

CASE 2757: Application of CABOT
Corp. for an unorthodox location
of New Mexico State L Well No. 1.

Case No.
257

Application, Transcript,
and Exhibits, Etc.

DRAFT

JMD/esr
2-25-63

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:

Jan
CASE No. 2757

Order No. R-2437

JMD
APPLICATION OF CABOT CORPORATION
FOR AN UNORTHODOX LOCATION, NORTH
BAGLEY-WOLFCAMP POOL, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on February 21, 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, on this _____ day of February, 1963, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

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

(2) That the applicant, Cabot Corporation, seeks an exception to the well location requirements of the Special Rules and Regulations governing the North Bagley-Wolfcamp Pool in order to recomplete its New Mexico State L Well No. 1 in said pool at an unorthodox location 1970 feet from the North line and 330 feet from the West line of Section 23, Township 11 South, Range 33 East, NMPM, Lea County, New Mexico.

(3) That the subject well was previously completed in the Bagley-Pennsylvanian Pool, but has subsequently been plugged back to an approximate depth of 8800 feet and recompleted in the North Bagley-Wolfcamp Pool.

(4) That the application should be approved in order to prevent the economic waste caused by the drilling of unnecessary wells.

(5) That approval of the subject application will neither cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Cabot Corporation, is hereby granted an exception to the well location requirements of the Special Rules and Regulations governing the North Bagley-Wolfcamp Pool in order to recomplete its New Mexico State L Well No. 1 at an unorthodox location in said pool at a point 1970 feet from the North line and 330 feet from the West line of Section 23, Township 11 South, Range 33 East, NMPM, Lea County, New Mexico.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman

E. S. WALKER, Member

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

(5) That approval of the subject application will neither cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Cabot Corporation, is hereby granted an exception to the well location requirements of the Special Rules and Regulations governing the North Bagley-Wolfcamp Pool in order to recomplete its New Mexico State L Well No. 1 at an unorthodox location in said pool at a point 1970 feet from the North line and 330 feet from the West line of Section 23, Township 11 South, Range 33 East, NMPM, Lea County, New Mexico.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman

E. S. WALKER, Member

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

Cabat Corporation

N. M. Stan R # 1

1970' FNL
330' FWL

23 11S 33E

unorthodox location
in North Bayley Walcamp
Pool

application should be here
by Friday the 1st of Feb.

see Parker about Temporary
allowance pending hearing.

FOR THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

1963 FEB 1

25

IN THE MATTER OF THE APPLICATION)
OF CABOT CORPORATION FOR AN EX-)
CEPTION TO RULE 3 OF THE SPECIAL)
RULES AND REGULATIONS FOR THE)
NORTH BAGLEY-WOLFCAMP POOL, LEA)
COUNTY, NEW MEXICO)

Case No. 275

APPLICATION

Comes now Cabot Corporation and makes application for an exception to Rule 3 of the Special Rules and Regulations for the North Bagley-Wolfcamp Pool, Lea County, New Mexico, and in support of the application states:

1. Applicant is the owner and operator of its State of New Mexico L-No. 1 Well located 330 feet from the West line and 1980 feet from the North line (Unit E) Section 23, Township 11 South, Range 33 East, N.M.P.M., Lea County, New Mexico.


Previously, Applicant had drilled and completed said well in the Bagley-Pennsylvanian Pool at an approximate depth of 9400 feet subsurface; pursuant to notice and approval (Form C-102, App. 1/16/63) Applicant plugged back said well to a total depth of approximately 8800 feet subsurface and perforated a producing interval in the North Bagley-Wolfcamp Pool, and as recompleted said well is producing or capable of producing oil or gas in paying quantities from such pool.

2. That Rule 3 of the Special Rules and Regulations for the North Bagley-Wolfcamp Pool require that each well completed in the pool to be located within 150 feet of the center of either quarter-quarter section in the 80-acre unit, and as stated above Applicant's well does not meet the terms and provisions of this

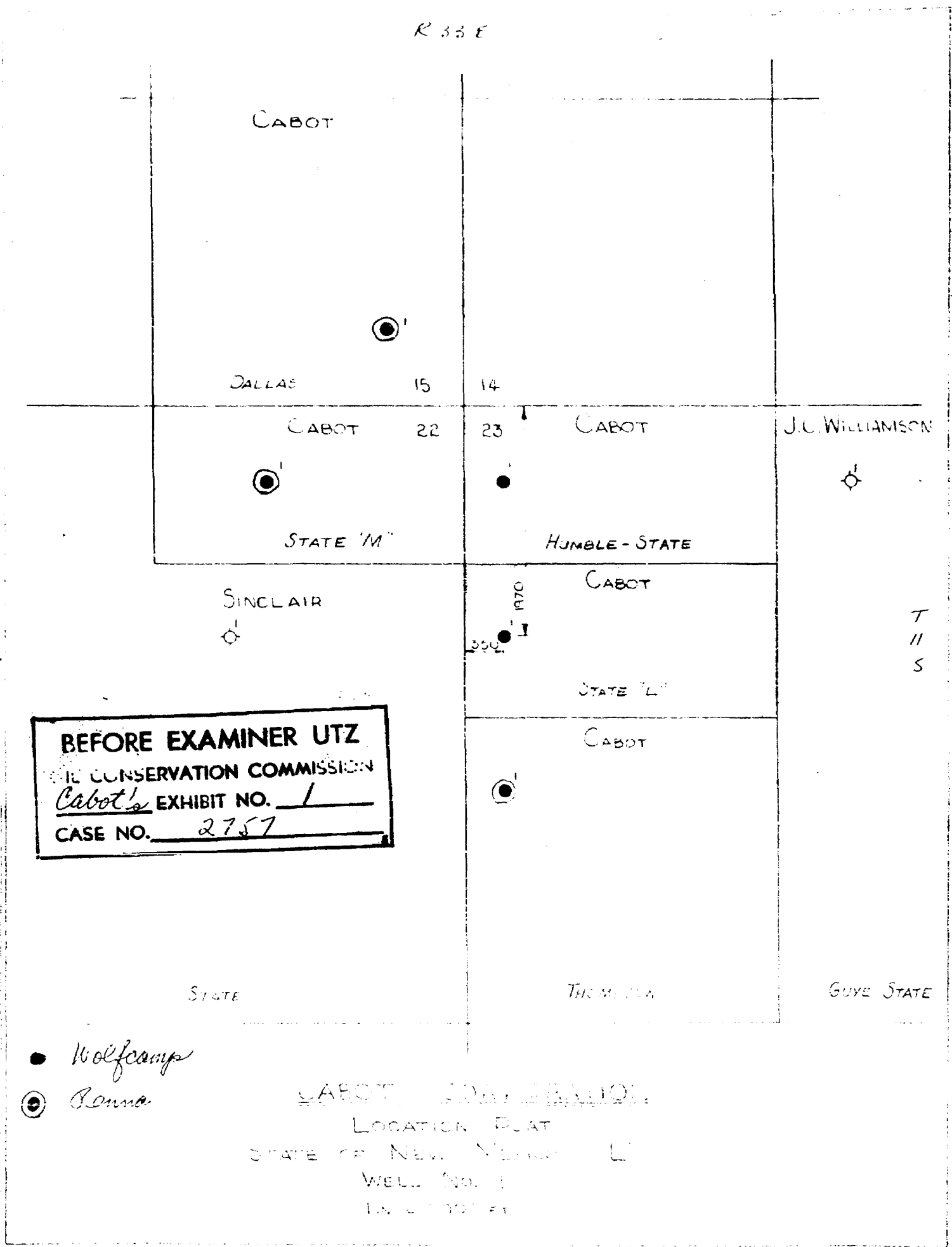
Rule. It is stated that the well was initially drilled in conformance with the then existing rules and regulations of this Commission and that to require adherence to the rule in the present instance would result in waste, the violation of the correlative rights of interested owners including Applicant and would not be in the best interests of the State of New Mexico. It is stated further that the granting of an exception to such Rule in the present instance would result in the avoidance of waste, the protection of the correlative rights of all interested parties and would otherwise be just, fair and reasonable under the circumstances.

WHEREFORE, Applicant respectfully requests that this Application be set down for hearing after due notice and that upon such hearing Applicant be granted an exception for well location in the State of New Mexico L-No. 1 Well (Unit E) Section 23, Township 11 South, Range 33 East, N.M.P.M., Lea County, New Mexico to Rule No. 3 of the Special Rules and Regulations for the North Bagley-Wolfcamp Pool; and for such other further aid in the premises to which Applicant may be justly entitled.

CAROT CORPORATION

By 
S. B. Christy, IV individually
for Hervey, Dow & Hinkle as
a member of the firm
P. O. Box 10
Roswell, New Mexico
Attorneys for the Applicant

R 33 E



Case 2757

Heard 2-21-63

Rec. 2-22-63

1. Grant Cabot permission to recomplete their G. Met 1 #1, 320/1, 1980/N, 370/W line of sec. 23-115-33 E. This will be an exception to Rule 3 of the H. Bagley-Wolfcamp Pool Rules. R-2347.

2. This should be allowed so that they can use the well presently drilled thru the Wolfcamp zone thereby preventing economical waste.

This rule should be in all our spacing orders anyway in my opinion.

Christie H. H.

J. M. HERVEY 1874-1983

HIRAM M. DOW
CLARENCE E. HINKLE
W. E. BONDURANT, JR.
GEORGE H. HUNKER, JR.
HOWARD C. BRATTON
S. B. CHRISTY IV
LEWIS C. COX, JR.
PAUL W. EATON, JR.
CONRAD E. COFFIELD
HAROLD L. HENSLEY, JR.

LAW OFFICES
HERVEY, DOW & HINKLE

HINKLE BUILDING
ROSWELL, NEW MEXICO

January 30, 1963

Case 2757
MAIN OFFICE OCC

TELEPHONE 622-6510
AREA CODE 505
POST OFFICE Box 10

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

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

Gentlemen:

We hand you herewith triplicate counterparts of Application of Cabot Corporation for an exception to Rule 3 of the Special Rules and Regulations for the North Bagley-Wolfcamp Pool as promulgated by the Commission in Case No. 2659, Order R-2347 dated October 25, 1962. We respectfully request that the Commission set the Application down for hearing at the earliest possible Examiner's Hearing and advise us the date thereof.

We do not find any provisions in the pool rules for notice to offset operators but we note for your information that the only offset operator is Sinclair Oil & Gas Company who owns the west offset lease to the premises involved in this Application; the lease and lands to the north, east and south are owned by Cabot Corporation. Upon request we will be happy to mail a copy of the Application to Sinclair.

Respectfully,

HERVEY, DOW & HINKLE

SBC:mke
Encls.

cc: Mr. W. A. Sargent
c/o Cabot Corporation
Pampa, Texas
cc: Mr. Percy O'Quinn
c/o Cabot Corporation
Box 4395
Midland, Texas

By S. B. Christy IV

DOCKET MAILED

Date 2/8/63

No. 7-63

DOCKET: EXAMINER HEARING - THURSDAY - FEBRUARY 21, 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 2755: Application of General American Oil Company of Texas for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Queen formation, High Lonesome Pool, Eddy County, New Mexico, through 16 wells in Sections 11, 12, 13 and 14, Township 16 South, Range 29 East.
- CASE 2756: Application of Humble Oil & Refining Company for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of its State "S" Well No. 24, located in Unit J, Section 2, Township 22 South, Range 37 East, Lea County, New Mexico, as a triple completion (tubingless), to produce oil from the Blinebry and Drinkard Pools and from a third zone, either lower Drinkard or Abo, through parallel strings of 2 7/8-inch casing cemented in a common well bore.
- CASE 2757: Application of Cabot Corporation for an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the unorthodox location of its New Mexico State L Well No. 1 at a point 1970 feet from the North line and 330 feet from the West line of Section 23, Township 11 South, Range 33 East, North Bagley-Wolfcamp Pool, Lea County, New Mexico.
- CASE 2758: Application of Odessa Natural Gasoline Company for a unit agreement Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Getty Deep Unit Area comprising 1,680 acres, more or less, of Federal land in Township 20 South, Range 29 East, Eddy County, New Mexico.
- CASE 2759: Application of Continental Oil Company for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the triple completion (conventional) of its Skaggs B-12, Well No. 5, located in Unit C of Section 12, Township 20 South, Range 37 East, Lea County, New Mexico, to produce oil from the Skaggs Glorieta, East Weir Blinebry, and Skaggs-Drinkard Pools through parallel strings of tubing.

Docket No. 7-63

CASE 2760: Application of Gulf Oil Corporation for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of its Scarborough Estate Well No. 7, located in Unit K of Section 31, Township 22 South, Range 38 East, Lea County, New Mexico, as a dual completion (conventional) to produce oil from the Blinbry Oil Pool and from the Ellenburger formation through parallel strings of tubing.

CASE 2761: Application of Compass Exploration, Inc. for the creation of a Gallup Gas Pool, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order deleting certain acreage from the South Blanco-Tocito Pool and redesignating portions of said acreage to comprise a new Gallup gas pool for its Northwest Lindrih Well No. 1-3, located in Unit K of Section 3, Township 26 North, Range 7 West, Rio Arriba County, New Mexico.

CASE 2314: (Reopened)
In the matter of the hearing called in accordance with Order No. R-2191, to permit Shell Oil Company to appear and show cause why its State Well No. 1-A, located in Unit D, Section 36, Township 24 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico should not be reclassified as an oil well in said pool.

CASE 2480: (Reopened & Continued)
In the matter of Case 2480 being reopened pursuant to the provisions of Order No. R-2182, which order established temporary 80-acre proration units for the Henshaw-Wolfcamp Pool, Eddy 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 2762: Application of Pan American Petroleum Corporation for a dual completion, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion of its USG Section 19 Well No. 17, located in Unit I of Section 19, Township 29 North, Range 16 West, San Juan County, New Mexico, to produce oil from the Hogback-Pennsylvanian Pool through tubing and to dispose of produced salt water into the Chinle formation through the intermediate casing annulus.

CASE 2763: Application of Sunray DX Oil Company for the creation of a Strawn Gas Pool and for Special Temporary Pool Rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Strawn Gas Pool for its New Mexico State "AH" Well No. 1, located in Unit K of Section 30, Township 18 South, Range 23 East, Eddy County, New Mexico, and the establishment of temporary pool rules therefor, including a provision for 640-acre proration units.

Docket No. 7-63

CASE 2764: Application of Skelly Oil Company for the creation of a Strawn Gas Pool and for Temporary Special Pool Rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Strawn Gas Pool for its West Jal Unit Well No. 1, located in Unit H, of Section 20, Township 25 South, Range 36 East, Lea County, New Mexico, and the establishment of temporary special pool rules therefor, including a provision for 640-acre proration units.

CASE 2746: (Continued)
In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Continental National Insurance Group and all other interested parties to appear and show cause why the Kenneth V. Barbee Well No. 1, located 1980 feet from the South line and 660 feet from the East line of Section 9, Township 11 South, Range 25 East, NMPM, Chaves County, New Mexico, should not be plugged in accordance with a Commission-approved plugging program.

CASE 2747: (Continued)
Application of El Paso Natural Gas Company for cancellation of a non-standard gas proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks cancellation of a non-standard gas proration unit comprising the SW/4 of Section 23 and the NW/4 of Section 26, Township 31 North, Range 7 West, Blanco-Mesaverde Gas Pool, San Juan County, New Mexico, said unit having been established and designated Block "N" by Order No. R-1066.

No. 7-63

SUPPLEMENTAL DOCKET: EXAMINER HEARING - THURSDAY - FEBRUARY 21, 1963

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

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

CASE 2765:

Application of Perry R. Bass for an
unorthodox gas well location, Lea
County, New Mexico.

Applicant, in the above-styled cause seeks an exception to the
Special Rules and Regulations for the Lusk-Morrow gas pool to permit
the drilling of a gas well 1980 feet from the North line and 660
feet from the West line of Section 28, Township 19 South, Range 32
East.

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. 2757
Order No. R-2437

APPLICATION OF CABOT CORPORATION
FOR AN UNORTHODOX LOCATION, NORTH
BAGLEY-WOLF CAMP POOL, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on February 21, 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, on this 27th day of February, 1963, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

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

(2) That the applicant, Cabot Corporation, seeks an exception to the well location requirements of the Special Rules and Regulations governing the North Bagley-Wolfcamp Pool in order to recomplete its New Mexico State L Well No. 1 in said pool at an unorthodox location 1970 feet from the North line and 330 feet from the West line of Section 23, Township 11 South, Range 33 East, NMPN, Lea County, New Mexico.

(3) That the subject well was previously completed in the Bagley-Pennsylvanian Pool, but has subsequently been plugged back to an approximate depth of 8880 feet and recompleted in the North Bagley-Wolfcamp Pool.

(4) That the application should be approved in order to prevent the economic waste caused by the drilling of unnecessary wells.

(5) That approval of the subject application will neither cause waste nor impair correlative rights.

-2-

CASE No. 2757
Order No. R-2437

IT IS THEREFORE ORDERED:

(1) That the applicant, Cabot Corporation, is hereby granted an exception to the well location requirements of the Special Rules and Regulations governing the North Bagley-Wolfcamp Pool in order to recomplete its New Mexico State L Well No. 1 at an unorthodox location in said pool at a point 1970 feet from the North line and 330 feet from the West line of Section 23, Township 11 South, Range 33 East, NMPM, Lea County, New Mexico.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Jack M. Campbell
JACK M. CAMPBELL, Chairman

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

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

csr/

GOVERNOR
JACK M. CAMPBELL
CHAIRMAN

State of New Mexico
Oil Conservation Commission



LAND COMMISSIONER
E. B. JOHNNY WALKER
MEMBER

P. O. BOX 871
SANTA FE

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

February 27, 1963

Mr. Sim Christy
Harvey, Dow & Hinkle
Attorneys at Law
Post Office Box 10
Roswell, New Mexico

Re: Case No. 2757
Order No. R-2437
Applicant:
Cabot Corporation

Dear Sir:

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

Very truly yours,

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

A. L. PORTER, Jr.
Secretary-Director

ir/

Carbon copy of order also sent to:

Hobbs OCC x

Artesia OCC

Aztec OCC

OTHER

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 983-3971

ALBUQUERQUE, N. M.
PHONE 243-6691

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
February 21, 1963

EXAMINER HEARING

IN THE MATTER OF:)

Application of Cabot Corporation for an)
unorthodox location, Lea County, New)
Mexico. Applicant, in the above-styled)
cause, seeks approval of the unorthodox)
location of its New Mexico State L Well)
No. 1 at a point 1970 feet from the North)
line and 330 feet from the West line of)
Section 23, Township 11 South, Range 33)
East, North Bagley-Wolfcamp Pool, Lea)
County, New Mexico.)

Case 2757

BEFORE: Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

MR. UTZ: Case 2757.

MR. DURRETT: Application of Cabot Corporation for an
unorthodox location, Lea County, New Mexico.

MR. CHRISTY: Sir Christy, Hervey, Dow & Hinkle,
Roswell, New Mexico, for the applicant. We have one witness,
Mr. Examiner.

(Witness sworn.)

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



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WILLIAM M. SARGENT, JR.

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

DIRECT EXAMINATION

BY MR. CHRISTY:

Q Would you please state your name, address and occupation and by whom you are employed?

A William M. Sargent, Junior, employed by Cabot Corporation in Pampa, Texas, a petroleum engineer.

Q Have you previously had your qualifications as a petroleum engineer accepted by this Commission in Case 2659?

A Yes, I have.

Q Are you familiar with the matters sought in the application in Case 2757 in the well involved?

A Yes.

MR. CHRISTY: Any questions concerning the qualifications, Mr. Examiner?

MR. UTZ: No, sir, he's qualified.

Q (By Mr. Christy) Now, Mr. Sargent, I refer you to what has been marked Applicant's Exhibit No. 1 and ask you if you will please briefly state what that is.

(Whereupon, Applicant's Exhibit No. 1 was marked for identification.)



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PHONE 243-6051

A This is a plat of the North Bagley field and outlined on the plat in yellow is the Cabot State of New Mexico L lease showing the location of their No. 1 well on this lease, being 330 feet from the West line of the section and 1,970 feet from the North line of the section.

Q That is the well involved in this application?

A Yes, it is.

Q Would you please tell us the well history, when it was drilled and completed and so forth?

A This well was drilled last fall and completed in September in the upper Penn formation at a depth of approximately 9450 feet. Subsequent to the initial completion it was reperforated in the upper Penn in a section immediately above the initial completion and this was in October.

In December it was reperforated again in an effort to obtain flowing production. In January the well ceased to flow because of high water production and we plugged back to the Wolfcamp and completed in the Wolfcamp zone at 8694.

Q I believe that well was drilled when there were no field rules on the Pennsylvanian?

A That's correct.

Q Just the general rules?

A This is true.



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ALBUQUERQUE, N. M.
PHONE 243-6691

Q It was drilled in conformity with the then existing statewide rules?

A Yes.

Q You say you have recompleted it in the Wolfcamp now?

A Yes.

Q I believe by your application you are seeking an exception to Rule 3 of the special rules for the North Bagley-Wolfcamp Pool which requires the wells to be located within 150 feet of the center of the quarter, quarter section, and of course, you do not qualify because of the 330 foot distance you just mentioned?

A That is correct. We are 180 feet from that limitation.

Q You propose, I assume, to dedicate the acreage shown in yellow to your Wolfcamp well?

A Yes.

Q Which is an 80-acre at this time?

A Yes, sir.

Q If you are unable to utilize the present well bore for completion in the Wolfcamp, I assume this would mean you would have to twin the well?

A Yes, sir.

Q If you twin the well, what would be the economics on it and the matter of economics waste?



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A We would be losing the service of a well already drilled, in effect we would be spending \$130,000 approximately, needlessly. The cost of the well and flow line and tank battery installation is estimated to \$135,500. The reserve calculations indicate that the net oil that would accrue to Cabot Corporation would be 65,800 barrels.

Q You are talking about Wolfcamp oil?

A Yes. With a gross value of approximately \$210,000. Operating costs, not including company overhead, direct field operating costs are estimated to be \$22,500, and leaving a profit before taxes of about \$56,000.

Q From that you would have to take off the income tax?

A We would have income tax and overhead to take out of this indicated before tax profit.

Q Taking all things in consideration, do you feel it would be economic waste to twin the well?

A Yes, I do.

Q How about the correlative rights of other parties, who else is involved here that might be adversely affected by using this well here in the Wolfcamp, anyone?

A Are you speaking of the other operators?

Q Yes.

A The offset lease is held by Sinclair. There's no



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production at the present time on this lease. There is one dry hole directly west of the requested exception.

Q The only other Wolfcamp well as depicted on your Exhibit 1 is your well to the north?

A That is correct, our Humble State well.

Q Do you feel that the well in question here will effectively and efficiently drain the 80 acres in question of Wolfcamp pay?

A Yes, sir, I do.

Q Was the Exhibit No. 1 prepared by you or under your direct supervision?

A It was.

MR. CHRISTY: We offer in evidence Applicant's Exhibit No. 1.

MR. UTZ: Without objection, Exhibit No. 1 will be admitted into the record.

(Whereupon, Applicant's Exhibit No. 1 was admitted into the record.)

Q Do you have anything further in this matter you feel would be of interest to the Commission?

A No, sir.

MR. CHRISTY: That's all we have on direct.



CROSS EXAMINATION

BY MR. UTZ:

Q As I understand, this was a dual completion?

A No, it was originally completed in the upper Penn when we ceased to get flowing we plugged it back and completed in the Wolfcamp.

Q So it's a Wolfcamp?

A It's a single Wolfcamp. When the Wolfcamp is depleted we will re-enter the Pennsylvanian and pump it.

Q Well, then, it will be a dual completion?

A No, sir.

Q I'm lost. How are you going to pump the Pennsylvanian and complete in the Wolfcamp?

A When we have depleted the Wolfcamp we will go back to the Pennsylvanian. We have a water problem and a disposal problem and we would rather not get into the disposal at this time. Therefore, we are attempting to produce from those zones which will flow the production.

Q The Wolfcamp will at this time flow?

A Yes, sir. I believe on completion test it flowed 156 barrels of oil in twenty-four hours.

Q This well was completed in September, 1962, did you say?

A Yes, sir.

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PHONE 243-6691



Q And the North Bagley Pool rules were effective 11-1-62?

A Yes, sir.

MR. PORTER: Do those pool rules require the well be in the center of the 40 or 150 feet?

A Yes, sir.

MR. UTZ: 150 feet of either 40?

MR. CHRISTY: That is the purpose of the application.

MR. UTZ: Any other questions of the witness? The witness may be excused.

(Witness excused.)

MR. CHRISTY: That's all we have for the applicant.

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

DEARNLEY-MEIER REPORTING SERVICE, Inc.

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STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) ss

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 1st day of March, 1963.

Ada Dearnley
Notary Public-Court Reporter

My commission expires:

June 19, 1963.

I do hereby certify that the foregoing is a correct record of the proceedings in the Examiner hearing of Case No. 2757, heard by me on Feb. 26, 1963.

Thos. A. R. Examiner
New Mexico Oil Conservation Commission

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 989-3971

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OIL CONSERVATION COMMISSION
1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO

September 12, 1963

2857
Carle

Mobil Oil Company
P.O. Box 778
Farmington, New Mexico

Re: Order R-2543, Boulder-Mancoos Pool

Gentlemen:

Gas-Oil Ratio tests were received from your company for your wells in the Boulder-Mancoos Pool on September 3, 1963. We presume that these tests were run to conform with Order R-2543, Rule #7. We have issued a supplement correcting your allowables to conform with the new tests; however, Rule 7 states that at least three days prior to the date of these productivity tests the operator shall notify the Aztec District Office and all offset operators in writing of the date and time tests will commence. The Commission received no notification of your testing schedule prior to the time the wells were tested. We have also been notified by P-M Drilling Company that they did not receive written notification. We are, therefore, directing that you immediately schedule all your wells in the Boulder-Mancoos Pool for 48-hour productivity tests as set out in Rule 7 of Order R-2543. All offset operators as well as the Commission should be sent a copy of the schedule. New allowables necessary will then be issued on the basis of the new tests.

Yours very truly

Emery C. Arnold
Supervisor, District #3

ECA:ks

cc: P-M Drilling Company
1004 V & J Tower
Midland, Texas

Oil Conservation Commission
Box 871
Santa Fe, New Mexico