

Case No.

1611

Application, Transcript,
Small Exhibits, Etc.

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

April 13, 1959

Mr. Jack Campbell
Campbell & Russell
P.O. Box 721
Roswell, New Mexico

Dear Jack:

Reference is made to Order No. R-1364 in which your client, Texas Pacific Coal & Oil Company, was granted four non-standard gas proration units in the Jalmat Gas Pool. Since sending you two copies of this order some time last week, I have discovered that Paragraph (7) of the order portion contains an error. Line two of Paragraph (7) should say Section 21 rather than Section 20. This error has been corrected on the original copy from which the orders are printed.

Would you please correct your two copies to so read.

Very truly yours,

Oliver E. Payne
General Counsel

OEP:bp

C
O
P
Y

TEXAS PACIFIC COAL AND OIL COMPANY

MIDLAND, TEXAS

FEBRUARY 5, 1959

New Mexico Oil Conservation Commission
Box 871
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.

Re: Texas Pacific Coal and Oil Company's application for a hearing to grant a 320-acre non-standard gas proration unit for its State of New Mexico "A" a/c-1 Well No. 2 in Section 21, Township 23 South, Range 36 East, Jalmat Pool, Lea County, New Mexico.

Gentlemen:

Texas Pacific Coal and Oil Company respectfully requests a hearing under the provisions of Rule 5(b) of the Special Rules and Regulations for the Jalmat Gas Pool of Order No. R-520 for the formation of a 320 acre non-standard gas proration unit for its State of New Mexico "A" a/c-1 Well No. 2, located 2310' from the South line and 330' from the West line - the NW/4 SW/4 - of Section 21, Township 23 South, Range 36 East, Lea County, New Mexico.

The proposed unit is to consist of the SW/4 of Section 21 and the SE/4 of Section 20, both in Township 23 South, Range 36 East. Since this proposed unit will cross section lines, it is contrary to Rule 5(b)-2 which states that the unit should lie wholly within a single governmental section. However, in support of this request we would like to point out that the proposed non-standard gas proration conforms with the other requirements of said Rule 5(b) as follows:

1. Said unit consists of contiguous quarter-quarter sections.
2. The entire proposed unit may be reasonably presumed to be productive of gas.
3. The length or width of said unit does not exceed 5280 feet.
4. Copies of this application have been furnished this date by registered mail to all offset operators and all operators within 1500 feet of said well.

Texas Pacific further respectfully requests that contingent upon the approval of this application, the following non-standard gas proration unit remain in effect:

A 160 acre non-standard gas proration unit dedicated to the State of New Mexico "A" a/c-1 Well No. 2 consisting of the SE/4 of Section 21, Township 23 South, Range 36 East.

A plat is attached hereto showing to the best of our knowledge and belief the proposed unit, the location of the well and the offset ownership.

In view of the facts set out herein, it is respectfully requested that the Commission grant a hearing to hear evidence in order that it might approve the non-standard gas proration unit for Texas Pacific Coal and Oil Company's State of New Mexico "A" a/c-1 Well No. 3 as described above.

Yours very truly,

TEXAS PACIFIC COAL AND OIL COMPANY

By John Yuronka
John Yuronka, Division Engineer

*Docket mailed
3-25-59
J.R.P.*

THE STATE OF TEXAS |

COUNTY OF MIDLAND |

Subscribed and sworn to before me, the undersigned authority, by JOHN YURONKA, on this the 5th day of February, A. D. 1959, to certify which witness my hand and seal of this office.

Lloyd Beck

LLOYD BECK

Notary Public in and for Midland
County, Texas

Copies by Registered Mail to:

Continental Oil Company
P. O. Box 427
Hobbs, New Mexico

Gulf Oil Corporation
P. O. Drawer 669
Roswell, New Mexico

Sinclair Oil and Gas Company
P. O. Box 1470
Midland, Texas

TEXAS PACIFIC COAL AND OIL COMPANY

MIDLAND, TEXAS

FEBRUARY 5, 1959

New Mexico Oil Conservation Commission
Box 871
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.

Re: Texas Pacific Coal and Oil Company's application for an 80 acre non-standard gas proration unit for its State of New Mexico "A" a/c-1 Wells No. 4 and No. 6 in Section 21, Township 23 South, Range 36 East, Jalmat Pool, Lea County, New Mexico.

Gentlemen:

Texas Pacific Coal and Oil Company respectfully requests administrative approval under the provisions of Rule 5(b) of the Special Rules and Regulations for the Jalmat Gas Pool of Order No. K-520 for the formation of an 80 acre non-standard gas proration unit for its State of New Mexico "A" a/c-1 Well No. 4, located 330' from the North line and 1980' from the West line - the NE/4 NW/4 - of Section 21, Township 23 South, Range 36 East and its State of New Mexico "A" a/c-1 Well No. 6 - the SE/4 NW/4 - of Section 21, Township 23 South, Range 36 East, Lea County, New Mexico.

The proposed unit is to consist of the E/2 NW/4 of Section 21, Township 23 South, Range 36 East. Texas Pacific further respectfully requests that contingent upon the approval of this application and the one submitted for its State of New Mexico "A" a/c-1 Well No. 3, the following non-standard gas proration units remain in effect:

1. A 120 acre non-standard gas proration unit dedicated to the State of New Mexico "A" a/c-1 Well No. 4 consisting of the N/2 NW/4 of Section 21 and the NE/4 NE/4 of Section 20, Township 23 South, Range 36 East and
2. A 120 acre non-standard gas proration unit dedicated to the State of New Mexico "A" a/c-1 Wells No. 3 and No. 6 consisting of the S/2 NW/4 of Section 21 and the SE/4 NE/4 of Section 20, Township 23 South, Range 36 East.

In support of this request we would like to point out that the proposed non-standard gas proration unit conforms with the requirements of said Rule 5(b) in all respects as follows:

1. Said unit consists of contiguous quarter-quarter sections.
2. Said unit lies wholly within a single governmental section.
3. The entire proposed unit may be reasonably presumed to be productive of gas.
4. The length or width of said unit does not exceed 5280 feet.
5. Copies of this application have been furnished this date by registered mail to all offset operators and all operators within 1500 feet of said wells.

A plat is attached hereto showing to the best of our knowledge and belief the proposed unit, the location of the well and the offset ownership.

In view of the facts set out herein, it is respectfully requested that the Commission enter an order approving the non-standard gas proration unit for Texas Pacific Coal and Oil Company's State of New Mexico "A" a/c-1 Wells No. 4 and No. 6 as described above.

Yours very truly,

TEXAS PACIFIC COAL AND OIL COMPANY

BY John Yuronka
John Yuronka, Division Engineer

THE STATE OF TEXAS |
COUNTY OF MIDLAND |

Subscribed and sworn to before me, the undersigned authority, by John Yuronka, on this the 5th day of February, A. D. 1959, to certify which witness my hand and seal of this office.

Lloyd Beck LLOYD BECK
Notary Public in and for Midland
County, Texas

Copies By Registered Mail to:

Gulf Oil Corporation
P. O. Drawer 669
Roswell, New Mexico

Ralph Lowe
P. O. Box 832
Midland, Texas

Magnolia Petroleum Company
P. O. Box 2406
Hobbs, New Mexico

Southern California Petroleum Corporation
P. O. Box 1071
Midland, Texas

Western Natural Gas Company
823 Midland Tower Building
Midland, Texas

GOVERNOR
JOHN BURROUGHS
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
MURRAY E. MORGAN
MEMBER



STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY DIRECTOR

P. O. BOX 2043
HOBBS

March 25, 1939

Mr. D. S. Nutter, Chief Engineer
New Mexico Oil Conservation Commission
Post Office Box 871
Santa Fe, New Mexico

Dear Sir:

This letter is in reference to Case No. 1611 in which
Continental Oil Company asks for three non-standard gas
proration units in the Jalmat Gas Pool.

After studying the exhibits presented by Continental and
doing some additional geological work, I find that all
three non-standard gas units are productive of gas, and
that their respective wells are capable of draining the
proration units requested.

*1940s Pacific
Coal & Oil*

Sincerely,

John W. Runyan
John W. Runyan
Geologist

JWR:mg

DOCKET: EXAMINER HEARING MARCH 11, 1959

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

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

CASE 1610: Application of Wood River Oil & Refining Company, Inc., for an order authorizing a pilot water flood project, for capacity allowables for wells in said project, and for approval of five unorthodox locations. Applicant, in the above-styled cause, seeks an order authorizing it to institute a pilot water flood project in the Rhodes Pool in Lea County, New Mexico. Applicant proposes to inject water into the Lower Yates formation through six wells located in Section 35, Township 26 South, Range 37 East. Applicant also seeks approval of unorthodox locations for five of its proposed injection wells. Applicant further seeks capacity allowables for wells within the project.

CASE 1611: Application of Texas Pacific Coal & Oil Company for three non-standard gas proration units. Applicant, in the above-styled cause, seeks an order establishing the following non-standard gas proration units in the Jalmat Gas Pool, Lea County, New Mexico.

(1) A 320-acre non-standard gas proration unit consisting of the SW/4 of Section 21 and the SE/4 of Section 20, both in Township 23 South, Range 36 East, to be dedicated to applicant's State "A" a/c-1 Well No. 2 located in the NW/4 SW/4 of said Section 21;

(2) A 240-acre non-standard gas proration unit consisting of the W/2 NW/4 of said Section 21 and the NE/4 of said Section 20 to be dedicated to applicant's State "A" a/c-1 Well No. 3 located in the SW/4 NW/4 of said Section 21;

(3) An 80-acre non-standard gas proration unit consisting of the E/2 NW/4 of said Section 21 to be dedicated to applicant's State "A" a/c-1 Wells 4 and 6 located respectively in the NE/4 NW/4 and the SE/4 NW/4 of said Section 21.

CASE 1612: Application of Santiago Oil & Gas Company for an oil-gas dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its State No. 1-30 Well located 660 feet from the North line and 1980 feet from the East line of Section 30, Township 12 South, Range 34 East, Lea County, New Mexico, in such a manner as to permit the production of oil from an undesignated Upper-Pennsylvanian oil pool and the production of gas from an undesignated Devonian gas pool through parallel string of 2" tubing.

CASE 1613: Application of British American Oil Producing Company for an unorthodox gas well location. Applicant, in the above-styled cause, seeks an order authorizing an unorthodox gas well location in an undesignated Dakota gas pool for its Fullerton Well No. 5, located 660 feet from the North line and 1980 feet from the East line of Section 15, Township 27 North, Range 11 West, San Juan County, New Mexico.

CASE 1614: Application of Texas Consolidated Oils, Inc., for an order authorizing a pilot water flood project in the Square Lake Pool in Eddy County, New Mexico, and for capacity allowables for said project. Applicant, in the above-styled cause, seeks an order authorizing t to institute a pilot water flood project in the Square Lake Pool in Eddy County, New Mexico. Applicant proposes to inject water into the Grayburg and San Andres formations through four wells located in Section 34, Township 16 South, Range 30 East. Applicant further seeks capacity allowables for nine wells in said Section 34.

CASE 1294: Application of Ambassador Oil Corporation for capacity allowables for three wells in a water flood project. Applicant, in the above-styled cause, seeks an order authorizing capacity allowables for the following described wells situated in the project area of its North Caprock Queen water flood project No. 2 in the Caprock-Queen Pool in Lea and Chaves Counties, New Mexico.

Well No. 18-2, NE/4 SE/4, Section 12, Township 13 South, Range 31 East;

Well No. 19-1, SW/4 NW/4, Section 7, Township 13, South, Range 32 East;

Well No. 22-1, SW/4 SE/4, Section 12, Township 13 South, Range 31 East.

Case 1611

TEXAS PACIFIC COAL AND OIL COMPANY

MIDLAND, TEXAS

FEBRUARY 5, 1959

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

Attention: Mr. A. L. Porter, Jr.

Re: Texas Pacific Coal and Oil Company's application for a hearing to grant a 240-acre non-standard gas proration unit for its State of New Mexico "A" a/c-1 Well No. 3 in Section 21, Township 23 South, Range 36 East, Jalmat Pool, Lea County, New Mexico.

Gentlemen:

Texas Pacific Coal and Oil Company respectfully requests a hearing under the provisions of Rule 5(b) of the Special Rules and Regulations for the Jalmat Gas Pool of Order No. R-520 for the formation of a 240 acre non-standard gas proration unit for its State of New Mexico "A" a/c-1 Well No. 3, located 1650' from the North line and 330' from the West line - the SW/4 NW/4 - of Section 21, Township 23 South, Range 36 East, Lea County, New Mexico.

The proposed unit is to consist of the W/2 NW/4 of Section 21 and the NE/4 of Section 20, both in Township 23 South, Range 36 East. Since this proposed unit will cross section lines, it is contrary to Rule 5(b)-2 which states that the unit should lie wholly within a single governmental section. However, in support of this request we would like to point out that the proposed non-standard gas proration unit conforms with the other requirements of said Rule 5(b) as follows:

1. Said unit consists of contiguous quarter-quarter sections.
2. The entire proposed unit may be reasonably presumed to be productive of gas.
3. The length or width of said unit does not exceed 5280 feet.
4. Copies of this application have been furnished this date by registered mail to all offset operators and all operators within 1500 feet of said well.

Texas Pacific further respectfully requests that contingent upon the approval of this application and the one submitted for its State of New Mexico "A" a/c-1 Wells No. 4 and No. 6, the following non-standard gas proration units remain in effect:

1. A 120 acre non-standard gas proration unit dedicated to the State of New Mexico "A" a/c-1 Well No. 4 consisting of the N/2 NW/4 of Section 21 and the NE/4 NE/4 of Section 20, Township 23 South, Range 36 East and
2. A 120 acre non-standard gas proration unit dedicated to the State of New Mexico "A" a/c-1 Wells No. 3 and No. 6 consisting of the S/2 NW/4 of Section 21 and the SE/4 NE/4 of Section 20, Township 23 South, Range 36 East.

A plat is attached hereto showing to the best of our knowledge and belief the proposed unit, the location of the well and the offset ownership.

In view of the facts set out herein, it is respectfully requested that the Commission grant a hearing to hear evidence in order that it might approve the non-standard gas proration unit for Texas Pacific Coal and Oil Company's State of New Mexico "A" a/c-1 Well No. 3 as described above.

Yours very truly,

TEXAS PACIFIC COAL AND OIL COMPANY

By John Yuronka
John Yuronka, Division Engineer

THE STATE OF TEXAS |

COUNTY OF MIDLAND |

Subscribed and sworn to before me, the undersigned authority, by JOHN YURONKA, on this the 5th day of February, A. D. 1959, to certify which witness my hand and seal of this office.

Lloyd Beck LLOYD BECK
Notary Public in and for Midland
County, Texas

Copies by Registered Mail to:

Continental Oil Company
P. O. Box 427
Hobbs, New Mexico

Gulf Oil Corporation
P. O. Drawer 669
Roswell, New Mexico

Ralph Lowe
P. O. Box 832
Midland, Texas

Magnolia Petroleum Company
P. O. Box 2406
Hobbs, New Mexico

Sinclair Oil and Gas Company
P. O. Box 1470
Midland, Texas

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 3/30/59

CASE NO. 1600

HEARING DATE 3/11/59 DSN @ SF @ 9

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

Enter an order cancelling the NSP's which currently cover certain acreage involved in Case 1611 and approving the non-std units requested by T-P with one exception:

Rather than approve the 2-well 80-acre units requested, authorize 2 well 40-acre non std units. This will simplify bookkeeping and allocation and T-P's witness saw no objection to such an arrangement.

The Commission's geological staff has looked into the requested units and concurs w/ T-P's theory that all of the acreage involved is productive of gas.

Staff Member

Examiner

*file
T-P case
1611*

TEXAS PACIFIC COAL AND OIL COMPANY

GENERAL OFFICES
FORT WORTH 1
TEXAS

PLEASE ADDRESS REPLY TO COMPANY AT
POST OFFICE BOX ~~2535~~ 4067
MIDLAND, TEXAS

April 2, 1959

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

Attention: Mr. Daniel Nutter

Dear Sir:

To verify our telephone conversation of this date, the locations of the Texas Pacific Coal and Oil Company wells shown below are correct to the best of my knowledge. All of the wells are located in Section 21, T-23-S, R-36-E, Jolmat Gas Pool, Lea County, New Mexico.

New Mexico State "A" Account 1 Well No. 2
2260' from south line and 330' from west line of the section.

New Mexico State "A" Account 1 Well No. 3
1650' from north line and 330' from west line of the section.

New Mexico State "A" Account 1 Well No. 4
330' from north line and 1660' from west line of the section.

New Mexico State "A" Account 1 Well No. 6
2310' from north line and 1650' from west line of the section.

Yours very truly,

John Yuronka

John Yuronka
Division Engineer

JY:mt

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. 1611
Order No. R-1364

APPLICATION OF TEXAS PACIFIC COAL & OIL
COMPANY FOR THREE NON-STANDARD GAS PRORATION
UNITS IN THE JALMAT 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 March 11, 1959, at Santa Fe, New Mexico, before Daniel S. Nutter, 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 7th day of April, 1959, the Commission, a quorum being present, having considered the application, the evidence adduced and 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, Texas Pacific Coal & Oil Company, is the owner and operator of the E/2 of Section 20 and the W/2 of Section 21, both in Township 23 South, Range 30 East, NMPM, Lea County, New Mexico.

(3) That the applicant is the owner and operator of the following-described wells in the Jalmat Gas Pool:

State "A" a/c-1 Well No. 2, located 2260 feet from the South line and 330 feet from the West line of said Section 21.

State "A" a/c-1 Well No. 3, located 1650 feet from the North line and 330 feet from the West line of said Section 21.

State "A" a/c-1 Well No. 4, located 330 feet from the North line and 1680 feet from the West line of said Section 21.

State "A" a/c-1 Well No. 6, located 2310 feet from the North line and 1650 feet from the West line of said Section 21.

(4) That the applicant proposes the establishment of three non-standard gas proration units in the Jalmat Gas Pool, to-wit:

A 320-acre non-standard gas proration unit consisting of the SW/4 of said Section 21 and the SE/4 of said Section 20 to be dedicated to said State "A" a/c-1 Well No. 2.

A 240-acre non-standard gas proration unit consisting of the NE/4 of said Section 20 and the W/2 NW/4 of said Section 21 to be dedicated to said State "A" a/c-1 Well No. 3.

An 80-acre non-standard gas proration unit consisting of the E/2 NW/4 of said Section 21 to be dedicated to said State "A" a/c-1 Wells No. 4 and 6.

(5) That all of the above-described acreage can reasonably be presumed to be productive of gas from the Jalmat Gas Pool.

(6) That said 80-acre non-standard gas proration unit consisting of the E/2 NW/4 of said Section 21 with said State "A" a/c-1 Wells No. 4 and 6 as the unit wells should be denied; rather, two 40-acre non-standard gas proration units should be formed, one consisting of the NE/4 NW/4 of said Section 21 with said State "A" a/c-1 Well No. 4 as the unit well, the other consisting of the SE/4 NW/4 of said Section 21 with the said State "A" a/c-1 Well No. 6 as the unit well.

(7) That establishment of the four above-described non-standard gas proration units in the Jalmat Gas Pool will not cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

(1) That a 320-acre non-standard gas proration unit in the Jalmat Gas Pool, consisting of the SW/4 of Section 21 and the SE/4 of Section 20, both in Township 23 South, Range 36 East, NMPM, Lea County, New Mexico, be and the same is hereby established. Said unit is to be dedicated to applicant's State "A" a/c-1 Well No. 2, located 2260 feet from the South line and 330 feet from the West line of said Section 21.

(2) That the said State "A" a/c-1 Well No. 2 be granted an acreage factor for allowable purposes in the proportion that the above-described acreage bears to a standard gas proration unit in the Jalmat Gas Pool.

(3) That a 240-acre non-standard gas proration unit in the Jalmat Gas Pool, consisting of the NE/4 of said Section 20 and the W/2 NW/4 of said Section 21 be and the same is hereby established. Said unit is to be dedicated to applicant's State "A" a/c-1 Well No. 3, located 1650 feet from the North line and 330 feet from the West line of said Section 21.

(4) That the said State "A" a/c-1 Well No. 3 be granted an acreage factor for allowable purposes in the proportion that the above-described acreage bears to a standard gas proration unit in the Jalmat Gas Pool.

(5) That a 40-acre non-standard gas proration unit in the Jalmat Gas Pool, consisting of the NE/4 NW/4 of said Section 21, be and the same is hereby established. Said unit is to be dedicated to applicant's State "A" a/c-1 Well No. 4, located 330 feet from the North line and 1660 feet from the West line of said Section 21.

(6) That the said State "A" a/c-1 Well No. 4 be granted an acreage factor for allowable purposes in the proportion that the above-described acreage bears to a standard gas proration unit in the Jalmat Gas Pool.

(7) That a 40-acre non-standard gas proration unit in the Jalmat Gas Pool, consisting of the SE/4 NW/4 of said Section 21, be and the same is hereby established. Said unit is to be dedicated to applicant's State "A" a/c-1 Well No. 6, located 2310 feet from the North line and 1650 feet from the West line of said Section 21.

(8) That the said State "A" a/c-1 Well No. 6 be granted an acreage factor for allowable purposes in the proportion that the above-described acreage bears to a standard gas proration unit in the Jalmat Gas Pool.

(9) That the non-standard gas proration units in the Jalmat Gas Pool established by Orders R-535 and R-536 be and the same are hereby rescinded.

-4-
Case No. 1611
Order No. B-1364

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John Burroughs

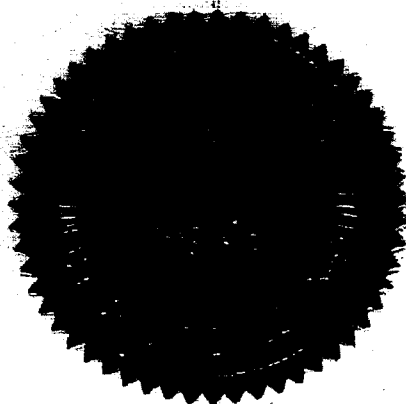
JOHN BURROUGHS, Chairman

Murray E. 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

April 8, 1959

Mr. Jack Campbell
Campbell & Russell
P.O. Box 721
Roswell, New Mexico

Dear Mr. Campbell:

On behalf of your client, Texas Pacific Coal & Oil Company, we enclose two copies of Order R-1364 issued April 7, 1959, by the Oil Conservation Commission in Case 1611, which was heard on March 11th at Santa Fe before an examiner.

Very truly yours,

A. L. Porter, Jr.
Secretary - Director

bp
Encls.

C
O
P
Y

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE NO. 1611

TRANSCRIPT OF HEARING

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

MARCH 11, 1959

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

IN THE MATTER OF:

Application of Texas Pacific Coal & Oil Company for three non-standard gas proration units. Applicant, in the above-styled cause, seeks an order establishing the following non-standard gas proration units in the Jalmat Gas Pool, Lea County, New Mexico.

(1) A 320-acre non-standard gas proration unit consisting of the SW/4 of Section 21 and the SE/4 of Section 20, both in Township 23 South, Range 30 East, to be dedicated to Applicant's State "A" a/c-1 Well No. 2 located in the NW/4 SW/4 of said Section 21;

CASE NO.

(2) A 240-acre non-standard gas proration unit consisting of the W/2 NW/4 of said Section 21 and the NE/4 of said Section 20 to be dedicated to applicant's State "A" a/c-1 Well No. 3 located in the SW/4 NW/4 of said Section 21;

1611

(3) An 80-acre non-standard gas proration unit consisting of the E/2 NW/4 of said Section 21 to be dedicated to Applicant's State "A" a/c-1 Wells 4 and 6 located respectively in the NE/4 NW/4 and the SE/4 NW/4 of said Section 21.

BEFORE:

Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

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

MR. NUTTER: The next case on the docket will be Case No. 1611.

MR. PAYNE: Case 1611. Application of Texas Pacific Coal & Oil Company for three non-standard gas proration units.

MR. CAMPBELL: Mr. Examiner, I am Jack M. Campbell of Campbell and Russell, Roswell, New Mexico, appearing on behalf of the Applicant. We have one witness.

(Witness sworn.)

JOHN YURONKA

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

DIRECT EXAMINATION

BY: MR. CAMPBELL:

Q State your name, please.

A John Yuronka.

Q Where do you live?

A Midland, Texas.

Q By whom are you employed and in what capacity?

A Texas Pacific Coal and Oil Company as division engineer.

Q You have testified previously before this Commission or its examiners?

A Yes, sir, I have.

MR. CAMPBELL: Are the witness' qualifications acceptable?

MR. NUTTER: Yes, sir, please proceed.

Q Mr. Yuronka, are you acquainted with the application of the Texas Pacific Coal & Oil Company in Case 1611 relating to three proposed non-standard units in the Jalmat Gas Pool?

A I am.

Q I hand you what has been marked as Exhibit 1 and ask you to state what it is.

A Exhibit 1 is the plat of the area involved showing the non-standard proration units outlined in red. The plat also shows contours on top of the Yates formation. In addition, the cross sections are indicated on the map, and in Exhibit No. 2, it is denoted by the green line, in Exhibit No. 3 by the orange, and in Exhibit No. 4 by the blue line.

Q Will you, by referring to Exhibit No. 1, advise the Examiner as to the present designations of gas proration units in that area and also the wells to which the acreage is dedicated?

A At the present time Well No. 2 is located in the NW/4 of the SW/4 of Section 21, and has 160 acres dedicated to it, which consist of the SW/4 of Section 21. Also we have 220-acre non-standard proration units; one unit consists of the N/2 of the NW/4 of Section 21, and the NE/4 of the NE/4 of Section 20, all in Township 23 South, Range 36 East, and the gas well involved is Well No. 1. The other 100-acre non-standard proration unit consists of the S/2 of the NW/4 of Section 21, and the SE/4 of the NE/4 of Section 20. This acreage is dedicated to wells No. 3 and 6.

Q Now, referring still to Exhibit No. 1, state to the Examiner what proration units you are seeking under this application, in the order that they appear on the docket, please.

A We are seeking a 320-acre non-standard gas proration unit consisting of the SW/4 of Section 21 and the SE/4 of Section 20, both in Township 23 South, Range 36 East, to be dedicated to applicant's State "A" a/c-1 Well No. 2 located in the NW/4 SW/4 of said Section 21. We are also asking for a 240-acre non-standard gas proration unit consisting of the W/2 NW/4 of said Section 21 and the NE/4 of said Section 20 to be dedicated to applicant's State "A" a/c-1 Well No. 3 located in the SW/4 NW/4 of said Section 21, and the third unit is an 80-acre non-standard proration unit consisting of the E/2 NW/4 of said Section 21 to be dedicated to applicant's State "A" a/c-1 Wells 4 and 6 located respectively in the NE/4 NW/4 and the SE/4 NW/4 of said Section 21.

Q Now, Mr. Yuronka, I refer you to what has been identified as Exhibit No. 2 and ask you to state what that is please.

A Exhibit No. 2 is a cross section beginning with Sinclair's Federal 714 Well No. 3 located in the NW/4 of the SW/4 of Section 17, Township 23 South, Range 36 East, and includes Sinclair's Federal 714 No. 1, T.P.'s State "A" a/c Well No. 1 39, T. P.'s State Account Well No. 5, and Well No. 3 in the same lease and Well No. 2 also in the same lease.

Q Is this the cross section which is shown in green on Exhibit No. 2?

A Yes, sir.

Q Refer now to what has been marked Exhibit 3 and state what that is, please.

A Exhibit No. 3 is denoted by the orange line on Exhibit No. 1, and starts with Continental's Steven "B-20" No. 1 located in the NE/4 of the NW/4 of Section 20, and includes Continental's Steven "B-20" Well No. 2, T. P.'s State "A" Account 1 Well No. 1, and T. P.'s State "A" Account 1 No. 3.

Q Is that the cross section that is shown in orange on Exhibit No. 1?

A Yes, sir.

Q Now, refer to Exhibit No. 1, state what that is please.

A Exhibit No. 4 is shown by a blue line in Exhibit No. 1 and includes two wells: Sinclair's Federal 714 Well No. 4, located in the NE/4 of the SW/4 of Section 20, and also includes T. P.'s State "A" Account Well No. 1 No. 2 in Section 21.

Q Is that cross section in blue on Exhibit No. 1?

A Yes, sir.

Q Now, Mr. Yuronka, it would appear from your application here that the acreage you are now seeking to dedicate to a gas well or wells in the pool, which is not presently being dedicated, is the SE/4 of Section 20?

A Yes, sir.

Q And W/2 of the NE/4 of Section 20, is that correct?

A Yes, sir.

Q Now, referring, as you see fit, to the cross sections which you have prepared, together with any other geological information that you may have, why do you believe that that undedicated acreage may reasonably be presumed to be productive of gas from the Jalmat Gas Pool?

A Referring to Exhibit No. 2, the productive zones as shown on this cross section are denoted by the yellow. There are three productive zones in the upper portion of the Yates, and these are traced through the wells included in this cross section from Sinclair's Federal 714 Well No. 3 down to T. P.'s State "A" Account 1 Well No. 2. It is quite apparent that this zone is, or these zones are productive of gas and can be traced through all of these wells. This same situation holds true for Exhibit 3 and 4 in regard to these productive zones. I would like to point out that in Sinclair's Federal 714 Well No. 1 --

Q Where is that situated?

A --which is located in the NE/4 of the SW/4 of Section 17, there is one zone opened. This zone is productive of oil, and this well is a top allowable oil well. However, I would like to point out that in the completion of Sinclair's Federal 714 No. 3, the zone that is opened in this perforated interval in the third zone is 3639-3635. It was sand oil treated with ten thousand gallons of oil and ten thousand pounds of sand. This zone tested fifteen hundred MCF per day, with three hundred and two barrels of load oil recovered, and had a GOR of sixty-two thousand five

hundred. Now, this is a report from the scout tickets and a scout report dated August the 21st, 1957.

MR. NUTTER: That's a test on the lower zone only?

A That's right, and after that it is apparent to me, at least, that Sinclair was looking for an oil well and consequently they plugged that off and perforated--that's the two upper zones--and consequently got a gas well, so you have an oil well between two gas well, but you have gas up dip and gas down dip. Now, that is about the only point in regard to Exhibit No. 2. Now, in Exhibit 3 and 4, you will notice that the third zone is the one that is productive of oil and is opened, in Exhibit No. 3, that lower zone is opened in both Continental wells, and Exhibit No. 4 you will note that that third zone is also opened in Sinclair's Federal 714 No. 4, however, none of these three wells have perforated the upper two zones.

Q Mr. Yuronka, based upon your studies of the wells in this area, are you of the opinion that the 320-acre non-standard proration unit consisting of the SW/4 of Section 21 and the SE/4 of Section 20 may be reasonably presumed to be productive of gas from the Jalmat Gas Pool?

A Yes, sir.

Q Do you believe that if this authority is granted, the proration unit established, that the gas may be produced from that gas proration unit without waste?

A Yes, sir, I do.

Q Do you believe that the proposed non-standard gas proration unit consisting of the SW/4 of Section 21 and the SE/4 of Section 20 may be reasonably presumed to be productive of gas from the Jalmat Gas Pool?

A Yes, sir, I do.

Q Do you believe that if it is approved, that the allowable can be produced from that gas unit without waste?

A Yes, sir.

Q Do you believe that the proposed non-standard gas proration unit consisting of the E/2 NW/4 of Section 21 may be reasonably presumed to be productive of gas from the Jalmat Gas Pool?

A Yes, I do.

Q Do you believe that if the authority is granted, the allowable may be produced from that unit without waste?

A Yes.

Q Will you state now a little bit about the producing capacity and deliverability of the wells which you intend to use as producing wells for each of these gas proration units?

A Before I do, though, as you will note, I haven't included wells No. 4 and No. 6 in these cross sections in regard to that 80-acre non-standard proration unit. However, I have checked the logs personally, and these zones can be correlated to Wells 4 and 6, and they are opened in both zones. T. P.'s State "A" Account 1 Well No. 3 in 1958 had a deliverability of

951.8.

Q Which is that well?

A That well is located in the SW/4 of the NW/4 of Section 21, Township 23 South, Range 36 East. T. P.'s State "A" Account Well No. 2 in 1958 had a deliverability of 792.1. This well is located in the NW/4 of the SW/4 of Section 21, Township 23 South, Range 36 East. T. P.'s State "A" Account Well No. 4, which is located in the NE/4 of the NW/4 of Section 21 had a deliverability in 1958 of 95.32. Well No. -- T. P.'s State "A" Account Well No. 6, located in the SE/4, NE/4 of Section 21, in 1958, had a deliverability of 89.13.

Q Mr. Yuronka, do you know of your own knowledge whether or not offset operators were advised of this hearing?

A Yes, sir, they were all notified of our application.

Q Notified in writing of your application, were they not?

A Yes, sir.

MR. CAMPBELL: I believe that's all I have at this time.

MR. NUTTER: Are there any questions of Mr. Yuronka?

MR. PAYNE: Yes, sir.

MR. NUTTER: Mr. Payne.

CROSS EXAMINATION

BY: MR. PAYNE:

Q Mr. Yuronka, do you happen to know the order number

that established the non-standard proration units in this area that are presently in existence?

A No, sir, I don't.

Q Do you feel that you need the No. 4 and No. 6 well, both dedicated to this requested 80-acre non-standard unit in order to keep the unit top allowable, you couldn't produce the allowable from either one of the two wells?

A Well, with the deliverability involved, I don't see where it would make much difference in the present proration we have. It would amount to relatively the same. You could have 40-acre tracts for each well if need be.

Q That's what I am getting at. I was wondering why you chose this route here to have the 80-acre tract dedicated to both wells as opposed to two 40-acre non-standard units?

A There wasn't any particular reason for it.

MR. PAYNE: That's all.

MR. NUTTER: Any further questions?

QUESTIONS BY MR. NUTTER:

Q Mr. Yuronka, is there a well established idea in Southeast New Mexico that there is a gas-oil contact which is at a rather uniform level throughout this area?

A Yes, sir, the gas-oil contact is approximately a minus 150.

Q Minus 150. Does that minus 150 contour cross your acreage at any point on the tract?

A No, sir, we have not shown that, however, all these cross sections were made on a subsea datum point, and if you will note, this Sinclair Federal 714 Well No. 1, the gas-oil contact by core is at a minus 147, I believe.

Q What was that again?

A At a minus 147 by core.

Q That's the 714 No. 1 on Exhibit No. 2?

A Yes, sir.

Q Do you think if that well were perforated in the two upper sections, that it would be a high gas-oil ratio well, or possibly a gas well?

A Yes, sir.

Q Referring to your Exhibit No. 4, Mr. Yuronka, the left well on the exhibit is an oil well, and the right well is a gas well?

A Yes, sir.

Q Now, do you think if the left well, being the 714 No. 4, Sinclair Well, were perforated in the upper sections, that it would be a gas well?

A Yes, sir.

Q Now, you mentioned deliverability. Do you have an deliverability figure available for your No. 5 Well?

A No. 5 has been plugged and abandoned.

Q Was that opened in the Jolma Formation?

A Yes, sir, we -- I think if you will note Exhibit 2,

at the bottom, below the log on that well, we have a workover with the pertinent data involved. We worked the well over in January of 1952 and we plugged back to 3570 and perforated 3447-3563 with four shots per foot, and then we had a three batch hydro-frac job, which includes 9,494 gallons of oil and 1,200 pounds of sand with 750 pounds of gel, and we swabbed back 226 barrels of oil, which I think, is just approximately the load, and that was it, it was dry, and then we plugged and abandoned it in May of 1952.

Q That well is opened in all three sections, or is it now, or was opened?

A Yes, sir. Our belief on that well is the fact that there was some mechanical difficulty. This well, incidently, was drilled back, rather was completed on August the 4, 1930, and we have had experience not only with this well, but with other wells, although it does not show on our record, we know that they had some blowouts on these wells, they had to do quite a bit of squeezing and what have you in order to get the well completed properly, and consequently, well, at that time they were shooting for the oil zones below our gas pool, and consequently, we believe that the cement probably squeezed off our pay zone and we could not complete it as a gas well. We have another well like that up in Township 22 South, Range 35 East.

Q In this well N. 5, did you actually have a blowout and then had to squeeze it to shut it off?

A Yes, sir, during the drilling of it.

Q Do you believe that the re-perforations in 1952 failed to get through that cement squeeze that had been performed on the well during the drilling operation?

A Yes, sir, I do.

Q But if you had been successful in perforating through the cement, that you would have gotten a producing well?

A Yes, sir.

MR. NUTTER: Any further questions of Mr. Yuronka? If not, he may be excused.

MR. CAMPBELL: Just a moment. Mr. Yuronka, were these exhibits prepared by you or under your supervision?

A Yes, sir, they were.

MR. CAMPBELL: I would like to offer Exhibit 1, 2, 3, and 4 in this case.

MR. NUTTER: Is there objection to the introduction of T. P.'s Exhibits 1 through 4? If not, they will be received as evidence. Does anyone have anything further they wish to offer in Case 1611? Take the case under advisement and the hearing is adjourned.

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 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 20th day of March, 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 correct and true copy of the proceedings in the Examination of the 16th hearing on March 11, 1959.
Joseph A. Trujillo Examiner
New Mexico Oil Conservation Commission