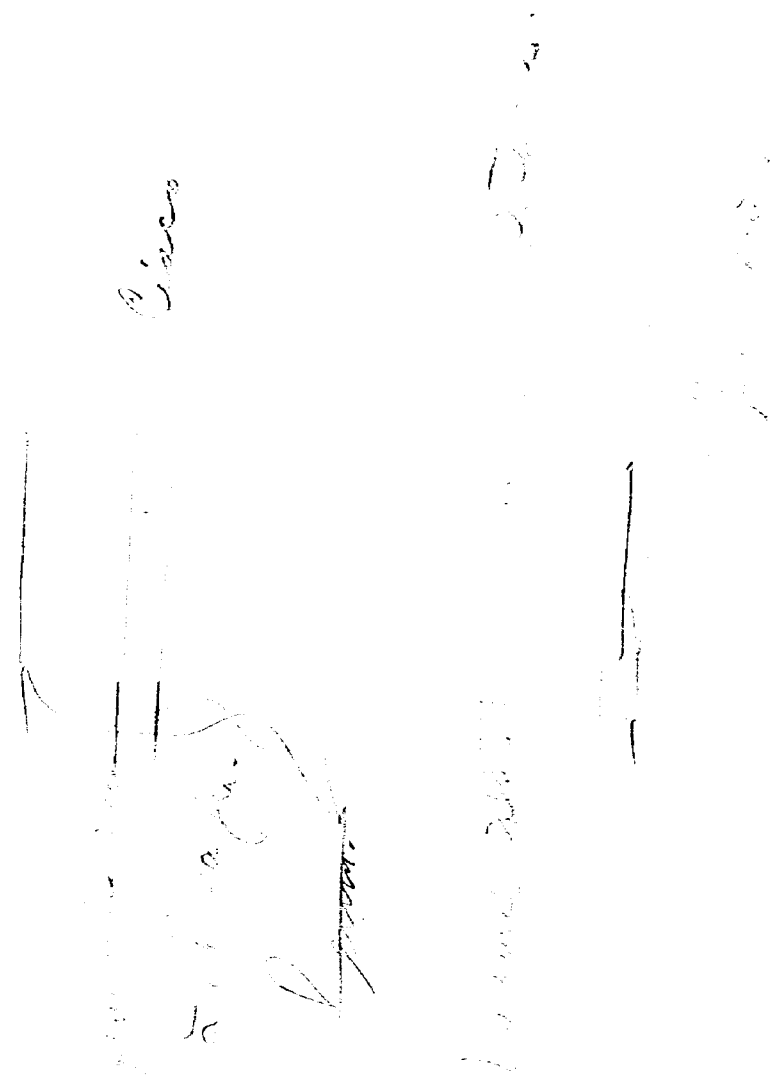


CASE 2950: Application of AMERADA
for creation of Morrow-Penn. Pool &
contraction of vertical limits of
an existing pool.



CASE No.
2950

Application,
TRANSCRIPTS,
SMALL Exhibits
ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
December 4, 1963

EXAMINER HEARING

IN THE MATTER OF:

Application of Amerada Petroleum Corpora-
tion for the creation of a new gas pool
and for the contraction of the vertical
limits of an existing pool. Applicant, in
the above-styled cause, seeks the creation
of a Morrow-Pennsylvanian Gas Pool, Lea
County, New Mexico. Said pool was dis-
covered by applicant's S. E. Anderson "A"
Well No. 1 located in Unit P of Section 19,
Township 9 South, Range 35 East, and would
comprise the SE/4 of Section 19, SW/4 of
Section 20, NW/4 of Section 29 and the NE/4
of Section 30 in the aforesaid township.

Case No. 2950

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 983-3971

ALBUQUERQUE, N. M.
PHONE 243-6691

MR. UTZ: Case 2950.

MR. DURRETT: Application of Amerada Petroleum Corporation for the creation of a new gas pool and for the contraction of the vertical limits of an existing pool.

MR. KELLAHIN: Jason Kellahin, Kellahin and Fox, appearing on behalf of the Applicant, in association with Mr. Thomas W. Lynch, a member of the Oklahoma Bar, who will present the case for the Applicant.

MR. LYNCH: I think at the beginning I should mention that the application asks that the horizontal limits of the pool include four quarter sections. I would like to dismiss the application as to all of those quarter sections except the Southeast Quarter of Section 19, Township 9 South, Range 35 East, Lea County.

MR. UTZ: Without objection the application will be amended to include only the Southeast Quarter of Section 19.

MR. LYNCH: We will have two witnesses.

(Witnesses sworn.)

LAWRENCE MYERS

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

DIRECT EXAMINATION

BY MR. LYNCH:

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

A My name is Lawrence Myers. I am a Petroleum Geologist

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employed by Amerada Petroleum Corporation.

Q Have you testified previously before this Commission?

A No, sir, I have not.

Q Where did you obtain your degree in Geology and when was that obtained?

A I have a Bachelor of Science Degree in Geological Engineering from the South Dakota School of Technology and Science in Rapid City. I graduated with a degree in 1950.

Q Have you been with Amerada since that time?

A Yes, sir.

Q Have you testified before other State conservation agencies?

A Yes, I have.

MR. LYNCH: Are his qualifications acceptable?

MR. UTZ: Yes, they are.

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

Q (By Mr. Lunch) Referring first to a map marked Exhibit 1, will you state briefly what that map shows?

A The map marked Exhibit 1 is a plat or a map of a portion of Township 9, South, Range 35 East, Lea County, New Mexico. It is a plat encompassing the application area. It's a structural map drawn on the top of the Atoka formation, contour lines as marked, intervals of 25 feet. It shows by datum three control points, which are wells which have penetrated the formation involved in

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the application. It further shows in red a line of Section A-A' which will be part of our discussion.

For the sake of clarity, at this time I might state that we will be discussing two wells here, primarily, the S. E. Anderson A No. 1 in the Southeast Quarter of Section 19, and the S. E. Anderson No. 1, which is in the Northeast Quarter of Section 30.

Q Now the S.E. Anderson No. 1 which is in the Northeast Quarter of Section 30, what horizons is that well completed in?

A The S. E. Anderson No. 1 Well was the discovery well in the Bough "C" zone of the Upper Pennsylvanian and in the Devonian formation, a dual oil discovery.

Q It is also capable of producing from the Devonian?

A It is, dually completed.

Q What horizon is the S. E. Anderson A No. 1 completed in?

A The A No. 1 is a gas completion in the Atoka formation of the Lower Pennsylvanian.

Q It is the unit well for the unit which Amerada is seeking to be established in this hearing?

A This is true.

MR. UTZ: Is this well considered to be the discovery well for the Atoka?

A This is true.

(Whereupon, Applicant's Exhibit No. 2 marked for identification.)



Q Turning now to a cross section marked Exhibit 2, would you describe briefly what that cross section shows?

A Exhibit No. 2 is a cross section referred to on the plat as A-A', which encompasses the three control points included in the plat. It is a structural cross section, vertical limits of which include the Atoka formation from our regional correlation work. It shows the producing horizon, I should say the producing interval of the Atoka formation in the S. E. Anderson Well No. 1-A, and it shows the correlation of a comparable unit in the other two control points.

From the electric logs incorporated into this section, the pay interval in the downdip southeast well, the Ralph Lowe No. 1 Marathon State located in the Northwest Northwest of Section 32 is indicated to be incipient only in its development, progressing in a northwesterly direction to the Amerada No. 1 Anderson Well. The producing zone is correlatable but still is not developed from log examination to be of reservoir quality; while in the Amerada S. E. Anderson No. 1-A Well, the producing well, the interval has developed in porosity and permeability into a pay type of lithology and a pay section.

This indicates that the interval found productive in the 1-A Anderson improves and develops in a northwesterly direction.

Q Based on your general knowledge of Atoka reservoirs, is it your opinion that this reservoir is probably a small one?

A Atoka reservoirs in general in this part of New Mexico



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PAGE 6

to date have proved to be limited in area, yes, sir.

Q It is for this reason, at least in part, that Amerada has restricted its spacing application to one quarter section?

A Yes.

Q Amerada has proposed, has it not, that the pool being produced by its S. E. Anderson No. 1, the pool now called the South Bough-Pennsylvanian, that that pool have its vertical limits contracted and that the pool name be changed, is that correct?

A Yes, sir.

Q What name do you propose for the pool in which the S. E. Anderson No. 1 is producing?

A We would like to suggest that the S. E. Anderson No. 1 Well pool name be designated Jenkins-Cisco, and continue to call the Devonian producing horizon the Jenkins-Devonian as it is now called.

Q What is the approximate interval of the Cisco formation in the S. E. Anderson No. 1?

A The Cisco formation would be correlated to lie approximately between 9600 and 10,200 below the surface of the ground.

MR. LYNCH: If a more precise definition -- we don't have the log on the S. E. Anderson, the full log, with us; but if a more precise definition of the vertical limits of the Jenkins-Cisco Pool is desired, Mr. Examiner, we will supply that either by telephone or by mail.

Q (By Mr. Lynch) What name does Amerada propose for the



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Atoka Pool found in the S. E. Anderson No. 1-A?

A We would suggest the name Jenkins-Atoka.

Q What interval is that found in the Anderson No. 1-A?

A In the No. 1-A, our correlation of the Atoka would limit the vertical Atoka to be between 11,183 and 11,674 feet below the surface of the ground.

MR. LYNCH: That's all we have of this witness.

CROSS EXAMINATION

BY MR. UTZ:

Q What was the Atoka interval again? Would you read those figures to me again?

A Our correlation of the Atoka would be the top of the Atoka at 11,183, as indicated on the cross section; the base of the Atoka or top of the Morrow at 11,674, these being depths below the surface.

Q In the Anderson A-1?

A In the Anderson 1-A, yes, sir.

Q You and our Hobbs geologist haven't been discussing this top matter, have you? Your figures are exactly the same.

A No, sir, I don't know your Hobbs man.

Q It might be well, Mr. Myers, for you to give me what you consider to be the top and the base of the Cisco on your Anderson No. 1. You have no idea what that is at the present time?

A No, sir, I would like to have some time. We did not bring the logs and I would like to have some time to pick out the



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specific feet from closer correlation of the logs. I do know that our Cisco includes about 600 feet in this area and would lie between approximately 9600 feet and 10,200 feet, and this is not necessarily the feeling of all geologists working the area.

Q For your information, I'll give you the top picks of the Oil Commission geologist at Hobbs. He has picked the top of the Cisco at 9582, the base at 10,318. If you have any picks other than this, I suggest that you get in touch with him.

A Very fine. Thank you.

Q You suggest the name change from South Bough to Jenkins for the reason that the Jenkins name in two other pools in the immediate area seems to have taken over the South Bough?

A Yes, sir, this is true, and this is in keeping with attaching a place name to the area and designating pool names to formations. We think this would be well in line with previous policy.

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

(Witness excused.)

MR. LYNCH: The next witness will be Mr. L. E. Thomas.

L. E. THOMAS

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

DIRECT EXAMINATION

BY MR. LYNCH:



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Q Mr. Thomas, for the record will you state your name and occupation and by whom you are employed?

A My name is L. E. Thomas. I am District Engineer in the Hobbs District for Amerada Petroleum Corporation.

Q Have you testified previously before this Commission?

A I have.

Q Mr. Thomas, when was the S. E. Anderson A No. 1 completed?

A August 21, 1963.

Q At what interval is it perforated?

A Perforations are 11,477 to 11,484 feet.

Q Is it producing at the present time --

A No.

Q -- or has it produced into the pipeline?

A The well has never produced into the pipeline. We've tested it but not produced it commercially.

Q What is the calculated open flow potential of that well?

A 4.6 million cubic feet per day.

Q What is the permeability of the Atoka pay section as found in that well?

A The permeability calculated from a pressure build-up test is 46.3 millidarcies.

Q Based on the facts which you now know, is it your opinion that one well will adequately and efficiently drain a minimum of 160 acres in the Atoka?



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A It's my opinion that with this permeability and data that we know, it will drain in excess of 160 acres.

Q One of the principal problems is how much reservoir we have in excess of 160 acres here?

A Right.

(Whereupon, Applicant's Exhibit No. 3 marked for identification.)

Q I hand you a tabulation which is marked Exhibit 3. Would you explain briefly what this tabulation shows?

A This tabulation is reserve calculations and economics based on 160-acre spacing. Using this data taken from electric logs, so forth, the recoverable gas reserves is a little over a billion cubic feet; the recoverable distillate associated with the gas is 78,256 barrels. This would give us a gross income of \$347,756. The cost of the existing well was \$229,961, which gives us a profit of \$117,795, and this is before taxes, before operating expenses, or before any discount on the time involved to deplete the reservoir. It is 8/8ths rather than 7/8ths, strictly gross income.

Q If you were to take the working share of this profit, figuring the working share being 7/8ths, or discount it and then deduct from that the operating expenses and taxes, you would pretty well eat up the profit, would you not?

A That's correct.

Q Based on these figures, in your opinion would it be



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economically feasible to develop this pool on a spacing pattern closer than one well per 160 acres?

A It would not be economically feasible to do this.

Q In your opinion would the establishment of 160-acre spacing or proration prevent waste and prevent the drilling of unnecessary wells and protect correlative rights?

A It would.

Q The spacing unit which has been proposed by Amerada consists solely of the Southeast Quarter of Section 19, Township 9 South, Range 35 East, is that correct?

A That's correct.

Q The unit well will be the Amerada S. E. Anderson A No. 1?

A That's correct.

Q Where is that well located with respect to the unit boundary?

A 660 feet from the section lines.

Q 660 feet from the East unit boundary and 660 from the South unit boundary?

A That's correct.

Q What well location requirement would Amerada propose here as to wells drilled within a mile of this pool?

A We would recommend that no well be closer than 660 feet to a quarter section boundary.

MR. LYNCH: That's all we have of this witness. We



would like to offer Exhibit 1 through 3 in evidence.

MR. UTZ: Without objection Exhibits 1, 2, and 3 will be entered into the record of this case.

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

CROSS EXAMINATION

BY MR. UTZ:

Q Do you consider the Anderson A-1 a gas well?

A Yes, sir.

Q Do you have a GOR on that well?

A The gas-oil ratio was 14,500 cubic feet per barrel, this is a 62 gravity distillate. It's a high gravity clear distillate.

Q Is it your opinion that that distillate is a retrograde or in the reservoir under existing pressures do you feel it's a liquid or a gas?

A Possibly some is in the formation as a liquid; primarily it's condensate. Bottom hole pressure in this case is 3321 pounds, bottom hole temperature is approximately 180 degrees.

Q If this is a gas pool as you contend, then you already have 160-acre spacing, do you not, under the State-wide rules?

A That's correct.

Q And 660 locations?

A Yes.

MR. LYNCH: The locations are 990 under the State-wide



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rule, unless I'm mistaken.

MR. DURRETT: 660.

MR. UTZ: 660 for gas.

MR. LYNCH: I might mention here that this case is in preparation for another case which we have set for the 16th. We have attempted to get voluntary pooling of the interest in the Southeast Quarter of Section 19 and thus far we have been unsuccessful in doing so. It does not appear that we're going to be able to do so. In preparation for the force pooling case which is set for December 16th we thought it necessary to get a spacing or proration unit established by the Commission.

MR. KELLAHIN: The State-wide rule only applies to a designated pool and this has not been designated as a pool as yet.

MR. DURRETT: You mean that's your legal opinion, that it applies only to a designated pool on a forced pooling?

MR. KELLAHIN: That's my feeling.

MR. LYNCH: There's perhaps some argument that it's necessary for the Commission to make a finding that one well will drain 160 acres before you can force pool.

MR. UTZ: In effect, what you are asking for here is to ask that the State-wide rules be made applicable?

MR. LYNCH: That is in effect what we are asking.

MR. UTZ: Any other questions of the witness?

Q (By Mr. Utz) Going into the gas well business a little further, is it your opinion from the GOR or the gravity of



the liquids that causes you to have an opinion that this is a gas well?

A There's quite a wide range of opinions on this. It's my general well practice in my own mind to analyze the liquid and the gas-oil ratio together. In other words, if we have a high gravity liquid, as we do in this case, it's practically gasoline and you find that associated in a gas well. Of course, your gas-oil ratio is obviously very low for a gas well, but in other areas we would call this a gas well because of the liquid characteristics of it. We haven't run a distillation test on this liquid, but the characteristics is that of gasoline.

Q This is a very clear liquid?

A Yes.

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

The witness may be excused.

(Witness excused.)

MR. UTZ: Any statements in this case?

MR. LYNCH: I would just like the Examiner -- if it's possible, we would like to have an order here prior to the 16th, if we could. The 16th is the date on which the subsequent case will be heard.

MR. UTZ: Any other statements? The case will be taken under advisement and the hearing is adjourned to 1:15.

(Whereupon, the hearing was recess until 1:15 o'clock P.M.)

* * * *

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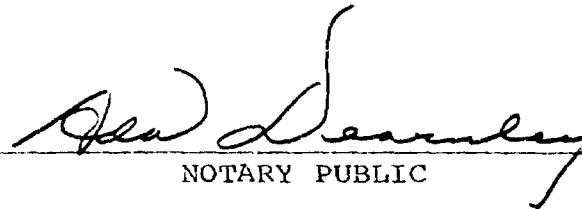
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STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

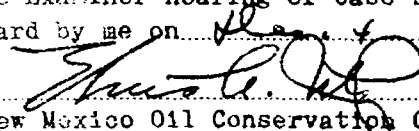
I, ADA DEARNLEY, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and that the same is a true and correct record of the said proceedings, to the best of my knowledge, skill, and ability.

WITNESS my Hand and Seal this 16th day of December, 1963.

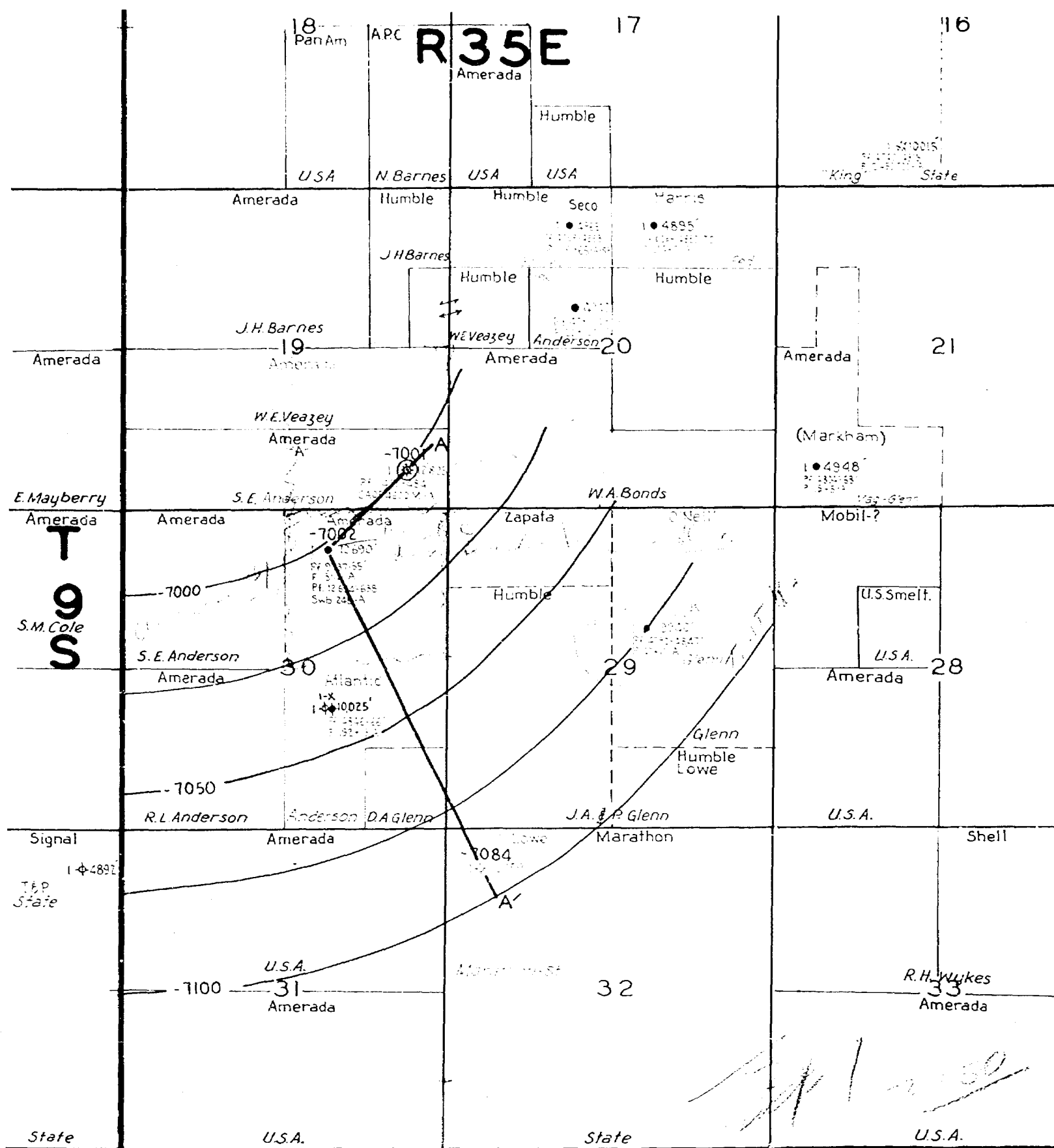

NOTARY PUBLIC

My Commission Expires:

June 19, 1967.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2950, heard by me on Dec 16, 1963.

Examiner
New Mexico Oil Conservation Commission





AMERADA PETROLEUM CORPORATION

LEA COUNTY, NEW MEXICO

SOUTH BOUGH/ATOKA AREA

STRUCTURE MAP TOP ATOKA

SCALE: 1 INCH = 2000 FEET

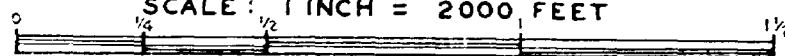
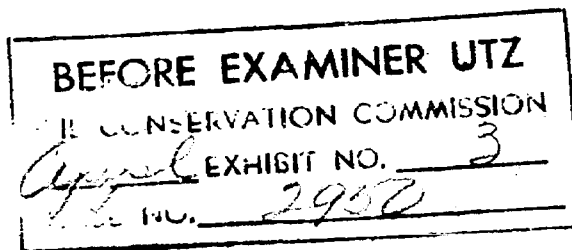


EXHIBIT NO. _____
DATE _____

ECONOMICS OF 160-ACRE SPACING

SE/4 Section 19-T9S-R35E
Lea County, New Mexico

Completed Well:	Amerada Petroleum Corporation - S. E. Anderson "A"-1
Formation:	Atoka (Pennsylvanian)
Net Pay:	8'
Porosity:	18%
Water Saturation:	22%
Bottom-Hole Pressure:	3321 PSI
Recovery Factor (Gas):	75%
Recovery Factor (Distillate):	60%
Recoverable gas reserved based on above factors	1,072 MMCF
Recoverable distillate reserves @ 73 bbls/MCF-60% Rec.	78,256 bbls
Gross Income @ \$2.80/bbl and 12¢/MCF - Gas	\$128,640.00
Distillate	<u>219,116.00</u>
	\$347,756.00
Cost of Well	<u>\$229,961.00</u>
Profit before taxes, operating expense and discount	\$117,795.00



DRAFT

JMD/esr

December 12, 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. 2950

Order No. R- 2619

NOMENCLATURE

APPLICATION OF AMERADA PETROLEUM
CORPORATION FOR THE CREATION OF A
NEW GAS POOL AND FOR THE CONTRAC-
TION OF THE VERTICAL LIMITS OF AN
EXISTING ~~gas~~ POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
December 4, 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 December, 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, Amerada Petroleum Corporation, seeks
the creation of ^{an Atoka-} ~~an Atoka-~~ Pennsylvanian Gas Pool comprising the SE/4
of Section 19, Township 9 South, Range 35 East, NMPM, Lea County,
New Mexico, and the contraction of the vertical limits of the South
Bough-Pennsylvanian Pool to include the Bough "C" zone of the
Pennsylvanian formation only.

(3) That the applicant completed its S. E. Anderson Well
No. 1 located in Unit B of Section 30, Township 9 South, Range 35
East, ~~NMPM~~, Lea County, New Mexico, on April 4, 1963; that said
well encountered the Cisco formation at a depth of -5378 to -6114
feet.

(4) That the applicant completed its S. E. Anderson Well No. 1-A located in Unit P of Section 19, Township 9 South, Range 35 East, NMPM, Lea County, New Mexico, on August 15, 1963; that said well encountered the Atoka formation at a depth of -7001 to -7492 feet.

(5) That the Atoka formation underlying the SE/4 of Section 19, Township 9 South, Range 35 East, NMPM, Lea County, New Mexico, is a separate common source of supply.

(6) That in order to prevent waste and protect correlative rights, the vertical limits of the South Bough-Pennsylvanian Pool should be contracted to include only the ^{zone of the Pennsylvanian} Cisco formation, the South Bough-Pennsylvanian Pool should be redesignated the Jenkins-Cisco ~~Gas~~ Pool, and a new gas pool should be created and designated the Jenkins-Atoka Gas Pool with vertical limits comprising the ^{zone of the Pennsylvanian} Atoka formation and horizontal limits comprising the SE/4 of Section 19, Township 9 South, Range 35 East, NMPM, Lea County, New Mexico.

IT IS THEREFORE ORDERED:

(1) That the vertical limits of the South Bough-Pennsylvanian Pool are hereby contracted to include only the Cisco ^{zone of the Pennsylvanian} formation.

(2) That the South Bough-Pennsylvanian Pool is hereby redesignated the Jenkins-Cisco ~~Gas~~ Pool.

(3) That a new gas pool is hereby created and designated the Jenkins-Atoka Gas Pool with vertical limits comprising the ^{zone of the Pennsylvanian} Atoka formation and horizontal limits comprising the SE/4 of Section 19, Township 9 South, Range 35 East, NMPM, Lea County, New Mexico.

(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.

11-17-50
BEFORE THE OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF AMERADA PETROLEUM CORPORATION
FOR ESTABLISHMENT OF THE SOUTH
BOUGH-ATOKA POOL IN LEA COUNTY,
NEW MEXICO, AND FOR PROMULGATION
OF RULES AND REGULATIONS FOR SAID
POOL.

A P P L I C A T I O N

Comes now Amerada Petroleum Corporation and applies to the Oil Conservation Commission of New Mexico for an order creating a new pool for the production of gas from the Morrow Pennsylvanian formation, as discovered by applicant's S. E. Anderson "A" No. 1 Well, located in the SE/4 SE/4 of Section 19, Township 9 South, Range 35 East, N.M.P.M., Lea County, New Mexico, for contraction of the vertical limits of the South Bough Pennsylvanian Oil Pool, and for the adoption of pool rules for the pool in conformity with the state-wide rules of the Oil Conservation Commission for the production of gas, including 160-acre units and for such other rules as may be proper for the development of said pool.

Applicant proposes that said pool be designated as the South Bough Atoka Pool and that it consist of the SE/4 of Section 19, the SW/4 of Section 20, the NW/4 of Section 29, and the NE/4 of Section 30, all in Township 9 South, Range 35 East, N.M.P.M.

WHEREFORE, applicant prays that this application be set for hearing and that after notice and hearing the commission enter its order as requested herein.

AMERADA PETROLEUM CORPORATION

By Arthur W. Kellahin
Kellahin & Fox
P. O. Box 1713
Santa Fe, New Mexico

11-17-50 ATTORNEYS FOR APPLICANT

11-22-63
11

2. Bought 1/2 ...
 ...
 ...
 ...

2. Bought 1/2 ...

Gla. From.	Top Chico.	9582	+ Perm.	9564
	Clay Co.	9724	(? B. w. Co.)	19300
	Base	10300		
	T. Strawn.	11833		Anderson A.
	T. Atoka.	11183		
	T. Morrow.	11674		
	B. Morrow.	13030		

Anderson #1

$$9564 - 4186 = -5378$$

$$10300 - 4186 = -6174$$

Anderson A1

$$11183 - 4182 = -7001$$

$$11674 - 4182 = -7492$$

Case 2950

Heard 12-4-63

Res. 12-5-63

1. Recommend that Amerada's request be granted as follows:

(a) contract S. Bough-Penn ~~and~~ to include the Cisco formation only ~~or that zone found in the~~ Amerada-Anderson #1-B-30-95-35E. at ~~-5328 to -6114~~ and change the name from S. Bough-Penn. ~~to~~ To Jenkins - Cisco

(b) Create a new pool to be known as the Jenkins Atokaze consisting of the SE/4 sec. 19-95-35E. The vertical limits to be the Atokazone as found in Amerada's-Anderson A. #1 P-19-95-35E from -7001 to -7492.

W. A. R.

R. A. R.

Completed
April 4, 1963

August 15, 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. 2950
Order No. R-2619
NOMENCLATURE

APPLICATION OF AMERADA PETROLEUM
CORPORATION FOR THE CREATION OF A
NEW GAS POOL AND FOR THE CONTRAC-
TION OF THE VERTICAL LIMITS OF AN
EXISTING POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on December 4, 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 13th day of December, 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, Amerada Petroleum Corporation, seeks the creation of an Atoka-Pennsylvanian Gas Pool comprising the SE/4 of Section 19, Township 9 South, Range 35 East, NMPM, Lea County, New Mexico, and the contraction of the vertical limits of the South Bough-Pennsylvanian Pool to include the Bough "C" zone of the Pennsylvanian formation only.

(3) That the applicant completed its S. E. Anderson Well No. 1 located in Unit B of Section 30, Township 9 South, Range 35 East, NMPM, Lea County, New Mexico, on April 4, 1963; that said well encountered the Cisco formation at a depth of -5378 to -6114 feet.

(4) That the applicant completed its S.E. Anderson Well No. 1-A located in Unit P of Section 19, Township 9 South, Range

-2-

CASE No. 2950
Order No. R-2619

35 East, NMPM, Lea County, New Mexico, on August 15, 1963; that said well encountered the Atoka formation at a depth of -7001 to -7492 feet.

(5) That the Atoka formation underlying the SE/4 of Section 19, Township 9 South, Range 35 East, NMPM, Lea County, New Mexico, is a separate common source of supply.

(6) That in order to prevent waste and protect correlative rights, the vertical limits of the South Bough-Pennsylvanian Pool should be contracted to include only the Cisco zone of the Pennsylvanian formation, the South Bough-Pennsylvanian Pool should be redesignated the Jenkins-Cisco Pool, and a new gas pool should be created and designated the Jenkins-Atoka Gas Pool with vertical limits comprising the Atoka zone of the Pennsylvanian formation and horizontal limits comprising the SE/4 of Section 19, Township 9 South, Range 35 East, NMPM, Lea County, New Mexico.

IT IS THEREFORE ORDERED:

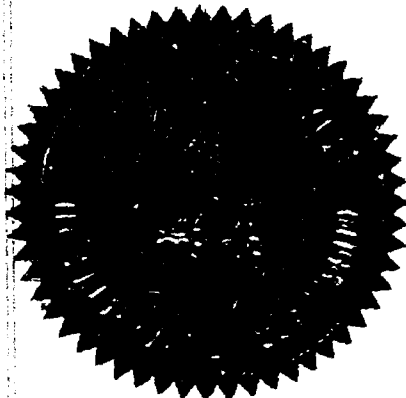
(1) That the vertical limits of the South Bough-Pennsylvanian Pool are hereby contracted to include only the Cisco zone of the Pennsylvanian formation.

(2) That the South Bough-Pennsylvanian Pool is hereby redesignated the Jenkins-Cisco Pool.

(3) That a new gas pool is hereby created and designated the Jenkins-Atoka Gas Pool with vertical limits comprising the Atoka zone of the Pennsylvanian formation and horizontal limits comprising the SE/4 of Section 19, Township 9 South, Range 35 East, NMPM, Lea County, New Mexico.

(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

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/

GOVERNOR
JACK M. CAMPBELL
CHAIRMAN

State of New Mexico
Oil Conservation Commission



LAND COMMISSIONER
C. B. JOHNNY WALKER
MEMBER

P. O. BOX 871
SANTA FE

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

December 13, 1963

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

Re: Case No. 2950
Order No. R-2619
Applicant:
AMERADA PETROLEUM CORPORATION

Dear Sir:

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

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

lr/

Carbon copy of order also sent to:

Hobbs OCC x

Artesia OCC

Astec OCC

OTHER Mr. Tom Lynch, Amerada - Tulsa, Oklahoma

Note: There will be no EXAMINER HEARING in
the Second Half of December

LOCKET NO. 35-63

DOCKET: EXAMINER HEARING - WEDNESDAY - DECEMBER 4, 1963

9:00 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

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

- CASE 2945: Application of Shell Oil Company for the creation of a Devonian Gas Pool and for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the creation of a new Devonian gas pool for its Harris-Federal Well No. 1 located in Section 27, Township 23 South, Range 34 East, Lea County, New Mexico, said pool to comprise all of Sections 27, 28, 33 and 34, Township 23 South, Range 34 East, and all of Sections 3 and 4, Township 24 South, Range 34 East. Applicant further seeks the establishment of special pool rules, including a provision for 640-acre spacing units and for fixed well locations.
- CASE 2946: Application of Shell Oil Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (conventional) of its State V Well No. 5 located in Unit I of Section 27, Township 17 South, Range 35 East, Lea County, New Mexico, to produce oil from the Vacuum-Yates and Vacuum-Paddock Pools through parallel strings of tubing.
- CASE 2947: Application of Charles B. Read for an unorthodox location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval of the unorthodox location of his Bates Well No. 1 located 660 feet from the North line and 330 feet from the East line of Section 21, Township 8 South, Range 36 East, South Prairie-Pennsylvanian Pool, Roosevelt County, New Mexico.
- CASE 2948: Application of the Atlantic Refining Company for a pressure maintenance project, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the approval of a cooperative pressure maintenance project for the injection of water into the Gallup (Tocito) formation, Many Rocks-Gallup Oil Pool, San Juan County, New Mexico, by the injection of water through 13 wells located in Sections 6, 7, 8, 17 and 18, Township 31 North, Range 16 West. Applicant further seeks the designation of a project area comprising approximately 1,480 acres in the aforesaid five sections and the adoption of appropriate project rules therefor.
- CASE 2949: Application of Phillips Petroleum Company for an exception to Rule 309-A, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to produce up to a maximum of 24 proration units into its Santa Fe Battery No. 14, Santa Fe Lease, Vacuum Abo Reef Pool, Lea County, New Mexico.
- CASE 2950: Application of Amerada Petroleum Corporation for the creation of a new gas pool and for the contraction of the vertical limits of an existing pool. Applicant, in the above-styled cause, seeks the creation of a Morrow-Pennsylvanian Gas Pool, Lea County, New Mexico. Said pool was discovered by applicant's S. E. Anderson "A" Well No. 1 located in Unit P of Section 19, Township 9 South, Range 35 East, and would comprise the SE/4 of Section 19, SW/4 of Section 20, NW/4 of Section 29 and the NE/4

CASE 2950 continued from page 1

of Section 30 in the aforesaid township. Applicant further seeks the contraction of the vertical limits of the South Bough-Pennsylvanian Pool to include the Bough "C" zone of the Pennsylvanian formation only.

- CASE 2951: Application of Sunray DX Oil Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Hope Unit Area comprising 3822.96 acres, more or less, of State land in Township 18 South, Range 23 East, Eddy County, New Mexico.
- CASE 2952: Application of Sunray DX Oil Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the South Hope Unit Area comprising 3778.27 acres, more or less, of State land in Township 18 South, Ranges 21 and 23 East, and Township 19 South, Range 23 East, Eddy County, New Mexico.
- CASE 2953: Application of Curtis R. Inman for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Walt Canyon Unit Area comprising 11, 100.63 acres, more or less, of State, Federal and fee lands in Townships 21 and 22 South, Range 24 East, and Township 22 South, Range 25 East, Eddy County, New Mexico.
- CASE 2954: Application of Ambassador Oil Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Langlie Mattix-Penrose Sand Unit Area comprising 3,920 acres, more or less, of State, Federal and Fee lands in Township 22 South, Range 37 East, Lea County, New Mexico.
- CASE 2955: Application of Ambassador Oil Corporation for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the expansion of the existing Langlie Mattix Waterflood Project in Section 34, Township 22 South, Range 37 East, Lea County, New Mexico, by the conversion to water injection of 5 wells located in Sections 27, 33 and 34 of said township. Applicant further seeks the establishment of special rules governing further expansion and operation of the waterflood project in the Langlie Mattix-Penrose Sand Unit Area, including a provision for capacity allowables for wells in said project.