

CASE 24021 Application of CAULKINS  
OIL CO. for amendment of RULE 5,  
ORDER R-1191 - RIO ARRIBA COUNTY.

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2489

plication, Transcript,  
all Exhibits, Etc.

BEFORE THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico

FEBRUARY 7, 1962

EXAMINER HEARING

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 325-1182

ALBUQUERQUE, N. M.  
PHONE 243-6691

IN THE MATTER OF:

Application of Caulkins Oil Company for an amendment of Rule 5, Order No. R-1191, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an amendment of Rule 5 of the Special Rules and Regulations for the South Blanco-Tocito Oil Pool, Order No. R-1191, to permit bottom hole pressure tests on all wells to be taken annually during the month of October of each year instead of semi-annually as Rule 5 presently prescribes.

CASE NO.  
2489

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

MR. NUTTER: We will call Case No. 2489.

MR. WHITFIELD: Case No. 2489, application of Caulkins Oil Company for an amendment of Rule 5, Order No. R-1191, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an amendment of Rule 5 of the Special Rules and Regulations for the South Blanco-Tocito Oil Pool, Order No. R-1191, to permit bottom hole pressure tests on all wells to be taken annually during the month of October of each year instead of semi-annually as Rule 5 presently prescribes.



MR. NUTTER: I will ask for appearances.

MR. KELLAHIN: Jason Kallahin, appearing for Caulkins Oil Company. I have one witness.

(Witness sworn.)

FRANK GRAY,

called as a witness, having been first duly sworn on oath, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q State your name, please.

A Frank Gray.

Q By whom are you employed and in what position, Mr. Gray?

A Superintendent of the New Mexico operations of the Caulkins Oil Company.

Q Have you testified before this Oil Conservation Commission and made your qualifications a matter of record?

A Yes, sir.

MR. KELLAHIN: Are the witness's qualifications accepted?

MR. NUTTER: Yes, sir. Please proceed.

Q (by Mr. Kallahin) Mr. Gray, are you familiar with the application of Caulkins Oil Company in Case No. 2489?

A Yes, sir.

Q Will you please state what Caulkins Oil Company seeks in this case?



A Well, to change the field rules for the South Blanco-Tocito Oil Pool to require bottom hole pressure tests to be made annually instead of semi-annually, as the rule presently requires.

Q Now, these pool rules were originally proposed by Caulkins Oil Company to this Commission, were they not?

A Yes, sir.

Q Have you made bottom hole pressures consistently through the life of the pool?

A Yes, sir, from the date of discovery. In the South Blanco-Tocito Pool, the Caulkins property, we have recognized that accurate bottom hole pressures were essential for the operation of the property and the pool, and the first pressure test was made shortly after discovery, after it was completed in 1951. At one time, quarterly tests for the pool were run. For the past several years, semi-annual tests have been run for a total of twenty-five field-wide tests.

Q Since the adoption of Order No. R-1191, have the results of these been filed with the Oil Conservation Commission?

A Yes, sir.

Q Is there any purpose, in your opinion, at the present time, of continuing with the semi-annual test?

A No, not in my opinion, at this time. We do not think so because of the present state of the depletion of the pool and the abundance of bottom hole pressure information already available; we just don't feel it is actually necessary to take bottom



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hole pressures any more frequently than once a year.

Q Have you encountered any difficulty in taking these tests?

A No, we have not encountered any difficulty, except loss of production due to shutting the wells down for as much time as we needed to get build-up information from the wells.

Q Do the wells stabilize within the period provided by the Rule?

A No, the minimum rule is seventy-two hours. We have found that in order to get representative pressure information, some of the wells have to be shut in for 120 hours.

Q That aggravates the loss of production, is that correct?

A We figure we lose five or six days production each time we have to take a pool-wide survey.

Q Does that result in an economical loss to the operators of the pool?

A We feel that it costs about \$1,200 in actual money each time we take a survey. That is just the fixed expense that can't be changed by shutting in wells, and the amount of oil that is lost during that time. I don't mean we lose the oil; it is just reserved, but we do have fixed expenses that we can't reduce or eliminate while the pool is shut down.

Q Now, this pool is subject to water injection programs, is it not?

A Yes, sir.



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Q Will tests once a year give you sufficient information to maintain control of the water injection?

A Yes, sir, I think it is.

Q On the basis of past experience and pressure information available, in your opinion, do you have enough information on the effects of the water injection to continue the operation on the basis of annual tests?

A Yes, sir.

Q Do you have anything you wish to add, Mr. Gray?

A No, I think not.

Q You are not proposing that pumping wells be tested, are you?

A No, that is the rule for the pool. We have assumed that it excused or excluded the pumping wells the same as the statewide rules for taking bottom hole pressure test, and we have not -- we don't propose to take bottom hole pressures annually any more than we have been semi-annually.

Q You take them on the same basis?

A Yes, sir.

Q In effect, you are asking that the pool now be placed under the provisions of the statewide rule, are you not?

A Yes.

Q Do you have any particular time you would prefer to take these tests?

A It would be in keeping with our past testing if we



could test the wells during the month of October. That would be our preference.

Q That would keep your tests on a comparative basis with previous tests?

A Yes. The semi-annual tests were made in April and October, and we would like to continue testing in October.

MR. KELLAHIN: That is all the questions I have.

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

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Gray, how many wells did you actually take bottom hole pressures on?

A Right at the present time, we have six flowing wells out of a total of eighteen wells that we are testing.

Q And bottom hole pressures have been taken on these six wells on a semi-annual basis?

A Yes, sir.

Q So, in effect, you will eliminate six tests per year?

A Yes, sir.

MR. NUTTER: Are there any further questions of Mr. Gray?  
You may be excused, Mr. Gray.

(Witness excused.)

Do you have anything you wish to offer, Mr. Kellahin?

MR. KELLAHIN: That is all.

MR. NUTTER: No exhibits?





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PHONE 243-6691

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MR. KELLAHIN: No, we can give you the same plat we gave the last time, if you wish.

MR. NUTTER: Does anyone have anything to offer in this case?

MR. MORRIS: Mr. Examiner, I have a letter from El Paso Natural Products which states, as the only other operator in the pool, they wish to concur with the applicant in this case in their application.

MR. NUTTER: Thank you, Mr. Morris.

Is there anything further?

We will take the case under advisement.

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STATE OF NEW MEXICO )  
COUNTY OF BERNALILLO ) ss.

I, CECIL LANGFORD, 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 under my personal supervision and contains a true and correct record of said proceedings, to the best of my knowledge, skill and ability.

  
NOTARY PUBLIC

My Commission Expires:



State of New Mexico  
Oil Conservation Commission



P. O. BOX 871  
SANTA FE

**Mr. Jason Kellahin  
Kellahin & Fox  
Attorneys at Law  
Box 1713  
Santa Fe, New Mexico**

OTHER \_\_\_\_\_

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. 2489  
Order No. R-2186

APPLICATION OF CAULKINS OIL COMPANY  
FOR AN AMENDMENT OF RULE 5, ORDER  
NO. R-1191, RIO ARRIERA COUNTY, NEW  
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on February 7, 1962, 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 14th day of February, 1962, 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, Caulkins Oil Company, seeks an amendment of Rule 5 of the Special Rules and Regulations for the South Blanco-Tocito Oil Pool, Order No. R-1191, to permit bottom hole pressure tests on all wells to be taken annually during the month of October of each year instead of semi-annually as Rule 5 presently prescribes.

(3) That the water injection program in the South Blanco-Tocito Oil Pool has presently reached an advanced stage, and the results of the bottom hole pressure tests are now governed largely by the water injection program within the vicinity of the wells being tested.

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Case No. 2489

Order No. R-2186

(4) That the subject application should be approved.

IT IS THEREFORE ORDERED:

(1) That Rule 5 of the Special Rules and Regulations for the South Blanco-Tocito Oil Pool, Order No. R-1191, is hereby amended to read in its entirety as follows:

"RULE 5. Upon completion of any well in the South Blanco-Tocito Oil Pool and annually, during the month of October, a bottom-hole pressure test shall be made and a report thereof filed with the Commission on Commission Form C-124. Bottom-hole pressures shall be taken in accordance with the provisions of Rule 302 of the Commission Rules and Regulations except that wells shall remain shut-in for a minimum of 72 hours prior to testing. Tests shall be corrected to a reservoir datum plane of minus one hundred feet (-100')."

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

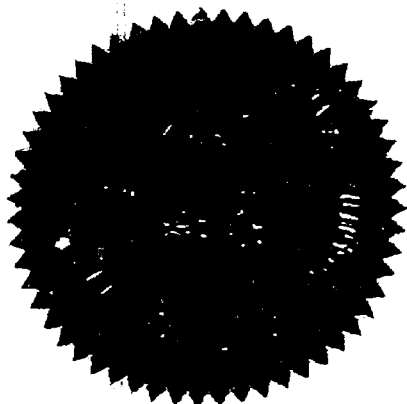
STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*E. L. Mechem*

EDWIN L. MECHEM, Chairman

*E. S. Walker*  
E. S. WALKER, Member

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



ir/

NO. 4-62

DOCKET: EXAMINER HEARING - WEDNESDAY, FEBRUARY 7, 1962

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM  
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or Elvis A. Utz, as alternate examiner:

- CASE 2487: Application of Gulf Oil Corporation for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its W. A. Ramsay (NCT-C) Well No. 3, located 1650 feet from the South line and 330 feet from the West line of Section 36, Township 24 South, Range 37 East, Lea County, New Mexico, as a triple completion (conventional), in the North Justis-Ellenburger, North Justis-Fusselman and North Justis-McKee Pools with the production of oil from all zones to be through parallel strings of 2 3/8-inch tubing.
- CASE 2488: Application of Texaco Inc., for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its State "R" NCT-4 Well No. 1, located in Unit C of Section 7, Township 18 South, Range 35 East, Lea County, New Mexico, as a dual completion (tubingless) in an undesignated Drinkard pool and an undesignated Abo Pool with the production of oil from both zones to be through parallel strings of 2 7/8-inch casing cemented in a common well bore.
- CASE 2489: Application of Caulkins Oil Company for an amendment of Rule 5, Order No. R-1191, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an amendment of Rule 5 of the Special Rules and Regulations for the South Blanco-Tocito Oil Pool, Order No. R-1191, to permit bottom hole pressure tests on all wells to be taken annually during the month of October of each year instead of semi-annually as Rule 5 presently prescribes.
- CASE 2490: Application of O. H. Randel for a 50-acre non-standard oil proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks permission to establish a 50-acre non-standard oil proration unit in the Abo formation, comprising Lot 3 and the North 702 feet of Lot 4, all in Section 19, Township 17 South, Range 31 East, Eddy County, New Mexico, said unit to be dedicated to a well to be drilled at a location 1629 feet from the South line and 537 feet from the West line of said Section 19.
- CASE 2491: Application of D. W. Falls, Inc., for the promulgation of special rules governing oil wells in the Basin-Dakota Pool, San Juan and Rio Arriba Counties, New Mexico, and for four non-standard oil proration units. Applicant, in the above-styled cause, seeks the promulgation of special rules governing

oil wells in the Basin-Dakota Pool, San Juan and Rio Arriba Counties, New Mexico, including a provision defining an oil well in said pool as a well having a gas-oil ratio of 30,000 to 1, or less, and producing liquid hydrocarbons with a gravity of 49<sup>6</sup> API, or less; applicant seeks rules establishing 160-acre oil proration units and fixing well location requirements for said wells. Applicant further seeks the establishment of the four following non-standard oil proration units, all in Township 28 North, Range 13 West, San Juan County:

E/2 of Section 10, comprising 137.58 acres;  
W/2 of Section 10, comprising 137.78 acres;  
E/2 of Section 11, comprising 137.78 acres;  
W/2 of Section 11, comprising 137.58 acres;

CASE 2492:

Application of Western Development Company and Yates Petroleum Corporation for a waterflood in the Artesia Pool, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks permission to institute a waterflood project in the Artesia Pool on the State 648 Lease located in Section 10, Township 19 South, Range 28 East, Eddy County, New Mexico; the injection of water into the Grayburg formation initially will be through six wells located on said lease, said project to be governed by the provisions of Rule 701.

CASE 2493:

Application of Waterflood Associates, Inc., Western Development Company and Yates Petroleum Corporation for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks permission to institute a waterflood project in the Artesia Pool on the State 14 and State 647 Leases located in Section 14, Township 18 South, Range 28 East, Eddy County, New Mexico; the injection of water into the Grayburg formation initially will be through six wells located on said leases, said project to be governed by the provisions of Rule 701.

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MAIN OFFICE OCC  
**EL PASO NATURAL GAS PRODUCTS COMPANY**

POST OFFICE BOX 1181, EL PASO, TEXAS

1962 FEB 5 PM 1:27

February 5, 1962

New Mexico Oil Conservation Commission  
State Land Office Building  
P. O. Box 871  
Santa Fe, New Mexico

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

Re: Case 2489


Gentlemen:

In the cause styled Case 2489, scheduled for an Examiner Hearing on February 7, 1962, in which Caulkins Oil Company seeks an amendment to Rule 5 of the Special Rules and Regulations for the South Blanco-Tocito Oil Pool, El Paso Natural Gas Products Company, as the only operator other than the applicant in said pool, wishes to concur with the applicant in urging the Commission to amend said Rule 5 in the manner to be requested.

Very truly yours,

EL PASO NATURAL GAS PRODUCTS COMPANY

By

  
W. T. Hollis, Manager  
Exploration & Production

WTH:JBM:sh



JASON W. KELLAHIN  
ROBERT E. FOX

KELLAHIN AND FOX  
ATTORNEYS AT LAW  
54 1/2 EAST SAN FRANCISCO STREET  
POST OFFICE BOX 1713  
SANTA FE, NEW MEXICO

January 16, 1962

*Box 2489*

MAIN OFFICE UCC

1962 JAN 18 AM 8:38

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

Gentlemen:

Enclosed find application of Caulkins Oil Company for an amendment to the Pool rules of the South Blanco-Tocito Pool, Rio Arriba County, New Mexico..

Please advise when this application has been set for hearing.

Very truly yours,

*Jason W. Kellahin*  
JASON W. KELLAHIN

jwk:mas  
enclosures - original and two copies  
of application  
cc: Mr. Art Holland with enclosure  
cc: Mr. Frank Gray with enclosure

*1-5-62*  
*[Signature]*

MAIL OFFICE OOC

1962 JAN 15 AM 8:33

BEFORE THE OIL CONSERVATION COMMISSION  
OF NEW MEXICO

IN THE MATTER OF THE APPLICATION  
OF CAULKINS OIL COMPANY FOR AN  
AMENDMENT TO THE POOL RULES OF  
THE SOUTH BLANCO-TOCITO OIL POOL,  
RIO ARriba COUNTY, NEW MEXICO.

Case No. 2489

A P P L I C A T I O N

Comes now Caulkins Oil Company and applies to the Oil Conservation Commission of New Mexico for an amendment to the provisions of Rule 5 of Order No. R-1191, being the pool rules for the South Blanco-Tocito Oil Pool, Rio Arriba County, New Mexico, and states:

1. That Rule 5 of Order No. R-1191 presently requires a bottom hole pressure test be made semi-annually, in the months of April and October and a report thereof filed with the Commission for each well in the South Blanco-Tocito Oil Pool.

2. That a water injection program is now and for a number of years has been carried on in the South Blanco-Tocito Oil Pool, which injection program has presently reached an advanced stage.

3. That due to the effect of the injection of water in the South Blanco-Tocito Pool at the present time, bottom hole pressure tests have become relatively meaningless, their results being governed to a considerable extent by the water injection program within the vicinity of the well being tested.

WHEREFORE, applicant prays that the provisions of Rule 5 of Order No. R-1191 be amended insofar as said rule requires semi-annual bottom hole pressure tests, and provide, instead, that

bottom hole pressures be taken on all wells in the South Blanco-Tocito Oil Pool annually, during the month of October of each year.

Applicant further prays that this application be set for hearing before the Oil Conservation Commission or its duly appointed examiner, and that after notice and hearing as required by law, the Commission enter its order granting the relief prayed for.

Respectfully submitted,

CAULKINS OIL COMPANY

By Jason W. Kellahin  
KELLAHIN & FOX  
P. O. Box 1713  
Santa Fe, New Mexico

ATTORNEYS FOR APPLICANT