

CASE 2654: Application of CARPER  
DRLG. for creation of BUFFALO-VALLEY-  
PENN GAS POOL & for special rules.

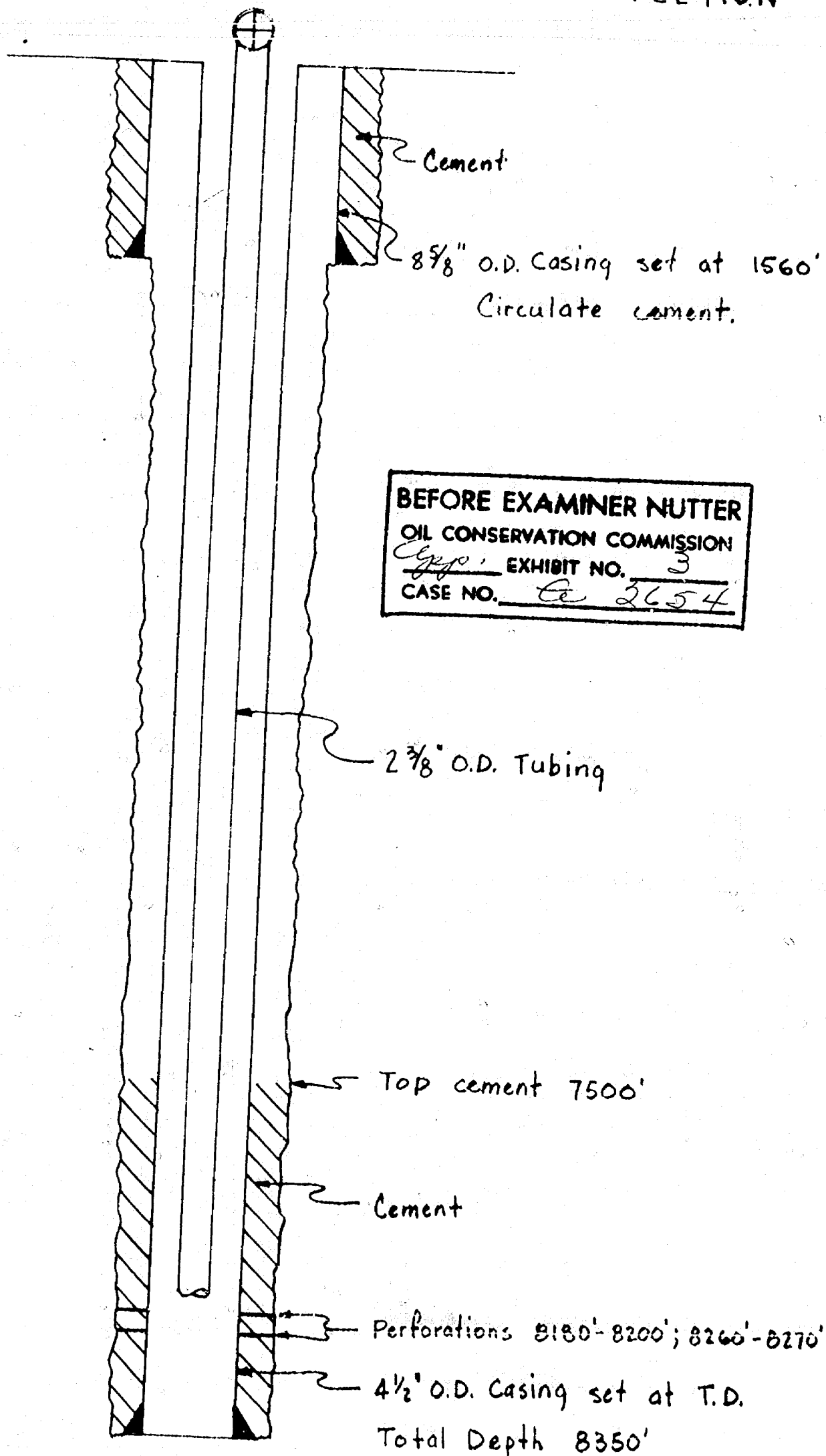
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2654

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Index, Transcript,  
// Exhibits, Etc.

# TYPICAL WELL COMPLETION



Case 7654

Heard ~~2654~~ 10-13-64

Rec. 10-14-64.

Write an order causing this  
Pool to be operated in accordance  
with Rule 604 320 Ac. for Penn.  
or deeper.

Buffalo Valley - Penn Gas Pool.  
R-2349.

Thurs. 11. 1964

GOVERNOR  
JACK M. CAMPBELL  
CHAIRMAN

State of New Mexico  
**Oil Conservation Commission**



LAND COMMISSIONER  
E. B. JOHNNY WALKER  
MEMBER

P. O. BOX 2088  
SANTA FE

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

October 23, 1964

Mr. A. J. Losee  
Losee & Stewart  
Box 239  
Artesia, New Mexico

Re: CASE NO. 2654  
ORDER NO. R-2349-A  
APPLICANT Carper Drilling

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

ir/

Carbon copy of order also sent to:

Hobbs OCC   x  

Artesia OCC   x  

Aztec OCC       

OTHER

DRAFT  
JMD/esr

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:

CF Subj. \_\_\_\_\_

CASE No. 2654

Order No. R-2349-A

APPLICATION OF CARPER DRILLING  
COMPANY, INC., FOR THE CREATION  
OF A NEW GAS POOL AND FOR TEMPO-  
RARY SPECIAL RULES AND REGULA-  
TIONS, CHAVES COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on  
October 13, 1964, at Santa Fe, New Mexico, before Examiner  
✓ Daniel S. Nutter *Elmer A. Nutter*

NOW, on this \_\_\_\_\_ day of October, 1964, the Commission,  
a quorum being present, having considered the testimony, the record,  
and the recommendations of the Examiner, 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-2349, dated October 31, 1962, tempo-  
rary Special Rules and Regulations were promulgated for the Buffalo  
Valley-Pennsylvanian Gas Pool.

(3) That pursuant to the provisions of Order No. R-2349,  
this case was reopened to allow the operators in the subject pool  
to appear and show cause why the Buffalo Valley-Pennsylvanian Gas  
Pool should not be developed on 160-acre spacing units.

*That since the issuance of order No. R-2349 the Commission has*  
*amended Rule 104 of the Rules and Regulations to permit the dedication of 320 acres to*  
*a gas well in the Buffalo Valley-Pennsylvanian Gas Pool can efficiently and*  
*or completed in the Pennsylvanian formation or a deeper formation.*  
*economically drain and develop 320 acres.*

(5) That to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, the Special Rules and Regulations promulgated by Order No. R-2349 should be continued in full force and effect until further order of the Commission.

(6) That the Special Rules and Regulations promulgated by Order No. R-2349 have afforded and will afford to the owner of each property in the pool the opportunity to produce his just and equitable share of the gas in the pool.

IT IS THEREFORE ORDERED:

(1) That the Special Rules and Regulations governing the Buffalo Valley-Pennsylvanian Gas Pool promulgated by Order No. R-2349 are hereby continued in full force and effect until further order of the Commission.

(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.

DRAFT

JMD/esr  
October 23, 1962

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. 2654

Order No. R- 2349

APPLICATION OF CARPER DRILLING  
COMPANY, INC., FOR THE CREATION  
OF A NEW GAS POOL AND FOR TEMPO-  
RARY SPECIAL RULES AND REGULA-  
TIONS, CHAVES COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on  
October 10, 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 \_\_\_\_\_ day of October, 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 a new gas pool for Pennsylvanian production should  
be created and designated the Buffalo Valley-Pennsylvanian Gas  
Pool. This pool was discovered by the Carper Drilling Company  
Inc., Baetz Well No. 1, located in Unit N of Section 35, Township  
14 South, Range 27 East, NMPM, Chaves County, New Mexico.

(3) That Carper Drilling Company, Inc. seeks the promulga-  
tion of temporary special rules and regulations for the Buffalo  
Valley-Pennsylvanian Gas Pool to provide for 320-acre/<sup>gas</sup>proration  
units.

(4) That the evidence presented concerning the reservoir  
characteristics of the Buffalo Valley-Pennsylvanian Gas Pool  
justifies the establishment of 320-acre/<sup>gas</sup>proration units in said  
pool for a temporary ~~two-year~~ period of two years.



(5) That the evidence establishes that the Buffalo Valley-Pennsylvanian Gas Pool can presently be efficiently and economically drained on 320-acre/<sup>gas</sup> proration units.

(6) That during the two-year period in which this order will be in effect, <sup>oil operators in the subject pool</sup> ~~the applicant~~ should gather all available information relative to drainage and recoverable reserves in ~~the~~ <sup>said</sup> subject pool.

(7) That this case should be reopened at an examiner hearing in October, 1964, at which time the operators in the subject pool should be prepared to appear and show cause why the Buffalo Valley-Pennsylvanian Gas Pool should not be developed on ~~320~~ <sup>300</sup> 160-acre <sup>gas</sup> proration units.

IT IS THEREFORE ORDERED:

(1) That a new ~~gas~~ pool in Chaves County, New Mexico, classified as a gas pool for Pennsylvanian production is hereby created and designated as the Buffalo Valley-Pennsylvanian Gas Pool consisting of the following-described area:

TOWNSHIP 14 SOUTH, RANGE 27 EAST, NMPM  
Section 35: S/2

TOWNSHIP 15 SOUTH, RANGE 27 EAST, NMPM  
Section 2: N/2

(2) That special rules and regulations for the Buffalo Valley-Pennsylvanian Gas Pool are hereby promulgated as follows, effective November 1, 1962.

SPECIAL RULES AND REGULATIONS  
FOR THE  
BUFFALO VALLEY-PENNSYLVANIAN GAS POOL

RULE 1. Each well completed or recompleted in the Buffalo Valley-Pennsylvanian Gas Pool or in the Pennsylvanian formation within one mile of the Buffalo Valley-Pennsylvanian Gas Pool, and not nearer to or within the limits of another designated Pennsylvanian pool, shall be spaced, drilled, operated, and prorated in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well completed or recompleted in the Buffalo Valley-Pennsylvanian Gas Pool shall be located in the northwest

quarter or the southeast quarter of the section and shall be located no nearer than 990 feet to the outer boundary of the quarter section <sup>or</sup> ~~not~~ nearer than 330 feet to any governmental quarter-quarter section line; provided, however, that any well drilling to or completed in said pool as of the date of this order is hereby excepted from the requirements of this rule.

RULE 3. The Secretary-Director shall have authority to grant exceptions to Rule 2 without notice and hearing where an application therefor has been filed in due form and the necessity for the unorthodox location is based on topographical conditions or is occasioned by the recompletion of a well previously drilled to another horizon.

Applicants shall furnish all offset operators and all operators within the section in which the subject well is located a copy of the application to the Commission and shall stipulate to the Commission that proper notice has been furnished to all such operators. The Secretary-Director may approve the application if, after a period of twenty days, no offset operator has entered an objection to the proposed unorthodox location.

RULE 4. Each well completed or recompleted in the Buffalo Valley-Pennsylvanian Gas Pool shall be located on a standard <sup>fraction</sup> unit consisting of any two contiguous quarter sections of a single governmental section, being a legal subdivision (half section) of of the United States Public Lands Survey. For purposes of these rules, a standard <sup>fraction</sup> unit shall consist of 316 through 324 contiguous surface acres.

RULE 5. The Secretary-Director shall have authority to grant an exception to Rule 4 without notice and hearing where an application has been filed in due form and where the unorthodox size or shape of the tract is due to a variation in the legal subdivision of the United States Public Lands Survey, or where the following facts exist and the following provisions are complied with:

(1) The non-standard unit consists of contiguous quarter-quarter sections or lots.

(2) The non-standard unit lies wholly within a single governmental section.

(3) The entire non-standard unit may reasonably be presumed to be productive of gas from the Buffalo Valley-Pennsylvanian Gas Pool.

(4) The applicant presents written consent in the form of waivers from all offset operators and from all operators owning interests in the section in which any part of the non-standard unit is situated and which acreage is not included in said non-standard unit.

(5) In lieu of Paragraph 4 of this rule, the applicant may furnish proof of the fact that all of the aforesaid operators were notified by registered/<sup>or certified</sup> mail of his intent to form such non-standard unit. The Secretary-Director may approve the application if, after a period of thirty days, no such operator has entered an objection to the formation of such non-standard unit.

RULE 6. ~~That~~ The vertical limits of the Buffalo Valley-Pennsylvanian Gas Pool shall be the Pennsylvanian formation.

(3) That this case shall be reopened at an examiner hearing in October, 1964, at which time the operators in the subject pool may appear and show cause why the Buffalo Valley-Pennsylvanian Gas Pool should not be developed on 160-acre/<sup>gas</sup> proration units.

(4) 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 herein-above designated.

BEFORE THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
October 10, 1962

EXAMINER HEARING

IN THE MATTER OF:

Applicant of Carper Drilling Company for the creation of a new gas pool and for temporary special rules and regulations, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new gas pool to be designated the Buffalo Valley-Pennsylvanian Gas Pool for its Baetz Well No. 1, located in the SE/4 SW/4 of Section 35, Township 14 South, Range 27 East, Chaves County, New Mexico. Applicant, further seeks the establishment of temporary special rules and regulations governing said pool, including provisions for 320-acre gas units.

Case 2654

BEFORE: Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

MR. NUTTER: We will call Case 2654.

MR. DURRETT: Application of Carper Drilling Company for the creation of a new gas pool and for temporary special rules and regulations, Chaves County, New Mexico.

MR. LOSEE: A. J. Losee, Losee and Stewart, representing the applicant, and I have two witnesses in this case, Mr. Storm and Mr. Clark.

MR. DURRETT: Mr. Storm, you are under oath. I don't

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think you need to be sworn again.

(Witness sworn.)

(Whereupon, Carper's Exhibits Nos. 2 and 3 were marked for identification.)

TRACY CLARK

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

DIRECT EXAMINATION

BY MR. LOSEE:

Q Would you state your name, please?

A Tracy Clark.

Q Where do you live, Mr. Clark?

A 2411 Loma Drive, Artesia, New Mexico.

Q What is your occupation? A Geologist.

Q Are you employed by Carper Drilling Company?

A Yes, sir.

Q You have never testified before this Commission?

A That is correct.

Q Where did you have your public education?

A Morton Senior High School in Richmond, Indiana.

Q You graduated from high school?

A Yes, sir.

Q Your higher education?

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A Texas College of Mines and Metallurgy, El Paso, Texas.

Q Did you graduate with degrees?

A A B. S. degree, major in geology, minor in chemistry.

Q Since your graduation from Texas Western, what has been your occupation and who have been your employers?

A Geologist, Pan American Petroleum Corporation, ten years; geologist, Carper Drilling Company, four years.

Q Have you since your graduation attended any special schools in connection with your work?

A Yes. Electric log school sponsored by Pan American Corporation, log schools sponsored by Schlumberger, Welox, several field trips, Roswell Geological Society, New Mexico Geological Society, West Texas Geological Society.

Q Have you written any papers in connection with your work as a geologist?

A Yes.

Q What papers were those?

A One paper, the subject of Sacramento Mountains in the Roswell Geological Society Field Book, I believe in 1958.

MR. LOSEE: Are Mr. Clark's qualifications as an expert on geology acceptable?

MR. NUTTER: Yes, sir. Please proceed.

Q (By Mr. Losee) I'll refer you to what has been marked



Exhibit 1 in the prior Case 2647, and ask you if you will briefly state what that is.

A This is a plat of the area surrounding the Carper No. 1 Baetz gas well, the yellow showing the Carper Drilling Company, Inc. acreage. Other operators leases are also shown; the oil wells drilled in the area are shown with their total depths.

Q Now, this Carper Drilling Company Baetz No. 1 well, what is the total depth of that well?

A The Carper Drilling Company No. 1 Baetz was originally drilled to total depth, 9983, bottomed in Precambrian rocks by the Richfield Oil Corporation.

Q What is the present plug back depth?

A 8511 in Mississippian age rocks.

Q What are the producing intervals?

A Producing intervals are 8182 to 98, 8260 to 8270, lower Pennsylvanian age sandstone.

Q Has this well been completed as a producer?

A This well will be officially completed for initial potential of 3,503,000 cubic feet of gas per day calculated absolute open flow.

Q Please refer to Exhibit No. 2 and state what that portrays.

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A Exhibit 2 is an electric log cross section from the Duffield-Pennsylvanian gas field of northern Eddy County to the subject well, the Carper No. 1 Baetz. Off on the right side is an index map showing the line of cross section, the location of these wells and other wells in the area.

Q Have you correlated or attempted to correlate the Duffield and the Baetz well from a geology standpoint?

A Yes, sir, I have. These wells are correlated on this cross section by age alone. There is no reference to subsea datum. Note that the top of the Mississippian, which is the lowermost correlation line, there is a very excellent correlation there. Note also that the pay sections in the two wells correlate very well.

Q Is there any similarity, in your opinion, with respect to drainage area that has occurred in the Duffield and might occur in the Baetz well?

A Yes, I would think so, because of the amazing similarity of these two logs, Mr. Clark Storm in later testimony will show that the Duffield well has drained probably in excess of 320 acres and we have reason to think because of this similarity in the pay sections that our well can do the same.

Q Does the production history of Pennsylvanian gas fields in Eddy County, or southeastern New Mexico, indicate





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anything with respect to the area that is drained?

A I would say that most of them indicate a drainage area in excess of 320 acres. In fact, I know no Pennsylvanian gas field with less than 320-acre spacing.

Q In southeastern New Mexico?

A In southeastern New Mexico.

Q Mr. Clark, are there any water zones, fresh or salt water, present in the area of this Baetz No. 1 well?

A Shallow water zones are known to exist in this area down to approximately 250 feet. Since the subject hole was drilled with rotary and no electric or gamma ray neutron was run above 1556, the presence of fresh water above this point is indeterminate. However, a cable tool drilled one location east reported water zones at 200 to 210 feet at 915 to a thousand feet with no definition of freshness nor of quantity, although both zones were cased off to facilitate further drilling.

MR. NUTTER: What was that lowermost?

A 915 to 1,000. The San Andres has only connate water in small amounts in this area.

Q Based upon your log run on this well and the tests that have been made on the well, in your opinion is there any productive oil or gas zones present in this hole above the Pennsylvanian?



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A I would say no, based on electric log, gas mud log, sample analyses and cores that were taken in the Richfield well, also the production tests performed by Mr. Copeland.

MR. LOSEE: That's all the questions I have of Mr. Clark. You might like to wait until Mr. Storm has completed his testimony and then recall Mr. Clark, if you desire.

MR. NUTTER: Does anyone have any questions of Mr. Clark at this time? Mr. Clark, do you have available a complete electric log of this Baetz No. 1 well?

A Yes.

MR. NUTTER: Could you furnish the Commission with a log of it, please?

A Yes.

MR. NUTTER: Mr. Losee, if it's possible, we would like to have this marked as an exhibit and just introduced into the record of the case.

MR. LOSEE: All right.

(Whereupon, Carper's Exhibit No. 4 was marked for identification.)

CROSS EXAMINATION

BY MR. NUTTER:

Q Are you familiar with the Atoka-Pennsylvanian Gas Pool?

A Vaguely. We have not drilled any wells in that field



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ourselves.

Q Are you familiar enough with it to know whether the producing intervals in this proposed pool would be correlative with the producing interval of the Atoka-Pennsylvanian Pool?

A I would say they're approximately correlative.

Q What is the name of the two zones as far as the nomenclature of the Pennsylvanian in the general area?

A I would call these probably Atoka in age.

Q These would be Atoka? A Yes, sir.

Q When was the Continental Oil Company Duffield well completed, Mr. Clark?

A It was completed sometime in April of 1952. I do not have the exact date.

Q Do you know how much gas that well has produced or will Mr. Storm testify to that?

A Mr. Storm will have testimony to the exact amount of gas that is produced.

MR. NUTTER: Any further questions of Mr. Clark?

MR. LOSEE: I have one further with respect to this exhibit.

REDIRECT EXAMINATION

BY MR. LOSEE:

Q I hand you what has been marked Exhibit 4 and ask you



to state for the record what that is.

A This is a Schlumberger electric log of the Richfield Oil Corporation No. 1 Trigg, Section 35, 14 South, 27 East, Chaves County, New Mexico.

MR. LOSEE: I think that's all.

RECROSS EXAMINATION

BY MR. NUTTER:

Q Is that log run from T.D. up to the surface there?

A No, it is not.

Q Does it come up at least as far as the San Andres?

A It comes up to just below the top of the San Andres.

MR. NUTTER: Very good. The witness may be excused.

(Witness excused.)

CLARK STORM

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

DIRECT EXAMINATION

BY MR. LOSEE:

Q You are the same Clark Storm that testified in Case No. 2647?

A Yes, sir.

MR. LOSEE: Are his qualifications acceptable to the Commission?

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MR. NUTTER: Yes, they are.

Q (By Mr. Losee) Referring back to what has already been marked Exhibit No. 2, and which is a log comparison of the Duffield and the Baetz well, have you calculated the amount of gas which would be stored or could be stored in one acre surrounding the Baetz No. 1 well, using certain assumptions?

A I have.

Q What amount of gas?

A 11,400,760 cubic feet of gas, that's at 15,025.

Q In arriving at that calculation, what assumptions or what facts did you use?

A I used the porosity of 8.2% taken from a gamma ray neutron log which we ran over the pay section which differentiated the good and the bad from it as far as could be done at this date. And assumed a water content of 40% and used the initial pressure of 3185, which we have already mentioned, and abandonment pressure of 600 pounds, and I used no temperature supercompressibility. I did originally and found it only made one-half percent difference in the storage so I just left it out.

Q Why did you use an abandoned pressure of 600 pounds?

A Because we have to go into a line at about 500 pounds and we couldn't go much below 600.

Q This is what line?

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A Southern Union gas line.

Q Then using those assumptions, your calculation as to the initial volume of gas stored in one acre is 11,400,760 cubic feet?

A That's right.

Q How many cubic feet do you calculate would be left in one acre at the time of the abandonment of the well?

A 2,185,860.

Q Which would result in a figure of how much gas produced from one acre?

A We could recover 9,214,900 cubic feet.

Q Then assuming that the Baetz and Duffield are similar wells, how much gas has the Duffield production since it was completed?

A I don't have it right up-to-date, but 1-1-61 it had produced 3,885,551 cubic feet.

Q And using the 9,214,900 cubic feet that could be produced from one acre around the Baetz, how many acres do you calculate have been drained by the Duffield at this time?

A That figure is 421.6 acres.

Q Does Carper Drilling Company have any contract to sell the gas from this well?

A We have a contract with Southern Union Gas Company.



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Q Referring back to Exhibit 2, are they having to run a line to this well, and if so, from what point and what is the approximate distance?

A They're running a line from the Southwest Quarter of Section 35, Township 15 South, and 26 East, and that figures about eight and one-half miles.

Q Have you calculated the open flow initial potential of this well?

A I didn't personally. I was in on the calculation.

Q Someone in your department calculated it?

A That's right, Vince Foster figured it 3,600,000.

Q In your application to the Commission you have recommended that this well be called a discovery of a common source of supply in the Pennsylvanian Pool to be known as the Buffalo Valley. Why did you suggest that name?

A This area that is irrigated down through here is known as the Buffalo Valley area and this is near it.

Q In connection with the field rules for this pool, what drilling proration and spacing have you requested?

A We have requested 320-acre spacing, with the wells to be in the Northwest and Southeast quarter sections.

Q Do you understand that to be on a 320-acre spacing rule to be the customary pattern of the wells?



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A That's customary.

Q Would the Baetz well then have to be an exception to that well location?

A It would, because it is in the Southeast of the Southwest of Section 35.

Q I hand you what has been marked Exhibit 3. What does Exhibit 3 portray, Mr. Storm?

A It's a sketch that we proposed for the completion of the wells in that area.

Q Does that show the cement and the casing in the proposed completions?

A Yes, sir, it shows 1560 feet of the surface string and total depth casing of some size 4½ west on here. That's right.

Q Now, your acreage is a federally owned lease, this Baetz, is it not?

A Yes, sir.

Q Have you gone over this casing program with the United States Geological Survey?

A I have.

Q Have they approved this type of casing program?

A They have approved this type and would be somewhat more lenient in certain instances. For instance, up at the top in the 5-5/8 is a casing, they think we wouldn't need to set that much





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if we would cement the production string all the way to the top. They felt that the surface string of roughly 300 feet, in that nature, they would want to look at each individual case because that water they say strings in and out up there.

Q In other words, they wouldn't require this much surface casing if you had your production string cemented from the top to the bottom?

A That is correct. If you don't do that they want at least 600 feet of cement above the perforations and not less than 100 sacks.

Q And they would want the surface string set through what formation, or into what formation, the top of the San Andres?

A No, I think they're instances where they would even be more lenient than that, but in general that's it, that's right.

Q What abandonment procedure plugging of the wells do you propose?

A Well, the United States Geological Survey requires some sort of a plug every 1500 feet if you don't have anything that's productive. Of course, if you have a productive section, two or three of them there, they want them separated, but that is what they will go with in this particular area.

Q Do you have anything further to add in this case, Mr. Storm?



A I don't believe so.

MR. LOSEE: I have no further questions at this time of the witness.

MR. NUTTER: Any questions of Mr. Storm?

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Storm, I presume that the Pennsylvanian has not been cored in this immediate area?

A No, sir, it hasn't.

Q So the only source for the porosity figure that you gave would be interpretation of the gamma ray neutron log?

A That's right.

Q And is any gamma ray neutron log available on the Continental Duffield well?

A Not that I know of.

Q Have you made any study of any logs that may be available on the Continental well to determine what the porosity on it would be?

A No, sir, I haven't.

Q Upon what did you base your 40% water saturation?

A Well, this gas in this particular well is rather damp. Now I don't know whether it is in the Duffield or not, but you could cut that water content considerably and still have lots

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of acres.

Q Does this gas make very much liquid hydrocarbons?

A We haven't tested it. When we had the prover on there, two drips off of the prover.

Q But you don't have any test as to the amount of liquids per day it would make at this absolute open flow of 3.6 million?

A No, sir, we do not have.

Q And it's approximately eight and ten some tenths miles that Southern Union has to run the line?

A Measuring on the map it's 8.4 miles. It wouldn't be exactly that.

Q There is a contract with Southern Union and they have agreed to run this line?

A That's right.

Q Does your company have any plans at the present time to drill a second well in the Pennsylvanian area there?

A Well, it depends on what happens here.

Q Are there any seismic structure maps available that would indicate what the Pennsylvanian structure might look like in this area? Do you have any idea as to the size of it?

A I certainly don't know of any. There may be some. Tracy Clark could tell you more about that than I can.



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Q Do you know whether Richfield has any seismic information about how they drilled their well?

A I do not know. I presume they do, but I don't know.

MR. NUTTER: Any further questions of Mr. Storm? He may be excused.

(Witness excused.)

MR. LOSEE: The applicant moves the introduction of Exhibits 1 through 4.

MR. NUTTER: Applicant's Exhibits 1 through 4 in Case 2654 will be admitted in evidence.

(Whereupon, Carper's Exhibits Nos. 1 through 4 were admitted in evidence.)

MR. NUTTER: Do you have anything further, Mr. Losee?

MR. LOSEE: If the Commission has not at this time received any wires from two of the offset operators, Union Oil Company of California and Pan American, we are authorized to state that they join with Carper in requesting a designation of this pool on a 320-acre spacing.

MR. NUTTER: We have received correspondence from Union Oil Company in California. Do you have anything further?

MR. DURRETT: Yes, sir. I will read a paragraph from this letter from Union Oil Company of California that the



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PHONE 243-6691

Commission has in its files. This letter was received October 10, reading paragraph as follows: "Union Oil Company of California, owner of acreage in offsetting and neighboring sections, endorses Carper's application for temporary 320-acre gas units. Union's knowledge of and experience with Morrow sand gas production in southeastern New Mexico leads it to the conclusion that 320-acre spacing is the maximum well density on which this pool should be developed. Subsequent well performance may, in fact, indicate that the pool can be efficiently and economically drained on wider spacing." Letter signed R. S. Cook, Division Engineer.

MR. NUTTER: Thank you. Does anyone have anything further they wish to offer in the case?

MR. SMITH: I would like to make a statement in behalf of Pan American.

MR. NUTTER: State your name, please.

MR. SMITH: Robert E. Smith, petroleum engineer. We make a statement to support the 320-acre proration unit. However, we would not want to make a fixed location in quarter, quarter section.

MR. NUTTER: Anything further in this case? We'll take the case under advisement.



STATE OF NEW MEXICO )  
 ) ss  
 COUNTY OF BERNALILLO )

I, ADA DEARNLEY, 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.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 2nd day of November, 1962.

*Ada Dearnley*  
 Notary Public-Court Reporter

My commission expires:

June 19, 1963.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. **2654** heard on **10-10**, 19**62**.

*[Signature]* Examiner  
 New Mexico Oil Conservation Commission

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 PHONE 243-6691



# Union Oil Company of California

M I D L A N D T E X A S

October 9, 1962

New Mexico Oil Conservation Commission  
State Land Office Building  
Santa Fe, New Mexico

Attention: Mr. Daniel S. Nutter

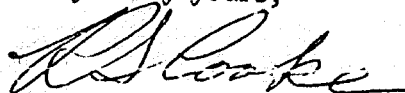
Re: Case 2654

Dear Sir:

In the above-numbered case, Carper Drilling Company has petitioned the New Mexico Oil Conservation Commission for temporary rules and regulations, including provision for 320-acre gas units, for a new gas pool to be designated as the Buffalo Valley-Pennsylvanian Gas Pool in Section 35, Township 14 South, Range 27 East, Chaves County, New Mexico.

Union Oil Company of California, owner of acreage in offsetting and neighboring sections, endorses Carper's application for temporary 320-acre gas units. Union's knowledge of and experience with Morrow Sand gas production in southeastern New Mexico leads it to the conclusion that 320-acre spacing is the maximum well density on which this pool should be developed. Subsequent well performance may, in fact, indicate that the pool can be efficiently and economically drained on wider spacing.

Very truly yours,



R. S. Cooke  
Division Engineer

RSC:bn

cc: Carper Drilling Company

A. J. LOSEE  
EDWARD B. STEWART

LAW OFFICES  
**LOSEE AND STEWART**  
CARPER BUILDING - P.O. DRAWER 239  
ARTESIA, NEW MEXICO

*Case 2654*

20 September 1962

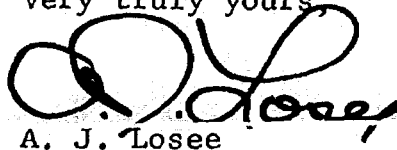
Mr. A. L. Porter, Jr., Secretary  
New Mexico Oil Conservation Commission  
Post Office Box 871  
Santa Fe, New Mexico

Dear Mr. Porter:

Enclosed herewith you will please find triplicate copies of Application of Carper Drilling Company, Inc. for the creation of a new pool to be designated as the Buffalo Valley Pennsylvanian Gas Pool and for a temporary order establishing 320-acre spacing and proration units in the common source of supply discovered in Applicant's Baetz Well No. 1. We shall appreciate you setting this matter down for hearing before an examiner.

With a carbon of this letter we are furnishing a copy of this Application to each of the operators directly and diagonally offsetting the Baetz Well No. 1 proposed proration unit.

Very truly yours,

  
A. J. Losee

AJL:jat  
Enclosures

cc: Carper Drilling Company, Inc.  
Carper Building  
Artesia, New Mexico

Pan American Petroleum Corporation  
Post Office Box 268  
Lubbock, Texas

DOCKET MAILED

Date

9/28/62

*JK*



Mr. A. L. Porter, Jr.  
20 September 1962  
Page Two

Robert Alan Franklyn, M.D.  
7851 Sunset Boulevard  
Hollywood 46, California

George W. Miller  
1604 West Walnut  
Roswell, New Mexico

Ralph Lowe  
Midland Tower  
Midland, Texas

Wm. B. Barnhill and Myles Culligan  
131 West Walnut  
Roswell, New Mexico

Hondo Oil & Gas Company  
Post Office Box 660  
Roswell, New Mexico

Union Oil Company of California  
112 East 4th Street  
Roswell, New Mexico

DOCKET MAILED

Date \_\_\_\_\_

Tracy Clark Super Geologist

Test, no 1 sig. old to pre-cambrian @ 9983

recon pl 8180 - 8200; 8260 - 8210 lower Penn

shallow wt zone, occur <sup>where</sup> down to 250' & 915-1000  
Stow-

11,400,760 cu ft gas / acre orig

to be adjusted  
 2,185,860 @  
 600# abud

per 8.2% fr gas a day, medium lag

assumed 40% H<sub>2</sub>O

orig press 3185 psi

ann press 600 psi (line is 500 psi) <sup>Southern Union gas</sup>

no recompress factor

Duffield well 1-1-61 3,885,551,000

figures 421.6 acres have been drained by  
 Duffield well —

S. U. has contract will run line 8.4 mi to  
 connect,

3,600,000 AOF

Buffalo Valley

220 acres

NW & SE quarters —

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF CARPER :  
DRILLING COMPANY, INC. FOR THE CREATION OF :  
A NEW POOL TO BE DESIGNATED AS THE BUFFALO- :  
VALLEY PENNSYLVANIAN GAS POOL AND FOR A :  
TEMPORARY ORDER ESTABLISHING 320-ACRE SPAC- :  
ING AND PRORATION UNITS IN THE COMMON SOURCE :  
OF SUPPLY DISCOVERED IN APPLICANT'S BAETZ :  
WELL NO. 1, SE/4 SW/4, SECTION 35, TOWNSHIP :  
14 SOUTH, RANGE 27 EAST, N.M.P.M., CHAVES :  
COUNTY, NEW MEXICO :

No. 2654

APPLICATION

COMES CARPER DRILLING COMPANY, INC. by its attorneys  
Losee and Stewart, and states:

1. That a common source of supply of gas was discovered by the Carper Drilling Company, Inc. Baetz Well No. 1, located 660 feet from the South line and 1,980 feet from the West line, Section 35, Township 14 South, Range 27 East, N.M.P.M., Chaves County, New Mexico; the well having been initially drilled as the Richfield-Trigg Well No. 1 to a total depth of 9,983 feet and having been plugged back by this Applicant and completed through casing perforations 8,182 to 8,198 and 8,260 to 8,270 feet in the Pennsylvanian formation; and the well having been tested through a 3/4" choke with a flow of 3,503 m.c.f. per day.

2. That the common source of supply of gas discovered by the above mentioned well should be designated as the Buffalo

Valley Pennsylvanian Gas Pool and should at least cover the S/2 of Section 35, Township 14 South, Range 27 East, N.M.P.M., Chaves County, New Mexico.

3. That the geological and engineering data now available to Applicant indicates that the said Baetz Well will apparently drain 320 acres and this common source of supply should be developed on 320-acre proration units.

4. The creation of this new pool and the temporary establishment of 320-acre spacing and proration units for this common source of supply will be in the interest of conservation, will prevent waste and correlative rights will be protected.

5. The names and addresses of all operators directly or diagonally offsetting the S/2 of said Section 35 are as follows:

- a) Pan American Petroleum Corporation  
Post Office Box 268  
Lubbock, Texas
- b) Robert Alan Franklyn, M.D.  
7851 Sunset Boulevard  
Hollywood 46, California
- c) George W. Miller  
1604 West Walnut  
Roswell, New Mexico
- d) Ralph Lowe  
Midland Tower  
Midland, Texas
- e) Wm. B. Barnhill and Myles Culligan  
131 West Walnut  
Roswell, New Mexico
- f) Hondo Oil & Gas Company  
Post Office Box 660  
Roswell, New Mexico

DOCKET MAILED

Date 10-1-64

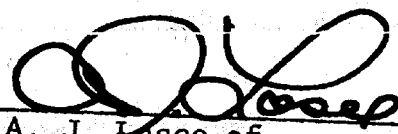
g) Union Oil Company of California  
112 East 4th Street  
Roswell, New Mexico.

WHEREFORE, Applicant prays the orders of the Commission  
as follows:

1. That this matter be set for hearing before an examiner duly appointed by the Commission and that due notice be given thereof as required by law.
2. That after such hearing an order be entered creating the Buffalo Valley Pennsylvanian Gas Pool and temporarily establishing 320-acre spacing and proration units for the common source of supply of gas discovered by Applicant's Baetz Well No. 1 in the SE/4 SW/4 of Section 35, Township 14 South, Range 27 East, N.M.P.M., Chaves County, New Mexico.
3. And for such other relief as may be just in the premises.

CARPER DRILLING COMPANY, INC.

By

  
A. J. Losee of  
LOSEE AND STEWART  
Attorneys at Law  
Post Office Drawer 239  
Artesia, New Mexico

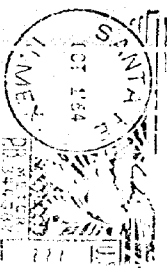
State of New Mexico  
Oil Conservation Commission

P. O. BOX 2088  
SANTA FE  
87501



REASON CHECKED  
Unclaimed ..... Refused.....  
Addressee unknown.....  
Insufficient Address.....  
No such street..... number.....  
No such office in state.....  
Do not re-mail in this envelope

CONSERVATION IS  
EVERYONE'S JOB



Mr. George W. Miller  
1604 West Walnut  
Roswell, New Mexico

☐ Moved, left no address  
☐ No such number  
☒ Addressed unknown

DOCKET: EXAMINER HEARING - TUESDAY - OCTOBER 13, 1964

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

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The following cases will be heard before Daniel S. Nutter, Examiner,  
or Elvie A. Utz, Alternate Examiner:

CASE 3108: (Continued from the September 30, 1964 examiner hearing)

Application of Monsanto Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (conventional) of its Dagger Draw Well No. 1, located in Unit O of Section 6, Township 20 South, Range 25 East, Eddy County, New Mexico, to produce gas from the Strawn and Morrow formations through the casing-tubing annulus and through tubing, respectively.

CASE 3115: Application of Monsanto Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (conventional) of its Lowe-State Well No. 1 located in Unit F of Section 36, Township 21 South, Range 23 East, Eddy County, New Mexico, to produce gas from the Cisco Canyon and Lower Morrow formations through parallel strings of tubing.

CASE 3116: Application of Tex-Star Oil & Gas Corporation for force-pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in the Pearl-Queen Pool underlying the NW/4 NW/4 of Section 24, Township 19 South, Range 35 East, Lea County, New Mexico.

CASE 3117: Application of Tex-Star Oil & Gas Corporation for force-pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in the Basin-Dakota Pool underlying the E/2 of Section 26, Township 30 North, Range 14 West, San Juan County, New Mexico.

CASE 3118: Application of Gulf Oil Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the South Penrose Skelly Unit Area comprising 4,400 acres, more or less, of Federal, State and Fee lands in Township 22 South, Range 37 East, Penrose Skelly Pool, Lea County, New Mexico.

October 13, 1964 Examiner Hearing

- CASE 3119: Application of Gulf Oil Corporation for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Penrose Skelly Pool in its South Penrose Skelly Unit Area by the injection of water into the Grayburg formation through six wells in Sections 5 and 6, Township 22 South, Range 37 East, Lea County, New Mexico.
- CASE 3120: Application of Dr. Sam G. Dunn for a Review of the Commission's Directive of August 27, 1964, concerning salt water disposal, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks a review of the Commission's Directive of August 27, 1964, prohibiting the disposal of produced salt water in unlined pits after November 1, 1964, in the Linda-San Andres Pool and adjacent areas in Townships 6 and 7 South, Range 26 East, Chaves County, New Mexico. Applicant specifically requests an extension of the November 1st deadline and a determination that salt water disposal in unlined pits in Sections 26, 27, and 34, Township 7 South, Range 26 East, among other areas, does not constitute a hazard to fresh waters and should be excepted from the Commission's directive.
- CASE 3121: Application of Dr. Sam G. Dunn for a water injection project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a water injection project by the injection of water into the San Andres formation through one well located in Section 33, Township 6 South, Range 26 East, Linda-San Andres Pool, and by the injection of water into one well in Section 32 or 33, and one well in Section 27, Township 7 South, Range 26 East, all in Chaves County, New Mexico.
- CASE 3122: Application of Continental Oil Company for an unorthodox location and a non-standard unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to complete its Meyer B-4 Well No. 27 at an unorthodox location 5,610 feet from the South line and 660 feet from the East line of Section 4, Township 21 South, Range 36 East, Oil Center Blinebry Pool, Lea County, New Mexico. Said well would be dedicated to a 53-acre non-standard unit comprising that portion of Lots 1 and 8 of said Section 4 which is productive from the Oil Center Blinebry Pool.
- CASE 3123: Application of Continental Oil Company for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of special pool rules including a provision for 80-acre spacing and a gas-oil ratio of 6000 to 1 for the Monument-Tubb Pool in Township 20 South, Range 37 East, Lea County, New Mexico.



October 13, 1964 Examiner Hearing

- CASE 3124: Application of Continental Oil Company to amend Order No. R-2566, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an amendment to Order No. R-2566, which authorized the Continental Baish-Yates Waterflood Project, to also provide authority for the injection into each well of approximately 500 barrels of LPG.
- CASE 3125: Application of Shell Oil Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (conventional) of its Antelope Ridge Unit Well No. 4-1 in Unit B of Section 4, Township 24 South, Range 34 East, Lea County, New Mexico, to produce gas from the Antelope Ridge Pennsylvanian and Antelope Ridge Devonian Gas Pools through parallel strings of tubing.
- CASE 3126: Application of Murphy Oil Corporation for a pressure maintenance project, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project in the Many Rocks-Gallup Pool by the injection of water into the Gallup formation through five wells in Sections 17, 18 and 20, Township 32 North, Range 17 West, San Juan County, New Mexico. Applicant further seeks the promulgation of special rules for the operation of said project.
- CASE 2654: (Reopened)  
In the matter of Case No. 2654 being reopened pursuant to the provisions of Order No. R-2349, which order established temporary 320-acre gas proration units for the Buffalo Valley-Pennsylvanian Gas Pool, Chaves County, New Mexico, for a period of two years. The Commission will consider indefinite extension of Order No. R-2349 in the absence of evidence to the contrary.
- CASE 3127: Application of Shell Oil Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the China Canyon Unit Area comprising 7611 acres, more or less, of Federal, State and Fee lands in Township 23 South, Ranges 23 and 24 East, Eddy County, New Mexico.
- CASE 3128: Application of Shell Oil Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Grama Ridge Unit Area comprising 3052 acres, more or less, of Federal and State lands in Townships 21 and 22 South, Range 34 East, Lea County, New Mexico.

PAGE -4-

October 13, 1964 Examiner Hearing

CASE 3129: Application of Shell Oil Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the West Wilson Deep Unit Area comprising 3360 acres, more or less, of State and Fee lands in Township 21 South, Range 34 East, Lea County, New Mexico.

ir/

IT IS THEREFORE ORDERED:

(1) That the Atoka-Pennsylvanian Gas Pool, Eddy County, New Mexico, shall be prorated, effective July 1, 1961.

(2) That the proration formula for the Atoka-Pennsylvanian Gas Pool shall be based only on surface acreage.

PROVIDED HOWEVER, That all operators in said pool shall take such tests as the Commission shall prescribe by memorandum to determine whether factors other than acreage should be included in the proration formula, such tests to be taken and their results reported to the Commission in accordance with said memorandum.

PROVIDED FURTHER, That jurisdiction of this cause is retained for the entry of such further orders as the Commission deems necessary, including the entry of an order or orders changing the proration formula to include factors other than acreage.

*omit*  
(3) That the General Rules applicable to prorated gas pools in Southeast New Mexico, as set forth in Order No. R-1670, shall apply to the Atoka-Pennsylvanian Gas Pool, unless in conflict with the Special Rules and Regulations for said pool as hereinafter set forth, in which event the Special Rules shall apply.

(4) That Orders Nos. R-1417 and R-1417-A are hereby superseded.

SPECIAL RULES AND REGULATIONS FOR THE  
ATOKA-PENNSYLVANIAN GAS POOL

A. WELL LOCATION AND ACREAGE REQUIREMENTS

RULE 2: Each well completed or recompleted in the Atoka-Pennsylvanian Gas Pool shall be located in the northwest quarter or the southeast quarter of the section and shall be located no nearer than 990 feet to the outer boundary of the quarter section nor nearer than 330 feet to any governmental quarter-quarter section line, provided, however, that any well which was projected to or completed in said pool prior to June 5, 1959, is excepted from the requirements of this rule.

RULE 3: The Secretary-Director shall have authority to grant exceptions to Rule 2 without notice and hearing where an application therefor has been filed in due form and the necessity for the unorthodox location is based on topographical conditions or is occasioned by the recompletion of a well previously drilled to another horizon.

Applicants shall furnish all offset operators and all operators within the section in which the subject well is located a copy of the application to the Commission and shall

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:

CASES NOS. 2275 AND 1669  
Order No. R-1670-E

APPLICATION OF THE OIL CONSERVATION  
COMMISSION ON ITS OWN MOTION TO CON-  
SIDER PRORATING THE ATOKA-PENNSYLVANIAN  
GAS POOL, EDDY COUNTY, NEW MEXICO, AND  
TO ESTABLISH SPECIAL RULES AND REGULA-  
TIONS FOR SAID POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

These cases came on for hearing at 9 o'clock a.m. on May 17, 1961, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 25th day of May, 1961, the Commission, a quorum being present, having considered the testimony presented and the exhibits received in the hearing of said cases, 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 these cases and the subject matter thereof.

(2) That the producing capacity of the wells in the Atoka-Pennsylvanian Gas Pool, Eddy County, New Mexico, is in excess of the market demand for gas from this pool, and that for the purpose of preventing waste and protecting correlative rights, said pool should be prorated.

(3) That the proration formula for said pool should be based only on surface acreage, provided, however, that all operators in said pool should be required to take such tests as the Commission prescribes by memorandum to determine whether factors other than acreage should be included in the proration formula, such tests to be taken and their results reported to the Commission in accordance with said memorandum.

(4) That Orders Nos. R-1417 and R-1417-A established temporary special rules and regulations governing the subject pool, which special rules and regulations should be made permanent.

-4-

CASES NOS. 2275 AND 1669  
Order No. R-1670-E

*omit ✓*  
RULE 9(A): A well's "Acreage Factor" shall be determined to the nearest hundredth by dividing the acreage assigned to the well by 320 acres. However, the acreage tolerance provided in Rule 5(A) shall apply.

RULE 25: That the vertical limits of the Atoka-Pennsylvanian Gas Pool shall be the Pennsylvanian formation.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

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

S E A L

esr/

stipulate to the Commission that proper notice has been furnished to all such operators. The Secretary-Director may approve the application if, after a period of twenty days, no offset operator has entered an objection to the proposed unorthodox location.

RULE 5(A): Each well completed or recompleted in the Atoka-Pennsylvanian Gas Pool shall be located on a tract consisting of approximately 320 acres comprising any two contiguous quarter sections of a single governmental section, being a legal subdivision (half section) of the U. S. Public Lands Survey. For purposes of these rules, a unit consisting of between 316 and 324 surface contiguous acres shall be considered a standard unit.

RULE 5(C): The Secretary-Director shall have authority to grant an exception to Rule 5(A) without notice and hearing where an application has been filed in due form and where the unorthodox size or shape of the tract is due to a variation in the legal subdivision of the U. S. Public Lands Survey, or where the following facts exist and the following provisions are complied with:

(1) The non-standard unit consists of contiguous quarter-quarter sections or lots.

(2) The non-standard unit lies wholly within a single governmental section.

(3) The entire non-standard unit may reasonably be presumed to be productive of gas from the Atoka-Pennsylvanian Gas Pool.

(4) The applicant presents written consent in the form of waivers from all offset operators and from all operators owning interests in the section in which any part of the non-standard unit is situated and which acreage is not included in said non-standard unit.

(5) In lieu of Paragraph 4 of this Rule, the applicant may furnish proof of the fact that all of the aforesaid operators were notified by registered mail of his intent to form such non-standard unit. The Secretary-Director may approve the application if, after a period of thirty days, no such operator has entered an objection to the formation of such non-standard unit.

*omit* ✓  
RULE 8(A): The pool allowable remaining each month after deducting the total allowable assigned to marginal wells shall be allocated among the non-marginal wells entitled to an allowable in the proportion that each well's acreage factor bears to the total of the acreage factors for all non-marginal wells in the pool.

- CASE 2657: Application of Odessa Natural Gasoline Company for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks establishment of a 320-acre non-standard gas proration unit comprising the SE/4 of Section 23 and the NE/4 of Section 26, Township 25 South, Range 37 East, Justis Gas Pool, Lea County, New Mexico, to be dedicated to its Carlson "A" Well No. 1 located in Unit P of said Section 23.
- CASE 2658: Application of Cabot Corporation for temporary special rules and regulations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order promulgating temporary special rules and regulations for the North Bagley-Pennsylvanian Pool, Lea County, New Mexico, including provisions for 80-acre proration units.
- CASE 2659: Application of Cabot Corporation for the creation of a new oil pool and the establishment of temporary rules and regulations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool to be designated the North Bagley-Wolfcamp Pool for its Humble State Well No. 1, located in the NW/4 NW/4 of Section 23, Township 11 South, Range 33 East, Lea County, New Mexico. Applicant further seeks establishment of temporary rules and regulations governing said pool including provisions for 80-acre proration units.
- CASE 2660: Application of Midwest Oil Corporation for the creation of a new oil pool and for the establishment of temporary special rules and regulations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Pennsylvanian production in the vicinity of its LLE State Well No. 1, located in the NW/4 SW/4 of Section 14, Township 10 South, Range 33 East, Lea County, New Mexico. Applicant further seeks the promulgation of temporary special rules and regulations governing said pool to include provisions for 80-acre proration units and fixed well location requirements.
- CASE 2661: Application of Pan American Petroleum Corporation for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order authorizing the triple completion (conventional) of its Southland Royalty "A" Well No. 2, located in Unit B of Section 9, Township 21 South, Range 37 East, Lea County, New Mexico, in such a manner as to produce

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 10, 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, alternate examiner:

CASE 2647:

(Continued)

Application of Carper Drilling Company for a tubingless completion, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to complete its Baetz Well No. 1, located in the SE/4 SW/4 of Section 35, Township 14 South, Range 27 East, Chaves County, New Mexico, as a tubingless gas well completion producing through perforations from 8182-8270' in 2 7/8 inch casing.

CASE 2654:

Application of Carper Drilling Company for the creation of a new gas pool and for temporary special rules and regulations, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new gas pool to be designated the Buffalo Valley-Pennsylvanian Gas Pool for its Baetz Well No. 1, located in the SE/4 SW/4 of Section 35, Township 14 South, Range 27 East, Chaves County, New Mexico. Applicant, further seeks the establishment of temporary special rules and regulations governing said pool, including provisions for 320-acre gas units.

CASE 2655:

Application of Martin Yates III and S. P. Yates for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order force pooling all mineral interests in the Lusk-Strawn Pool to form a 160-acre oil proration unit comprising the NE/4 of Section 30, Township 19 South, Range 32 East, Lea County, New Mexico, to be dedicated to a well to be drilled in the NE/4 NE/4 of said Section 30.

CASE 2656:

Application of Western Development Company for a secondary recovery project, East Millman Queen-Grayburg Field, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks permission to institute a secondary recovery project in the East Millman Queen-Grayburg Field, with the injection of water into the Queen and Grayburg formations initially to be through 16 wells, located in Sections 11, 14, 15, 22 and 23, Township 19 South, Range 28 East, Eddy County, New Mexico, said project to be governed by the provisions of Rule 701.



oil from the Drinkard and Blinebry formations and gas from the Tubb formation through parallel strings of tubing.

CASE 2662:

Application of Pan American Petroleum Corporation for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order authorizing the triple completion (conventional) of its South Mattix Unit Well No. 14, located in Unit K of Section 15, Township 24 South, Range 37 East, Lea County, New Mexico, in such a manner as to produce gas from the Fowler Paddock and an undesignated Tubb pool, and oil from an undesignated Blinebry pool through parallel strings of tubing.

CASE 2663:

Application of Arnold H. Bruner for permission to directionally drill, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to directionally drill his Federal Intex Well No. 1, the surface location of which is in the center of the NW/4 SE/4 of Section 8, Township 9 South, Range 37 East, Allison Pennsylvanian Pool (extension), Lea County, New Mexico. Target for said directionally drilled well would be 100 feet from the North and West lines of the NW/4 SE/4 of said Section 8.

CASE 2664:

Application of Southwest Production Company for a dual completion, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to complete its Davis Federal Well No. 1, located in Unit L of Section 24, Township 26 North, Range 11 West, San Juan County, New Mexico, as a dual completion with production of oil from the Gallup zone and production of gas from the Dakota zone to be through parallel strings of 1 1/2-inch tubing.

GOVERNOR  
EDWIN L. MECHEM  
CHAIRMAN

State of New Mexico  
**Oil Conservation Commission**

LAND COMMISSIONER  
E. S. JOHNNY WALKER  
MEMBER



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

P. O. BOX 871  
SANTA FE

October 31, 1962

Mr. A. J. Losee  
Losee & Stewart  
Attorneys at Law  
Carper Building  
Artesia, New Mexico

DOCKET MAILED

Date 10-1-64

Re: Case No. 2654  
Order No. R-2349  
Applicant:  
Carper Drilling Company

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.*

A. L. PORTER, Jr.  
Secretary-Director

ir/

Carbon copy of order also sent to:

Hobbs OCC x

Artesia OCC x

Aztec OCC       

OTHER

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED

DATE Oct 5 62

2054

REPORT OF Gen. C. F. C. 62  
151 0 35

IN CONNECTION WITH THE CASE OF THE ABOVE NAMED CASE AND IS FOLLOWING

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John Miller

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. 2654  
Order No. R-2349

APPLICATION OF CARPER DRILLING  
COMPANY, INC., FOR THE CREATION  
OF A NEW GAS POOL AND FOR TEMPO-  
RARY SPECIAL RULES AND REGULA-  
TIONS, CHAVES COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on October 10, 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 31st day of October, 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 a new gas pool for Pennsylvanian production should be created and designated the Buffalo Valley-Pennsylvanian Gas Pool. This pool was discovered by the Carper Drilling Company Inc., Baetz Well No. 1, located in Unit N of Section 35, Township 14 South, Range 27 East, NMPM, Chaves County, New Mexico.

(3) That Carper Drilling Company, Inc. seeks the promulgation of temporary special rules and regulations for the Buffalo Valley-Pennsylvanian Gas Pool to provide for 320-acre gas proration units.

(4) That the evidence presented concerning the reservoir characteristics of the Buffalo Valley-Pennsylvanian Gas Pool justifies the establishment of 320-acre gas proration units in said pool for a temporary period of two years.

-2-

CASE No. 2654  
Order No. R-2349

(5) That the evidence establishes that the Buffalo Valley-Pennsylvanian Gas Pool can presently be efficiently and economically drained on 320-acre gas proration units.

(6) That during the two-year period in which this order will be in effect, all operators in the subject pool should gather all available information relative to drainage and recoverable reserves in said pool.

(7) That this case should be reopened at an examiner hearing in October, 1964, at which time the operators in the subject pool should be prepared to appear and show cause why the Buffalo Valley-Pennsylvanian Gas Pool should not be developed on 160-acre gas proration units.

IT IS THEREFORE ORDERED:

(1) That a new pool in Chaves County, New Mexico, classified as a gas pool for Pennsylvanian production is hereby created and designated as the Buffalo Valley-Pennsylvanian Gas Pool consisting of the following-described area:

TOWNSHIP 14 SOUTH, RANGE 27 EAST, NMPM  
Section 35: S/2

TOWNSHIP 15 SOUTH, RANGE 27 EAST, NMPM  
Section 2: N/2

(2) That special rules and regulations for the Buffalo Valley-Pennsylvanian Gas Pool are hereby promulgated as follows, effective November 1, 1962.

SPECIAL RULES AND REGULATIONS  
FOR THE  
BUFFALO VALLEY-PENNSYLVANIAN GAS POOL

RULE 1. Each well completed or recompleted in the Buffalo Valley-Pennsylvanian Gas Pool or in the Pennsylvanian formation within one mile of the Buffalo Valley-Pennsylvanian Gas Pool, and not nearer to or within the limits of another designated Pennsylvanian pool, shall be spaced, drilled, operated, and prorated in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well completed or recompleted in the Buffalo Valley-Pennsylvanian Gas Pool shall be located in the northwest quarter or the southeast quarter of the section and shall be located no nearer than 990 feet to the outer boundary of the quarter section nor nearer than 330 feet to any governmental quarter-quarter section line; provided, however, that any well

-3-

CASE No. 2654  
Order No. R-2349

drilling to or completed in said pool as of the date of this order is hereby excepted from the requirements of this rule.

RULE 3. The Secretary-Director shall have authority to grant exceptions to Rule 2 without notice and hearing where an application therefor has been filed in due form and the necessity for the unorthodox location is based on topographical conditions or is occasioned by the recompletion of a well previously drilled to another horizon.

Applicants shall furnish all offset operators and all operators within the section in which the subject well is located a copy of the application to the Commission and shall stipulate to the Commission that proper notice has been furnished to all such operators. The Secretary-Director may approve the application if, after a period of twenty days, no offset operator has entered an objection to the proposed unorthodox location.

RULE 4. Each well completed or recompleted in the Buffalo Valley-Pennsylvanian Gas Pool shall be located on a standard proration unit consisting of any two contiguous quarter sections of a single governmental section, being a legal subdivision (half section) of the United States Public Lands Survey. For purposes of these rules, a standard proration unit shall consist of 316 through 324 contiguous surface acres.

RULE 5. The Secretary-Director shall have authority to grant an exception to Rule 4 without notice and hearing where an application has been filed in due form and where the unorthodox size or shape of the tract is due to a variation in the legal subdivision of the United States Public Lands Survey, or where the following facts exist and the following provisions are complied with:

(1) The non-standard unit consists of contiguous quarter-quarter sections or lots.

(2) The non-standard unit lies wholly within a single governmental section.

(3) The entire non-standard unit may reasonably be presumed to be productive of gas from the Buffalo Valley-Pennsylvanian Gas Pool.

(4) The applicant presents written consent in the form of waivers from all offset operators and from all operators owning interests in the section in which any part of the non-standard unit is situated and which acreage is not included in said non-standard unit.

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CASE No. 2654  
Order No. R-2349

(5) In lieu of Paragraph 4 of this rule, the applicant may furnish proof of the fact that all of the aforesaid operators were notified by registered or certified mail of his intent to form such non-standard unit. The Secretary-Director may approve the application if, after a period of thirty days, no such operator has entered an objection to the formation of such non-standard unit.

RULE 6. The vertical limits of the Buffalo Valley-Pennsylvanian Gas Pool shall be the Pennsylvanian formation.

(3) That this case shall be reopened at an examiner hearing in October, 1964, at which time the operators in the subject pool may appear and show cause why the Buffalo Valley-Pennsylvanian Gas Pool should not be developed on 160-acre gas proration units.

(4) 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.

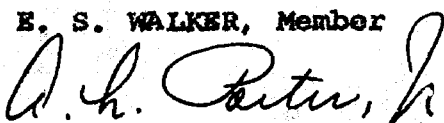
STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION



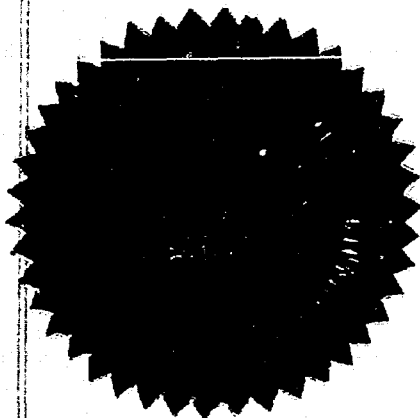
EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



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



esr/

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

September 24, 1964

C  
O  
P  
Y  
  
Mr. Marshall Rowley  
Carper Drilling Company, Inc.  
Carper Building  
Artesia, New Mexico

DOCKET MAILED

Date 10-1-64

Dear Marshall:

With further reference to Case No. 2654 and your letter of September 21, 1964, we are required by the provisions of Order No. R-2349 to docket the case for hearing. We are therefore docketing the case for October 13th, but it is being advertised as follows: "The Commission will consider indefinite extension of Order No. R-2349 in the absence of evidence to the contrary."

When the case is called for hearing the Commission attorney will move for an indefinite extension of the order in light of the provisions of Order No. R-2707.

Unless you feel that there may be some objection to our attorney's motion, it should not be necessary for you to make an appearance.

Very truly yours,

A. L. PORTER, Jr.  
Secretary-Director

ALP/ir



# CARPER

# DRILLING COMPANY, INC.

STANLEY CARPER, PRESIDENT  
MARSHALL ROWLEY, EXEC. VICE-PRES. & TREAS.  
GLENN A. CASKEY, SECRETARY

MAIN OFFICE

SEP 23 1964

ALBUQUERQUE, NEW MEXICO - 88210  
CARPER BUILDING  
PHONE 746-2783

September 21, 1964

Mr. A. L. Porter, Jr., Secretary  
New Mexico Oil Conservation Commission  
P. O. Box 1148  
Santa Fe, New Mexico

Re:

Case 2654

Order No. R - 2349  
Buffalo Valley - Pennsylvanian  
Gas Pool, Chaves County,  
New Mexico.

Gentlemen:

We note under Order (3) of the captioned order that the case shall be reopened at an examiner hearing in October, 1964, at which time the operators in the subject pool may appear and show cause why the Buffalo Valley - Pennsylvanian Gas Pool should not be developed on 160 acre gas proration units.

In view of the fact that there have been no additional wells drilled in this pool (there being only one well - the Carper Drilling Company, Inc. No. 1 Baetz located in Unit N of Section 35, T 14S, R 27E) and further in view of spacing Order No. R - 2707 of May 25, 1964, which provides for 320 acre spacing of gas wells drilled to the Pennsylvanian formation, we were wondering whether or not the captioned case would be reopened or whether such examiner hearing might be waived and the rules provided for in Order No. R-2349 made permanent.

It appears to us that reopening the case would not be beneficial since very little additional information is available from the single well pool and would require considerable time and expense on the Examiner, the Commission and Ourselves.

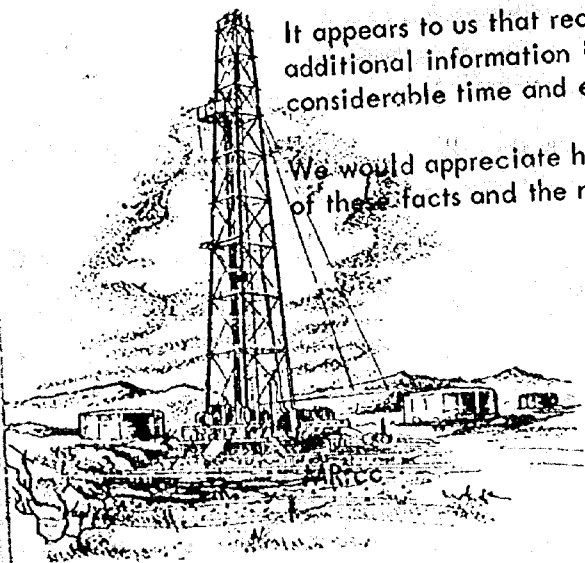
We would appreciate hearing from you as to your thinking on this matter in light of these facts and the new spacing Order R-2707.

Yours very truly,

CARPER DRILLING COMPANY, INC.

*Marshall Rowley*

Marshall Rowley



October 13, 1964 Examiner Hearing

- CASE 3119: Application of Gulf Oil Corporation for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Penrose Skelly Pool in its South Penrose Skelly Unit Area by the injection of water into the Grayburg formation through six wells in Sections 5 and 6, Township 22 South, Range 37 East, Lea County, New Mexico.
- CASE 3120: Application of Dr. Sam G. Dunn for a Review of the Commission's Directive of August 27, 1964, concerning salt water disposal, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks a review of the Commission's Directive of August 27, 1964, prohibiting the disposal of produced salt water in unlined pits after November 1, 1964, in the Linda-San Andres Pool and adjacent areas in Townships 6 and 7 South, Range 26 East, Chaves County, New Mexico. Applicant specifically requests an extension of the November 1st deadline and a determination that salt water disposal in unlined pits in Sections 26, 27, and 34, Township 7 South, Range 26 East, among other areas, does not constitute a hazard to fresh waters and should be excepted from the Commission's directive.
- CASE 3121: Application of Dr. Sam G. Dunn for a water injection project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a water injection project by the injection of water into the San Andres formation through one well located in Section 33, Township 6 South, Range 26 East, Linda-San Andres Pool, and by the injection of water into one well in Section 32 or 33, and one well in Section 27, Township 7 South, Range 26 East, all in Chaves County, New Mexico.
- CASE 3122: Application of Continental Oil Company for an unorthodox location and a non-standard unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to complete its Meyer B-4 Well No. 27 at an unorthodox location 5,610 feet from the South line and 660 feet from the East line of Section 4, Township 21 South, Range 36 East, Oil Center Blinebry Pool, Lea County, New Mexico. Said well would be dedicated to a 53-acre non-standard unit comprising that portion of Lots 1 and 8 of said Section 4 which is productive from the Oil Center Blinebry Pool.
- CASE 3123: Application of Continental Oil Company for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of special pool rules including a provision for 80-acre spacing and a gas-oil ratio of 6000 to 1 for the Monument-Tubb Pool in Township 20 South, Range 37 East, Lea County, New Mexico.

DOCKET: EXAMINER HEARING - TUESDAY - OCTOBER 13, 1964

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, Alternate Examiner:

CASE 3108: (Continued from the September 30, 1964 examiner hearing)

Application of Monsanto Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (conventional) of its Dagger Draw Well No. 1, located in Unit O of Section 6, Township 20 South, Range 25 East, Eddy County, New Mexico, to produce gas from the Strawn and Morrow formations through the casing-tubing annulus and through tubing, respectively.

CASE 3115: Application of Monsanto Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (conventional) of its Lowe-State Well No. 1 located in Unit F of Section 36, Township 21 South, Range 23 East, Eddy County, New Mexico, to produce gas from the Cisco Canyon and Lower Morrow formations through parallel strings of tubing.

CASE 3116: Application of Tex-Star Oil & Gas Corporation for force-pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in the Pearl-Queen Pool underlying the NW/4 NW/4 of Section 24, Township 19 South, Range 35 East, Lea County, New Mexico.

CASE 3117: Application of Tex-Star Oil & Gas Corporation for force-pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in the Basin-Dakota Pool underlying the E/2 of Section 26, Township 30 North, Range 14 West, San Juan County, New Mexico.

CASE 3118: Application of Gulf Oil Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the South Penrose Skelly Unit Area comprising 4,400 acres, more or less, of Federal, State and Fee lands in Township 22 South, Range 37 East, Penrose Skelly Pool, Lea County, New Mexico.

PAGE -4-

October 13, 1964 Examiner Hearing

CASE 3129: Application of Shell Oil Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the West Wilson Deep Unit Area comprising 3360 acres, more or less, of State and Fee lands in Township 21 South, Range 34 East, Lea County, New Mexico.

ir/

October 13, 1964 Examiner Hearing

- CASE 3124: Application of Continental Oil Company to amend Order No. R-2566, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an amendment to Order No. R-2566, which authorized the Continental Baish-Yates Waterflood Project, to also provide authority for the injection into each well of approximately 500 barrels of LPG.
- CASE 3125: Application of Shell Oil Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (conventional) of its Antelope Ridge Unit Well No. 4-1 in Unit B of Section 4, Township 24 South, Range 34 East, Lea County, New Mexico, to produce gas from the Antelope Ridge Pennsylvanian and Antelope Ridge Devonian Gas Pools through parallel strings of tubing.
- CASE 3126: Application of Murphy Oil Corporation for a pressure maintenance project, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project in the Many Rocks-Gallup Pool by the injection of water into the Gallup formation through five wells in Sections 17, 18 and 20, Township 32 North, Range 17 West, San Juan County, New Mexico. Applicant further seeks the promulgation of special rules for the operation of said project.
- CASE 2654: (Reopened)  
In the matter of Case No. 2654 being reopened pursuant to the provisions of Order No. R-2349, which order established temporary 320-acre gas proration units for the Buffalo Valley-Pennsylvanian Gas Pool, Chaves County, New Mexico, for a period of two years. The Commission will consider indefinite extension of Order No. R-2349 in the absence of evidence to the contrary.
- CASE 3127: Application of Shell Oil Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the China Canyon Unit Area comprising 7611 acres, more or less, of Federal, State and Fee lands in Township 23 South, Ranges 23 and 24 East, Eddy County, New Mexico.
- CASE 3128: Application of Shell Oil Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Grama Ridge Unit Area comprising 3052 acres, more or less, of Federal and State lands in Townships 21 and 22 South, Range 34 East, Lea County, 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. 2654  
Order No. R-2349-A

APPLICATION OF CARPER DRILLING  
COMPANY, INC., FOR THE CREATION  
OF A NEW GAS POOL AND FOR TEMPO-  
RARY SPECIAL RULES AND REGULA-  
TIONS, CHAVES COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on October 13, 1964, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 21st day of October, 1964, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, 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-2349, dated October 31, 1962, temporary Special Rules and Regulations were promulgated for the Buffalo Valley-Pennsylvanian Gas Pool.

(3) That pursuant to the provisions of Order No. R-2349, this case was reopened to allow the operators in the subject pool to appear and show cause why the Buffalo Valley-Pennsylvanian Gas Pool should not be developed on 160-acre spacing units.

(4) That since the issuance of Order No. R-2349, the Commission has amended Rule 104 of the Statewide Rules and Regulations to permit the dedication of 320 acres to a gas well in Lea, Chaves,

-2-

CASE No. 2654

Order No. R-2349-A

Eddy, and Roosevelt Counties, New Mexico, projected to or completed in the Pennsylvanian formation or a deeper formation.

(5) That to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, the Special Rules and Regulations promulgated by Order No. R-2349 should be continued in full force and effect until further order of the Commission.

IT IS THEREFORE ORDERED:

(1) That the Special Rules and Regulations governing the Buffalo Valley-Pennsylvanian Gas Pool promulgated by Order No. R-2349 are hereby continued in full force and effect until further order of the Commission.

(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

  
*Jack M. Campbell*  
JACK M. CAMPBELL, Chairman

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

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

esr/

dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

1120 SIMAS BLDG. • P. O. BOX 1092 • PHONE 243-6491 • ALBUQUERQUE, NEW MEXICO

PAGE 1

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
October 13, 1964

EXAMINER      HEARING

IN THE MATTER OF: Case No. 2654 being reopened )  
pursuant to the provisions of Order No. )  
R-2349, which order established temporary )  
320-acre gas proration units for the )  
Buffalo Valley-Pennsylvanian Gas Pool, )  
Chaves County, New Mexico, for a period )  
of two years. The Commission will )  
consider indefinite extension of Order )  
No. R-2349 in the absence of evidence )  
to the contrary. )

Case No. 2654

BEFORE: ELVIS A UTZ, EXAMINER

TRANSCRIPT OF HEARING



MR. UTZ: The hearing will come to order, please. We called 2654 this morning and there were no appearances. We will re-open Case 2654 for a statement from Oil Commission Counsel.

MR. DURRETT: If the Examiner please, in view of the fact that there were no appearances in this case, I would like to make a motion to the Examiner at this time.

I would move the Examiner to continue the rules in effect for the Buffalo Valley Pennsylvanian Gas Pool promulgated by Order No. R-2349 to continue those in effect until further order of the Commission. The basis of this motion is that the Commission has recently revised Commission Rule 104 pertaining to the amount of acreage that will or will not be dedicated to a well, and this revision of the rule provides for wells in the southeast New Mexico of Pennsylvanian age or older, the spacing will be 320 acres.

On that basis would move the Commission to continue in effect these rules in the absence of any objection here today.

MR. UTZ: Because the Statewide rules now for Pennsylvanian is 320 acres, is that correct?

MR. DURRETT: Yes.

MR. UTZ: Case 2654 will be taken under advisement.

dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS  
1120 SIMMS BLDG. • P. O. BOX 1092 • PHONE 247-4691 • ALBUQUERQUE, NEW MEXICO

PAGE 3

STATE OF NEW MEXICO )  
COUNTY OF BERNALILLO) SS

I, ADA DEARNLEY, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me; and that the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.

Witness my Hand and Seal this 26th day of October, 1964.

*Ada Dearnley*  
NOTARY PUBLIC

My Commission Expires:

June 19, 1967.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2654 heard by me on 10.13.64.  
*Shirley W.* Examiner  
New Mexico Oil Conservation Commission

dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

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PAGE 1

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
October 13, 1964

EXAMINER      HEARING

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IN THE MATTER OF: In the matter of Case Number )  
2654 being reopened pursuant to the provisions )  
of Order Number R-2349, which order )  
established temporary 320-acre gas )  
proration units for the Buffalo Valley- )  
Pennsylvanian Gas Pool, Chaves County, New )  
Mexico, for a period of two years. The )  
Commission will consider indefinite extension )  
of Order No. R-2349 in the absence of evidence )  
to the contrary. )  
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Case No. 2654

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING



1. *Phragmites australis* (Cav.) Trin. ex Steud.  
 2. *Scirpus americanus* L.  
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