

CASE 2811; HEARING CALLED BY THE
OCC for the revision of RULE 402.

Hold -
for re-advertising
and re-opening
to while testing procedure
as usual as time for
posting June 19th

CASE No.
2811

Application,
TRANSCRIPTS,
SMALL Exhibits
ETC.

NEW MEXICO OIL CONSERVATION COMMISSION

EXHIBIT "A" - CASE No. 2811
June 19, 1963

RULE 402. METHOD AND TIME OF SHUT-IN PRESSURE TESTS

(a) Shut-in pressure tests shall be taken on all natural gas wells annually. Such tests shall be taken by the operator of the well during the months of July, August, and September unless otherwise specified by special pool rules and shall be reported to the District Office of the Commission on Form C-125 not later than October 15.

(b) Shut-in pressures shall be taken with dead weight gauge after a minimum shut-in period of 24 hours. When the shut-in period exceeds 24 hours, the length of time the well was shut in shall be reported to the Commission.

(c) The Secretary-Director may prescribe special shut-in pressure test procedures for pools when necessary in order to obtain more accurate pressure data.

No. 14-63

DOCKET: REGULAR HEARING - WEDNESDAY - MAY 15, 1963

OIL CONSERVATION COMMISSION - 9 A.M., ELKS CLUB, 200 NORTH RICHARDSON
AVENUE, ROSWELL, NEW MEXICO

- ALLOWABLE: (1) Consideration of the oil allowable for June, 1963.
- (2) Consideration of the allowable production of gas for June, 1963, from ten prorated pools in Lea and Eddy Counties, New Mexico, and also presentation of purchasers' nominations for said pools for the six-month period beginning July 1, 1963; consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba and Sandoval Counties, New Mexico for June, 1963.
- CASE 2802: Application of J. R. Cone for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Cone Jalmat Yates Pool Unit Area comprising 1,760 acres of State land in Township 22 South, Range 35 East, Lea County, New Mexico.
- CASE 2803: Application of J. R. Cone for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Yates formation, Jalmat Pool, through 4 wells located in Units J, L and N of Section 13, and Unit D of Section 24, Township 22 South, Range 35 East, Lea County, New Mexico.
- CASE 2804: Application of John W. Gates for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order force pooling all mineral interests in the White City-Pennsylvanian Gas Pool underlying all of Section 29, Township 24 South, Range 26 East, Eddy County, New Mexico.
- CASE 2805: Application of Newmont Oil Company for an amendment of Order No. R-2178-B. Applicant, in the above-styled cause, seeks an amendment of Order No. R-2178-B, which order established an administrative procedure for expansion by stages of the Loco Hills Sand Unit Waterflood Project, Eddy County, New Mexico. Said amendment is necessitated by unexpected delay in commencing initial injection in the unit area.
- CASE 2806: Application of Sun Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause,

seeks an order force pooling all mineral interests in the Oil-Center Blinebry Pool underlying the W/2 SW/4 of Section 3, Township 21 South, Range 36 East, Lea County, New Mexico.

CASE 2807: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider a revision of Rule 1301 of the Commission Rules and Regulations to include Grant, Sierra, Hidalgo, and Luna Counties in Oil Conservation Commission District No. 2, headquarters Artesia, New Mexico.

CASE 2808: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider a revision of Rule 112 of the Commission Rules and Regulations to permit the administrative approval by the Secretary-Director of the Commission of triple completions (conventional).

CASE 2809: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider a revision of Rule 701-B, 701-C, and 701-E of the Commission Rules and Regulations insofar as said rules relate to the method of making application for hearings or administrative approval for injection or disposal wells.

CASE 2810: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the revision of Rule 401 of the Commission Rules and Regulations to require open flow potential tests of natural gas wells upon completion and after workovers only rather than annually as now required.

CASE 2811: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the revision of Rule 402 of the Commission Rules and Regulations to require shut-in pressures of natural gas wells annually only rather than semi-annually as now required.

CASE 2812: Southeastern New Mexico nomenclature case calling for an order for the creation, contraction, abolishment, and extension of certain pools in Chaves, Eddy, Lea, and Roosevelt Counties, New Mexico.

(a) Create a new gas pool for Strawn production, designated as the Antelope Sink-Strawn Gas Pool, and described as:

TOWNSHIP 18 SOUTH, RANGE 23 EAST, NMPM
Section 30: All

- (b) Create a new oil pool for Abo production, designated as the Midway-Abo Pool, and described as:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM

Section 9: S/2
Section 16: NW/4
Section 17: NE/4

- (c) Create a new oil pool for San Andres production, designated as the Penasco-San Andres Pool, and described as:

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM

Section 25: NW/4

- (d) Contract the Robinson (Grayburg-San Andres) Pool in Eddy and Lea Counties, New Mexico, by deletion of the following-described acreage in Eddy County:

TOWNSHIP 16 SOUTH, RANGE 31 EAST, NMPM

Section 25: S/2 and S/2 NE/4
Section 35: All
Section 36: All

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM

Section 1: S/2 and E/2 NW/4
Section 2: All
Section 11: E/2 and N/2 NW/4

- (e) Abolish the North Robinson-Queen-Grayburg-San Andres Pool in Eddy County, described as:

TOWNSHIP 16 SOUTH, RANGE 31 EAST, NMPM

Section 24: NE/4

- (f) Extend the Grayburg-Jackson Pool to include:

TOWNSHIP 16 SOUTH, RANGE 31 EAST, NMPM

Section 24: W/2 SE/4 and SW/4 NE/4
Section 25: S/2 and NE/4
Section 35: All
Section 36: All

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM

Section 1: N/2 and E/2 SE/4
Section 2: All
Section 11: All

- (g) Extend the Artesia Pool to include:

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM
Section 24: SE/4

- (h) Extend the Corral Canyon-Delaware Pool to include:

TOWNSHIP 25 SOUTH, RANGE 30 EAST, NMPM
Section 17: W/2 SW/4
Section 20: NW/4 NW/4

- (i) Extend the Henshaw-Wolfcamp Pool to include:

TOWNSHIP 16 SOUTH, RANGE 30 EAST, NMPM
Section 23: SE/4

- (j) Extend the High Lonesome Pool to include:

TOWNSHIP 16 SOUTH, RANGE 29 EAST, NMPM
Section 20: E/2 E/2

- (k) Extend the Inbe-Pennsylvanian Pool to include:

TOWNSHIP 11 SOUTH, RANGE 34 EAST, NMPM
Section 18: W/2 NE/4 and NW/4

- (l) Extend the North Justis-Blinebry Pool to include:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
Section 2: S/2 NE/4 and SE/4

- (m) Extend the North Justis-Devonian Pool to include:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
Section 2: SW/4

- (n) Extend the North Justis-Tubb Drinkard Pool to include:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
Section 2: SW/4

- (o) Extend the Pearl-Queen Pool to include:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
Section 36: SE/4

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM
Section 1: N/2 NE/4

- (p) Extend the Sawyer-San Andres Gas Pool to include:

TOWNSHIP 9 SOUTH, RANGE 38 EAST, NMPM
Section 31: SE/4

- (q) Extend the Vacuum-Devonian Pool to include:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
Section 35: NE/4
Section 36: NW/4

- (r) Extend the Vacuum-Glorieta Pool to include:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
Section 36: SW/4

- (s) Extend the Wantz-Abo Pool to include:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 26: SW/4
Section 35: W/2

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 2: All

- (t) Extend the West Henshaw-Grayburg Pool to include:

TOWNSHIP 15 SOUTH, RANGE 30 EAST, NMPM
Section 33: S/2 SE/4
Section 34: SW/4 SW/4

- (u) Extend the Diablo-San Andres Pool to include:

TOWNSHIP 10 SOUTH, RANGE 27 EAST, NMPM
Section 21: NE/4 NE/4
Section 22: NW/4 NW/4

- (v) Extend the Windmill-San Andres Pool to include:

TOWNSHIP 15 SOUTH, RANGE 28 EAST, NMPM
Section 10: W/2 SW/4
Section 15: NW/4 NW/4

- (w) Extend the West Allison-Pennsylvanian Pool to include:

TOWNSHIP 8 SOUTH, RANGE 35 EAST, NMPM
Section 36: NE/4

- (x) Extend the Milnesand-San Andres Pool to include:

TOWNSHIP 8 SOUTH, RANGE 34 EAST, NMPM

Section 1: S/2 SE/4

Section 12: NE/4

Section 24: SW/4

TOWNSHIP 8 SOUTH, RANGE 35 EAST, NMPM

Section 5: N/2 SE/4

- (y) Extend the South Prairie-Pennsylvanian Pool to include:

TOWNSHIP 8 SOUTH, RANGE 36 EAST, NMPM

Section 15: SE/4

CASE 2813:

Northwestern New Mexico nomenclature case calling for an order extending certain existing pools in Rio Arriba, San Juan, and Sandoval Counties, New Mexico.

- (a) Extend the Aztec-Pictured Cliffs Pool to include:

TOWNSHIP 30 NORTH, RANGE 10 WEST, NMPM

Section 14: SW/4

Section 23: N/2

Section 24: NW/4

- (b) Extend the Blanco-Pictured Cliffs Pool to include:

TOWNSHIP 30 NORTH, RANGE 9 WEST, NMPM

Section 20: S/2

- (c) Extend the South Blanco-Pictured Cliffs Pool to include:

TOWNSHIP 23 NORTH, RANGE 2 WEST, NMPM

Section 2: All

Section 3: E/2

Section 11: All

Section 12: W/2

TOWNSHIP 27 NORTH, RANGE 5 WEST, NMPM

Section 34: SW/4

- (d) Extend the Blanco-Mesaverde Pool to include:

TOWNSHIP 32 NORTH, RANGE 5 WEST, NMPM

Partial Section 18: All

Partial Section 19: All

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Docket No. 14-63

- (e) Extend the Puerto Chiquito-Gallup Oil Pool to include:

TOWNSHIP 27 NORTH, RANGE 1 EAST, NMPM
Section 20: SE/4 SW/4

- (f) Extend the Verde-Gallup Oil Pool to include:

TOWNSHIP 31 NORTH, RANGE 15 WEST, NMPM
Section 10: SE/4 SW/4

iqg/

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

CASE No. 2811
Order No. R-2517

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION COMMISSION
ON ITS OWN MOTION TO CONSIDER THE
REVISION OF RULE 402 OF THE COMMISSION RULES AND REGULATIONS.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on June 19, 1963, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 15th day of July, 1963, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, 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 there is need for a revision of Rule 402 of the Commission Rules and Regulations to eliminate the necessity of conducting shut-in pressure tests on natural gas wells semi-annually, inasmuch as annual shut-in pressure tests will normally provide adequate data relative to gas pool pressures.

(3) That shut-in pressures should be taken with a dead weight gauge after a minimum shut-in period of 24 hours, provided however, that when the shut-in period exceeds 24 hours, the length of time the well was shut in should be reported to the Commission.

(4) That in order to provide for those cases where special shut-in pressure test periods and procedures are advisable, the Secretary-Director should have authority to prescribe such special schedules and procedures.

(5) That approval of the proposed rule change will enable the Oil Conservation Commission to more efficiently administer the laws of the State of New Mexico as they relate to conservation of oil and gas.

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CASE No. 2811
Order No. R-2517

IT IS THEREFORE ORDERED:

(1) That Rule 402 of the Commission Rules and Regulations be and the same is hereby revised to read in its entirety as follows:

RULE 402. METHOD AND TIME OF SHUT-IN PRESSURE TESTS

(a) Shut-in pressure tests shall be taken on all natural gas wells annually. Such tests shall be taken by the operator of the well during the month of July, August, or September unless otherwise specified by special pool rules or special directive. Tests shall be reported to the appropriate District Office of the Commission on Form C-125 not later than October 15 of the same year.

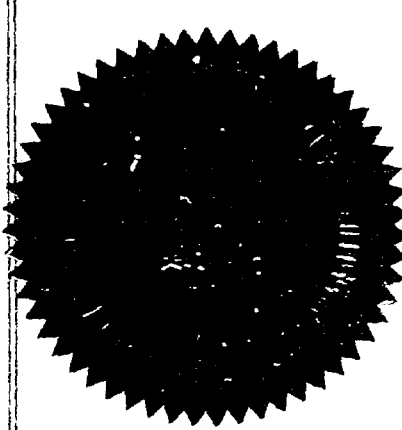
(b) Shut-in pressures shall be taken with a dead weight gauge after a minimum shut-in period of 24 hours. When the shut-in period exceeds 24 hours, the length of time the well was shut in shall be reported to the Commission.

(c) The Secretary-Director of the Commission may prescribe special shut-in pressure test periods and procedures for pools when he deems the same necessary in order to obtain more accurate pressure data.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


Jack M. Campbell
JACK M. CAMPBELL, Chairman

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

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

esr/

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BEFORE THE
OIL CONSERVATION COMMISSION
Roswell, New Mexico
May 15, 1963

IN THE MATTER OF:

The hearing called by the Oil Conserva-
tion Commission on its own motion to
consider the revision of Rule 402 of the
Commission Rules and Regulations to re-
quire shut-in pressures of natural gas
wells annually only rather than semi-
annually as now required.

Case 2811

BEFORE: Honorable Jack M. Campbell
Mr. A. L. "Pete" Porter
Mr. E. S. "Johnny" Walker

TRANSCRIPT OF HEARING

MR. PORTER: We will take up Case 2811.

MR. DURRETT: In the matter of the hearing called by
the Oil Conservation Commission on its own motion to consider the
revision of Rule 402 of the Commission Rules and Regulations to
require shut-in pressures of natural gas wells annually only
rather than semi-annually as now required.

If the Commission please, J. M. Durrett, Junior, appearing
for the Commission and its staff. Mr. Utz, our Chief Gas Engineer
who testified in the last case, will also present testimony in
this case, and he has been sworn.

MR. PORTER: The record will so show.



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EDWIN A. UTZ

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

DIRECT EXAMINATION

BY MR. DURRETT:

Q Mr. Utz, concerning our proposed revision of Rule 402, would you please give us a little background concerning the necessity for our proposed rule change and go into the major features of the change?

A The old Rule 402, as now in effect, requires that two shut-in pressures a year be taken on all gas wells in the State of New Mexico. It is my opinion that one shut-in pressure a year is sufficient for all gas wells, and this new rule will require that these annual pressures be taken during July, August and September, or as otherwise specified under special pool rules, and be reported not later than October 15 of each year on the appropriate form C-125.

It also requires, as the other rule did, that these shut-in pressures be taken after a minimum of 24 hours shut-in period. However, it does not preclude that the well be shut-in for longer than 24 hours, when it is shut-in 24 hours the shut-in time should be reported on the appropriate form, which is the C-125.

In addition to the wording in Section B of the proposed



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rule I would like to suggest that the wording of this nature be added, "the maximum pressure measured during the shut-in period shall be reported." I have no propriety of ownership on this particular wording, but I do think it should be in the rule.

Q Mr. Utz, your proposed Rule 402 is prepared in the form of an exhibit, is that correct?

A Yes, it is.

Q And that is Exhibit A?

A Exhibit A, Case 2811.

Q You would like to add to that exhibit the sentence that you just read into the record, is that correct?

A Yes, or wording to that effect.

Q Am I correct that we will be, in effect, cutting down on the number of tests that the operators have to file with the Commission?

A That is true. There ought to be only one test required a year instead of two, which by the way, has been actually the rule for the past three or four years by administrative construction.

Q This will give the Commission adequate information to base its action on?

A Yes, sir, I am sure it will.

Q Also in this case with the proposed Rule 402, Mr. Utz,



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Is it your opinion that this will enable the Conservation Commission to more effectively administer the laws of this state pertaining to the conservation of oil and gas?

A Yes, I think it will be just as effective as the old rule as far as administration is concerned.

Q Was Exhibit A prepared by you or under your supervision?

A Yes, it was.

MR. DURRETT: I move the introduction of Exhibit A at this time, and this concludes my examination of Mr. Utz.

MR. PORTER: Are there any objections to the admission of the exhibit? It will be admitted to the record.

(Whereupon, Commission's Exhibit A was introduced and admitted in evidence.)

MR. PORTER: Any questions of Mr. Utz concerning the proposed rule change? The witness may be excused.

(Witness excused.)

MR. PORTER: Does anyone have any statement or comment to make in connection with the case? Mr. Woodruff.

MR. WOODRUFF: Normal Woodruff, representing El Paso Natural Gas Company. Again we would concur with Mr. Utz' recommendation for the change in the rules, also his additional phrase that the maximum pressure be reported. However, I would like to suggest in addition, wording for your consideration which



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I think may add to the value of the information that is received. If I may, I will read sub paragraph (b) where this would be included.

MR. PORTER: Would you come down to the microphone?

MR. WOODRUFF: Sub paragraph (b) of Rule 402 would be the same relative to the first sentence in my recommendation. As to the second sentence, it would read as follows: "When the shut-in period exceeds 24 hours, the length of time the well was shut-in, plus the maximum pressure obtained, shall be reported. Adequate intermediate pressures shall be reported to indicate the well's pressure performance in instances where the final pressure obtained is not a maximum pressure obtained. This information shall be reported to the Commission."

MR. PORTER: Thank you, Mr. Woodruff. Mr. Utz, do you have any comments on Mr. Woodruff's statement you would like to make for the record?

MR. UTZ: No, I have no comments except I think it's a good idea.

MR. PORTER: Does anyone else have anything to offer in this case? The Commission will take the case under advisement.



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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 Roswell, 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 5th day of June, 1963.

Ada Dearnley
Notary Public-Court Reporter

My commission expires:

June 19, 1963.



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BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
June 19, 1963

REGULAR HEARING

IN THE MATTER OF:

The hearing called by the Oil Conservation Commission on its own motion to consider the revision of Rule 402 of the Commission Rules and Regulations to require shut-in pressure tests of natural gas wells annually only rather than semi-annually as now required.
Further, to provide a procedure whereby the Secretary-Director of the Commission, by administrative order could require specific procedures for testing in certain pools.

CASE NO.
2811

BEFORE:

Honorable Jack M. Campbell, Governor
E. S. "Johnny" Walker, Land Commissioner
A. L. "Pete" Porter, Secretary-Director

TRANSCRIPT OF HEARING

MR. PORTER: We will take up next Case 2811.

MR. DURRETT: Case 2811. In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the revision of Rule 402 of the Commission Rules and Regulations to require shut-in pressure tests of natural gas wells annually only rather than semi-annually as now required.

Further, to provide a procedure whereby the Secretary-Director



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of the Commission, by administrative order could require specific procedures for testing in certain pools.

If the Commission please, J. M. Durrett, Junior, appearing for the Commission and its staff. I will have one witness in this case, Mr. Utz, and I would like to swear him in at this time.

MR. PORTER: You may proceed, Mr. Durrett.

(Witness sworn.)

ELVIS A. UTZ

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

DIRECT EXAMINATION

BY MR. DURRETT:

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

A Elvis A. Utz, Engineer with the Oil Conservation Commission.

Q Mr. Utz, do you have a recommendation to make to the Commission concerning the proposed revision of Rule 402 of the Commission Rules and Regulations?

A Yes, I do. The old rule which has been on the books of the Commission for sometime, requires two shut-in pressures on all gas wells in the State a year, one in April, and the other in, I think it's April and May, and the other one October and November, or September and October. In my opinion, it is unnecessary to take two shut-in pressures a year on gas wells, and the main thing this



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change in the rule does, is to require only one shut-in pressure a year on gas wells to be taken in the months of July, August, and September. It also prescribes a method for most pools which I would call a general procedure, and the change today that I am going to recommend is an administrative procedure whereby the Secretary of the Commission may prescribe shut-in pressure tests for pools other than the regular test procedure when it is necessary in order to obtain more accurate pressure data.

I'll be happy to read this Rule in its entirety in the record, if you so desire.

Q Well, it is in the form of an exhibit, is it not, Mr. Utz?

A Yes.

Q And is that marked Exhibit "A"?

A Yes, it is.

Q One question, for the purpose of clarification on your proposal as to the Secretary-Director's power to prescribe special shut-in pressure test procedure, am I correct that you are proposing that that would be done by Administrative Order without the necessity of a hearing?

A That's true.

Q And, of course, you would also be proposing that there would be some provision for a review of his decision, or an appeal to the Commission, would that be correct?

A Yes, I think that's always understood.



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Q And also, Mr. Utz, for the purpose of straightening out the record as to the disposition of this case, Number 2811, up to this point, am I correct that this case was presented at the Regular Hearing in May in Roswell?

A Yes, it was.

Q And did you present testimony at that time?

A Yes, I did.

Q And then your testimony today substantially adds to your testimony in Roswell, but does not change it in substance, is that correct?

A Yes, that's true. It's my understanding that the scope of the advertisement did not allow us to consider any administrative procedures.

Q Mr. Utz, in your opinion, would the adoption of this rule as proposed enable the Oil Conservation Commission to more efficiently administer the laws of the State of New Mexico as it pertains to its official duties, and to more efficiently prevent waste and protect correlative rights as delegated by the Statute?

A Yes, I believe it will.

Q Thank you, Mr. Utz.

MR. DURRETT: If the Commission please, I would move the introduction of Exhibit "A" at this time, and that concludes my examination of Mr. Utz.

MR. PORTER: Without objection, the Exhibit will be admitted. Any questions of Mr. Utz?



(No response.)

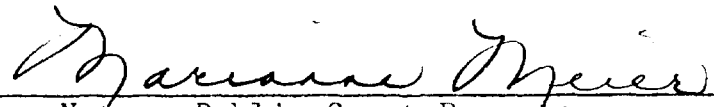
MR. PORTER: You may be excused. Anyone have anything further, any testimony or anything to offer in this case?

The Commission will take the case under advisement.

STATE OF NEW MEXICO)
) ss.
COUNTY OF BERNALILLO)

I, MARIANNA MEIER, 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 11th day of July, 1963.


Notary Public-Court Reporter.

My Commission Expires:

April 8, 1964.

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E X H I B I T S

<u>NUMBER</u>	<u>MARKED FOR IDENTIFICATION</u>	<u>OFFERED</u>	<u>ADMITTED</u>
Exhibit "A"	4	5	5



DOCKET: REGULAR HEARING - WEDNESDAY - JUNE 19, 1963
OIL CONSERVATION COMMISSION - 9 A.M. - MORGAN HALL, STATE LAND OFFICE
BUILDING, SANTA FE, NEW MEXICO

- ALLOWABLE: (1) Consideration of the oil allowable for July, 1963;
- (2) Consideration of the allowable production of gas for July, 1963, from ten prorated pools in Lea and Eddy Counties, New Mexico. Consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba and Sandoval Counties, New Mexico, for July, 1963, also presentation of purchasers' nominations for the six-month period beginning August 1, 1963 for that area.

CASE 2811: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the revision of Rule 402 of the Commission Rules and Regulations to require shut-in pressure tests of natural gas wells annually only rather than semi-annually as now required. Further, to provide a procedure whereby the Secretary-Director of the Commission, by administrative order could require specific procedures for testing in certain pools.

CASE 2812: Southeastern New Mexico nomenclature case calling for an order for the creation, abolishment, and the extension of the vertical and horizontal limits of certain pools in Lea, Eddy, and Roosevelt Counties, New Mexico.

- (a) Create a new oil pool for Pennsylvanian production, designated as the Estacado-Pennsylvanian Pool, and described as:

Township 14 South, Range 35 East, NMPM
Section 17: NE/4

- (b) Create a new oil pool for Pennsylvanian production, designated as the High Plains-Pennsylvanian Pool, and described as:

Township 14 South, Range 34 East, NMPM
Section 23: SW/4

- (c) Create a new gas pool for Strawn production, designated as the Hope-Strawn Gas Pool, and described as:

Township 18 South, Range 23 East, NMPM
Section 30: All

- (d) Create a new oil pool for Glorieta production, designated as the North Justis-Glorieta Pool, and described as:

Township 25 South, Range 37 East, NMPM
Section 1: NW/4

*Docket
mailed to
Norman Woodbury
6/17/63*

- (e) Create a new oil pool for Pennsylvanian production, designated as the Vacuum-Pennsylvanian Pool and described as:

Township 17 South, Range 34 East, NMPM
Section 26: NE/4

- (f) Create a new oil pool for San Andres production, designated as the West Milnesand-San Andres Pool, and described as:

Township 8 South, Range 34 East, NMPM
Section 20: NE/4

- (g) Abolish the West Pearl-Queen Pool, described as:

Township 19 South, Range 34 East, NMPM
Section 25: SW/4
Section 36: W/2

- (h) Extend the Pearl-Queen Pool, to include therein:

Township 19 South, Range 34 East, NMPM
Section 25: SW/4
Section 36: W/2

- (i) Extend the North Bagley-Wolfcamp Pool, to include therein:

Township 11 South, Range 33 East, NMPM
Section 23: SW/4

- (j) Extend the North Benson Queen-Grayburg Pool, to include therein:

Township 18 South, Range 30 East, NMPM
Section 28: S/2 SE/4

- (k) Extend the Jackson-Abo Pool to include therein:

Township 17 South, Range 30 East, NMPM
Section 22: NW/4 SE/4

- (l) Extend the Lane-Pennsylvanian Pool, to include therein:

Township 9 South, Range 33 East, NMPM
Section 23: NE/4
Section 24: W/2
Section 25: NW/4

- (m) Extend the Lusk-Strawn Pool, to include therein:

Township 19 South, Range 32 East, NMPM

Section 30: NW/4

- (n) Extend the East Millman Queen-Grayburg Pool, to include therein:

Township 19 South, Range 28 East, NMPM

Section 24: NW/4

Township 19 South, Range 29 East, NMPM

Section 6: SW/4

Section 7: NW/4 and N/2 SW/4

- (o) Extend the East Millman-Seven Rivers Pool, to include therein:

Township 19 South, Range 28 East, NMPM

Section 22: SE/4 NE/4 and N/2 NE/4

Section 23: NW/4

- (p) Extend the Oil Center-Blinebry Pool, to include therein;

Township 21 South, Range 36 East, NMPM

Section 4: Lots 2 and 7

- (q) Extend the vertical limits of the Red Lake (Grayburg-San Andres) Pool in Eddy County, to include the Queen formation underlying Unit H of Section 9, Unit E of Section 14, and Unit E of Section 15 only, all in Township 17 South, Range 28 East. Further to extend the horizontal limits of said pool to include therein:

Township 17 South, Range 28 East, NMPM

Section 16: W/2 NE/4

- (r) Extend the Vacuum-Abo Reef Pool, to include therein:

Township 17 South, Range 35 East, NMPM

Section 26: NW/4

Township 18 South, Range 34 East, NMPM

Section 12: N/2 NE/4

- (s) Extend the White City-Pennsylvanian Gas Pool, to include:

Township 24 South, Range 26 East NMPM

Section 20: W/2

Section 29: W/2 and SE/4

DRAFT

DSN/esr
July 10, 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. 2811

Order No. R-2517

7-11-63
IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION COMMISSION
ON ITS OWN MOTION TO CONSIDER THE
REVISION OF RULE 402 OF THE COMMISSION RULES AND REGULATIONS.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on June 19, 1963, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this _____ day of July, 1963, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, 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 there is need for^a/revision of Rule 402 of the Commission Rules and Regulations to eliminate the necessity of conducting shut-in pressure tests on natural gas wells semi-annually, inasmuch as annual shut-in pressure tests will normally provide adequate data relative to gas pool pressures.

(3) That shut-in pressures should be taken with a dead weight gauge after a minimum shut-in period of 24 hours, provided however, that when the shut-in period exceeds 24 hours, the length of time the well was shut in should be reported to the Commission.

(4) That in order to provide for those cases where special shut-in pressure test periods and procedures ~~features~~ are advisable, the Secretary-Director should have authority to prescribe such special schedules and procedures.

(5) That approval of the proposed rule change will enable the Oil Conservation Commission to more efficiently administer the laws of the State of New Mexico as they relate to conservation of oil and gas.

IT IS THEREFORE ORDERED:

(1) That Rule 402 of the Commission Rules and Regulations be and the same is hereby revised to read in its entirety as follows:

RULE 402. METHOD AND TIME OF SHUT-IN PRESSURE TESTS

(a) Shut-in pressure tests shall be taken on all natural gas wells annually. Such tests shall be taken by the operator of the well during the months of July, August, ^{or} and September unless otherwise specified by special pool rules or special directive. Tests shall be reported to the ^{appropriate} District Office of the Commission on Form C-125 not later than October 15 of the same year.

(b) Shut-in pressures shall be taken with a dead weight gauge after a minimum shut-in period of 24 hours. When the shut-in period exceeds 24 hours, the length of time the well was shut in shall be reported to the Commission.

(c) The Secretary-Director of the Commission may prescribe special shut-in/^{pressure}test periods and procedures for pools when he deems the same necessary in order to obtain more accurate pressure data.

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

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

DRAFT

JMD/esr
July 17, 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 2863

Order No. R- 2536

IN THE MATTER OF THE HEARING CALLED BY THE
OIL CONSERVATION COMMISSION ON ITS OWN MOTION
TO PERMIT ALL OPERATORS IN THE SOUTH LANE-
PENNSYLVANIAN, MIDDLE LANE-PENNSYLVANIAN,
INBE-PENNSYLVANIAN, AND THE INBE-WOLFCAMP
POOLS, LEA COUNTY, NEW MEXICO, TO APPEAR
AND SHOW CAUSE WHY THE DISPOSAL OF PRODUCED
SALT WATER FROM SAID POOLS OR WITHIN ONE MILE
THEREOF IN UNLINED PITS SHOULD NOT BE PROHIBITED.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
July 17, 1963, at Santa Fe, New Mexico, before the Oil Conser-
vation Commission of New Mexico, hereinafter referred to as the
"Commission."

NOW, on this _____ day of July, 1963, the Commission,
a quorum being present, having considered the testimony presented
and the exhibits received at said hearing, 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 South Lane-Pennsylvanian, Middle Lane-Pennsyl-
vanian, Inbe-Pennsylvanian, and Inbe-Wolfcamp Pools, Lea County,
New Mexico, are within or adjacent to the area designated as the
Lea County Underground Water Basin by the State Engineer of the
State of New Mexico.

(3) That the surface disposal of produced salt water in
unlined pits in the above-described pools and within one mile
thereof constitutes a hazard to the fresh waters in the Lea
County Underground Water Basin and should be prohibited.

(4) That in order to allow the operators in the subject
pools a reasonable length of time to install satisf. lory salt
water disposal systems, this order should not be effective until
September 19, 1963.

IT IS THEREFORE ORDERED:

(1) That effective September 19, 1963, the surface disposal ~~of produced salt water~~ *of salt water produced from the* in unlined pits, ~~in the~~ South Lane-Pennsylvanian, Middle Lane-Pennsylvanian, Inbe-Pennsylvanian, and Inbe-Wolfcamp Pools, Lea County, New Mexico, and within one mile thereof is hereby prohibited.

(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.