

CASE 2782: Application of TEXACO INC
for 320-acre non-standard gas pro-
duction unit. (Roy Riddel Well No. 1)

Case No.
2782

petition, Transcript,
and Exhibits, Etc.

TEXACO
INC.

PETROLEUM PRODUCTS

DOMESTIC PRODUCING DEPARTMENT
MIDLAND DIVISION



MAIL OFFICE 000
1963 MAR 11 AM

P. O. BOX 3109
MIDLAND, TEXAS

March 8, 1963

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

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

Gentlemen:

Texaco Inc. respectfully requests administrative approval for a non-standard 320-acre Eumont Gas proration unit covering the E/2 SW/4, S/2 SE/4, NE/4 SE/4, E/2 NE/4, and NW/4 NE/4 Section 12, T-21-S, R-36-E, Lea County, New Mexico. This non-standard unit will be dedicated to the Texaco Inc. Roy Riddel Well No. 1. In support of our application the following facts are submitted:

1. Texaco's Roy Riddel Well No. 1 located 661' from the south line and 1980' from the west line of said Section 12 is completed in the Eumont Gas Pool and at the present time has a 160-acre non-standard gas proration unit consisting of the E/2 SW/4 and S/2 SE/4 of said Section 12 assigned to it. This well is currently a top allowable gas well in the Eumont Gas Pool and during the year 1962 it had an allowable assigned totaling 74,225,000 cubic feet of gas. The actual production during the year 1962 was 103,988,000 cubic feet of gas and during one month of the year it produced in excess of 32,000,000 cubic feet of gas.
2. Texaco's Roy Riddel Well No. 2 located 657' from the east line and 660' from the north line of said Section 12 currently has a 160-acre non-standard gas proration unit assigned to it consisting of the N/2 of NE/4, SE/4 NE/4, and NE/4 SE/4 of said Section 12.

March 8, 1963

This well is currently carried as a marginal gas producer in the Eumont Gas Pool with an allowable of 608,000 cubic feet per month. During 1962, this well had an assigned allowable of 19,646,000 cubic feet and actual production from the well was 5,715,000 cubic feet.

3. Texaco's Roy Riddel Well No. 2 will be plugged and abandoned and the entire 320-acre Roy Riddel lease will be assigned to Well No. 1.
4. The proposed non-standard gas proration unit consists of contiguous quarter-quarter sections and lies wholly within a single governmental section.
5. The entire non-standard gas proration unit can be reasonably presumed to be gas productive in the Eumont Gas Pool.
6. The length or width of the non-standard gas unit does not exceed 5,280'.
7. All offset operators to the Texaco Roy Riddel lease and all operators within 1500' of the subject well have been furnished a copy of this application.

Attached is a copy of the ownership map for the Texaco Inc. Roy Riddel lease and the area immediately surrounding this lease. Also attached is a list of the offset operators and their mailing addresses. It is respectfully requested that this application for a non-standard 320-acre gas proration unit be approved administratively.

Yours very truly,

C. R. Black

C. R. Black
Division Proration Engineer

CRB-MM
Attach.

OFFSET OPERATORS
TEXACO INC. ROY RIDDEL LEASE
LEA COUNTY, NEW MEXICO

Continental Oil Company
P. O. Box 427
Hobbs, New Mexico

Dalport Oil Corporation
930 Fidelity Union Life Bldg.
Dallas, Texas

R. L. Malone
c/o F. J. Danglade Estate
Lovington, New Mexico

Pan American Petroleum Corp.
P. O. Box 68
Hobbs, New Mexico

E. G. Rodman
P. O. Box 3826
Odessa, Texas

Schermerhorn Oil Corporation
P. O. Box 1027
Odessa, Texas

Shell Oil Company
P. O. Box 1858
Roswell, New Mexico

Sunray DX Oil Company
P. O. Box 128
Hobbs, New Mexico

Tidewater Oil Company
P. O. Box 547
Hobbs, New Mexico

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

Case 2782

March 22, 1963

C
O
P
Y

Texaco Inc.
Domestic Producing Department
Midland Division
P. O. Box 3109
Midland, Texas

Attention: Mr. C. R. Black

Re: 320-Acre Non-Standard Gas Proration
Unit, Eumont Gas Pool, Roy Riddel
Well No. 1

Gentlemen:

Thank you for your letter of March 19, 1963.

We tentatively are docketing a case to consider your application for the above non-standard gas proration unit on April 10, 1963. We will forward a copy of the April 10, 1963, Examiner Hearing Docket to you as soon as the same has been finalized.

Very truly yours,

J. M. DURRETT, Jr.,
Attorney

JMD/esr

DOCKET MARCH

Date 4/25

TEXACO
INC.

2752
STATION OFFICE OCC

PETROLEUM PRODUCTS

1963 MAR 20 PM 11 23

DOMESTIC PRODUCING DEPARTMENT
MIDLAND DIVISION



P. O. BOX 2100
MIDLAND, TEXAS

March 19, 1963

Mr. J. M. Durrett, Jr.
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Mr. Durrett:

Reference is made to your letter of March 12, 1963, concerning our application for administrative approval of a 320-acre non-standard gas proration unit in the Eumont Gas Pool to be dedicated to our Roy Riddel Well No. 1. You state that this application cannot be approved administratively in view of the fact that Rule 5 (b) of the general rules and regulations governing prorated gas pools in Southeastern New Mexico provide that not more than 160 acres can be assigned to a well located 660' to the two nearest boundaries of the non-standard unit.

At the time this application was submitted it was my understanding that any well drilled to and producing from the Eumont Gas Pool prior to August 12, 1954, would be exempt from the spacing requirements; however, upon further review of Rule 5 (b) in the Eumont Gas Pool Special Rules and Regulations, I find that only a maximum tolerance of 330' with respect to the required distance from the boundary lines can be granted for wells drilled prior to August 12, 1954. Therefore, it will certainly be necessary that a hearing be scheduled to consider our application.

Thank you very much for your letter of March 12, and your consideration to this matter. It would be greatly appreciated if you would schedule this matter for hearing on the first available Examiner hearing docket.

Yours very truly,

C. R. Black

C. R. Black
Division Proration Engineer

CRB-MM

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

March 12, 1963

C
O
P
Y

**Texaco Inc.
Domestic Producing Department
Midland Division
P. O. Box 3109
Midland, Texas**

Attention: Mr. C. R. Black

Gentlemen:

We have your application dated March 8, 1963, requesting administrative approval of a 320-acre non-standard gas proration unit in the Fumont Gas Pool to be dedicated to your Roy Riddel Well No. 1, located 661 feet from the South line and 1980 feet from the West line of Section 12, Township 21 South, Range 36 East, Lea County, New Mexico.

Your request cannot be granted by administrative approval as Rule 5(B) of the General Rules and Regulations governing prorated gas pools in Southeastern New Mexico (Order No. R-1670) provides that not more than 160 acres can be assigned to a well located 660 feet to the two nearest boundaries of the non-standard unit. We will be happy to docket your request for hearing if you so desire.

Very truly yours,

J. M. DURRETT, Jr.,
Attorney

JMD/esr

Case 2782

TEXACO
INC.

MAIN OFFICE OCC

PETROLEUM PRODUCTS

1963 MAR 11 AM 8 28

DOMESTIC PRODUCING DEPARTMENT
MIDLAND DIVISION



P. O. BOX 3109
MIDLAND, TEXAS

March 8, 1963

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

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

Gentlemen:

Texaco Inc. respectfully requests administrative approval for a non-standard 320-acre Eumont Gas proration unit covering the E/2 SW/4, S/2 SE/4, NE/4 SE/4, E/2 NE/4, and NW/4 NE/4 Section 12, T-21-S, R-36-E, Lea County, New Mexico. This non-standard unit will be dedicated to the Texaco Inc. Roy Riddel Well No. 1. In support of our application the following facts are submitted:

1. Texaco's Roy Riddel Well No. 1 located 661' from the south line and 1980' from the west line of said Section 12 is completed in the Eumont Gas Pool and at the present time has a 160-acre non-standard gas proration unit consisting of the E/2 SW/4 and S/2 SE/4 of said Section 12 assigned to it. This well is currently a top allowable gas well in the Eumont Gas Pool and during the year 1962 it had an allowable assigned totaling 74,225,000 cubic feet of gas. The actual production during the year 1962 was 103,988,000 cubic feet of gas and during one month of the year it produced in excess of 32,000,000 cubic feet of gas.
2. Texaco's Roy Riddel Well No. 2 located 657' from the east line and 660' from the north line of said Section 12 currently has a 160-acre non-standard gas proration unit assigned to it consisting of the N/2 of NE/4, SE/4 NE/4, and NE/4 SE/4 of said Section 12.

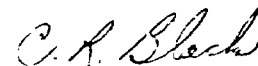
March 8, 1963

This well is currently carried as a marginal gas producer in the Eumont Gas Pool with an allowable of 608,000 cubic feet per month. During 1962, this well had an assigned allowable of 19,646,000 cubic feet and actual production from the well was 5,715,000 cubic feet.

3. Texaco's Roy Riddel Well No. 2 will be plugged and abandoned and the entire 320-acre Roy Riddel lease will be assigned to Well No. 1.
4. The proposed non-standard gas proration unit consists of contiguous quarter-quarter sections and lies wholly within a single governmental section.
5. The entire non-standard gas proration unit can be reasonably presumed to be gas productive in the Eumont Gas Pool.
6. The length or width of the non-standard gas unit does not exceed 5,280'.
7. All offset operators to the Texaco Roy Riddel lease and all operators within 1500' of the subject well have been furnished a copy of this application.

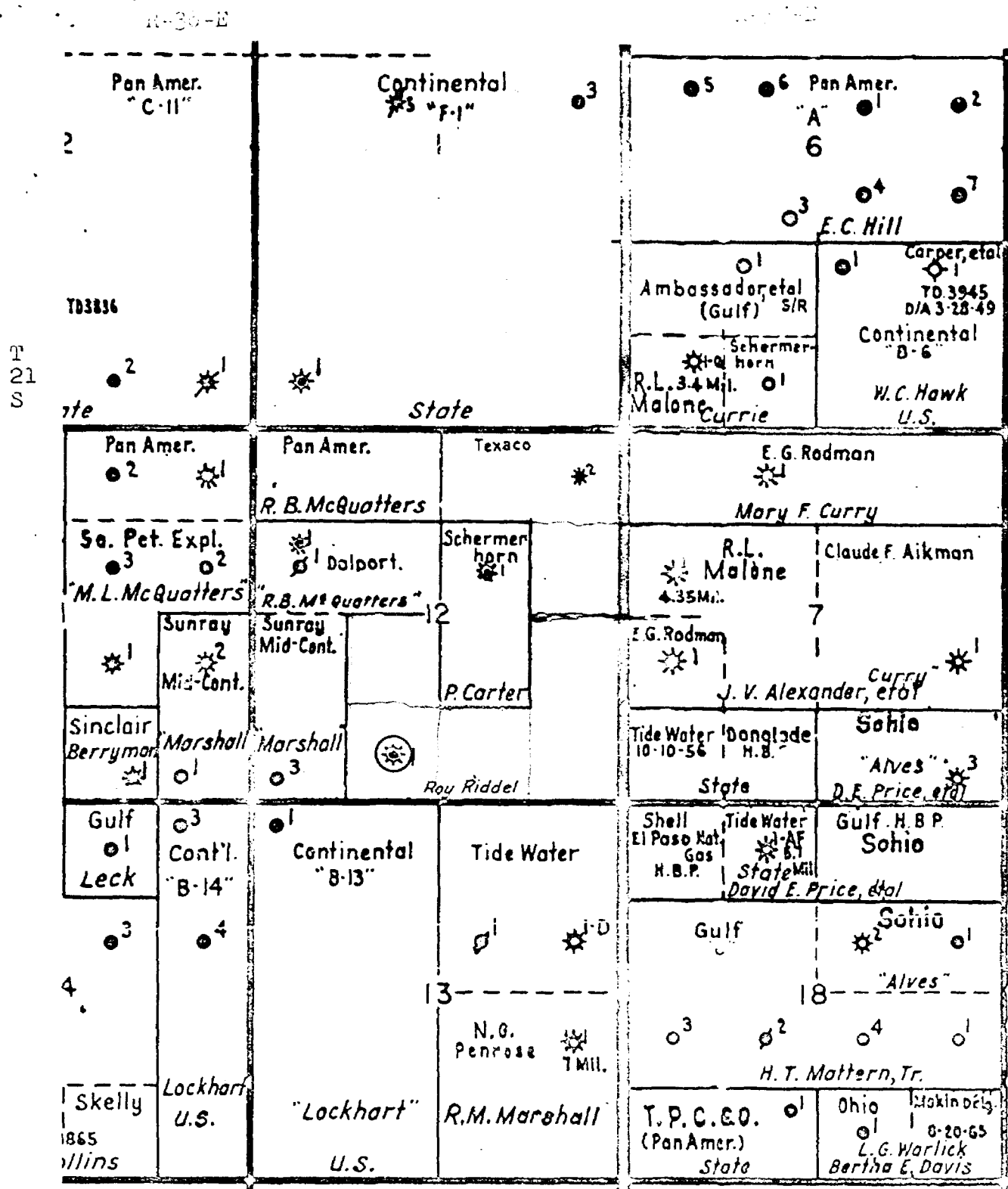
Attached is a copy of the ownership map for the Texaco Inc. Roy Riddel lease and the area immediately surrounding this lease. Also attached is a list of the offset operators and their mailing addresses. It is respectfully requested that this application for a non-standard 320-acre gas proration unit be approved administratively.

Yours very truly,



C. R. Black
Division Proration Engineer

CRB-MM
Attach.



Ownership Map
 Texaco Inc.
 Roy Riddel Lease
 Eumont Gas Pool
 Lea County, New Mexico
 Scale 1" = 2000'

OFFSET OPERATORS
TEXACO INC. ROY RIDDEL LEASE
LEA COUNTY, NEW MEXICO

Continental Oil Company
P. O. Box 427
Hobbs, New Mexico

Dalport Oil Corporation
930 Fidelity Union Life Bldg.
Dallas, Texas

R. L. Malone
c/o F. J. Danglade Estate
Lovington, New Mexico

Pan American Petroleum Corp.
P. O. Box 68
Hobbs, New Mexico

E. G. Rodman
P. O. Box 3826
Odessa, Texas

Schermerhorn Oil Corporation
P. O. Box 1027
Odessa, Texas

Shell Oil Company
P. O. Box 1858
Roswell, New Mexico

Sunray DX Oil Company
P. O. Box 128
Hobbs, New Mexico

Tidewater Oil Company
P. O. Box 547
Hobbs, New Mexico

DOCKET MAILED

Date _____

TEXACO
INC.

PETROLEUM PRODUCTS

DOMESTIC PRODUCING DEPARTMENT
MIDLAND DIVISION



March 8, 1963

MAIL ROOM
1963 MAR 11 AM 6:23

P. O. BOX 3109
MIDLAND, TEXAS

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

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

Gentlemen:

Texaco Inc. respectfully requests administrative approval for a non-standard 320-acre Eumont Gas proration unit covering the E/2 SW/4, S/2 SE/4, NE/4 SE/4, E/2 NE/4, and NW/4 NE/4 Section 12, T-21-S, R-36-E, Lea County, New Mexico. This non-standard unit will be dedicated to the Texaco Inc. Roy Riddel Well No. 1. In support of our application the following facts are submitted:

1. Texaco's Roy Riddel Well No. 1 located 661' from the south line and 1980' from the west line of said Section 12 is completed in the Eumont Gas Pool and at the present time has a 160-acre non-standard gas proration unit consisting of the E/2 SW/4 and S/2 SE/4 of said Section 12 assigned to it. This well is currently a top allowable gas well in the Eumont Gas Pool and during the year 1962 it had an allowable assigned totaling 74,225,000 cubic feet of gas. The actual production during the year 1962 was 103,988,000 cubic feet of gas and during one month of the year it produced in excess of 32,000,000 cubic feet of gas.
2. Texaco's Roy Riddel Well No. 2 located 657' from the east line and 660' from the north line of said Section 12 currently has a 160-acre non-standard gas proration unit assigned to it consisting of the N/2 of NE/4, SE/4 NE/4, and NE/4 SE/4 of said Section 12.

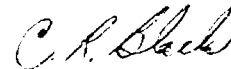
March 8, 1963

This well is currently carried as a marginal gas producer in the Eumont Gas Pool with an allowable of 608,000 cubic feet per month. During 1962, this well had an assigned allowable of 19,646,000 cubic feet and actual production from the well was 5,715,000 cubic feet.

3. Texaco's Roy Riddel Well No. 2 will be plugged and abandoned and the entire 320-acre Roy Riddel lease will be assigned to Well No. 1.
4. The proposed non-standard gas proration unit consists of contiguous quarter-quarter sections and lies wholly within a single governmental section.
5. The entire non-standard gas proration unit can be reasonably presumed to be gas productive in the Eumont Gas Pool.
6. The length or width of the non-standard gas unit does not exceed 5,280'.
7. All offset operators to the Texaco Roy Riddel lease and all operators within 1500' of the subject well have been furnished a copy of this application.

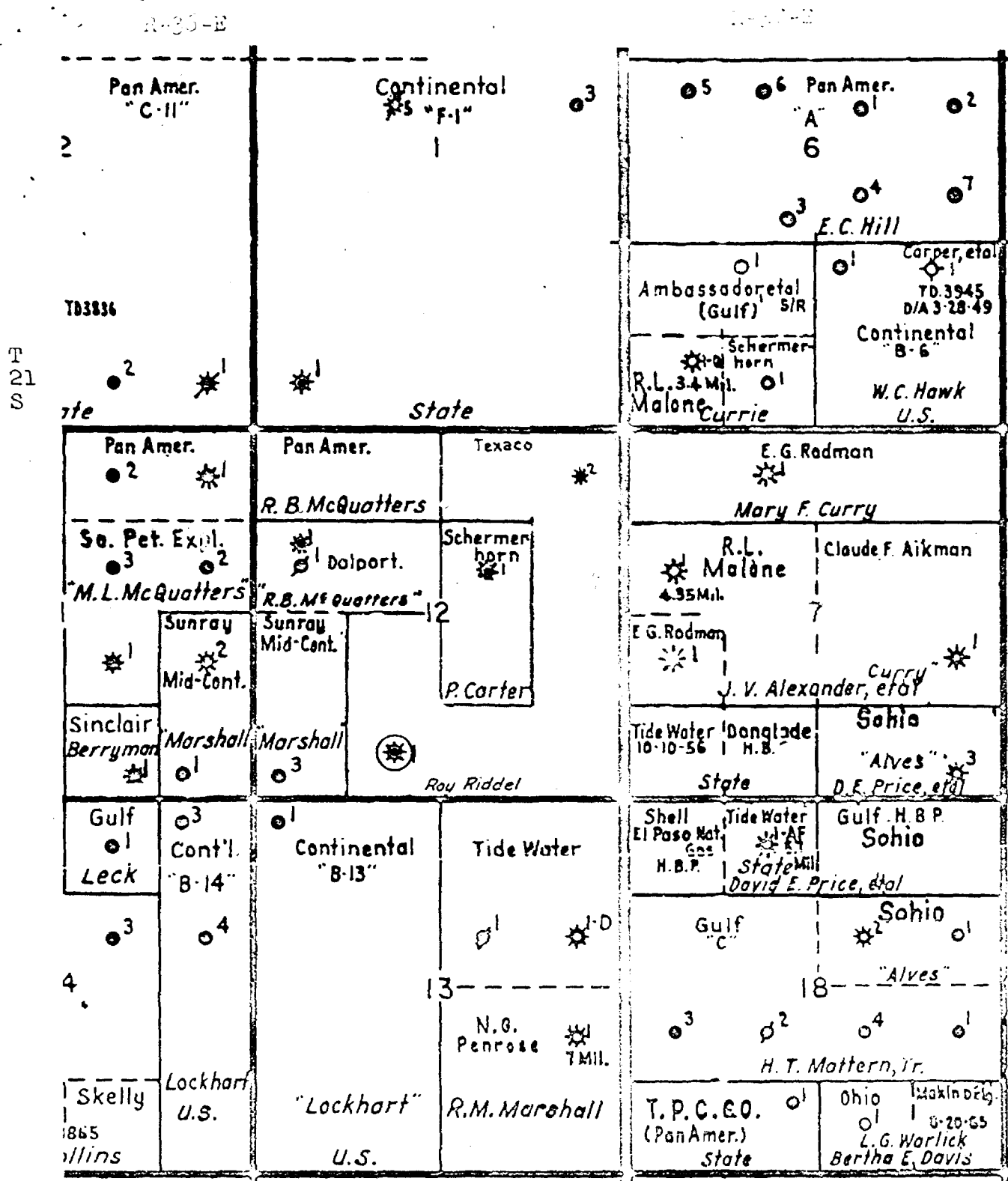
Attached is a copy of the ownership map for the Texaco Inc. Roy Riddel lease and the area immediately surrounding this lease. Also attached is a list of the offset operators and their mailing addresses. It is respectfully requested that this application for a non-standard 320-acre gas proration unit be approved administratively.

Yours very truly,



C. R. Black
Division Proration Engineer

CRB-MM
Attach.



Ownership Map
Texaco Inc.
Roy Riddel Lease
Eumont Gas Pool
Lea County, New Mexico
Scale 1" = 2000'

OFFSET OPERATORS
TEXACO INC. ROY RIDDEL LEASE
LEA COUNTY, NEW MEXICO

Continental Oil Company
P. O. Box 427
Hobbs, New Mexico

Dalport Oil Corporation
930 Fidelity Union Life Bldg.
Dallas, Texas

R. L. Malone
c/o F. J. Danglade Estate
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Pan American Petroleum Corp.
P. O. Box 68
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Shell Oil Company
P. O. Box 1858
Roswell, New Mexico

Sunray DX Oil Company
P. O. Box 128
Hobbs, New Mexico

Tidewater Oil Company
P. O. Box 547
Hobbs, New Mexico

-2-

Docket No. 11-63

4, Township 21 South, Range 36 East, Lea County, New Mexico, to observe pressure behavior and to transfer said well's allowable to other wells on said lease for a period not to exceed 90 days.

CASE 2785: Application of DOB Oil Properties, Inc., for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Northeast Anderson Ranch Unit Area, comprising 1680 acres of State land in Township 15 South, Range 32 East, Lea County, New Mexico.

CASE 2786: Application of Apache Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Maljamar North Unit Area, comprising 1600 acres of State land in Township 16 South, Ranges 32 and 33 East, Lea County, New Mexico.

CASE 2787: 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 John R. Thompson Well No. 1 at a point 1980 feet from the South line and 330 feet from the West line of Section 23, Township 11 South, Range 33 East, North Bagley-Wolfcamp P.O., Lea County, New Mexico.

CASE 2788: Application of Ralph Lowe for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of his Indian Basin "A" Well No. 1, located in Unit J of Section 22, Township 21 South, Range 23 East, Eddy County, New Mexico, as a dual completion (conventional) to produce gas from the Indian Basin-Upper Pennsylvanian Gas Pool and the Indian Basin-Morrow Gas Pool through parallel strings of tubing.

CASE 2789: Application of Sam Boren Oil for a salt water disposal dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Robinson Well No. 1, located in Unit H, Section 23, Township 9 South, Range 33 East, Lea County, New Mexico, in such a manner as to produce oil from the Bough "C" zone of the Pennsylvanian formation and to dispose of produced salt water through the intermediate casing annulus into the open-hole interval from 4184 feet to approximately 5700 feet.

No. 11-63

DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 10, 1963

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

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

- CASE 2780: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Petroleum Consultants and all other interested parties to appear and show cause why the State Well No. 1 located 660 feet from the South and East lines of Section 2, Township 1 North, Range 20 East, De Baca County, New Mexico, should not be plugged in accordance with a Commission-approved plugging program.
- CASE 2781: Application of John H. Trigg Company for three water injection wells, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to convert its Federal Trigg Wells Nos. 17-9, 26-9, and 28-9, located in Units N, L, and D respectively, Section 9, Township 14 South, Range 31 East, Caprock-Queen Pool, Chaves County, New Mexico, to water injection off-setting Phillips Petroleum Company's West Caprock waterflood project.
- CASE 2782: Application of Texaco Inc., for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 320-acre non-standard gas proration unit comprising the E/2 SW/4, S/2 SE/4, NE/4 SW/4, E/2 NE/4, and NW/4 NE/4 of Section 12, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, to be dedicated to its Roy Riddel Well No. 1 located in Unit N of Section 12.
- CASE 2783: Application of Pan American Petroleum Corporation for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of its Southland Royalty "A" Well No. 8, located in Unit W, Section 4, Township 21 South, Range 37 East, Lea County, New Mexico, as a triple completion (conventional) to produce oil from the Blinbry Oil Pool, Tubb Gas Pool, and Drinkard Pool through parallel strings of tubing.
- CASE 2784: Application of Continental Oil Company for authority to conduct interference tests, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to shut-in one Oil Center Blinbry well on its Meyer B-4 Lease, Section

DRAFT

JMD/esr
May 1, 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:

5-2-63
CASE No. 2782

Order No. R- 2477

APPLICATION OF TEXACO INC.
FOR A NON-STANDARD GAS PRO-
RATION UNIT, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on April 10, 1963, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this day of May, 1963, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, and being fully advised in the premises,

FINDS:

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

(2) That the applicant, Texaco Inc., seeks approval of a 320-acre non-standard gas proration unit comprising the E/2 SW/4, S/2 SE/4, NE/4 SE/4, E/2 NE/4, and NW/4 NE/4 of Section 12, Township 21 South, Range 36 East, NMPM, Eumont Gas Pool, Lea County, New Mexico, to be dedicated to its Roy Riddel Well No. 1, located in Unit N of said Section 12.

(3) That the proposed non-standard gas proration unit consists of contiguous quarter-quarter sections and lies wholly within a single governmental section.

(4) That the entire non-standard gas proration unit may reasonably be presumed to be productive of gas from the Eumont Gas Pool.

(5) That the length or width of the proposed non-standard gas proration unit does not exceed 5,280 feet.

(6) That approval of the subject application will not cause waste or impair correlative rights if the Roy Riddel Well No. 2, located 660 feet from the North line and 657 feet from the East line of Section 12, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, is abandoned in the Eumont Gas Pool.

(7) That the proposed non-standard proration unit should be approved effective May 1, 1963, and that the production status of the non-standard proration unit should be the combined production status of the two wells formerly dedicated to this acreage as of ~~May 1~~ ^{April 30}, 1963.

IT IS THEREFORE ORDERED:

(1) That a non-standard gas proration unit in the Eumont Gas Pool comprising the N/2 NE/4, SE/4 NE/4, W/2 SE/4, SW/4 SE/4, and E/2 SW/4 of Section 12, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby established and dedicated to the Texaco Inc. Roy Riddel Well No. 1, located 661 feet from the South line and 1980 feet from the West line of said Section 12.

PROVIDED HOWEVER, That the Roy Riddel Well No. 2, located 660 feet from the North line and 657 feet from the East line of Section 12, Township 21 South, Range 36 East, NMPM, Lea County,

New Mexico, shall be abandoned in the Eumont Gas Pool *and a notice of this connection filed with the Commission's Santa Fe District Office.*

(2) That this order shall be effective May 1, 1963, and that the production status of the non-standard proration unit created by this order shall be the combined production status of the two wells formerly dedicated to this acreage as of ~~May 1~~ ^{April 30}, 1963.

(3) That Orders Nos. R-621 and R-622 are hereby superseded.

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

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

State of New Mexico
Oil Conservation Commission



May 3, 1963

Re: Case No. 2782
Order No. R-2477
Applicant:

TEXACO INC.

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

OTHER _____

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 4/24/63

CASE 2782

Hearing Date 9am 4/10/63
DSN @ SF

My recommendations for an order in the above numbered cases are as follows:

Enter an order approving TEXACO's proposed non-stk gas proration unit in Emmont Gas Pool. Unit is described as N/2 NE/4, SE/4 NE/4, SE/2 SE/4, SW/4 SE/4, & E/2 SW/4 of Sec 12, Twp 21 S, Rge 36 E Lea Co., N. Mex. Unit is to be dedicated to Ray Riddel Well No 1 located 661' FSL & 1480' FWC of said Section 12.

Find:

1. That the acreage may reasonably be presumed to be production of gas from the Emmont Gas Pool
2. The proposed non-stk gas proration unit consists of contiguous quarter-quarter sections and lies wholly within a single governmental section.
3. That Orders R-621 & R-622 should be superseded.

Provide that the order shall become effective May 1 and that the ~~new~~ production status of the new unit shall be the combined status of the two wells formerly dedicated to this acreage as of May 1, 1963.

The wells are the

Ray Riddel No 1 loc as above

Ray Riddel No 2 loc 660' FSL

& 657' FWC of Sec 12.

Provide further that the above described Ray Riddel No 2 shall be abandoned ~~in~~ the Emmont Gas Pool

DRAFT

JMD/esr
May 8, 1963

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

CASE No. 2782
Order No. R-2477-A

APPLICATION OF TEXACO INC.
FOR A NON-STANDARD GAS PRO-
RATION UNIT, LEA COUNTY,
NEW MEXICO.

NUNC PRO TUNC ORDER

BY THE COMMISSION:

It appearing to the Commission that due to clerical error,
Order No. R-2477, dated May 3, 1963, does not correctly state the
intended order of the Commission,

IT IS THEREFORE ORDERED:

(1) That Paragraph (1) on Page 2 of Order No. R-2477, dated
May 3, 1963, is hereby corrected to read as follows:

"(1) That a 320-acre non-standard gas proration unit in the
Eumont Gas Pool comprising the N/2 NE/4, SE/4 NE/4, E/2 SE/4,
SW/4 SE/4, and E/2 SW/4 of Section 12, Township 21 South, Range
36 East, NMPM, Lea County, New Mexico, is hereby established and
dedicated to the Texaco Inc. Roy Riddel Well No. 1, located 661
feet from the South line and 1980 feet from the West line of
said Section 12."

the correction set out hereinabove
(2) That ~~this order~~ shall be effective nunc pro tunc as of
May 1, 1963, *the effective date of Order No. R-2477.*

DONE at Santa Fe, New Mexico, on this _____ day of May,
1963.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman

E. S. WALKER, Member

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

Attn: Jim Barrett

Please Check Order No. R. 3477.
The area of the 320 acre
unit in the Order does
not agree with the
findings regarding the
SE/4, and is obviously
incorrect.

Thanks

Melba
BCC, Lakhs

2782

State of New Mexico
Oil Conservation Commission



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

Re: Case No. 2782
Order No. R-2477-A
Applicant:

Texaco Inc.

OTHER _____

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

CASE No. 2782
Order No. R-2477-A

APPLICATION OF TEXACO INC.
FOR A NON-STANDARD GAS PRO-
RATION UNIT, LEA COUNTY,
NEW MEXICO.

NUNC PRO TUNC ORDER

BY THE COMMISSION:

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IT IS THEREFORE ORDERED:

(1) That Paragraph (1) on Page 2 of Order No. R-2477, dated May 3, 1963, is hereby corrected to read as follows:

"(1) That a 320-acre non-standard gas proration unit in the Eumont Gas Pool comprising the N/2 NE/4, SE/4 NE/4, E/2 SE/4, SW/4 SE/4, and E/2 SW/4 of Section 12, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby established and dedicated to the Texaco Inc. Roy Riddel Well No. 1, located 661 feet from the South line and 1980 feet from the West line of said Section 12."

(2) That the correction set out hereinabove shall be effective nunc pro tunc as of May 1, 1963, the effective date of Order No. R-2477.

DONE at Santa Fe, New Mexico, on this 14th day of May, 1963.

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



**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. 2782
Order No. R-2477**

**APPLICATION OF TEXACO INC.
FOR A NON-STANDARD GAS PRO-
RATION UNIT, LEA COUNTY,
NEW MEXICO.**

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on April 10, 1963, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 3rd day of May, 1963, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, and being fully advised in the premises,

FINDS:

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

(2) That the applicant, Texaco Inc., seeks approval of a 320-acre non-standard gas proration unit comprising the E/2 SW/4, S/2 SE/4, NE/4 SE/4, E/2 NE/4, and NW/4 NE/4 of Section 12, Township 21 South, Range 36 East, NMPM, Eumont Gas Pool, Lea County, New Mexico, to be dedicated to its Roy Riddel Well No. 1, located in Unit N of said Section 12.

(3) That the proposed non-standard gas proration unit consists of contiguous quarter-quarter sections and lies wholly within a single governmental section.

(4) That the entire non-standard gas proration unit may reasonably be presumed to be productive of gas from the Eumont Gas Pool.

(5) That the length or width of the proposed non-standard gas proration unit does not exceed 5,280 feet.

(6) That approval of the subject application will not cause waste or impair correlative rights if the Roy Riddel Well No. 2,

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CASE No. 2782
Order No. R-2477

located 660 feet from the North line and 657 feet from the East line of Section 12, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, is abandoned in the Eumont Gas Pool.

(7) That the proposed non-standard proration unit should be approved effective May 1, 1963, and that the production status of the non-standard proration unit should be the combined production status of the two wells formerly dedicated to this acreage as of April 30, 1963.

IT IS THEREFORE ORDERED:

(1) That a 320-acre non-standard gas proration unit in the Eumont Gas Pool comprising the N/2 NE/4, SE/4 NE/4, W/2 SE/4, SW/4 SE/4, and E/2 SW/4 of Section 12, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby established and dedicated to the Texaco Inc. Roy Riddel Well No. 1, located 661 feet from the South line and 1980 feet from the West line of said Section 12.

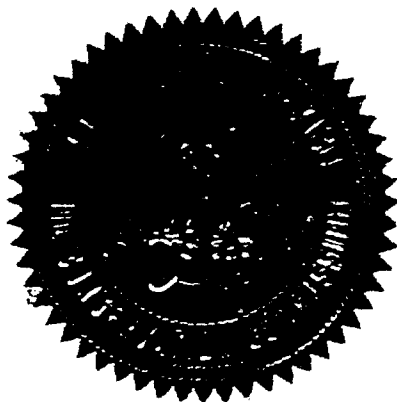
PROVIDED HOWEVER, That the Roy Riddel Well No. 2, located 660 feet from the North line and 657 feet from the East line of Section 12, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, shall be abandoned in the Eumont Gas Pool and a Notice of Disconnection filed with the Commission's Hobbs District Office.

(2) That this order shall be effective May 1, 1963, and that the production status of the non-standard proration unit created by this order shall be the combined production status of the two wells formerly dedicated to this acreage as of April 30, 1963.

(3) That Orders Nos. R-621 and R-622 are hereby superseded.

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

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



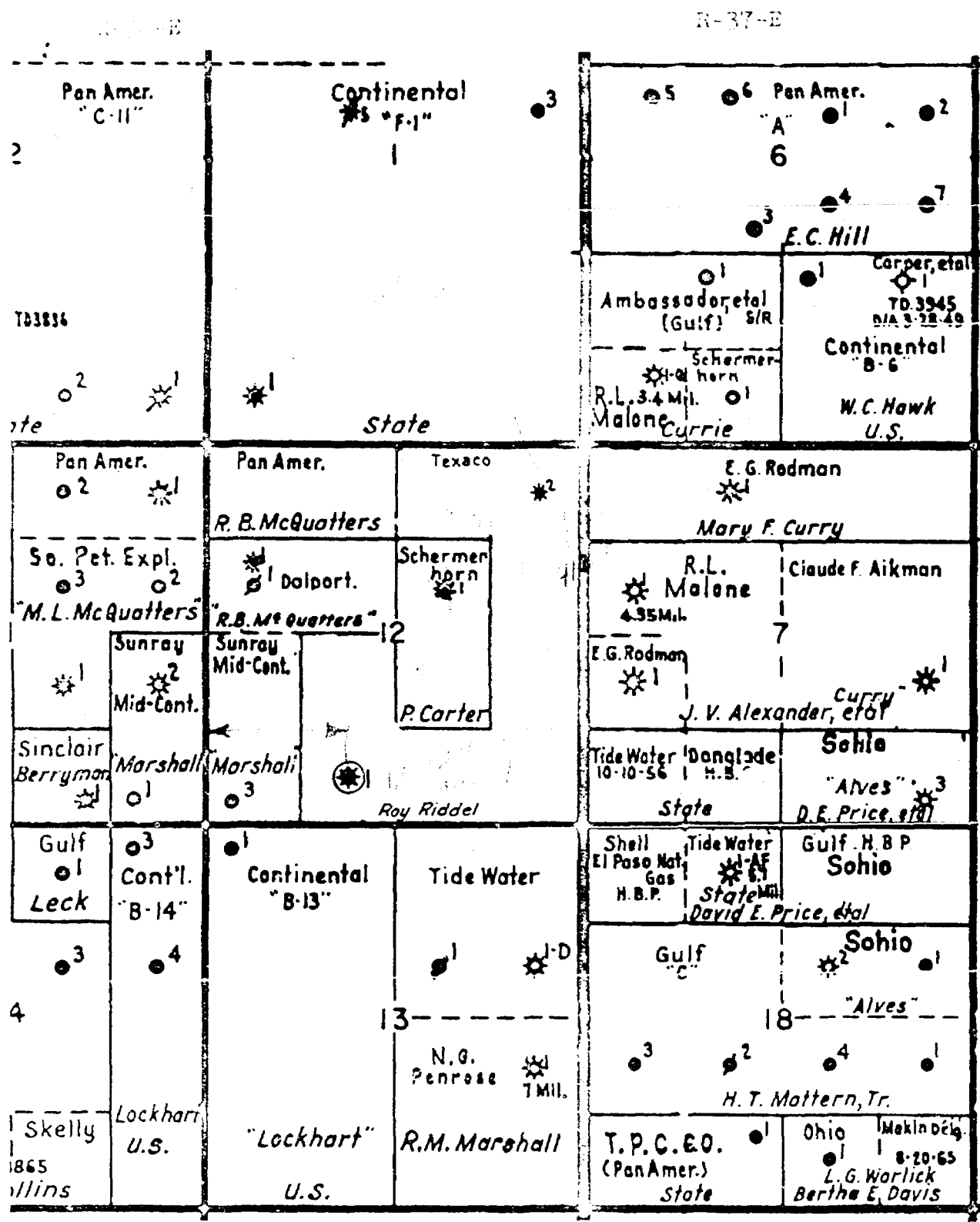
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STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Jack M. Campbell
JACK M. CAMPBELL, Chairman

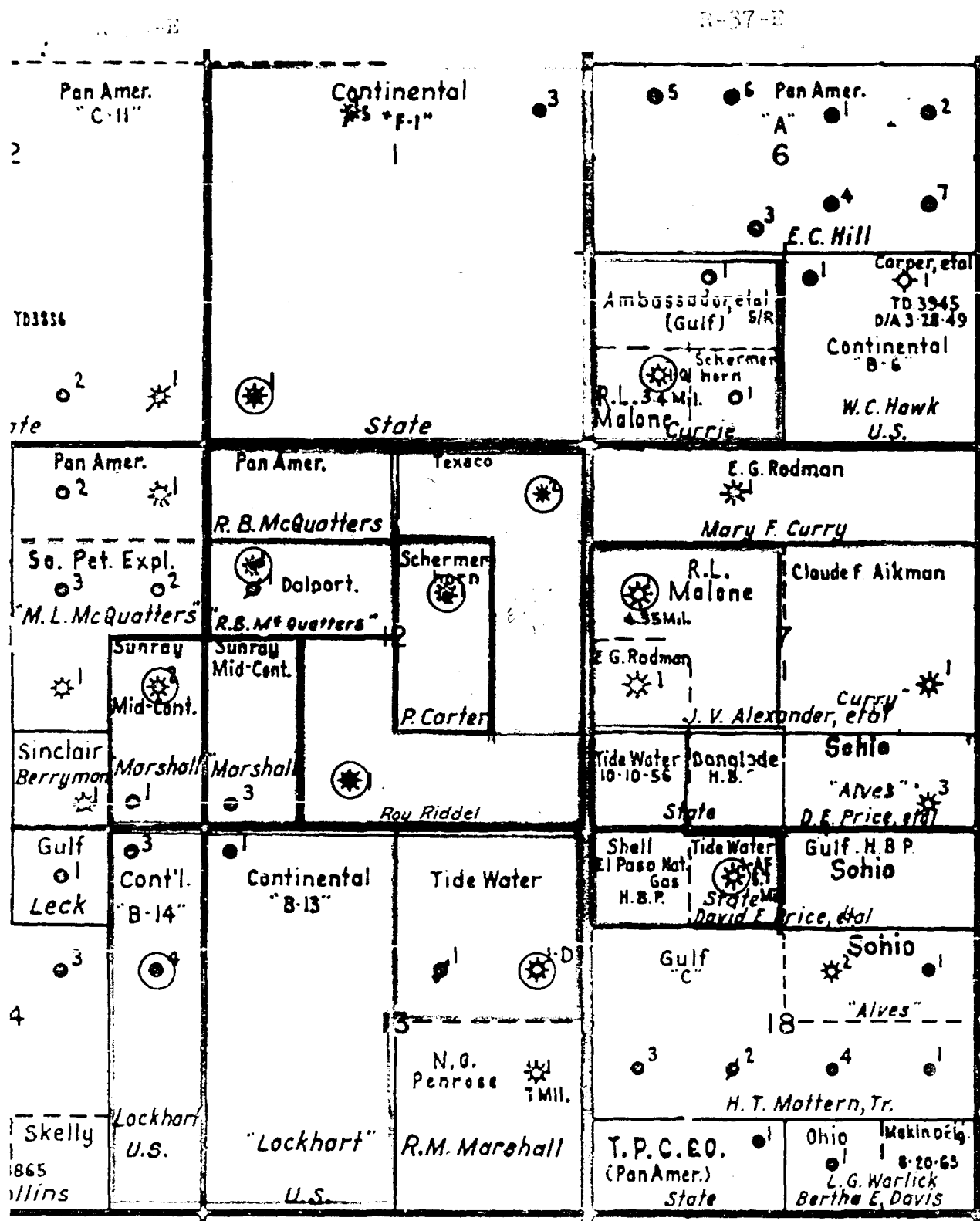
E. S. Walker
E. S. WALKER, Member

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



BEFORE EXAMINER NUTTER
 OIL CONSERVATION COMMISSION
 2782

Ownership Map
 Texaco Inc.
 Roy Riddel Lease
 Summit Gas Field
 Lea County, New Mexico
 Scale 1" = 2000'



BEFORE EXAMINED MUTTER

OIL COMPANY OF NEW MEXICO

LEA COUNTY, N.M. 2

CASE NO. 2782

Ownership Map
Texaco Inc.
Roy Riddel Lease
El Paso Gas Field
Lea County, New Mexico
Scale 1" = 2000'

GAS PRODUCTION
 TEXACO INC. ROY RIDDEL LEASE
 EUMONT GAS POOL
 LEA COUNTY, NEW MEXICO

Month 1962	Well No. 1		Well No. 2	
	Allow.	Frod.	Allow.	Prod.
Jan.	8,809	281	1,843	-
Feb.	5,289	32,492	1,843	433
March	4,852	87	1,843	152
April	6,123	18,254	1,843	247
May	6,533	85	1,843	608
June	4,661	13,414	1,843	237
July	5,035	208	1,843	365
Aug.	6,002	11,608	1,843	67
Sept.	5,588	1,408	1,843	234
Oct.	6,180	15,073	1,843	1,232
Nov.	6,539	224	608	1,644
Dec.	8,614	10,854	608	496
Total	74,225	103,988	19,646	5,715

BEFORE EXAMINER NUTTER
 OIL CONSERVATION COMMISSION
 EXHIBIT NO. 3
 CASE NO. 2782

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 983-3971

ALBUQUERQUE, N. M.
PHONE 243-6591

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
April 10, 1963

EXAMINER HEARING

IN THE MATTER OF:

Application of Texaco Inc., for a non-
standard gas proration unit, Lea County,
New Mexico. Applicant, in the above-
styled cause, seeks approval of a 320-
acre non-standard gas proration unit
comprising the E/2 SW/4, S/2 SE/4,
NE/4 SE/4, E/2 NE/4, and NW/4 NE/4 of
Section 12, Township 21 South, Range
36 East, Eumont Gas Pool, Lea County,
New Mexico, to be dedicated to its Roy
Riddel Well No. 1 located in Unit N of
Section 12.

Case 2782

BEFORE: Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

MR. NUTTER: We will call Case 2782.

MR. DURRETT: Application of Texaco Inc., for a non-
standard gas proration unit, Lea County, New Mexico.

MR. WHITE: If the Examiner please, Charles White,
Gilbert, White & Gilbert, Santa Fe, New Mexico, appearing on be-
half of the applicant. We have one witness, Mr. Black, to be
sworn at this time.

(Witness sworn.)



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PHONE 243-6691

C. R. BLACK

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

DIRECT EXAMINATION

BY MR. WHITE:

Q Will you state your full name for the record, please?

A I am C. R. Black, employed by Texaco Incorporated as Division Proration Engineer out of Midland, Texas.

Q Have your professional qualifications been previously accepted by the Commission?

A Yes, they have.

Q Are you familiar with the application pending in the case now before the Examiner?

A Yes, I am.

Q Will you briefly state the application?

A This is the application of Texaco for 320-acre non-standard gas proration unit to be dedicated to our Roy Riddel Well No. 1. This will be a 320-acre unit in the Eumont Gas Pool which has as a normal unit requirement 640 acres.

Q Mr. Black, did Texaco make application for this approval by administrative approval?

A Yes, sir. Our letter of March 8, 1963, which was sent to the Commission, we made application for administrative



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approval of this non-standard unit.

Q What action did the Commission take, if any?

A By letter of March 12, 1963 the Commission advised this matter would have to be set for hearing due to the fact that the location of Well No. 1 was not a standard location for a 320-acre unit in this gas pool.

(Whereupon, Applicant's Exhibits Nos. 1, 2 and 3 were marked for identification.)

Q Mr. Black, will you refer to what has been marked Exhibit No. 1 and explain it, please?

A Exhibit No. 1 is an ownership map showing the Texaco Roy Riddel lease bordered in yellow and the subject well circled in red. It also shows the offsetting leases and wells completed in this area.

Q What is the required spacing for 320-acre unit in the Eumont Gas Pool?

A The required spacing is 660 feet from one lease line and 1980 from another lease line for 320-acre units.

Q What is the actual location of your Roy Riddel Well No. 1?

A It's actually 660 feet east of the West line of our lease and it's 661 feet from the South line of the lease, so it's not in accord with the required spacing rules.



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PHONE 243.6641

Q When was the well drilled?

A It was completed on January 20, 1953.

Q What were the rules, then?

A Well, at that time there were no explicit spacing rules for the Eumont Pool. They were established for Order R-520 on August 12 of '54, and this order established spacing rules for the Eumont Gas Pool.

Q Was this an unorthodox location when the well was originally drilled?

A No, sir, it was not.

Q Is the unorthodox location for 160-acre unit to which the well is currently assigned?

A No, sir, it is an orthodox location for 160-acre unit.

Q Will you now describe your proposed unit?

A Well, the proposed 320-acre unit to be assigned is the area bordered by yellow. It includes the entire lease. The legal description of that is the North Half of the Northeast Quarter, the Southeast Quarter of the Northeast Quarter, the Northeast Quarter of the Southeast Quarter, the South Half of the Southeast Quarter and the East Half of the Southwest Quarter of Section 12, Township 21 South, Range 36 East, Lea County, New Mexico.

Q Would you give a brief history of these two wells?



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A Yes, sir, Well No. 1 was completed on January 20, 1953. The 5½" casing was perforated from 3510 to 3625, these perforations were treated with 500 gallons of acid and the well flowed 522 MCF of gas per day. The well was shut in, and then on December 12, 1954 it was worked over and these same perforations were fractured with 6,000 gallons of fluid carrying 6,000 pounds of sand, and the well repotentialled for 4.66 million cubic feet. It was then placed on production selling gas to Northern Natural Gas Company, or at that time the Permian Basin Pipeline Company. It has been top allowable since that date, and the cumulative production as of January 1st, 1963 was 1,031,210 MCF.

Well No. 2 was completed in 1955 on June 1st; it was completed through the open hole interval 3530 to 3676. It was acidized with 500 gallons of acid and fractured with 10,000 gallons of refined oil carrying 10,000 pounds of sand. It flowed 3.42 million on initial potential. It was worked over on March 12, 1957, at that time it was fractured with 20,000 gallons. It repotentialled for 1.7 million. The cumulative production as of January 1st, 1963 is 399,411 MCF.

Q Mr. Black, will you refer to and explain Exhibit No. 2?

A Exhibit No. 2 is the same ownership map that was presented in Exhibit No. 1 except on this exhibit we have colored



or circled in red all of the existing Eumont Gas wells completed in this immediate area. We have also shown the proration units assigned to these wells by bordering them in green.

Q Have any previous Commission orders been issued in regard to these two wells?

A Yes, sir, Orders R-621 and R-622, both dated April 20, 1955, approved the 160-acre non-standard units now assigned to Wells No. 2 and No. 1. These units are shown on this plat. These orders were the result of a hearing held March 16, 1955 and were covered in Cases 854 and 855.

Q Mr. Black, I note on Exhibit 2, your E. G. Rodman Well No. 1 located east of Texaco's Well No. 2 is not shown as a Eumont gas producer. Will you comment on that, please?

A We examined the proration schedule for the Eumont Gas Pool in detail to determine if this well produced from the Eumont Gas Pool. We could not find the well located either under Mr. Rodman's name or located by location, such as unit, section, township and range. Our information in our Geological Department was incomplete on this well and we do not know whether this well is at the present time, has in the past, or has ever been produced from the Eumont Gas Pool.

Q Will you now point out to the Examiner the top allowable wells adjoining your lease?

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A Yes, sir. At the present time all of the wells shown circled in red on this exhibit, with the exception of the Texaco Roy Riddel Well No. 2 located in the Northeast Quarter, Northeast Quarter of Section 12 and the Ross Malone Curry Well No. 1 located in the Southwest Quarter, Southwest Quarter, Section 6, are top allowable. These two wells are marginal allowable wells.

Q Then the entire lease, except for the Rodman lease on which you have no information, is directly offset by acreage assigned to top allowable wells?

A Yes, sir, except for the 1320-foot strip, the entire 320 proposed unit is directly offset by acreage that is, in turn, assigned to top allowable Eumont gas wells.

Q Will you explain Exhibit 3, please?

A Exhibit No. 3 is a tabulation of the gas production for these two wells on Texaco's Roy Riddel lease for the year 1962. It will be noted that Well No. 1 had a total allowable in 1962 of 74,225 cubic feet, actual production was 103,000,988 cubic feet, and as stated previously, the cumulative production as of January 1st, 1963 from this well is 1,031,210 MCF.

Well No. 2 had a marginal allowable of 19,000,646 cubic feet. The actual production was 5,715,000 cubic feet of gas or it was under-produced some 13,000,000 cubic feet. The cumulative production on Well No. 2 as of January 1st, 1963 is 399,411 MCF.



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Q I notice that in Well No. 2 in August the production dropped to 67 MCF; however, in October it increased to 1232, and in November, 1644. Did you do any workover on the well to bring about the increase in production?

A No, sir, there has been no workover on this well since 1957. This is due primarily to the production of the well.

Q As to Well No. 1, production in February was 32,492, which is nearly one-half of its total allowable for the year. What deductions do you draw from this?

A As you say, this is nearly one-half of the total allowable for the year, so this points out to us that this well is certainly capable of producing at a full allowable that would be assigned to it on 320 acres.

Q Do you believe that all the acreage underlying the lease is productive of gas?

A Yes, I do. I don't think there's any question that all of the acreage is productive of gas in the Eumont Pool.

Q If the proposed order is granted, do you intend to plug Well No. 2?

A Yes, we will plug and abandon Well No. 2 if we are granted approval to assign the 320 acres to Well No. 1.

Q Will this bring about any economic savings?

A Yes, sir, it would bring about some economic savings.



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Q Is Texaco the sole owner of the lease?

A No, sir, Cities Petroleum owns a 25% working interest in this lease.

Q Have they approved or agreed to this proposal?

A Yes, sir, prior to making application to the Commission we contacted Cities Service with regard to our proposal, and they endorsed it and gave us their approval.

Q In your opinion will the granting of this application be in the interest of conservation and the prevention of waste?

A Yes, sir, it will.

Q Were these exhibits prepared by you or under your direction?

A Yes, they were.

MR. WHITE: At this time we offer the Exhibits 1, 2 and 3 in evidence.

MR. NUTTER: Texaco's Exhibits 1, 2 and 3 will be admitted in evidence.

(Whereupon, Applicant's Exhibits Nos. 1, 2 and 3 were offered and admitted in evidence.)

MR. WHITE: That completes our direct examination.

MR. NUTTER: Are there any questions?

MR. DURRETT: Yes, sir, I have a question or two.



CROSS EXAMINATION

BY MR. DURRETT:

Q Is it your opinion that the Roy Riddel Well No. 1 can in fact drain the East Half of the East Half of Section 12 and also it looks like it would be the North Half of the Northeast Quarter of Section 12? In other words, the acreage that was previously assigned to your Roy Riddel Well No. 2, is it your opinion that the Roy Riddel Well No. 1 can, in fact, drain that acreage?

A I believe -- the Commission, of course, has established 640-acre units and established a fact that a well is capable of draining 640 acres. I would only be presumptuous to assume that only the area under this lease would be drained by Well No. 1. However, it would be acreage that is productive that could be attributable to our well, and therefore, I think it would be a reasonable production unit for the well.

Q Well, proceeding along this same line, I'm referring now to the Schermerhorn Well No. 1, I believe it is --

A Yes.

Q -- which lies directly between the two subject wells we are talking about here today. What formation is that well completed in?

A It's completed in the Eumont Gas Pool, the same as the



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two Texaco wells.

Q Do you have any idea of its production history?

A Yes, sir, I have the cumulative production from that well as of January 1st. It's accumulated 447,104 MCF of gas. It currently has a top allowable for April of 3,084 MCF. It has an 80-acre unit assigned to it.

Q But if the Roy Riddel Well No. 1 were, in fact, to drain the acreage that is assigned presently to your Well No. 2, it would almost have to drain that acreage in a circular route, would it not?

A That's correct.

MR. DURRETT: Thank you.

BY MR. NUTTER:

Q What is the status of the No. 2 Well?

A At the present time it is a marginal well that is producing. Its current allowable for April is 1644 MCF.

Q Does it carry any underproduction or overproduction?

A It had underproduction as of January 1st for the year 1962 of 13,931,000. Now, some of this has been balanced out in view of the six-month balancing period, but it is currently under-produced.

Q What is the status of the Well No. 1?

A The Well No. 1 actually did not produce during the



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month of March because it is overproduced and it is apparently balancing out for the overproduction it accrued in 1962.

Q Do you have the allowable production figures for January, February, March, 1963 for that well?

A No, sir, I have the allowable figures for January, February and March of '63 for these wells and the production figures for January and February.

Q Would you give me the figures for No. 1?

A The No. 1 in January had an allowable of 9,991 MCF; February, 8,816 MCF; March, 9,386 MCF. Production in January was 146 MCF; production in February was 15,429 MCF.

No. 2 well had an allowable for January, February and March of 608 MCF. It produced 448 MCF in January, and no production was reported for February.

Q It appears that the No. 1 well has customarily produced one month and then just a token amount of gas taken the following month.

A That seems to be the apparent procedure that's being followed by the pipeline company.

Q What was its status as of December 31 as far as overproduction was concerned?

A I don't have that figure, exactly what the overproduction was, but it was considerably overproduced.



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PAGE 14

MR. NUTTER: Are there any further questions of Mr. Black?

MR. DURRETT: Yes, sir, I have one other question.

BY MR. DURRETT:

Q Did you state on direct examination that the non-standard proration unit that is assigned to the No. 1 well and the non-standard proration unit that is assigned to the No. 2 well were established by hearing--

A Yes, sir, they were.

Q -- and order? Do you have the order number?

A Yes. Order R-621 dated April 20, 1955. This established a 160-acre unit for the No. 2 well. Order No. R-622 dated April 20, 1955 established the 160-acre unit for Well No. 1. It would be necessary that these orders be rescinded.

MR. NUTTER: Any further questions?

MR. WHITE: That concludes our presentation.

MR. NUTTER: The witness may be excused.

(Witness excused.)

MR. NUTTER: Does anyone have anything they wish to offer in Case 2782? We'll take the case under advisement.



STATE OF NEW MEXICO)
) ss
 COUNTY OF BERNALILLO)

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

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 22nd day of April, 1963.

Ada Dearnley
 Notary Public-Court Reporter

My commission expires:

June 19, 1963.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2782 heard by me on 4/10, 19 63.
[Signature]
 Examiner
 New Mexico Oil Conservation Commission

DEARNLEY-MEIER REPORTING SERVICE, Inc.

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