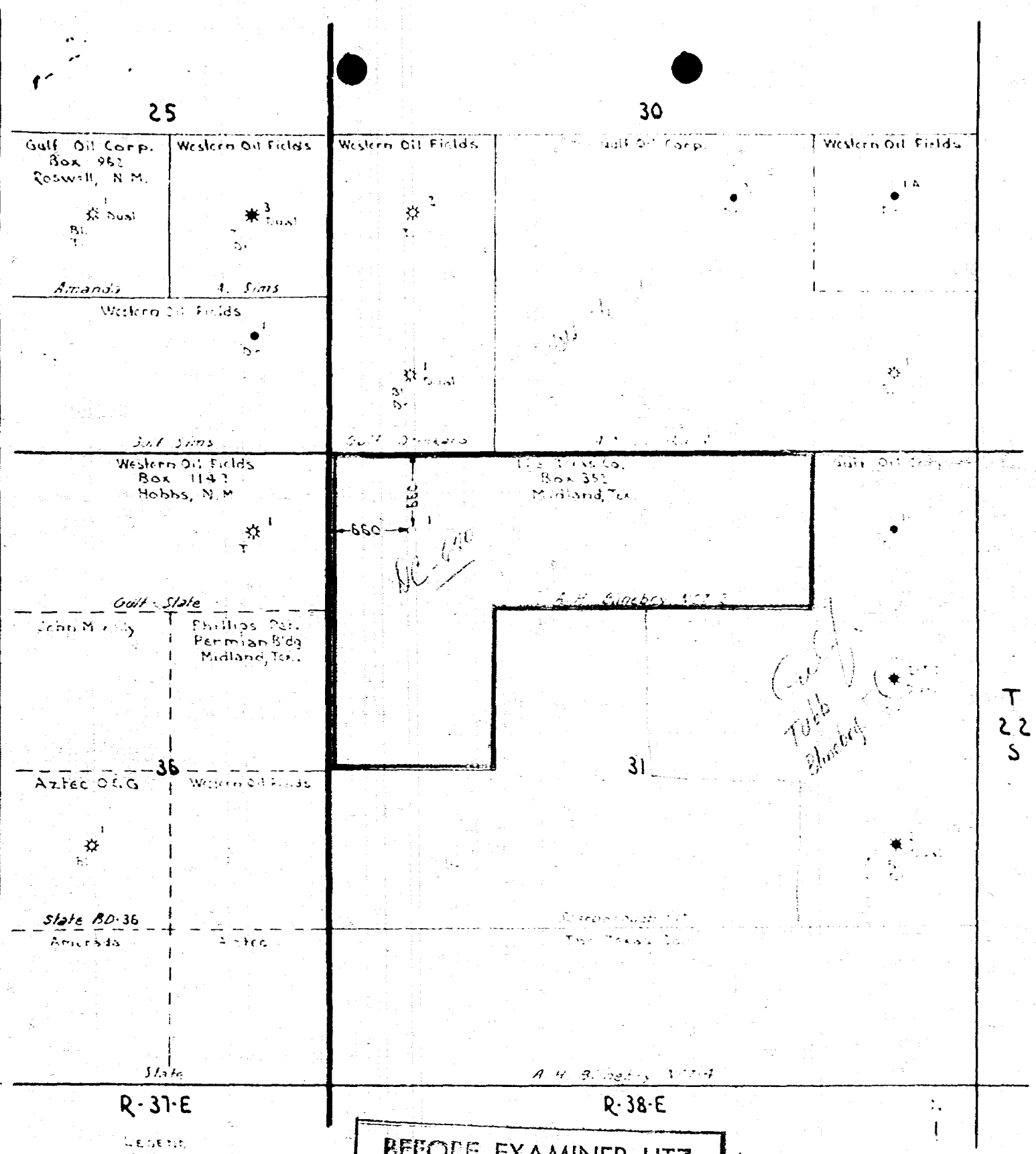

LEGEND

Blinebry Gas Pool

Tubb Gas Pool

Drinkard Pool

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. 1
CASE NO. 1273