

CASE 1952: Application of TEXACO INC.  
For a 476-acre non-standard gas  
proration unit in Jalmat Gas Pool.

Case No.

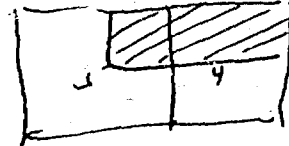
1952

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Application, Transcript,  
Small Exhibits, Etc.

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

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO



IN THE MATTER OF THE APPLICATION OF TEXACO  
INC. FOR AN ORDER GRANTING APPROVAL OF AN  
EXCEPTION TO THE SPECIAL RULES AND REGULATIONS  
OF THE JALMAT GAS POOL AS SET FORTH IN RULE 5  
OF ORDER NO. R-520 FOR THE ESTABLISHMENT OF A  
NON-STANDARD GAS PRORATION UNIT OF 476 CON-  
TIGUOUS ACRES CONSISTING OF THE NE $\frac{1}{4}$  OF SECTION  
5 AND THE N $\frac{1}{2}$  OF SECTION 4, TOWNSHIP 24 SOUTH,  
RANGE 37E, LEA COUNTY, NEW MEXICO.

CASE NO.

1952

A P P L I C A T I O N

Comes now the applicant, Texaco Inc. and respectfully states:

1. That it is the owner and operator of its E. D. Fanning lease consisting of 476 acres comprising the NE $\frac{1}{4}$  Section 5 and the N $\frac{1}{2}$  of Section 4 in Township 24 South, Range 37 East, Lea County, New Mexico.
2. Applicant is preparing to drill its E. D. Fanning well No. 6 to be located 660 feet from the North line and 660 feet from the West line of said Section 4. Applicant has projected the well to be completed as a dual producer in the Jalmat (gas) and Ianglie-Mattix (oil) pools.
3. It is proposed to assign the entire 476 acres to the Jalmat gas production obtained from the E. D. Fanning well No. 6.
4. The said proposed unit will consist of contiguous quarter-quarter sections, but will constitute a non-standard gas proration unit in that it will cross a governmental section line, the unit will be in excess of 5,280 feet in length and the well will be located closer than 1,980 feet to one of the tracts boundaries.
5. That the entire proposed non-standard gas proration unit may reasonably be presumed to be productive of gas from the Jalmat gas pool.
6. That attached hereto as Exhibit "A" and made a part hereof

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

1 by reference is a plat showing the area covered by this application the  
2 location of all wells drilled or drilling in the area, together with the  
3 name of all the offset operators.

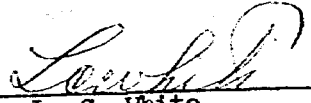
4 7. That approval of the non-standard gas proration unit as  
5 herein outlined will not cause waste nor impair correlative rights but  
6 will permit applicant the opportunity to reasonably recover its just  
7 and equitable share of the natural gas in the Jalmat gas pool.

8 WHEREFORE, applicant prays this application be set for hearing  
9 before an examiner during the month of April; that notice thereof be  
10 given as required by law; and that upon the evidence produced that the  
11 Commission issue an Order for the establishment of a non-standard pro-  
12 ration unit as herein requested.

13 TEXACO INC.

14 By GILBERT, WHITE AND GILBERT

15  
16 By

  
17 L. C. White  
18 P. O. Box 787  
19 Santa Fe, New Mexico  
20  
21  
22  
23  
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County, \_\_\_\_\_

Township \_\_\_\_\_ Range \_\_\_\_\_

Township \_\_\_\_\_ Range \_\_\_\_\_

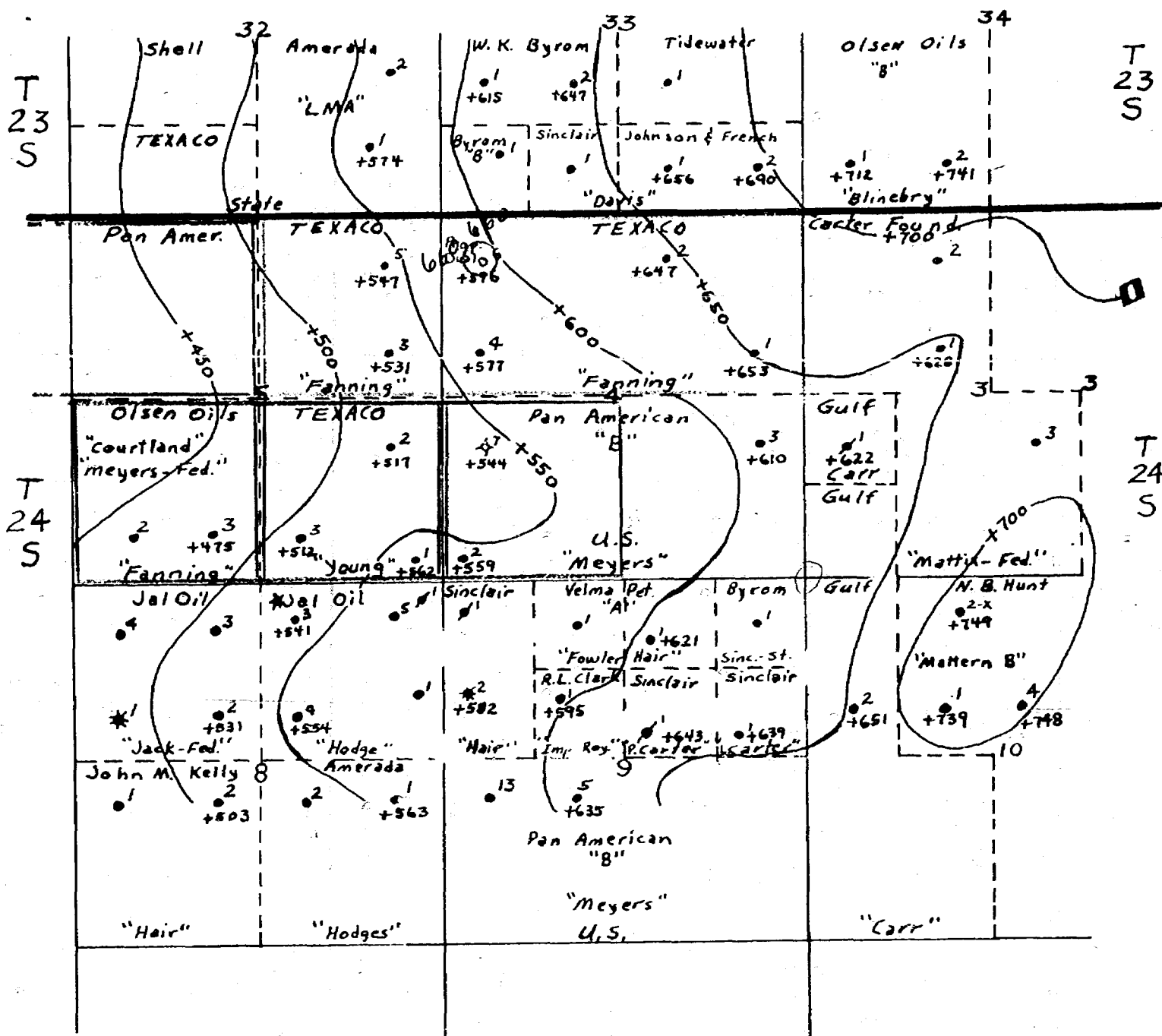
Township \_\_\_\_\_ Range \_\_\_\_\_

Township \_\_\_\_\_ Range \_\_\_\_\_

Form 104—(Four on Township)

6	5	4	3	2	1	6	5	4	3	2	1
7	8	9	10	11	12	7	8	9	10	11	12
18	17	16	15	14	13	18	17	16	15	14	13
19	20	21	22	23	24	19	20	21	22	23	24
30	29	28	27	26	25	30	29	28	27	26	25
31	32	33	34	35	36	31	32	33	34	35	36
6	5	4	3	2	1	6	5	4	3	2	1
7	8	9	10	11	12	7	8	9	10	11	12
18	17	16	15	14	13	18	17	16	15	14	13
19	20	21	22	23	24	19	20	21	22	23	24
30	29	28	27	26	25	30	29	28	27	26	25
31	32	33	34	35	36	31	32	33	34	35	36

*Handwritten notes:*  
- In the right-hand grid, section 34 is crossed out with a large 'X'.  
- To the right of the grid, there is a handwritten note: "Selling 41".  
- Below that, another handwritten note: "H. D. G. Co. A".

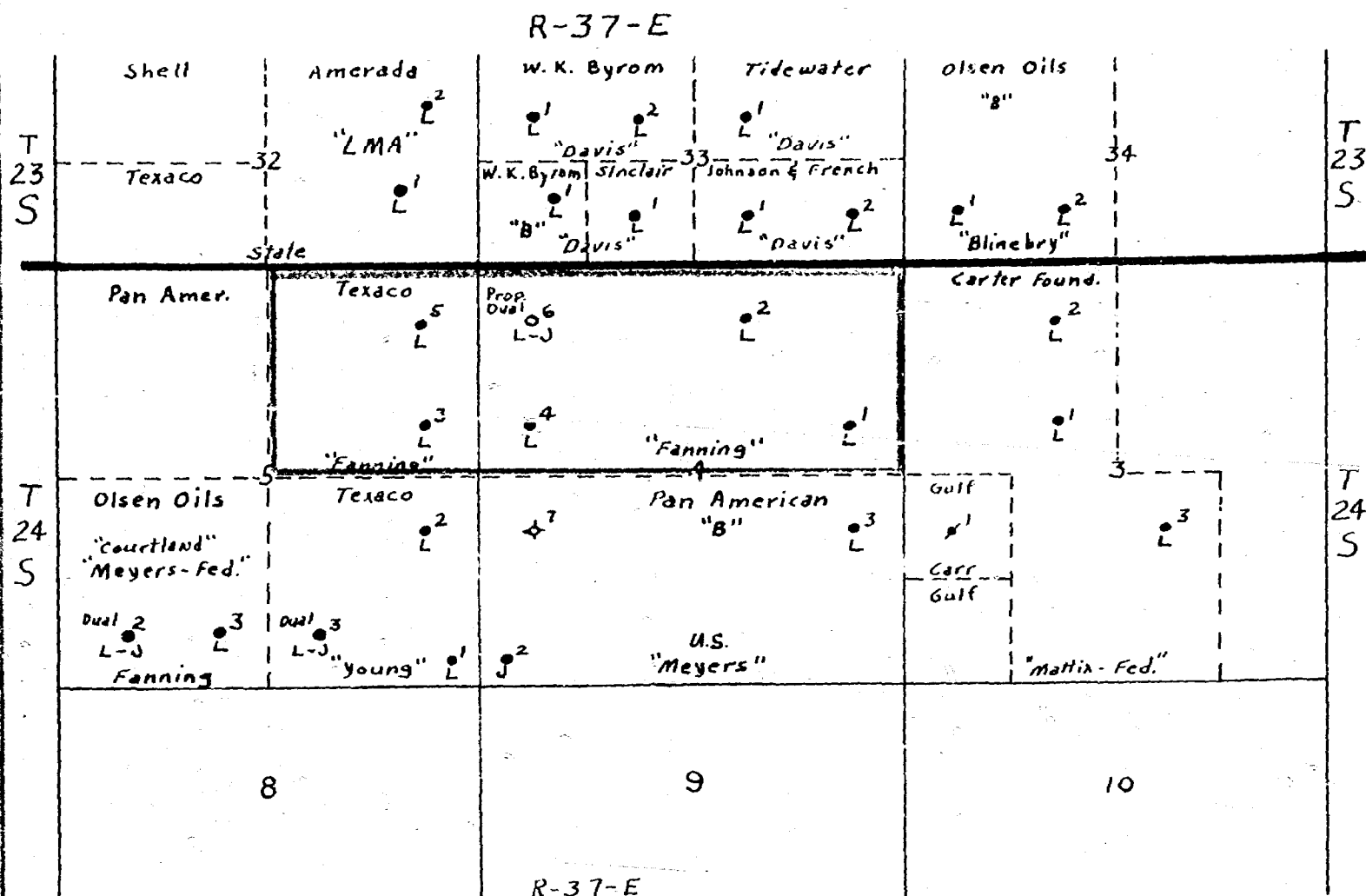


R-37-E

STRUCTURE MAP—JALMAT GAS AREA  
Contoured on Top of Yates Formation  
Contour Interval: 50 Feet  
Scale: 1 Inch = 2000 Feet

- —TEXACO Inc. Jalmat Gas Well
- Proposed Gas Unit
- Offset Gas Unit

BEFORE EXAMINER UTZ  
OIL CONSERVATION COMMISSION  
EXHIBIT NO. 3  
CASE NO. 1952



PLAT OF TEXACO Inc. E. D. FANNING LEASE AND OFFSET LEASES  
Lea County, New Mexico  
Scale: 1" = 2000'  
LMF March 21, 1960

LEGEND

L - Langlie Mattix Pool  
J - Jalmat Gas Pool

OFFSET OPERATORS

Amerada Petroleum Corp., P. O. Box 312,  
Midland, Texas  
W. K. Byrom, 1000 North Dal Paso, Hobbs,  
New Mexico  
Sinclair Oil and Gas Company, P. O. Box 1470,  
Midland, Texas  
Johnson and French Oil Company, 608 South  
6th Street, Jal New Mexico  
Olsen Oils, Inc., Liberty Bank Building,  
Oklahoma City 2, Oklahoma  
Carter Foundation Production Co., P. O.  
Box 1036, Fort Worth, Texas  
Gulf Oil Corp., Drawer 669, Roswell, N. Mex.  
Pan American Petroleum Corporation, P. O.  
Box 268, Lubbock, Texas

BEFORE EXAMINATION  
OIL COMMISSION  
EXAM. NO. 1  
CASE NO. 1952

DOCKET: EXAMINER HEARING APRIL 27, 1960

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

The following cases will be heard before Elvis A. Utz, Examiner, or Oliver E. Payne, Attorney, as alternate examiner:

- CASE 1942: Application of Continental Oil Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of the Jicarilla Well No. 28-1, located in the NW/4 SE/4 of Section 28, Township 25 North, Range 4 West, Rio Arriba County, New Mexico, in such a manner as to permit the production of oil from the Gallup formation and the production of oil from the Dakota formation through parallel strings of tubing.
- CASE 1927: (Continued)  
Application of J. W. Brown for the establishment of special rules and regulations governing the Brown Pool in Chaves County, New Mexico, to provide for 2½-acre spacing in said pool.
- CASE 1943: Application of Gulf Oil Corporation for a dual completion and for an exception to the tubing requirements of Rule 107. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Apache-Federal Well No. 8, located in Unit D, Section 8, Township 24 North, Range 5 West, Rio Arriba County, New Mexico, in such a manner as to permit the production of gas from the Otero-Gallup Oil Pool and the production of gas from the Dakota Producing Interval through the casing-tubing annulus and the tubing respectively. Applicant further seeks an exception to certain tubing requirements set forth in Rule 107 of the Commission's Rules and Regulations.
- CASE 1944: Application of Great Western Drilling Company for establishment of a 200-acre non-standard gas proration unit in the Eumont Gas Pool. Applicant, in the above-styled cause, seeks an order establishing a 200-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the E/2 NE/4 of Section 32 and the E/2 NW/4 and NW/4 NW/4 of Section 33, all in Township 19 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to its Bordages Well No. 1 located 330 feet from the North line and 270 feet from the West line of said Section 33.



- CASE 1949: Application of Trice Production Company for approval of a "slim-hole" completion. Applicant, in the above-styled cause, seeks an order authorizing the "slim-hole" completion of its Four Lakes State Well No. 1, located in the NE/4 NW/4 of Section 11, Township 12 South, Range 34 East, Lea County, New Mexico, to be completed in either the Pennsylvanian or Wolfcamp formation at a minimum total depth of 10,000 feet.
- CASE 1950: Application of Sinclair Oil & Gas Company for permission to commingle the production from two separate leases. Applicant, in the above-styled cause, seeks permission to commingle the West Teas Pool production from its State Lea 886 lease consisting of the S/2 NW/4 and N/2 NE/4 of Section 16 with the West Teas Pool production from that portion of its State Lea 6019 lease consisting of the NW/4 NW/4 and SE/4 of said Section 16, all in Township 20 South, Range 33 East, Lea County, New Mexico.
- CASE 1951: Application of Texaco Inc. for a gas-gas dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of the State "CH" Well No. 1, located in Unit H, Section 36, Township 20 South, Range 32 East, Lea County, New Mexico, in such a manner as to permit the production of gas from an undesignated Atoka gas pool and the production of gas from the South Salt Lake-Pennsylvanian Gas Pool through parallel strings of tubing.
- CASE 1952: Application of Texaco Inc. for establishment of a 476-acre non-standard gas proration unit in the Jalmat Gas Pool. Applicant, in the above-styled cause, seeks the establishment of a 476-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the N/2 of Section 4 and the NE/4 of Section 5, Township 24 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the E. D. Fanning Well No. 6, to be located 660 feet from the North and West lines of said Section 4.
- CASE 1953: Application of Keohane, Saunders, Welch and Iverson for an unorthodox oil well location. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location for its Hinkle-Federal Well No. 7-B in the Shugart Pool at a point 330 feet from the South line and 2329 feet from the East line of Section 35, Township 18 South, Range 31 East, Eddy County, New Mexico.

- CASE 1954: Application of Shell Oil Company for approval of an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing the installation of an automatic custody transfer system to handle the production from the Saunders (Permo-Pennsylvanian) Pool from all wells presently completed or hereafter drilled on the State A lease comprising the E/2 of Section 34, Township 14 South, Range 33 East, Lea County, New Mexico.
- CASE 1955: Application of Shell Oil Company for approval of an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing the installation of an automatic custody transfer system to handle the production from the Monument Pool from all wells presently completed or hereafter drilled on the State B lease comprising the NW/4 of Section 36, Township 19 South, Range 36 East, Lea County, New Mexico.
- CASE 1956: Application of Shell Oil Company for approval of an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing the installation of an automatic custody transfer system to handle the production from the Townsend-Wolfcamp Pool from all wells presently completed or hereafter drilled on the State ETA lease comprising all of Section 8, Township 16 South, Range 35 East, Lea County, New Mexico.
- CASE 1957: Application of Shell Oil Company for approval of an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing the installation of an automatic custody transfer system to handle the production from the Denton (Devonian) Pool from all wells presently completed or hereafter drilled on the Priest lease comprising the N/2 of Section 1, Township 15 South, Range 37 East, Lea County, New Mexico.

CASE 1945: Application of Permian Oil Company for an order force-pooling the interests in a 320-acre unit in the Dakota formation. Applicant, in the above-styled cause, seeks an order force-pooling all Dakota formation mineral interests in the 320 acres comprising the E/2 of Section 5, Township 30 North, Range 13 West, San Juan County, New Mexico, the non-consenting mineral interest owners being Raymond H. Walker and Edith Walker, 1250 South Figueroa Street, Los Angeles, California, and Norman Roybark and Rose Ella Roybark, address unknown.

CASE 1946: Application of J. R. Cone for an exception to the over-production shut-in provisions of Order R-520, as amended by Order R-967, for two wells in the Jalmat Gas Pool. Applicant, in the above-styled cause, seeks an order allowing the following-described wells in the Jalmat Gas Pool to compensate for their overproduced status without being completely shut-in in order to prevent possible waste:

Mobil-Myers Well No. 4, Unit I, Section 22

Pan American-Myers Well No. 1, Unit H, Section 22

both in Township 24 South, Range 36 East, Lea County, New Mexico.

CASE 1947: Application of Phillips Petroleum Company for the establishment of two 80-acre non-standard oil proration units and one unorthodox oil well location. Applicant, in the above-styled cause, seeks an order establishing two 80-acre non-standard oil proration units in the Kemnitz-Wolfcamp Pool, Lea County, New Mexico, each consisting of a portion of the S/2 of Section 25, Township 16 South, Range 33 East. Applicant further seeks approval of an unorthodox oil well location in said Kemnitz-Wolfcamp Pool, the location to be in the center of the NW/4 SE/4 of said Section 25.

CASE 1948: Application of Humble Oil & Refining Company for authority to commingle the production from several separate leases and for approval of an automatic custody transfer system to handle said commingled production. Applicant, in the above-styled cause, seeks permission to commingle the Empire-Abo Pool production from certain leases in Sections 4, 8, 9, 16 and 17, Township 18 South, Range 27 East, Eddy County, New Mexico, all of such leases being in the Chalk Bluff Draw Unit. Applicant also seeks approval of an automatic custody transfer system to handle said Empire-Abo Pool production from all wells presently completed or hereafter drilled on said leases.

TEXACO  
MAIN OFFICE REC.

1960 MAY 15 PM 1:33

DOMESTIC PRODUCING DEPARTMENT  
MIDLAND DIVISION



P. O. BOX 3109  
MIDLAND, TEXAS

May 16, 1960

Case 1952

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

Attn: Mr. E. A. Utz

Gentlemen:

Case 1952, the application of TEXACO Inc. for a 476-acre nonstandard proration unit to be dedicated to its E. D. Fanning Well No. 6 in the Jalmat Gas Pool, Lea County, New Mexico, was heard on April 27, 1960. Presiding at this hearing was Examiner E. A. Utz.

After making a diligent effort, TEXACO Inc. has been unable to complete its E. D. Fanning No. 6 in the Jalmat Gas Pool. While the geological and engineering data indicated a commercial well, we have been unable to complete the well as a commercial producer, and the well will be abandoned in this zone. If a formal order has not been issued, TEXACO Inc. respectfully requests that its application for an NSP unit be dismissed.

Very truly yours,

*J. E. Robinson, Jr.*

J. E. Robinson, Jr.  
Division Proration Engineer

JERjr.-MM

cc: L. C. White  
Johnston Rowe  
John B. Ross

OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

CASE 1952

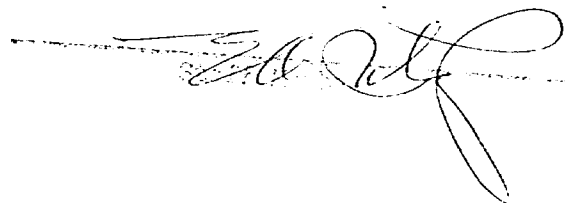
Date 5-2-60

Hearing Date 4-27-60

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

Grant Texaco's request for a NSP  
for 476 Ac. in ~~San Juan~~ Gas Pool.  
for Its Fanning No. 6, 660 NW 4-245-37 E.  
This will be a dual-gasmat & Fungie-  
Matter.

1. There is some doubt as to the  
productivity of the NENE of this unit  
but since we have delineated the  
pool on both the North & South of  
this unit as well as granting  
at least 2 other units with the  
gate contours as low as this one.  
Seems we should be more careful  
in Pool delineation. Find it  
productive.
2. Well is too close to the North line of unit.  
but we have granted some as close as  
grant it.
3. Grant NSP order otherwise.



DRAFT  
OEP:esr  
May 3

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. 1952

Order No. R-1665

APPLICATION OF TEXACO INC. FOR A  
476-ACRE NON-STANDARD GAS PRORA-  
TION UNIT 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  
April 27, 1960, 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 \_\_\_\_\_ day of May, 1960, 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 sub-  
ject matter thereof.

-2-

CASE No. 1952

Order No. R-\_\_\_\_\_

(2) That the applicant, Texaco Inc., is the owner and operator of the NE/4 of Section 5 and the N/2 of Section 4, Township 24 South, Range 37 East, <sup>NMPM,</sup> Lea County, New Mexico.

(3) That the applicant proposes that the above-described 476-acre <sup>tract</sup> be established as <sup>a</sup> non-standard gas proration unit in the Jalmat Gas Pool to be dedicated to its E. D. Fanning Well No. 6, located 660 feet from the North line and 660 feet from the West Line of said Section 4.

(4) That the above-described 476-acre <sup>tract</sup> can reasonably be presumed to be productive of gas from the Jalmat Gas Pool.

(5) That establishment of the above-described non-standard gas proration unit will neither cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

(1) That a 476-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the NE/4 of Section 5 and the N/2 of Section 4, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico, be and the same is hereby established. Said unit is to be dedicated to the E. D. Fanning Well No. 6, located 660 feet from the North line and 660 feet from the West line of said Section 4.

(2) That the said E. D. Fanning Well No. 6 be and the same is hereby assigned an acreage factor for allowable purposes in the proportion that the acreage in the non-standard gas proration unit bears to the acreage in a standard gas proration unit in the Jalmat Gas Pool, subject to the provisions of the special Rules and Regulations for said pool.

(3) That the effective date of this order is June 1, 1960.

DONE at Santa Fe, New Mexico,-----

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. 1952  
Order No. R-1665

APPLICATION OF TEXACO INC. FOR A  
476-ACRE NON-STANDARD GAS PRORA-  
TION UNIT 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 April 27, 1960, 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 9th day of May, 1960, 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, Texaco Inc., is the owner and operator of the NE/4 of Section 5 and the N/2 of Section 4, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico.
- (3) That the applicant proposes that the above-described 476-acre tract be established as a non-standard gas proration unit in the Jalmat Gas Pool to be dedicated to its E. D. Fanning Well No. 6, located 660 feet from the North line and 660 feet from the West line of said Section 4.
- (4) That the above-described 476-acre tract can reasonably be presumed to be productive of gas from the Jalmat Gas Pool.
- (5) That establishment of the above-described non-standard gas proration unit will neither cause waste nor impair correlative rights.



-2-  
CASE No. 1952  
Order No. R-1665

IT IS THEREFORE ORDERED:

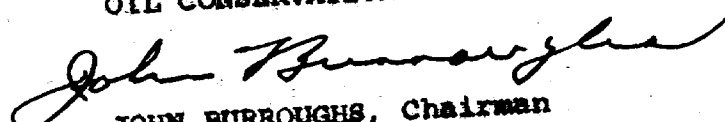
(1) That a 476-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the NE/4 of Section 5 and the N/2 of Section 4, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico, be and the same is hereby established. Said unit is to be dedicated to the E. D. Fanning Well No. 6, located 660 feet from the North line and 660 feet from the West line of said Section 4.

(2) That the said E. D. Fanning Well No. 6 be and the same is hereby assigned an acreage factor for allowable purposes in the proportion that the acreage in the non-standard gas proration unit bears to the acreage in a standard gas proration unit in the Jalmat Gas Pool, subject to the provisions of the special Rules and Regulations for said Pool.

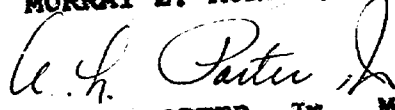
(3) That the effective date of this order is June 1, 1960.

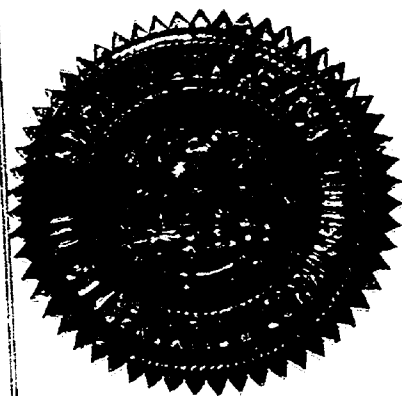
DONE at Santa Fe, New Mexico, on the day and year herein-  
above designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
JOHN BURROUGHS, Chairman

  
MURRAY E. MORGAN, Member

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



esr/

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
APRIL 27, 1960

EXAMINER HEARING

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

IN THE MATTER OF:

Application of Texaco Inc. for establishment of  
a 476-acre non-standard gas proration unit in the  
Jalmat Gas Pool. Applicant, in the above-styled  
cause, seeks the establishment of a 476-acre non-  
standard gas proration unit in the Jalmat Gas  
Pool consisting of the N/2 of Section 4 and the  
NE/4 of Section 5, Township 24 South, Range 37  
East, Lea County, New Mexico, said unit to be  
dedicated to the E. D. Fanning Well No. 6, to be  
located 660 feet from the North and West lines  
of said Section 4.

Case 1952

BEFORE:

Elvis A. Utz, Examiner.

TRANSCRIPT OF PROCEEDINGS

MR. UTZ: Case 1952.

MR. PAYNE: Application of Texaco Inc. for establishment  
of a 476-acre non-standard gas proration unit in the Jalmat Gas  
Pool. May the record show the same appearances as in Case 1951.

HERB WADE,

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

DIRECT EXAMINATION

BY MR. WHITE:



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

Q Are you the same Mr. Wade that testified in Case 1951?

A Yes, sir.

Q Are you familiar with Texaco's Fanning lease?

A I am; yes, sir.

Q Will you refer to Exhibit No. 1, state the location of the lease and point out the well to which the acreage is to be dedicated?

A Yes, sir. Exhibit No. 1 is an ownership plat upon which the acreage to be dedicated to the proposed Fanning No. 6 is outlined in yellow. This acreage is the north half of Section 4, Township 24 South, Range 37 East, northeast quarter of Section 5 of the same Township and Range. The legend at the base of the plat shows the Langlie-Mattix Pool wells, on the plat to be designated as LM; the Jalmat Gas Pool wells within the confines of the plat are designated by J. Also shown is the offset operators to this proposed non-standard proration unit.

Q Where is the subject well No. 6 located?

A The subject well is located 660 feet from the north and west lines of Section 4, Township 24 South, Range 37 East.

Q And will this well be completed as a dual?

A Yes, sir; that is correct. It will be a Jalmat-Langlie-Mattix oil dual.

Q It will be gas-oil?

A Yes, it will.



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6091

ALBUQUERQUE, NEW MEXICO

Q In what way does this constitute a non-standard gas proration unit?

A First, the non-standard proration unit crosses the governmental section lines to include portions of sections 4 and 5. Secondly, it is a unit in size with an excess of 5,280 feet from corner to corner. Next, the well is closer to one side of the proration unit than 1980 feet.

Q Will you refer to what has been marked as Exhibit No. 2 and explain that, Mr. Wade?

A Exhibit No. 2 is a radioactivity log of the subject well. This log has been marked in red to show the perforations through the Yates zone, which is to produce into the Jalmat portion of this well. These perforations range from 2750 to 2969, in scattered porosity intervals throughout the Yates section.

Q Will you refer to your structural map, Exhibit No. 3, and explain that exhibit?

A Yes, sir. Exhibit No. 3 is a structur map. The proposed well is circled in red; the proposed gas unit is outlined in yellow, and offsetting gas units are outlined in green. The contour interval chosen for this map is 50 feet. The scale is one-inch to two thousand feet, and the contours are on the top of the Yates formation.

Q Are there any sand developments in the wells within the area?



A All of the wells on our Fanning lease have indicated sand development during their drilling. Also, to the north, the Johnson & French lease, Davis No. 2, which is a comparable structural position to the edge of our lease, the northern edge of our lease, shows a very poor sand development; nevertheless, it does show sand, and a log of hydrocarbons as indicated during the drilling of that well.

Q Have there been any other instances in this area of high structure, 700 feet as shown on the north corner of your tract?

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Q As a result of your studies, is it your conclusion and reasonable to presume that the entire proposed unit will be productive of gas?

A I think the entire proposed unit will contribute to the production of gas from the proposed well.

Q Would the proposed unit interfere with correlative rights in any way?

A No, sir.

Q And will it enable Texaco to claim its just and equitable share of the gas in the reservoir?

A Yes, sir, it will.



Q Were Exhibits 1 through 3 prepared by you or under your direction?

A They were.

MR. WHITE: We offer the exhibits.

MR. UTZ: Without objection they will be accepted.

BY MR. UTZ:

CROSS-EXAMINATION

Q Mr. Wade, are there any wells capable of producing on plus 700 contour on this side of the field, the southeast side?

A I don't know, Mr. Utz. I only know about the assignments of acreage in just these few I have mentioned. I don't know of any wells completed at plus 750 in the field; I don't of any.

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MR. UTZ: Any other questions of the witness?

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Q Mr. Wade, will this well produce at 476 gas allowable from the Jalmat?

A I don't know.

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A We hope it will. We haven't completed the well yet. It

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is in the process of being completed.

Q The north half of Section 4 is not actually in the Jalmat Gas Pool, is it?

A I don't believe it is in that nomenclature; that's right.

MR. UTZ: Any further questions? Witness may be excused.

STATE OF NEW MEXICO )  
COUNTY OF BERNALILLO ) ss

I, the Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

Court Reporter

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 1952 heard by me on April 27, 1960.  
[Signature] Examiner  
New Mexico Oil Conservation Commission

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BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
APRIL 27, 1960

EXAMINER HEARING

IN THE MATTER OF:

Application of Texaco Inc. for establishment of a 476-acre non-standard gas proration unit in the Jalmat Gas Pool. Applicant, in the above-styled cause, seeks the establishment of a 476-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the N/2 of Section 4 and the NE/4 of Section 5, Township 24 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the E. D. Fanning Well No. 6, to be located 660 feet from the North and West lines of said Section 4.

Case 1952

BEFORE:

Elvis A. Utz, Examiner.

TRANSCRIPT OF PROCEEDINGS

MR. UTZ: Case 1952.

MR. PAYNE: Application of Texaco Inc. for establishment of a 476-acre non-standard gas proration unit in the Jalmat Gas Pool. May the record show the same appearances as in Case 1951.

HERB WADE,

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

DIRECT EXAMINATION

BY MR. WHITE:

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Q Are you the same Mr. Wade that testified in Case 1951?

A Yes, sir.

Q Are you familiar with Texaco's Fanning lease?

A I am; yes, sir.

Q Will you refer to Exhibit No. 1, state the location of the lease and point out the well to which the acreage is to be dedicated?

A Yes, sir. Exhibit No. 1 is an ownership plat upon which the acreage to be dedicated to the proposed Fanning No. 6 is outlined in yellow. This acreage is the north half of Section 4, Township 24 South, Range 37 East, northeast quarter of Section 5 of the same Township and Range. The legend at the base of the plat shows the Langlie-Mattix Pool wells, on the plat to be designated as LM; the Jalmat Gas Pool wells within the confines of the plat are designated by J. Also shown is the offset operators to this proposed non-standard proration unit.

Q Where is the subject well No. 6 located?

A The subject well is located 660 feet from the north and west lines of Section 4, Township 24 South, Range 37 East.

Q And will this well be completed as a dual?

A Yes, sir; that is correct. It will be a Jalmat-Langlie-Mattix oil dual.

Q It will be gas-oil?

A Yes, it will.



Q In what way does this constitute a non-standard gas proration unit?

A First, the non-standard proration unit crosses the governmental section lines to include portions of sections 4 and 5. Secondly, it is a unit in size with an excess of 5,280 feet from corner to corner. Next, the well is closer to one side of the proration unit than 1980 feet.

Q Will you refer to what has been marked as Exhibit No. 2 and explain that, Mr. Wade?

A Exhibit No. 2 is a radioactivity log of the subject well. This log has been marked in red to show the perforations through the Yates zone, which is to produce into the Jalmat portion of this well. These perforations range from 2750 to 2969, in scattered porosity intervals throughout the Yates section.

Q Will you refer to your structural map, Exhibit No. 3, and explain that exhibit?

A Yes, sir. Exhibit No. 3 is a structur map. The proposed well is circled in red; the proposed gas unit is outlined in yellow, and offsetting gas units are outlined in green. The contour interval chosen for this map is 50 feet. The scale is one-inch to two thousand feet, and the contours are on the top of the Yates formation.

Q Are there any sand developments in the wells within the area?

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I, the Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

JUNE PAIGE  
Court Reporter

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner Hearing of Case No. 1952, heard by me on April 27, 1962.  
Charles H. McFarner  
New Mexico Oil Conservation Commission

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