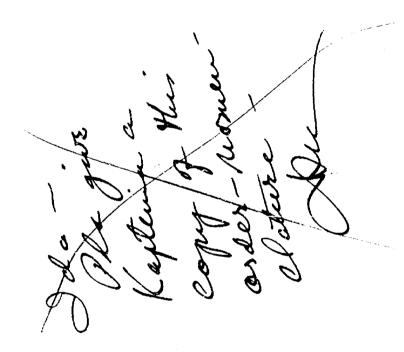
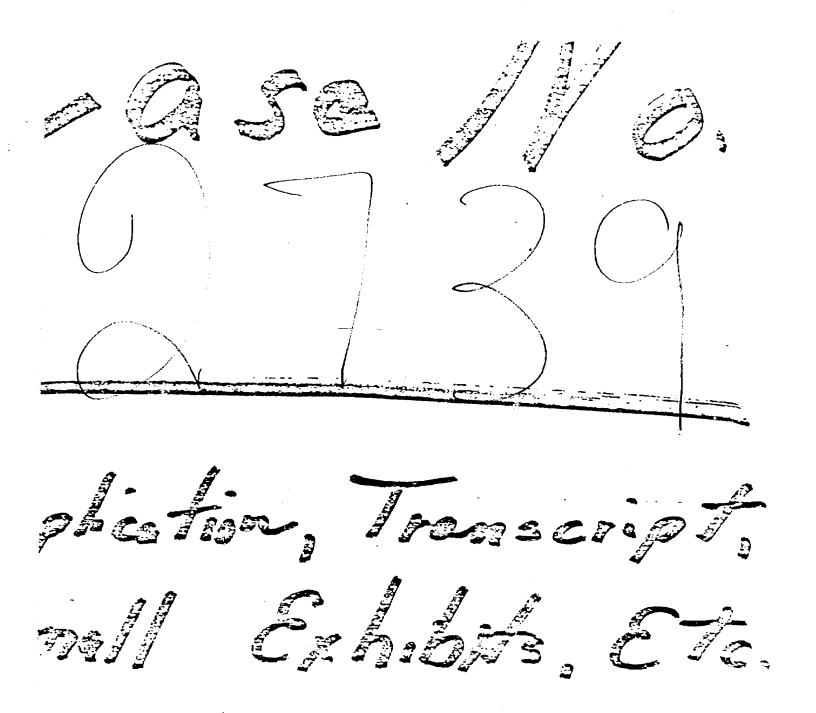
CASE 2739: Application of SOCONY MOBIL for creation of new pool and special pool rules.





BEFORE THE OIL CONSERVATION COMMISSION

Santa Pe, New Mexcio January 23, 1963

EXAMINER HEARING

IN THE MATTER OF:

Application of Socony Mobil Oil Company,) Inc., to create a new pool for Abo production) and for special pool rules, Lea County, New) Mexico. Applicant, in the above-styled cause) seeks the creation of a new pool for Abo pro-) duction in Section 26, Township 17 South, Range 34 East, Lea County, New Mexico, and the establishment of temporary special pool rules therefor, including a provision for 80-) acre spacing units.

Application of Secony Mobil Oil Company,) Inc., for temporary special pool rules, Lea) County, New Mexico. Applicant, in the above-) styled cause, seeks establishment of tempor-) ary special pool rules for the Vacuum-Wolfcamp Pool in Section 26, Township 17 South, Range 34 East, Lea County, New Mexico, includ-) ing a provision for 80-acre spacing units.

Application of Socony Mobil Oil Company,) Inc., for temporary special pool rules, Lea) County, New Mexico. Applicant, in the above-) styled cause, seeks establishment of tempor-) ary special pool rules for the Vacuum-Devonian) Pool in Section 26, Township 17 South, Range) 34 East, Lea County, New Mexico, including a) provision for 80-acre spacing units.

Case 2739

Case 2740

Case 2741

(Consolidated)

BEFORE:

Elvis A. Utz, Examiner



DEARNLEY-WEIER REPORTING SERVICE, Inc.

TRANSCRIPT OF HEARING

MR, UTZ: This hearing will come to order. Case 2739.

MR. SPERLING: Jim Sperling, appearing for the applicant.

I would like to ask that for the purpose of testimony and evidence to be presented that the three cases, 2739, 2740 and 2741 be consolidated. They, of course, involve the same area but different pools vertically.

MR. UTZ: Cases 2739, 2740 and 2741 will be consolidated for the purpose of the testimony, but separate orders will be written on each case.

MR. SPERLING: We have one witness.

MR. UTZ: Do we have any other appearances?

(Witness sworn.)

JOSEPH C. GORDON.

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

DIRECT EXAMINATION

BY MR. SPERLING:

Q State your full name, your place of residence, your employer and your capacity.

A Joseph C. Gordon, Jr., Socony Mobil Oil Company, at Hobbs, New Mexico, Senior Production Engineer.

Q You have testified before the Commission on previous occasions, have you not?

Yes, six



- Q Your qualifications are a matter of record?
- A Right.

(Whereupon, Applicant's Exhibits 1 in Cases 2739, 2740 & 2741 were marked for identification.)

Q I would like, first, Mr. Gordon, to have you identify what you have denominated as Exhibit Number 1 in each of the three cases that have been assigned docket numbers following the filing of the application of Socony Mobil.

A The first one, Exhibit 1, Case Number 2739, is a map of the portion of the Vacuum area showing the wells which have been completed in and are now drilling which may be expected to drill through the Abo formation. Similarly, the Exhibit in Case 2740 shows the wells completed in or the wells drilling, which may be expected to penetrate the Wolfcamp formation; and the Exhibit in Case 2741 shows the wells which will be completed in, or are drilling to the Devonian formation.

The yellow areas on all three exhibits are the lease holdings of Socony Mobil Oil Company.

MR. UTZ: Just a moment, I either got one number wrong or -- Exhibit Number 1 with the purple coloring on the wells, is that 2740?

A Yes, sir, that is the Wolfcamp.

MR. UTZ: And the green is 2741?

A Yes, sir, that is the Devonian.

MR. UTZ: You may proceed.

The state of the s

BUQUERGUE, N. M. HONE 243:6691

(By Mr. Sperling) The area is designated, that is, the Township, Range, and, of course, the section where those locations are, are on the exhibits, are they not?

Yes, sir.

Previously your company had been granted authority to Q multiple complete the wells in this area; is that not correct?

Yes, sir. We have received permission for the multiple completion of our well, the State Bridges 95, located in the southeast quarter of Section 26, 17, 34, for multiple completion in the Abo, Wolfcamp, Pennsylvanian and Devonian formations. That well was the initial discovery in these formations. At the present time this well is being completed in the Abo, Wolfcamp and Devonian formations. Because of mechanical difficulties we have been unable to obtain the packer-leakage test, and we have been repairing the well in order to obtain a final completion. As a result of the repairs necessary we have been unable to secure any production from the well or any bottom hole pressures, or any test of any extensive nature, beyond the initial potential.

Q Do I understand that the well that you have been referring to, the State Bridges Number 95, is the only well that is in any stage of completion at the present time, in any of those three pools?

Yes, sir. The other wells shown here are all drilling and none of them have set casing yet, or started their completion work.

A At the present time, there is a lack of development, and in order to bring about an orderly plan for the development we would like to propose rules of a temporary nature so that the area can be developed economically without drilling unnecessary extra wells, and we, therefore, will be proposing that we have a temporary 80-acre spacing for all three zones, with a one-year period here to allow for development, and then the submission to the Commission of the proper information to confirm, or possibly change our mind in regard to the 30-same spacing.

A What is the estimated cost of these wella? I assure you have costs relative to the wildcan wells, but what do you anticipate for the completion costs, dralling and completion costs concerned on these, do you know?

. . .

80-acre pattern.

Q Now, are any of these present locations exceptions under rules which you will propose?

A Yes, sir. Several of the wells do represent exceptions to our rules that we will be proposing. This, I believe, is the normal circumstance and we would most certainly allow exceptions to be, receommend that exceptions be granted to wells that deviate from our proposed rules.

Q Would you please identify now your exhibit which makes the rule proposals that you were speaking of?

"Summary of Proposed Temporary Rules for Presentation at the Examiners Hearing", and in all three cases, 2739, 2740 and 2741, we have proposed that the Commission adopt temporary 80-acre spacing for one year with the temporary 80-acre unit allowable appropriate to the depth. Two, a staggered 80-acre pattern to be on a northwest-southeast diagonal with the 80-acre units to be in the north or south, or east or west halves of the quarter section. Three, that the wells should be located within 150 feet of the center of the governmental quarter section. Also, the exceptions necessary to these rules will be allowed for all wells commenced before the date fixed by the Commission. These rules in this form specifically, or in this general form, have been furnished by the Commission previously in other cases in other fields.

C What are you proposing as far as assignments of allow-

F. Harry

DEARNLEY-WEIER REPORTING SERVICE, Inc.

ables are concerned?

the wells drilled on the 80-scre drilling units be assigned temporary 80-acre unit allowables appropriate to their depth, using the factors assigned for 80-acre drilling units in the present Commission rules. This would result, in the case of the Abo formation, which is in the 9,000 foot depth bracket, of an allowable of 4.77. The Wolfenmp formation, which is also in the 9,000 foot bracket would receive a 7.75 allowable factor.

Q What do you propose to do testwise in order to collect information which would be helpful to the Commission and to your company in determining efficient drainage in this area?

that Mobil would be glad to take the lead in forming an informal field committee of the operators to gather the required data in regard to bottom hole pressure, gas-oil ratio, interference tests fluid sampling and flow testing, in order to substantiate or deny the existence of 80-acre capability for a producing well. I believe that this operators' committee would be very easily handled as it has been in many other fields in similar cases.

Mr. Gordon, referring to Exhibit No. 1 in Case 2739 which shows the Abo location or completion, calling your attention to the lower right-hand corner of the exhibit there is a line there which is designated present limit of Vacuum Abo Reef Pool?

sir. As shown here in the lower right-hand corner

F 4 3

DEARNLEY-VIEIER REPORTING SERVICE, Inc.

this Vacuum Abo cost Pool is the present Vacuum Abo Pool. This is the Vacuum Abo Roof which runs through the general area and is a definite structural feature. The present Vacuum-Abo Pool produces entirely from the reefing structure and is separate from our other Abo structures as shown here.

In conversation with the Hobbs Commission Office and with an informal geological committee, we have seen led to believe that the Commission itself will probably be retitling the present Vacuum-Abo Pool in a nomenclature case to be the Vacuum-Abo Reef Pool, and designate the Abo production which we have found in our State Bridges 95 to become the new Vacuum-Abo Pool. The Vacuum-Abo as found in our State Bridges 95 is Abo; the producing is Abo. In fact, it is not a reef-type structure and has no relation whatsoever to the reef and the occurrence of oil is not reef. We believe there is adequate testimony that could be presented at some other time to substantiate the difference between the Abo Reef and the Abo production found north of the reef.

The reason for my question was that conceivably development in the Abo could extend within one mile of the present limits of the Vacuum-Abo Pool, and that was the reason T was inquiring as to whether or not there is any relationship between the Abo Production as found in your Bridges 95 Well, and that of the older field lying to the southeast.

A Yes, sir. Well, I believe here, from examination of the logs and such, we could always maintain a separation or definition

F 1 3

between the reaf production and this other production which is not reefing, and that there is a physical separation in this case between the reef and this other production.

MR. UNZ: Is this physical separation, you mean, by permeability pincheut or by depth?

Permeability pinchout would be the barrier between; I believe, also, there is some separation in depth.

(By Mr. Sperling) Do you have anything further to add at this time, Mr. Gordon?

A No, sii.

MR. SPERLING: I think that is all the Direct at this time, Mr. Examiner.

CROSS EXAMINATION

BY MR. UTZ:

You are recommending have, as I understand, a rigid pattern insofar as the location of the wall in the quarter-quarter section?

Yes, sir. Α

And also as to the location within that quarter section?

Yes, sir.

Is the, so far as you know, is the Ohio McCallister Number 5 the only non-standard location that is now drilling?

Yes, sir, it is the only one. I beg your pardon. It is not non-standard with tespect to the location in the quarter section. The Shell wall shows in Section 31 of 17, 35 is also nor -

State 0-11 in Scotion 36 of 17, 34 is 200 feet west of the center of the quarter-quarter section. For various reasons these wells were deliked at their designated together and we propose that they be accepted as is.

Q Mr. dordon, do you name any cold data or reservoir information of any nature from your 95 wall which show what the reservoir characteristics are in these tures pools?

A I believe we have no core rais. The only information that we can furnish here, and I do not have it with me, would be calculations from log data.

- Q You have no idea what the permuskit teres and percentages would be ---
 - A No, sir.
 - Q -- of those zones. Do you base any pressure information?
- A Drill stem tests is all we have here, sir, and I would be a little bit rejuctant to furnish the because in the very near future we will be getting information, the most accurate information we can get.

MR. SPERLING: I might point out that some of the information what you are inquiring about was, if I recall correctly, was preserved in connection with the testimony in the multiple completion here on the Shair Gi.

Yos, gir.

- (by Er. Utz) Those were estimated, were they not?
- i policyo teak in all we can furnish at the present time are calculations from the Log deta.

Me. 1782: are there any other quastions of the witness? MR. DURRETT: Yes, sir, I have a question or two.

BY MR. DURRETT:

- Mr. Gordon, this information we are talking about now that you might be able to runnish to see future, that would be what, test results on the State bringes 95 Well?
- Well, in regard to the garbering of data during the next year period, is that what you have redecemes for
- Well, that is mainly what I ar taiking about, only I thought -- one thing I want to get clear is how soon would it be before you would have information concording reservoir characteristics?
- we would have to start the ascharing of it with a committee to act as a gathering point. This bosh't been done yet. I believe we would probably follow a program of gathering of initial bottom hole presence, and each Wil, further testing for GON and further testing for bottom hole pressure and the conducting of bottom hole pressure buildup tests to determine reservoir permeability; the possible conducting of laterical acts between wells to demonstrate interference or lack of interference; the use of bottom hole pressure history during this first year serial to comenstrate

the decline in now wells to show that the entire field was a common reservoir. We are smeaking here in regard to one an ervoir. but I believe our cumula could be applied equally to all three reservoirs.

The main point I was making was, actually, an things stand right at this time, we don't really have any way of knowing Whather or not one wall will a will not erain 80 deres:

Yes, air, What is correct. That is why at this time we want to start an subscrib constopment program, which can be supplemented and filled out to a discore program if it is needed. At the present time, under present statewide rules a field can be developed on a 40-acro grogram. We man never undrill it, for an 80-acre program which sught prove to be destrable. At the present time, with our present unformation on mait may that at the and of the year wa will come back and compact an co-acre program. It may be we may come back and request for all three zones that 40-acre rules be adopted. I believe that would be one extrems. The other extrema would be possibly that we would ask for 30 acres to be continued on a permanent basis, but the granting of temporary rules here would permit the highest to be developed at the most economical cost possible without the aspenditure of any unnecessary money.

MR. DURRESS: That is all I have.

BY MR. KELLY:

<u>I just have</u> to get a courte of questions for Sill-in Co $oldsymbol{q}$

when I wasn't here. I am dure you covered it. Are you saking for 80-acre temporary spacing for one year?

A Yes,

And are you toking that the Commission grant wall locations in either the acribwest quarter or the southwest quarter of a quarter section?

A Yes.

MR. RELET: Frank is all a save. I just wanted to write sure that their information was the law as the prior information I had. I would like to read a statement at the close of the case.

MR. DEZ: Do you have anymore questional

MR. SPERGANCE Just one more.

RIDINGOT THE WIRE TENON

BY MR. SPERLING:

It appears that there are a number of wells stilling at the present time, which it would seem would furnish a basis for considerable information. What share defilling are these wells?

I believe we should refer here to the Vacuum-Abo map in Case Number 2739, since it shows the markings number author of wells. Starting from the top in Section 25 of 17, 34, our State Bridges 92 located in the northwest operter, at the present time, I believe, is approximately at 3,000 foot in drilling ahead. Our State Bridges 96 in the northeast quarter of Section 26, is approximately at 6,000 feet and drilling a head. Our 95 is undergoing repairs. The unio Nowber I state accallister in Section 2

is drilling below the Wolfcamp, I believel. The Texaco 0-11 in Section 36 is drilling below the Wolfcamp and the Chell Well Number 5 Atate A. 1 believe in Section 31 of 17, 35 is somewhere between the ato and Wolfcamp, I believe, I am not exactly informed as to where it is.

O Have you scoken to the other operators in the area with a view toward exchanging of information and support of 40's or 80's?

A Ne, gir. We have not controlled the operators with a view for making up a constitue of any sort.

- Q But it is your intention to be see
- Q Mes, sir. If the compensive to a sre granted we most certainly would take the load in this.

MR. SPERLING: I thin't that is all a have.

RECROSS SARMINATION

BY ER, DURRETT:

O Mr. dordon, would you know, the wo you have with you some out the expected completion dates on any of these wells that are drilling a head hou?

A do, str. & don't believe so, that could be furnished to you by leaver.

- Q Would you do chat? I would apparelate it if you would.
- A That is vight.
- Q Conte you give us some this, on, say within a month or

7

york" bave he go linch to the recerd. j_{λ}

int you wante give on a tenter on that?

or my with the Yes,

MR. DO. Hoff Sing, Whomb you, I appreciate bash.

PR. Dans in you began to know what the fact tocation of the Shell Musber Class at looks take it may be a 120.

No, sin, a const have any idea. It is plotted from data. I would and out to measure it have and scale it.

MR. Units the there may be not growthoms of Mr. Gordon's The witness may he excused.

(Without on excused.)

MR. UPZ: Acce Chare say alexaments in the case?

MR. RELEAT: I have a platement on behalf of rexaco. Texaco is currently arithing their old? Another II hall and they plan possible completion in thi three of these zones. Texaco also owns a considerable amount of acrange in the immediate area and therefore it can be nown cost taken is vitally interested in the adoption of special submarior them pools. Texaco has, and always will ergo the Commission to neogh the widest feasible spacing program. It is never too late to infill drill in order to prevent waste. On the other hand, burever, if a reservoir is developed on a close spacing pattern when a wicer pattern would have affliciently dimined the poor, it is the late to cover the unnecessary dritting of the unascassary waits; and Texaco believes

SANTA FE, N. M. PHONE 083-3971

exploration and development of other of and general State which would regulate in accordance beautiful to both the oil industry and 54. In estry & the Helle of Rew Barken, herance of this, Texas - Appetibilly cognesses that the bil Conscevation commission approx that typulation.

t here some communications t () 1. THE THE PROPERTY OF THE PROPERTY OF would like the source of a condition quite longthy tolegood, frum Marchan of a manging one 2 will the arm examined a percentage to this tologram in the cartrery. Cases Tembers 2759. 2746 see aget, a totage unger than in the three referenced cases, Socony boles, wit applicant, will present that the Commission newspotent for the for Pool, case Number 2739; the the coldenacy have, whom 2700; that in the Vacuum-Devonian Pool, Cano Swaker 218 , all to station 26, a sensity of South, Range 34 Band, Sen County, and arealous and that the rules in each case provide for 60-acre provides muits and 60-acre well. spacing with relocation in the auxiliarous quarter and the contheast quarter of any quantum receion. The struct is presently delified a well at a location how foot from the transfer that and one feet from the south line of Section 25, Township is nouth, sange 34 Sant, which is projected to a depth sufficient to encounter the pools . mentioned in the application in the cooperation of the well will not conform to the appearant and wall tookelon provision the requestad rules. Narathon recenseeds to each of those threb

ALRUQUEROUE, N. M. PHONE 243 6691

cases that the doublistor adopt temperary special rules ing for 80-sers specing and 80-acre provation units composed of two contaguous grant is guarter such for any governmental quarter section, providing the rules provide for an excuption without reduction of altogate to any constant the tradition, or any wall heretofore companies of presently will only which may be reafter he completed to ear a all of the court septioned in the three cases; and that the releasing the market market to granting of future maceptions to such specing and built tourists dates, if such further exception is necessary to probect the solectanive mights of any party.' Signed, I. . . Murrell, Declaims Lemagov of Marathon Oil Company.

The Commission has also received a littegrap from Phillips Petroleum Company, and it roads as Kontanta

"Reference hearing January 21, 2003, Cases 2739 and 2740 application of Secony Mobil Oll Company for co-acts spacing for Abo and Wolfcamp production, Section 11, Township 17 South, Range 34 Last, Lea County, Der Maxico. Ye remove in apacing and relea to be proposed by the applicant; as so, or leader in rate, so be proposed by them in case 2741 for Accommunity 2001. However, we urge consideration be given to a complete a of 130 acro spacing." Signed, Phillips Rokeolaum, W. . - ckive-, Manager of Resolution Division.

> Mr. UCZ: the transmission of the content the



DEARNLEY-WEIER REPORTING SERVICE, Inc.

SANTA FE, N. M. PHONE 983.3971

Continental do seed, as the product that, have any will seed thing in this area. We do have acreage in the lamediate area and the should like to go on resord as have any temporary 80-ners specing in this pool in order to avoid the drilling of walls which we may learn at a later cate are madecastry. So would like to costur with the application in these cases.

MA. Will have there any class meatiments? Mr. gordon. on you know whether or not thus solls actalling in the southwast of the southwest of Section 25 is hang entired by Murathon rather than Unio?

MR. COMPANI Kes, Than it a case of a name change which has not caught up with our map wakees.

MR. Uton there are so resther statements, the same will be taken maer advisement.

STATE OF NEW MODEO)) 93. COURTY OF BEHINDING AND J.

I, BILL LANGFORD, Court Reportor, 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.

I do hereby certify that the foregoing is a complete result of the proceedings in the Examiner hearing of Case No. 2.7 3.2, Cm . 273 . 19 63 .

New Mexico Oil Conservat ..., Examiner ion Commission

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION Santa Fe, New Mexico February 19, 1964

EXAMINER HEARING

MENGTON, N. +

IN THE MATTER OF:

Case No. 2739 being reopened pursuant to the provisions of Order No. R-2421, Lea County, New Mexico; and Case No. 2740 being reopened pursuant to the provisions of Order No. R-2422, Lea County, New Mexico; and Case No. 2741 being reopened pursuant to the provisions of Order No. R-2423, Lea

Case No (2739) 2740 and 2741

BEFORE: ELVIS A. UTZ, EXAMILER

County, New Mexico.

TRANSCRIPT OF HEARING

DEAR VLEY-MEIER REPORTING SERVICE, Inc.



DEARNLEY, MEIER, WILKINS and CROWNOVER General Court Reporting Service

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Pe, New Mexico
February 19, 1964

EXAMINER HEARING

IN THE MATTER OF:

Case No. 2739 being reopened pursuant to the provisions of Order No. R-2421, Lea County, New Mexico; and Case No. 2740 being reopened pursuant to the provisions of Order No. R-2422, Lea County, New Mexico; and Case No. 2741 being reopened pursuant to the provisions of Order No. R-2423, Lea County, New Mexico.

case No. 2739, 2740 and 2741

BEFORE: ELVIS A. UTZ: EXAMINER

TRANSCRIPT OF HEARING

MR. UTZ: Case 2739.

MR. DURRETT: In the matter of Case No. 2739 being reopened pursuant to the provisions of Order No. R-2421, which order established temporary 80-acre proration units for the North Vacuum-Abo Pool, Lea County, New Mexico.

MR. WHITE: If the Examiner please, Charles White of Gilbert, White and Gilbert, Santa Fe, appearing on behalf of the Texaco, Inc., and we have one witness.

General Coun Reporting Service

1100 Simms Building Albuquana Nou Monico Pho

In order to expedite matters, if the Examiner please, we would like to consolidate Cases 2739, 40 and 41 for the purpose of this hearing.

MR. UTZ: You will have the same witness in all cases?

MR. WHITE: Yes, sir.

MR. UTZ: Well, you will put the cases on somewhat in order of number?

MR. WHITE: That's correct.

MR. UTZ: So that the testimony on each pool will be somewhat segregated in the record.

MR. WHITE: Yes, sir.

MR. UTZ: For the purposes of hearing the Cases 2739, 40 and 41 will be consolidated and separate orders will be written on each case.

MR. JACOBS: Appearing for Skelly Oil Company is Ronald Jacobs, in Case 2740.

MR. UTZ: Are there other appearances?

MR. KELLAHIN: Jason Kellahin of Kellahin & Fox, Santa Fe, appearing on behalf of Amerada Petroleum Corporation in all three of the cases.

MR. SPERLING: Jim Sperling of Modrall, Seymour, Sperling, Roehl and Harris, Albuquerque, appearing on behalf of Socony Mobil Oil Company in the three cases.

MR. KELLAHIN: If the Examiner please, I would like to also enter an appearance and associated with me is Mr. Carl Jones

-

WILKINS

Suite 1120 Simms Building Albuquerque, New A

of the Texas Bar, in Cases 2739 and 2740, Phillips Petroleum Company.

MR. UTZ: This was in Cases 2739 and 40?

MR. KELLAHIN: Yes, sir.

MR. UTZ: Are there other appearances? All these appearances are opposing the application, I take it.

(Witness sworn)

MR. WHITE: If the Examiner please, we have arranged our testimony not as to refer to one exhibit such as the structure map of the Abo, then the next one would be the Wolfcamp, and the next one would be of the Devonian. Now, we don't have these exhibits set out for testimony for just one case and then the other case, as you had just mentioned.

MR. UTZ: You don't segregate the formations too much then?

MR. WHITE: No, sir, but I think the testimony will be orderly and be applicable to all the cases.

MR. UTZ: Well, you go ahead with it the way you prepared it, and we will try to disect it.

CARL L. WHIGHAM, JR.,

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

DIRECT EXAMINATION

BY MR WHITE:

DEARNLEY, MEIER, WILKINS and CROWNOVER Jeneral Court Reporting Service

New . lbuquerque, Simms Suite 1120

243-6691

Mexico

Mr. Whigham, would you state your full name for the record, please?

- My name is Carl L. Whigham, Jr.
- 0 For whom are you employed and in what capacity?
- Employed by Texaco, Inc., for the Midland Division, as Α Division Exploration Engineer.
- Would you briefly give your educational and professional background?

Α I graduated from Texas A & M College in 1949 with a BS degree in Petroleum Engineering, and at that time I went to work for Texaco, Inc., and for the past 15 years, I have been employed by Texaco or their foreign subsidiary in various petroleum engineering assignments in drilling and production operations.

- Are you familiar with Cases 2939, 40 and 41, and the orders issued upon the hearings?
 - Yes, sir, I am.
 - Is Texaco one of the producing operators in the area?
- Yes, sir, they are the principal producing operator in the area.
- Have you conducted various studies of these three 0 reservoirs?
- Studies have been conducted on these three reservoirs Α under my supervision.
 - Would you refer to Exhibit One, and explain that, please? Q
 - Yes, sir, Exhibit Number One is a lease ownersh



DEARNLEY, MEIER, WILKINS and CROWNOVER

Building

the area in question showing the various operators in this Vacuum It also shows the completion intervals of all 18 wells that have been drilled in the area, and it shows the sold line extending from the northern limits of the field to the southern limits of the field, which represents a line and that a cross section has been prepared and will be presented in a later exhibit. It may be noted that Texaco, Inc. operates eight of these wells, Socony Mobil Oil Company has drilled and completed and operate three of the wells, and Continental Oil and Marathon Oil Company each have drilled and completed two wells in the reservoir and Tidewater Oil Company, Phillips Petroleum Company and Shell Oil Company have each drilled and completed one well in these reservoirs.

The reservoir in which each well has been completed is designated by the color code. The green color denotes the four Devonian producing wells, the purple color denotes the 18 Wolfcamp producers, and the red color denotes the U Abo producers.

And I notice this exhibit is dated February 12, 1964. Have there been any recent development in this pool?

Very little. Current development is limited at the present time to Phillips Petroleum Company Well Number 87 in Section 31.

- That is not in the plat, is it? 0
- Yss, sir, it is. Α
- Beg your pardon. \mathbf{G}
- This well has been completed in the Wolfcamp reservoir



DEARNLEY, MEIER, WILKINS and CROWNOVER

Series Court Action Series

1120 Simms Building Albuquerque,

and operations are currently under way to complete the Abo.

Also in Section 35, Phillips Petroleum Company has spudded a well in the Southeast Quarter of the Southeast Quarter, and it is our understanding that they plan to drill the well to the Pennsylvanian formation and they anticipate completion in the Wolfcamp and Glorietta reservoirs.

MR. UTZ: Which section is that?

A That was Section 35.

Q (By Mr. White) Now, will you refer to Exhibit Two and explain that, please?

mentioned, and this exhibit was prepared primarily to indicate the relative depth of the three reservoirs in question and also to show their continuity across the reservoir. The uppermost reservoir is noted to be the Abo, and a relative point designated as the base of the Abo and the top of the Wolfcamp was agreed upon by the major operators in the field, and the Conservation Commission at a meeting held January 9, 1963 in the Hobbs office of the Oil Conservation Commission. The second reservoir is the Wolfcamp reservoir and the main pay is indicated on this cross section to be continuous across the field. The lowermost reservoir is the Devonian and the solid line across this cross section indicates the top of the Devonian reservoir. Also shown on this reservoir is an oil-water contact. The purpose of presenting the oil-water contact, at a Sub-C depth of 8.000 rect, is to substantiate the

Suite 1120 Simms Building Albuquerque, New Mexico

producing mechanism. This drive is a bottom water drive, whereas, the upper two reservoirs produce under a solution gas drive mechanism.

- Q Now, will you now explain Exhibit Three?
- Abo reservoir, the correlative point being the base of the Abo and the top of the Wolfcamp, was determined from each individual well log and these points were plotted on this map and contoured at a contour interval of 50 feet. It can be noted that the geological structure is an elongated anticline trending north and south. Again, the Abo producing wells are designated by the red color, and it may be noticed that 11 wells have been completed in the Abo. There are seven other wells in the field that actually penetrated the Abo, but were not completed in this reservoir.
 - Q Will you now explain Exhibit Four, please?
- A Exhibit Number Four is a similar structure contour map, drawn on the top of the Wolfcamp main pay zone. Each log was analyzed and the correlative point was picked and contoured on an interval of 50 feet. It is significant that all 18 wells drilled in this area have been completed in the Wolfcamp reservoir.
 - Q Now, will you similarly explain Exhibit Five?
- A Exhibit Number Five is a similar structural contour map contoured on the top of the Devonian reservoir. These points were obtained from well logs on all wells that have penetrated the Devonian top. Four of these wells have actually been completed as



243.660

Devonian producers. Nine other wells in the area penetrated the Devonian, but were not completed in this reservoir. The five remaining wells did not penetrate the top of the Devonian.

Q Will you identify and collectively explain Exhibits Six, Seven and Eight, your reservoir data?

A As set out in the original hearing, approximately one year ago, all of the operators in this area have pooled their information, and this information has been averaged out and consolidated into these three exhibits, which show the reservoir data for each of the three oil pools in question. It is significant that each reservoir exhibits a permeability sufficient to support drainage in excess of 80 acres.

The Vacuum North Abo Oil Pool has an average permeability of 8.3 millidarcies. The permeability range, however, goes up to 104 millidarcies.

The Vacuum-Wolfcamp Oil Pool exhibits an average permeability of 3.2 millidarcies with a range in permeability up to 13 millidarcies.

And the Vacuum-Devonian Oil Pool shows an average permeability of 10 millidarcies, and the permeability range goes up to 26 millidarcies.

It is felt that these permeability values are significant in supporting our request, and it might also be noted at this time that the Vacuum North Abo Oil Pool is designated as a solution gas drive reservoir, and the producing mechanism for the Vacuum



Wolfcamp is solution gas drive reservoir, and the producing mechanism for the Vacuum-Devonian is a bottom water drive.

- These exhibits present the most recent and all available data; is that correct?
 - Yes, sir, it represents all data presently available.
 - Have you obtained any bottom hole pressure data?
- Yes, sir, we have obtained all the bottom pressure data that is currently available from all operators in the area.

MR. UTZ: Mr. White, in view of the hour, and I suspicion you are getting in the crux of this testimony, I wonder if this wouldn't be a goodtime to adjourn for lunch.

MR. WHITE: Perhaps it would.

(Noon Recess)

MR. UTZ: The hearing will come to order. We will continue with Cases 2739, 40 and 41. I believe you were on Exhibit Number Nine, were you not.

MR. WHITE: Yes, sir.

- (By Mr. White) Mr. Whigham, will you explain Exhibit Nine and Ten?
- Yes, sir. Exhibits Numbers Nine and Ten present the bottom hole pressure data for the Vacuum North Abo Pool. Exhibit Number Nime presents this data in a tabular form for reference purposes, and these same values are plotted graphically in Exhibit Number Ten. It may be noted in Exhibit Number Ten that two sets of points have been plotted. To explain this, it should be noted



General Court Reporting Service

DEARNLEY, MEIER,

Mexico

to a standard ordinary 80 pattern, even though 80 acres is available to be dedicated to this well. This well is spaced between three other wells, which are on a standard 80 acre pattern. So, this situation results, in four wells being spaced somewhat closer together than an 80 acre pattern. These four wells are represented by the pressure points, enclosed by a triangle. It may be noted that the minimum distance between these wells is 1220 feet. It can also be noted that the initial bottom hole pressure of each well is somewhat lower than the well previously drilled. In other words, this decrease in reservoir pressure denotes communication between these two wells. Therefore, on a basis of 1220 feet, minimum, between these wells, a drainage area can be calculated and this calculation results in a drainage area of 170 acres. The second curve plotted on Exhibit Number Ten are all the other wells, those that are spaced on standard 80 acre tracts. And again, it can be seen that each well exhibited an initial bottom hole pressure somewhat below that of the well previously drilled. These bottom hole pressure values are plotted against accumulative oil production from the Vacuum North Abo Oil Pool.

that one well, Marathon's McAllister Number Five, does not conform

Now, reference is made to Exhibit Mine. I notice in your reservoir pressure information, your Well Number One is 3342, and on your well Number Five, you have 3343. How do you account for that increase?



DEARNLEY, MEIER, WILKINS and CROWNOVER General Court Reporting Scrvice

Building

Simms

1120

Mexico Albuquerque,

If you were referring to the pressure numbers, my tabulation shows that Pressure Number One in the Mobil State Bridges was 3342 PSIA as compared to Pressure Number Five in the Texaco State)-14 of 3343. Were those the two values you were referring to? I believe for all practical purposes those pressures can be considered identical. The original reservoir pressure here was determined to be 3382 PSIA. That is the highest bomb pressure recorded in this field. Some of these other As a matter of fact, there is only one other pressure which is a drillstem test pressure, the remaining nine pressures are bomb pressures.

Now, would you similarly explain Exhibits 11 and 12?

Exhibits 11 and 12 are similar to the two just presented Exhibit Number 11 is a tabulation of all the bottom pressure data that has been accumulated and made available from the Vacuum-Wolfcamp Oil Pool, and this pressure data is plotted graphically on Exhibit Number 12. Again, we have the two curves, one of them representing those wells that show communication at a minimum distance of 1220 feet, representing a drainage area of at least 107 acres. The uppermost curve represents the pressure taken in those wells which are spaced a minimum of 1575 feet, representing a drainage area of 179 acres. Again, it may be noted that each pressure recorded is somewhat below the pressure recorded in a previously drilled well. Some exception exists, but there are actually only three, and it is considered that the curves are plotted through the



DEARNLEY, MEIER, WILKINS and CROWNOVER General Court Reporting Service

nms Building Albuquerque, New Mexico

243.660

average point. Point Number Five is a very poor well and was not adequately stimulated for percent of communication with other zones, and Well Number Seven exhibits a lower than average pressure for the same reason, but both of these curves do indicate communication between subsequent wells indicating a drainage area in excess of 80 acres.

MR. UTZ: These numbers on these charts here, is that a pressure number or well number?

A Those are pressure numbers.

MR. UTZ: I see. That accounts for my not being able to find the wells then.

A Yes, sir.

Q (By Mr. White) Now, will you similarly explain Exhibits 13 and 14?

A Exhibits 13 and 14 Peresent the bottom hole pressure data available from the wells that were drilled to and completed in the Vacuum Devonian Oil Pool. Exhibit Number 13 is a tabular representation and the values that appear in this table have been plotted on Exhibit Number 14. As stated previously, it has been determined that the Devonian is a water drive reservoir, and the pressure performance curve depicted by Exhibit Number 14 bears out this conclusion. It can be seen that the pressure has not declined as compared to accumulative oil production. It can also be seen that the aquifer pressure is essentially the same at bottom hole pressure as measured in the oil portion of the reservoir.



The pressure in genera, has averaged approximately 4.760 PSIA since original completion.

Now, will you refer to Exhibit 15, your monthly production information for your Devonian, and point out what you think is significant there?

Exhibit 15 was prepared to substantiate previous statements that this is a water drive reservoir. Both oil and water production are tabulated monthly throughout 1963. It can be noted that water production has been significant and actually shows a slight increase, bearing out the contention that the Devonian is a water drive reservoir.

What conclusions do you draw I'rom these exhibits and from the studies that you have made?

The exhibits thus far show that any well in any one of these three reservoirs will effectively and efficiently drain more than 80 acres.

Now, will you refer to your Exhibit 16, your economic analysis?

Exhibit Number 16 is an economic analysis showing the cost to drill and complete three different types of wells in these three reservoirs. It shows the net loss that would be incurred if these wells were drilled and completed and produced on 40 acre spacing, and it also shows the net profit that would result if these wells were drilled and completed and produced on 80 acre spacing. The triple completion would be in each of the three

Building

DEARNLEY, MEIER, WILKINS and CROWNOVER General Court Reporting Service site 1120 Simms Building Albuquerque, New Mexico Phone 243-669.

reservoirs, Abo, Wolfcamp and Devonian, and the average actual cost of those wells is \$331,000.00. The reserves available from this well, based upon 40 acre proration units, would show a net loss for this operation of \$48,500.00. On the other hand, if this well were drilled and completed and produced on 80 acre spacing, a net profit of \$356,900.00 would be realized.

with regard to the dual completion example, that is shown in Exhibit N mber 16, it was assumed that a well would be completed in the Wolfcamp and the Devonian oil reservoirs. These two were chosen because they were actually resulting in the most optimistic situation. They would result in the most profit of any two of the three reservoirs in question. This subject well is estimated to cost \$235,000.00. Based upon a 40 acre proration unit, a net loss would incur of \$2,000.00. Whereas, if this well were operated on 80 acre proration unit, a profit of \$274,900.00 would be realized.

The third column shows the single completion, and for the same reason, the Wolfcamp reservoir was chosen because this would result in the most profitable of any single completion in these three reservoirs. The estimated cost for this well would be \$120,000.00, and the net loss if operated on 40 acre units would be \$6,500.00. Whereas, if this well were drilled and operated on 80 acre proration units, a net profit would be realized of \$129,000.00.

Al; or these wells- - values are based upon a lifting cost of forty-five cents per barrel, taxes of 24 cents per barrel,

DEARNLEY, MEIER, WILKINS and CROWNOVER General Court Reporting Service

a net interest of 0.875, a net sales value of \$3.46 per barrel, including the gas, resulting in a net value of \$2.42 per barrel.

- Then, this exhibit shows that none of the reservoirs can be developed upon a 40 acre proration unit economically?
 - That's correct.
 - Does that conclude your testimony?
 - Yes, sir.
- Were these exhibits prepared by you or under your direction?
 - Yes, sir, they were prepared under my direction.

MR. WHITE: We offer Exhibits One through 16 at this time That concludes our direct.

MR. UTZ: Exhibits One through 16 will be entered into the record in this case. Are there questions of the witness?

CROSS EXAMINATION

BY MR. UTZ:

- To be sure I understand this graph here, take a closer look at the Abo section, these pressures that are plotted with the triangles as symbols are different from the ones with circles as symbols, in that these wells have a different radius of drainage?
- Yes, sir, that's correct. Those points represented by the triangles are the pressure points for four wells that are spaced a minimum distance of 1990 feet from each other. We can refer to any one of the maps and I will point out those four wells.

Building Simms Suite 1120

Well, let's just take the Abo map since we are talking about it, your Exhibit Number Three. That will be pressures one, three, six and eight, wouldn't it?

One, three, six and eight, that's correct. Pressure Point Number One is in the Mobil State Bridges Number 95. Directly east of that well is the McAllister Number Five, which is Pressure Point Number Three. Pressure Point Number Six is the next offset well to the east, McAllister Number Seven, and Pressure Point Number Eight is the Tidewater State "F" Well Number Six. Those are the four wells in the entire area that are actually spaced closer than would be normal. under standard 80 acre spacing.

In other words, those four wells being clustered there on actually a spacing or less than 80 acres have caused a low pressure area in that particular part of the field?

That appears to be a conclusion that could be drawn from this data.

Whereas, the other wells that are actually spaced more nearly in the 80 acre spacing, pressures are still a little higher?

Yes, sir, they are a bit higher.

What would that indicate to you; does that indicate to you well interference?

To me that would indicate that there is interference between all wells, but the interference would naturally be somewhat greater for those wells spaced on 40 acres, however, it shows that wells spaced on do acre patterns do have interferen

exhibit subsequently lower pressures.

In your opinion, would, say, a more even spacing then tend to draw down the pressures within the reservoirs on a more even basis and give everybody a little bit better opportunity to receive their oil in place?

I don't know that I could make that statement, Mr. Utz.

Well, wouldn't you have to agree that the oil is going to travel toward this cluster of four wells here? I am not trying to prove or disprove your case. I just see something here that is quite interesting and I would like to have an opinion on it.

Yes, sir. Each of these wells would have the same allowable. The withdrawals, I believe, would be approximately the same for all wells. Therefore, I don't see that there would be any greater migration toward this area than any other area in the field.

But, the pressures are lower in this area, are they not?

They are at the present time. One feature that might account for that fact is that general area was developed before the wells remaining. This particular area is where the initial development took place.

You feel some of that pressure might be due to this area having been developed first?

Yes, sir, I definitely do. These pressure points are A actually plotted against accumulative oil production, and it does show that the more oil that has been produced, the lesser the



Building Simms pressure exhibited.

Well, the pressure on the Number 14 well is taken after having produced vertually the same as the Number Seven well, still the pressures are substantially different, about 300 pounds differ ence after the same amount of production. Is that about right, comparing Bressure Number Five with Pressure Number Six on your Exhibit Number Ten?

Yes, sir. Pressure Number Five is the State "O" Number A 14, and it is somewhat higher than the pressure recorded in Marathon's McAllister Number Seven. I would say that fundamentally the reason for that is that Well Number 14 is quite distantly located from the area of original development. It is located several locations southeastward from the vicinity of the initial development. I believe that for that reason a higher pressure could be expected.

- Because it is draining a bigger area?
- No, sir, because it would be more apt to be encountering a pressure more hearly the virgin reservoir pressure.
- You didn't actually run any interference tests in connection with this study, did you?
 - No, sir. A
- So, pressures that you show here and the radius of drainage are actually shown because of the distance between the wells; in other words, the distance between the wells is what told



Phone 243-660.

Yes, sir.

ପ୍ You didn't calculate it?

Yes, sir, a drainage area was calculated from a circle with a radius equal to the spacing between the wells.

But, you didn't use pressure drop to calculate the radius of drainage in other words?

No, sir, the extent of drainage wasn't determined specifically.

Then, the pressure drop that you show here in all cases, well, in the Abo and the Wolfcamp, was, in your opinion, due to production from the reservoir and the time at which the wells were completed?

Yes, sir, that's correct.

In the Devonian reservoir, since you didn't have any pressure drop, naturally, if this is a water drive reservoir, you wouldn't have any, what is your basis for saying that this will drain in excess of 80 acres?

I would refer, along with Exhibit 14 to Exhibit Number Eight, which shows the reservoir characteristics for the Devonian Oil Pool.

I can't find any Exhibit N mber 14.

Actually, the only thing I want to call attention to was Α the permeability in the Devonian reservoir. The permeability averages ten millidarcies with a range of one tenth up to 26 millidarcies, and it would be our conclusion from this permeability

General Court Reporting Service

w Mexico Phone 243-6691

\\ wat

data and the fact that this reservoir is water drive, that the conditions exist that would permit a drainage area of at least 80 acres.

Q You would anticipate a better sweep efficiency with water drive than you do with solution gas drive?

A Yes, sir, that's correct.

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

MR. KELLAHIN: Are you advocating for the rules for the three pools on an 80 acre basis be made permanent?

A Yes, sir.

MR. UTZ: Are there other questions? The witness may be excused. Do you have other witnesses?

MR. WHITE: That concludes our testimony.

MR. UTZ: Are there statements to be made in this case?

MR. JACOBS: Mr. Examiner, Ronald Jacobs for Skelly Oil Company. Skelly Oil Company is not an operator in any of these three pools, however, we do have acreage in Section 31 of 17 South, 35 East, and as an interested party in the area, which is probably

productive, we concur in the recommendations of Texaco.

MR. KELLAHIN: If the Examiner please, Phillips

Petroleum Company and Amerada Petroleum Corporation are operators
in one or more of the three pools involved here. We feel that the
testimony that has been presented by Texaco shows that as to each
of the three zones there are adequate porosity and effective
drive mechanism, and certainly as to at least two of the reservoirs



WILKINS and CROWNOVER DEARNLEY, MEIER,

acres and probably considerably more than 80 acres. Devonian formation, with a bottom water drive, while we have no pressure information which supports this, porosity and the nature of the Devonian reservoir with a bottom water drive, certainly indicates that it will drain at least 80 acres. The economics clearly show that it is not profitable or wise to drill any of these three reservoirs on 40 acre units and in many instances, it would not be done. One well will effectively and economically drain a unit of not less than 80 acres, as shown by the testimony. That is the test provided by our statute on fixing a proration unit. The approval of the 80 acre spacing for these three pools will prevent waste and will prevent the drilling of unnecessary wells, and as a result will eventually promote the greater ultimate recovery of oil from these three reservoirs. We join with Texaco in advocating the 80 acre spacing rules be made permanent.

that the pressure figures show a drainage of not less than 80

MR. SPERLING: Jim Sperling for Mobil Oil Company. Mobil urges the Commission to adopt the presently existing rules on a permanent basis, feeling that the testimony which has been presented certainly supports the recommendation that has been made. We urge the Commission to consider the economic factors which have been established here as controlling the development of this reservoir.

MR. UTZ: Are there other statements? I am sure somewhere in these three we have some other written statements,

want them to be in the record.

MR. WHITE: We would like to have them incorporated in the record.

MR. UTZ: I was afraid you would.

MR. DURRETT: Would it be satisfactory, Mr. White, if the Examiner took administrative notice of all the statements in the file.

MR. WHITE: That would be satisfactory.

MR. UTZ: If that is satisfactory with Counsel, the Examiner will take note of all the telegrams and other statements.

MR, WHITE: Fine.

MR. UTZ: To be made in support or vice versa.

MR. WHIGE: I didn't go quite that far. We will still compromise.

MR. UTZ: Which there seems to be four or five. case will be taken under advisement.

General Court Reporting Scrvice

STATE OF NEW MEXICO

COUNTY OF BERNALILLO

I, ROY D. WILKINS, 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 Cil 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 of Office, this 3nd day of Marcn, 1964.

My Commission Expires:

September 6, 1967.

I do hereby certify that the foregoing is a copyrate record of the proceedings in heard by

.... Exaciner New Mexico O11 Conservation Commission



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. 2739 Order No. R-2421-A

APPLICATION OF SOCONY MOBIL OIL COMPANY, INC., TO CREATE A NEW POOL FOR ABO PRODUCTION AND FOR SPECIAL POOL RULES, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on February 19, 1964, at santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 13th day of March, 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-2421 dated February 13, 1963, temporary Special Rules and Regulations were promulgated for the North Vacuum-Abo Oil Fool.
- (3) That pursuant to the provisions of Order No. R-2421, this case was reopened to allow the operators in the subject pool to appear and show cause why the North Vacuum-Abo Oil Pool should not be developed on 40-acre proration units.
- (4) That the evidence establishes that one well in the North Vacuum-Abo Oil Pool can efficiently and economically drain and develop 80 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

-2-CASE No. 2739 Order No. R-2421-A

too few wells, and to otherwise prevent waste and protect correlative rights, the special Rules and Regulations promulgated by Order No. R-2421 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-2421 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 oil in the pool.

IT IS THEREFORE ORDERED:

- (1) That the special Rules and Regulations governing the North Vacuum-Abo Oil Pool promulgated by Order No. R-2421 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

Hack III Campbell

CK M. CAMPBELL, Chairman

E-S. WALKER, Member

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

OGVERNOR JACK M. CAMPBELL CHAIRMAN

State of New Mexico

Bil Conserbation Commission

LAND COMMISSIONER E. S. JOHNNY WALKER MEMBER



STATE DECLOCIST
A. L. PORTER, JR.
SECRETARY - DIRECTUR

March 13, 1964

Mr. James Sperling
Modrall, Seymour, Sperling, Roehl Res
and Harris
Attorneys at Law
Suite 1200 - Simms Building
Albuquerque, New Mexico

2740

Case No. 2741

Order No. R-2421-A, R-2422-A, & Applicant: R-2423-A

SOCONY MOBIL OIL COMPANY

Dear Sire

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

Very truly yours,

A. L. PORTER, Jr. Secretary-Director

Carbon copy of order also sent to:

Hobbs OCC __x

Artesia OCC __

Astec OCC __

OTHER _Mr. Charlie White, Mr. Jason Kellahin, Mr. Carl Jones
Mr. Ron Jacobs.

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:

A CONTRACTOR OF THE PROPERTY O

CASE No. 2739

Order No. R-2421-A

APPLICATION OF SOCONY MOBIL OIL COMPANY, INC., TO CREATE A NEW POOL FOR ABO PRODUCTION AND FOR SPECIAL POOL RULES, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on February 19 1964, at Santa Fe, New Mexico, before Examiner Elvis A. Utz. Examiner duly appointed by the Oil-Conservation-Commission-of-New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission-Rules and Regulations.

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-2421 dated February 13, 1963, temporary Special Rules and Regulations were promulgated for the North Vacuum-Abo Oil Pool .
- (3) That pursuant to the provisions of Order No. R-2421, this case was reopened to allow the operators in the subject pool to appear and show cause why the North Vacuum-Abo Oil Pool should not be developed on 40 -acre proration units.
- (4) That the evidence establishes that one well in the North Vacuum-Abo Oil Pool can efficiently and economically drain and develop 80 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-2421 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-2421 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 oil in the pool.

IT IS THEREFORE ORDERED:

- (1) That the Special Rules and Regulations governing the North Vacuum-Abo Oil Pool promulgated by Order No. R-2421 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 herein-above designated.

DRAFT

JMD/esr February 5, 1963

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. 2739

Order No. R-2421

Kim

APPLICATION OF SOCONY MOBIL OIL COMPANY, INC., TO CREATE A NEW POOL FOR ABO PRODUCTION AND FOR SPECIAL POOL RULES, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on January 23, 1963, at Santa Fe, New Mexico, before Elvis A. Utz Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, or this <u>day of <u>February</u>, 1963, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, <u>Elvis A. Utz</u>, and being fully advised in the premises,</u>

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, Socony Mobil Oil Company, Inc., seeks the creation of a new pool for Abo production and the promulgation of temporary special rules and regulations governing said pool, to provide for 80-acre spacing units.
- (3) That a new oil pool for Abo production should be created and designated the North Vacuum-Abo Oil Pool. This pool was discovered by the Socony Mobil State Bridges Well No. 95, located in Unit P of Section 26, Township 17 South, Range 34 East, NMPM, Lea County, New Mexico. The top of the perforations is \$900 feet.
- (4) That temporary special rules and regulations establishing 80-acre spacing should be promulgated for the subject pool in order to prevent the possibility of economic loss being caused

operators in the subject pool to gather information concerning the area that can be efficiently and economically drained by one well.

- (5) That the temporary special rules and regulations should provide for fixed well locations in order to assure orderly development of the pool and protect correlative rights.
- (6) That/temporary special rules and regulations for the North Vacuum Abo Oil Pool should be established for a one-year period and that during this one-year period all operators in the subject pool should gather all available information relative to drainage and recoverable reserves.
- (7) That this case should be reopened at an examiner hearing in February, 1964, at which time the operators in the subject cause pool should appear and show/why the North Vacuum-Abo Oil Pool should not be developed on 40-acre proration units.

IT IS THEREFORE ORDERED:

(1) That a new pool in Lea County, New Mexico, classified as an oil pool for Abo production is hereby created and designated the North Vacuum-Abo Oil Pool, consisting of the following-described area:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM Section 26: SE/4

SPECIAL RULES AND REGULATIONS FOR THE NORTH VACUUM-ABO OIL POOL

RULE 1. Each well completed or recompleted in the North Vacuum-Abo Oil Pool or in the Abo formation within one mile of the North Vacuum-Abo Oil Pool, and not nearer to or within the limits of another designated Abo pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

guarter section line.

RULE 2. Each well completed or recompleted in the North Vacuum-Abo Oil Pool shall be located on a standard unit containing 80 acres, more or less, consisting of the N/2, S/2, E/2, or W/2 of a single governmental quarter section; provided, however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections in the unit.

RULE 3. For good cause shown, the Secretary-Director may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit comprising a single quarter-quarter section or lot. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the formation of the non-standard unit within 30 days after the application has been received by the

Secretary-Director has received the application.

The first well drilled on every standard non-standard important of the North Vacuum-Abo Oil Pool with scaled in the NW/4 or the SE/4 of a governmental quarter section and not closer than 200 feet to a governmental quarter-

RULE 5. The Secretary-Director may grant an exception to the requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proposed unorthodox location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may

approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the unorthodox location within 20 days after the Secretary-Director has received the application.

RULE 6. A standard proration unit (79 through 81 acres) in the North Vacuum-Abo Oil Pool shall be assigned an 80-acre proportional factor of 4.77 for allowable purposes, and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

The allowable assigned to a non-standard proration unit shall bear the same ratio to a standard allowable in the North Vacuum-Abo Oil Pool as the acreage in such non-standard unit bears to 80 acres

Abo formation within the North Vacuum-Abo Oil Pool or within one mile of the North Vacuum-Abo Oil Pool that will not comply with the well location requirements of Rule 4 is hereby granted an exception to the requirements of Rule 4.

ing in February, 1964, at which time the operators in the subject pool may appear and show cause why the North Vacuum-Abo Oil Pool should not be developed on 40-acre proration units.

(2)(3)(6) That any operator desiring to dedicate 80 acres to a well presently drilling or completed in the North Vacuum-Abo Oil Pool shall file a new Form C-128 with the Commission on or before March 1, 1963.

(4) (8) 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.

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF SCCONY-MOBIL OIL COMPANY, INC. FOR ADOPTION OF TEMPORARY SPECIAL POOL RULES WITHIN UNDESTGNATED POOLS PRODUCING FROM THE ADO, WOLFOND DEVONIAN FORMATION IN THE VACUUM FIELD AREA, LEA COUNTY, NEW MEXICO.

CASE NO. 2139

APPLICATION

Comes now SOCONY-MOBIL OIL COMPANY, INC., a corporation authorized to do business in the State of New Mexico, hereinafter called "Applicant", and states:

I.

Applicant is the operator of a well producing oil from the Abo, Nolfcamp and Devonian Formations which said well is designated as Applicant's State Bridges Well No. 95 located in Unit P of Section 26, Township 17 South, Range 34 East, N.M.P.M., Lea County, New Mexico, and that said production is from undesignated pools.

II

Special Pool Rules and Regulations should be adopted by this Commission concerning the drilling of oil wells in said pools and the production therefrom, including but not limited to provisions for drilling and proration units. A proration unit should consist of two contiguous governmental quarter-quarter sections within a given section of the United States Public Lands Survey and containing 80 acres, more or less.

DOCKET MAILED

Date 1-11-63

That the adoption of said Special Pool Rules will prevent waste, prevent the drilling of unnecessary wells, and protect the correlative rights.

IV

That the adoption of said Special Pool Rules should be on a temporary basis effective for not more than one year in order that information and data may be obtained relating to the reservoir and its characteristics of each of said pools.

V

The establishment of drilling and spacing units as herein requested is necessary for the orderly development of a common source of supply in said undesignated pools.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing, after due notice as prescribed by law, and upon such notice and hearing, Applicant requests that the Commission issue its order establishing special pool rules for said undesignated pools and providing for 60 acre drilling and spacing units and for oil allowables based on such spacing and that the order provide for the adoption of said rules on a temporary basis for a period not exceeding one year, and that said order provide such other and further relief to Applicant as it may show itself entitled to receive in the premises.

DATED this 2 (day of December, 1962.

SCCONY-MOBIL OIL COMPANY, INC., a corporation, Applicant

By its attorneys:

MCDRALL SEYMOUR SPERLING ROBHL & HABRIS

Attorneys for Applicant P. C. Box 466

Albuquerque, New Mexico

Case 2739
Weard 2-19-64
Robert 2-26-64

Color 2-26-

FINANCE SEED OF A SERVICE STATE OF THE SERVICE SERVICE SEED OF THE SERVICE SER

IN TO BE INDEED OF LOOP AND AND CONTROL OF THE PART OF

CASH HO. 2730 Ordor No. R-2621 Homshulaffurd

ARPHICATION OF SOCIET MODEL OIL COMPANY, THE , TO CREATE A FEW POOL FOR AND PRODUCTION AND FOR GRITISH POOL NUMBER, THE COURTE, MAY RESERVE.

OREGR OF THE COMMISSION

MY MAIN COMBROSION:

This cause came on for hearing at 9 o'clock a.m. on Jenuary 23, 1963, at Santa Fe, New Mexico, before Alvis A. Utz, Examiner duly appointed by the Oil Conservation Jenuission of New Mexico, hereinafter referred to as the "Jenuission," in accordance with duly 1714 of the Jonesission Rules and Regulations.

NOW, on this 13th day of February, 1963, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Azaminer, their A. Viz, and being fully advised in the premises,

FIEDS:

- (1) That due public notice having been given as required by law, the domnission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, socony Pobil Gil Company, Inc., seeks the creation of a new pool for Abo production and the promulgation of temporary special rules and regulations governing said pool, including a provision for 80-acre spacing units.
- (3) What a new oil pool for Abo production should be created and designated the Morth Vacuum-Abo Oil Pool. This pool was discovered by the Secony Mobil State Bridges well Mo. 95, located in Unit P of section 26, wownship 17 south, Range 34 Mest, Massico County, New Mexico. The top of the perforations in the Abo Cornetion is at 9070 feet.
- (4) That temporary special rules and regulations establishing 80-acro spacing should be promulgated for the subject pool in order to prevent the possibility of economic less resulting from the drilling of unnecessary wells and in order to allow the operators in the subject pool to gather information concerning the reservoir characteristics of the pool.

-2chsa Mo. 2709 Ordor ho. N-2491

- (3) That the temperary special rules and regulations should provide for limited well locations in order to assure orderly development of the good and protest correlative rights.
- (6) that the temperary special rules and requisitions should be established for a energier period and that during this one-year period all operations in the subject pool should gather all evallable information relative to drainage and recoverable ascorves.
- (7) What this case should be reopened at an examiner hearing in Fobruary, 1936, at which time the operators in the subject pool should appear and show cause why the North Vacuus-Abo Oil Pool should not be developed on 40-acre provotion units.

IN IL EPORTEONE ORDERLE:

(1) That a new pool in the downty, How taxico, classified as an oil pool for Abo production is hereby created and designated the Horth Vacuum-Abo Oil Fool, consisting of the Hollowing-described area:

FORMSDIP 17 SOUTE, RENGE 34 MAJE, 18199: Section 26: 05/4

(2) That special rules and regulations for the North Vacuum-Abo wil Rook are hereby promulgated as follows, effective Earch 1, 1963.

BENCIAL RULES AND REGULATIONS FOR THE MORNE VACUUL-ARO DIL PODE

- RUM 1. Such well completed or recompleted in the Morth Vacuum-Abo 011 Fool or in the Abo Rormstion within one mile of the North Vacuum-Abo 011 Fool, and not negree to or within the limits of another designated Abo pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.
- RULE 2. Each well completed or recompleted in the Morth Vacuum-Abo Gil Poel shall be located on a standard unit containing 80 acres, more or less, consisting of the M/2, 8/2, 3/2, or M/2 of a single governmental quarter section; provided, however, that nothing contained horein shall be construct as prohibiting the drilling of a well on each of the quarter-quarter section in the unit.
- RULE 3. The secretary-Director may great an exception to the requirements of Rule 2 without notice and hearing when an application has been filled for a non-standard unit congrising

-2-Clust Mo. 2720 Order No. 8-001

a single captur-quarter section or lot. All operators of the appliertion proposed non-standard unit shall be notified of the appliertion by registered or cortified mail, and the application shall state that such notice has been furnished. Who decretary-Director may approve the application upon receipt of written watvers from all offset operators or if no offset operator has ancored an objection to the formation of the non-standard unit within 30 days after the secretary-director has received the application.

with 6. The first wall drilled on every standard or non-standard unit in the Morth Vacuum-Noo 611 Fool chall be located within 100 feet of the contex of either the Me/4 or the 68/4 of a governmental quarter section.

RULY 5. The secretary-Director may grant an exception to the requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators effecting the proposed unorthodox location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The secretary-Director may approve the application upon secretary of written waivers from all offset operators or if no offset operator has entered an objection to the unorthodox location within 20 days after the secretary-Director has received the application.

RULe 6. A standard provision unit (70 through 61 acres) in the Eorth Vacuus-Mo Gil sool shall be assigned an EO-acre proportional factor of 4.77 for allowable purposes, and in the event there is more than one wall on an SO-acre provision unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

Who allowed assigned to a non-standard proration unit shall bear the semi ratio to a standard allowable in the North Vacuum-Abo Oil Scol as the acreage in such non-standard unit bears to 80 acres.

IT IS FURTHER ORDER ID:

- (1) That any well presently drilling to or completed in the Abo formation within the North Vacuum-Abo Oil Fool or within one mile of the North Vacuum-Abo Oil Fool that will not comply with the well location requirements of Rule 4 is heading granted an exception to the requirements of Rule 4. The operator shall notify the Bobbs District Office in writing of the name and location of the well on or before Earch 1, 1963.
- (2) That ony operator desiring to dedicate 30 nerve to a well presently drilling or desployed in the hord. Vector-300 oil

-4case no. 2739 order No. 2-2421

Pool shall file a new Form C-128 with the Commission on or before March 1, 1963.

- (3) That this case shall be reopened at an examiner hearing in February, 1964, at which time the operators in the subject pool may appear and show cause why the Morth Vacuum-Abo Oil Pool should not be developed on 40-acre 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 Janta Fe. New Demico, on the day and year hereinabove designated.

> STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

WACK M. CAMPBELL, Chairman

EQUICAL MANUER, Member

a f. tester h.

h. G. PORFER, dr., Member & Secretary

| | STATE OF STA | | | | Control Contro | Control of the contro |
|----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|---------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 6 6 6 7 6 7 | | Meder CED | 1000 1000 1000 1000 1000 1000 1000 100 | () () () () () () () () () () () () () (| usour Tro | c- |
| 2330 | | | <u>5</u> | (-a (-) (-) (-) | | ಠ |
| 80 | | | 01 03 03 03 | 2275 | | 똲 |
| | | | 3 , 02, 23 | Ko La La La | | læ. |
| | | | 6 0 6 0 6 0 | | 2,337 | ia |
| 087 'G 869 'GT | | 0,000 | 50 170 1802 | 1 - 1 - C | 6 3 3 | /c; |
| 14,654 2,650 | | \$\langle \text{\formalfolds}{\partial} \text{\formalfolds}{\partia | (\$\disp 6\disp 6\disp 6\disp 6\disp | | \\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\ | احز |
| 16,148 4,693 | | 6,679 | 7,557 4,693 | 1,726 | Ø⁄ € \ | 120 |
| 16, 121 | | 7,031 | 37 500 300 |) 3) 3) | 225 225 219 | [O) |
| 18,628 11,995 | 778 | 5,604 | 9,99 9,09 9,09 | 1,215 | 2,5%6 282 | lo |
| 19,236 11,283 | V % d | 7,633 | 9,752 9,752 | 1,190 | 1,531 531 | 닏 |
| 10,01: 11,72: | | 7,500 | 5770 7770 7770 | 14 C | 1,952 | lΠ |
| | 776 | | E | | 6. 0 (0.0) 0.0) V 0 | Camplacive |

OIL CONSERVATION COMMISSION EXHIBIT NO. 15 BEFORE EXAMINER UTT

21 (-5950' DARUM)

| | Court and to "E" | 10 10 10 10 10 10 10 10 10 10 10 10 10 1 | A Company Co | Control Contro | Direction St. McCallister | | 11 11 11 12 12 23. 120c121com | · | | Control of the second | ELDIN LUGUE HAM | Nobel Space Bridges | Corater & Lease |
|---------------|------------------|------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------|-------------------------------|-------------|---------|-----------------------|-----------------|---------------------|-------------------------------|
| | 9 | 1 =- | Ö۱ | Ur or G | 7 | 147 | U) | V O. | 7 | ~! ~! | Vi | VQ VS | No. |
| | 72 | 84 | 49 | 720 720 64 | 70 | ري ش ش | <u>ල</u> ග | Č: | [-4 | 50 | ⊢ | 0.5 | Time Fine |
| | 2733 | 3450 | 3272 | 0000 0000 0000 000 | 325A | 322 2652 7007 | 3780 | 3200 | 2570* | (C) | 3624* | 3759* | Noberveir Products 2012 |
| | 265,000 | 212,693 | 161,606 | 946 (121 946 (131 467,99 | 83,094 | 52,425 76,794 | 10,000 | 72,005 | 8,281 | ō,735 | None | None | Freduction Bols. |
| を取りRT TXAMINT | 16671 | 2½½01 | 13541 | 2158 1890: 1857: | 12201 | 25581 15751 | 12571 | 24401 | 18881 | 37741 | 0 | 0 | Prom Near Distant |
| | V 163 | 423 A | 132 4 | 000 000 200 200 200 | 107 1 | 2-1-3 30 7-3 |) | | | | | | |

l aben ocob pressure. All others are bomb pressures.

OF CONSERVATION COMMISSION BEFORE EXAMINED UTZ EXHIBIT NO.

| | pressures. | rs are bomb pressures | All others | . eznesező gasa mon mineme |
|-----------------------------------|------------------------------|-------------------------|------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 156,044 | 2825 | 71 | W | Combiners, State "F" |
| 127,062 | 3105 | <u>ා</u> ග | 1 | Dameco State "Q" |
| 95,883 | 7075 | (5) | O. | Tractation State Res |
| 53,649 | 0870 | N E | (C) | 10 1000 St. "O" NOR-1 |
| 37,215 | 30/18 | ј-4 ј: 2 С 1 | 71 | Linablen St. McCallicter |
| 33, 215 | | # J. | 1-1 35- | Contract Con |
| 18,780 | 0000 0000 | | 1-2 | 1000 TO 100 1000 |
| 7,306 | 3272 | بر د: د: | Uï | Maradien Jb. McCollister |
| 4,147 | 2839 | <u>დ</u> | 96 | Nobil State Bridges |
| Mone | 33/2* | ħ | S | Mosel State Bridges |
| Cumulative Production Obls. | Prosence Prosence Psia | Chut In Time Hrs. | No.11 | Cornor & Lease |

| ative otion | From Nearcos Frod. Distance Decis | Dried. Mell |
|----------------|-----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 10 | 0 | |
| 147 | 24401 | STATE OF STA |
| 306 | 1237 | 110 Ac. |
| | 2908: | 0 % c. |
| μω (): | 20081 | မ် ၁၀ • |
| 215 | 1220' | 107 Ac. |
|);() () | 21581 | 336 Ac. |
| S3 | 13541 | 132 Ac. |
| ି N | 24401 | 428 Ac. |
| OH À | 18671 | 201 de. |

OIL CONSERVATION COMMISSION EXHIBIT NO. BEFORE EXAMINER UTZ

| | <u>Triple</u> | Dual | Single |
|---------------------------------------|-----------------------------|----------------------|-----------|
| | Abo Wolfcamp Devonian | Wolfcamp Devonian | *Clfemp |
| Drilling & Completion Costs, \$ | 331,000 | 235,000 | 120,000 |
| Artificial Lift Equipment Cost, \$ | o.g., 000 | 44,000 | 22,000 |
| Reserves Mesessary to Payout, Bbls. | 100,800 | 115,500 · | 39,50c |
| Recimesed Reserves on 40 Acres, Bbls. | 195,200 | 117,500 | 900 jee |
| Net Loss on 40 Acres, \$ | 16,500 | 2,000 | 0,500 |
| Estimated Reserves on 80 Acres, Bbls. | 310,300 | _ ೨೦೦ ಕ್ಷತ್ತ | 112,000 % |
| Net Profit on 30 Acres, \$ | 356,900 | 274,900 | 129,000 |
| | | | |

O5

 $\dot{\mathbf{v}}$

N

BEFORE EXAMINER UTZ EXHIBIT NO. 16

OIL CONSERVATION COMMISSION CASE NO.

Şn

Net Value

\$2.42/001.

\$3.46/001.

\$0.24/661.

0.875

\$0.45/661.

Sales Value, Cil & Gas

'n

Taxes

Net Interest

) -- ³

Lifting Cost

Above Values Based Upon:

EXTRAGADO CARRAGADO DAMA SHREQ VACCOA DEVORTAL CLA POCE LEA COUNTY, NEW MEXICO

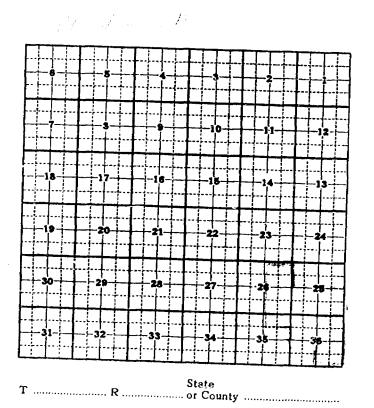
3 (Log and Core Analysis)
0.1 to 20.0 (Core Analysis) Average Porosity, Per Cent Average Permeability, Md. Permeability Range, Md. 25 (Estimated) Connate Water Saturation, Per Call Average Gross Pay Above Water, Neco-Oil Gravity, OAPI Solution GOR, Cubic Feet per Barrel 55 50 1975 (Estimated) 3000 (Estimated) 2.3 (Estimated) Saturation Pressure, PSI Formation Volume Factor, STB/Res. B Initial Reservoir Pressure, PSI 4821 Reservoir Temperature, 🔛 144 Productivity Index (Two Wells) 0.587 Cumulative Oil Production, Bbls, 1-1-64 152,448 Current Oil Production, Bbls. 12-53 Cumulative Water Production, Bbls. 1-1-64 19,011 51,507 11,724 Current Water Production, Bbls. 12-03 Number of Completions, 2-1-64 80 Well Donsity, Acres per Well 320 Developed Area, Acres Producing Mechanism Water Drive

, Name

Address

Ph.

Remarks:



| BEFORE | EXAMINER | UTZ |
|---------------|-----------------|----------------------------------------|
| | RYATION COMM | |
| | XHIBIT NO. 6 | ······································ |
| CASE NO | | - |

EXHIBIT NO. ROSERVOIR DATA SHEET VACUUL NORTH ALG STEE POOL

| Average Porosity, Per Cent Average Permeability, Md. Permeability Range, Md. Connate Water Saturation. Per Cent Average Net Pag, Peco | 8.3 0.1-104.0 35 30 | (Core Analysis) (Core Analysis) (Core Analysis) (Estimated) |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|----------------------------------------------------------------------|
| Oil Gravity, WAPI Solution GOR, Cubic Page per Barrel Saturation Pressure, PSI Formation Volume Mactor, STD/Res. B Initial Reservoir Pressure, PSI Reservoir Temperature, OF Productivity Index (One Well) Cumulative Oil Production, Bbls, 1-1-64 Current Oil Production, Bbls, 12-63 Number of Completions, 2-1-64 Well Density, Acres per Well | 2100 | (Estimated) (Estimated) (Estimated) |
| Developed Area, Acres Producing Mechanism | 880 | Solution Gas |

OIL CONSERVATION COMMISSION
EXHIBIT NO. 6
CASE NO.

NO. BOSTOS TO STATE TO DATA (-8000' DIRUK

| T. 10 2080e 407 | | c. Space "E" | Thirdian St. McCallister | State "L" | Torres 60, 707 1021 | The Control of the Co | The Course Building | | III State Bridges | ಾತಸತರಂಗ & ಗೂಡಿತ |
|----------------------------|---------------------------|----------------------------|--------------------------|-----------------------------|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-------------------------|-------------------------------------------|--------------------------|
| 14 | C/ | U 1 | 7 | σ | 17 | Ü۱. | 96 | | V) Vi | Well Wo. |
| O V: | 0.5 | 0,5 | 0.5 | 0.5 | č | C. C. | 10 | <u>o</u> | 727 | Shut In Tine |
| #7/655 * | *27.75 | 47.07% | *757* | 4700* | 4733 | 950 × 1064 | 1752* | 8 3 86 86 8 | 1879 *** *** | Reservoir Pressure |
| 146,769 | 83,133 | 83,133 | 50,111 | 45,974 | 37, 109 | 9,873 83,982 | Q, 24.0 | ibasa 1 , 27) | Mone None No.333 | Cimulative Froduction |
| 12,255-285 rec. 510' waber | 12,034-110 rec. 82001 (11 | 12,160-215 rec. 270' water | 12,115-125 rec. 180' oil | 12,203-255 rec. 48001 water | | 12,065-117 rec. 90' oil | 12,290-390 mee. Mater | 12,025-135 rec. 30' oil | 12,055-095 rec. oil 12,141-166 rec. SW | Remarks |

OIL CONSERVATION COMMISSION
EXHIBIT NO. 13

All others are bomb pressure. All others are bomb pressures.

RICHEST A GO. CONTRACTOR AND POOL FACTOURIES, NOT THE GOOD

5.5 (Core Analysis)
3.2 (Core Analysis)
0.1 to 13 (Core Analysis)
25 (Estimated) Average Permeability, Md. Average Porosity, Per Cent Permentility Range, Md. Connate Water Saturation, Per Cent Average Net Pay, Feet
Oil Gravity, OAPI
Solution GOR, Cubic Feet per Barrel 1050 (Estimated) 2700 (Estimated) 1.52 (Estimated) Saturation Pressure, PSI Formation Volume Factor, STB/Res. B Initial Reservoir Pressure, PSI 3846 Reservoir Temperature, OF
Productivity Index (One Well)
Cumulative Oll Production, Bbls. 1-1-64 130 245,430 Current Oil Production, Bbls. 12-63 Number of Completion, 2-1-64 Well Density, Acres per Well 80 Developed Area, Acres Producing Mechanism Solution Gas

BEFORE EXAMINER UTZ

OIL CONSERVATION COMMISSION EXHIBIT NO. 7

CASE NO.



CONTINENTAL OIL COMPANY

P. O. BOX 460 HOBBS, NEW MEXICO

PRODUCTION DEFAUTMENT
HOBBS DISTRICT
A. B. SLAYBAUGH
DISTRICT MANAGER
G. C. JAMIESON
ASSISTANT DISTRICT MANAGER

February 17, 1964

1001 NORTH TURNER TELEPHONE: EX 3-4141

New Mexico Oil Conservation Commission P. O. Box 2088 Santa Fe, New Mexico

Attention: Mr. A. L. Porter

Gentlemen:

Continental Oil Company, as an Operator in the North Vacuum Area, concurs with testimony which will be supplied by Texaco Incorporation, in Cases No. 2739, including eighty acre spacing for the Abo Devonian and Wolfcamp.

Yours very truly,

JWW-MAA

cc: RGP



HAM WIFICE CCC

Mobil Oil Company M & n Ar Division of Secony Mebil Oil Company. Inc.

1953 UM COMPany, Inc.

January 25, 1963

Mr. E. A. Utz, Examiner
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

RE: ADDITIONAL MATERIAL, CASES 2739, 2740, 2741, EXAMINER HEARING, JANUARY 24, 1963

Dear Elvis:

The following data on estimated completion dates is supplied per the verbal request of Jim Durrett, OCC attorney at the hearing:

| Location | Estimated Completion Date |
|---------------------------------------------------------------------------------------------|----------------------------------------------|
| 1) Socony Mobil No. 96 St. Bridges (Devonian) 2) Socony Mobil No. 98 St. Bridges (Wolfcamp) | February 25, 1963 Location only, not spudded |
| 3) Marathon No. 5 St. McCallister (Devonian) | April 1, 1963 |
| 4) Texaco No. 11 St. "O" (Devonian) | February 1, 1963 |
| 5) Shell No. 5 St. "A" (Wolfcamp) | February 24, 1963 |

The following are the specific calls on these locations:

| Well | S-T-R | Calls From Lease Lines |
|---------------------------------|------------|------------------------------------------------------|
| Socony Mobil No. 96 St. Bridges | 26-17S-34E | 1980' FNL, 510' FEL |
| Socony Mobil No. 98 St. Bridges | 26-17S-34E | 1980' FNL, 1980' FWL |
| Marathon No. 5 St. McCallister | 25-17S-34E | 560' FWL, 660' FSL (Exception to NW-SE/4/4) |
| Texaco No. 11 St. "O" | 36-17S-34E | 1980' FNL, 1780' FWL (Exception to 150' from center) |
| Shell No. 5 St. "A" | 31-17S-35E | 990' FNL, 660' FEL (Exception to NW-SE/4/4) |
| Socony Mobil No. 95 St. Bridges | 26-17S-34E | 860' FSL, 660' FEL (Exception to 150' from center) |

We will gather any other porosity, permeability, and/or core data and send it as soon as possible.

Yours very truly,

cc: J. Durrett, OCC, Santa Fe

J. Sperling, Albuquerque

nrh

J. C. Gordon, Jr.
Sr. Production Engineer

Topic States

BOVERNOR JACK M. CAMPBELL CHAIRMAN

State of New Mexico

Bil Conserbation Commission

LAND COMMISSIONER E. S. JOHNNY WALKER MEMBER



P. D. 80X 871 SANTA FE

February 24, 1963

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

| DOCK | ET | MAI | LED |
|------|----|-----|-----|
|------|----|-----|-----|

| DOCKER, Marie | / | | | |
|------------------------------------|-------------------------------------|--|--|--|
| 10-10-G | 2739 2740 | | | |
| Mr. James Sperling | | | | |
| Modrall, Seymour, Sperling, Rochl, | Case No. 2741 | | | |
| and Harris | Order No. R-2421, R-2422 and R-2423 | | | |
| Attorneys at Law | Applicant: | | | |
| Post Office Box 466 | | | | |
| Albuquerque, New Mexico | Socony Mobil Oil Company | | | |

Dear Sire

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

very truly yours

A. L. PORTER, Jr. Secretary-Director

| ir/ | | | | |
|--------------|--------|---------|-------|-----|
| Carbon copy | of ord | er also | sent | to: |
| Hobbs OCC | ж | | | |
| Artesia OCC_ | | | | |
| Aztec OCC _ | | | | |
| OTHER | Mr. | Booker | Kelly | |
| | Mr. | Vic Ly | on | |

111 111 41 4 Case 2739 Heard. 1-23-63 Rec. 1-30-62 I thank Socony-Mobil 80 ac. tempermy space, for the North Vacuum-abo del Prot. (De 19, Sc 26 56/4) 175-34 E Za Stere. R-2348 and a quide in writing order, has NW-SE/9/50 inter - 3t 00 m Rule 3 07 12-275 3. De apacin rules should become effective as o'dato order but the so acre spain. Then. 1, '968 4. Il nomination our creating. the pool will be effective 5. Kearing should be called far Jeh. 1864 to show acure why thespool should not result & 40 Ac, fram Thurs I 6. Grant addmir exception to any well which is drilled or now drilling! in Nou Ita. locations. alsowells while and to be recompleted in this pool. Jun 9070 95/90 mach / to dedicate

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 19, 1964

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

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

- CASE 2991: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Dwight L. Smith and all other interested parties to appear and show cause why the Walker Well No. 1, located 2290 feet from the South line and 500 feet from the East line of Section 21, Township 15 South, Range 11 East, Otero County, New Mexico, should not be plugged in accordance with a Commission-approved plugging program.
- CASE 2992: Application of Co solidated Oil & Gas, Inc., for an unorthodox location, Rio Arrioa County, New Mexico. Applicant, in the above-styled cause, seeks approval of the unorthodox location of their Hoyt Well No. 3-5, located 1850 feet from the North line and 11 0 feet from the West line of Section 5, Township 26 North, Range 4 West, Blanco Me averde Pool, Rio Arriba County, New Mexico.
- CASE 2993: Application of Sinclair Oil & Gas Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Southwest Jal Unit Area comprising 6401 acres, more or less, of State, Federal and fee lands in Townsnips 25 and 26 South, Range 36 East, Lea County, New Mexico.
- CASE 2994: Application of Skelly Oil Company 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 Gallup formation underlying its Navajo "P" and "M" leases in Sections 25, 26, 33, 34, 35, and 36, Township 32 North, Range 17 West, Many Rocks-Gallup Oil Pool, San Juan County, New Mexico. Initial injection will be through applicant's Navajo "P" Well No.6 located in Unit P of said Section 35. Applicant further seeks the promulgation of special rules governing the operation of said project.
- CASE 2995: Application of Deane H. Stoltz for two non-standard oil proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of two 80-acre non-standard oil proration units in the North Bagley-Upper Pennsylvanian Pool, Lea County, New Mexico, the first to comprise the SE/4 NE/4 and NE/4 SE/4 of Section 22, Township 11 South, Range 33 East, to be dedicated to a well completed in the SE/4 NE/4 of Section 22; the second to comprise the SW/4 NE/4 and the NW/4 SE/4 of

CASE 2995: said Section 22 to be dedicated to a well to be re-entered (Cont.) in the SW/4 NE/4 of said Section 22.

CASE 2984: (Continued from the February 5th Examiner Hearing)

Application of The Pure Oil Company and Continental Carbon Company to utilize natural gas in a carbon black plant, Lea County, New Mexico. Applicants, in the above-styled cause, seek authority to utilize approximately 7 million cubic feet of Morrow gas per day in the Continental Carbon Company carbon black plant near Eunice, New Mexico, said gas to be produced from The Pure Oil Company Wilson Deep Unit Well No. 1, located in the SE/4 NW/4 of Section 13, Township 21 South, Range 34 East, Lea County, New Mexico.

CASE 2996: Application of Nearburg & Ingram for the creation of a new gas pool and for special temporary pool rules, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new gas pool for San Andres production in Sections 10, 11, 12, 13, 14 and 15, Township 8 South, Range 37 East, Roosevelt County, New Mexico, and for the establishment of temporary rules therefor, including provisions for 320 acre spacing.

CASE 2739: (Reopened)

In the matter of Case No. 2739 being reopened pursuant to the provisions of Order No. R-2421, which order established temporary 80-acre proration units for the North Vacuum-Abo Pool, Lea County, New Mexico, for a period of one year. All interested parties may appear and show cause why said pool should not be developed on 40-acre proration units.

CASE 2740: (Reopened)

In the matter of Case No. 2740 being reopened pursuant to the provisions of Order No. R-2422, which order established temporary 80-acre proration units for the Vacuum-Wolfcamp Oil Pool, Lea County, New Mexico, for a period of one year. All interested parties may appear and show cause why said pool should not be developed on 40-acre proration units.

CASE 2741: (Reopened)

In the matter of Case No. 2741 being reopened pursuant to the provisions of Order No. R-2423, which order established temporary 80-acre proation units for the Vacuum-Devonian Oil Pool, Lea County, New Mexico, for a period of one year. All interested parties may appear and show cause why said pool should not be developed on 40-acre proration units.

CASE 2742: (Reopened)

In the matter of Case No. 2742 being reopened pursuant to the provisions of Order No. R-2424, which order established temporary 80-acre oil proration units for the Fowler-Blinebry Oil Pool, Lea County, New Mexico, for a period of one year. All interested parties may appear and show cause why said pool should not be developed on 40-acre proration units.

CASE 2743: (Reopened)

In the matter of Case No. 2743 being reopened pursuant to the provisions of Order No. R-2425, which order established temporary 320-acre spacing units for the Fowler-Tubb Gas Pool, Lea County, New Mexico, for a period of one year. All interested parties may appear and show cause why said pool should not be developed on 160-acre spacing units.

CASE 2744: (Reopened)

In the matter of Case No. 2744 being reopened pursuant to the provisions of Order No. R-2426, which order established temporary 320-acre spacing units for the Fowler-Paddock Gas Pool, Lea County, New Mexico, for a period of one year. All interested parties may appear and show cause why said pool should not be developed on 160-acre spacing units.

CASE 2997: Application of Socony Mobil Oil Company, Inc., for the abolishment of an existing pool and the creation of two new oil pools, and for special temporary pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for lower Pennsylvanian production in Section 26, Township 17 South, Range 34 East, Lea County, New Mexico, and for the establishment of temporary rules therefor, including provisions for 80-acre units and for the establishment of a gas-oil ratio limitation of 6000 cubic feet of gas per barrel of oil produced. Said pool would be created by the abolishment of the Vacuum-Pennsylvanian Pool in Township 17 South, Range 34 East, and the subsequent creation of the Vacuum Upper Pennsylvanian and Vacuum Lower Pennsylvanian Pools.

CASE 2998: Application of Tenneco Cil Company for a gas well-water injection well, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Central Totah Unit Well No. 24 located in Unit O of Section 11, Township 28 North, Range 13 West, San Juan County, New Mexico, to produce gas from the Basin-Dakota Gas Pool through 1½ inch tubing and to inject water into the Gallup formation, Totah-Gallup Oil Pool, through 2 1/16 inch tubing with separation of the zones by a packer set at 5766 feet.

- CASE 2999: Application of Phillips Petroleum Company for two non-standard oil proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the approval of an 80-acre non-standard oil proration unit for each of two pools, the Vacuum Wolfcamp Pool and the North Vacuum Abo Pool, said units to comprise the NW/4 SW/4 and the SW/4 NW/4 of Section 31, Township 17 South, Range 35 East, Lea County, New Mexico, to be dedicated to applicant's Santa Fe Well No. 87, located 2310 feet from the South line and 660 feet from the West line of said Section 31.
- CASE 3000: Application of Franklin, Aston & Fair Inc., for the creation of a San Andres Gas Pool and for special pool rules, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new San Andres Gas Pool comprising all or portions of Sections 22, 23, 25, 26, 27 and 28, Township 7 South, Range 35 East, and the establishment of special pool rules, including 320 acre spacing and fixed well locations, Roosevelt County, New Mexico.
- CASE 2979: (Continued from February 5, 1964, Examiner Hearing)

Application of Pan American Petroleum Corporation for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Abo formation through its U.S.A. Malco Refineries 'G' Well No. 13, located 2302 feet from the South line and 1650 feet from the West line of Section 10, Township 18 South, Range 27 East, Empire Abo Pool, Eddy County, New Mexico.

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 23, 1963

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

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

- CASE 2729: (Continued)
 Application of Scanlon-Shepard for a waterflood project, Chaco
 Wash Oil Pool, McKinley County, New Mexico. Applicant, in the
 above-styled cause, seeks authority to inject water into the
 Mesaverde formation through certain wells in Sections 21, 22,
 27 and 28, Township 20 North, Range 9 West, McKinley County,
 New Mexico.
- CASE 2731: Application of Texaco, Inc., for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to complete its State of New Mexico "O" NCT-1 Well No.12, located in Unit J of Section 36, Township 17 South, Range 34 East, as a dual completion (tubingless) to produce oil from the Glorieta and Blinebry formations, Lea County, New Mexico.
- CASE 2732: Application of Sinclair Oil & Gas Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (conventional) of its Mahaffey-Federal (ARC) Well No. 1 located in Unit C of Section 14, Township 20 South, Range 33 East, Lea County, New Mexico, to produce Bone Springs oil and Pennsylvanian gas through parallel strings of tubing.
- CASE 2733: Application of Charles B. Read for a non-standard oil proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 48.99-acre non-standard oil proration unit in an undesignated Delaware pool consisting of Lots 4 and 5 of Section 31, Township 26 South, Range 32 East, Lea County, New Mexico.
- CASE 2734: Application of Aztec Oil & Gas Company for approval of a unit agreement, Lea and Eddy Counties, New Mexico. Applicant, in the above-styled cause, seeks approval of the Aztec-Robinson Waterflood Unit, comprising approximately 682 acres of State and Federal Lands in the E/2 SE/4 and SW/4 SE/4 of Section 36, Township 16 South, Range 31 East, the SW/4 SE/4 of Section 30, the W/2, W/2 E/2 and SE/4 SE/4 of Section 31, Township 16 South, Range 32 East Lea and Eddy Counties, New Mexico.
- CASE 2735: Application of Amerada Petroleum Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to complete its State BT "G" Well No. 2 located in Unit P, Section 27, Township 12 South, Range 33 East, Hightower Field, Lea County, New Mexico, in such a manner as to dispose of produced sait water into the Pennsylvanian formation.

- CASE 2736: Application of Gulf Oil Corporation for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 120-acre non-standard gas proration unit in the Blinebry Gas Pool, comprising the N/2 SW/4 and SE/4 NW/4 of Section 31, Township 22 South, Range 38 East, Lea County, New Mexico, said unit to be dedicated to the Scarborough Estate Well No. 4 located in Unit F of Section 31.
- CASE 2737: Application of Gulf Oil Corporation for special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of special pool rules for the White City-Pennsylvanian Gas Pool, Eddy County, New Mexico, including provisions for 640-acre spacing therein.
- CASE 2738: Application of BCO, Inc. for a no-flare exception, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the no-flare provisions of Order No. R-2267 for its Campos Well No. 1-10 located in Unit J of Section 10, Township 23 North, Range 7 West, Lybrook-Gailup Pool, Rio Arriba County, New Mexico.
- CASE 2739: Application of Socony Mobil Oil Company, Inc., to create a new pool for Abo production, and for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new pool for Abo production in Section 26, Township 17 South, Range 34 East, Lea County, New Mexico, and the establishment of temporary special pool rules therefor, including a provision for 80-acre spacing units.
- CASE 2740: Application of Socony Mobil Oil Company, Inc., for temporary special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of temporary special pool rules for the Vacuum-Wolfcamp Pool in Section 26, Township 17 South, Range 34 East, Lea County, New Mexico, including a provision for 80-acre spacing units.
- CASE 2741: Application of Socony Mobil Oil Company, Inc., for temporary special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of temporary special pool rules for the Vacuum-Devonian Pool in Section 26, Township 17 South, Range 34 East, Lea County, New Mexico, including a provision for 80-acre spacing units.
- CASE 2742: Application of Pan American Petroleum Corporation for special temporary pool rules, Lea County New Mexico. Applicant, in the above styled cause, seeks the establishment of temporary special pool rules for the Fowler-Blinebry Oil Pool, Lea County, New Mexico, including a provision for 80-acre proration units.
- CASE 2743: Application of Pan American Petroleum Corporation for the creation of a Tubb Gas Pool, for approval of a non-standard gas unit, and for special temporary pool rules. Applicant, in the above-styled cause, seeks the creation of a new Tubb gas pool, and the establishment of temporary special pool rules therefor, Lea County, New Mexico, including a provision for 320-acre spacing units. Applicant further seeks establishment of a non-standard unit in said pool, comprising the NE/4, E/2 NW/4, and the N/2 SE/4 of Section 22, Township 24 South, Range 37 East.

CASE 2744: Application of Pan American Petroleum Corporation for special pool rules and approval of a non-standard gas unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of temporary special pool rules for the Fowler-Paddock Gas Pool, Lea County, New Mexico, including a provision for 320-acre spacing units. Applicant further seeks establishment of a non-standard unit in said pool, comprising the NE/4, E/2 NW/4, and the N/2 SE/4 of Section 22, Township 24 South, Range 37 East.

*:

Summary of proposed temporary rules for presentation at Examiner's Hearing, January 23, 1963, at Santa Fe, New Mexico.

Case 2739 - /Vacuum Abo Pool

Case 2740 - Vacuum Wolfcamp Pool

Case 2741 - Vacuum Devonian Pool

3-1-63

- 1. Temporary 80 acre spacing rules for one year with temporary 80 acre unit allowables appropriate to depth.
- 2. Staggered 80 acre pattern to be on a NW-SE diagonal with 80 acre units to be in N-S or E-W /2's of quarter section.
- 3. Wells to be located within 150 feet of center of governmental quarter-quarter section.
- 4. Exceptions, if necessary, to the above rules would be allowed for all wells commenced before the date fixed by the Commission.

J. C. Gordon, Jr., P. E. Sr. Production Engineer Socony Mobil Oil Company, Inc.

Summary of proposed temporary rules for presentation at Examiner's Hearing, January 23, 1963, at Santa Fe, New Mexico.

Case 2739 - Vacuum Abo Pool
Case 2740 - Vacuum Wolfcamp Pool
Case 2741 - Vacuum Devonian Pool

- 1. Temporary 80 acre spacing rules for one year with temporary 80 acre unit allowables appropriate to depth.
- 2. Staggered 80 acre pattern to be on a NW-SE diagonal with 80 acre units to be in N-S or E-W /2's of quarter section.
- 3. Wells to be located within 150 feet of center of governmental quarter-quarter section.
- 4. Exceptions, if necessary, to the above rules would be allowed for all wells commenced before the date fixed by the Commission.

J. C. Gordon, Jr., P. E. Sr. Production Engineer Socony Mobil Oil Company, Inc.

Summary of proposed temporary rules for presentation at Examiner's Hearing, January 23, 1963, at Santa Fe, New Mexico.

Case 2739 - Vacuum Abo Pool

Case 2740 - Vacuum Wolfcamp Pool

Case 2741 - Vacuum Devonian Pool

- 1. Temporary 80 acre spacing rules for one year with temporary 80 acre unit allowables appropriate to depth.
- 2. Staggered 80 acre pattern to be on a NW-SE diagonal with 80 acre units to be in N-S or E-W /2's of quarter section.
- 3. Wells to be located within 150 feet of center of governmental quarter-quarter section.
- 4. Exceptions, if necessary, to the above rules would be allowed for all wells commenced before the date fixed by the Commission.

J. C. Gordon, Jr., P. E. Sr. Production Engineer Socony Mobil Oil Company, Inc.

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 23, 1963

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

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

CASE 2729: (Continued)

Application of Scanlon-Shepard for a waterflood project, Chaco Wash Oil Pool, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority to inject water into the Mesaverde formation through certain wells in Sections 21, 22, 27 and 28, Township 20 North, Range 9 West, McKinley County, New Mexico.

- CASE 2731: Application of Texaco, Inc., for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to complete its State of New Mexico "O" NCT-1 Well No.12, located in Unit J of Section 36, Township 17 South, Range 34 East, as a dual completion (tubingless) to produce oil from the Glorieta and Blinebry formations, Lea County, New Mexico.
- CASE 2732: Application of Sinclair Oil & Gas Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (conventional) of its Mahaffey-Federal (ARC) Well No. 1 located in Unit C of Section 14, Township 20 South, Range 33 East, Lea County, New Mexico, to produce Bone Springs oil and Pennsylvanian gas through parallel strings of tubing.
- CASE 2733: Application of Charles B. Read for a non-standard oil proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 48.99-acre non-standard oil proration unit in an undesignated Delaware pool consisting of Lots 4 and 5 of Section 31, Township 26 South, Range 32 East, Lea County, New Mexico.
- CASE 2734: Application of Aztec Oil & Gas Company for approval of a unit agreement, Lea and Eddy Counties, New Mexico. Applicant, in the above-styled cause, seeks approval of the Aztec-Robinson Waterflood Unit, comprising approximately 682 acres of State and Federal Lands in the E/2 SE/4 and SW/4 SE/4 of Section 36, Township 16 South, Range 31 East, the SW/4 SE/4 of Section 30, the W/2, W/2 E/2 and SE/4 SE/4 of Section 31, Township 16 South, Range 32 East Lea and Eddy Counties, New Mexico.
- CASE 2735: Application of Amerada Petroleum Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to complete its State BT "G" Well No. 2 located in Unit P, Section 27, Township 12 South, Range 33 East, Hightower Field, Lea County, New Mexico, in such a manner as to dispose of produced salt water into the Pennsylvanian formation.

- CASE 2736: Application of Gulf Oil Corporation for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 120-acre non-standard gas proration unit in the Blinebry Gas Pool, comprising the N/2 SW/4 and SE/4 NW/4 of Section 31, Township 22 South, Range 38 East, Lea County, New Mexico, said unit to be dedicated to the Scarborough Estate Well No. 4 located in Unit F of Section 31.
- CASE 2737: Application of Gulf Oil Corporation for special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of special pool rules for the White City-Pennsylvanian Gas Pool, Eddy County, New Mexico, including provisions for 640-acre spacing therein.
- CASE 2738: Application of BCO, Inc. for a no-flare exception, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the no-flare provisions of Order No. R-2267 for its Campos Well No. 1-10 located in Unit J of Section 10, Township 23 North, Range 7 West, Lybrook-Gallup Pool, Rio Arriba County, New Mexico.
- CASE 2739: Application of Socony Mobil Cil Company, Inc., to create a new pool for Abo production, and for special pool rules, Lea County, New Mexico, Applicant, in the above-styled cause, seeks the creation of a new pool for Abo production in Section 26, Township 17 South, Range 34 East, Lea County, New Mexico, and the establishment of temporary special pool rules therefor, including a provision for 80-acre spacing units.
- CASE 2740: Application of Socony Mobil Oil Company, Inc., for temporary special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of temporary special pool rules for the Vacuum-Wolfcamp Pool in Section 26, Township 17 South, Range 34 East, Lea County, New Mexico, including a provision for 80-acre spacing units.
- CASE 2741: Application of Socony Mobil Oil Company, Inc., for temporary special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of temporary special pool rules for the Vacuum-Devonian Pool in Section 26, Township 17 South, Range 34 East, Lea County, New Mexico, including a provision for 80-acre spacing units.
- CASE 2742: Application of Pan American Petroleum Corporation for special temporary pool rules, Lea County, New Mexico. Applicant, in the above styled cause, seeks the establishment of temporary special pool rules for the Fowler-Blinebry Oil Pool, Lea County, New Mexico, including a provision for 80-acre proration units.
- CASE 2743: Application of Pan American Petroleum Corporation for the creation of a Tubb Gas Pool, for approval of a non-standard gas unit, and for special temporary pool rules. Applicant, in the above-styled cause, seeks the creation of a new Tubb gas pool, and the establishment of temporary special pool rules therefor, Lea County, New Mexico, including a provision for 320-acre spacing units. Applicant further seeks establishment of a non-standard unit in said pool, comprising the NE/4, E/2 NW/4, and the N/2 SE/4 of Section 22, Township 24 South, Range 37 East.

CASE 2744: Application of Pan American Petroleum Corporation for special pool rules and approval of a non-standard gas unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of temporary special pool rules for the Fowler-Paddock Gas Pool, Lea County, New Mexico, including a provision for 320-acre spacing units. Applicant further seeks establishment of a non-standard unit in said pool, comprising the NE/4, E/2 NW/4, and the N/2 SE/4 of Section 22, Township 24 South, Range 37 East.

X-5314

A Division of Socony Mobil Oil Company, Inc.

January 25, 1963

Mr. b. A. Utz, Examiner New Mexico Oil Conservation Commission P. O. Box 871 Santa Fe, New Mexico

> RE: ADDITIONAL DATERIAL, CASES 2739, 2740, 2741, EXAMEDER HEARING, JAMUARY 24, 1963

Dear Elvis:

The following data on estimated completion dates is supplied her the verbal request of Jim Murrett, OCC attorney at the hearing:

| Location | Estimated Courletion Date | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|--|
| 1) Socony Mobil No. 96 St. Aridges (Bovonian) 2) Socony Mobil No. 98 St. Bridges (Notation) 3) Marathon No. 5 St. McCallister (Devouian) 4) Texaco No. 11 St. "O" (Devonian) 5) Shell No. 5 St. "A" (Nolfeamp) | February 25, 1963 Location only, not spudded Arril 1, 1963 February 1, 1963 February 24, 1963 | |

The following are the specific calls on these locations:

| ₩e11 | 5-T-R | Calls From Lease Lines |
|---------------------------------|------------------------------|---------------------------------------------------|
| Socony Mobil No. 96 St. Bridges | 26-175-348 | 1980 FEL, S10 FEL |
| Socony Mobil No. 98 St. Dridges | 26-178-340 | 1989' F.L. 1980' FA. |
| Marathon No. 5 St. McCallister | 25 -17 8 -3 45 | 560' F.L. 660' FOL (Exception to No58/4/4) |
| Texaco No. 11 St. "0" | 36-175-346 | 1980 FOL, 1780 Fol (exception to 150 from center) |
| Shell No. 5 St. "A" | 31 -17 5-358 | 990' FSL, 660' FEL (Exception to SU-SE/4/4) |
| Socony Mobil No. 95 St. Bridges | 26-175-348 | 860 F5L, 660 FEL (Exception to 150 from center) |

We will gather any other porosity, peracability, and/or core data and send it as soon as possible.

Yours very truly,

nra

cc: J. Durrett, CCC, Junta Fo

COPY J. Sperling, Albuquerque

This is a fast message unless its deferred characted is indicated by the proper symbol.

ns is LOCAL TIME at point of origin. Time of ecceipt is LOCAL TIME Q

LA378 DC167

D HSA552 PD=FAX HOUSTON TEX 17 338P CST= NEW MEXICO OIL CONSERVATION COMMISSION= STATE LAND OFFICE BLDG SANTA FE NMEX=

ATTENTION: MR. ELVIS A. UTZ

IN RE CASES NOS. 2739, 2740, 2741 (REOPENED). NORTH VACUUM-ABO, VACUUM-DEVONIAN AND VACUUM-WOLFCAMP FIELDS. LEA COUNTY. NEW MEXICO. IT IS TIDEWATER'S POSITION THAT ALL AVAILABLE INFORMATION INDICATES THE SUBJECT RESERVOIRS SHOULD BE DEVELOPED ON A MINIMUM SPACING OF 80 ACRES, THEREFORE TIDEWATER CONCURS WITH TEXACOVS REQUEST THAT PERMANENT 80-ACRE SPACING FIELD RULES BE ADOPTED FOR THESE FIELDS=

JOHN S CAMERON JR HOUSTON TEXAS = TONCERNING ITS SERVICE

This is 2 fast message unless its deferred character is indicated by the proper symbol.

DL = Day Letter NL=Night Letter

The filing time shown in the date line on domestic telegrams is LOCAL TIME at point of origin. Time of receipt in STAL TIME IT to

LA241 KA364

K BRA160 LONG NL PD=BARTLESVILLE OKLA 21= A L PORTER JR, NEW MEXICO OIL CONSERVATION COMMISSION= STATE LAND OFFICE BLDG SANTA FE MIEX=

REFERENCE HEARING JANUARY 23, 1963, CASES 2739 AND 2740 APPLICATION SOCONY MOBIL OIL COMPANY FOR 80-ACRE SPACING ABO AND WOLFCAMP PRODUCTION SECTION 26, TOWNSHIP 17 SOUTH, RANGE 34 EAST, LEA COUNTY, NEW MEXICO, WE CONCUR IN SPACING AND RULES TO BE PROLOSED BY APPLICANTS ALSO CONCUR IN RULES TO BE PROPOSED BY THEM IN CASE 2741 FOR VACUUM-DEVONIAN POOL , HOWEVER, URGE CONSIDERATION BE GIVEN TO HEPTION OF 160-ACRE SPACING=

PHILLIPS PETROLEUM CO EARL GRINFIN MGR PRODUCTION DIVIS

TO 16 W 22 NAU 6881

CLASS OF SERVICE This is a fast message

toper symbol.

unless its deferred charicter is indicated by the

NL=Night Letter LT=International Letter Telegra

The filing time shown in the date line on domestic telegrams is LOCAL TIME at point of origin. Time of receipt is .

LA186 SSJ192

L HBAO67 LONG PD=HOBBS MMEX 1 315P MST=

1963 FEB I

D S NUTTER, CHIEF ENGINEER=

NMOCC YUCCA 22641 BOX 871 SANTA FE NMEX=

RE CASES 2739 2740 AND 2741 AND D S NUTTER CALL TO J C GORDON JR SOCONY MOBIL WOULD PREFER TO RETAIN THE 150 FOOT SPACING TOLERANCE PROVISION HOWEVER SOCONY WOULD HAVE NO OBJECTION TO A SLIGHTLY LARGER TOLERANCE FEELS THAT THIS WOULD PREVENT NECESSITY FOR EXCESSIVE NUMBER OF HEARINGS IN THIS CASE SOCONY FEELS THAT 200 FEET IS AN EQUITABLE DISTANCE FOR TOLARENCE IN THESE THREE CASES=

GLEN W BARB DISTRICT SUPERINTENDENT =:

2740 2741 150 OCC 200=

This is a fast message its deferred char-

ESTERN UNION

TELEGRAM

NL=Night Letter

The filing time shown in the date line on domestic telegrams is LOCAL TIME at point of origin. Time of receipt is LOCAL TIME to point of origin.

.LA275 DA443

1963 JAN 22

D HSB649 PD=JD HOUSTON TEX 22 612P CST= :OIL COMSERVATION COMM=

STATE LAND OFFICE BLDG SAUTAFE HMEX=

ATTENTION: MR ELVIN A UTZ SXAMINER

(COPY SERT TO: RICHARD S MORRIS 301 DOM GASPAR SANTA FE NEW MEXICO)

REFERENCE EXAMINER HEARINGS IN CASES 110 2739 9 2740 AND 2741. MARATHON UNDERSTANDS THAT IN THE THREE REFERENCED CASES SOCORY HOBIL OIL COMPARY, APPLICANT, WILL PROPOSE THAT THE COMMISSION ADOPT TEMPORARY SPECIAL FIELD RULES IN A NEW ABO POOL (CASE NO. 2739) IN THE

CLASS OF SERVICE This is a fast message unless les deferral char-

screen to Indicated by the

proper symbol

WESTERN UNI

TELEGRAM

1201 (4-60)

SYMBOLS DL =: Day Letter NL=Night Letter LT == International Letter Telegra

The filing time shown in the date line on domestic telegrams is LOCAL TIME at point of origin, Time of receipt is LOCAL TIME at point of destination

RULES FURTHER PROVIDE FOR THE CRAHTILG OF FURTHER EXCEPTIONS TO SUCH SPACING AND WELL LOCATION RULES, IF SUCH FURTHER EXCEPTION IS NECESSARY TO PROTECT THE CORELATIVE RIGHTS OF ANY PARTY=

I G BURRELL DIVISION MANAGER MARATHON OIL CO-

LEUTZ 301 2739 2740 2741 ABO 2739 2740 2741 26 7178 R34E 80 80 560 660 25 T178 R34E 80 800.

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

CLASS OF SERVICE This is a fast message unless its deferred character is Indicated by the

ESTERN UNI TELEGRAM

SYMBCLS DL=Day Letter NL=Night Letter LT=International

W. P. MARSHALL. PRESIDENT
On domestic telegrams is LOCAL TIME at point of origin. Time of receipt is LOCAL TIME at point of destination PROVISIONS OF THE REQUESTED RULES.

MARATHON RECOMMENDS IN EACH OF THE THREE CASES THAT THE COMMISSION ADOPT TEMPORARY SPECIAL RULES PROVIDING FOR 80 ACRE SPACING AND 80 ACRE PRORATION UNITS COMPOSED OF TWO CONTIGUOUS QUARTER-QUARTER SECTIONS IN ANY REGULAR GOVERNMENTAL QUARTER SECTIONS PROVIDED THE RULES RECOGNIZE AS AN EXCEPTION (WITHOUT REDUCTION OF ALLOWABLE) TO THE SPACING AED WELL LOCATION RULES ANY WELL MERETOFORE COMPLETE OR PRESENTLY DRILLING WHICH MAY BE HEREAFTER COMPLETE IN ANY OR ALL OF THE POOLS MENTIONED IN THE THREE CASES, AND THAT THE

CLASS OF SERVICE This is a fast message unless its defetted chat-

proper symbol.

ESTERN UNION

1201 (4-50)

SYMBOLS =Day Letter NL=Night Letter LT=International Letter Telegra

TELEGRAM

W. P. MARSHALL, PRESIDENT

The filing time shown in the date line on domestic telegrams is LOCAL TIME at point of destination

VACUUM-WOLFCAMP POOLLL (CASE NO. 2740) AND IN THE VACUUM-DEVONIAN POOL (CASE NO. 2741), ALL IN SECTION 126, T178, R34E, LEA COUNTY, AND THAT THE RULES IN EACH CASE PROVIDE FOR 80 ACRE PROPATION UNITS AND 80 ACRE WELL SPACING WITH REGULAR LOCATIONS IN THE MORTHWEST QUARTER OR THE SOUTHEAST QUARTER OF ANY QUARTER SECTION. MARATHOM IS PRESENTLY DRILLING A WELL AT A LOCATION 560 FEET FROM THE WEST LINE AND 660 FEET FROM THE SOUTH LINE OF SECTION 25, T17S, R34E, WHICH IS PROJECTED TO A DEPTH SUFFICIENT TO ENCOUNTER THE POOLS MENTIONED IN THE APPLICATIONS IN THE THREE REFERENCED CASES: THIS WELL WILL NOT COMFORM TO THE SPACING AND WELL LOCATION

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

