

CASE 2692: Application of AMERADA
for an exception to a Commission
shut-in order - Lea County, N.M.

Revised

2692

tion, Transcript,
Exhibits, Etc.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE No. 2692
Order No. R-2367

APPLICATION OF AMERADA PETROLEUM CORPORATION
FOR AN EXCEPTION TO A COMMISSION SHUT-IN ORDER,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on November 8, 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 21st day of November, 1962, the Commission, a quorum being present, having considered the recommendations of the Examiner, Daniel S. Nutter, and being fully advised in the premises,

FINDS:

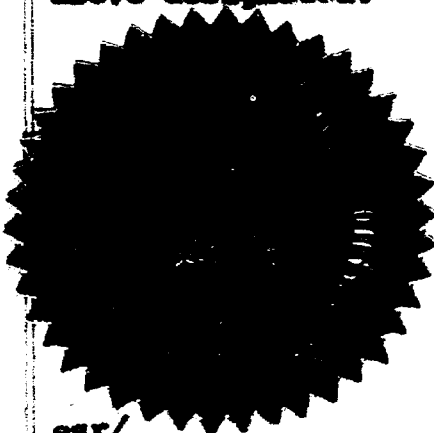
(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Amerada Petroleum Corporation, has requested that Case No. 2692 be dismissed.

IT IS THEREFORE ORDERED:

That Case No. 2692 is hereby dismissed.

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. MECHER, Chairman

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

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

CSF/

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 671
SANTA FE

November 21, 1962

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

Re: Case No. 2692
Order No. R-2367
Applicant:
Amerada Petroleum Corporation

Dear Sir:

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

Very truly yours,

A handwritten signature in dark ink, reading "A. L. Porter, Jr.", is written over the typed name.

A. L. PORTER, Jr.
Secretary-Director

ix/

Carbon copy of order also sent to:

Hobbs OCC x

Artesia OCC

Astec OCC

OTHER

JASON W. KELLAHIN
ROBERT E. FOX

KELLAHIN AND FOX
ATTORNEYS AT LAW
542 EAST SAN FRANCISCO STREET
POST OFFICE BOX 1713
SANTA FE, NEW MEXICO

TELEPHONES
983-9396
982-2991

November 6, 1962

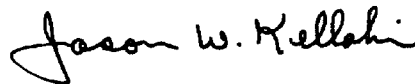
Oil Conservation Commission
P. O. Box 781
Santa Fe, New Mexico

Gentlemen:

On behalf of the applicant in Case No. 2692, set for
hearing on November 8 before Commission Examiner Daniel
S. Nutter, I wish to ask that said case be dismissed.

Your cooperation in handling this case is appreciated.

Very truly yours,



JASON W. KELLAHIN

jwk:mas

cc: Mr. Tom Lynch
Mr. Andy Snyder

DOCKET: EXAMINER HEARING - THURSDAY - NOVEMBER 8, 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 2682: Application of Pan American Petroleum Corporation for the creation of a new pool and the establishment of special rules and regulations, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool to be designated the Simpson-Gallup Oil Pool comprising the S/2 of Section 23, SW/4 of Section 24, N/2 of Section 25, and the NE/4 of Section 26, Township 28 North, Range 12 West, San Juan County, New Mexico. Applicant further seeks the establishment of special pool rules including the provisions for 80-acre proration units.
- CASE 2683: Application of Curtis R. Inman for approval of a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Carnero Peak Unit Area comprising 12,151 acres, more or less, of State, Federal and Fee lands in Townships 22 and 23 South, Ranges 24 and 25 East, Eddy County, New Mexico.
- CASE 2684: Application of Gulf Oil Corporation for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to complete its H. T. Mattern (NCT-A) Well No. 3, located in Unit P of Section 24, Township 21 South, Range 36 East, Lea County, New Mexico, as a triple completion (conventional) to produce oil from the Paddock, Blinebry, and Drinkard Oil Pools through parallel strings of tubing.
- CASE 2685: Application of Gulf Oil Corporation for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to complete its Graham State (NCT-I) Well No. 2 located in Unit L of Section 19, Township 21 South, Range 37 East, Lea County, New Mexico, as a triple completion (conventional) to produce oil from the Paddock, Blinebry, and Drinkard Oil Pools through parallel strings of tubing.
- CASE 2686: Application of Marathon Oil Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to complete its State Hansen Well No. 5, located in Unit H of Section 16, Township 20 South, Range 37 East, Lea County, New Mexico, as a dual completion

CASE 2686 (Cont.)

(conventional), to produce oil from the Weir-Blinebry and Monument-Tubb Pools through parallel strings of 1.41 ID and 2-inch ID tubing.

CASE 2687:

Application of Shell Oil Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to complete its Emerald Unit Well No. 1 located in Unit C of Section 23, Township 16 South, Range 32 East, Lea County, New Mexico as a dual completion (Conventional) to produce oil from the Penrose and Wolfcamp formations through parallel strings of tubing.

CASE 2688:

Application of Socony Mobil Oil Company for a quadruple Completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to complete its State Bridges Well No. 95 located in Unit P of Section 26, Township 17 South, Range 34 East, Lea County, New Mexico, as a quadruple completion (conventional) to produce oil from the Abo, Wolfcamp, Pennsylvanian and Devonian formations through parallel strings of tubing.

CASE 2689:

Application of Socony Mobil Oil Company for a dual completion and certain administrative procedures, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to complete its State Bridges Well No. 27-DD located in Unit H of Section 26, Township 17 South, Range 34 East, Lea County, New Mexico as a dual completion (conventional) to produce oil from the Vacuum (San Andres) Pool and an undesignated Yeso pool through parallel strings of 2 3/8 inch and 2 3/8 x 1 1/4 inch tapered tubing strings. Applicant further seeks the establishment of administrative procedures whereby similar dual completions could be approved in this area.

CASE 2690:

Application of Phillips Petroleum Company for a special allowable, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order authorizing the assignment of a special allowable to its Mexco "A" Well No. 2, located in Unit I of Section 2, Township 17 South, Range 32 East, Maljamar Pool, Lea County, New Mexico. Said well offsets and has received a response from Boller and Nichols Water-flood project in said Section 2.

CASE 2691: Application of El Paso Natural Gas Company for the creation of a new gas pool and establishment of special rules and regulations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new gas pool for the Morrow formation underlying Sections 18, 19, 20, and 29, Township 19 South, Range 32 East, Lea County, New Mexico. Applicant further seeks establishment of special pool rules including provisions for 640-acre proration units and the allocation of allowables to non-marginal wells 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 2692: Application of Amerada Petroleum Corporation for an exception to a Commission shut-in order, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 15 (A) Order R-1670, Southeast New Mexico Gas Proration Rules and Regulations, to permit its Shell-Amerada State "A" Unit Well No. 1 located in Unit P, Section 33, Township 11 South, Range 33 East, Bagley-Lower Pennsylvanian Gas Pool, Lea County, New Mexico, to produce a minimum of 2000 MCF per month in exception to an overproduction shut-in notice.

CASE 2693: Application of NWJ Producing Company for an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 330 feet from the South and West lines of Section 14, Township 15 South, Range 38 East, Medicine Rock-Devonian Pool, Lea County, New Mexico, in exception to Rule 3, Order R-2315, Medicine Rock-Devonian Pool Rules.

CASE 2694: Application of Southern Union Production Company for an amendment to the Northwest New Mexico Gas Proration Rules and Regulations. Applicant, in the above-styled cause, seeks an amendment to Order R-1670 as amended by Order No. R-2086, Rules and Regulations for Prorated Gas Pools, San Juan, Rio Arriba, McKinley and Sandoval Counties, New Mexico, to permit wells ordered shut-in for extended periods to make up accumulated overproduction to produce a minimum of 500 MCF each month during such shut-in.

CASE 2695: In the matter of the hearing called on the motion of the Oil Conservation Commission to consider revising Commission Orders R-333-C & D and R-333-E as the same relate to the season for taking Northwest New Mexico gas well deliverability tests and to the procedure for taking and calculating such tests, San Juan, Rio Arriba, McKinley and Sandoval Counties, New Mexico.

-4-

Docket No. 32-62

CASE 2670: (Cont)

Application of Elwyn C. Hale for a quadruple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the quadruple completion (combination) of his Hale State Well No. 3, located in Unit H of Section 2, Township 25 South, Range 37 East, Lea County, New Mexico, in such a manner as to produce oil from the Devonian, McKee, Waddell and Ellenburger Pools, North Justis Field, through two strings of 2 7/8 inch casing and two strings of 3 1/2 inch casing all cemented in a common well bore.

199/

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION

Application of Amerada Petroleum Corporation)
for authority to produce 2,000 Mcf of gas)
per month from the Shell-Amerada State "A")
Unit Well No. 1, completed in the Bagley-)
Lower Pennsylvanian Gas Pool and located in)
the SE/4 SE/4 Section 33-11S-33E, Lea County,)
New Mexico.)

Case No. 9692

APPLICATION

APPLICANT AMERADA PETROLEUM CORPORATION STATES THAT:

1. Applicant operates, and owns part of the working interest in, the Shell-Amerada State "A" Unit Well No. 1, completed in the Bagley-Lower Pennsylvanian Gas Pool and located in the SE/4 SE/4 Section 33, Township 11 South, Range 33 East, Lea County, New Mexico.
2. Between July 1, 1961 and January 1, 1962, the net overproduction of the subject well was 20,958 Mcf; between January 1, 1962 and July 1, 1962, the net overproduction was 23,259 Mcf, making a net total overproduction of 44,217 Mcf as of July 1, 1962; and between July 1, 1962 and October 1, 1962, the net overproduction was approximately 4,646 Mcf, making an approximate net total overproduction of 48,863 Mcf as of October 1, 1962.
3. The subject well is currently shut in pursuant to Commission order.
4. One of the leases included in the subject unit is currently being held under the terms of the "thereafter clause," and prolonged nonproduction of the subject well could result in a claim that the lease has expired by its terms.
5. Overproduction of the subject unit can be equitably and efficiently brought into balance through a substantial reduction of the allowable assigned to the subject well, without requiring that the well be shut in until balance is achieved.
6. Limiting production of the subject well to 2,000 Mcf per month will result in an equitable and efficient balancing of the overproduction.

APPLICANT THEREFORE REQUESTS that this application be set for hearing, that notice thereof be given as required by law and that, upon such hearing, this Commission authorize the production of 2,000 Mcf of gas per month from the subject well until the accumulated overproduction therefrom has been offset.

AMERADA PETROLEUM CORPORATION

By Thomas W. Lynch
Thomas W. Lynch, Attorney

By Jason W. Kellahin
Jason W. Kellahin, Attorney

DOCKET MAILED

Date 10/24/62

11729 12400
10472 10377 53430 S.I. 1702 - 10472, 102
6687 20,958 + 9213
4/13/62 12-31-62

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION

APPLICATION FOR EMERGENCY ORDER

APPLICANT AMERADA PETROLEUM CORPORATION STATES THAT:

1. Applicant operates, and owns part of the working interest in, the Shell-Amerada State "A" Unit Well No. 1, completed in the Bagley-Lower Pennsylvania Gas Pool and located in the SE/4 SE/4 Section 33, Township 11 South, Range 33 East, Lea County, New Mexico.
2. Between July 1, 1961 and January 1, 1962, the net overproduction of the subject well was 20,958 Mcf; between January 1, 1962 and July 1, 1962, the net overproduction was 23,259 Mcf, making a net total overproduction of 44,217 Mcf as of July 1, 1962; and between July 1, 1962 and October 1, 1962, the net overproduction was approximately 4,646 Mcf, making an approximate net total overproduction of 48,863 Mcf as of October 1, 1962.
3. The subject well is currently shut in pursuant to Commission order.
4. One of the leases included in the subject unit is currently being held under the terms of the "thereafter clause," and prolonged nonproduction of the subject well could result in a claim that the lease has expired by its terms.
5. Overproduction of the subject unit can be equitably and efficiently brought into balance through a substantial reduction of the allowable assigned to the subject well, without requiring that the well be shut in until balance is achieved.
6. Limiting production of the subject well to 2,000 Mcf per month will result in an equitable and efficient balancing of the overproduction.
7. Simultaneously with the filing of this application, Applicant has filed a separate application requesting authority, after notice and hearing, to produce 2,000 Mcf of gas per month from the subject well until such time as the cumulative overproduction has been offset.

APPLICANT THEREFORE REQUESTS that, in view of the reasons and subject matter involved, the Commission administratively issue an emergency order pursuant to Section 65-3-20, New Mexico Statutes Annotated, authorizing production of gas from the subject well at a rate of 2,000 Mcf per month for a period of 15 days from the date of such emergency order.

AMERADA PETROLEUM CORPORATION

By

Thomas W. Lynch
Thomas W. Lynch, Attorney

By

Jason W. Kellahin
Jason W. Kellahin, Attorney

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
November 8, 1962

EXAMINER HEARING

IN THE MATTER OF:)

)
Application of Amerada Petroleum Corpora-)
tion for an exception to a Commission shut-)
in order, Lea County, New Mexico. Appli-)
cant, in the above-styled cause, seeks an)
exception to Rule 15 (A) Order R-1670,)
Southeast New Mexico Gas Proration Rules)
and Regulations, to permit its Shell-)
Amerada State "A" Unit Well No. 1 located)
in Unit P, Section 33, Township 11 South,)
Range 33 East, Bagley-Lower Pennsylvanian)
Gas Pool, Lea County, New Mexico, to pro-)
duce a minimum of 2000 MCF per month in)
exception to an overproduction shut-in)
notice.)

) Case 2692

BEFORE: Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

MR. DURRETT: Application of Amerada Petroleum Corpora-
tion for an exception to a Commission shut-in order, Lea County,
New Mexico.

I have a letter in the file from Jason W. Kellahin, attorney
for the applicant. I would like to read this letter into the
record at this time. This letter was received November 7 by the
Commission, reads as follows: "Gentlemen, on behalf of the appli-
cant in Case No. 2692 set for hearing on November 8 before

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 983-3971

ALBUQUERQUE, N. M.
PHONE 243-6691



Commission Examiner Daniel S. Nutter, I wish to ask that said case be dismissed. Your cooperation in handling this case is appreciated." Signed Jason W. Kellahin.

MR. NUTTER: Case No. 2692 will be dismissed.

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 24th 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. 2692, heard by me on 11/8, 1962.
Jason W. Kellahin, Examiner
New Mexico Oil Conservation Commission

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

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PHONE 243-6691

