

CASE 2088: Application of GULF  
for 3 non-standard gas proration  
units in the JALMAT GAS POOL.

Case No.

2068

Application, Transcript,  
Small Exhibits, Etc.

**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. 2068  
Order No. R-1770**

**APPLICATION OF GULF OIL CORPORATION  
FOR THREE NON-STANDARD GAS PRODUCTION  
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 September 7, 1960, at Santa Fe, New Mexico, before Elvis A. Uts, 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 16th day of September, 1960, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Uts, 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 by Order No. R-485, a 640-acre non-standard gas production unit in the Jalmat (now Jalmat) Gas Pool was established consisting of the SE/4 of Section 33 and the SW/4 of Section 34, both in Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, and the NW/4 of Section 3 and the NE/4 of Section 4, both in Township 22 South, Range 36 East, NMPM, Lea County, New Mexico. Said 640-acre non-standard gas production unit was dedicated to the W. A. Ramsay "A" Well No. 1, located 330 feet from the South line and 330 feet from the West line of said Section 34.

(3) That the applicant, Gulf Oil Corporation, proposes that Order No. R-485, which established the above-described 640-acre non-standard gas production unit, be superseded, and that a 480-acre non-standard gas production unit in the Jalmat Gas Pool be established consisting of the SE/4 of Section 33 and the SW/4 of Section 34, both in Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, and the NW/4 of Section 3, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico. Applicant proposes to dedicate said unit to the above-described W. A. Ramsay "A" Well No. 1.

(4) That by Administrative Order MSP-404, a 320-acre non-standard gas proration unit in the Jalmat Gas Pool was established comprising the S/3 of Section 4, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico, and dedicated to the J. F. Janda "F" Well No. 7, located 1980 feet from the south line and 1980 feet from the West line of said Section 4.

(5) That the applicant, Gulf Oil Corporation, proposes that Administrative Order MSP-404, which established the above-described 320-acre non-standard gas proration unit, be superseded, and that a 160-acre non-standard gas proration unit be established comprising the SW/4 of Section 4, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico. Applicant proposes to dedicate said unit to the above-described J. F. Janda "F" Well No. 7.

(6) That the applicant further proposes that a 320-acre non-standard gas proration unit be established, comprising the E/2 of Section 4, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico, and dedicated to the J. F. Janda "F" Well No. 13, located 660 feet from the south line and 660 feet from the East line of said Section 4.

(7) That the applicant, Gulf Oil Corporation, is the owner and operator of all of the above-described acreage comprising the proposed non-standard gas proration units.

(8) That all of the acreage in the proposed non-standard gas proration units can reasonably be presumed to be productive of gas from the Jalmat Gas Pool.

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

IT IS THEREFORE ORDERED:

(1) That Order No. R-485 establishing a 640-acre non-standard gas proration unit in the Langmat (now Jalmat) Gas Pool, comprising the SE/4 of Section 33 and the SW/4 of Section 34, both in Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, and the NW/4 of Section 3 and the NE/4 of Section 4, both in Township 22 South, Range 36 East, NMPM, Lea County, New Mexico, be and the same is hereby superseded.

(2) That Administrative Order MSP-404 establishing a 320-acre non-standard gas proration unit in the Jalmat Gas Pool, comprising the S/2 of Section 4, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico, be and the same is hereby superseded.

(3) That a 480-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the SE/4 of Section 33 and the SW/4

-3-

CASE No. 2068  
Order No. R-1770

of Section 34, both in Township 21 South, Range 36 East, MNPM, Lea County, New Mexico, and the NW/4 of Section 3, Township 22 South, Range 36 East, MNPM, Lea County, New Mexico, be and the same is hereby established. Said unit is to be dedicated to the W. A. Ramsay "A" Well No. 1, located 330 feet from the South line and 330 feet from the West line of said Section 34.

(4) That a 160-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the SW/4 of Section 4, Township 22 South, Range 36 East, MNPM, Lea County, New Mexico, be and the same is hereby established. Said unit is to be dedicated to the J. F. Janda "F" Well No. 7, located 1900 feet from the South line and 1900 feet from the West line of said Section 4.

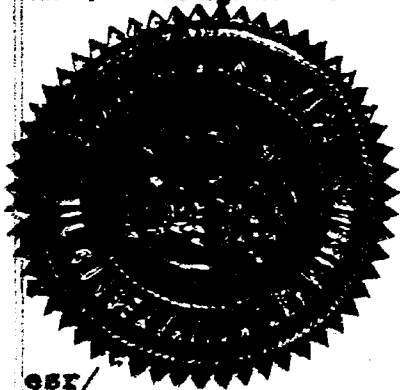
(5) That a 320-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the E/2 of Section 4, Township 22 South, Range 36 East, MNPM, Lea County, New Mexico, be and the same is hereby established. Said unit is to be dedicated to the J. F. Janda "F" Well No. 13, located 660 feet from the South line and 660 feet from the East line of said Section 4.

(6) That the said W. A. Ramsay "A" Well No. 1, the said J. F. Janda "F" Well No. 7, and the said J. F. Janda "F" Well No. 13 be and the same are hereby assigned acreage factors for allowable purposes in the proportion that the acreage in their respective non-standard gas proration units 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.

PROVIDED HOWEVER, That 25 percent of the underproduction attributed to the said William A. Ramsay "A" Well No. 1 as of October 1, 1960, shall be credited to the said J. F. Janda "F" Well No. 13, and 50 percent of the underproduction attributed to the said J. F. Janda "F" Well No. 7 as of October 1, 1960, shall be credited to the said J. F. Janda "F" Well No. 13.

(7) That the effective date of this Order is October 1, 1960.

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



STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*John Burroughs*  
JOHN BURROUGHS, Chairman

*Murray E. Morgan*  
MURRAY E. MORGAN, Member

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

651/

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 871  
SANTA FE

September 16, 1960

Mr. Bill Eastler  
Gulf Oil Corporation  
Box 689  
Roswell, New Mexico

Re: Case No. 2068  
Order No. B-1770  
Applicant:

Gulf Oil Corporation

Dear Sir:

Enclosed herewith are two copies of the above-referenced  
Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, Jr.,  
Secretary-Director

ir/

Carbon copy of order also sent to:

Hobbs OCC X  
Artesia OCC         
Aztec OCC       

Other

OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO


Date 9-7-60

CASE NO. 2065

HEARING DATE 9-7-60

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

1. Grant Gulf on NSP for ita W.A. Ramsey "A" well #1, 330 S+E line sec. 34-21S-36E consisting of SE sec. 33, SW sec. 34-21S-36E & NW sec. 34-22S-36E. 480 Ac.  
Supersedes R-484
2. Grant NSP for ita J.F. Janda "F" well #13, 660/S+E sec. 4-22S-36E consisting of E/2 sec. 4.
3. Grant NSP for ita J.F. Janda "F" #7, 1980/ S+W of sec. 4-22S-36E, consisting of ~~SW~~ SW/4 sec. 4.  
Cancel NSP 404.
4. All wells in Janda Gas Pool.
5. Make effective October 1, 1960.



Staff Member

CASE 2066:

Application of Humble Oil & Refining Company for an oil-gas dual completion utilizing two strings of casing. Applicant, in the above-styled cause, seeks an order authorizing it to dually complete its Kathleen Steckel Well No. 1, located in the NW/4 NE/4 of Section 19, Township 18 South, Range 27 East, Eddy County, New Mexico, in such a manner as to produce oil from an undesignated Abo pool and gas from an undesignated Pennsylvanian pool through 4½-inch casing and 2 7/8-inch casing respectively cemented in a common well bore. Applicant proposes also to install tubing for the Abo production.

CASE 2067:

Application of Dorfman Production Company for an oil-gas dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Elizabeth Federal Well No. 1, located in Unit H, Section 18, Township 24 North, Range 7 West, Rio Arriba County, New Mexico, in such a manner as to permit the production of oil from the Escrito-Gallup Oil Pool and the production of gas from the Dakota Producing Interval.

CASE 2068:

Application of Gulf Oil Corporation for three non-standard gas proration units in the Jalmat Gas Pool. Applicant, in the above-styled cause, seeks an order establishing the following-described non-standard gas proration units in the Jalmat Gas Pool, Lea County, New Mexico:

(1) A 320-acre unit consisting of the E/2 of Section 4, Township 22 South, Range 36 East, to be dedicated to the J. F. Janda "F" Well No. 13, located 660 feet from the South and East lines of said Section 4.

(2) A 480-acre unit consisting of the SE/4 of Section 33 and the SW/4 of Section 34, both in Township 21 South, Range 36 East and the NW/4 of Section 3, Township 22 South, Range 36 East, to be dedicated to its W. A. Ramsay "A" Well No. 1, located 330 feet from the South and West lines of said Section 34.

(3) A 160-acre unit consisting of the SW/4 of Section 4, Township 22 South, Range 36 East, to be dedicated to the J. F. Janda "F" Well No. 7, located 1980 feet from the South and West lines of said Section 4.



DOCKET: EXAMINER HEARING, WEDNESDAY, SEPTEMBER 7, 1960

Oil Conservation Commission - 9 a.m., Mabry Hall, State Capitol, Santa Fe, N.M.  
The following cases will be heard before Elvis A. Utz, Examiner, or Oliver E. Payne, Attorney, as alternate examiner:

CASE 2062: Application of Continental Oil Company for approval of an automatic custody transfer system to handle commingled production. Applicant, in the above-styled cause, seeks an order authorizing it to install an automatic custody transfer system to handle the production from the Weir Pool and the Cass Pool from certain wells located on that portion of the Southeast Monument Unit comprising Sections 15 and 23, Township 20 South, Range 37 East, Lea County, New Mexico.

CASE 2063: Application of Texas National Petroleum Company for a gas-oil dual completion utilizing two strings of casing. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Government Well No. 1, to be located 790 feet from the South and East lines of Section 16, Township 26 North, Range 11 West, San Juan County, New Mexico, in such a manner as to permit the production of oil from the Gallegos-Gallup Oil Pool and the production of gas from the Dakota Producing Interval through parallel strings of 2 7/8-inch tubing and 4½-inch casing respectively cemented in a common well bore. Applicant proposes to also install 2 3/8-inch tubing for the Dakota production.

CASE 2064: Application of Anderson-Prichard Oil Corporation and Amerada Petroleum Corporation for an extension of the vertical limits of the Justis-Drinkard Pool. Applicants, in the above-styled cause, seeks an order extending the vertical limits of the Justis-Drinkard Pool, to include the perforated intervals in its Carlson "A" Well Nos. 1 and 3, located respectively in Units J and N of Section 25, Township 25 South, Range 37 East, Lea County, New Mexico, and perhaps to include additional intervals in said pool.

CASE 2065: Application of Texaco Inc. for an oil-gas dual completion utilizing two strings of casing. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its H. J. Loe Federal "B" Well No. 3, located in Unit M, Section 23, Township 29 North, Range 12 West, San Juan County, New Mexico, in such a manner as to permit the production of oil from an undesignated Gallup oil pool and the production of gas from the Dakota Producing Interval through parallel strings of 2 3/8-inch casing and 4½-inch casing respectively, cemented in a common well bore. Applicant proposes to also install tubing for the Dakota production.

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

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

CASE NO. 666  
Order No. R-485

THE APPLICATION OF GULF OIL CORPORATION  
FOR AN ORDER GRANTING EXCEPTION TO  
PARAGRAPH II, SUBSECTION 2, OF ORDER R-264  
CONCERNING THE VERTICAL LIMITS OF THE  
LANGMAT GAS POOL, LEA COUNTY, NEW  
MEXICO, AS IT AFFECTS APPLICANT'S W. A.  
RAMSAY, WELL NO. 1, LOCATED IN THE SW/4  
SW/4 SW/4 OF SECTION 34, TOWNSHIP 21 SOUTH,  
RANGE 36 EAST, NMPM., AND FOR APPROVAL  
AND ASSIGNMENT OF FOUR STANDARD 160-ACRE  
PRORATION UNITS TO SAID WELL, AND THE  
GRANTING OF PROPER ALLOWABLE THERETO:  
SAID UNITS BEING THE SW/4 OF SECTION 34,  
AND THE SE/4 OF SECTION 33, OF TOWNSHIP 21  
SOUTH, RANGE 36 EAST; AND THE NW/4 OF SECTION  
3, AND THE NE/4 OF SECTION 4 OF TOWNSHIP 22  
SOUTH, RANGE 36 EAST.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m., on February 17, 1954, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 30th day of June, 1954, the Commission, a quorum being present, having considered the records and testimony adduced, and being fully advised in the premises;

FINDS:

(1) That due notice of the time and place of hearing and the purpose thereof having been given as required by law, the Commission has jurisdiction of this case and the subject matter thereof.

(2) That pursuant to provisions of Rule 7 (a) of Order No. R-369-A the Commission has power and authority to permit the formation of a gas proration unit consisting of other than a legal quarter section after notice and hearing by the Commission.

(3) (a) That applicant, Gulf Oil Corporation, is the owner of oil and gas leases in Lea County, New Mexico, described as follows:

TOWNSHIP 21 South, RANGE 36 East, NMPM  
All of Sections 33 and 34

TOWNSHIP 22 South, RANGE 36 East, NMPM  
All of Sections 3 and 4

(3) (b) That applicant, Gulf Oil Corporation, desires to form an unorthodox proration unit consisting of the following described acreage:

TOWNSHIP 21 South, RANGE 36 East, NMPM  
SE/4 of Section 33, SW/4 of Section 34

TOWNSHIP 22 South, RANGE 36 East, NMPM  
NE/4 of Section 4, NW/4 of Section 3

containing 640 acres, more or less.

(4) That applicant, Gulf Oil Corporation, has a producing well on the aforesaid lease known as W. A. Ramsay, No. 1 located 330' from the South line and 330' from the West line of Section 34, Township 21 South, Range 36 East.

(5) That the aforesaid well was completed and in production prior to January 1, 1954, the effective date of Order No. R-369-A, and is located within the horizontal limits of the pool heretofore delineated and designated as the Langmat Gas Pool.

(6) That all of the acreage within the proposed 640 acre unorthodox proration unit is owned by the Gulf Oil Corporation and the State of New Mexico is the lessor and sole royalty owner under all of the described acreage.

(7) That creation of a proration unit consisting of the aforesaid acreage will not cause but will prevent waste and will protect correlative rights.

(8) That although the Gulf Oil Corporation, W. A. Ramsay No. 1, is completed at a depth exceeding the vertical limits of the Langmat Gas Pool as presently defined by the Commission, evidence indicates that the well is producing solely from the producing zone of the Langmat Gas Pool and should be classified as a gas well producing from the Langmat Gas Pool.

(9) That the W. A. Ramsay, No. 1, located in the SW/4 SW/4 Section 34, Township 21 South, Range 36 East, NMPM., will efficiently and economically drain 640 acres.

IT IS THEREFORE ORDERED:

(1) That the application of Gulf Oil Corporation for approval of an unorthodox proration unit consisting of the following described acreage:

-3-

Order No. R-485

TOWNSHIP 21 South, RANGE 36 East, NMPM  
SE/4 of Section 33, SW/4 of Section 34

TOWNSHIP 22 South, RANGE 36 East, NMPM  
NW/4 of Section 3, NE/4 of Section 4

be and the same is hereby approved and a proration unit consisting of aforesaid acreage is hereby created.

(2) That applicant's well, W. A. Ramsay, No. 1, located in the SW/4 SW/4 of Section 34, Township 21 South, Range 36 East, NMPM., be and the same hereby is classified as a gas well producing from the Langmat Gas Pool, and said well shall be granted an allowable from January 1, 1954, in the proportion that the above described 640-acre unit bears to the standard or orthodox proration unit for the Langmat Gas Pool, all until further order of the Commission.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

R. R. SPURRIER, Secretary and Member

S E A L

# Gulf Oil Corporation

ROSWELL PRODUCTION DISTRICT

W. A. Shellens  
DISTRICT MANAGER  
P. O. Mortlock  
DISTRICT EXPLORATION  
MANAGER  
M. I. Taylor  
DISTRICT PRODUCTION  
MANAGER  
S. A. Price  
DISTRICT SERVICES MANAGER

1960 AUG 19 PM 1:16

August 18, 1960

P. O. Drawer 669  
Roswell, New Mexico

Re: Application for 320 acre Non-Standard Gas Proration Unit, Jalmat Gas Pool, Comprising E/2 Section 4, T-22-S, R-36-E, Lea County, New Mexico, and Revision of Two Existing Gas Proration Units.

Oil Conservation Commission  
State of New Mexico  
Post Office Box 871  
Santa Fe, New Mexico

Gentlemen:

Gulf Oil Corporation hereby makes application for exception to Rule 5(a) of Order No. R-520 for approval of a non-standard gas proration unit comprising E/2 of Section 4, T-22-S, R-36-E, Lea County, New Mexico, and revision of two existing gas proration units in the vicinity.

In support of this application, Gulf Oil Corporation states the following:

- (1) Gulf's J. F. Janda "F" Well No. 13, located 660 feet from the south and east lines of Section 4, T-22-S, R-36-E, Lea County, New Mexico, is being dually completed as a gas well in the Jalmat Gas Pool. Applicant proposes that a non-standard 320 acre gas proration unit consisting of the E/2 of Section 4, T-22-S, R-36-E be assigned to this well.
- (2) By Order (No. R-485) dated June 30, 1954, the New Mexico Oil Conservation Commission approved Gulf Oil Corporation's application for a 640 acre unorthodox gas proration unit in the Langmat (now Jalmat) Gas Pool, consisting of the SE/4 of Section 33 and SW/4 of Section 34, both in T-21-S, R-36-E, and the NW/4 of Section 3 and NE/4 of Section 4, both in T-22-S, R-36-E, Lea County, New Mexico. This acreage is assigned to Gulf's W. A. Ramsay "A" Well No. 1, which is located 330 feet from the south and west lines of Section 34, T-21-S, R-36-E. Applicant proposes that this unit be changed to a 480 acre non-standard gas proration unit consisting of the SE/4 of Section 33 and SW/4 of Section 34, both in T-21-S, R-36-E, and the NW/4 of Section 3, T-22-S, R-36-E.

*Doyle  
Mailed  
Aug 24, 1960*

**GULF**

August 18, 1960

- (3) By Administrative Order NSP-404 dated November 25, 1957, Gulf's 320 acre non-standard gas proration unit in the Jalmat Gas Pool was approved, consisting of the S/2 of Section 4, T-22-S, R-36-E, and assigned to Gulf's J. F. Janda "F" Well No. 7, which is located 1980 feet from the south and west lines of Section 4, T-22-S, R-36-E. Applicant proposes that this unit be changed to a 160 acre gas proration unit consisting of the SW/4 of Section 4, T-22-S, R-36-E.
- (4) In addition, Gulf Oil Corporation submits the following information:
- (A) Gulf Oil Corporation is lessee and operator of all the acreage comprising the proposed gas proration units as shown on the attached plat. The proposed gas proration units are outlined in red, with the corresponding unit wells circled in red.
  - (B) All acreage within the proposed units may reasonably be presumed productive of gas.
  - (C) All units will be comprised of contiguous quarter quarter sections.
  - (D) Length or width of the proposed units does not exceed 5,280 feet.
- (5) The approval of this application will, in the opinion of the applicant, prevent waste, protect correlative rights, and serve the best interest of conservation.
- (6) By copy of this application, all operators within 1,500 feet of the proposed unit wells are notified of the intent of Gulf Oil Corporation to form the proposed gas proration units described above.

It is requested that this matter be set for examiner hearing at an early date.

Respectfully submitted,

GULF OIL CORPORATION

By

*W. A. Shellshear*  
District Manager

Attachment  
JCG:sz

Oil Conservation Commission

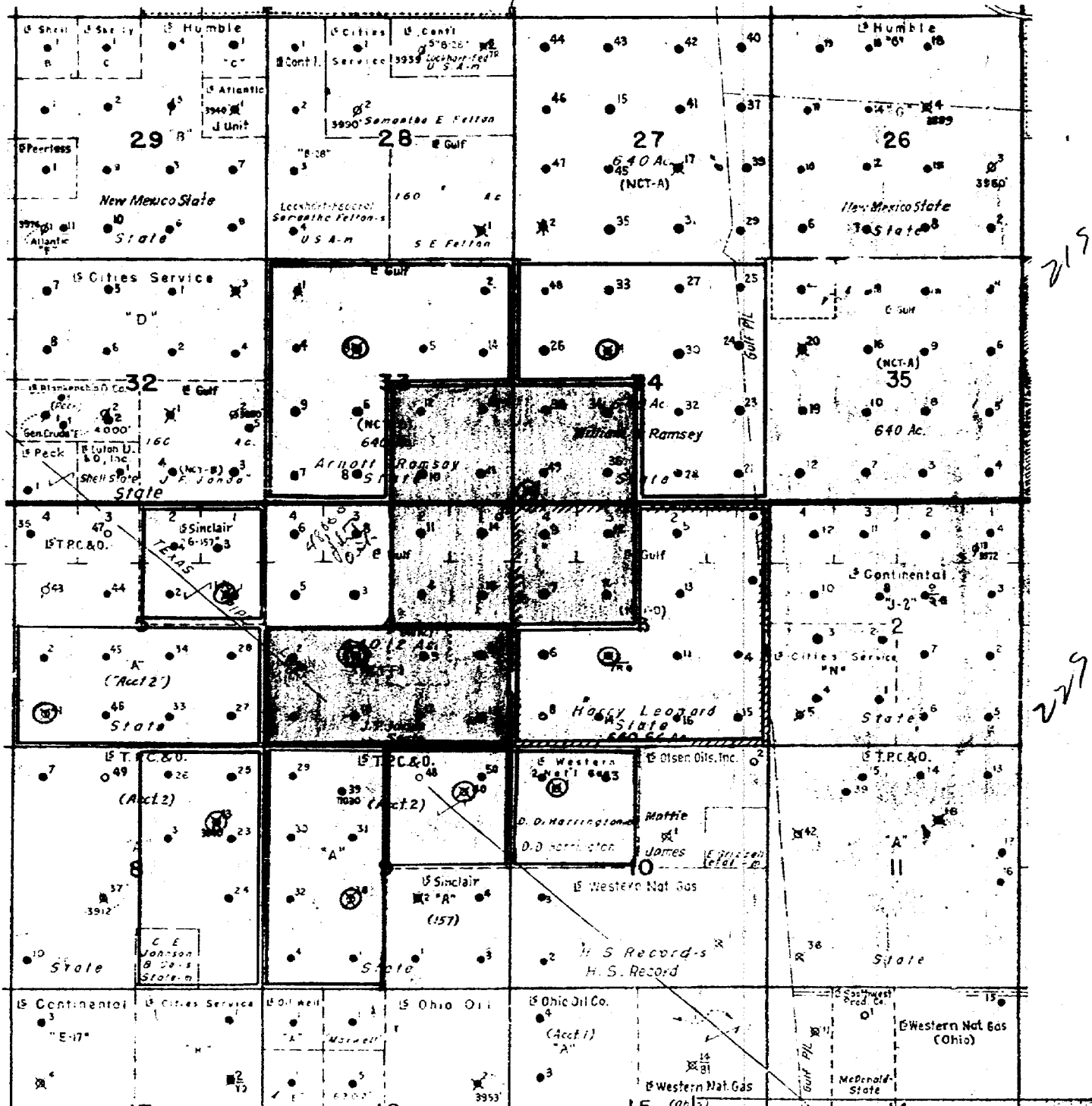
-3-

August 18, 1960

cc: Oil Conservation Commission  
Post Office Box 2045  
Hobbs, New Mexico

Texas Pacific Coal & Oil Company  
Post Office Box 2110  
Fort Worth, Texas

Western Natural Gas Company  
Midland Tower Building  
Midland, Texas



GULF OIL CORPORATION

Present Jalmat Gas Proration Units

⊗ Unit Wells

BEFORE EXAMINER UTZ  
OIL CONSERVATION COMMISSION

EXHIBIT NO. 1

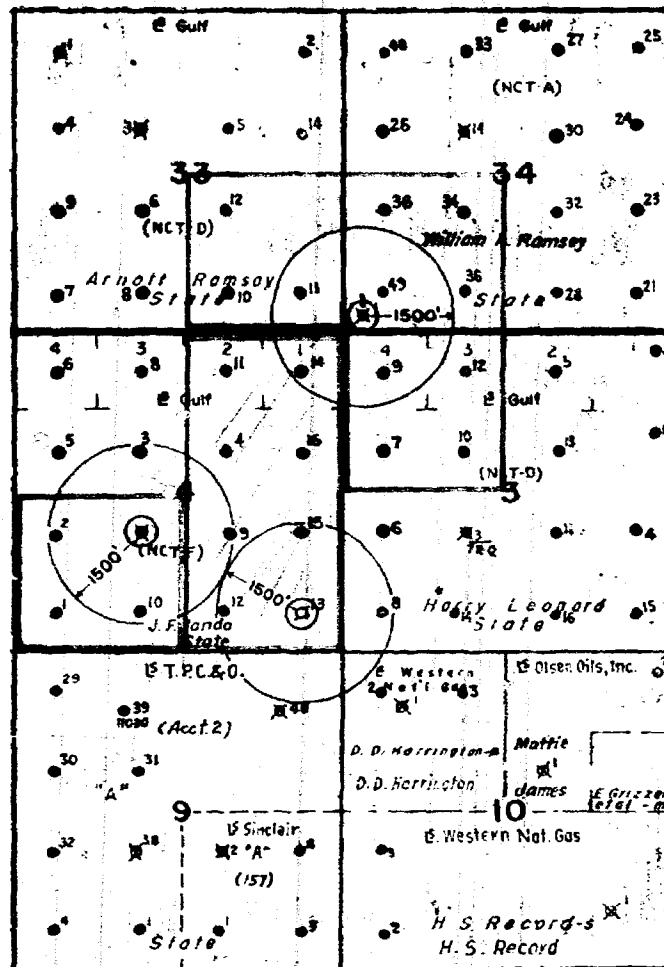
CASE NO. 5068

September 7, 1960

Case No. 2068  
Exhibit No. 1



R-36-E



T-21-S

T-22-S

GULF OIL CORPORATION

- Proposed Gas Proration Units
- Proposed Unit Wells

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

In the Matter of:

CASE 2068 Application of Gulf Oil Corporation for three non-standard gas proration units in the Jalmat Gas Pool. Applicant, in the above-styled cause, seeks an order establishing the following-described non-standard gas proration units in the Jalmat Gas Pool, Lea County, New Mexico:

(1) A 320-acre unit consisting of the E/2 of Section 4, Township 22 South, Range 36 East, to be dedicated to the J. F. Janda Well No. 13, located 660 feet from the South and East lines of said Section 4.

(2) A 480-acre unit consisting of the SE/4 of Section 33 and the SW/4 of Section 34, both in Township 21 South, Range 36 East and the NW/4 of Section 3, Township 22 South, Range 36 East, to be dedicated to its W. A. Ramsay "A" Well No. 1, located 330 feet from the South and West lines of said Section 34.

(3) A 160-acre unit consisting of the SW/4 of Section 4, Township 22 South, Range 36 East, to be dedicated to the J. F. Janda "F" Well No. 7, located 1980 feet from the South and West lines of said Section 4.

Mabry Hall  
September 7, 1960

BEFORE:

Elvis A. Utz, Examiner.

TRANSCRIPT OF PROCEEDINGS

MR. UTZ: The hearing will come to order. The next case, 2068.

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



I N D E X

WITNESS

PAGE

FRANK MORAN, JR.

Direct Examination by Mr. Kastler  
 Examination by Mr. Utz  
 Examination by Mr. Nutter

3  
 10  
 11

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



MR. PAYNE: Case 2068, "Application of Gulf Oil Corporation for three non-standard gas proration units in the Jalmat Gas Pool."

MR. KASTLER: Bill Kastler from Roswell, New Mexico, appearing on behalf of Gulf Oil Corporation, and our only witness in this case is F. W. Bud Moran.

(Witness sworn in.)

MR. UTZ: Are there other appearances in this case? You may proceed.

(Thereupon, the documents were marked as Exhibits One and Two for identification.)

FRANK MORAN, JR.

a witness, called by and on behalf of the Applicant, having first been duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. KASTLER:

Q Will you please state your name, by whom you are employed and what your present position is?

A My name is Frank Moran, Junior, I am employed by Gulf Oil Corporation in their Roswell District Office.

Q Have you become familiar with Gulf's application in Case Number 2068?

A Yes sir, I have.

Q Briefly, will you explain what Gulf is seeking in its application in this case?

A Gulf is seeking exception to Rule 5-A of the Jalmat



Gas Pool Rules to establish a non-standard gas proration unit, and also exception to Rule 5-B of the general rules and regulations for prorating gas pools in Southeastern New Mexico to allow assignment of 320 acres to the J. F. Janda "F" Well Number 13. In addition, Gulf is--in addition to this application, provides for the re-arrangement of two previously approved gas proration units, such that Applicant can assign 320 acres to the J. F. Janda "F" Well Number 13.

Q Have you prepared a plat for introduction in this case as Exhibit Number One which will show the present acreage in the area which is material to this hearing in the Jalmat gas pool?

A Yes sir, I have.

Q Referring now to Exhibit Number One, would you please describe the acreage that is presently dedicated to the gas proration units insofar as this hearing is involved?

A Insofar as J. F. Janda "F" Well Number 7 is concerned, at the present time the south half of Section 4, Township 22 South, Range 36 East is dedicated to that well, and insofar as William A. Ramsey "A" Well Number 1 is concerned, the southeast quarter of Section 33 and the southwest quarter of Section 34, all in Township 21 South and Range 36 East, and the northeast quarter of Section 4 and the northwest quarter of Section 3, all in Township 22 South, Range 36 East, is dedicated to William A. Ramsey "A" Well Number 1.

Q Are these two present units shown on Exhibit Number One by red shading and contained within a blocked area?



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

A Yes sir, they are.

Q Why are these present two gas units unsatisfactory?

A We seek to form the aforementioned gas proration units because the deliverability the J. F. Janda Well Number 7 in Section 4 has declined and it is unable to produce its presently assigned allowable. In addition, the William A. Ramsey "A" Number 1 deliverability has declined, such that the well is not able to produce its assigned allowable. In both cases, during the last balancing period, several million cubic feet of gas were cancelled because each of those wells could not make their assigned allowable.

Q Referring now to Exhibit Number Two in Case 2068, what proposal has been made by Gulf to remedy this unsatisfactory situation, and in this connection, state the proposed unit?

A Gulf proposes to remove 160 acres from the 320-acre unit assigned to the J. F. Janda "F" Well Number 7, and remove also 160 acres from William A. Ramsey "A" Number 1, and assign that acreage removed to J. F. Janda "F" Well Number 13, being the east half of Section 4, Township 22 South, Range 36 East.

Q What is the history and the present status of the J. F. Janda Well Number 7 --

A This well at the present time is dually completed between the Jalmat Gas Pool and the Eunice South Oil Pool. The Jalmat Gas Pool, was originally completed in the Jalmat Gas Zone, was originally completed in October, 1957, and on a fifteen-minute company test, this well flowed at a rate of 1,236 MCF per day with a back pressure



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of 545 pounds. In December of that year, workover operations were conducted, and after completion of these operations, in February, 1958, the well flowed at a rate of 797 MCF per day with a back pressure of 500 pounds. In March of 1958, on an OCC back pressure test, the result shows an absolute potential of 1,070 MCF per day. Successive deliverability tests taken since that time have shown that the well has a deliverability of--had a deliverability of 464, 528 and 443 MCF per day. It is very doubtful if that--that the deliverability of this well could be improved to any great extent by workover since the initial potential was low, and subsequent workover operations have been unsuccessful insofar as improving its deliverability.

Q Referring now to J. F. Janda "F" Well Number 13, which is shown on Exhibit Number Two, would you give the history and the present status of this well?

A At the present time, this well is in the process of being dually completed between the Jalmat Gas Pool and the South Eunice Oil Pool. Such dual completion authorization has been approved by the Commission by Order Number DC 882 dated March 2nd, 1960. This well originally--was originally completed in the South Eunice Oil Pool in November, 1957. On a company test taken recently on the Jalmat Gas Pool interval, the well produced at an estimated deliverability of 13,800 MCF per day at a back pressure of 500 pounds. We anticipate that an OCC back pressure test will be taken shortly on this zone.



Q The location of this Well Number 13 is--do you have it as 660 --

A Yes, sir.

Q --from the east and from the south line?

A Yes sir, it's located 660 feet from the south and east lines, and that is the reason for the request for an exception in this instance. In order to assign the 320 acres that we wish to assign to the well, according to the Rule 5-B, I believe it is, the well should be 660 feet from the--1980 feet from the two nearest boundary lines.

Q Will you give the present status of the William A. Ramsey Well Number 1, presently holding a 640-acre unit?

A Well, at the present time, it is a single completion in the Jalmat Gas Pool, and as you have mentioned, it has at the present time 640 acres assigned to it. During the last balancing period, this well has had cancelled, due to the fact it could not make its production, its assigned allowable as well as the fact the pipeline would not take the assigned allowable, it has cancelled approximately 260 million cubic feet of gas during the last balancing period; consequently, we feel like by re-arranging this unit as well as the Janda "F" Number 7, we could bring the allowable of these two wells more in line with their deliverability and the pipeline takes.

Q What was the cancelled, unproduced allowable?

A On the William A. Ramsey Number 1, approximately 260





million cubic feet.

Q In your opinion, are all the lands involved in this hearing productive of the gas in the Jalmat Gas Pool?

A Yes sir, they are.

Q Would you refer to Exhibit Number One and indicate other outlying units in the Jalmat Gas Pool, or in the adjoining Eumont Gas Pool?

A The red boundary lines indicate the present Eumont gas units, and of course also shown by green circles are the unit wells, and those areas surrounded by red lines of course are presently designated Jalmat gas pool units.

Q And the areas surrounded by green lines on Exhibit Number One are units presently productive and presently constituted in the Eumont gas pool?

A Yes, sir, they are.

Q The northwest quarter of the northwest quarter of Section 4 does not appear to be in any present designated Jalmat gas unit; is this area, or this acreage producing at all?

A Yes, sir.

Q From the Jalmat Gas Pool?

A Yes sir, in this northwest quarter of Section 4, Well Number 3 at the present time is a Jalmat oil well and it has a high gas-oil ratio of over 48,000 cubic feet per day.

Q By this application, does Gulf seek to fit any acreage to gas production that has not heretofore been allocated on a gas

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unit?

A No.

Q Or any that is not presently allocated to a gas unit?

A No, sir.

Q In other words, then Gulf is merely proposing to produce gas out of three wells rather than two wells and re-arrange the units so that the acreage involved will be in a better position to produce its allocated allowables?

A Yes, sir.

Q By the granting of this application, in your opinion, will Gulf be in a better position to produce its fair share of the gas in place under the existing allocation formula?

A Yes, sir.

Q In your opinion, would the correlative rights of any offset operators be adversely affected if this application were approved?

A No, sir.

Q What is the status of Gulf's leasehold interests in this area?

A They are all State-owned lands.

Q Has the Commissioner of Public Lands approved of the necessary consolidated, or amended allocation of leases to accomplish the purposes sought here?

A Yes, sir.

Q Have all offset operators within 1500 feet from the



proposed unit wells been notified of this application?

A Yes sir, they have.

Q Were Exhibit Numbers One and Two prepared by you or under your direction?

A Yes sir, they were.

MR. KASTLER: I would like to move at this time for the introduction of Exhibits One and Two into evidence in this case, and this concludes my direct testimony.

MR. UTZ: Without objection, Exhibits One and Two will be entered into the record.

EXAMINATION BY MR. UTZ:

Q Mr. Moran, what this actually amounts to is that you now need three wells rather than two to drain the 960 acres in the original length of time, is that about it?

A Yes sir, that is correct; in addition to that, Mr. Examiner, I would like to point out that the assigned gas units to the west and to the south and to the east of the requested gas unit all have deliverabilities much higher than our J. F. Janda "F" Well Number 7, which indicates of course in order to protect our property from drainage, we certainly have to develop further production in that particular section to protect our rights.

Q How is the overriding royalty interest in the east half of Section 4, is it common?

A I'm sorry, Mr. Examiner, I don't know. I don't know what the status of that is; I can find out and let you know.



Q That whole half section is State land, however?

A Oh, yes sir, it is.

Q Well, in the event that the interests were different, all it amounted to is that they would receive their royalty from a different well, that being the Number 13, rather than the other two wells, is that right?

A Yes, sir.

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

EXAMINATION BY MR. NUTTER:

Q Does Gulf presently have a unit in the northwest quarter of Section 4, sir?

A No sir, they don't. There's no acreage assigned to any gas well in that area; there's an oil well, which is well number three, and that is in the status of a quarter section.

Q Do you contemplate creating a unit or well on the Jalmat Gas Pool in that area?

A No, sir.

Q Is that area productive of gas?

A Yes sir, it is.

Q So that gas that's under that quarter section is presently being drained by some other well in the area, I presume, is that correct?

A I assume so, yes sir.

Q Is that State land, sir?

A How is that, sir?



Q Is that State land?

A Yes, it is.

MR. NUTTER: Thank you.

MR. UTZ: You did testify, however, that the Number 5 had a 48,000 to 1 GOR in the Jalmat Pool, right?

A That is correct.

MR. PAYNE: Mr. Moran, as you pointed out in your direct testimony, the Jalmat rules provide that in order to dedicate 320 acres to a gas well, it is supposed to be located 660 and 1980 from the closest boundary line, and inasmuch as your proposed Well Number 13 is 660, 660, do you feel that you are going to impair the correlative rights of Western Natural Gas and Texas and Pacific Coal and Oil Company on their wells to the south?

A No sir - don't.

MR. PAYNE: And as far as you know, they haven't entered any objection to your application?

A No sir, they haven't.

MR. PAYNE: Thank you.

MR. UTZ: Any other questions? The witness may be excused. (Witness excused.)

MR. UTZ: Any statements in this case? The case will be taken under advisement.

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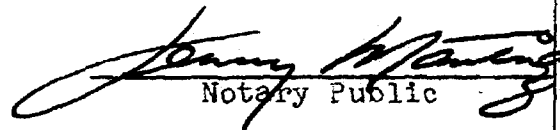
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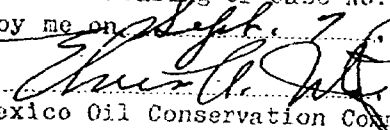
STATE OF NEW MEXICO )  
: SS  
COUNTY OF BERNALILLO )

I, JERRY MARTINEZ, Notary Public in and for the County of Santa Fe, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings was reported by me in Stenotype and reduced to typewritten transcript by me, and that the same is a true and correct record of said proceedings to the best of my knowledge, skill and ability.

Dated at Albuquerque, New Mexico, this 11th day of September, 1960.

  
Notary Public

My Commission Expires:  
January 24, 1962

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2065, heard by me on Sept. 7, 1960.  
  
Examiner  
New Mexico Oil Conservation Commission

