

CASE 3277: Motion of OCC to con-  
sider creation of STATELINE-  
ELLENBURGER POOL, LEA COUNTY.

CASE NO.  
2272

Application,  
TRANSCRIPTS,  
SMALL Exhibits  
ETC.

dearney-meier reporting service, inc.

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BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
January 4, 1967

IN THE MATTER OF:

In the matter of Case No. 3278 being reopened pursuant to the provisions of Order No. R-2944, which order established 80-acre spacing units for the Stateline-Ellenburger Pool, Lea County, New Mexico, for a period of eighteen months.

Case No. 3278

IN THE MATTER OF:

In the matter of Case No. 3277 being reopened to consider the necessity for the continuance of the special allowables assigned to wells in the Stateline-Ellenburger Pool, Lea County, New Mexico.

Case No. 3277

BEFORE:

Daniel S. Nutter, Examiner

Transcript of Hearing

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MR. NUTTER: We will call next, Case 3278.

MR. HATCH: Case 3278: In the matter of Case No. 3278 being reopened pursuant to the provisions of Order No. R-2944, which order established 80-acre spacing units for the Stateline-Ellenburger Pool, Lea County, New Mexico, for a period of eighteen months.

MR. KELLAHIN: If the Examiner please, Jason Kellahin, Santa Fe, representing Standard of Texas. This is a case which is called on the motion of the Commission and Standard of Texas would like to offer some testimony in this and also in Case 3277 pertaining to the allowables in the same pool. Since the testimony would be repetitious, in the event the cases are handled separately we move that they be consolidated for purposes of testimony.

MR. NUTTER: We will also call Case 3277.

MR. HATCH: Case 3277: In the matter of Case No. 3277 being reopened to consider the necessity for the continuance of the special allowables assigned to wells in the Stateline-Ellenburger Pool, Lea County, New Mexico.

MR. NUTTER: Case 3277 and 3278 will be consolidated for purposes of testimony.

MR. KELLAHIN: I would like to call two witnesses.

(Witnesses sworn)

MR. KELLAHIN: I call as the first witness Mr. Bill

Driscoll.

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you state your name, please?

A Bill Driscoll.

Q By whom are you employed and in what position?

A Standard Oil Company of Texas as a Production Geologist.

Q You have never testified in New Mexico, have you?

A No, I have not.

Q For the benefit of the Examiner, would you briefly outline your education and experience as an engineer or geologist?

A I attended Southern Methodist University from 1956 to 1961, during which time I received my B.S. and M.S. in Geology. In 1961 I was employed by Standard of Texas as an exploration geologist in Corpus Christi, Texas. In July 1965 I was transferred to Snyder, Texas where I am presently employed as a production geologist.

MR. KELLAHIN: Mr. Nutter, are the witness's qualifications acceptable?

MR. NUTTER: Yes, they are.

Q (By Mr. Kellahin) Have you prepared a structure map

of the area involved in Case No. 3273?

A I have.

(Whereupon, Applicant's  
Exhibit 1 marked for  
identification.)

Q Is that marked as Exhibit No. 1?

A Yes, sir.

Q Would you describe the Exhibit No. 1?

A Exhibit No. 1 is a structure map on top of the  
Ellenburger dolomite. The producing wells here are shown  
by circles which are colored red. The dry holes are circled  
wells uncolored. You will note that there are fourteen  
producing wells in the field, three in Texas and eleven in  
New Mexico.

Q Now, this structure, it does cross the state line,  
does it not?

A That's correct.

Q Was the identical map and subsequent exhibits to  
be offered here presented at the Texas Permanent Rules Hearing  
held in Austin on December 16, 1966?

A It was.

Q Are the productive limits of the pool defined?

A The productive limits are fairly well defined on the  
south end of the field by the oil-water contact which is in  
the vicinity of a minus eighty-nine fifty. To the north the

productive limits are somewhat undefined, particularly to the north of Section 32.

Q Do you anticipate there will be any further development in this field?

A Not at the present time, I know of no plans for further development at this time.

Q Would you personally recommend any further development at this time?

A No, I would not.

Q Now, the exhibit shows fault lines crossing the structure as shown on your contours. What is the basis for these?

A The most northwesterly fault you see in Section 32 in New Mexico is based on a fault cut observed in the Marathon No. 2 McDonald State. The southwesterly fault as the southerly fault are both based on seismic data. The fault which appears in the center of the map is based on regional geologic concepts which are not shown on this map, as well as seismic data and to a great extent on a pressure difference that is observed between the north block of the structure and the south block of the structure.

Q Well now, actually, the fault shows very little displacement through the center of the field, is that correct?

A That's correct.

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Q In your opinion, does it interfere with communication through the center of the field or is it a sealing fault?

A Well, this fault is not a sealing fault by virtue of its throw but I feel that it is probably a sealing fault. You will note that we have shown this to be a sheer fault and a sheer fault occurring in a dolomite or limestone section will naturally be accompanied by a crushing action and that would be probably accompanied by a secondary mineralization which would, in my opinion, disrupt the continuity of the reservoir immediately adjacent to the fault here.

Q Is that reflected, in your opinion, by the pressure differential across the fault line?

A Yes, it is.

Q Is the location of the fault exactly known?

A We know the approximate location of the fault. We know that it falls between the group of wells to the north and the group of wells to the south but the strike of the fault naturally varies somewhat.

Q This is the best interpretation you can make on the basis of the information available?

A That's correct.

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



A Yes, sir, it was.

Q What are the logs shown on the left-hand side of the exhibit?

A Well, this is a typical log. It shows a section above the Ellenburger and it shows the pay zone here at the bottom, being a dolomite section. It shows the mapping point here as top Ellenburger.

MR. KELLAHIN: At this time we will offer Exhibit No. 1.

MR. NUTTER: Applicant's Exhibit 1 will be admitted in evidence.

(Whereupon, Applicant's Exhibit 1 admitted in evidence.)

MR. KELLAHIN: That's all I have on direct examination.

MR. NUTTER: Are there any questions of Mr. Driscoll? He may be excused.

(Witness excused.)

MR. KELLAHIN: I call Mr. John Cameron.

MR. NUTTER: I would like to ask you one question. What was the date of that Texas hearing in Austin?

MR. DRISCOLL: December 16th.

MR. NUTTER: Thank you.

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you state your name, please?

A John T. Cameron.

Q By whom are you employed and in what position?

A Standard of Texas as Proration Engineer.

Q Have you previously testified in New Mexico?

A Yes, I have.

MR. KELLAHIN: Are the witness's qualifications acceptable?

MR. NUTTER: Yes, they are.

(Whereupon, Applicant's Exhibit 2 marked for identification)

Q (By Mr. Kellahin) Referring to what has been marked as Exhibit No. 2, is that a composite of a number of separate exhibits submitted in book form?

A Yes, it is. It's a composite of reservoir data sheet, production history, tabulation of current production rates, a pressure plot, results of material balance and some orders of both the Texas and the New Mexico Commission on this field.

Q Now, referring to the first sheet which is the reservoir data sheet, did Standard submit a reservoir data sheet at the temporary rules hearing on July 28, 1965?

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A Yes, we did.

Q Does this exhibit differ markedly from that exhibit?

A No, it does not. There are a few properties that have been revised somewhat as we have become more familiar with the field. For example, the porosity we called 3.3% we have changed that to 3.1%; water saturation from 37 to 40%, minor revisions of that magnitude are about the only revisions that are on the reservoir data sheet. Statistic data has been brought up to date on the second page. We have now decided that there is a partial water drive in the pool. At the time of the Temporary Rule Hearing we did not know the drive mechanism.

Q Are your recommendations for operating rules shown on the data sheet?

A Yes, they are. We recommend that the operating rules in both states be made permanent.

Q Now, these are the same rules that are presently in effect?

A Yes, sir.

Q You are not recommending any change at this time?

A No changes in the operating rules.

Q And you made the same recommendation in Texas?

A That's correct.

Q What allowable is in effect in this pool?

A In both Texas and New Mexico the Texas discovery allowable of 330 barrels is in effect.

Q What are your recommendations as to allowable for the future?

A We recommend that the allowables of wells in both Texas and New Mexico go on the New Mexico 80-acre yardstick upon the expiration of the Texas discovery allowable.

Q Now, the effect of the Texas discovery allowable by a change in their rules was extended, was it not?

A That's correct. It was changed from eighteen months to twenty-four months.

Q When will it expire?

A It's now due to expire May 7, 1967.

Q At which time you recommend that the pool go on New Mexico rules on allowable?

A That's correct.

Q Now, referring to what is shown as the production history, that exhibit is self-explanatory.

MR. PORTER: I would like to ask one question. Did you make this recommendation to the Texas Railroad Commission on December 16th?

A Yes, sir, we did.

MR. PORTER: Did that go on the New Mexico yardstick?

A Yes, sir, and that has been approved by the Texas

Commission.

MR. PORTER: That's all I had.

Q (By Mr. Kellahin) You agreed at that time to also make the same recommendation in New Mexico, did you not?

A I did.

Q You so stated to the Texas Commission?

A That's correct.

Q Exhibits shown as production history, I believe, would be self-explanatory?

A Yes, I believe it is.

Q Do you have any comment to add?

A No, I think it's self-explanatory.

Q Now, the exhibit on the next page showing current production rates, where did this information come from?

A These came in Texas. They came from the monthly production reports filed by the operators, Forms EB. In New Mexico they come from the monthly statistical report.

Q You are recommending a change to the New Mexico allowable orders on expiration of the Texas discovery allowable. How many wells will be able to take advantage of the increase that would be granted as a result of this?

A Well, there are five wells in New Mexico that are now producing top allowable. Some of these five wells will be able to take advantage of at least some of the increase. It's

hard to say what their capacity is above the 330 barrels. The New Mexico yardstick will be 403 barrels for the month of December. I don't know what it will be in May, of course.

Q Is there any significant production of water or gas?

A No, sir, there is only one well that's making any appreciable amount of water and that's the Standard Howell No. 1 in Texas and it's making forty-eight barrels of water a day. It's been making this for quite sometime. It has not been increasing.

Q This is the information that indicates a partial water drive?

A No, sir, actually in this area I don't think there is a water drive. I think this well was completed low on structure and it has got poor permeability characteristics.

Q So it hasn't aided production in any way?

A No.

Q Is there any gas production of any quantity?

A All wells are producing essentially at their GOR with exception of this Howell with a relative permeability more than anything else. The others, we feel, are still above the bubble point and they are all producing in solution ratio.

Q Now, turning to the sheet marked, "Pressure History Plot," would you describe that?

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A This is a plot of all the bottomhole pressures that we have on the wells in the Stateline-Ellenburger field and it shows, to me, that the pressures grouped themselves into two areas which correspond to the map submitted as Exhibit 1 into the south area and the north area, separated by about 1,000 PSI.

Q Now, which wells are in the south area?

A Well, in the south area, the three Standard wells in Texas are in the south area along with the Sego-Crawford State Nos. 1 and 2 and the Tenneco State No. 1, the latter three wells being in New Mexico.

Q Are you proposing that the field be divided into two reservoirs for proration purposes?

A No, I am not.

Q What sort of pressure measurements are these that you are showing here?

A Well, in general they are either buildups or they are drillstem test pressures. The four pressures that I have indicated by Number 1, 2, 3, and 4, I think are particularly significant in that in my opinion, they indicate interference between wells on this 80-acre spacing. For example, No. 1 is a drillstem test in the Sego-Crawford State No. 1 which was made before any production from that well. This pressure was 4,177 PSIG, which was about 800 PSI less than initial pressure in



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the south area. I feel that this shows that this pressure in this well was effected by production from some other well. It so happens that there was only one other well that produced prior to this time in the south area. That was the Southland Royalty Sixteen No. 1 Well across the state line about 1,500 feet apart. I conclude from this that the Southland Royalty Sixteen No. 1 Well was draining an area whose radius was about 1,500 feet. That is, of course, far in excess of 80 acres.

Q Does that indicate that one well will drain 80 acres?

A Yes, I think it does.

Q Now, there are two points on your plot that fall off the curve as shown by yellow triangles. What is the explanation of those?

A These are pressures in the Sego-Crawford State No. 3 Well and they don't fall on the curve of the north area. They fall about three to five hundred PSI higher. This could be due either to that well being in a separate fault block or more likely to me, that that well's pressure was effected by water influx in that particular area. The first of these two triangles had a pressure and this was an initial pressure in that well, by the way, of 4,547 PSIG which gives it a gradient of about .3977 GSI per foot. This seems to be considerably too low to be a merging reservoir pressure in



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this area so I think this well was effected by prior production from other wells in the area and this was higher than the curve because of the water influx in that area.

Q Actually, the pressure decline on the well is consistent with the decline on the other wells, is it not?

A Yes, it is.

Q Now, turning to the material balance results in Exhibit No. 2, would you discuss those?

A These are results of a conventional material balance. It ran one on the north area and one on the south, using the pressure shown on the plot and the results of the calculations show an original oil in place for the total field of 6.7 million barrels. These same calculations show that the south area has had no appreciable water influx and it's a volumetric dry reservoir. The north area has had water influx and we call that a partial water drive. Taking these results a little further and calculated, an estimate reserve for the field, calculated to be 2.06 million barrels. If this is divided among the fourteen existing wells, it comes out to an average reserve per well of 147,000 barrels.

Q Now, what is the cost of drilling a well in this pool?

A \$226,000.

Q Are the existing wells marginal?

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A I consider them not too attractive economically for 147,000 barrels, more or less, to spend \$226,000.00 is not a real attractive proposition.

Q Would you recommend to your company that they drill any further wells?

A No, I do not.

Q Is the field now developed to an 80-acre spacing pattern?

A Yes, it is.

Q If the field were drilled to 40-acre density, in your opinion, would ultimate recovery be increased?

A No, sir, I do not believe it would.

Q Would wells drilled on a 40-acre spacing be economic?

A No, sir, they wouldn't because you would get about the same ultimate recovery from the field and would have twice as many wells and it would be about 74,000 barrels and these wells would not be economic for \$226,000.00 well cost.

Q Now, the Exhibit No. 2 also contains a copy of the Texas Temporary Rule Order, is that right?

A Yes, it does.

Q Has a new order been entered as yet by Texas?

A For permanent rules?

Q Yes, sir.

A No, a formal order has not been entered.

Q This is the order it is operating under now?

A That's correct.

Q Does the order cover the allowable in Texas?

A No, sir, it doesn't. The Texas allowable is controlled by a yardstick.

Q Does the order contain essentially the same rules as contained in the New Mexico order which is the next sheet?

A Yes, it does, essentially the same, spacing is a little different.

Q The end result is approximately the same, is that correct, as to spacing too?

A Yes, it is essentially.

Q It would be on 80-acre spacing in Texas for all practical purposes?

A That's correct.

Q What did the New Mexico order provide in respect to the allowables?

A New Mexico Order Number R-2043 set up an allowable of 330 Barrels for the wells in New Mexico portion of the field to be continued as long as the discovery allowable is in effect in the Texas portion. Following that time they were to revert, they were to be determined in accordance with Rule 505.

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Q And this is what you recommend be done at this time, is that correct?

A Yes.

Q Have you heard anything from Texas in regard to the hearing held on December 16th?

A Yes, we have. We have a letter from R.H. Barbeck Chief Engineer of the Commission, signed by Bill I. Thomas which we have entered as Exhibit 3.

(Whereupon, Applicant's Exhibit 3 marked for identification.)

Q That is a copy of the letter directed to your company in regard to that hearing?

A That's correct.

Q Were exhibits contained in Exhibit No. 2 prepared by you or under your supervision?

A Yes, they were.

MR. KELLAHIN: I would like to offer in evidence Exhibits 2 and 3.

MR. NUTTER: Exhibits 2 and 3 will be admitted in evidence.

(Whereupon, Applicant's Exhibits 2 and 3 admitted in evidence)

MR. KELLAHIN: That's all I have on direct examination.

BY MR. NUTTER:

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Q Referring to your chart showing those bottom pressures and the declines, you mentioned that the four pressure points labeled 1, 2, 3, and 4 were significant, then you went into detail on the point No. 1, Sego-Crawford State No. 1 pressure. I don't believe you went into detail on the other three.

Would you elaborate on those pressure points?

A Yes, sir, I just omitted to do so. Well No. 2 Standard of Texas Southland Royalty Sixteen Number 2 also in the south area, that was an initial pressure from drillstem test of 3,179 pounds.

Q That was drillstem test pressure?

A That's correct, before any substantial production from that well and that was 1,700 pounds per square inch less than initial pressure in the south area. No. 3 is in the Standard of Texas State 32, Number 1 and that was a drillstem test, an initial pressure in that well and it was 800 PSI less than initial pressure in the north area. Number 4,--

Q Taken before production?

A Yes, sir. Well No. 4 was in the Standard of Texas State 32 No. 2. It was drillstem test, initial drillstem test in January of 1966 and it was 1,700 PSI less than initial pressure in the north area. I consider these all show substantial interference between wells.

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Q Now, according to your calculations here, you indicate that you have got about two million barrels of recoverable oil in the pool and then we turn to the production history and we find that 1,100,000 barrels has been produced. In other words, you consider that this pool is more than 50% depleted?

A Yes, sir, I do.

Q Do you think there would be any probability of any secondary recovery in this pool?

A It's possible, if this water drive does not come along a good bit stronger, I am sure it will be looked into.

Q Particularly in the one area there is no water drive indicated at all in that one area.

MR. PORTER: What is the recovery factor?

A For the south area without water drive is 25.4%; in the north area, and I will admit that this is an assumed figure, it's 35%.

MR. NUTTER: Are there any other questions of Mr. Cameron? He may be excused.

(Witness excused)

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

MR. KELLAHIN: That's all.

MR. NUTTER: Does anyone have anything they wish

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to offer in Cases 3277 and 3278. Mr. Lyon?

MR. LYON: Victor Lyon with Continental Oil Company. Continental Oil Company would like to concur with Standard of Texas' recommendation that the temporary field rules in the Stateline-Ellenburger Pool be made permanent and we have no objection to the order which has been entered as to the allowable.

MR. NUTTER: Thank you, Mr. Lyon. Does anyone else have anything to offer?

MR. HATCH: Telegrams from Humble Oil and Refining Company and from Skelly in support of the Applicant.

MR. NUTTER: Thank you. Is there anything further? We will take these cases under advisement and recess the hearing until 1:15.

(Recess)

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STATE OF NEW MEXICO )  
 ) ss  
COUNTY OF BERNALILLO )

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

*Kay Embree*  
Court Reporter

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. **3278-3277** heard by me on **1-4** 19**67**.

*Spencer* Examiner  
New Mexico Oil Conservation Commission



Wells or locations not within 150 feet of center of 40 acre tract.

Standard Oil Company of Texas  
Continental State #1-B Section 5, T24S, R38E  
Located 860 feet from north line and 1960 feet from east line.

Seco Production Company  
Crawford-State #1-M Section 4, T24S, R38E  
Located 660 feet from south line and 2218 feet from west line.

Seco Production Company  
Crawford-State #2-L Section 4, T24S, R38E  
Located 1980 feet from south line and 890 feet from west line.

## EXHIBIT 2

### Texas

|                      |   |          |
|----------------------|---|----------|
| Market Demand Factor | - | 28%      |
| 40 Acre Yardstick    | - | 287 BOPD |
| 80 Acre Yardstick    | - | 436 BOPD |
| 40 Acre Allowable    | - | 80 BOPD  |
| 80 Acre Allowable    | - | 122 BOPD |

### New Mexico

|                       |   |          |
|-----------------------|---|----------|
| Normal Unit Allowable | - | 37       |
| 40 Acre Depth Factor  | - | 6.75     |
| 80 Acre Depth Factor  | - | 7.75     |
| 40 Acre Allowable     | - | 250 BOPD |
| 80 Acre Allowable     | - | 287 BOPD |

It is recommended that an oil pool be created and designated the Stateline-Ellenburger Pool. Vertical limits to be the Ellenburger formation and horizontal limits to be as follows:

TOWNSHIP 24 SOUTH, RANGE 38 EAST, NMPM

Section 4: All

Section 5: NE/4

Discovery well is the Standard Oil Company of Texas, Southland Royalty Well No. 16-1 located in the SW/4 NW/4, Section 16, Block A-51, Andrews County, Texas.

The well was completed on May 4, 1965, for an I.P. of 436 BOPD. Top of perforations is 12,172 feet.

Allowable adjustment:

At this time the Texas well is producing at the rate of 330 BOPD discovery allowable. This rate will be maintained for a period of 18 months or until the sixth well is completed in the pool.

In order to prevent drainage and protect correlative rights, it is recommended that an allowable comparable to the Texas allowable be set for New Mexico wells, that is 330 BOPD. This allowable should remain in effect so long as the discovery allowable remains in effect.

When the discovery allowable is discontinued, the normal allowable can be set one of two ways, either on the basis of the Texas Yardstick and Market Demand Factor or the New Mexico Normal Unit Allowable with the appropriate depth factor.

As an example of allowable comparisons, using August figures for both states:

See Exhibit 2

If the Texas allowable is adopted for wells in New Mexico, it will have to be set on the basis of the allowable for the Texas wells for the preceding month. This can be illustrated by the following formula:

$$\frac{\text{This month's number of days} \times (\text{Yardstick Factor} \times \text{Market Demand Factor})}{\text{Next month's number of days}}$$

For example, I'll assume the Commission is setting the allowable for July, 1965. Using the 40 acre yardstick of 287 BOPD X 28% Market Demand Factor:

$$\frac{30 \times (287 \times .28)}{31} = 78 \text{ BOPD for July.}$$

This would make the July New Mexico allowable balance the June Texas allowable.

COMMISSIONERS  
DEN RAMSEY  
Chairman  
BYRON TUNNELL  
JIM C. LANGDON

Railroad Commission of Texas  
OIL AND GAS DIVISION



AUSTIN, TEXAS

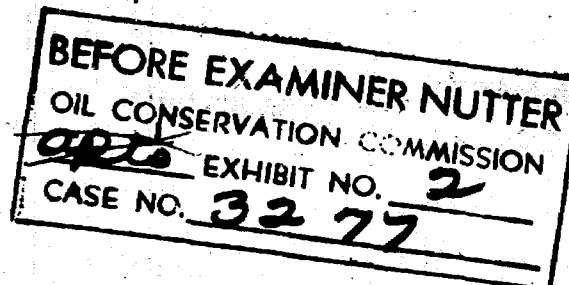
July 22, 1965

ARTHUR H. BARBECK  
Chief Engineer

Standard Oil Company of Texas  
P. O. Box 1249  
Houston, Texas

ATTENTION: Mr. Paul Hull

IN RE: Docket No. 8-55,393  
Heard July 19, 1965  
STATELINE (ELLENBURGER) FIELD  
Andrews County.



Gentlemen:

At a formal conference held July 21, 1965, the Commission adopted the following temporary rules for 18 months for the subject field:

1. 660' - 1,700' spacing.
2. 80 acre proration units plus 40 acre tolerance for the last well on a lease; maximum diagonal of 3,250'.
3. 100% acreage allocation.
4. At least 1,400' of surface casing; or 450' of surface casing with a multi-stage tool set and cemented at 1,400'.

Each operator must file with the Proration Department in our Austin Office certified plats showing the size and shape of the proration unit assigned to each well in accordance with Rule No. 2 listed above. Said plats must be received in this office before August 6, 1965.

These temporary rules will terminate on January 21, 1967 and will be reviewed at a hearing during December 1966. At the review hearing the operators should present evidence to support the permanent rules which may be proposed at said hearing. If the evidence presented at said hearing fails to support the proposed permanent rules, this field may revert to Statewide spacing and proration units.

A formal order will be forthcoming.

Yours very truly,

Arthur H. Barbeck  
Chief Engineer

By Mac L. Coker  
Mac L. Coker  
Senior Examiner

MIC:cbr

cc - All operators, all appearances  
Proration Dept., Bob Cook



MARATHON OIL COMPANY

July 23, 1965

P. O. Box 220  
Hobbs, New Mexico

MAIN OFFICE 000

'65 JUL 26 AM 7 34

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

Attention: Mr. Dan Nutter

Dear Sir:

This is to confirm our telephone conversation of July 22, 1965 whereby you were informed that Marathon Oil Company has complied with the Commission's suggestion that Marathon's McDonald A/c 3 State, Well No. 1, location be changed.

The New location for the subject well is 2080' from the East line and 560' from the South line of Section 32, T.23 South, R. 38 East, Lea County, New Mexico, which will conform with the anticipated field rules of all locations being within 150' of the center of a 40 acre tract.

Yours very truly,

MARATHON OIL COMPANY  
Department of Operations

John R. Barber  
Area Petroleum Engineer

JRB:bje

cc: J. H. Herring  
J. R. Murray  
L. H. Shearer  
T. A. Steele  
A. A. Peters  
File

Exhibit #1 is a surface ownership map of the area around the proposed Stateline-Ellenburger Pool.

Depicted on this map are producing wells shown as black dots and locations or drilling wells shown as open circles. At present there are two producing wells, one in the SW/4 NW/4, Section 16, Blk. A-51, Andrews County, Texas, and one in the NW/4 NE/4, Section 5, Township 24 South, Range 38 East, Lea County, New Mexico.

Also depicted is the cross-section A' - A which encompasses three wells only. The two previously mentioned producing wells and a dry hole drilled by Skelly Oil Company located in the SE/4 SW/4, Section 9, Township 24 South, Range 38 East. This well was drilled to a total depth of 10,070 feet and did not reach the Ellenburger formation.

On the right of the exhibit are split logs of the wells depicted by cross-section A' - A. The purpose of depicting the Skelly well is to illustrate the possible presence of a fault which would probably be the controlling factor for the southern horizontal boundary of the pool. The lower portion of the cross-section covers the top of the Ellenburger and reflects a structural difference of 69 feet with the New Mexico well being the highest well.

The structural difference on the Devonian top between the two producing wells is 90 feet and in excess of 300 feet between the Skelly well and the two producing wells.

About the only conclusion that can be drawn from this exhibit is that there is not enough information available to definitely say that both producing wells are on the same structure. However, I would venture a guess and say that they were. This assumption is based on the fact that the Ellenburger is usually highly faulted in this area, and it is highly probable that these wells are located on the same fault block. This can be assumed since it would be improbable that these wells would be on separate fault blocks with only 69 feet of structural difference.

# Memo

From  
JOE D. RAMEY  
SUPERVISOR & PRORATION  
MANAGER

To Jim Durrett  
Attached is the  
testimony I plan to  
give on the 28th  
concerning Case #3277.  
You might talk this  
over with Dan & let  
me know if there is  
any thing further that  
needs to be added.  
JDR

I understand that Standard of Texas is to furnish all pertinent reservoir data for the hearing. I have mailed Mr. Cribb with Standard Oil Company of Texas in Snyder, Texas, two copies of this exhibit so that he will know what the Commission may present in the way of geological testimony.

Very truly yours,

OIL CONSERVATION COMMISSION

*John W. Runyan*  
John W. Runyan  
Geologist

cc: Mr. Joe D. Ramey, Supervisor, District I NMOCC

JWR:fd



GOVERNOR  
JACK M. CAMPBELL  
CHAIRMAN

State of New Mexico  
Oil Conservation Commission



LAND COMMISSIONER  
GUYTON B. HAYS  
MEMBER

P. O. BOX 1980  
HOBBS  
July 16, 1965

STATE GEOLOGIST  
A. L. PORTER  
SECRETARY

MAIN OFFICE 000

'65 JUL 19 AM 7 45

Mr. Dan Nutter, Chief Engineer  
New Mexico Oil Conservation Commission  
Post Office Box 2088  
Santa Fe, New Mexico

Re: Geology Case 3277

Dear Dan:

The attached exhibit contains all the geological information available at this time. Since there are only two wells completed in the Ellenburger in this area, it is impossible to construct a structure map. Crossection A - A' indicates that the two Standard Oil Company of Texas wells, one in Texas and one in New Mexico, certainly appear to be on the same structure. The past history of the Ellenburger formation in this area has been very good as far as porosity and permeability are concerned. Generally in this formation, faulting on the structures is the controlling factor. The possible fault (?) shown in Crossection A - A' and on the location map is based upon information by Standard Oil Company of Texas, their seismic maps.

The Standard of Texas Continental State No. 1, Unit B, Section 5, should be checked very closely. The reported gas production is 4824 MCF per day making this well have a GOR of 10,031 to 1, which makes it practically a gas well. This well is structurally higher and completed higher than the well in Texas. It is possible that its completion is partly in the gas cap of this reservoir.

CLASS OF SERVICE  
This is a fast message unless its deferred character is indicated by the proper symbol.

# WESTERN UNION TELEGRAM

| SYMBOLS |                               |
|---------|-------------------------------|
| DL      | Day Letter                    |
| NL      | Night Letter                  |
| LT      | International Letter Telegram |

1201 (4-00)  
W. P. MARSHALL, President  
The filing time shown in the date line on domestic telegrams is LOCAL TIME at point of origin. Time of receipt is LOCAL TIME at point of destination.

ALLOWABLE OF 330 BARRELS OF OIL PER CALENDAR DAY PER WELL. PAN AMERICAN RESPECTFULLY REQUESTS THAT THE COMMISSION ASSIGN THE NEW MEXICO PORTION OF THE STATELINE ELLENBURGER POOL A TOP ALLOWABLE OF 330 BARRELS OF OIL PER CALENDAR DAY PER WELL FOR WELLS LOCATED ON 80-ACRE PRORATION UNITS. PAN AMERICAN FURTHER RECOMMENDS THAT THE TEMPORARY FIELD RULES INCLUDE PROVISIONS FOR BASING ALLOWABLES OF NON-STANDARD UNITS (GREATER THAN OR LESS THAN 80 ACRES) PROPORTIONALLY ON 100-0/0 ACREAGE AND 330 BARRELS OF OIL PER DAY TOP ALLOWABLE FOR AN 80-ACRE UNIT.

W V GRISHAM PAN AMERICAN PETROLEUM CORPORATION==

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE.

CLASS OF SERVICE  
This is a fast message  
unless its deferred char-  
acter is indicated by the  
proper symbol.

# WESTERN UNION TELEGRAM

(152)

1201 (4-00)

W. F. MARSHALL, PRESIDENT

SYMBOLS  
DL=Day Letter  
NL=Night Letter  
LT=International  
Letter Telegram

The filing time shown in the date line on domestic telegrams is LOCAL TIME at point of origin. Time of receipt is LOCAL TIME at point of destination.

LA140 DA387

1965 JUL 26 PM 3 57

D FWA606 PB=FAX FORT WORTH TEX 26 441P CST=

CASES

NEW MEXICO OIL CONSERVATION COMMISSION=

3277

PO BOX 871 SANTA FE NMEX=

3278

ATTENTION: MR. JIM DURRETT=

RE CASE 3278, 7-28-65, EXAMINER HEARING. PAN

AMERICAN PETROLEUM CORPORATION, THEOWNER OF WORKING

INTERESTS IN ACREAGE WITHIN THE APPARENT PRODUCTIVE

LIMITS OF THE STATELINE ELLENBURGER POOL, RESPECTFULLY

REQUESTS THE ADOPTION OF TEMPORARY 80-ACRE PROPRATION

UNITS FOR THE POOL.=THE TEXAS PORTION OF THE STATELINE

(ELLENBURGER) FIELD IS CURRENTLY ASSIGNED TOP DISCOVERY

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

*Case file*

AMERADA PETROLEUM CORPORATION

P. O. BOX 2040

TULSA 2, OKLA.

MAIN OFFICE OCC

'65 Jul 28 PM 12 50

July 26, 1965

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

Re: Cases 3277 and 3278  
Hearing on July 28, 1965

Gentlemen:

Amerada Petroleum Corporation is a working interest owner in the Stateline Ellenburger Field in Texas but does not own any acreage in Sections 4 and 5, Township 24 South, Range 38 East, in New Mexico.

Amerada's position in Case 3277 is that allowables in Texas and New Mexico should be assigned on an equitable basis, an equal allowable per acre of proration unit.

Amerada's position in Case 3278 is that it supports that part of the application of Standard Oil Company of Texas for special pool rules which provide for 80-acre proration units, inasmuch as Texas has adopted this spacing

Very truly yours,

*RL Hocker*

R. L. Hocker

RLH:dw

Docket No. 21-65

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 28, 1965

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 3277: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the creation of a new pool for Ellenburger production in Sections 4 and 5, Township 24 South, Range 38 East, Lea County, New Mexico, said pool to be designated the Stateline-Ellenburger Pool; further to consider the establishment of a procedure whereby allowables for wells in said pool may be assigned on an equitable basis with allowables assigned to wells in the same common source of supply in the State of Texas.
- CASE 3278: Application of Standard Oil Company of Texas for special rules for the Stateline-Ellenburger Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Stateline-Ellenburger Pool in Sections 4 and 5, Township 24 South, Range 38 East, Lea County, New Mexico, including a provision for 80-acre proration units.
- CASE 3279: Application of Standard Oil Company of Texas for a non-standard unit and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the approval of a 688-acre non-standard gas proration unit comprising all of the partial Sections 34 and 35, Township 20½ South, Range 23 East, Indian Basin-Upper Pennsylvanian Gas Pool, Eddy County, New Mexico, said unit to be dedicated to a well to be drilled at an unorthodox location 990 feet from the South and East lines of said Section 34.
- CASE 3280: Application of Bolack-Greer, Inc. for an unorthodox location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 850 feet from the North line and 1030 feet from the East line of Section 16, Township 25 North, Range 1 West, Puerto Chiquito-Gallup Oil Pool, Rio Arriba County, New Mexico.
- CASE 3281: Application of Samuel G. Dunn for a two-well proration unit and an unorthodox location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill and produce the second well on the 160-acre oil proration unit comprising the SW/4 of Section 26, Township 26 North, Range 1 East, Puerto Chiquito-Gallup Oil Pool, Rio Arriba County, New Mexico, the 160-acre allowable to be produced from either well in any proportion. Said second well would be drilled at an unorthodox location 1720 feet from the South line and 460 feet from the West line of said Section 26. (The SW/4 of Section 26 is currently dedicated to a well in Unit M of said section). In the alternative, applicant seeks the creation of two non-standard 80-acre proration units comprising the N/2 SW/4 and S/2 SW/4 of said Section 26 to be dedicated to the proposed well and the existing well, respectively.

CASE 3282: Application of Continental Oil Company for a special allowable, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the assignment of a special allowable to wells on its Eaves "B" Lease in Section 31, Township 26 South, Range 37 East, Jalmat Pool, Lea County, New Mexico, which allowable would permit equalized per-acre withdrawal rates from applicant's wells (on 40-acre spacing) to the per-acre withdrawal rates from 20-acre wells located immediately south of said Eaves "B" Lease in the Scarborough Pool, Winkler County, Texas. In the alternative, applicant seeks the designation of a separate new pool for Yates production for said Section 31, and the establishment of a procedure whereby special pool allowables would be assigned to effect such equalized per-acre withdrawals.

CASE 3073 (Reopened):

In the matter of Case No. 3073 being reopened pursuant to the provisions of Order No. R-2758, which order, as amended by Orders Nos. R-2758-A and R-2758-B, established 160-acre oil well spacing and 320-acre gas well spacing for the Tocito Dome-Pennsylvanian "D" Oil Pool, San Juan County, New Mexico, for a period of one year. All interested parties may appear and show cause why said pool should not be developed on 40-acre oil well spacing and 160-acre gas well spacing, or such other spacing as may seem proper.

CASE 3112 (Reopened): Continued from the June 30th Examiner Hearing

In the matter of Case 3112 being reopened pursuant to the provisions of Order No. R-2824, which order authorized Gallup-Dakota commingling in the wellbore by means of a dual-flow downhole choke assembly in its Jicarilla 28 Well No. 1 located in Unit J of Section 28, Township 25 North, Range 4 West, Rio Arriba County, New Mexico. All interested parties may appear and show cause why the authority granted under this order should not be terminated.

GOVERNOR  
JACK M. CAMPBELL  
CHAIRMAN

State of New Mexico  
**Oil Conservation Commission**



LAND COMMISSIONER  
GUYTON B. HAYS  
MEMBER

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

P. O. BOX 2088  
SANTA FE

August 6, 1965

Mr. Jason Kellahin  
Kellahin & Fox  
Attorneys at Law  
Post Office Box 1769  
Santa Fe, New Mexico

Re: Case No. 3277  
Order No. R-2943 & R-2944  
Applicant:  
OCC &  
Standard Oil Co. of Texas

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

ir/

Carbon copy of order also sent to:

Hobbs OCC X

Artesia OCC       

Aztec OCC       

OTHER Mr. Chas. Malone, Mr. Jim Jennings & Mr. Robert J. Leonard

DOCKET MAILED

Date 12-22-66

*for 1-4-67 hearing*

*R-2944*





The Stairline-Eisenburger Pool

proration unit in New Mexico should be  
330 barrels per day effective August  
1, 1965, said allowance to continue  
for such time as the <sup>bonus</sup> ~~in Stairline (Eisenburger) Pool~~  
discovery allowance is in effect in state of  
Texas. Upon discontinuance of bonus  
discovery allowance in Stairline (Eisenburger)  
Pool in state of Texas, the <sup>top unit</sup> allowance  
in Stairline-Eisenburger Pool in state  
of New Mexico should revert to normal  
unit allowance multiplied by depth  
proportionate factor for pools in  
12,000 - 13,000 range plus whatever  
adjustment, <sup>if any</sup> must be made for  
size of spacing and proration unit  
in effect in pool.

San Juan  
Examiner

dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

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1213 FIRST NATIONAL BANK EAST • PHONE 256-1294 • ALBUQUERQUE, NEW MEXICO

PAGE 24

STATE OF NEW MEXICO )  
COUNTY OF BERNALILLO ) ss

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 7th day of August, 1965.

*Ada Dearnley*  
NOTARY PUBLIC

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 3277 heard by me on 7/28, 1965.

*Arthur* Examiner  
New Mexico Oil Conservation Commission

dearnley-meier reporting service, inc.

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I N D E X

WITNESS

PAGE

R. E. CRIBB

Direct Examination by Mr. Kellahin

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PAUL HULL

Direct Examination by Mr. Kellahin

7

Cross Examination by Mr. Nutter

13

JOE D. RAMEY

Direct Examination by Mr. Durrett

15

Cross Examination by Mr. Nutter

21

EXHIBIT

MARKED

OFFERED AND  
ADMITTED

Standard's No. 1

2

7

Standard's No. 2

12

12

O.C.C. No. 1

15

21

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MR. KELLAHIN: Nothing further.

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

MR. DURRETT: That will conclude our case.

MR. NUTTER: Does anyone have anything further to offer in Case 3277? I would like to announce that we have received a telegram from Pan American Petroleum Corporation in which they concur with the creation of the pool and the assignment of the allowables on an equitable basis with the allowable in Texas.

If there is nothing further in this case, we will take the case under advisement.

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PAGE 21

taken away from the wells in Texas, is that correct?

A Yes, sir.

Q Was Exhibit 1 prepared by you or under your supervision?

A It was.

MR. DURRETT: If the Examiner please, I move the introduction of Exhibit No. 1. That would conclude my examination of Mr. Ramey.

MR. NUTTER: O.C.C. Exhibit No. 1 will be admitted.

(Whereupon, O.C.C. Exhibit No. 1 was offered and admitted in evidence.)

MR. NUTTER: Any questions of Mr. Ramey?

CROSS EXAMINATION

BY MR. NUTTER:

Q What was the date of completion of the well in New Mexico and what are the perforation tops?

A I think the completion date was on the 18th. I stand to be corrected on that, July the 11th, and the top of the perforations are at 12,068 feet.

MR. NUTTER: Are there any questions of Mr. Ramey? He may be excused.

(Witness excused.)

MR. NUTTER: Do you have anything further in this case, Mr. Kellahin?

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limits to be the Ellenburger formation and the horizontal limits to be as follows: in Township 24 South, Range 38 East, all of Section 4, the Northeast Quarter of Section 5.

Q Are those horizontal limits depicted upon your Exhibit No. 1?

A Yes, sir, they're outlined in green.

Q Now, do you have a recommendation to make to the Examiner concerning the allowable that should be assigned to this pool?

A Yes, sir. At this time the Texas well is producing at the rate of, with an assigned allowable of 330 barrels per day, while the New Mexico well is receiving an allowable of 250 barrels per day. So, to prevent drainage and to protect correlative rights it would be my recommendation that the New Mexico allowable be adjusted to the 330 barrel per day rate until, well, so long as the discovery allowable is maintained in Texas.

Q What is the New Mexico well producing right now? Is it producing top New Mexico allowable?

A Yes, sir.

Q What is that?

A 250 barrels per day.

Q You would recommend that the order be written to go to the Texas allowable until the discovery provisions are

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porosity information that they have?

A Yes, sir.

Q Would that substantiate your opinion that there is a separate common source of supply?

A Yes, sir, common source of supply.

Q When I say a separate common source of supply, Mr. Ramey, I mean the Texas portion and the New Mexico portion together are a separate common source of supply?

A Yes, sir. Probably separate from any other Ellenburger pool in the area.

Q Which well was the discovery well, Mr. Ramey, would you give some information on that well?

A The discovery well was the Standard Oil Company of Texas Southland Royalty Well No. 16-1 located in the Southwest Quarter, Northwest Quarter of Section 16, Block A-51, Andrews County, Texas. The well was completed on May 4, 1965 for an IP of 436 barrels per day, and top of perforation is 12,172 feet.

Q Now, Mr. Ramey, would you refer to your Exhibit 1 again and please state to the Examiner your recommendation, if you have one, concerning the horizontal limits of the proposed pool?

A I would recommend that an oil pool be created and designated as the Stateline-Ellenburger Pool; the vertical

A Yes, sir.

Q And also from Commission files?

A Yes, sir. We had part of the logs in our file and then the remainder were furnished by Standard.

Q What do you feel that this cross section would indicate to you?

A Well, I think it helps to indicate that this is one common source of supply. There's at least no indication that it is not.

Q Have you studied the structural map that was presented in this case by Standard as their Exhibit No. 1?

A Yes, sir.

Q Was that furnished to you prior to this hearing?

A Yes, sir, yesterday afternoon.

Q And using that structure map and the information that you have available as shown on your Exhibit 1, what would be your opinion concerning this pool?

A Well, using all the maps available plus the information that was given by Mr. Hull on the gravities and fluids and gas-oil ratios and such, well, I could conclude that this would be a common source of supply.

Q And you were present here this morning and heard the Standard witnesses testify concerning the similarity of bottomhole pressure and the GOR data and the permeability and



Q Now, the tops that you have depicted here, are they projected tops that Seco is projecting now?

A No. I didn't inquire as to that. I just, the thickness between the top of the Devonian and the top of the Ellenburger in the two Standard wells is fairly uniform. I think within thirty feet. I would say that the Crawford State well would fall within the same thickness category, and so I think this just illustrates that perhaps we have a gradually climbing structure between the two wells. We didn't have enough information to actually draw a structural contour map such as Standard drew, which is based I imagine primarily on their seismic work.

Q What is the significance of the Skelly well, what does that indicate to you?

A Well, it shows the possibility of a fault, but then this is a possibility only.

Q Is that the possible fault that you have indicated on your location map in the left-hand side of the exhibit?

A Yes, sir. I think the Standard map shows the fault a little closer to the Skelly well and probably at a different angle, but I won't quibble about that.

Q Now, the information that you prepared your cross section on was furnished to you by Standard of Texas, is that correct?

Q Now, this ownership plat that you have, it does show the variation in acreage, is that correct, Mr. Ramey?

A Yes, sir. We have some small, approximately seven-acre lots, that border on the New Mexico side of the state line. Outside of that I think they're fairly standard 640-acre sections.

Q Does this exhibit also reflect a cross section that you have prepared or had prepared for you?

A Yes. I have a cross section which starts reading from right to left through the Standard well in Texas to the Standard well in New Mexico, and then to a dry hole drilled by Skelly Oil Company; that would be the Southwest Quarter of Section 9 in New Mexico.

Also transposed on this is a line which represents, a line in green which represents the Seco Crawford State No. 1, which has now penetrated the Devonian section at an estimated top of about 9330. My cross section illustrates both the top of the Devonian and the top of the Ellenburger well, and the Seco well seems to fall right in line with the other two wells in the pool.

Q Mr. Ramey, where did you get your information concerning the Seco well? I believe it's drilling, is that correct?

A I called Seco's office in Midland Friday.

BY MR. DURRETT:

Q Mr. Ramey, will you please state your name and position for the record?

A Joe D. Ramey, supervisor of Commission's District 1, Hobbs, New Mexico.

Q Is the area that is the subject matter of this case within your district, Mr. Ramey?

A Yes, sir.

Q Are you familiar with the background of this area?

A Yes, sir.

Q Do you have an exhibit, I believe, which is an ownership plat?

A Yes, sir. I have an exhibit which is an ownership plat, and also a small cross section of all wells in the area that at least penetrated the Devonian.

MR. DURRETT: May we have that marked as O.C.C. Exhibit No. 1, please?

(Whereupon, O.C.C. Exhibit No. 1 was marked for identification.)

A This exhibit, the completed oil wells are the black dots and then we have the location and drilling wells as open circles. I think that's reasonably up-to-date with the exception of perhaps one well in Texas which I don't have spotted on there.

dearnley-meier reporting service, inc.

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went off that the pool would probably revert to the yardstick plus the market demand factor. What would happen in the event you sought an MER for this pool, Mr. Hull?

A Well, I hope I didn't infer that's what was going to happen. What I meant to say was going to happen is that before the Texas wells go off of their discovery allowable we will ask for another hearing, at which we will propose that the Texas wells be granted the New Mexico allowable for that depth, not subject to market demand.

Q There would be no possibility then of an MER being established in Texas which would be higher than the New Mexico allowable?

A Of course, we would like to see that, but I expect the MER will be set at whatever the New Mexico allowable is.

Q I see.

MR. NUTTER: Are there further questions of Mr. Hull? He may be excused.

(Witness excused.)

MR. DURRETT: The Commission will call Mr. Joe Ramey.

JOE D. RAMEY

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

DIRECT EXAMINATION

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MR. KELLAHIN: That's all I have on direct examination.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Hull, the New Mexico allowable factors are determined by the depth of the casing shoe or the uppermost perforation, whichever is higher?

A Yes, sir.

Q In the event that you have to make a determination as to which was the actual discovery well of the pool, the Texas well or New Mexico well, as far as New Mexico is concerned do they both fall in the twelve to thirteen thousand foot bracket?

A Yes.

Q So there's really no problem as to which is the discovery well?

A The top perforation in the Texas well is 12,172; the top perforation in the New Mexico well is 12,086.

Q Both between twelve and thirteen thousand?

A Yes.

Q When was the hearing before the Railroad Commission on this pool in Texas?

A July 19.

Q You mentioned that as soon as the discovery allowable

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Q There has already been a hearing on this pool in Texas, is that correct?

A Yes, sir.

Q Do you have a copy of the order that was entered in Texas?

A This is not the formal order. It is the letter from the Railroad Commission of Texas advising us of what the findings were and with the statement that a formal order will be forthcoming.

MR. KELLAHIN: I ask that the letter be marked as Exhibit No. 2.

(Whereupon, Standard's Exhibit No. 2 in Case 3277 was marked for identification.)

Q Exhibit No. 2 is the copy of the letter to which you just referred?

A That's right.

MR. KELLAHIN: At this time I would like to offer in evidence Exhibit No. 2.

MR. NUTTER: Standard's Exhibit No. 2 will be admitted in evidence.

(Whereupon, Standard's Exhibit No. 2 was offered and admitted in evidence.)

Q Do you have anything further to add, Mr. Hull?

A I believe not at this time.

Q Do you have any recommendation to the Commission in connection with the creation of a pool at this time?

A I would recommend that the Commission consider this a common pool with the Stateline field in Texas and that the allowables be set comparable to the present discovery allowables in Texas.

Q What is the present discovery allowable in Texas?

A 330 barrels a day.

Q Are you recommending that the allowable situation be a permanent arrangement?

A No, sir. When the Texas wells go off the discovery allowable we would recommend that the New Mexico wells revert to the statewide allowable, which at this depth it has a factor of 7.75.

Q This would be the New Mexico statewide allowable?

A Yes; and we have already advised in the hearing held in Texas that we will request that the Texas wells be assigned a comparable allowable when they go off the discovery allowable.

Q When will they go off the discovery allowable?

A Either at the time of the completion of the sixth well or in 18 months from the discovery, which would be in January of 1967. Undoubtedly the sixth well will be drilled before that time.

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gas-oil ratio was 550.

MR. NUTTER: What was the duration of that test, Mr. Hull?

A I do not know. It was for the major part of a day. On the test the well flowed at a rate of 301.68 barrels per day and produced 166, produced at the rate of 166 MCF. Separator pressure was 30 psi on that test.

Q Do you have any information on the permeabilities, porosities in this pool?

A Yes, sir. The porosities calculated from the sonic log and compared, after comparing the sonic log to the core data from the Continental State Well, the sonic log porosities were 2.4 over-all for the Southland Royalty well, 3.9 for the Continental State well. The permeabilities, and these are the effective permeabilities determined from the pressure buildup curves, 33.9 in Southland, 191 millidarcies in the Continental State.

Q Based on the information you have just discussed, in your opinion is the Stateline-Ellenburger Pool under consideration here in the State of New Mexico a common source with the pool across the line in Texas?

A With the information we have now, yes, sir.

Q Do you know of any information that would indicate otherwise?

A No, sir.



pressure bomb was at 12,100 feet, a minus 8799; static pressure was 4927.

If we convert the pressure recorded in the Southland Royalty Well to the same datum as that in the Continental State, it converts to 4944 psi compared to 4927. This is well within the accuracy of the modern pressure tools. In addition to this, the gravity in the two wells measured at 43.3 in the Southland Royalty Well, 42.8 in the Continental State.

MR. NUTTER: What were the figures again?

A 43.3, 42.8. These are field measurements. Gas-oil ratio data, we have several measurements. On the potential form filed for the two wells the gas-oil ratio is reported on the Southland Royalty Well as 373 and for the Continental State, 513. Actually it is reported, I believe, at a thousand thirty for the Continental State Well. This appeared to be unreasonable, we had the field check their figures. They had made an error in calculating the pressure and this was corrected to 513.

Subsequent to the potentials we have measured GOR on production tests in the Continental State Well on a 46-1/2 hour production test. The measured gas-oil ratio was 539. In the Southland Royalty well, in a test conducted by Phillips Petroleum Company as a potential purchaser of the gas, the

capacities, presently in the Proration Section.

Q How long have you been with Standard Oil Company of Texas?

A Fourteen years.

Q At the present time does the area involved in the case before the Commission come within your jurisdiction?

A Yes, sir.

MR. KELLAHIN: Are the witness's qualifications accepted?

MR. NUTTER: They are.

Q (By Mr. Kellahin) Mr. Hull, have you made a study of the proposed Stateline-Ellenburger Pool?

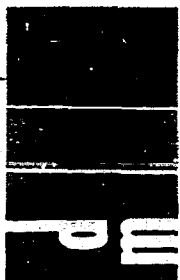
A Yes, sir.

Q And in connection with that study did you compile any data which would reflect the characteristics of the pool?

A Yes, I did.

Q Would you outline for the Commission what you have done in this connection?

A All right. The first item is the bottomhole pressure data from the two wells in the Southland Royalty 16 No. 1. We ran drill stem test No. 1 with the pressure bomb at 12,224 feet. This is a minus 8951. The recorded pressure at that depth, static pressure was 4993 pounds. On pressure buildup test in the Continental State Well in New Mexico



entered in evidence in this case.

(Whereupon, Standard's Exhibit No. 1 was offered and admitted in evidence.)

MR. NUTTER: Are there any questions of Mr. Cribb?

He may be excused.

(Witness excused.)

PAUL HULL

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you state your name, please?

A Paul Hull, H-u-l-l.

Q By whom are you employed and what position, Mr. Hull?

A Standard Oil Company of Texas, Supervising Proration Engineer.

Q Have you ever testified before the New Mexico Oil Conservation Commission?

A No, sir.

Q For the benefit of the Examiner, would you outline your education and experience as a petroleum engineer?

A I received a degree in geological engineering from the University of Oklahoma; been employed for fourteen years by Standard Oil Company of Texas in various engineering

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in the pool?

A No.

Q And one of these is in Texas and one in New Mexico?

A That is correct.

Q In your opinion then, is it a single common source of supply across the state line?

A In my opinion there is a common source of supply.

Q And there's no evidence to indicate that there is not?

A No.

Q You ask then, that the Commission consider this as one field across the state line, giving consideration to the allowables on each side of the line?

A Yes.

Q Do you have anything further?

A No.

MR. KELLAHIN: That's all I have on direct examination.

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

A It was prepared under my supervision.

MR. KELLAHIN: At this time we will offer in evidence Exhibit No. 1.

MR. NUTTER: Standard's Exhibit No. 1 will be

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represents the state line.

Q Now, would you describe the lithology of the area involved here?

A The lithology of the reservoir is a dolomite; it's light gray to brown in color, dense to coarsely crystalline, with pinpoint intercrystalline and vuggy porosity with random oriented open and closed fractures.

Q Are there any other wells completed than the two you mentioned?

A Not at this time.

Q Are there any drilling?

A Yes. Standard Oil Company of Texas is drilling a well, the No. 1 Bessie Howell in Section 15, Andrews County, in the Southwest Quarter of that section. Standard is also drilling a well in Lea County in the Southeast Quarter of Section 5; this is a Continental State No. 2.

Q Of the two wells that have been completed, do you know what their production is?

A They were potentialized for, well, the one in Texas was potentialized for 436 barrels of oil per day. The 16-1 Southland Royalty in New Mexico, the Continental No. 1 State was potentialized for 481 barrels of oil a day.

Q Was there any geological evidence that there is a separation between the two wells that have been completed

involving the area under consideration in Case 3277?

A Yes, we prepared a structure map on top of the Ellenburger formation in the area under consideration.

Q That is what has been marked as Exhibit No. 1 in Case 3277?

A That is correct.

Q Now, referring to Exhibit No. 1, would you discuss the information that is shown on this exhibit?

A This is a structure map in the area of consideration, contours being on top of the Ellenburger formation. On the left side of the map we have a typical log in this case, the log of the discovery well, the Standard Oil Company of Texas 16-1 Southland Royalty, located in the Northwest Quarter of Section 16, Andrews County.

Q What is the depth of the top of the formation there?

A The top of the formation, in this case the Ellenburger, is at 12,092 feet. I would also like to interject here those areas outlined with hashers are either Standard Oil Company of Texas wholly-owned or partially-owned leases. The black dots represent those wells that have been completed in this case, the well in the Northwest Quarter of Section 16 in Texas and a well in the Northeast Quarter of Section 5 in Lea County, New Mexico. The dashed line running north-south, or approximately in the center of the map



R. E. CRIBB

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you state your name, please?

A R. E. Cribb.

Q By whom are you employed and in what position?

A Standard Oil Company in Snyder, Texas, as District Geologist.

Q Have you ever testified before the New Mexico Oil Conservation Commission?

A No, I have not.

Q For the benefit of the Examiner will you outline briefly your education and qualifications as a geologist?

A I have a Master of Science Degree in geology from Emory University. I have been employed by Standard of Texas for eleven years, the last five years as District Development Geologist in Snyder, Texas.

MR. KELLAHIN: Are the witness's qualifications acceptable?

MR. NUTTER: They are.

Q (By Mr. Kellahin) Mr. Cribb, have you prepared a structure map or log, or had a structure map prepared

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MR. NUTTER: We will call next Case 3277, which is the case called by the Oil Conservation Commission on its own motion to consider the creation of a new pool for Ellenburger production in Sections 4 and 5, Township 24 South, Range 38 East, Lea County, New Mexico; and further to consider the establishment of a procedure whereby allowables for wells in said pool may be assigned on an equitable basis with allowables assigned to wells in this same common source of supply in the State of Texas.

MR. DURRETT: If the Examiner please, Jim Durrett appearing on behalf of the Commission. With me will be Mr. Jason Kellahin, representing Standard Oil Company of Texas. They have agreed to cooperate with the Commission in this case in presenting testimony concerning the case. With your permission, Mr. Kellahin will present, I believe, two witnesses and then I'll call Mr. Ramey, the Supervisor of our Hobbs Office.

MR. NUTTER: Will all the witnesses who are going to appear in Case 3277 stand and be sworn?

(Witnesses sworn.)

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



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

July 28, 1965

EXAMINER      HEARING

IN THE MATTER OF:

The hearing called by the Oil Conservation Commission on its own motion to consider the creation of a new pool for Ellenburger production in Sections 4 and 5, Township 24 South, Range 38 East, Lea County, New Mexico, said pool to be designated the Stateline-Ellenburger Pool; further to consider the establishment of a procedure whereby allowables for wells in said pool may be assigned on an equitable basis with allowables assigned to wells in the same common source of supply in the State of Texas.

Case No. 3277

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

- CASE 3510: Application of United States Smelting Refining and Mining Company for an unorthodox gas well location, Lea County, New Mexico. Applicant in the above-styled cause, seeks approval for its Federal Well No. 2 at an unorthodox location 760 feet from the South line and 2080 feet from the West line of Section 11, Township 20 South, Range 34 East, Lea-Pennsylvanian Gas Pool, Lea County, New Mexico.
- CASE 3511: Application of Thomas A. Dugan for an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Navajo Federal Well No. 1 completed in the Gallup formation at an unorthodox gas well location 660 feet from the North and West lines of Section 26, Township 28 North, Range 15 West, San Juan County, New Mexico, said well to be dedicated to the NW/4 of said Section 26.
- CASE 3512: Application of Pubco Petroleum Corporation for force-pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in the Basin-Dakota Gas Pool underlying the S/2 of Section 21, Township 26 North, Range 6 West, Rio Arriba County, New Mexico, and allocating well costs including a risk factor for a well to be drilled on said spacing unit.
- CASE 3513: Application of Midwest Oil Corporation for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Vada-Pennsylvanian Pool, Lea County, New Mexico, including a provision for 160-acre proration units.
- CASE 3514: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider suspending the scheduled cancellation of underproduction which accrued to certain wells in the Eumont Gas Pool during the first six months of 1966 and which was not made-up during the second six months period and was therefore subject to cancellation January 1, 1967. The underproduction being considered for suspension of cancellation accrued as a result of the sale of the connecting pipeline for said wells from an intra-state company to an inter-state company resulting in necessity for FPC approval of sales. The wells, which were shut-in and not produced during the period FPC approval was being obtained, are certain wells formerly connected to Southern Union Gas Company and owned by the following operators: Northwell, Me-Tex, Penrose, Tidewater, Fields, Atlantic, Skelly, Clark & Christie, Aztec, and Great Western Drilling.

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 1, 1967

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

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

CASE 3439: (This case continued from the October 11, 1966 examiner hearing  
and will be dismissed).

In the matter of the hearing called by the Oil Conservation  
Commission on its own motion to permit Scanlon and Shepard and  
all other interested parties to show cause why the following  
Scanlon and Shepard wells in Township 20 North, Range 9 West,  
McKinley County, New Mexico, should not be plugged and abandoned  
in accordance with a Commission-approved plugging program:  
Santa Fe Pacific Railroad Lease: Wells Nos. 1, 3, 4, 5, 7, and  
8, all in Unit P, No. 10 in Unit H, and No. 2 in Unit L, all in  
Section 21; Well No. 6 in Unit L and Nos. 9 and 12 in Unit M  
of Section 22 and Nos. 11 and 13 in Unit D of Section 27, Ray  
Well No. 1 in Unit C, State Wells Nos. 1 and 2 in Unit A, and  
State K-1883 No. 1 in Unit B, all in Section 28.

CASE 3440: (This case continued from the October 11, 1966, examiner  
hearing and will be dismissed).

In the matter of the hearing called by the Oil Conservation Com-  
mission on its own motion to permit Osborn & Weir, and all inter-  
ested parties, to show cause why the following Osborn & Weir  
wells in Township 20 North, Range 9 West, McKinley County, New  
Mexico, should not be plugged and abandoned in accordance with a  
Commission-approved plugging program: Scanlon Well No. 17 in Unit P  
of Section 21 and Nos. 14 and 18 in Unit M of Section 22, Scanlon  
Ray Wells No. 5 in Unit A and No. 6 in Unit C of Section 28.

CASE 3441: (This case continued from the October 11, 1966, examiner hearing  
and will be dismissed).

In the matter of the hearing called by the Oil Conservation  
Commission on its own motion to permit LaMar Trucking, Inc.,  
and all interested parties, to show cause why their State Well  
Well No. 1 located 495 feet from the North and West lines of  
Section 28, Township 20 North, Range 9 West, McKinley County,  
New Mexico, should not be plugged and abandoned in accordance  
with a Commission-approved plugging program.

CASE 3506: Application of Standard Oil Company of Texas for a unit agreement,  
Lea County, New Mexico. Applicant, in the above-styled cause,  
seeks approval of the Maljamar-Grayburg Unit Area comprising  
3,441 acres, more or less, of Federal, State and Fee lands in

(Case 3506 continued)

Sections 2, 3, 4, 8, 9, 10, 11, 14, and 15, Township 17 South, Range 32 East, Lea County, New Mexico.

CASE 3507: Application of Standard Oil Company of Texas for a waterflood expansion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Maljamar-Grayburg Waterflood Project in its proposed Maljamar-Grayburg Unit Area by the injection of water into the Grayburg formation through thirteen additional injection wells. Applicant also seeks administrative procedure for further expansion of said project at a later date.

CASE 3508: Application of Phillips Petroleum Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the approval of the Vacuum Abo Unit Area, comprising 3640 acres, more or less of State and Fee lands in Townships 17 and 18 South, Range 35 East, Lea County, New Mexico.

CASE 3509: Application of Phillips Petroleum Company for a pressure maintenance project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project in its Vacuum-Abo Unit by the injection of gas into the Abo Reef formation through two wells located in Section 33, Township 17 South, Range 35 East, and Section 4, Township 18 South, Range 35 East, Vacuum-Abo Reef Pool, Lea County, New Mexico. Applicant further seeks the promulgation of special rules to govern operation of said pressure maintenance project.

CASE 3278 (Reopened)

In the matter of Case No. 3278 being reopened pursuant to the provisions of Order No. R-2944, which order established 80-acre spacing units for the Stateline-Ellenburger Pool, Lea County, New Mexico, for a period of eighteen months. All interested parties may appear and show cause why said pool should not be developed on 40-acre spacing units.

CASE 3277 (Reopened)

In the matter of Case No. 3277 being reopened to consider the necessity for the continuance of the special allowables assigned to wells in the Stateline-Ellenburger Pool, Lea County, New Mexico.

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CASE No. 3277  
Order No. R-2943

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

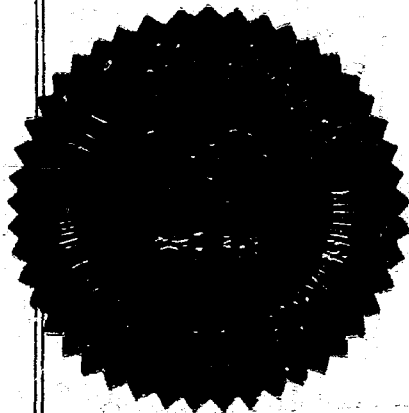
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*Jack M. Campbell*  
JACK M. CAMPBELL, Chairman

*Guyton B. Hays*  
GUYTON B. HAYS, Member

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



esr/

-2-

CASE No. 3277

Order No. R-2943

(4) That said pool constitutes a common source of supply with the Stateline (Ellenburger) Pool in Andrews County, Texas.

(5) That the Texas portion of the pool was discovered by the Standard Oil Company of Texas Southland Royalty Company Well No. 1, located in Unit E of Section 16, Block A-51, Andrews County, Texas, and completed May 4, 1965.

(6) That wells in the Stateline (Ellenburger) Pool in Andrews County, Texas, are presently receiving a discovery allowable of 330 barrels of oil per calendar day which exceeds top unit allowable for wells of similar depth in New Mexico.

(7) That in order to afford the operators in the New Mexico portion of the pool the opportunity to produce their just and equitable share of the oil, and otherwise prevent waste and protect correlative rights, effective August 1, 1965, the top unit allowable for wells on a standard proration unit in New Mexico should be 330 barrels of oil per day and said allowable should continue so long as wells in the Texas portion of the pool are receiving a discovery allowable.

IT IS THEREFORE ORDERED:

(1) That a new pool in Lea County, New Mexico, classified as an oil pool for Ellenburger production, is hereby created and designated the Stateline-Ellenburger Pool with vertical limits comprising the Ellenburger formation and horizontal limits comprising all of Section 4 and the NE/4 of Section 5, Township 24 South, Range 38 East, NMPM, Lea County, New Mexico.

(2) That, effective August 1, 1965, the top unit allowable for wells on a standard proration unit in the Stateline-Ellenburger Pool, Lea County, New Mexico, shall be 330 barrels of oil per day and said allowable shall continue so long as a discovery allowable is in effect in the Texas portion of the pool.

(3) That upon discontinuance of the discovery allowable in the Texas portion of the pool, the top unit allowable for wells in the Stateline-Ellenburger Pool, Lea County, New Mexico, shall be determined in accordance with Rule 505 of the Commission Rules and Regulations.

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION ON ITS OWN MOTION TO CONSIDER THE CREATION OF A NEW POOL FOR ELLENBURGER PRODUCTION IN SECTIONS 4 AND 5, TOWNSHIP 24 SOUTH, RANGE 38 EAST, NMPM, LEA COUNTY, NEW MEXICO, SAID POOL TO BE DESIGNATED THE STATELINE-ELLENBURGER POOL; FURTHER TO CONSIDER THE ESTABLISHMENT OF A PROCEDURE WHEREBY ALLOWABLES FOR WELLS IN SAID POOL MAY BE ASSIGNED ON AN EQUITABLE BASIS WITH ALLOWABLES ASSIGNED TO WELLS IN THE SAME COMMON SOURCE OF SUPPLY IN THE STATE OF TEXAS.

CASE No. 3277  
Order No. R-2943  
NOMENCLATURE

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on July 28, 1965, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 6th day of August, 1965, 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 Standard Oil Company of Texas Continental State Well No. 1, located in Unit B of Section 5, Township 24 South, Range 38 East, NMPM, Lea County, New Mexico, has discovered a separate common source of supply in New Mexico which should be designated the Stateline-Ellenburger Pool with vertical limits comprising the Ellenburger formation and horizontal limits comprising all of Section 4 and the NE/4 of Section 1, Township 24 South, Range 38 East, NMPM, Lea County, New Mexico.

(3) That the Standard Oil Company of Texas Continental State Well No. 1 was completed July 18, 1965, with the top of the perforations at 12,086 feet.

OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

Date 1/9/67

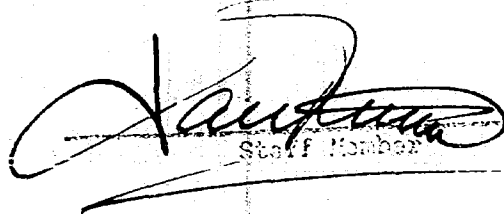
CASE 3277

Hearing Date 9 am 1/4/67  
DSN (b) SF

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

Enter an order continuing  
the ~~the~~ allowable provisions  
of Order No. R-2943 in  
effect through April 30, 1967.  
Provide that effective 7:00 am  
May 1, 1967, the allowance  
for the Statewide Edmenger  
Pool shall be determined in  
accordance with piece 505  
of the Commission Rules and  
Regulations.

Order No. will be R-2943-A

  
Staff Member



GOVERNOR  
DAVID F. CAYO  
CHAIRMAN

State of New Mexico  
**Oil Conservation Commission**



LAND COMMISSIONER  
GUYTON B. HAYS  
MEMBER

P. O. BOX 2088  
SANTA FE

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

January 18, 1967


Mr. Jason Kellahin  
Kellahin & Fox  
Attorneys at Law  
Post Office Box 1769  
Santa Fe, New Mexico

Re: Case No. 3277  
Order No. R-2943-A  
Applicant:  
Oil Commission

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

ALP/ir

Carbon copy of order also sent to:

Hobbs OCC x

Artesia OCC       

Aztec OCC       

Other Mr. Vic Lyon - Continental Oil Company

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CASE No. 3277

Order No. R-2943-A

(5) That the allowable provisions of Order No. R-2943 should be continued in effect through April 30, 1967.

(6) That effective May 1, 1967, the top unit allowable for wells in the subject pool should be determined in accordance with Rule 505 of the Commission Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the allowable provisions of Order No. R-2943 are hereby continued in effect through April 30, 1967.

(2) That effective 7:00 A.M. May 1, 1967, the top unit allowable for wells in the Stateline-Ellenburger Pool, Lea County, New Mexico, shall be determined in accordance with Rule 505 of the Commission Rules and Regulations.

(3) 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

  
DAVID F. CARGO, Chairman

  
GUYTON B. HAYS, Member

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



csr/

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF CASE NO. 3277 BEING REOPENED  
BY THE OIL CONSERVATION COMMISSION ON ITS OWN  
MOTION TO CONSIDER THE NECESSITY FOR THE CON-  
TINUANCE OF THE SPECIAL ALLOWABLES ASSIGNED TO  
WELLS IN THE STATELINE-ELLENBURGER POOL, LEA  
COUNTY, NEW MEXICO.

CASE No. 3277  
Order No. R-2943-A

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 4, 1967,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 18th day of January, 1967, 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 by Order No. R-2943, dated August 6, 1965, the  
Commission established the top unit allowable for wells on a  
standard proration unit in the Stateline-Ellenburger Pool, Lea  
County, New Mexico, as 330 barrels of oil per day so long as a  
discovery allowable remained in effect in the Texas portion of  
the pool.
- (3) That said Order No. R-2943 also provided that upon  
discontinuance of the discovery allowable in the Texas portion  
of the pool, the top unit allowable for wells in the Stateline-  
Ellenburger Pool, Lea County, New Mexico, would be determined  
in accordance with Rule 505 of the Commission Rules and Regula-  
tions.
- (4) That the discovery allowable is still in effect in the  
Texas portion of said pool and will remain in effect until on or  
about May 2, 1967.