

CASE 3327: Application of TEXACO
for an allowable increase, Lea
County, New Mexico.

CASE NO.

3327

Application,
TRANSCRIPTS,
SMALL Exhibits
ETC.

DOCKET: EXAMINER HEARING - WEDNESDAY - NOVEMBER 3, 1965

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

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

- CASE 3327: Application of Texaco Inc. for an allowable increase, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to statewide Rule 505 (a) and 505 (b) to increase the 40-acre proportional factor from 1.33 to 1.77 for the Vacuum-Glorieta Pool, Lea County, New Mexico.
- CASE 3328: Application of Texaco Inc. for force pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order force pooling all mineral interests in the Basin-Dakota Pool underlying the N/2 of Section 36, Township 30 North, Range 12 West, San Juan County, New Mexico.
- CASE 3329: Application of Tenneco Oil Company for directional drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to recomplate by means of directional drilling the following wells:

Township 29 North, Range 9 West
Florance No. 24, Unit A, Section 23

Township 30 North, Range 8 West
Florance No. 36, Unit H, Section 3
Florance No. 35, Unit A, Section 18

Township 30 North, Range 9 West
Florance No. 5, Unit A, Section 22
Mansfield No. 1, Unit P, Section 19

All of the above wells are presently completed in the Blanco-Mesaverde Pool. Applicant proposes to set a whipstock above the Mesaverde producing interval and to directionally drill, recompleting said wells in the Mesaverde formation, and in some instances, to further drill to the Dakota producing interval thereby permitting dual completion of the wells to produce gas from the Blanco-Mesaverde and Basin-Dakota Gas Pools. Applicant further proposes to conduct appropriate deviation tests to ensure that none of the wells is completed nearer than 200 feet to the outer boundaries of its proration unit.

- CASE 3330: Application of Anadarko Production Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its Grayburg Premier Sand formation through five wells in Sections 25 and 26, Township 17 South, Range 30 East, Grayburg Jackson Pool, Eddy County, New Mexico.

- 2 -

NOVEMBER 3, 1965 EXAMINER HEARING

CASE 3331: Application of Marathon Oil Company for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Paddock-Yeso formation in its Federal Well No. 1 in Unit K of Section 24, Township 21 South, Range 23 East, Eddy County, New Mexico.

CASE 3323: (Continued from the October 19, 1965, Examiner Hearing) Application of David Fasken for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (conventional) of his Belmont-Collier Well No. 1 located in Unit H of Section 9, Township 11 South, Range 33 East, Lea County, New Mexico, to produce oil from the North Bagley Upper and Lower Pennsylvanian Pools through parallel strings of tubing.

TEXACO INC.

PETROLEUM PRODUCTS



DOMESTIC PRODUCING DEPARTMENT
MIDLAND DIVISION

J. H. MARKLEY, DIVISION MANAGER

September 17, 1965

ALLOWABLE INCREASE Vacuum Glorieta Oil Pool Lea County, New Mexico

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

Attention: Mr. A. L. Porter, Jr., Secretary-Director
Gentlemen:

Texaco Inc. respectfully requests that allowables in the Vacuum Glorieta Oil Pool in Lea County, New Mexico be based upon the depth bracket of 6,000-7,000' instead of 5,000-6,000'. This action will constitute an exception to Statewide Rule 505 (a), which bases the allowable upon the first well in a field, and will increase the top allowable in this field from 50 BOPD (proportional factor 1.33) to 66 BOPD (proportional factor 1.77).

Even though the top of the perforations in the first well in the field was fifty-five feet above the 6,000-7,000' depth bracket, 82% of the subsequent wells in the field were completed in intervals the top of which were below 6,000'. To date there are 161 producing oil wells in the field and 132 have perforation tops deeper than 6,000'. Since development appears to be complete, it is most unlikely and quite improbable that the ratio of wells in the two depth brackets will change significantly. For this reason, Texaco, Inc. feels that allowables based upon the 6,000-7,000' depth bracket are justified and in accord with the intent of Statewide Rule 505.

The attached tabulation of wells with completion dates, intervals, and allowables is summarized in the table "Allowable Increase By Changing To Next Lower Depth Bracket". It shows that the increased allowable will not change the competitive position of any operator in the field. Each operator's allowable will increase in the narrow range of 27 to 32%. The total field allowable will increase 2,201 barrels of oil per day from 7,606 to 9,807.

SEP 20 AM 8 39
O. BOX 3109
MIDLAND, TEXAS 79704

Case 3321

NMOCC

-2-

September 17, 1965

To further assist you in considering this application, also attached is a map of the Vacuum multipay area on which appears the Glorieta wells. Performance curves are also included to graphically illustrate reservoir behavior and production statistical information from the date of discovery to the present time. If any additional information is desired please advise and it will be submitted promptly.

Yours very truly,

J. H. Markley
J. H. Markley

CLW/KG
Attach.

ALLOWABLE INCREASE BY CHANGING
TO NEXT LOWER DEPTH BRACKET
VACUUM GLORIETA OIL POOL - LEA COUNTY, NEW MEXICO

<u>Company</u>	<u>Daily Allowable, Bbls.</u>		<u>Increase</u>	
	<u>Present</u> <u>(5-6,000')</u>	<u>Anticipated</u> <u>(6-7,000')</u>	<u>Bbls.</u>	<u>Percent</u>
Amerada Petroleum Corp.	50	66	16	32
Cities Service Oil Co.	200	264	64	32
Continental Oil Co.	150	198	48	32
Humble Oil & Refg. Co.	800	1,030	230	29
Marathon Oil Co.	721	943	222	31
Phillips Petr. Co.	1,294	1,672	378	29
Shell Oil Company	1,143	1,450	307	27
Skelly Oil Company	150	198	48	32
Socony Mobil	748	975	227	30
Standard Texas	708	910	202	29
Texaco Inc.	1,423	1,824	401	28
Tidewater Oil Company	219	277	58	27
	7,606	9,807	2,201	

Page 3327

TEXACO
INC.

PETROLEUM PRODUCTS



DOMESTIC PRODUCING DEPARTMENT
MIDLAND DIVISION

MAILED
OCT 15 1965
PH 1

P. O. BOX 3109
MIDLAND, TEXAS 79704

October 13, 1965

See 3327

APPLICATION FOR HEARING
VACUUM (GLORIETA) OIL POOL
LEA COUNTY, NEW MEXICO

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

Attn: A. L. Porter, Jr.

Gentlemen:

It is respectfully requested that an examiner hearing be scheduled in Santa Fe, New Mexico for the New Mexico Oil Conservation Commission to consider the request of Texaco Inc. that allowables in the Vacuum (Glorieta) Oil Pool in Lea County, New Mexico be based upon the depth bracket of 6000' - 7000' instead of 5000' - 6000'. This action will constitute an exception to Statewide Rule 505(a) which bases the allowable for wells in a given field upon the first well completed in such field, and will increase the top allowable in the Vacuum (Glorieta) Pool from 50 BOPD using a proportional factor of 1.33 to 66 BOPD using a proportional factor of 1.77.

The provisions to be requested at the above subject hearing will be those outlined in our letter to you dated September 17, 1965. As suggested by Mr. D. S. Nutter, Chief Engineer, by telephone conversation with the undersigned on the afternoon of October 13, 1965, this hearing will be scheduled for November 3, 1965.

Yours very truly,

C. L. Whigham
Division Proration Engineer

CLW:jl

DOCKET MAILED

Date 10-22-65

W

CLARENCE E. HINKLE
W. E. BONDURANT, JR.
S. B. CHRISTY IV
LEWIS C. COX, JR.
PAUL W. EATON, JR.
CONRAD E. COFFIELD
HAROLD L. HENSLEY, JR.
MICHAEL R. WALLER

LAW OFFICES
HINKLE, BONDURANT & CHRISTY
HINKLE BUILDING
ROSWELL, NEW MEXICO

November 1, 1965

OF COUNSEL: HIRAM M. DOW

TELEPHONE 622-6510
AREA CODE 505
POST OFFICE BOX 10

Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

Re: Case No. 3327, examiner's
hearing docket Wednesday,
November 3, 1965

Gentlemen:

Our client, Humble Oil & Refining Company, has 16 producing wells in the Vacuum-Glorieta Pool, Lea County, New Mexico, all of which are completed below 6,000 feet. At the hearing in connection with the above captioned case, being the application of Texaco Inc. for an allowable increase, please enter on the record the following statement on behalf of Humble Oil & Refining Company:

In the matter of Case No. 3327, Humble Oil & Refining Company supports Texaco Inc. in their request for exception to statewide rule 505(A) and 505(B) to increase the 40-acre proportional factor from 1.33 to 1.77 for the Vacuum-Glorieta Pool, Lea County, New Mexico, for the following reasons:

1. The fact that the Vacuum-Glorieta undesignated pool was assigned the higher proportional factor and was subsequently reassigned the lower proportional factor;
2. All Humble Oil & Refining Company wells encounter the Glorieta zone and are completed below 6,000 feet; and
3. 82 percent of the pool wells are completed below 6,000 feet.

Yours very truly,

HINKLE, BONDURANT & CHRISTY

By 

CEH:cs

CLASS OF SERVICE

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WESTERN UNION

TELEGRAM

W. P. MARSHALL, PRESIDENT

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NEW MEXICO OIL CONSERVATION COMMISSION=
SANTA FE NMEX=

STANDARD OIL CO. OF TEXAS, OPERATOR OF FOURTEEN WELLS IN
THE VACUUM-GLORIETTA POOL, LEA COUNTY, FULLY SUPPORTS
TEXACO, INC. IN ITS APPLICATION TO INCREASE THE
PROPORTIONAL FACTOR FROM 1.33 TO 1.77. THE TOP
PERFORATION IN EACH OF OUR WELLS IS BELOW 6000 FT=
C N SEGNAIR CHIEF ENGINEER STANDARD OIL CO OF
TEXAS PP O BOX 1249 HOUSTON TEXAS=

=1.33 1.77 6000 1249:

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

CLASS OF SERVICE

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WESTERN UNION

TELEGRAM

W. P. MARSHALL, PRESIDENT

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NEW MEXICO OIL CONSERVATION COMMISSION, ATT A L PORTER JR=
PO BOX 2088 SANTA FE NMEX=

CITIES SERVICE OIL COMPANY RECOMMENDS APPROVAL OF CASE
3327 REGARDING AN INCREASE IN THE 40 ACRE PROPORTIONAL
FACTOR FROM 1.33 TO 1.77 FOR THE VACUUM GLORIETTA POOL
BECAUSE OF THE LARGE MAJORITY OF WELLS IN THE POOL
COMPLETED IN THE INTERVAL FROM 6,000 TO 7,000 FEET=

R W ELY DIVISION SUPERINTENDENT==

3327 40 1.33 1.77 6,000 7,000=

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

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W. P. MARSHALL, PRESIDENT

(33). -60)

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NEW MEXICO OIL CONSERVATION COMM, ATTN A L PORTER JR=
SANTA FE NMEX=

IN RE CASE NO 3327, DOCKET OF NOVEMBER 3 1965, SHELL OIL
COMPANY SUPPORTS THE REQUEST OF TEXACO INC FOR AN
EXCEPTION TO RULE 505 /A/ AND 505 /B/ TO INCREASE THE 40
ACRE PROPORTIONAL FACTOR FROM 1.33 TO 1.77 FOR THE
VACUUM-GLORIETA POOL LEA COUNTY=

J E R SHEELER DIVISION PRODUCTION MANAGER SHELL
OIL CO PO BOX 1509 MIDLAND TEX.

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

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WESTERN UNION TELEGRAM

W. P. MARSHALL, PRESIDENT

1201 (4-60)

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NEW MEXICO OIL CONSERVATION COMMISSION= 1965 NOV 1 PM 5 22
ATTN A L PORTER JR SANTA FE NMEX=

NOV. 3rd. Hearing
N RE: CASE 3327 - APPLICATION OF TEXACO, INC. FOR AN
ALLOWABLE INCREASE, VACUUM GLORIETA POOL, LEA COUNTY.
PHILLIPS PETROLEUM COMPANY TAKES NO POSITION WITH RESPECT
TO THE MERITS OF THIS APPLICATION, BUT IF THE QUESTION
ARISES AS TO WHETHER PHILLIPS PETROLEUM COMPANY CAN
HANDLE THE ADDITIONAL GAS WHICH WOULD BECOME AVAILABLE
TO ITS CONNECTED LEASES SHOULD THE APPLICATION BE GRANTED,
THE ANSWER IS THAT PHILLIPS CAN HANDLE SUCH ADDITIONAL
GAS=
PHILLIPS PETROLEUM CO SHOFNER SMITH PRODUCTION DIRECTOR

CLASS OF SERVICE

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WESTERN UNION

TELEGRAM

W. P. MARSHALL, PRESIDENT

SYMBOLS

DL=Day Letter
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1201 (4-60)

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LA102 KB282

Nov

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OIL CONSERVATION COMMISSION STATE LAND OFFICE BLDG=
SANTA FE NMEX=

1969 NOV 1 PM 2 42

RE CASE 3327

THIS IS TO ADVISE SKELLY OIL COMPANY CONCURS IN
TEXACOS APPLICATION FOR EXCEPTION TO STATEWIDE RULE FOR
VACUUM-GLORIETA POOL TO INCREASE PROPORTIONAL FACTOR
FROM 1.33 TO 1.77=

GEORGE W SELINGER SKELLY OIL CO==

1.33 1.77=

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

TEXACO
INC.

PETROLEUM PRODUCTS



DOMESTIC PRODUCING DEPARTMENT
MIDLAND DIVISION

P. O. BOX 8109
MIDLAND, TEXAS 79704

October 4, 1965

Place
3327
ALLOWABLE INCREASE
VACUUM (GLORIETA) POOL
LEA COUNTY, NEW MEXICO

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

Attn: Mr. D. N. Nutter
Chief Engineer

Gentlemen:

Reference is made to Texaco's letter of September 17, 1965 under the above subject requesting the Commission's consideration of increasing the allowable in the above subject field according to the next lower depth bracket. It was noted that a map showing the wells in the subject field did not accompany the above mentioned letter and is being forwarded to you attached to this letter.

Yours very truly,

C. L. Whigham
Division Proration Engineer

CLW:jl
Attach.

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. 3327
Order No. R-2997

APPLICATION OF TEXACO INC.
FOR AN ALLOWABLE INCREASE,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on November 3, 1965, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 9th day of November, 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 applicant, Texaco Inc., seeks an exception to Rules 505(a) and 505(b) of the Commission's General Rules and Regulations to increase the 40-acre proportional factor for the Vacuum-Glorieta Pool in Lea County, New Mexico, from 1.33 to 1.77.

(3) That the applicant has not established that there is a necessity for the proposed exception to Rules 505(a) and 505(b) of the Commission's General Rules and Regulations.

(4) That the applicant has not established that approval of the subject application would prevent waste or protect correlative rights.

(5) That the subject application should be denied.

-2-

CASE No. 3327
Order No. R-2997

IT IS THEREFORE ORDERED:

- (1) That the subject application is hereby denied.
- (2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

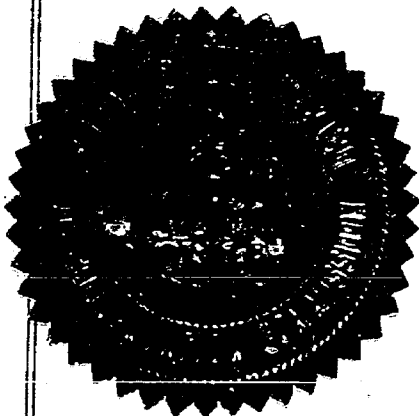
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Jack M. Campbell
JACK M. CAMPBELL, Chairman

Guyton B. Hays
GUYTON B. HAYS, Member

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



esr/

State of New Mexico
Oil Conservation Commission



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

November 9, 1965

Re: Case No. 3327
Order No. R-2997
Applicant:

TEXACO INC.

A. L. PORTER, Jr.
Secretary-Director

Other _____

TEXACO
INC.

PETROLEUM PRODUCTS



DOMESTIC PRODUCING DEPARTMENT
MIDLAND DIVISION

P. O. BOX 8109
MIDLAND, TEXAS 79704

November 9, 1965

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

Attn: Mr. E. A. Utz

Gentlemen:

As requested by examiner E. A. Utz at the hearing held on November 3, 1965 under Case 3327, Texaco Inc. has attached a copy of a log run on the discovery well in the Vacuum-Glorieta Field, Lea County, New Mexico.

Please advise if any additional information is desired.

Yours very truly,

A handwritten signature in cursive script, appearing to read "J. T. Johnapelus".

J. T. Johnapelus
Petroleum Engineer

JTJ:jl
Attachment

RECOMMENDATIONS

TEXACO Inc. respectfully requests that allowables in the Vacuum Glorieta Oil Pool in Lea County, New Mexico be based upon the depth bracket of 6000-7000' instead of 5000-6000'. This action will constitute an exception to Statewide Rule 505 (a), which bases the allowable upon the first well in a field, and will increase the top allowable in this field from 50 BOPD (proportional factor 1.33) to 66 BOPD (proportional factor 1.77).

Even though the top of the perforations in the first well in the field was fifty-five feet above the 6000-7000' depth bracket, 82% of the subsequent wells in the field were completed in intervals the top of which were below 6000'. To date there are 161 producing oil wells in the field and 132 have perforation tops deeper than 6000'. Since development appears to be complete, it is most unlikely and quite improbable that the ratio of wells in the two depth brackets will change significantly. For this reason, TEXACO Inc. feels that allowables based upon the 6000-7000' depth bracket are justified and in accord with the intent of Statewide Rule 505.

DESCRIPTION OF THE RESERVOIR AND FLUIDS

A meeting of the Vacuum Field Operators was held in the New Mexico Oil Conservation Commission Conference Room in Hobbs, New Mexico on January 9, 1963 for the purpose of establishing nomenclature for the deeper pays in the Vacuum Field. The top and bottom of the Vacuum (Glorieta) Pool was defined and is shown on the attached log.

The upper 110 feet of the Glorieta is a fine, grained, subangular, well sorted, quartz sandstone. In Socony Mobil, No. 27 Bridges-State this sand was drill stem tested from 5882' to 6000' or to a subsea depth of -2025 feet. The recovery of 1010 feet of gas and 830 feet of salt water indicates that this zone is not productive of oil in commercial quantities.

The Vacuum Glorieta Field pay section is a tan, fine to medium crystalline dolomite. The average porosity is 10.0% and interstitial water saturation is 30%. The range of permeability is 0.1 md. to 1000/ md.

The reservoir trap is an east plunging structural nose with porosity and permeability pinch outs in all directions.

There was no original gas cap present. The oil-water contact is erratic but is believed to be approximately -2100 subsea. The oil-water contact was drill stem tested in Texaco, No. 11 State of New Mexico "O" (NCT-1). The interval from a subsea depth of -2065 to -2223' flowed 15 barrels oil and 8 barrels of oil cut mud in 33 minutes and reversed out 47 barrels of oil and 120 feet of sulphur water.

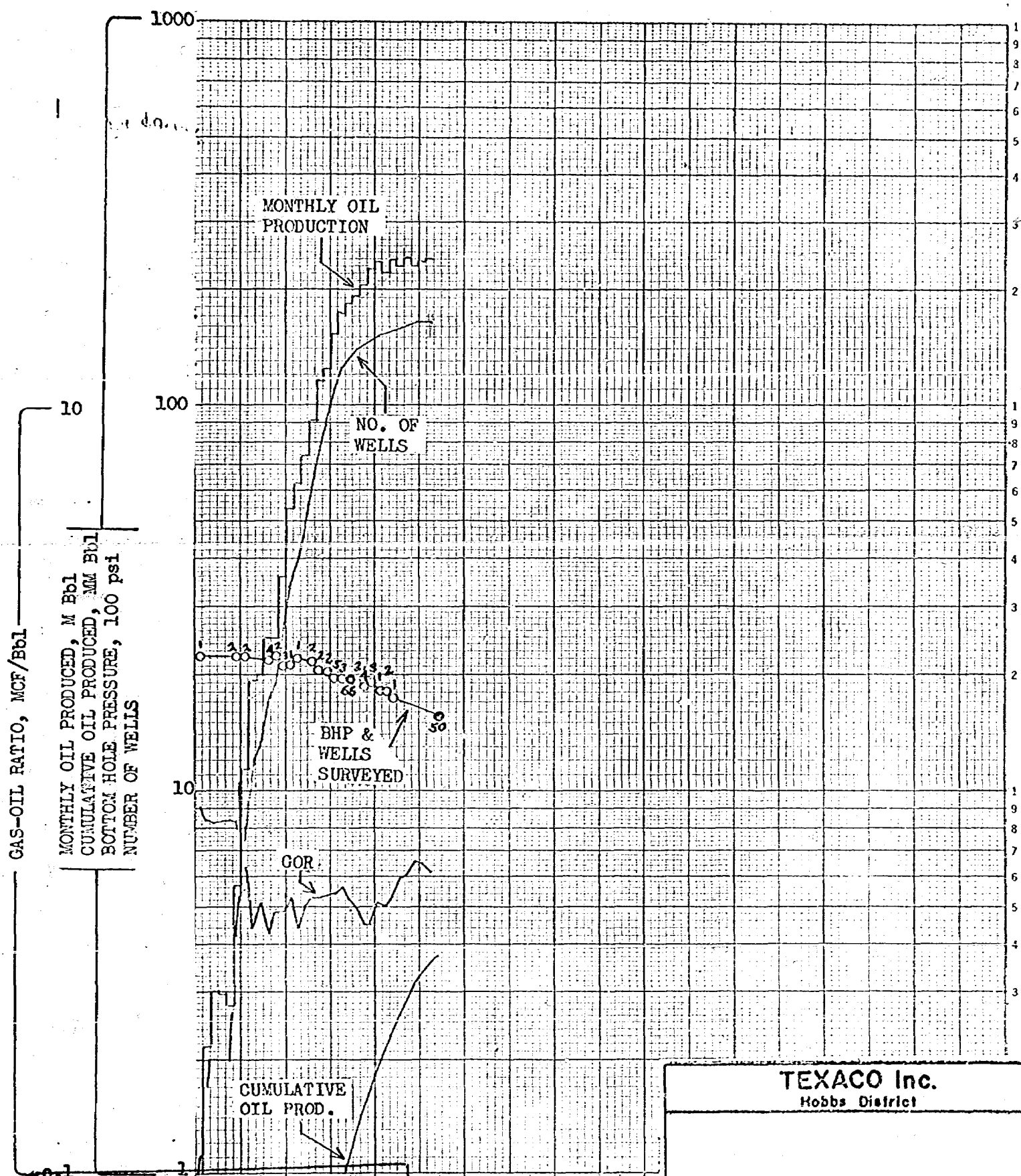
DESCRIPTION OF PRODUCING MECHANISM

The reservoir is presently being produced by rock and liquid expansion. During the last year the depletion rate was 7340 barrels per psi drawdown or 45 barrels per psi per well.

After reaching the bubble point pressure of 1210 psi, the reservoir will be produced by a solution drive mechanism. There is no evidence of pressure support from water encroachment, and the absence of structural relief will minimize the effects of a secondary gas cap or gravity drainage. It is believed that no damage to the reservoir nor decrease in ultimate recovery will result by increasing the allowed production rate.

The reservoir is being produced with a water cut of 13%. This water production is attributed to water bearing zones within the pay section which are not productive of hydrocarbons.

All wells, for which data are available, are in good communication with the reservoir. This is shown in the bottom hole pressure curve of the graphical production performance exhibit. It is noted that initial completion bottom hole pressures closely follow the trend of the annual bottom hole pressure surveys.



BEFORE EXAMINER UTZ
 OIL CONSERVATION COMMISSION
 EXHIBIT NO. 2
 CASE NO. 3307

TEXACO Inc.
 Hobbs District

PRODUCTION PERFORMANCE
 VACUUM (GLORIETA) FIELD
 LEA COUNTY, NEW MEXICO

Drawn By: JMS Date: 10-25-65

VACUUM (GLORIETA) FIELD

LIST OF WELL DRILLED BEFORE ONE COMPLETED BELOW
6000'

<u>Comp Date</u>	<u>Operator</u>	<u>State Lease</u>	<u>Well No</u>	<u>Producing Interval</u>
1 -11-63	TEXACO Inc.	"O" (NCT-1)	12	5945-5949' 51'
2 -18-63	TEXACO Inc.	"O" (NCT-1)	13	5916-6017'
6 - 5-63	Marathon Oil Co.	McCallister	6	5968-6017' at 5'
6 - 8-63	Tidewater Oil Co.	GO "F"	5	5951-6118'
6 -16-63	Socony Mobil Oil Co.	Bridges	97	5974-6038'
6 -20-63	Marathon Oil Co.	McCallister	8	5963-5991'
7 - 9-63	Marathon Oil Co.	McCallister	9	6003-6014'

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
App EXHIBIT NO. 3
CASE NO. 3327

PRODUCTION IN A PORTION
OF THE RESERVOIR BEFORE
THE POOL WAS DEFINED

Prior to May, 1964, wells completed in the Glorieta formation on the following leases were producing from an undesignated pool:

Cities Service Oil Company, State "K"
Humble Oil and Refining Company, State "K"
Phillips Petroleum Company, Santa Fe State
Shell Oil Company, State "T"
Shell Oil Company, State "V"

Wells on these leases enjoyed an allowable based on the 6000 to 7000 foot depth bracket.

51 wells not included
163

VACUUM (GLORIETA) FIELD
LIST OF WELLS IN CHRONOLOGICAL ORDER OF COMPLETION

Comp Date	Operator	State Lease	Well No.	PRODUCING INTERVAL	LAT-EST TEST BOVD	CURRENT ALLOW	ANTIC ALLOW	Comp Date	Operator	State Lease	Well No.	PRODUCING INTERVAL	LAT-EST TEST BOVD	CURRENT ALLOW	ANTIC ALLOW
1-11-63	TEXACO Inc.	"O" (NCT-1)	12	5985-5989'	65	50	66	6-7-64	TEXACO Inc.	M	7	6064-6076'	61	48	63
2-18-63	TEXACO Inc.	"O" (NCT-1)	13	5916-6017'	65	50	66	6-9-64	Shell Oil Co.	Hale	8	6036-6078'	15	15	15
6-5-63	Marathon Oil Co.	McCallister	5	5983-5911'	61	50	66	6-10-64	Phillips Petr Co.	K	9	5982-6004'	60	50	60
6-8-63	Tidewater Oil Co.	GO "F"	5	5951-6118'	60	50	66	6-12-64	Humble Oil & Ref Co.	K	26	6083-6095'	55	50	66
6-16-63	Soco Mobil Oil Co.	Bridges	97	5974-6038'	65	50	66	6-14-64	Humble Oil & Ref Co.	K	25	6084-6096'	55	50	66
6-20-63	Marathon Oil Co.	McCallister	8	5953-5921'	69	50	66	6-15-64	Std Oil of Texas	6 34	11	6111-6117'	8	8	8
7-9-63	Marathon Oil Co.	McCallister	9	5930-6012'	57	50	66	6-16-64	Humble Oil & Ref Co.	K	32	6085-6098'	61	50	61
7-13-63	Amerasia Petr Corp	VA	2	6003-6012'	60	50	66	6-18-64	Std Oil of Texas	S 27	6	6101-6153'	61	50	61
7-19-63	Tidewater Oil Co.	GO "F"	7	5935-6150'	62	50	66	6-19-64	Phillips Petr Co.	Santa Fe	88	6038-6054'	52	49	52
7-26-63	Continental Oil Co.	H-35	8	5954-5984'	54	50	66	6-20-64	TEXACO Inc.	"CG" (NCT-1)	2	6101-6119'	65	50	66
7-29-63	Marathon Oil Co.	Varo AC/3	99	5970-5975'	65	50	66	6-24-64	Std Oil of Texas	S 27	20	6120-6172'	64	50	64
8-1-63	Soco Mobil Oil Co.	Bridges	20	5950-5970'	64	50	66	6-30-64	Humble Oil & Ref Co.	K	30	6164-6172'	64	50	64
8-26-63	TEXACO Inc.	"O" (NCT-1)	5	6116-6190'	67	50	66	7-1-64	Humble Oil & Ref Co.	K	2	6103-6148'	61	50	61
9-1-63	Cities Service Oil	K	19	5980-5993'	65	50	66	7-1-64	Shell Oil Co.	M	15	6122-6165'	64	50	64
9-1-63	TEXACO Inc.	"O" (NCT-1)	5	6049-6060'	32	32	32	7-1-64	Soco Mobil Oil Co.	M	4	6060-6086'	61	50	66
10-19-63	Shell Oil Co.	"O" (NCT-1)	21	6031-6045'	64	50	66	7-2-64	Marathon Oil Co.	Staplin	7	5928-5946'	67	50	66
10-26-63	TEXACO Inc.	"O" (NCT-1)	5	6033-6054'	52	50	66	7-3-64	Phillips Petr Co.	Hale	24	5942-5958'	65	50	66
10-26-63	TEXACO Inc.	"O" (NCT-1)	5	6134-6171'	64	50	66	7-4-64	TEXACO Inc.	"O" (NCT-1)	98	6150-6161'	65	50	66
11-12-63	Shell Oil Co.	"L"	6	6103-6105'	65	51	68	7-7-64	Phillips Petr Co.	Santa Fe	2	6119-6136'	62	47	62
11-16-63	TEXACO Inc.	"O" (NCT-1)	5	6076-6094'	65	51	68	7-13-64	Soco Mobil Oil Co.	O	6	6078-6092'	60	50	66
11-16-63	TEXACO Inc.	"O" (NCT-1)	23	5926-5941'	65	50	66	7-13-64	TEXACO Inc.	F	4	6089-6131'	64	50	64
11-23-63	Phillips Petr Co.	Santa Fe	86	6152-6156'	60	50	66	7-15-64	Shell Oil Co.	K	30	6164-6172'	60	50	60
11-26-63	Soco Mobil Oil Co.	Bridges	58	6016-6064'	60	50	66	7-18-64	Humble Oil & Ref Co.	GO "H"	3	6134-6148'	63	48	63
11-26-63	Soco Mobil Oil Co.	I	2	5916-5950'	60	50	66	7-19-64	Tidewater Oil Co.	H	2	6025-6051'	62	50	66
11-30-63	TEXACO Inc.	"O" (NCT-1)	22	5929-5941'	65	50	66	7-21-64	Soco Mobil Oil Co.	P	4	6076-6118'	61	50	66
12-3-63	Marathon Oil Co.	McCallister	10	6016-6033'	60	50	66	7-23-64	Skelly Oil Co.	Staplin	3	6060-6086'	67	50	66
12-4-63	Shell Oil Co.	T	9	6051-6079'	60	50	66	7-23-64	Marathon Oil Co.	S 27	8	6132-6172'	67	50	66
12-18-63	Shell Oil Co.	"O" (NCT-1)	15	5998-6031'	65	50	66	7-23-64	Std Oil of Texas	Santa Fe	99	6112-6132'	62	50	66
12-22-63	TEXACO Inc.	K	6	6178-6200'	65	50	66	7-28-64	Phillips Petr Co.	B 1576	5	6086-6106'	59	50	66
12-31-63	Cities Service Oil	Santa Fe	80	6076-6108'	61	50	66	7-30-64	Sinclair Oil Co.	J	2	6007-6048'	56	50	56
1-11-64	Phillips Petr Co.	H-35	10	5953-6002'	62	50	66	8-1-64	Skelly Oil Co.	H	2	6102-6133'	59	50	66
1-21-64	Continental Oil Co.	K	7	6114-6208'	68	50	66	8-1-64	Shell Oil Co.	P	4	6090-6103'	59	50	66
1-30-64	Cities Service Oil	K	17	6134-6144'	57	50	66	8-3-64	Skelly Oil Co.	N	5	6092-6132'	65	50	66
2-4-64	Humble Oil & Ref	A	6	5997-6040'	60	50	66	8-8-64	Shell Oil Co.	3 32	5	6100-6140'	67	50	66
2-6-64	Shell Oil Co.	I	6	6111-6146'	60	46	50	8-10-64	Std Oil of Texas	M	3	6112-6148'	65	50	66
2-7-64	Shell Oil Co.	Santa Fe	87	6030-6042'	55	50	66	8-11-64	Shell Oil Co.	M	13	6027-6039'	59	50	66
2-18-64	Phillips Petr Co.	Santa Fe	89	6131-6171'	62	50	66	8-15-64	Marathon Oil Co.	Varo AC/2	6	6074-6101'	64	50	64
2-18-64	Phillips Petr Co.	Santa Fe	90	6076-6092'	40	40	40	8-15-64	Sinclair Oil Co.	B 1576	8	6018-6050'	64	50	64
3-7-64	Phillips Petr Co.	"O" (NCT-1)	6	6036-6044'	59	50	66	8-16-64	TEXACO Inc.	Q	1	6151-6157'	64	50	64
3-10-64	Marathon Oil Co.	Varo AC/3	6	6098-6139'	64	50	66	8-21-64	TEXACO Inc.	"CG" (NCT-2)	1	6105-6156'	59	50	66
3-15-64	Phillips Petr Co.	Santa Fe	6	6132-6148'	66	50	66	8-21-64	Shell Oil Co.	N	4	6058-6074'	65	50	66
3-25-64	Std Oil of Texas	"L"	7	6051-6163'	65	50	66	8-25-64	Shell Oil Co.	Santa Fe	100	6058-6074'	65	50	66
3-25-64	TEXACO Inc.	"L"	7	5978-5988'	56	50	66	8-26-64	Phillips Petr Co.	3 32	6	6072-6115'	58	50	66
3-30-64	Std Oil of Texas	"L"	9	6084-6172'	56	50	66	8-27-64	Std Oil of Texas	B 1576	7	6044-6080'	60	50	60
4-1-64	Shell Oil Co.	B	3	6076-6134'	56	50	66	8-30-64	Sinclair Oil Co.	Santa Fe	102	6030-6050'	62	50	66
4-2-64	Continental Oil Co.	H-35	12	5934-6019'	60	50	66	9-3-64	Phillips Petr Co.	Santa Fe	101	6072-6102'	64	50	66
4-4-64	Phillips Petr Co.	Santa Fe	91	6083-6099'	67	50	66	9-7-64	Phillips Petr Co.	B	4	6060-6129'	61	50	66
4-7-64	Std Oil of Texas	"L"	5	6102-6184'	62	50	66	9-8-64	Shell Oil Co.	Y	6	6151-6168'	65	50	66
4-9-64	Cities Service Oil	K	18	6110-6122'	62	50	66	9-10-64	Shell Oil Co.	B 1576	8	6059-6094'	61	50	66
4-10-64	Humble Oil & Ref	K	5	6025-6041'	62	48	53	9-12-64	Sinclair Oil Co.	3 32	7	6080-6159'	66	50	66
4-14-64	TEXACO Inc.	M	8	6068-6078'	67	50	66	9-15-64	Std Oil of Texas	Santa Fe	103	6104-6155'	67	50	66
4-19-64	Phillips Petr Co.	Hale	20	6121-6143'	67	50	66	9-21-64	Phillips Petr Co.	Santa Fe	106	6148-6168'	66	50	66
4-21-64	Phillips Petr Co.	Santa Fe	95	6078-6110'	65	50	66	9-24-64	Phillips Petr Co.	Varo AC/1	5	6030-6074'	64	50	64
4-25-64	TEXACO Inc.	"O" (NCT-1)	16	6167-6180'	65	50	66	10-2-64	Marathon Oil Co.	"K" (NCT-1)	8	6092-6106'	64	50	66
5-3-64	Humble Oil & Ref Co.	K	22	6112-6122'	64	50	66	10-5-64	TEXACO Inc.	3 32	8	6056-6101'	66	50	66
5-4-64	Humble Oil & Ref Co.	Santa Fe	96	6073-6107'	67	50	66	10-9-64	Std Oil of Texas	"L"	3	6011-6033'	16	16	16
5-5-64	Phillips Petr Co.	S 27	5	6065-6158'	57	50	66	10-9-64	TEXACO Inc.	Santa Fe	105	6140-6159'	65	50	66
5-5-64	Std Oil of Texas	Varo AC/1	4	6055-6023'	61	50	66	10-11-64	Phillips Petr Co.	Santa Fe	104	6120-6142'	65	50	66
5-11-64	Marathon Oil Co.	E	2	5939-6101'	60	50	66	10-14-64	Phillips Petr Co.	Vac Edge	10	6154-6154'	65	50	66
5-11-64	Shell Oil Co.	Varo AC/3	7	6107-6135'	61	50	66	10-20-64	Std Oil of Texas	T (NCT-1)	2	6049-6072'	62	50	66
5-12-64	Humble Oil & Ref Co.	K	24	6076-6084'	65	50	66	10-24-64	TEXACO Inc.	Vac Edge	20	6149-6165'	58	50	66
5-13-64	Soco Mobil Oil Co.	M	13	6085-6115'	57	50	66	11-8-64	Std Oil of Texas	Santa Fe	108	6148-6164'	64	50	66
5-13-64	Soco Mobil Oil Co.	"L"	10	6102-6135'	59	50	66	11-9-64	Phillips Petr Co.	Santa Fe	9	6053-6067'	65	50	66
5-24-64	Phillips Petr Co.	Santa Fe	3	6072-6121'	62	50	66	11-12-64	TEXACO Inc.	"L"	107	6168-6178'	58	50	66
5-24-64	Shell Oil Co.	F	2	6012-6045'	61	50	66	11-20-64	Phillips Petr Co.	Santa Fe	109	6152-6174'	62	50	66
5-28-64	Shell Oil Co.	Swigart	23	6090-6108'	63	50	66	11-25-64	Soco Mobil Oil Co.	Santa Fe	7	6048-6076'	65	50	66
5-30-64	Humble Oil & Ref Co.	K	27	6052-6052'	59	50	66	11-26-64	Phillips Petr Co.	Santa Fe	110	6138-6168'	66	50	66
5-31-64	Humble Oil & Ref Co.	K	1	6130-6074'	58	50	66	12-13-64	Soco Mobil Oil Co.	K	8	6076-6117'	65	50	66
6-1-64	Shell Oil Co.	K	28	6064-6074'	59	50	66	12-15-64	Soco Mobil Oil Co.	Bridges	102	6031-6050'	54	50	66
6-1-64	Humble Oil & Ref Co.	Staplin AC/1	3	6076-6074'	60	50	66	12-17-64	Soco Mobil Oil Co.	Bridges	103	5982-6053'	63	48	63
6-5-64	Marathon Oil Co.	L	14	6082-6150'	19	19	19	1-6-65	Soco Mobil Oil Co.	Varo AC/2	14	6012-6023'	63	48	63
6-6-64	TEXACO Inc.	K	14	6104-6120'	64	50	66	1-14-65	Marathon Oil Co.	GO "F"	9	6017-6036'	63	50	66
6-7-64	Soco Mobil Oil Co.	K	14	6104-6120'	64	50	66	1-24-65	Tidewater Oil Co.	"K" (NCT-1)	9	6054-6068'	66	51	66
								2-2-65	TEXACO Inc.	"K" (NCT-1)	8	5962-6092'	64	50	64
								2-27-65	TEXACO Inc.	"K" (NCT-1)	10	5984-5994'	64	50	64
								3-17-65	TEXACO Inc.	K	9	6007-6047'	57	50	66
								3-18-65	Soco Mobil Oil Co.	Bridges	106	6038-6077'	57	50	66
								4-28-65	Soco Mobil Oil Co.	Varo AC/2	15	6046-6061'	60	50	60
								5-14-65	Marathon Oil Co.	"K" (NCT-1)	11	6078-6090'	59	50	66
								5-19-65	TEXACO Inc.	B 1576	3	6082-6139'	59	50	66
								5-26-65	Sinclair Oil Co.	GO "F"	10	6044-6054'	63	50	66
								6-21-65	Tidewater Oil Co.						

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
App. EXHIBIT NO. 4
CASE NO. 3327

VACUUM (GLORIETA) FIELD
LIST OF WELLS BY OPERATORS

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
CASE NO. 237
1

VACUUM (GLORIEDA) FIELD
LIST OF WELLS BY OPERATORS

Operator Lease & Well No.	Comp. Date	Producing Interval	Latest Test BOPD	Acreage Factor	Current Allow.	Status	Antic Allow	Incr Ebls	% Incr
Shelby Oil & Gas Co. State B 1576 No. 5	07-30-64	6006-6106'	62		50	F	66		
6	03-15-64	6074-6101'	62		50	F	66		
7	03-30-64	6074-6080'	60		50	F	66		
3	02-12-64	6009-6094'	61		50	F	65		
State B 1573 AHC No. 3*	05-20-65	6032-6139'	59		50	F	66		
Total			304		250		330	80	.320
Shelly Oil Co. State 'J' No. 2	08-01-64	6007-6046'	59		50	F	66		
State 'P' No. 3	07-23-64	6076-6119'	62		50	F	66		
4	08-05-64	6030-6103'	59		50	F	66		
Total			180		150		198	48	.320
Decony Mobil Oil Co. Bridges State No. 59	11-29-63	6016-6064'	60		50	F	60		
97*	06-16-63	5974-6033'	65		50	F	66		
99*	03-26-63	5970-5996'	65		50	F	66		
102	12-17-64	6031-6050'	54		50	F	66		
103	01-06-65	5902-6053'	67		50	F	66		
106	04-28-65	6038-6071'	57		50	F	66		
State 'M' No. 2	07-21-64	6025-6060'	63	.950	48	F	63		
State 'I' No. 2*	11-30-63	5916-5950'	60		50	F	66		
State 'K' No. 7	11-26-64	6073-6076'	65		50	F	66		
8	12-15-64	6076-6117'	65		50	F	65		
9	03-13-65	6007-6047'	62		50	F	62		
State 'M' No. 13	05-19-64	6035-6115'	67		50	F	66		
14	06-07-64	6104-6129'	64		50	F	66		
15	07-01-64	6122-6165'	64		50	F	64		
State 'O' No. 2	07-13-64	6119-6136'	65		50	F	66		
Total			913		748		975	227	.3303
Standard Oil Co. of Texas State 3 32 No. 5	03-10-64	6109-6140'	67		50	F	66		
6	03-27-64	6072-6115'	58		50	F	66		
7	03-15-64	6059-6153'	66		50	F	66		
8	10-05-64	6075-6101'	66		50	F	66		
State 4 27 No. 5	04-09-64	6102-6134'	62		50	F	65		
7	03-25-64	6051-6163'	64		50	F	66		
State 4 27 No. 9	03-30-64	6024-6172'	56		50	F	66		
10	05-23-64	6102-6138'	59		50	F	66		
State 5 27 No. 5	05-05-64	6065-6158'	57		50	F	57		
6	06-19-64	6101-6153'	61		50	F	61		
7	06-28-64	6131-6150'	58		50	F	66		
8	07-23-64	6132-6172'	67		50	F	66		
Yonah Edge Unit No. 1	10-20-64	6154-6164'	65		50	F	66		
2	11-03-64	6149-6165'	58		50	F	58		
State 6 34	06-16-65	6111-6117'	8		8	P	8		
Total			872		708		910	202	.285
Tanner Inc. State 'OS' HCP-1 No. 2	06-24-64	6101-6119'	65		50	F	66		
State 'OS' HCP-2 No. 1	06-21-64	6151-6177'	64		50	F	64		
State 'L' No. 6*	11-16-63	6103-6105'	66	1.025	51	P	68		
7	03-26-64	5978-5993'	65		50	P	66		
8	05-06-64	6082-6156'	19		19	P	19		
9	11-12-64	6053-6067'	65		50	F	66		
State 'M' No. 5*	11-16-63	6076-6094'	66	1.025	51	P	63		
8	07-27-65	5962-6092'	66	1.025	51	P	68		
State 'H' No. 5	04-14-64	6025-6041'	62	.950	48	P	63		
6*	07-13-64	6073-6082'	62	.938	47	F	62		
7	06-07-64	6054-6076'	61	.950	48	P	61		
State 'O' HCP-1 No. 12	01-11-63	5945-5949'	65		50	F	66		
13	02-13-63	5945-6017'	65		50	F	66		
14*	12-22-63	5977-6011'	65		50	P	65		
16*	04-25-64	6107-6150'	65		50	P	66		
19*	07-31-63	5930-5993'	65		50	P	66		
State 'O' HCP-1 No. 20*	09-02-63	5960-5970'	64		50	P	64		
21*	10-26-63	6031-6045'	64		50	P	64		
22*	12-03-63	5929-5941'	65		50	P	66		
23*	11-23-63	5926-5941'	65		50	F	66		
24*	07-04-64	5942-5954'	65		50	F	66		
State 'Q'	12-26-63	6033-6054'	52		50	P	52		
6*	03-10-64	6038-6044'	50		40	P	40		
8*	05-16-64	6018-6030'	64		50	P	64		
State 'R' HCP-1	10-05-64	6022-6106'	64		50	P	64		
9	02-02-65	6054-6068'	63		50	P	66		
10	03-17-65	5974-5994'	64		50	F	66		
11	05-19-65	6078-6090'	60		50	P	60		
State 'T' HCP-1 No. 2	10-24-64	6049-6072'	62		50	P	66		
State 'U'	10-09-64	6011-6033'	18		18	P	18		
Total			1756		1421		1724	401	.231
Tidewater Oil Co. G3 State F No. 5*	06-03-63	5951-6110'	60		50	F	66		
7*	07-26-63	5976-6150'	62		50	P	66		
9*	01-24-65	6017-6036'	19		19	P	19		
10*	06-23-65	6023-6040'	63		50	P	66		
G3 State H No. 3	07-19-64	6131-6143'	60		50	P	60		
Sub Total			204		219		277	48	.261
Total			9761		7656		10137	2281	.290

Total No. of Wells - 163
Wells Completed above 6000' - 29
Wells Completed below 6000' - 134

*Indicates Multiple Completions

Highest Perforation in the Field - 5916'
Lowest Perforation in the Field - 6003'

Inducement.

1. Depth factor is to give Pay out
Did not show they are not getting
pay out at 1.33.
2. Would be equivalent with other pools
to grant and not change all Pools
in same manner (reduce or increase)
depth factors.
3. Increase in this pool would
mean a decrease in all other
pools & in particular all other
N M wells.

dearnley-meier reporting service, inc.

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

1120 SIMMS BLDG. • P. O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
November 3, 1965

EXAMINER HEARING

IN THE MATTER OF:

Application of Texaco Inc. for an
allowable increase, Lea County, New Mexico.
Applicant, in the above-styled cause, seeks
an exception to statewide Rule 505 (a) and
505 (b) to increase the 40-acre proportional
factor from 1.33 to 1.77 for the Vacuum-
Glorieta Pool, Lea County, New Mexico.

Case No. 3327

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

dearnley-meier reporting service, inc.

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

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PAGE 2

MR. UTZ: Case 3327.

MR. DURRETT: Application of Texaco Inc. for an allowable increase, Lea County, New Mexico.

MR. KELLY: Booker Kelly of White, Gilbert, Koch and Kelly, on behalf of Applicant. I have one witness and ask that he be sworn.

(Witness sworn.)

(Whereupon, Applicant's Exhibits Nos. 1 through 5, both inclusive, marked for identification.)

J. T. JOHNAPELUS

called as a witness herein, 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?

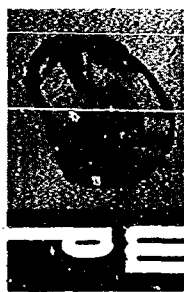
A My name is J. T. Johnapelus, I'm with Texaco Inc. as a Petroleum Engineer.

Q Where are you presently located?

A In Midland, Texas.

Q Would you briefly state your qualifications as an expert Petroleum Engineer to the Examiner?

A I am a graduate from the University of Texas with a B. S. degree in Petroleum Engineering in 1955; went to work for Texaco as a Field Engineer in Electra in February, 1955;



subsequently was transferred to Wichita Falls District Office as a Reservoir Engineer in 1957. 1960 was transferred to Dallas Office as a Proration Engineer, and subsequently transferred to Midland on May 1, 1965 in conservation proration work.

Q And is part of your work involved with the field that's under discussion today?

A Yes.

MR. KELLY: Are the witness' qualifications acceptable?

MR. UTZ: Yes. Let me ask for appearances at this time. Are there any appearances in this case?

Q (By Mr. Kelly) Would you briefly state what Texaco seeks by this application?

A Yes, sir. Mr. Examiner, Texaco seeks an exception to the statewide Rule 505 (a) and 505 (b) to increase the 40-acre proportional factor from 1.33 to 1.77 for the Vacuum-Glorieta Pool in Lea County, New Mexico.

Q Referring to what has been marked as Exhibit No. 1, which is a plat of the field, would you explain to the Examiner the history of this field?

A Yes. The Vacuum-Glorieta Field was discovered in January, 1963, in Texaco's State "O" (NCT-1) Well No. 12. It's located in Section 36, and the southern half of the section.

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The red circles on the exhibit indicate wells that are completed in the Glorieta formation.

MR. UTZ: What was the well number, please?

A Number 12. There are 163 wells perforated in the Glorieta, as noted by the red circles. There are some thirty wells that are multiply completed in other zones other than the Glorieta, but the remaining are all single completions.

Q (By Mr. Kelly) Now, have you shown on the exhibit that was given to the Examiner the wells that are perforated between five and six thousand feet?

A Yes, sir. Mr. Examiner, if you'll note, there are some pencil checkmarks above various wells, most of them lie on the west side of the, or the left-hand side of the plat. Those wells were perforated above the 6,000 foot level. There are some twenty-nine of the wells that were perforated above 6,000 feet. The remaining wells were below 6,000.

Q Those are pretty well grouped on the west side of the field?

A Yes, they are.

Q Would you say that the limits of the field are fairly well defined at this point?

A At this time we believe it is.

Q Where have your recent completions been? Do you show that, your '65 completions?

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A Yes, sir. Mr. Examiner, on our Exhibit 1 there is a circle with cross-hatch through it, as I have indicated. Those wells were drilled in 1965, in other words, from January 1 through June of this year, the latest completions. There are some twelve of those, and they lie in the southern portion around the periphery area to the west, and there are some infill drilling as far as Section 36 is concerned, but the majority of them do lie in the periphery of the field.

Q Have you computed the percentage of wells in the field that are now between six and seven thousand feet?

A Yes, there are eighty-two percent of the wells perforated below the 6,000 feet.

Q Would you explain briefly to the Examiner the reservoir characteristics?

A Yes, sir. The Glorieta formation has an average porosity of ten percent, interstitial water saturation of thirty percent, and permeability range of .1, 0.1 millidarcy to 1,000 plus millidarcy. The reservoir trap is an east plunging structural nose with porosity and permeability pinch outs in all directions.

There is no established oil-water contact. It's rather erratic and believed to be a minus 2100 subsea. There's a drill stem test taken on Texaco No. 11 State of New Mexico "O" (NCT-1) and this drill stem test was from minus 2,065 to

minus 2,223. It flowed fifteen barrels of oil and eight barrels of oil cut mud in thirty-three minutes and reversed out forty-seven barrels of oil and 120 feet of sulphur water.

Q What is the producing mechanism?

A Solution gas drive.

Q Based on the reservoir characteristics, would you feel that the increase in allowable or increase in production that would result from the granting of the application, would you feel that would have the effect of causing waste in this field?

A No, sir, I do not.

Q Referring to Exhibit No. 2, would you briefly go through that for the Examiner?

A Mr. Examiner, Exhibit No. 2 is a production performance curve indicating the initial production being in January, 1963. The lowermost curve is the cumulative oil production. The second curve is a monthly oil allowable and it has progressed up to the top part of the graph. The curve just below it is the number of wells as they have been completed in this field up to June of -- well, actually, August of '65.

The most significant curve on this family of curves is the bottom hole pressure and well survey curve in the middle of the graph. The circles on the curve indicate the time that the surveys were taken. The numbers above or below the circles

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indicate the number of wells that were used in the survey. The majority, that is, the largest survey was made in August of 1964, there were some sixty-six wells that were used in the bottom hole pressure survey; and in August of '65 there were fifty wells.

The significant part of the curve is that all development wells as they come in have fallen on this curve which indicates there is good drainage, that one well more than drains 40 acres, and that we don't consider this being waste. It's an ideal reservoir.

Q Now Exhibit No. 3, would you explain the significance of that to the Examiner?

A Exhibit No. 3 is a list of the wells in chronological order in which they were drilled from the discovery well down to the seventh well. If you will note, the seventh well was Marathon Oil Company McCallister No. 9, which was the first well perforated below 6,000 feet. The others were perforated just above the 6,000 foot level.

Q So you hit your six to seven thousand feet perforations pretty quickly after initial discovery in this field?

A Yes, sir, we did.

Q Were there some wells that were undesignated that were in this field that did enjoy allowable of 1.77 factor?

A Yes, sir, there were five leases. They were Cities

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Service Oil Company's State of New Mexico "K", Humble Oil and Refining State of New Mexico "K", Phillips Petroleum Company Santa Fe State, Shell Oil Company State of New Mexico "T", and Shell Oil Company State of New Mexico "V". These leases were in the six to seven thousand foot depth bracket until the field was developed, and then these went into the Vacuum-Glorieta and were assigned the allowable on the five to six thousand foot level.

MR. UTZ: You had some undesignated wells, then, prior to your discovery well in the pool?

A No, sir, no, sir. These were wells that were drilled, they were removed from the discovery well and then when the field was developed these were brought into it as part of the field.

MR. UTZ: Well, they were in an undesignated pool at the time that you discovered the pool?

A That's right.

MR. UTZ: Later brought in?

A Later brought in.

MR. UTZ: All of them are below six?

A They were assigned the allowable below six.

Q (By Mr. Kelly) In Exhibit No. 4, you listed in chronological order all the completions in this field, is that correct?

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A Yes, sir. Exhibit 4 indicates the chronological order of the wells being drilled in this field beginning with Texaco "O" (NCT-1) Well No. 12 on January 11, 1963, through Tidewater GO "F" Well No. 10 on June 23, 1965. This shows the completion date, the operator, the State lease name, the well number, the producing interval with perforations, the latest tests and barrels of oil per day, the current allowable and then the anticipated allowable if we are permitted to increase it from 1.33 to 1.77.

Q This reflects, I believe, the fact that as far as new drilling, the field is fairly well defined in that your '65 completions are relatively few compared to your '64 and '63, is that correct?

A That's correct.

Q Now turning to Exhibit No. 5, would you explain that to the Examiner?

A Yes, sir. Exhibit 5 is a list of the wells by operators for the Vacuum-Glorieta Field, indicating the completion date, the producing interval, the latest test, an acreage factor if there is one, the current allowable, the status of the well, whether it be flowing or pumping, anticipated allowable, the increase in allowable, and then the percentage increase.

At the bottom of the exhibit it indicates that the

latest test in barrels per day is 9761 barrels, the current allowable being 7856, the anticipated allowable being 10,137. I might call to your attention at this time that it appears that there might be a discrepancy between the latest test of cumulative total there versus the anticipated allowable. What we did here is determine that wells that in their latest test were capable of producing almost the anticipated allowable, that they would be able to do it; that's the reason there is a difference in the numbers. The total field allowable would increase by 2281 barrels a day or twenty-nine percent.

Q How many wells does Texaco have in the field?

A Thirty.

Q And you are the largest operator in the field?

A Yes, sir, we are.

Q In your opinion, would the granting of this application have any effect on correlative rights?

A No, sir.

Q Everyone would enjoy the same benefit?

A Right.

Q Do you feel it would have any effect on waste; would it cause waste in any way?

A No, sir, it will not cause waste, in my opinion.

Q Were Exhibits 1 through 5 prepared by you or under your supervision?

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A They were prepared under my supervision.

MR. KELLY: I move the introduction of Exhibits 1 through 5. We also have a well log available if the Examiner would like to see one.

MR. UTZ: Yes, we would like to have that well log in the record.

MR. KELLY: I will mark it 6 and put it in.

Q (By Mr. Kelly) Would you identify the well that's involved?

A Yes, Socony Mobil Bridges State located in Section 26, 17 South, 34 East, Lea County, New Mexico.

Q I believe that is not actually a producer from this zone, but it does penetrate that zone?

A It does penetrate, yes, sir.

MR. UTZ: Do you have a log on your discovery well?

A No, sir, I don't have one with me.

MR. UTZ: I imagine you have one in the file.

A Probably do. I will send you one.

MR. UTZ: That might be a good idea.

(Whereupon, Applicant's Exhibit No. 6 marked for identification.)

MR. KELLY: We have no further questions on direct examination. I move to enter Exhibit 6.

MR. UTZ: Exhibits 1 through 6 will be entered into the record of this case.

(Whereupon, Applicant's Exhibits Nos. 1 through 6, both inclusive, admitted in evidence.)

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Johnapelus, how many wells on your Exhibit No. 5 have tests showing that they can produce the increased allowable?

A Mr. Examiner, I don't have that number available. I could take time to count them, but I would say a majority would be in a position to enjoy the increased allowable.

Q Just running down through here, I see quite a few of them that don't have tests on the large allowable.

A That is correct. Oh, I misunderstood you. You indicated that the anticipated allowable being larger than what the available tests are?

Q That's right.

A If you'll recall, in my discussing Exhibit 5 we indicated that in certain cases we felt these wells would be able to do that, that's why we went in the anticipated column and gave the increased allowable. Those that we found out could not make it, we did not give the increase.

Q On what basis did you make that assumption, you assumed that they would produce more than they tested?

A We assumed that there was no reason to test a well

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any further, as far as it was capable of producing its allowable. There are indications that those wells would test for allowables higher than they have; as long as they can test for what the Commission assigns them, that's all that is necessary.

Q This test doesn't represent maximum producing ability?

A No, sir, it does not. That's correct.

Q Do you have substantial evidence that this is a solution rather than a water drive pool?

A Mr. Examiner, we have been unable to establish an oil-water contact or a water drive. There are water zones within the pay itself at various levels, and not in communication with one another; where water production is found in the field, about thirteen percent is the water production at the present time; but it's not from a defined portion of the reservoir so we feel in this case that there is no water drive. There is water production, and from what little analyses we have, we feel that this is a solution gas drive reservoir.

Q Actually, this pool has never been assigned a depth factor larger than 1.33 at any time as the Vacuum-Glorieta Pool?

A To my knowledge, that is correct.

Q And the only wells that did receive allowable based on 1.77 factor were those five wells which were actually brought into the pool at a later date?

A Right, were in undesignated fields.

Q Do you know of any other pools in Southeast New Mexico in which this same situation exists, that is, are receiving allowable based on the discovery wells less than, say, a good deal of the wells in the pool?

A Let me see if I understand your question.

Q I want to know if there's a like situation in other pools in Southeast New Mexico, to your knowledge.

A I understand there are, but I haven't made a check on it personally. I understand from my Field Engineers that this situation does exist in other fields in the State, but I'm not personally aware of them.

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

Mr. Nutter.

BY MR. NUTTER:

Q Mr. Johnapelus, in making your study and your tabulation of your exhibits and so forth, have you given any thought to the question as to whether this would be discriminatory among the pools in the State, to base the allowable for a pool on one criterion and to base the allowable for other pools on another criterion?

A Mr. Nutter, I am well aware that the Commission has to start somewhere in assigning an allowable, and of course, the discovery well is the ideal well to assign it. I

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personally don't think it's discriminating in assigning this field an allowable based on the 6,000 to 7,000 foot level, for the fact that not only the majority but the largest portion of the wells are completed below the 6,000, which is some eighty-two percent. I feel like if there is any additional to be done, the majority of the wells is below 6,000 feet, so it wouldn't change your percentage factor. I feel if this was a fifty percent or fifty-one percent below 6,000 foot, it might be a borderline case, but I feel that the testimony we have offered here is substantial to consider our request.

Q At what percentage point does it cease to be borderline and become a clearcut case for increasing the allowable?

A That's a good question. I don't know.

Q Do you think that the Commission, if it were to base the allowable on the majority of the wells in a pool that were completed below the depth bracket for the discovery well, if the Commission were to do that, do you think that the Commission would also be justified in decreasing the allowable where the discovery well was in a lower depth bracket, and subsequent development was higher or shallower?

A I think that would have to be done on an individual field basis by hearing, Mr. Nutter. As far as I'm concerned, if the information justified that, the Commission would be

justified in changing it.

Q In other words, you do feel that what is sauce for the goose would be sauce for the gander?

A Yes, sir, I do.

Q Have you given any consideration to the impact that changing the allowable in this one pool here might have on the normal unit allowable, the basic allowable that is set by the Commission each month?

A No, sir, because I'm not aware of the actual figures that it would take to change this significantly in the State of New Mexico.

Q What is the total amount of allowable change that you have here?

A 2,281 barrels a day.

Q You are not aware that a basic allowable change of one barrel reflects a total allowable change from 3,000 to 3500 barrels per month in Southeast New Mexico?

A No, sir, I am not.

Q In other words, this would be two-thirds of a barrel, if this were the case, this would be two-thirds of a barrel?

A Yes, sir, it would, that's right.

Q If we had two pools such as this, this would be more than a barrel in normal unit allowable?

A If they were alike, yes.

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Q Would you agree with me on this premise, Mr. Johnapelus, that any decrease in normal unit allowable has a depressing effect on development in the State?

A I would have to qualify that, Mr. Nutter, depending on how deep; if you are talking about deep drilling, yes. If you are talking about shallow drilling, it might not have too great an impact on the operator, depending on the investment you have in the type of field you are developing.

Q Whether it were shallow or deep, the basic allowable is set and then it's subject to the depth factor.

A That's true.

Q So any change in basic allowable is reflected in the shallow depths as well as the deeper horizons?

A Yes, sir.

Q As a matter of fact, the change of one barrel in the basic allowable would be reflected eight times in a deeper well that had a depth factor of eight?

A True, right.

Q Would you say as a general over-all thing, Mr. Johnapelus, that higher allowables spur drilling activity and lower allowables depress drilling activity?

A As a general statement, I would agree with you, yes, sir.

MR. NUTTER: I believe that's all. Thank you.

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BY MR. UTZ:

Q If the Commission granted this request, in your opinion would this increase the market demand for oil out of Southeast New Mexico?

A Mr. Examiner, I haven't looked into that and I am not in a position to answer that question. I really don't know.

Q Unless the market demand did increase, would you agree that the difference of 2281 barrels per day would have to be made up by a decrease in other wells in the area?

A That's true. That's right.

Q I was noticing here on your discovery well that you only had four feet perforated. Is that the total pay zone?

A Mr. Examiner, I'll have to indicate that we just showed a part perforated here. The total pay zone would certainly be exhibited by a copy of the log, and as I say, I don't have one available. This is probably the most permeable streak in that pay section.

Q The other wells seem to have considerably more interval perforated?

A Yes, sir. I think what you find in the other wells are selected perforations all the way through, not a continuous perforation from top to bottom.

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

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MR. KELLY: I would like to make a closing statement if I could. Maybe you want it after.

MR. UTZ: You want it after the other statements?

MR. KELLY: Yes.

MR. UTZ: If no further questions, the witness may be excused.

(Witness excused.)

MR. UTZ: Are there other statements in this case?

MR. DURRETT: If the Examiner please, I would like to state for the record that the Commission has received a telegram from Skelly Oil Company concurring in Texaco's application; a telegram from Phillips Petroleum Company taking no position with respect to the merits of the application but stating if there is additional oil that would be available, that they could handle such additional -- excuse me, gas. I'll read that in full.

"Phillips Petroleum Company takes no position with respect to the merits of the application, but if the question arises as to whether Phillips Petroleum Company can handle the additional gas which would become available to its connected leases should the application be granted, the answer is that Phillips can handle such additional gas."

I have a telegram from Shell supporting the application of Texaco. We have a telegram from Standard Oil

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Company of Texas supporting Texaco. We have a letter from Mr. Clarence Hinkle on behalf of Humble Oil and Refining Company supporting Texaco's request.

MR. UTZ: Are there other statements?

MR. GORDON: Yes, sir. Joe Gordon, Socony Mobil Oil Company, Inc. Socony Mobil recommends approval of Texaco's request for increase of allowable factor in the Vacuum-Glorieta Field. We believe that the Commission should be able to have flexibility in its allowable factors to take into account subsequent changes in depth of production as fields do develop, either deeper or lower. It is desirable in cases such as this where the correlative rights will be protected and will remain the same.

MR. UTZ: How many wells does Mobil operate in this field?

MR. GORDON: Approximately fifteen.

MR. UTZ: Are there any other statements?

MR. KELLY: Mr. Examiner, in closing, I would like to point out what appears to me to be the problem in this case is one of administration. I believe that Mr. Nutter's and your comments are very relevant but it isn't a problem that was created by the applicant or other producers in the area. The decision was made apparently by the Commission to use the discovery well to control this depth factor, and as I

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see it, the depth factor is an incentive system for producers to go deeper, realizing that more expense is involved; and it seems to me that though it is one solution, it is about as arbitrary a solution as you could arrive at to base it on one well, especially if you look at the producing interval for that discovery well, your 5945 to 5949, in other words, you are about five feet off. If the discovery well had been the Marathon, you would have been fifty-three more feet upstructure, and then let's say that seventy or eighty percent of the wells had actually been between five and six rather than just the other way around, it would be an equally ridiculous and probably more damaging result.

It seems to me that the Commission is required to come up with a formula which reflects what they were originally trying to do is to give an incentive or bonus factor to deep wells, and certainly when you have a pool that is reasonably well defined, as this one is, the new development is dropping off, and where your percentage is as high as it is here, this would be the ideal situation for the Commission to make what I feel is an obvious move, whether they make it in the form of an exception or review the whole problem.

Certainly it would be a much more logical and uniform and fair result than restricting a hundred, approximately 130 wells who are entitled, except for a quirk of chance, to more

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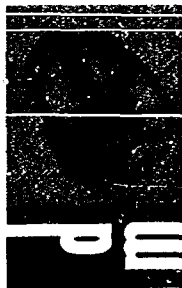
allowable, just because the one discovery well was a little bit under. I do feel it's an administrative problem that has to be solved by a review of the rule, and it isn't fair to look at the operator and say, "Look at the effect that you would have."

MR. UTZ: Do you, as a representative of Texaco in this case, have any suggestions along this line as a better way to do this?

MR. KELLY: Well, I'm not going to presume to that point, but I feel that this is an obvious case for change, when you have as high a percentage as this is, and in a pool that is apparently as well defined as this is. Once you have a stabilized field, I think the Commission should be able to reflect the actual conditions in the field. In fact, probably the Statutes require such an act.

MR. UTZ: Any rule you had, Mr. Kelly, would be subject to this same sort of situation, would it not, whether you used the first seven wells or eighth well in this case, it's whatever the rule --

MR. KELLY: I agree that any rule would have any degree of arbitrariness in it, but I submit when a pool is well defined or well developed, the arbitrary factor certainly is substantially decreased. You can certainly see how it would be decreased in this case. You are giving allowable that is



possibly appropriate for thirty-one wells, and not appropriate for 130 some wells. So it's a question of degree, but I think this is a startling degree in this case.

MR. UTZ: You think that Texaco would have come in for a decrease in allowable if this would have gone the other way?

MR. KELLY: No, but I feel that Texaco realizes its position and realizes, as our witness has stated, what the effect of granting this application would be. There probably might be fields where there might be a disadvantage to it, but I don't think that should be the concern as far as this application.

MR. UTZ: Are there other statements? The case will be taken under advisement.

* * * * *

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STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, ADA DEARNLEY, Court Reporter - Notary Public, 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 4th day of November, 1965.

Ada Dearnley
Court Reporter - 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. 3327, heard by me on 11-3-1965.
Theresa A. [Signature]
Examiner
New Mexico Oil Conservation Commission

DRAFT

JMD/esr

Nov. 8, 1965

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

CF Subj. _____

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

CASE No. 3327

Order No. R-2997

APPLICATION OF TEXACO INC.
FOR AN ALLOWABLE INCREASE,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
November 3, 1965, at Santa Fe, New Mexico, before Examiner
Elvis A. Utz.

NOW, on this _____ day of November, 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 applicant, Texaco Inc., seeks an exception to
Rules 505(a) and 505(b) of the Commission's General Rules and
Regulations to increase the 40-acre proportional factor for the
Vacuum-Glorieta Pool in Lea County, New Mexico, from 1.33 to 1.77.

(3) That the applicant has not established that there is
a necessity for the proposed exception to Rules 505(a) and 505(b)
of the Commission's General Rules and Regulations.

(4) That the applicant has not established that approval
of the subject application would prevent waste or protect cor-
relative rights.

(5) That the subject application should be denied.

IT IS THEREFORE ORDERED:

(1) That the subject application is hereby denied.

(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.