CASE 3037: Application of TEXACO for an unorthodox location for its State "BO" Well No. 4.

(ASE NO. 3037

APP/ication,
Transcripts,
SMA// Exhibits
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DRAFT'
JMD/esr

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

CASE No. 3037

Order No. R-

APPLICATION OF TEXACO INC. FOR AN UNORTHODOX LOCATION, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a Exampler

May 7 , 1964, 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 , 1964 , the Commission, a quorum being present, having considered the apprehoatdorxxxxxx testimony, the record, exidence and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Texaco Inc., seeks authority to seeks lits State "BO" Well No. 4 in the Moore-Wolfcamp Gas Pool at an unorthodox location 660 feet from the South line and 659 feet from the West line of Section 13, Township 11 South, Range 32 East, NMPM, Lea County, New Mexico.
 - (3) That the applicant commenced drilling operations at the

originally Completed and a standard location in the subject well was a significant to Mobre-Devonion Oil Pool completion; that production from the moore-Alevanian Oil Mill has reached its economic limit.

CASE No. 3037

prevent to drelling & unnecessary wells and wife

(4) That approval of the subject application will prevent

- waste and protect correlative rights.

IT IS THEREFORE ORDERED:

- (1) That the applicant, Texaco Inc., is hereby authorized complete its State "BO" Well No. 4 at an unorthodox location in the Moore-Wolfcamp Gas Pool 660 feet from the South line and 659 feet from the West line of Section 13, Township 11 South, Range 32 East, NMPM, Lea County, New Mexico.
- (2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

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

April 13, 1964

Texaco Inc. p. O. Box 3109 Midland, Texas

DOCKET MAILED

Attention: Mr. C. L. Whigham

Gentlemen:

This letter will confirm my conversation of April 10, 1964, with Mr. Whigham concerning your application for a non-standard location in the Moore-Wolfcamp Gas for a non-standard location in the Moore-Wolfcamp Gas
pool for your State "BO" Well No. 4, located 660 feet
from the South line and 659 feet from the West line of
section 13, Township 11 South, Range 32 East, NMPM, Lea
County, New Mexico. It will be necessary to docket a
county, New Mexico. It will be necessary to docket a
hearing to consider this application as Rule 104 of the
feneral Rules and Regulations provides for administrative
approval only if the necessity for the unorthodox location
is based on topographical conditions. is based on topographical conditions.

I have tentatively docketed the case for the May 7, 1964, Examiner Hearing. Please advice me if this is not convenient.

Very truly yours,

J. M. DURRETT, Jr. Attorney

JMD/esr

Can 3037

TEXACO

PETROLEUM PRODUCTS

DOMESTIC PRODUCING DEPARTMENT

MIDLAND DIVISION



April 8, 1964

P. O. BOX 3109 MIDLAND, TEXAS

UNORTHODOX WELL CCATTON
MOORE (WOLFCAMP GAS POOL
LEA COUNTY, NEW MEXICO

New Mexico Oil Conservation Commission P. O. Box 2088 Santa Fe, New Mexico 87501

Gentlemen:

Texaco Inc. respectfully requests administrative approval for exception to Statewide Rule 104, paragraph 2 (d) which specifies the location of a gas well as being no nearer than 660' to an outer boundary line of a tract nor closer than 330' to any quarter-quarter section. This request is as provided by paragraph 2 (f) of Rule 104 which states that the Secretary of the Commission shall have authority to grant these exceptions under certain conditions.

The above subject request is requested for Texaco's anticipated recompletion of the State of New Mexico "BO" Well No. 4 located in Unit M, Section 13, T-11-S, R-32-E, Lea County, New Mexico. This well is located 660' from the south line and 659' from the west line of Section 13, being one foot closer to the boundary line than is authorized in Statewide Regulations. The subject well is presently completed in and producing from the Moore (Devonian) Reservoir from the interval 10,604' to 10,629'. Upon approval of this application, the well will be plugged back from the present oil completion and recompleted in the Wolfcamp between the approximate interval from 8165' to 8214'.

Attached to this application is a list of all of the offset operators and their addresses. A copy of this letter of application and attachments are being forwarded this date by registered mail to these offset operators. Also attached for your information is a copy of the Form C-128 which includes a plat showing the location of the subject well. If additional information is required, please advise.

Yours very truly,

Ellhigham/ C. L. Whigham

Division Proration Engineer

CLW-MM Attach.

Offset Operators

Messrs. L. C. White

J. S. Rowe W. B. Hubbard

NMOCC-Hobbs

OFFSET OPERATORS MOORE (WOLFCAMP) GAS POOL

Amerada Petroleum Corporation P. O. Box 312 Midland, Texas

Continental Oil Company P. O. Box 431 Midland, Texas

Sunray DX 0il Company P. O. Box 128 Hobbs, New Mexico

Calto Oil Company P. O. Box 12266 Dallas, Texas 75225

DOCKET MAILED

Date 4-37-60

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							Revised 3/1/37
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DOCKET: EXAMINER HEARING - THURSDAY - MAY 7, 1964

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, Alternate Examiner:

- CASE 3037: Application of Texaco, Inc. for an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox location for its State "BO" Well No. 4, located 660 feet from the South line and 659 feet from the West line of Section 13, Township 11 South, Range 32 East, Moore-Wolfcamp Gas Pool, Lea County, New Mexico.
- CASE 3038: Application of Kennedy Oil Company for a waterflood buffer zone and capacity allowables, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the designation of the N/2 SW/4 of Section 20, Township 16 South, Range 31 East, Square Lake Pool, Eddy County, New Mexico, as a buffer zone adjacent to a waterflood project operated in the S/2 SW/4 of said Section 20 by Newmont Oil Company. Applicant further seeks the assignment of capacity allowables for its Rowley Federal Wells Nos. 1 and 2, located in Units K and L, respectively, of said Section 20.
- CASE 3039: Application of Humble Oil & Refining Company for an unorthodox location and a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (combination) of its State "AB" Well No. 2 to produce oil from the Fowler Ellenburger and Fowler Blinebry Pools at an unorthodox location 1400 feet from the North line and 330 feet from the East line of Section 16, Township 24 South, Range 37 East, Lea County, New Mexico. Applicant proposes that the Ellenburger completion will share the 80-acre proration unit with an existing well, its State "AB" Well No. 1, a maximum of one pool allowable to be produced from said unit. The proposed dual would be completed with 4 1/2 inch and 2 7/8 inch parallel strings of casing.
- CASE 3040: Application of Humble Oil & Refining Company for an unorthodox location and a non-standard proration unit, Lea County. New Mexico. Applicant, in the above-styled cause, seeks authority to complete its J.A.E. Knight Well No. 2 at an unorthodox location 330 feet from the South line and 330 feet from the West line of Section 14, Township 24 South, Range 37 Fast, Fowler Ellenburger Pool, Lea County, New Mexico. Said well would be dedicated to a 62-acre non-standard proration unit comprising the SW/4 SW/4 of said Section 14 and 22 productive acres of the SE/4 SW/4 lying West of the fault transversing said quarter-quarter section.
- CASE 2691: (Reopened) In the matter of Case No. 2691 being reopened pursuant to the provisions of Order No. R-2373, which order established temporary 640-acre gas proration units for the Lusk-Morrow Gas Pool, Lea County, New Mexico, for a period of 18 months. All interested parties may appear and show cause why said pool should not be developed on 160-acre gas proration units.

- CASE 3041: Application of Penrose Production Company for two triple completions, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the triple completion (conventional) of its L. G. Warlick Well No. 2 and its Sunshine State Well No. 1 located in Units B and C, respectively, Section 19, Township 21 South, Range 37 East, Lea County, New Mexico, to produce oil from the Penrose Skelly, Blinebry and Drinkard Oil Pools through parallel strings of 2 1/16 and 2 3/8 inch tubing.
- CASE 3042: Application of Gulf Oil Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Northwest Tatum State Unit Area comprising 1600 acres of State land in Township 12 South, Range 35 East, Lea County, New Mexico.

OIL CONSERVATION COMMISSION SANTA FE, NEW LEXICO

		Date 5/8/64
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CASE	3037	Hearing Date JSN (2) SF
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BOVERNOR JACK M. CAMPBELL CHAIRMAN

State of New Mexico

Bil Conservation Commission





BANTA FE

May 13, 1964

STATE GEOLOGIST A L PORTER JR. SCORETARY - DIRECTOR

Mr. Bo	ooker	Ke	lly.		
Gilbe	rt, W	hite	&	Gilbert	•
Attor	neys	at 1	'SW	707	
Post	offic	e B)X	18 / 18 /	
Santa	Fe,	New	MO.	KICO	

3037 Case No.___ order No. R-2702 Applicants TEXACO INC.

Dear Sire

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

Very truly yours,

A. L. PORTER, Jr. Secretary-Director

ir/ Carbon copy of order also sent to: Bobbs OCC ___x Artesia OCC____ Astec OCC ____ OTHER

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. 3037 Order No. R-2702

APPLICATION OF TEXACO INC. FOR AN UNORTHODOX LOCATION, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 7, 1964, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 13th day of May, 1964, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Texaco Inc., seeks authority to recomplete its State "BO" Well No. 4 in the Moore-Wolfcamp Gas Pool at an unorthodox location 660 feet from the South line and 659 feet from the West line of Section 13, Township 11 South, Range 32 East, NMPM, Lea County, New Mexico.
- (3) That the subject well was originally completed at a standard location in the Moore-Devonian Oil Pool; that production from the Moore-Devonian Oil completion has reached its economic limit.
- (4) That approval of the subject application will prevent the drilling of unnecessary wells and will otherwise prevent waste and protect correlative rights.

-2-CASE No. 3037 Order No. R-2702

IT IS THEREFORE ORDERED:

- (1) That the applicant, Texaco Inc., is hereby authorized to recomplete its State "BO" Well No. 4 at an unorthodox location in the Moore-Wolfcamp Gas Pool 660 feet from the South line and 659 feet from the West line of Section 13, Township 11 South, Range 32 East, NMPM, Lea County, New Mexico.
- (2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Jack M. CAMPBELL, Chairman

E. S. WALKER, Member

A. L. PORTER, Jr. Member & Secretary

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION Santa Fe, New Mexico May 7, 1964 EXAMINER HEARING

IN THE MATTER OF:

Application of Texaco, Inc. for an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox location for its State "BO" Well No. 4, located 660 feet from the South line and 659 feet from the West line of Section 13, Township 11 South, Range 32 East, Moore-Wolfcamp Gas Pool, Lea County, New Mexico.

3037 Case No.

Daniel S. Nutter, Examiner BEFORE:

TRANSCRIPT OF HEARING



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M. PHONE 325-1182

TRANSCRIPT OF HEARING

MR. NUTTER: The hearing will come to order, please. The first case will be 3037.

MR. DURRETT: Application of Texaco, Inc. for an unorthodox location, Lea County, New Mexico.

MR. NUTTER: Call that a massive unorthodox location.

MR. KELLY: Booker Kelly, Gilbert, White and Gilbert, appearing on behalf of Texaco, Inc. We have one witness and ask that he be sworn.

(Witness sworn.)

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

CARL L. WHIGHAM, JR.

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

DIRECT EXAMINATION

BY MR. KELLY:

Q Would you state your name, position, and employer, please?

My name is Carl Whigham. I'm employed by Texaco, Inc. as Midland Division Proration Engineer.

Have you previously testified before the Commission? Q

Yes, sir.

MR. KELLY: Are the witness' qualifications acceptable? MR. NUTTER: They are.

(By Mr. Kelly) Would you please state what Texaco seeks by the application?

Texaco seeks an exception to State-wide Rule 104, paragraph 2 (d), which stipulates that the location of a Statewide gas well in New Mexico shall be no nearer than 660 feet from the outer boundary line of a tract or lease.

Referring to what has been marked Exhibit No. 1, that shows the location of the existing well; that is now an oil well, is that right?

The well was originally drilled as a Moore-Devonian oil well and it's presently producing from that pool.

- As an oil well within the proper spacing?
- That's right.
- And now you are going to produce in a gas zone?
- That's correct.
- What's the extent of the deviation?

Actually the well is 659 feet from the west line of Section 13, being one foot too close to the lease line.

MR. KELLY: I have no further questions.

MR. NUTTER: Does anyone have any questions of Mr.

Whigham?

MR. DURRETT: I have a question.

CROSS EXAMINATION

BY MR. DURRETT:

Mr. Whigham, are you going to plug back now on this well



or deepen it, or is it a dual?

It's presently a single completion in the Moore-Devonian, but it is no longer economic to operate so it's planned to plug back to the Wolfcamp interval and produce it as a gas well.

Do you have figures on your production from the oil zone, just as a matter of interest?

Yes, the well makes about ten barrels of oil a day and about 2,000 barrels of water per month, and at that depth with that much water being produced, it's uneconomical to operate it. Actually, if it cannot or could not be completed in the Wolfcamp gas reservoir, it would have to be plugged and abandoned for economic reasons.

Did Texaco drill this well or did they purchase it after it had been drilled by another operator?

It's my understanding that Texaco drilled it.

Was there a reason that the well wasn't drilled on a 660 location originally?

I wouldn't know what that reason might be. It could be an error in surveying. Our first step after finding that we did not comply with the standard gas well location was to resurvey the well, and that was done, and I don't recall the exact figure but it came out about the same. It was 658 and a fraction again.

So our Civil Engineering people submitted those figures and it showed that the well was still an unorthodox gas well



FARMINGTON, N. M. PHONE 325-1182 DEARNLEY-MEIER REPORTING SERVICE, Inc.

location.

- But it might have originally just been a surveying Q error in staking the location?
 - That's simply a guess on my part. MR. DURRETT: Thank you.

BY MR. NUTTER:

- Mr. Whigham, in your opinion, will this deviation of twelve inches from the State-wide pattern result in the violation of anyone's correlative rights?
 - Α No, sir.
 - Only twelve inches worth, anyway?
 - That's right.

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

MR. KELLY: Was Exhibit 1 prepared by you or under your supervision?

Yes, sir.

MR. KELLY: We move the introduction of Exhibit No. 1. MR. NUTTER: Texaco's Exhibit No. 1 will be admitted in

> (Whereupon, Applicant's Exhibit No. 1 received in evidence.)

MR. NUTTER: If there are no further questions, you may be excused.

(Witness excused.)



evidence.

MR. NUTTER: Do you have anything further, Mr. Kelly?

MR. KELLY: Nothing further.

MR. NUTTER: Does anyone have anything further they wish to offer in Case 3037? We will take the case under advisement.

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 13th day of May, 1964.

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. 3037 beard by me on 5/7, 1964

Communication Exeminer The Mexico Cil Conservation Commission



NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE , NEW MEXICO

REGISTER

NAME:	REPRESENTING:	LOCATION:
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