

Case No.

1593

Application, Transcript,
Small Exhibits, Etc.

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

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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 EUMONT GAS POOL AS SET FORTH
IN ORDER NO. R-520 FOR THE ESTABLISHMENT
OF A NON-STANDARD GAS PRORATION UNIT OF
240 CONTIGUOUS ACRES CONSISTING OF THE NE $\frac{1}{4}$
OF SECTION 5, TOWNSHIP 20 SOUTH, RANGE 37
EAST AND THE S $\frac{1}{2}$ SE $\frac{1}{4}$ OF SECTION 32, TOWNSHIP
19 SOUTH, RANGE 37 EAST, LEA COUNTY, NEW
MEXICO.

CASE NO. _____

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APPLICATION

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

1. That applicant is the owner and operator of the NE $\frac{1}{4}$ of Section 5, Township 20 South, Range 37 East, Lea County, New Mexico, consisting of 160 acres, said acreage being dedicated to applicant's J. W. Cooper Well No. 5 located in Unit "G".

2. That applicant proposes to expand the proration unit to include an additional 80 acres comprising the S $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 32, Township 19 South, Range 37 East, Lea County, New Mexico, which proposed unit will cross a governmental section line.

3. That the proposed non-standard gas proration unit will consist of contiguous quarter-quarter sections, and the entire non-standard gas proration unit may reasonably be presumed to be productive of gas from the Eumont Gas Pool.

4. That attached hereto as 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 as pertains to the Eumont Gas Pool, together with the names of the off-set operators.

5. That approval of the non-standard proration unit will not cause waste nor impair correlative rights but will permit applicant the opportunity to

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1 reasonably recover its just and equitable share of the natural gas in the
2 Bumont Gas Pool.

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

7
8 THE TEXAS COMPANY

9 By GILBERT, WHITE AND GILBERT

10
11 By 

12 L. C. White
13 P. O. Box 787
14 Santa Fe, New Mexico
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GILBERT, WHITE AND GILBERT
ATTORNEYS AT LAW
SANTA FE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE NO. 1593

TRANSCRIPT OF HEARING

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

February 4, 1959

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

IN THE MATTER OF:

Application of The Texas Company for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order authorizing a 241-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the NE/4 of Section 5, Township 20 South, Range 37 East, and the S/2 SE/4 of Section 32, Township 19 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to applicant's J. W. Cooper Well No. 5 located 1668 feet from the North line and 1650 feet from the East line of said Section 5.

CASE NO.
1593

BEFORE:

Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

MR. UTZ: The next case will be 1593.

MR. PAYNE: Case 1593. Application of The Texas Company for a non-standard gas proration unit.

MR. UTZ: You may proceed, Mr. White.

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

MR. UTZ: Are there any other appearances to be made in this case? You may continue.

(Witness sworn.)

J O H N B. R O S S, a witness called by and on behalf of the Applicant, being first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY: MR. WHITE:

Q Mr. Ross, will you state your full name for the record, please?

A John B. Ross.

Q By whom are you employed and in what capacity?

A The Texas Company as district engineer.

Q And where are you presently located?

A I am located in our Midland office which supervises activities in New Mexico.

Q Have you previously testified before the Commission, Mr. Ross?

A Yes, I have.

Q Are you familiar with The Texas Company's application in Case 1593?

A Yes, sir, I am.

Q Are you acquainted with their J. W. Cooper Well No. 5 located in the NE/4 of Section 5?

A Yes, sir.

Q Township 20 South, Range 37 East?

A Yes, sir.

MR. WHITE: Are the witness' qualifications acceptable?

MR. UTZ: Yes, sir, they are.

Q (By Mr. White) Mr. Ross, will you refer to what has been marked as Exhibit 1, being an ownership map, and explain it to the Commission.

A This ownership map shows the location of The Texas Company's J. W. Cooper lease, which is the NE/4 of Section 5, consisting of 160.88 acres. Directly north of this Texas Company lease is a lease belonging to the Gulf Oil Company, their May Love lease, consisting of 80 acres. This lies in Section 32.

Q Is the Gulf lease that you asked to have dedicated to --

A Yes, we wish to add this Gulf 80-acre to our 160.88 acres, and form a 241-acre gas unit. Our well is J. W. Cooper No. 5, which is located 1668 from the North line of Section 5, and 1650 from the East line of Section 5.

Q Does this exhibit also show the offset operators?

A Yes, sir, it shows all of the offset operators of the surrounding gas wells in the same pay.

Q Will you now refer to what has been marked Exhibit 2 and state what it is and explain what it is intended to show.

A Exhibit 2 is a structure map contoured on top of the Penrose Lower Queen, which is the producing formation in this area, and this indicates continuity of the pay across the area in question. Actually, the proposed unit is surrounded by gas wells producing from this formation. The proposed Texas Company

gas unit is outlined in red, and the outlines of the surrounding gas units are outlined in green.

Q Is there anything significant about the Ohio Gas Unit immediately to the west?

A Yes, sir. The Ohio gas unit has been formed from acreage taken from Section 5 plus 80-acres from Section 32, which is the same thing that we propose in our application here.

Q In your opinion, is the proposed unit reasonably productive of gas from the Eumont gas pool?

A Yes, sir, it is.

Q Have you prepared a local point back pressure test exhibit?

A Yes, sir.

Q Refer first, please, to the electric log. Refer to Exhibit 3 and explain that please.

A Exhibit 3 is a copy of a gamma ray neutron log of the J. W. Cooper No. 5, which is producing from open hole, and the producing section is shown in red on this log.

Q Now, will you refer to Exhibit 4, state what it is and explain it, please.

A Exhibit 4 summarizes some pertinent data concerning this well, and I would like to call particular attention to the bottom hole pressure survey taken in 1955 which showed a bottom hole pressure of eleven hundred and twenty PSI, and a shutin pressure, tubing pressure of a thousand and eleven PSI. Also, on the

multi-point back pressure taken in 1956, which showed an absolute open flow potential of five million two hundred eighty MCF per day, the seventy-two hour shut in at that time, shut in tubing pressure was nine hundred and eighty-five PSI. The shut in tubing pressure recorded in our survey in 1957 was nine hundred and fifty-nine PSI, and the shut in tubing pressure in 1958 was nine hundred and forty PSI. This indicates that the reservoir pressure has declined very little since the well was originally completed, and therefore the producing capacity has undoubtedly declined very little from its initial absolute potential of five million two hundred eighty MCF per day.

Q Is it your opinion that this J. W. Cooper Well No. 5 will be capable of producing the gas that might be allocated to it by the additional 80-acres?

A Yes, sir, I do.

Q When was the well originally completed?

A This well was originally completed on February 24, 1954.

Q Now, Mr. Ross, will you refer to Exhibit 5 and explain that, please?

A Exhibit 5 is a summary of the monthly gas production during 1958. As indicated, it produced no gas during some periods due to low market demand. However, in other periods, it produced sizable quantities, particularly in January and March of that year.

Q Do you know what efforts, if any, Gulf has undertaken to

unitize the particular 80-acres with other operators within the section?

A Yes, sir, Gulf, at one time was negotiating with Atlantic to unitize their 80-acres with Atlantic's 40-acres, which lies immediately north. Atlantic's 40-acres is in the NE/4 of the SE/4 of Section 32, and Atlantic worked over their well and had some difficulties, with the result that they didn't obtain too good a well and would not have been able to produce the additional gas obtained through allocation of additional 80-acres, and the remaining acreage all around Gulf's 80-acres had already been unitized at that time, which is the reason they approached us.

Q Is that shown on Exhibit 2?

A Exhibit 2 shows that quite well.

MR. WHITE: If the Commission please, Gulf Oil Company sent a wire to the Commission on January 28, and I would like to read it into the record, at least a copy, if I may. This telegram is from the Gulf Oil Corporation, addressed to New Mexico Oil Conservation Commission, dated January 29, 1959, and reads as follows:

"Attention Mr. A. L. Porter, Jr. Gulf Oil Corporation has committed the 80-acre May Love Lease to the Texas Company's proposed 241-acre Eumont Gas Unit. Therefore, we concur with them in their application in Case 1593 schedule for Examiner Hearing on February 4, 1959. W. A. Shellshear, P. O. Box 669, Roswell, New Mexico."

Q (By Mr. White) Mr. Ross, is it possible for The Texas Company to unitize their 160-acres with adjoining acreage in Section 5?

A No, sir, all of the acreage in Section 5 has already been assigned to other gas wells in that section.

Q Is the royalty ownership common in this proposed unit?

A No, sir, the royalty ownership differs between the Texas Company and Gulf's acreage.

Q What is the status of the unit agreement?

A Gulf and The Texas Company have agreed as to the terms of the agreement. They are now writing the agreement and it will be submitted to the royalty owners for signature in a short time.

Q In your opinion will this proposed unit impair any correlative rights?

A No, sir, it will not.

Q And do you think it will be a feature in the prevention of waste?

A Yes, sir, I do.

Q Were these exhibits prepared under your direction and supervision?

A Yes, sir, they were.

MR. WHITE: At this time we move that the exhibits be admitted.

MR. UTZ: Without objection, Exhibits 1 through 5 will be accepted.

MR. WHITE: We have no further testimony on direct examination.

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

MR. FISCHER: Yes.

MR. UTZ: Mr. Fischer.

CROSS EXAMINATION

BY: MR. FISCHER:

Q Mr. Ross, during these months when you had no production shown in 1958, for instance April, or rather the end of May, going into June, did you have any difficulty in getting your well back on the line?

A I can't answer that, our gasoline department takes care of that, and I am not aware of any difficult they may have had.

Q Did the well water up or anything?

A I couldn't say. It has pretty good shutin tubing pressure, so I imagine that they didn't have too much trouble.

Q You say it does produce no distillate whatsoever?

A No, dry gas.

MR. FISCHER: That's all.

MR. PAYNE: I have some questions.

EXAMINATION BY MR. PAYNE:

Q This proposed unit is completely surrounded by Eumont gas pool units, is it not?

A Yes, sir, it is. On Exhibit 2 I have outlined those, with the wells shown thereon.

Q Is that acreage somewhere near the middle of the pool?

A I can't answer that.

Q It is not near the edge, or is it?

A It is surrounded completely by producing gas wells in this pay in all directions.

MR. PAYNE: Thank you.

EXAMINATION BY MR. UTZ:

Q Mr. Ross, can you tell me how far the Well No. 5 is from the South and West lines of the unit?

A It is 990 feet from the West line and 972 feet from the South line.

Q Have you had any indication of whether or not the royalty owners are willing to sign this unit agreement?

A No, sir.

MR. WHITE: Do you have any reason to believe that they will ^{not} sign it?

A We have no reason to believe that they won't, let's put it that way. Of course, they would have to sign it before we could pool that, naturally.

Q (By Mr. Utz) Yes, sir, I will bring that out.

MR. FISCHER: Mr. Ross, those two Gulf wells, what producing formation do they produce oil from?

A I am not familiar with that.

Q (By Mr. Utz) Mr. Ross, it would be satisfactory with the Texas Company, would it not, if the effective date of this unit,

~~If we should approve it, would be the date of the unit agreement?~~

A I can't see any reason to object to that. Do you Mr. White?

MR. WHITE: No, sir.

A Because we can't put it into effect until the agreement becomes effective.

MR. UTZ: Are there any other questions of the witness? If not, the witness may be excused.

(Witness excused.)

MR. UTZ: Are there any statements to be made in this case? If not, the case will be taken under advisement.

STATE OF NEW MEXICO)
)
COUNTY OF BERNALILLO)

SS

I, Joseph 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 the same is a true and correct record, to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal this 9th day of February, 1959, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Joseph A. Trujillo
NOTARY PUBLIC

My Commission Expires:

October 5, 1960

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner's hearing of Case No. 1593, heard by me on Feb. 4, 1959.

Arnold W. [Signature]
Examiner
New Mexico Oil Conservation Commission

THE NEWARK COMPANY
J.W. Cooper, Well No. 5
Barnett Gas Field
Leon County, New Mexico

Completion February 14, 1954
Well No. 5
Production Interval (Lower Queen)
Completion Interval 1387' to 1499' (Open Hole)

Gas Contractor: Permian Basin Pipe Line Company
Gas Sales Commenced May 5, 1954

Bottom Hole Pressure, June 15, 1955 (After 19 day shut-in period)
13' depth -250', BHP = 1130 psi. Shut-in IP = 1011 psi.

Multi-point Back Pressure Test, June 19-27, 1956
Absolute Potentials 5,000 MOP. 72 hour Shut-in IP = 905.1 psi.

72-hour Shut-in Taking Pressure, August 8, 1957: 959.4 psi.

72-hour Shut-in Taking Pressure, August 25, 1958 = 939.7 psi.

EX. 4

Reservoir
pressure
has declined
little since
completion

THE TEXAS COMPANY
J. W. Cooper Well No. 5
Barnett Gas Field
Lam County, New Mexico

MONTHLY GAS PRODUCTION - 1958

<u>Month</u>	<u>Gas (MCF)</u>
January	21,935
February	3,336
March	25,699
April	0
May	0
June	9,690
July	0
August	1,111
September	1,879
October	0
November	0
December	0

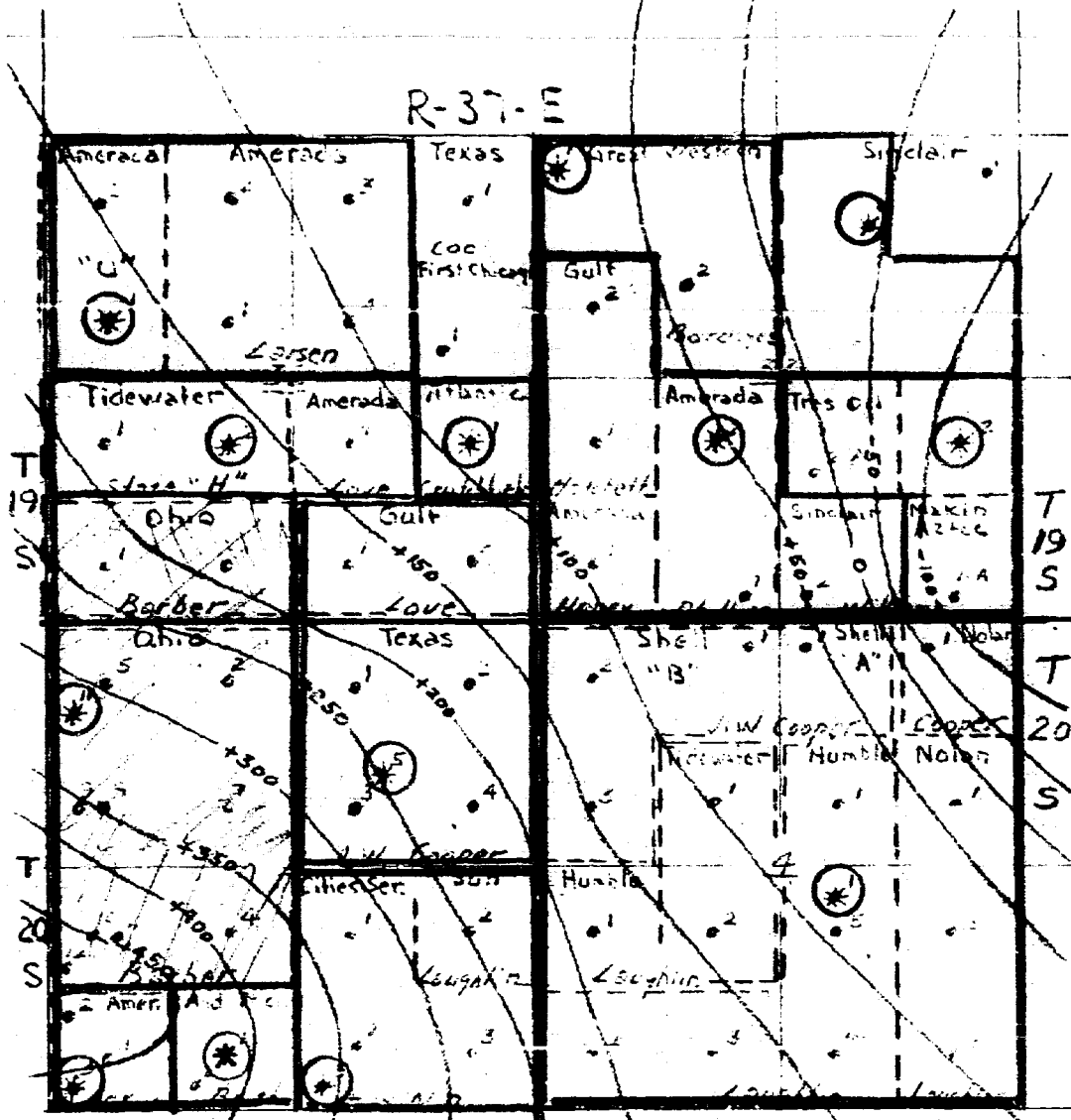
Note: Low productive months result from lack of market demand and not from inability of well to produce. The well produces no distillate.

THE TEXAS COMPANY
J. M. Cooper Well No. 5
Boswell Gas Field
Lola County, New Mexico

MONTHLY GAS PRODUCTION - 1958

<u>Month</u>	<u>Gas (MCF)</u>
January	21,936
February	3,336
March	25,699
April	0
May	0
June	9,690
July	0
August	1,111
September	1,879
October	0
November	0
December	0

Note: Low productive months result from lack of market demand and not from inability of well to produce. The well produces no distillate.



STRUCTURE MAP * ELMONT GAS AREA
 Contoured on Top of Penrose (Lower Queen)
 Contour Interval: 50 feet
 Scale: 1" = 2000'

--LEGEND--

- | | |
|--|---|
| <p>○ The Texas Company Gas Well</p> <p>--- Proposed Gas Unit</p> | <p>○ Offset Gas Well</p> <p>--- Offset Gas Unit</p> |
|--|---|

Ex 2

THE TEXAS COMPANY
J.W. Cooper, Well No. 5
Summit Gas Pool
Lea County, New Mexico

Completed: February 24, 1954
Pools: Summit Gas
Formation: Pennsylvanian (Lower Queen)
Completion Interval: 3307' to 3499' (Open Hole)

Gas Gatherer: Permian Basin Pipe Line Company
Gas Sales Commenced: May 5, 1954

Bottom Hole Pressure, June 15, 1955 (After 49 day shut-in period)
At datum -250', BHP = 1120 psi, Shut-in TP = 1011 psi.

Multi-point Back Pressure Test, June 19-27, 1956:
Absolute Potential: 5,280 MCFPD. 72 $\frac{1}{2}$ hour Shut-in TP = 985.1 psi.

72-hour Shut-in Tubing Pressure, August 8, 1957 = 959.4 psi.

72-hour Shut-in Tubing Pressure, August 25, 1958 = 939.7 psi.

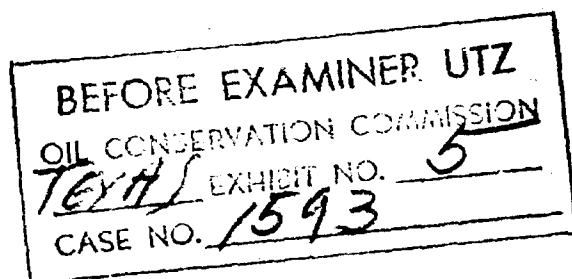
BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
TEXAS EXHIBIT NO. 4
CASE NO. 1593

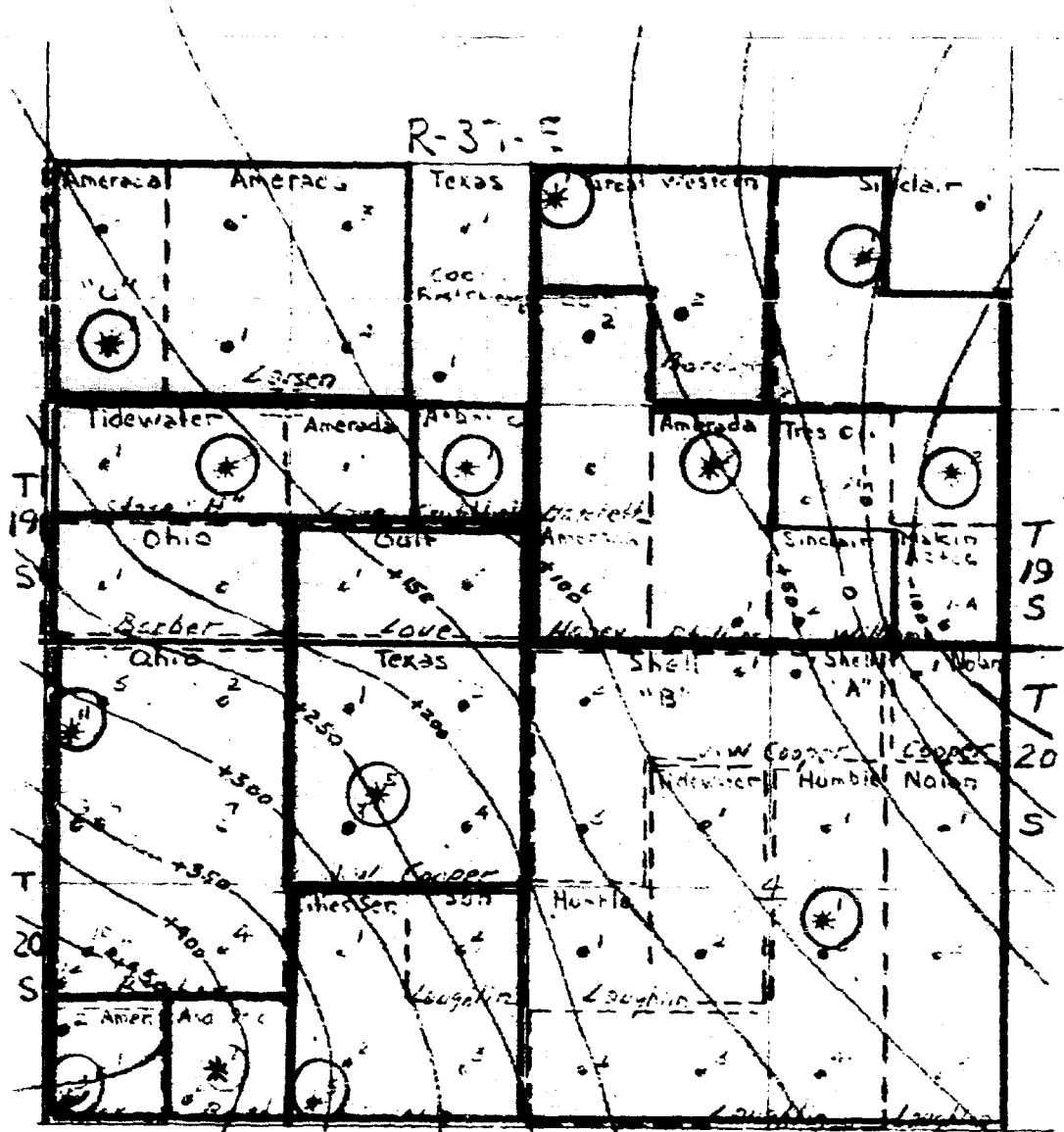
THE TEXAS COMPANY
J. W. Cooper Well No. 5
Eumont Gas Pool
Lea County, New Mexico

MONTHLY GAS PRODUCTION - 1958

<u>Month</u>	<u>Gas (MCF)</u>
January	21,935
February	3,336
March	25,699
April	0
May	0
June	9,690
July	0
August	1,111
September	1,879
October	0-
November	0-
December	0-




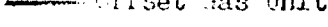
Note: Low productive months result from lack of market demand and not from inability of well to produce. The well produces no distillate.





STRUCTURE MAP * EDMONT GAS AREA
 Contoured on Top of Penrose (Lower Queen)
 Contour Interval: 50 feet
 Scale: 1" = 2000'

--LEGEND--

- | | |
|---|--|
|  The Texas Company Gas Well
 Proposed Gas Unit |  Offset Gas Well
 Offset Gas Unit |
|---|--|

BEFORE EXAMINER UTZ
 OIL CONSERVATION COMMISSION
Texas EXHIBIT NO. 2
 CASE NO. 1593

SUPPLEMENTAL DOCKET: EXAMINER HEARING FEBRUARY 4, 1959

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

The following case will be heard before Elvis A. Utz, Examiner:

CASE 1595: Application of John J. Dempsey Associates for the assignment of a minimum allowable to one gas well in the Fulcher Kutz-Pictured Cliffs Gas Pool, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order assigning a minimum allowable to one gas well in the Fulcher Kutz-Pictured Cliffs Gas Pool in order to prevent premature abandonment thereof, said well being the Hutchison Well No. 1 located 660 feet from the North line and 635 feet from the East line of Section 1, Township 29 North, Range 13 West, San Juan County, New Mexico.

been shut-in for observation or to increase the efficiency of the project, operation of the wells on a net gas-oil ratio basis giving allowance for gas injected, and such other rules and regulations as the Commission deems necessary.

CASE 1591:

Application of Angels Peak Oil Company for the assignment of minimum allowables to two gas wells in the Fulcher Kutz-Pictured Cliffs Gas Pool, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order assigning minimum allowables to two gas wells in the Fulcher Kutz-Pictured Cliffs Gas Pool in order to prevent premature abandonment thereof, said wells being applicant's Angels Peak Well No. 3 located 595 feet from the North line and 1240 feet from the East line of Section 11 and Angels Peak Well No. 5 located 285 feet from the North line and 1520 feet from the West line of Section 11, both in Township 28 North, Range 11 West, San Juan County, New Mexico.

CASE 1592:

Application of Amerada Petroleum Corporation for an order extending the horizontal limits of the Bagley-Upper Pennsylvanian Gas Pool and for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order extending the horizontal limits of the Bagley-Upper Pennsylvanian Gas Pool to include the E/2 of Section 33, and the NW/4 of Section 34, all in Township 11 South, Range 33 East, Lea County, New Mexico. Applicant further seeks the establishment of a 320-acre non-standard gas proration unit in said pool consisting of the NE/4 of said Section 33, and the NW/4 of said Section 34, to be dedicated to the applicant's State BT "M" No. 2 Well located in the SE/4 NE/4 of said Section 33.

CASE 1593:

Application of The Texas Company for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order authorizing a 241-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the NE/4 of Section 5, Township 20 South, Range 37 East, and the S/2 SE/4 of Section 32, Township 19 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to applicant's J. W. Cooper Well No. 5 located 1668 feet from the North line and 1650 feet from the East line of said Section 5.

CASE 1196:

Application of The IbeX Company for permission to expand its water flood project in the Artesia Pool, Eddy County, New Mexico, and for eight unorthodox well locations. Applicant, in the above-styled cause, seeks an order permitting the expansion of its Artesia Water Flood Project No. 2, authorized by Order No. R-966 in the Artesia Pool, Eddy County, New Mexico, to convert to water injection a well in the NW/4 NW/4 of Section 28 and a well in the SW/4 NE/4 of Section 28, both in Township 18 South, Range 28 East. Applicant further seeks approval of eight unorthodox well locations in Sections 21 and 28 of the aforementioned township.

DOCKET: EXAMINER HEARING FEBRUARY 4, 1959**OIL CONSERVATION COMMISSION 9 a.m., Mabry Hall, State Capitol, SANTA FE**

The following cases will be heard before ELVIS A. UTZ, Examiner:

- CASE 1587:** Application of Cabot Carbon Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing it to dually complete its J. L. Reed Well No. 2 located 680 feet from the North and East lines of Section 35, Township 13 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the King-Wolfcamp Pool and King-Devonian Pool through parallel strings of $1\frac{1}{2}$ " tubing.
- CASE 1588:** Application of Atlantic Refining Company to commingle the production from several separate oil pools. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the Ellenburger, McKee, Fusselman, Montoya, Blinebry, Drinkard, and Queen formations on its State "Y" Lease comprising the N/2 NE/4 and the SE/4 NE/4 of Section 25, Township 25 South, Range 37 East, Lea County, New Mexico. Applicant proposes to separately meter the production from each formation except the Queen prior to being commingled.
- CASE 1589:** Application of Humble Oil & Refining Company for an exception to Rule 16 of Order R-586 and for an exception to Rule 303 of the Commission Rules and Regulations. Applicant, in the above-styled cause, seeks an order permitting the classification of a 48-degree gravity oil well as a gas well in the Tubb Gas Pool, said well being its dually completed State "V" Well No. 11 located in the NE/4 SW/4 of Section 10, Township 21 South, Range 37 East, Lea County, New Mexico. Applicant further seeks permission to commingle the liquid hydrocarbons produced from the Tubb zone of said State "V" Well No. 11 with Tubb oil produced from its State "V" Well No. 7 located in the SE/4 SW/4 of said Section 10. Applicant further seeks permission to commingle the Blinebry condensate produced from said State "V" Well No. 11 with the Blinebry oil produced from its State "V" Well No. 1 located in the SW/4 SW/4 of said Section 10.
- CASE 1590:** Application of Rex Moore for an order authorizing a gas injection project in San Juan County, New Mexico, and for the promulgation of special rules and regulations in connection therewith. Applicant, in the above-styled cause, seeks an order authorizing it to inject gas into the Gallup formation of the Bisti-Lower Gallup Oil Pool through its Scott No. 5 Well located 2115 feet from the South line and 2080 feet from the West line of Section 3, Township 24 North, Range 10 West, San Juan County, New Mexico. Applicant further proposes that special rules and regulations be promulgated to govern the above-described project, which rules would provide for the transfer of the allowable from the injection well to producing wells, transfer of allowables from wells which have

CASE 1594: Application of The Ihex Company for permission to install three separate lease automatic custody transfer systems. Applicant, in the above-styled cause, seeks an order authorizing it to install three separate lease automatic custody transfer systems, one on its Welch Duke State Lease, one on its Resler Yates State Lease and the other on its McNutt State Lease, all in the Artesia Field, Township 18 South, Range 28 East, NNPM, Eddy County, New Mexico. Applicant further seeks permission to consolidate multiple tank batteries on said Resler Yates State Lease in exception to Rule 309 of the Commission Rules and Regulations.

CONTINUED CASE

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 2 $\frac{1}{2}$ inch tubing as a substitute for casing in the above-described well.

ir/

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 2-4-59

CASE NO. 1593

HEARING DATE 2-4-59

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

- Grant unit as requested as follows:
1. 160.88 acre unit consisting of the NE/4 sec. 5-205-37E was approved under R-370A and not rescinded by R-520.
 2. Expanded unit will consist of NE/4 sec. 5-205-37 + S/2 SE/4 sec 32-195-37E, 240.88 acres.
 3. Unit is proven to be productive by offset wells.

Christ R. Kelly

Staff Member

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NEW MEXICO OIL CONSERVATION COMMISSION=
STATE CAPITOL BLDG SANTA FE NMEX=

ATTENTION MR A L PORTER JR
SULF OIL CORPORATION HAS COMMITTED THE 80 ACRE MAY LOVE
LEASE TO THE TEXAS COMPANY'S PROPOSED 241 ACRE EUMONT
GAS UNIT. THEREFORE, WE CONCUR WITH THEM IN THEIR
APPLICATION IN CASE 1593 SCHEDULE FOR EXAMINER HEARING
ON FEBRUARY 4 1959=
W A SHELLSHEAR P O BOX 669 ROSWELL NEW MEXICO==

80 241 1593 4 1959 C69=

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

February 13, 1959

Mr. Charlie 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 Order R-1335 issued February 12, 1959, by the Oil Conservation Commission in Case 1593, which was heard on February 4th at Santa Fe before an examiner.

Very truly yours,

A. L. Porter, Jr.
Secretary - Director

bn
Encis.

*Order sent to
W. A. Shellshar, July
B.F.*

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OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

March 2, 1959

**Mr. Charlie White
Gilbert, White & Gilbert
P.O. Box 787
Santa Fe, New Mexico**

Dear Mr. White:

**Enclosed herewith is Revised Page 2 of Order No. R-1335
issued by the Commission on February 12th in Case No. 1593.**

**You will note that Paragraph (1) of this revised Page 2
contains a minor revision in land description to correct an error
in the original Page 2.**

**Please destroy the original Page 2 and substitute this page
therefor.**

Very truly yours,

**A. L. Porter, Jr.
Secretary - Director**

**ALP/DSN:bp
Encls.**

CC-OCC, Hobbs

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

March 2, 1959

Mr. W. A. Shellshear
Gulf Oil Corporation
P.O. Box 669
Roswell, New Mexico

Dear Mr. Shellshear:

Enclosed herewith is Revised Page 2 of Order No. R-1335 issued by the Commission on February 12th in Case No. 1593.

You will note that Paragraph (1) of this Revised Page 2 contains a minor revision in land description to correct an error in the original Page 2.

Please destroy the original Page 2 and substitute this page therefor.

Very truly yours,

A. L. Porter, Jr.
Secretary - Director

ALP/DSN:bp
Encl.

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ATTENTION: Ralph Trujillo

I note that in Order R-1335 under "It is Therefore Ordered" a 241 acre unit is approved consisting of the NE/4 of Sec. 5 and the S/2 SE/4 of Sec. 32, T-20-S, R-37-E. This should read, I think, NE/4 Sec. 5, T-20-S, R-37-E and S/2 SE/4 Sec. 32, T-19-S, R-37-E.

Thanks.

M. J. ...

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. 1593
Order No. B-1335

APPLICATION OF THE TEXAS COMPANY
FOR A 241-ACRE NON-STANDARD GAS
PRORATION UNIT IN THE EUMONT 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 February 4, 1959, at Santa Fe, New Mexico, before Elvis A. Uta, 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 12th day of February, 1959, the Commission, a quorum being present, having considered the application, the evidence adduced and the recommendations of the Examiner, Elvis A. Uta, 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 NE/4 of Section 5, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico.
- (3) That the applicant is in the process of communitizing the above-described acreage with the S/2 SE/4 of Section 32, Township 19 South, Range 37 East, NMPM, Lea County, New Mexico.
- (4) That the applicant proposes the establishment of a 241-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the NE/4 of said Section 5 and the S/2 SE/4 of said Section 32, with the unit well to be the J. W. Cooper Well No. 5, located 1668 feet from the North line and 1650 feet from the East line of said Section 5.
- (5) That approval of the subject application will not cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

(1) That a 241-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the NE/4 of Section 5, Township 20 South, Range 27 East, and the S/2 SW/4 of Section 22, Township 19 South, Range 27 East, HUNT, Lea County, New Mexico, be and the same be hereby designated. Said unit is to be subjected to the applicant's J. W. Cooper Well No. 5, located 1500 feet from the North line and 1500 feet from the East line of said Section 5.

(2) That the said J. W. Cooper Well No. 5 shall be assigned an allowable for the Eumont Gas Pool in the proportion that the acreage dedicated to the well bears to a standard gas proration unit in the Eumont Gas Pool, subject to the Special Rules and Regulations for said pool.

(3) That the increased allowable provided for by this order shall become effective upon the first of the month following the date that proof of communitization of the working interests is furnished to the Commission.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John Burroughes
JOHN BURROUGES, Chairman

Murray E. Morgan
MURRAY E. MORGAN, Member

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

