

CASE 3578: Application of TEXAS  
PACIFIC OIL CO. FOR SEVERAL NON-  
STANDARD GAS PRORATION UNITS.

CASE No.

3578

Application,  
TRANSCRIPTS,  
SMALL Exhibits  
ETC.

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. 3578  
Order No. R-3264-A

APPLICATION OF TEXAS PACIFIC OIL  
COMPANY FOR AN AMENDMENT TO ORDER  
NO. R-3264, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 20, 1968,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 2nd day of April, 1968, 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, Texas Pacific Oil Company, seeks  
the amendment of Order No. R-3264 to permit the rededication of  
acreage to its State "A" A/c-2 Well No. 40 located in Unit A of  
Section 9, Township 22 South, Range 36 East, NMPM, Jalmat Gas  
Pool, Lea County, New Mexico.

(3) That the applicant proposes to abolish the 160-acre  
non-standard gas proration unit comprising the N/2 NE/4 of  
Section 8 and the W/2 NW/4 of Section 9, Township 22 South,  
Range 36 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico,  
presently dedicated to the Texas Pacific Oil Company State "A"  
A/c-2 Well No. 29 located in Unit D of said Section 9.

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. 3578  
Order No. R-3264-A

APPLICATION OF TEXAS PACIFIC OIL  
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NOW, on this 2nd day of April, 1968, 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, Texas Pacific Oil Company, seeks  
the amendment of Order No. R-3264 to permit the rededication of  
acreage to its State "A" A/c-2 Well No. 40 located in Unit A of  
Section 9, Township 22 South, Range 36 East, NMPM, Jalmat Gas  
Pool, Lea County, New Mexico.

(3) That the applicant proposes to abolish the 160-acre  
non-standard gas proration unit comprising the N/2 NE/4 of  
Section 8 and the W/2 NW/4 of Section 9, Township 22 South,  
Range 36 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico,  
presently dedicated to the Texas Pacific Oil Company State "A"  
A/c-2 Well No. 29 located in Unit D of said Section 9.

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CASE No. 3578

Order No. R-3264-A

(4) That the applicant proposes to expand the 240-acre non-standard gas proration unit comprising the NE/4 and E/2 NW/4 of said Section 9 presently dedicated to the Texas Pacific Oil Company State "A" A/c-2 Well No. 40 located in Unit A of said Section 9 to include the W/2 NW/4 of said Section 9.

(5) That the aforesaid Well No. 29 has not been recompleted as a gas well in the Jalmat Gas Pool and the 160-acre non-standard gas proration unit dedicated to said well should be abolished.

(6) That the proposed expanded non-standard gas proration unit is productive of gas.

(7) That the proposed expanded non-standard gas proration unit can be efficiently and economically drained and developed by the aforesaid Well No. 40.

(8) That approval of the proposed expanded non-standard gas proration unit will afford the applicant the opportunity to produce its just and equitable share of the gas in the pool, and will otherwise prevent waste and protect correlative rights.

(9) That the applicant's request to dismiss that part of Case 3578 (Reopened) pertaining to the dedication of a 160-acre non-standard unit comprising the SW/4 of said Section 9 to its Well No. 38 and to the effective date of Order No. R-3264 should be granted.

IT IS THEREFORE ORDERED:

(1) That Order No. R-3264, dated July 10, 1967, is hereby amended by the deletion therefrom of all of paragraph (L) of Order (1) of said Order No. R-3264.

(2) That paragraph (j) of Order (1) of said Order No. R-3264 is hereby amended to read in its entirety as follows:

"(j) A 320-acre non-standard gas proration unit comprising the N/2 of Section 9, to be dedicated to the Texas Pacific Oil Company State "A" A/c-2 Well No. 40 located in Unit A of said Section 9;"

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CASE No. 3578  
Order No. R-3264-A

(3) That that part of Case 3578 (Reopened) pertaining to the dedication of a 160-acre non-standard unit comprising the SW/4 of Section 9, Township 22 South, Range 36 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico, to the applicant's State "A" A/c-2 Well No. 38 and to the effective date of Order No. R-3264 is hereby dismissed.

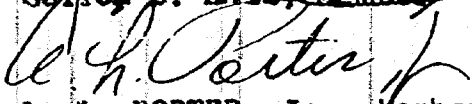
(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

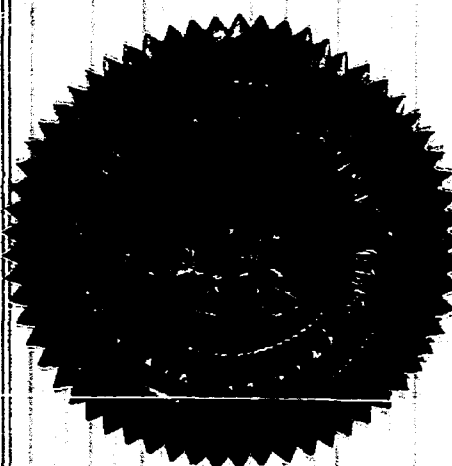
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
DAVID F. CARGO, Chairman

  
GUXTON B. HAYS, Member

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



ear/

State of New Mexico  
Oil Conservation Commission



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

April 2, 1968

Re: Case No. 3578  
Order No. R-3264-A  
Applicant:  
  
Texas Pacific Oil Company

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

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

Carbon copy of order also sent to:

Hobbs OCC       x        
 Artesia OCC                     
 Aztec OCC                     
 Other

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

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

CASE No. 3578  
Order No. R-3264

APPLICATION OF TEXAS PACIFIC OIL  
COMPANY FOR SEVERAL NON-STANDARD  
GAS PRORATION UNITS, LEA COUNTY,  
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 6, 1967,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 10th day of July, 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 the applicant, Texas Pacific Oil Company, seeks  
the rededication of certain acreage and the establishment of the  
following non-standard gas proration units in Township 22 South,  
Range 36 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico:

A 120-acre non-standard gas proration unit comprising  
the N/2 NE/4 and the SE/4 NE/4 of Section 7, to be  
simultaneously dedicated to its State "A" A/c-2 Well  
No. 5 located in Unit A of said Section 7, and to its  
State "A" A/c-2 Well No. 6 located in Unit B of said  
Section 7;

A 160-acre non-standard gas proration unit comprising  
the W/2 W/2 of Section 5, to be dedicated to its



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Order No. R-3264

State "A" A/c-2 Well No. 41 located in Unit M of said Section 5;

An 80-acre non-standard gas proration unit comprising the E/2 NW/4 of Section 5, to be dedicated to its State "A" A/c-2 Well No. 44 located in Unit F of said Section 5;

A 160-acre non-standard gas proration unit comprising the N/2 SE/4 and the E/2 SW/4 of Section 5, to be dedicated to its State "A" A/c-2 Well No. 28, located in Unit I of said Section 5;

An 80-acre non-standard gas proration unit comprising the S/2 SE/4 of Section 5, to be dedicated to its State "A" A/c-2 Well No. 27 located in Unit P of said Section 5;

A 160-acre non-standard gas proration unit comprising the W/2 SW/4, SE/4 SW/4, and SW/4 SE/4 of Section 8 to be dedicated to its State "A" A/c-2 Well No. 54 located in Unit O of said Section 8;

A 160-acre non-standard gas proration unit comprising the S/2 NW/4, NE/4 SW/4, and NW/4 SE/4 of Section 8, to be dedicated to its State "A" A/c-2 Well No. 56 located in Unit J of said Section 8;

An 80-acre non-standard gas proration unit comprising the S/2 NE/4 of Section 8, to be dedicated to its State "A" A/c-2 Well No. 43, located in Unit H of said Section 8;

An 80-acre non-standard gas proration unit comprising the N/2 NW/4 of Section 8, to be dedicated to its State "A" A/c-2 Well No. 49 located in Unit C of said Section 8;

A 240-acre non-standard gas proration unit comprising the NE/4 and E/2 NW/4 of Section 9, to be dedicated to its State "A" A/c-2 Well No. 40 located in Unit A of said Section 9;

A 240-acre non-standard gas proration unit comprising the E/2 SE/4 of Section 8, and the SW/4 of Section 9, to be dedicated to its State "A" A/c-2 Well No. 38 located in Unit K of said Section 9; and

A 160-acre non-standard gas proration unit comprising the N/2 NE/4 of Section 8, and the W/2 NW/4 of Section

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CASE No. 3578

Order No. R-3264

9, to be dedicated to its State "A" A/c-2 Well No. 29 located in Unit D of said Section 9.

(3) That each of the proposed non-standard gas proration units is productive of gas.

(4) That each of the proposed non-standard gas proration units can be efficiently and economically drained and developed by the well or wells to which it is to be dedicated.

(5) That approval of the proposed non-standard gas proration units will afford the applicant the opportunity to produce its just and equitable share of the gas in the pool, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the following-described non-standard gas proration units in Township 22 South, Range 36 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico, are hereby created:

- (a) A 120-acre non-standard gas proration unit comprising the N/2 NE/4 and the SE/4 NE/4 of Section 7, to be simultaneously dedicated to the Texas Pacific Oil Company State "A" A/c-2 Well No. 5 located in Unit A of said Section 7, and to the Texas Pacific Oil Company State "A" A/c-2 Well No. 6 located in Unit B of said Section 7;

PROVIDED HOWEVER, that the operator may produce the allowable assigned to the unit from said Wells Nos. 5 and 6 in any proportion.

- (b) A 160-acre non-standard gas proration unit comprising the W/2 W/2 of Section 5, to be dedicated to the Texas Pacific Oil Company State "A" A/c-2 Well No. 41 located in Unit M of said Section 5;
- (c) An 80-acre non-standard gas proration unit comprising the E/2 NW/4 of Section 5, to be dedicated to the Texas Pacific Oil Company State "A" A/c-2 Well No. 44 located in Unit F of said Section 5;
- (d) A 160-acre non-standard gas proration unit comprising the N/2 SE/4 and the E/2 SW/4 of Section 5, to be

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CASE No. 3578

Order No. R-3264

dedicated to the Texas Pacific Oil Company State "A" A/c-2 Well No. 28 located in Unit I of said Section 5;

- (e) An 80-acre non-standard gas proration unit comprising the E/2 SE/4 of Section 5, to be dedicated to the Texas Pacific Oil Company State "A" A/c-2 Well No. 27 located in Unit P of said Section 5;
- (f) A 160-acre non-standard gas proration unit comprising the W/2 SW/4, SE/4 SW/4, and SW/4 SE/4 of Section 8, to be dedicated to the Texas Pacific Oil Company State "A" A/c-2 Well No. 54 located in Unit O of said Section 8;
- (g) A 160-acre non-standard gas proration unit comprising the S/2 NW/4, NE/4 SW/4, and NW/4 SE/4 of Section 8, to be dedicated to the Texas Pacific Oil Company State "A" A/c-2 Well No. 56 located in Unit J of said Section 8;
- (h) An 80-acre non-standard gas proration unit comprising the S/2 NE/4 of Section 8, to be dedicated to the Texas Pacific Oil Company State "A" A/c-2 Well No. 43 located in Unit H of said Section 8;
- (i) An 80-acre non-standard gas proration unit comprising the N/2 NW/4 of Section 8, to be dedicated to the Texas Pacific Oil Company State "A" A/c-2 Well No. 49 located in Unit C of said Section 8;
- (j) A 240-acre non-standard gas proration unit comprising the NE/4 and E/2 NW/4 of Section 9, to be dedicated to the Texas Pacific Oil Company State "A" A/c-2 Well No. 40 located in Unit A of said Section 9;
- (k) A 240-acre non-standard gas proration unit comprising the E/2 SE/4 of Section 8, and the SW/4 of Section 9, to be dedicated to the Texas Pacific Oil Company State "A" A/c-2 Well No. 38 located in Unit K of said Section 9; and
- (l) A 160-acre non-standard gas proration unit comprising the N/2 NE/4 of Section 8, and the W/2 NW/4 of Section 9, to be dedicated to the Texas Pacific Oil Company State "A" A/c-2 Well No. 29 located in Unit D of said Section 9.

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CASE No. 3578  
Order No. R-3264

- (2) That Orders Nos. R-2865 and R-2866 are hereby superseded.
- (3) That Administrative Orders Nos. NSP-98, NSP-178, NSP-577, and NSP-684 are hereby superseded.
- (4) That the acreage factor for allowable purposes assigned to each of the above-described non-standard gas proration units shall bear the same ratio to the acreage factor for a standard gas proration unit as the acreage in said unit bears to the acreage in a standard gas proration unit in the Jalmat Gas Pool.
- (5) That the provisions of this order shall become effective August 1, 1967.
- (6) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

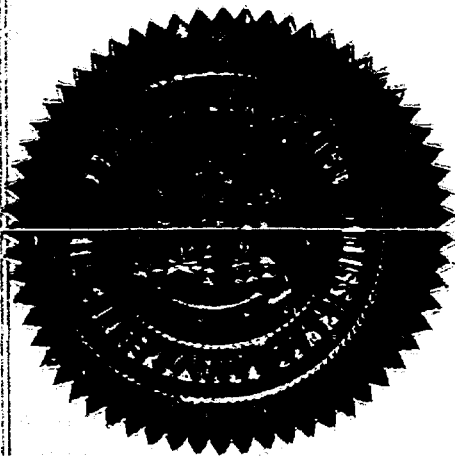
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
DAVID F. CARGO, Chairman

  
GUYTON B. HAYS, Member

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



esr/

DOCKET NO. 9-68

DOCKET: EXAMINER HEARING - WEDNESDAY - MARCH 20, 1968

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 3724: (Continued from the February 28, 1968, Examiner Hearing)

Application of El Paso Natural Gas Company for a dual completion, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its San Juan 27-4 Unit Well No. 30 (GD) located in Unit N of Section 32, Township 27 North, Range 4 West, Rio Arriba County, New Mexico, in such a manner as to permit the production of gas from the Gallup formation and the Basin-Dakota Pool through tubing and the casing-tubing annulus, respectively, by means of a cross-over.

CASE 3733: (Continued from the February 28, 1968, Examiner Hearing)

Application of Daryl Davis to re-enter a well, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to re-enter the State "A" Well No. 1 located 1980 feet from the South and West lines of Section 1, Township 4 South, Range 26 East, Chaves County, New Mexico, and attempt to complete said well as a producer from the San Andres formation.

CASE 3578: (Reopened)

Application of Texas Pacific Oil Company for an amendment to Order No. R-3264, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-3264 to permit the re-dedication of acreage to its State "A" A/c-2 Wells Nos. 40 and 38, located in Units A and K, respectively, of Section 9, Township 22 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico. Applicant proposes to dedicate a 320-acre non-standard unit comprising the N/2 of said Section 9 to Well No. 40 and to dedicate a 160-acre non-standard unit comprising the SW/4 of said Section 9 to Well No. 38. It is further proposed that said Order No. R-3264 be amended to require that the effective date of the proration units authorized therein be contingent upon new plats being filed.

CASE 3736: Application of American Trading & Production Corporation for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its New Mexico State 26 Well No. 1 located in Unit J of Section 26, Township 20 South, Range 35 East, Lea County, New Mexico, in such a manner as to produce gas from an undesignated Wolfcamp gas pool and oil from an undesignated Devonian oil pool through parallel strings of tubing.

- CASE 3737: Application of Southland Royalty Company for an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its O. D. McCoy Well No. 2 at an unorthodox oil well location 800 feet from the South line and 2120 feet from the East line of Section 28, Township 9 South, Range 33 East, Flying "M" San Andres Pool, Lea County, New Mexico.
- CASE 3738: Application of Pan American Petroleum Corporation for salt water disposal, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres and Yeso formations in the interval 2190 feet to 3450 feet in its State "CF" SWD Well No. 1 located in Unit I of Section 13, Township 11 South, Range 26 East, Chisum-Devonian Pool, Chaves County, New Mexico.
- CASE 3739: Application of New Mexico Salt Water Disposal Company, Inc., for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Devonian formation in the interval from approximately 13,128 feet to 13,207 feet in its Trainer-Springs Well No. 1, located in Unit H of Section 11, Township 11 South, Range 34 East, Sand Springs-Devonian Pool, Lea County, New Mexico.
- CASE 3740: Application of David Fasken for lease commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to meter the wet gas stream from his Ross-Federal Well No. 1, the Shell-Federal Well No. 1, and the Skelly-Federal Well No. 1, located in Sections 4, 5, and 9 respectively, Township 21 South, Range 24 East, North Indian Hills-Morrow Gas Pool, Eddy County, New Mexico, prior to separation and dehydration, allocating condensate production to each well on the percentage of each well's wet gas stream to the total combined wet gas volume.

LAW OFFICES OF  
JOHN F. RUSSELL  
SUITE 1010 SECURITY NATIONAL BANK BUILDING  
P. O. DRAWER 840  
ROSWELL, NEW MEXICO 88201

412 Hinkle Bldg.

TELEPHONE 622-4641  
AREA CODE 505

February 23, 1968

Mr. A. L. Porter, Jr.  
Secretary-Director  
Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 88201

*Case 3578*

Dear Mr. Porter:

I transmit herewith, in triplicate, an Application of  
Texas Pacific Oil Company to be set for hearing before an  
Examiner.

Very truly yours,

*John F. Russell*  
John F. Russell

JFR:1  
Enclosure

cc: Mr. Ron Freels (w/encl.)  
Texas Pacific Oil Company  
P. O. Box 747  
Dallas, Texas 75221

Mr. Jerry Moritz (w/encl.)  
Texas Pacific Oil Company  
P. O. Box 4067  
Midland, Texas 79702

MAIN OFFICE OCC

'68 FEB 26 AM 8 13

FILED  
Date 3-7-68

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF )  
TEXAS PACIFIC OIL COMPANY FOR THE )  
REDEDICATION OF CERTAIN ACREAGE AND )  
THE ESTABLISHMENT OF A STANDARD GAS )  
PRORATION UNIT ON ITS STATE "A" )  
ACCOUNT NO. 2 LEASE IN THE N $\frac{1}{2}$  OF )  
SECTION 9, TOWNSHIP 22 SOUTH, RANGE )  
36 EAST, N.M.P.M., JALMAT GAS POOL, )  
LEA COUNTY, NEW MEXICO. )

No. 2578

MAIN OFFICE OGC

'68 FEB 26 AM 8 14

APPLICATION

COMES NOW Applicant, Texas Pacific Oil Company,  
through its attorney, John F. Russell, and requests that the  
Commission enter an Order authorizing the rededication of  
acreage and the establishment of a standard gas proration  
unit in the N $\frac{1}{2}$  of Section 9, Township 22 South, Range 36  
East, N.M.P.M., Jalmat Gas Pool, Lea County, New Mexico:

1. A 320 acre standard gas proration unit comprising  
the N $\frac{1}{2}$  of Section 9, Township 22 South, Range 36 East, to be  
dedicated to Texas Pacific's State "A" Account No. 2 Well  
No. 40.
2. That the proposed standard gas proration unit is  
productive of gas.
3. That the proposed standard gas proration unit can  
be efficiently and economically drained and developed by the  
well to which it is to be dedicated.



4. That approval of the rededication of acreage and the proposed standard gas proration unit will afford the Applicant the opportunity to produce its just and equitable share of the gas in the pool and will otherwise prevent waste and protect correlative rights.

WHEREFORE, Applicant requests the Commission to set this matter down for hearing before an Examiner, to publish its notice as provided by law, and, after hearing, to issue its order authorizing the rededication of acreage and establishment of a standard gas proration unit as prayed for herein.

Respectfully submitted,

TEXAS PACIFIC OIL COMPANY

By John D. Russell  
P. O. Drawer 640  
Roswell, New Mexico 88201

Attorney for Applicant

DATED:

GOVERNOR  
DAVID F. CARGO  
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

July 10, 1967

Mr. John Russell  
Attorney at Law  
Post Office Drawer 640  
Roswell, New Mexico 88201

Re: Case No. 3578  
Order No. R-3264  
Applicant:  
TEXAS PACIFIC OIL COMPANY

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

ALP/ir

Carbon copy of order also sent to:

Hobbs OCC x

Artesia OCC   

Aztec OCC   

Other

TEXAS PACIFIC OIL COMPANY

P. O. Box 4067  
Midland, Texas  
June 27, 1967

Oil Conservation Commission  
State Land Office Building  
Santa Fe, New Mexico

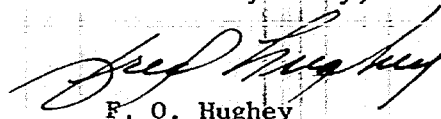
Attention: Mr. Daniel S. Nutter

Dear Sir:

As requested during the hearing of Case 3578 on June 6, 1967,  
the following list of previous Order Numbers for the Texas Pacific Oil  
Company's State "A" Account 2 lease is submitted:

<u>Well Number</u>	<u>NSP Number</u>	<u>R Order Number</u>
5	NSP-98 ✓	None
8	NSP-615 ✓	None
12	NSP-614	None
27	None	R-2866 ✓
38	NSP-178	None
40	Dedicated prior to start of R-Orders	
41	None	R-2866 ✓
43	None	R-2865 ✓
44	NSP-684 ✓	None
49	None	R-2865 ✓
56	NSP-577 ✓	None

Yours very truly,

  
F. O. Hughey  
Area Engineer

FOH:mc

cc: John F. Russell

MAIN OFFICE USE

'67 JUN 28 AM 8 11

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  
EXAMINER HEARING

May 24, 1967

-----)  
)  
IN THE MATTER OF: )  
)

Application of Texas Pacific Oil )  
Company for several non-standard )  
gas proration units, Lea County, )  
New Mexico. )  
-----)

Case No. 3578

BEFORE: Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

dearnley-meier

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

1120 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO 87101  
1400 FIRST NATIONAL BANK EAST • PHONE 256-1294 • ALBUQUERQUE, NEW MEXICO 87108

PAGE

2

MR. UTZ: Case 3578.

MR. HATCH: Application of Texas Pacific Oil Company for several non-standard gas proration units, Lea County, New Mexico.

And that case had several errors in the advertising in the Santa Fe newspaper and it has been readvertised and is being continued to June 6, 1967.

MR. UTZ: Case 3578 will be continued and readvertised and Case 3579 will be continued to June 6th.

dearnley-meier

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS  
1120 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-4691 • ALBUQUERQUE, NEW MEXICO 87101  
1400 FIRST NATIONAL BANK EAST • PHONE 256-1294 • ALBUQUERQUE, NEW MEXICO 87108

STATE OF NEW MEXICO )  
 ) SS  
COUNTY OF BERNALILLO )

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

Witness my Hand and Seal this 6th day of June, 1967.

*Ada Dearnley*  
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. 3.5.7E, heard by me on *April 24th*, 19*67*.  
*[Signature]*, Examiner  
New Mexico Oil Conservation Commission

Docket No.. 17-67

DOCKET: EXAMINER HEARING - TUESDAY - JUNE 6, 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 3592: Application of Anne Burnett Windfohr, dba Windfohr Oil Company, for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the San Andres formation through eight wells in Sections 13, 14 and 24, Township 17 South, Range 30 East, Grayburg-Jackson Pool, Eddy County, New Mexico. Applicant further seeks an administrative procedure for future expansion of said project.

CASE 3584: (Continued and Readvertised)

Application of Gulf Oil Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its Eddy "BD" State Well No. 1 at an unorthodox location 660 feet from the South line and 990 feet from the East line of Section 32, Township 20 South, Range 30 East, in an undesignated Strawn gas pool, Eddy County, New Mexico.

CASE 3578: (Continued and Readvertised)

Application of Texas Pacific Oil Company for several non-standard gas proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the dedication and rededication of certain acreage and the establishment of the following non-standard gas proration units in Township 22 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico.

A 120-acre non-standard gas proration unit comprising the N/2 NE/4 and the SE/4 NE/4 of Section 7, to be dedicated to the State "A" A/c-2 Well No. 5, located in Unit A of said Section 7, and also to the State "A" A/c-2 Well No. 6 located in Unit B of said Section 7;

A 160-acre non-standard gas proration unit comprising the W/2 W/2 of Section 5, to be dedicated to the State "A" A/c-2 Well No. 41, located in Unit M of said Section 5;

An 80-acre non-standard gas proration unit comprising the E/2 NW/4 of Section 5, to be dedicated to the State "A" A/c-2 Well No. 44, located in Unit F of said Section 5;

A 160-acre non-standard gas proration unit comprising the N/2 SE/4 and the E/2 SW/4 Section 5, to be dedicated to the State "A" A/c-2 Well No. 28, located in Unit I of said Section 5;

Case 3578 continued

An 80-acre non-standard gas proration unit comprising the S/2 SE/4 of Section 5, to be dedicated to the State "A" A/c-2 Well No. 27, located in Unit P of said Section 5;

A 160-acre non-standard gas proration unit comprising the W/2 SW/4, SE/4 SW/4, and SW/4 SE/4 Section 8, to be dedicated to the State "A" A/c-2 Well No. 54, located in Unit O of said Section 8;

A 160-acre non-standard gas proration unit comprising the S/2 NW/4, NE/4 SW/4, and NW/4 SE/4 Section 8, to be dedicated to the State "A" A/c-2 Well No. 56, located in Unit J of said Section 8;

An 80-acre non-standard gas proration unit comprising the S/2 NE/4 Section 8, to be dedicated to the State "A" A/c-2 Well No. 43, located in Unit H of said Section 8;

An 80-acre non-standard gas proration unit comprising the N/2 NW/4 Section 8, to be dedicated to the State "A" A/c-2 Well No. 49, located in Unit C of said Section 8;

A 240-acre non-standard gas proration unit comprising the NE/4 and E/2 NW/4 Section 9, to be dedicated to the State "A" A/c-2 Well No. 40, located in Unit A of said Section 9;

A 240-acre non-standard gas proration unit comprising the E/2 SE/4 Section 8, and the SW/4 Section 9, to be dedicated to the State "A" A/c-2 Well No. 38, located in Unit K of said Section 9;

A 160-acre non-standard gas proration unit comprising the N/2 NE/4 Section 8, and the W/2 NW/4 Section 9, to be dedicated to the State "A" A/c-2 Well No. 29, located in Unit D of said Section 9.

CASE 3579: (Continued from the May 24th Examiner Hearing)

Application of Texas Pacific Oil Company for three dual completions, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its State "A" A/c-2 Wells Nos. 28, 54, and 29, located in Unit I of Section 5, Unit O of Section 8, and Unit D of Section 9, respectively, Township 22 South, Range 36 East, Lea County, New Mexico, in such a manner as to produce gas from the Jalmat Gas Pool and oil from the South Eunice Oil Pool.

CASE 3593: Application of Amerada Petroleum Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Monument Paddock and Monument Blinbry Oil Pools in the wellbore of its L. M. Lambert Well No. 8 located in Unit G of Section 6, Township 20 South, Range 37 East, Lea County, New Mexico, with the assignment of a single allowable to said commingled production.



CASE 3594: Application of Amerada Petroleum Corporation for an Ogallala oil proration unit, special rules for said unit and authority for fresh water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of the SE/4 NW/4 of Section 30, Township 18 South, Range 38 East, Lea County, New Mexico, as a 40-acre proration unit for production of oil from the Ogallala formation. Applicant also seeks the establishment of special rules governing said 40-acre tract including a maximum density of one well per 0.625-acre with a provision that wells should be drilled no nearer than 82.5 to the outer boundary of the unit and no nearer than 165 feet to another well producing from the same formation, provided that an exception should be made for existing wells on said 40-acre tract which are not located in conformance with said spacing rules. Applicant also seeks a temporary exception to Rule 307 for each well to permit utilization of a vacuum-type drilling unit during the drilling and completion operations. Applicant also seeks authority to produce the wells at capacity even though the aggregate production from said wells exceeds the 40-acre normal unit allowable. Applicant further seeks authority to dispose of fresh water produced with the oil back into the Ogallala formation through an injection well or wells located no nearer than 330 feet to the outer boundaries of the 40-acre tract.

CASE 3595: Application of Ernest A. Hanson for acreage rededication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the rededication of the SE/4 NW/4 of Section 19, Township 22 South, Range 38 East for the production of oil from the Blinebry Oil Pool, said 40-acre unit to be dedicated to applicant's Gutman Well No. 4, formerly the Gulf Oil Corporation's Max Gutman Well No. 3. This acreage is presently dedicated as a part of a 160-acre standard gas proration unit in the Blinebry Gas Pool to Gulf Oil Corporation's Max Gutman Well No. 2 located in Unit C of said Section 19.

CASE 3350: (Reopened)

In the matter of Case No. 3350 being reopened pursuant to the provisions of Orders Nos. R-3021 and R-3021-A, which orders established 80-acre spacing units for the Young-Wolfcamp Pool and the Young-Bone Spring Pool, Lea County, New Mexico, respectively, for a period of one year. All interested parties may appear and show cause why said pools should not be developed on 40-acre spacing units.

CASE 3596: Application of Tenneco Oil Company for an unorthodox location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location for its Jicarilla "B" Well No. 8 at a point 790 feet from the North line and 2510 feet from the East line of Section 15, Township 26 North, Range 5 West, Blanco-Mesaverde Gas Pool, Rio Arriba County, New Mexico.

LAW OFFICES OF  
**JOHN F. RUSSELL**  
SUITE 1010 SECURITY NATIONAL BANK BUILDING  
P. O. DRAWER 640  
ROSWELL, NEW MEXICO 88201

TELEPHONE 622-4641  
AREA CODE 505

May 1, 1967

Mr. A. L. Porter, Jr.  
Secretary-Director  
Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico

*Case 35-78*

Dear Mr. Porter:

I transmit herewith an Application of Texas Pacific  
Oil Company to be set for hearing before an Examiner.

Very truly yours,

*John F. Russell*  
John F. Russell

JFR/wa

1 Enc:

App. (trip)

cc: Mr. Ron Freels w/enc.  
Mr. John Hendrix w/enc.

DOCKET MAILED

Date 5-25-67  
for 6/6/67

DOCKET MAILED

Date 5-12-67

*Li*

Docket No. 16-67

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 24, 1967

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 3572: Application of Jones Exploration Company for a dual completion and for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its State Well No. 1 located in Unit H of Section 35, Township 17 South, Range 35 East, Vacuum Field, Lea County, New Mexico, in such a manner as to permit the production of Abo Reef oil through the tubing and the disposal of produced salt water down the casing-tubing annulus into the Paddock formation in the perforated interval from 6955 to 6995 feet.
- CASE 3573: Application of Aztec Oil & Gas Company for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the South Corbin Strawn Oil Pool, including a provision for 160-acre proration units and the establishment of a 4000 to one gas-oil ratio limitation.
- CASE 3574: Application of Cima Capitan, Inc. for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Grayburg-San Andres formations through one well located in Unit C of Section 3, Township 17 South, Range 32 East, Maljamar Pool, Lea County, New Mexico.
- CASE 3575: Application of Harvey E. Yates for a triple completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the triple completion of his Stebbins Deep Federal Well No. 1 located in Unit H of Section 30, Township 20 South, Range 29 East, Eddy County, New Mexico, to produce oil from the Scanlon Delaware Oil Pool through one string of tubing and to selectively produce gas from an undesignated Strawn gas pool and from an undesignated Morrow gas pool through another string of tubing. Selective production of one of the two gas zones at a time would be accomplished by means of a sliding side door and tubing plug.
- CASE 3576: Application of Jomar Industries, Inc. for water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, has proposed to drill certain wells in the S/2 NW/4 SE/4 and the N/2 SW/4 SE/4 of Section 30, Township 18 South, Range 38 East, Lea County, New Mexico, for production of oil from the Ogallala formation. Applicant anticipates that fresh water will be produced from the Ogallala formation incidental to the production of said oil and now seeks authority to dispose of said water back into the Ogallala formation through an injection well or wells to be located no nearer than 330 feet to the outer boundaries of the above-described acreage.

CASE 3577: Application of El Paso Natural Gas Company for four non-standard units, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of the following non-standard gas proration units in Township 29 North, Range 7 West, Basin-Dakota Gas Pool, Rio Arriba County, New Mexico:

A 327.78-acre non-standard unit comprising the W/2 of Section 6 and the NW/4 of Section 7, to be dedicated to the San Juan 29-7 Unit Well No. 100 located 790 feet from the South line and 950 feet from the West line of said Section 6;

A 345.19-acre non-standard unit comprising the SW/4 of Section 7 and the W/2 of Section 18;

A 361.64-acre non-standard unit comprising the W/2 of Section 19 and the NW/4 of Section 30;

A 375.28-acre non-standard unit comprising the SW/4 of Section 30 and the W/2 of Section 31.

Each of the latter three non-standard units will be dedicated to a well to be drilled at an as yet undetermined standard location on the respective unit.

CASE 3578: Application of Texas Pacific Oil Company for several non-standard gas proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the dedication and rededication of certain acreage and the establishment of the following non-standard gas proration units in Township 22 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico.

A 120-acre non-standard gas proration unit comprising the N/2 NE/4 and the SE/4 NE/4 of Section 7, to be dedicated to the State "A" A/c-2 Well No. 5, located in Unit A of said Section 7, and also to the State "A" A/c-2 Well No. 6 located in Unit B of said Section 7;

A 160-acre non-standard gas proration unit comprising the W/2 W/2 of Section 5, to be dedicated to the State "A" A/c-2 Well No. 41, located in Unit M of said Section 5;

An 80-acre non-standard gas proration unit comprising the E/2 NW/4 Section 5, to be dedicated to the State "A" A/c-2 Well No. 44, located in Unit F of said Section 5;

A 160-acre non-standard gas proration unit comprising the N/2 SE/4 and the E/2 SW/4 Section 5, to be dedicated to the State "A" A/c-2 Well No. 28, located in Unit I of said Section 5;

(Case 3578 continued)

An 80-acre non-standard gas proration unit comprising the S/2 SE/4 of Section 5, to be dedicated to the State "A" A/c-2 Well No. 27, located in Unit P of said Section 5;

A 160-acre non-standard gas proration unit comprising the W/2 SW/4, SE/4 SW/4, and SW/4 SE/4 Section 8, to be dedicated to the State "A" A/c-2 Well No. 54, located in Unit O of said Section 8;

A 160-acre non-standard gas proration unit comprising the S/2 NW/4, NE/4 SW/4, and NW/4 SE/4 of Section 8, to be dedicated to the State "A" A/c-2 Well No. 56, located in Unit J of said Section 8;

An 80-acre non-standard gas proration unit comprising the S/2 NE/4 of Section 8, to be dedicated to the State "A" A/c-2 Well No. 43, located in Unit H of said Section 8;

An 80-acre non-standard gas proration unit comprising the N/2 NW/4 Section 8, to be dedicated to the State "A" A/c-2 Well No. 49, located in Unit C of said Section 8;

A 240-acre non-standard gas proration unit comprising the NE/4 and E/2 NW/4 of Section 9, to be dedicated to the State "A" A/c-2 Well No. 40, located in Unit A of said Section 9;

A 240-acre non-standard gas proration unit comprising the E/2 SE/4 Section 8, and the SW/4 Section 9, to be dedicated to the State "A" A/c-2 Well No. 38, located in Unit K of said Section 9;

A 160-acre non-standard gas proration unit comprising the N/2 NE/4 Section 8, and the W/2 NW/4 of Section 9, to be dedicated to the State "A" A/c-2 Well No. 29, located in Unit D of said Section 9.

CASE 3579: Application of Texas Pacific Oil Company for three dual completions, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its State "A" A/c-2 Wells Nos. 28 54, and 29, located in Unit I of Section 5, Unit O of Section 8, and Unit D of Section 9, respectively, Township 22 South, Range 36 East, Lea County, New Mexico, in such a manner as to produce gas from the Jalmat Gas Pool and oil from the South Eunice Oil Pool.

CASE 3580: Application of Sunray DX Oil Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Grayburg formation through one well located in Unit C of Section 17, Township 17 South, Range 31 East, Grayburg-Jackson Pool, Eddy County, New Mexico.

-4- May 24, 1967 Examiner Hearing

Docket No. 16-67

- CASE 3581: Application of Sunray DX Oil Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation from 4248 feet to 4286 feet in its Harris State Well No. 5 located in Unit I of Section 23, Township 10 South, Range 32 East, Mescalero-San Andres Pool, Lea County, New Mexico.
- CASE 3582: Application of Tenneco Oil Company for two unorthodox gas well locations, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox Blanco-Mesaverde Gas Pool location of its Jicarilla C Well No. 6, located 1780 feet from the North line and 1455 feet from the West line of Section 14, and its Jicarilla C Well No. 4 located 1650 feet from the North and West lines of Section 24, all in Township 26 North, Range 5 West, Rio Arriba County, New Mexico.
- CASE 3583: Application of Stoltz & Company for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the North Bagley-Lower Pennsylvanian Pool, Lea County, New Mexico, including a provision for 80-acre spacing and proration units.
- CASE 3584: Application of Gulf Oil Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its Eddy "BD" State Well No. 1 at an unorthodox location 660 feet from the South line and 990 feet from the East line of Section 32, Township 20 South, Range 30 East, in an undesignated Strawn gas pool, Eddy County, New Mexico.
- CASE 3585: Application of Gulf Oil Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the force-pooling of all mineral interests in the North Bagley-Pennsylvanian Oil Field, SW/4 SE/4 and SE/4 SE/4 of Section 9, Township 11 South, Range 33 East, Lea County, New Mexico, to be dedicated to the Lea State "OE" Well No. 1 to be drilled 660 feet from the South line and 1980 feet from the East line of said Section 9.
- CASE 3586: Application of Morris R. Antweil for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of its Malaga Unit Area comprising 839 acres, more or less, of Federal and Fee lands in Sections 12 and 13, Township 24 South, Range 28 East, and Sections 7 and 18, Township 24 South, Range 29 East, Eddy County, New Mexico.
- CASE 3587: Application of Morris R. Antweil for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Delaware Sand through seven injection wells located in Sections 12 and 13, Township 24 South, Range 28 East, and Section 18, Township 24 South, Range 29 East, Malaga Pool, Eddy County, New Mexico.

- CASE 3588: Application of Pan American Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the unorthodox location in an undesignated Morrow and/or Devonian gas pool for its Poker Lake Unit Federal Well No. 26 at a location 660 feet from the South and East lines of Section 28, Township 24 South, Range 31 East, Eddy County, New Mexico, to be dedicated to a standard unit comprising the S/2 of said Section 28.
- CASE 3589: Application of Claude C. Kennedy for special pool rules, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of special pool rules for the Slick Rock-Dakota Oil Pool comprising the S/2 SE/4 of Section 36, Township 30 North, Range 17 West, including a provision for development on 2 1/2 acre spacing with the provision that each 40-acre tract be subject to the Northwest New Mexico normal unit allowable.
- CASE 3590: Application of Texaco Inc. for a pilot waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pilot waterflood project by the injection of water into the Pennsylvanian formation in the interval from 9650 feet to 9800 feet in its State BV Well No. 1 located in Unit E of Section 26, Township 13 South, Range 33 East, Lazy-J Pennsylvanian Pool, Lea County, New Mexico.
- CASE 3591: Application of Anadarko Production Company for a waterflood expansion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Langlie-Mattix Penrose Sand Unit Waterflood Project by the injection of water into the Penrose Sand through eight additional injection wells located in Sections 20, 28, 29, 32, and 33, all in Township 22 South, Range 37 East, Langlie-Mattix Pool, Lea County, New Mexico.

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION )  
OF TEXAS PACIFIC OIL COMPANY FOR )  
SEVERAL NON-STANDARD GAS PRO-RATION )  
UNITS, LEA COUNTY, NEW MEXICO, )  
AND FOR THE REDEDICATION OF CERTAIN )  
ACREAGE AND THE ESTABLISHMENT OF )  
CERTAIN NON-STANDARD GAS PRO-RATION )  
UNITS ON ITS STATE "A" ACCOUNT NO. 2 )  
LEASE IN SECTIONS 5, 7, 8 and 9, )  
TOWNSHIP 22 SOUTH, RANGE 36 EAST, )  
JALMAT GAS POOL, LEA COUNTY, NEW )  
MEXICO. )  
----- )

No. 3578

APPLICATION

COMES NOW Applicant, Texas Pacific Oil Company, through its attorney, John F. Russell, and requests that the Commission enter an Order authorizing the rededication of acreage and the establishment of the following non-standard gas pro-ration units in Township 22 South, Range 36 East, N.M.P.M., Jalmat Gas Pool, Lea County, New Mexico:

1. A 120 acre non-standard gas pro-ration unit comprising the  $N\frac{1}{2}NE\frac{1}{4}$  and the  $SE\frac{1}{4}NE\frac{1}{4}$  Section 7 to be dedicated to Texas Pacific's State "A" A/c-2 Well No. 5. Permission is also requested for recompletion of State "A" A/c-2 Well No. 6 in the Jalmat Gas zone. We propose that either well be allowed to produce the 120 acre allowable in any proportion.

2. A 160 acre non-standard gas pro-ration unit comprising the  $W\frac{1}{2}$  of the  $W\frac{1}{2}$  of Section 5 to be dedicated to Texas Pacific's State "A" A/c-2 Well No. 41,

3. An 80 acre non-standard gas pro-ration unit comprising the  $E\frac{1}{2}NW\frac{1}{4}$  Section 5 to be dedicated to State "A" A/c-2 No. 44,

DOCKET MAILED

Date 5-72-67



X 4. A 160 acre non-standard gas pro-ration unit comprising the  $N\frac{1}{2}SE\frac{1}{4}$  and the  $E\frac{1}{2}SW\frac{1}{4}$  Section 5 to be dedicated to State "A" A/c-2 No. 28, Permission is also requested to dual complete this well as a South Eunice-Jalmat Gas Pool dual completion. T 5

5. An 80 acre non-standard gas pro-ration unit comprising the  $S\frac{1}{2}SE\frac{1}{4}$  Section 5 to be dedicated to State "A" A/c-2 No. 27,

X 6. A 160 acre non-standard gas pro-ration unit comprising the  $W\frac{1}{2}SW\frac{1}{4}$ ,  $SE\frac{1}{4}SW\frac{1}{4}$ ,  $SW\frac{1}{4}SE\frac{1}{4}$  Section 8 to be dedicated to State "A" A/c-2 No. 54, Permission is also requested that Texas Pacific be allowed to dual complete this well as a South Eunice oil producer and a Jalmat Gas producer. O-8

7. A 160 acre non-standard gas pro-ration unit comprising the  $S\frac{1}{2}NW\frac{1}{4}$ ,  $NE\frac{1}{4}SW\frac{1}{4}$ ,  $NW\frac{1}{4}SE\frac{1}{4}$  Section 8 to be dedicated to its State "A" A/c-2 No. 56,

8. An 80 acre non-standard gas pro-ration unit comprising the  $S\frac{1}{2}NE\frac{1}{4}$  Section 8 to be dedicated to its State "A" A/c-2 No. 43,

9. An 80 acre non-standard gas pro-ration unit comprising the  $N\frac{1}{2}NW\frac{1}{4}$  Section 8 to be dedicated to State "A" A/c-2 No. 49,

10. A 240 acre non-standard gas pro-ration unit comprising the  $NE\frac{1}{4}$ ,  $E\frac{1}{2}NW\frac{1}{4}$  Section 9 to be dedicated to State "A" A/c-2 No. 40,

11. A 240 acre non-standard gas pro-ration unit comprising the  $SW\frac{1}{4}$  Section 9 and the  $E\frac{1}{2}SE\frac{1}{4}$  Section 8 to be dedicated to State "A" A/c-2 No. 38,

X 12. A 160 acre non-standard gas pro-ration unit comprising the  $W\frac{1}{2}NW\frac{1}{4}$  Section 9 and the  $N\frac{1}{2}NE\frac{1}{4}$  Section 8 to be dedicated to its State "A" A/c-2 Well No. 29, Permission is requested to dual complete this well in the South Eunice Pool and the Jalmat Gas Pool. D 1

13. That each of the proposed non-standard gas pro-ration units is productive of gas.

14. That each of the proposed non-standard gas pro-ration units can be efficiently and economically drained and developed by the well or wells to which it is to be dedicated.

15. That approval of the proposed non-standard gas pro-ration units will afford the Applicant the opportunity to produce its just and equitable share of the gas in the pool and will otherwise prevent waste and protect correlative rights.

WHEREFORE, Applicant requests the Commission to set this matter down for hearing before an Examiner, to publish its notice as provided by law, and after hearing, to issue its order authorizing the rededication of acreage and establishment of certain non-standard gas pro-ration units as prayed for herein.

Respectfully submitted,  
TEXAS PACIFIC OIL COMPANY

By John D. Russell  
P. O. Drawer 640  
Roswell, New Mexico

Attorney for Applicant

DATED: May 1, 1967

dearnley-meier reporting service, inc.

CONVENTIONS

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

1120 SIMAS BLDG. • P. O. BOX 1092 • PHONE 243-6491 • ALBUQUERQUE, NEW MEXICO

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
June 6, 1967

EXAMINER HEARING

IN THE MATTER OF:

Continued and readvertised, application  
of Texas Pacific Oil Company for several  
non-standard proration units, Lea County,  
New Mexico.

Case 3578

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

MR. NUTTER: Case 3578.

MR. HATCH: Case 3578, continued and readvertised, application of Texas Pacific Oil Company for several non-standard proration units, Lea County, New Mexico.

MR. RUSSELL: John F. Russell, Roswell, New Mexico, appearing on behalf of the Applicant and I have one witness, Mr. Fred Hughey.

(Witness sworn.)

FRED HUGHEY, called as a witness on behalf of the Applicant, first having been duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. RUSSELL:

Q Will you please state your name, your address and by whom you are employed?

A I am Fred Hughey with Texas Pacific Oil Company, from Midland, Texas.

MR. NUTTER: How do you spell your last name?

THE WITNESS: H-u-g-h-e-y.

Q (By Mr. Russell) And, in what capacity are you employed?

A I am an Area Engineer, Texas Pacific.

Q Have you previously qualified to give testimony before the Commission and the Examiner?

dearnley-meier

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

1120 SIMMS BLDG. • P.O. BOX 1092 • PHONE 241-6691 • ALBUQUERQUE, NEW MEXICO 87101  
1400 FIRST NATIONAL BANK EAST • PHONE 253-1294 • ALBUQUERQUE, NEW MEXICO 87108

A Yes, sir.

Q Are you familiar with the application filed in Case Number 3578?

A Yes, sir.

Q Now, what is the reason for the filing of this application?

A Basically, Texas Pacific seeks to reassign acreage in our State "A" Account Number 2 Lease to more nearly coincide the productivity and productive capacity of the Jal Mat gas wells, with the acreage assigned to those wells

(Whereupon, Applicant's Exhibits 1, 2 and 3 were marked for identification.)

Q (By Mr. Russell) In connection with this application, have you prepared or did you have prepared, under your supervision and direction, Exhibits 1, 2 and 3?

A Yes, sir.

Q Now, I think it would be a more orderly presentation, if you will merely identify each of the exhibits at this time, as to what they show?

A Okay, sir. Exhibit 1 is a plat of the area surrounding the Texas Pacific State "A" Account 2 Lease. The acreage colored yellow is the Texas Pacific acreage and the green circles that are present, are the Jal Mat gas wells, with their respective acreage presently dedicated set up in the blocks

around each well.

Q All right, now, what is Exhibit Number 2?

A Exhibit 2 shows the same thing with the proposed acreage set up in the block. The green circles again, are present gas wells and the four red circles are wells in which Jal Mat completions will have to be made at some later date.

Q And, it shows the acreage, which you propose to dedicate to each of these wells?

A Yes, sir.

Q All right, now, what is Exhibit Number 3?

A Number 3 is a tabulation of each of the wells, along with their completion date, completion interval, cumulative production to January 1st, 1966, the anticipated monthly allowable under the proposed acreage dedication and the anticipated capacity of each of the wells on the list.

Q Now, it is my understanding that, although some, or a majority perhaps, of the present wells will produce the allowable for the acreage assigned to them, that they are declining and that what you are proposing is to rededicate acreage to wells which will make their full allowable and you get your fair share of the oil, is that correct?

A Of the gas.

Q Of the gas. And, this is all a state lease?

A Yes, sir.

Q In which you are the working interest owner and lessee?

A That is correct.

Q All right, now, do you have a copy of the docket for this hearing?

A Yes, sir.

Q If you will start and continue in the order in which these requests or rededications appear, and go through each one, referring to Exhibit 1, as to acreage in the well, and then, the proposed rededication, and then, from Exhibit 3, any pertinent data that you wish to bring forth in connection with each one of these rededications?

A Yes, sir. The first area is the 120 acre, non-standard unit, comprising the north half of the northeast quarter and the southeast quarter of the northeast quarter, of Section 7, Township 22 South, Range 36 East, Lea County, to be dedicated to the State "A" Account Two Well, Number 5, located in Unit 'A' of the Section 7, and also, to State "A" Account Two, Well Number 6, located in Unit 'B', in this section.

Referring to Exhibit 1, this presently has a 160 acre unit, dedicated to Well Number 5, only. Exhibit 2 indicates the 120 acre unit, with the two wells, dedicated, with the acreage, dedicated to them and the Exhibit 3 will have

an anticipated monthly allowable of 9750 MCF, for the 120 acre unit, and Well Number 5, made 8000 MCF in August of last year, and it is anticipated that Number 6 will also make the same amount of gas.

Q Now, that Well Number 6, which is shown in red, isn't that a well in which your application indicated there would be a recompletion?

A Yes, sir, that is true. In reality, this should have been a dual completion, rather than a recompletion.

Q It is presently producing from the --

A South Eunice?

Q -- South Eunice oil field?

A Yes, sir.

Q All right, move on to the next one.

A The next acreage is the 160 acre non-standard unit, located in the West half of the West half of Section 5, to be dedicated to State "A" Account Two, Well Number 41, located in Unit 'M' of Section 5.

Referring again to Exhibit 1, this is one of the two dual dedications now existing on this lease, in which the two wells have 320 acres attributed to them.

Q Which is the South Half of Section 5?

A Yes, sir, which is the south half of Section 5.

Exhibit 3 indicates that Well Number 41 will have no problem



supporting the 160 acre allowable to be dedicated to this. The purpose in this, later on, well the next well to be shown is Well Number 44, will not support a 160 acre allowable.

Q All right, go to the next one.

A The next one is Well Number 44, a 180 acre unit, comprising the East Half of the Northwest Quarter of Section 5, to be dedicated to State "A" Account 2, Well Number 44, located in Unit 'F' of said Section 5. This well is presently producing 2700 MCF per month at the line pressure and will have an anticipated allowable of 6500 MCF. This will more nearly bring its allowable to its capacity and let's hope that this, along with anticipated lowering of line pressure, will allow the well to make its allowable.

The next unit is the 168 acre unit, comprising the North Half of the Southeast Quarter and the East Half of the Southwest Quarter of Section 5, to be dedicated to State "A" Account Two, Well Number 28, located in Unit 'I' of said Section 5.

Referring again to Exhibit 1, this is the second well in that present dual dedication in the South Half of Section 5. Exhibit 3 indicates that -- I'm sorry, I am on the wrong well. This is a well to be completed in the Jal Mat. It is presently a South Eunice oil producer and will be a dual completion in the Jal Mat South Eunice Pool. It is

anticipated that, with our newer techniques in completion and perforation stimulation, that this well will make -- will be capable of making 33,000 MCF, so, therefore, support a 160 allowable of 13,000 MCF per month.

I might point out, before I go any further, that this average monthly allowable is based on the average of 64, 65 and 66 for this pool.

The next unit will be an eighty acre unit, comprising the South Half of the Southeast Quarter of Section 5, to be dedicated to the State "A" Account Two Well, Number 27, located in Unit 'P' of Section 5. Now this is the second well of the present dual dedication for the South Half of Section 5 and going to Exhibit 3, this well is presently producing 5950 MCF, at line pressure and will have an anticipated allowable of 6500 MCF per month. Here again, let's hope that lowering of the line pressure will allow it to maintain its top allowable.

The next unit is a 160 acre unit, comprising the West Half of the Southwest Quarter and Southeast Quarter of the Southwest Quarter and the Southwest Quarter of the Southeast Quarter of Section 8, to be dedicated to the State "A" Account Two, Well Number 54, located in Unit 'O' of Section 8.

Q Will you give that acreage description again?

I think you have one off.

dearnley-meier

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A It was the West Half of the Southwest Quarter, Southeast Quarter of the Southwest Quarter and the Southwest Quarter of the Southeast Quarter of Section 8. This well will also be a dual Jal Mat South Eunice oil producer, if this application is approved to support this acreage.

The next unit is a 160 acre unit, comprising the South Half of the Northwest Quarter, the Northeast Quarter of the Southwest Quarter and the Northwest Quarter of the Southeast Quarter of Section 8, to be dedicated to the State "A" Account Two, Well Number 56, located in Unit 'J' of said Section 8. This well presently has 320 acres assigned to it, and will only produce 11,000 MCF per month at the present line pressure. The anticipated allowable will be 13,000 MCF per month and here again, let's hope that the lowering of the line pressure will allow us to maintain top allowable for the well.

The next unit is an eighty acre unit, comprising the South Half of the Northeast Quarter of Section 8, to be dedicated to the State "A" Account Two Well, Number 43, located in Unit 'H' of Section 8. This well is in the second presently, dually dedicated unit on this lease and is now making some 8,000 MCF per month. This new eighty acre dedication will have an allowable of 6500 MCF per month. Therefore, it will easily make its proposed allowable.

dearnley-meier

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The next unit is an eighty acre unit, comprising the North Half of the Northwest Quarter of Section 8, to be dedicated to the State "A" Account Two, Well Number 49, located in Unit 'C' of Section 8. This is the second well in the presently dually dedicated North Half of Section 8, in which the well is making an approximate 5,000 MCF per month, and the proposed allowable will be 6500 MCF per month. This well here will possibly require some stimulation to bring it up to it's allowable.

The next unit is a 240 acre unit, comprising the Northeast Quarter and East Half of the Northwest Quarter of Section 9, to be dedicated to State "A" Account Two, Well Number 40, located in Unit 'A' of said Section 9. This well presently has 160 acres dedicated to it, being the Northeast Quarter of Section 9 and has a much larger capability, therefore, we are proposing to dedicate 240 acres to the well, which would give it an anticipated allowable of 19,500 MCF and is presently capable of producing 35,000 MCF at a hundred pounds. Here again, we were giving more acreage to the better wells.

The next unit is a 240 acre unit, comprising the East Half of the Southeast Quarter of Section 8, and the Southwest Quarter of Section 9 to be dedicated to the State "A" Account Two, Well Number 38, located in Unit 'K' of Section 9.

This well presently has 320 acres dedicated to it and we are proposing a 240 acre dedication to bring an anticipated allowable of 19,500 MCF, even though it will presently make 43,000 MCF, in order to take advantage of some of our other wells on this lease.

The last unit is the 160 acre unit, comprising the North Half of the Northeast Quarter of Section 8 and the West Half of the Northwest Quarter of Section 9, to be dedicated to the State "A" Account Two, Well Number 29, located in Unit 'B' of said Section 9. This is another well not yet completed in the Jal Mat and, if this application is approved, it will be completed as a Jal Mat gas South Eunice dual completion.

It is anticipated that this well will have ample capability to carry the 160 acre allowable, which is 13,000 MCF.

Q Now, referring to your Exhibit Number 3, in the column anticipated monthly allowable, now, that is based upon the rededicated acreage, rather than the present acreage, is it not?

A Yes, sir, this is correct.

Q Now, you have also shown that your Well Number 6, Number 28, Number 54 and Number 29, are not presently completed in the Jal Mat gas zone, and you testified that you anticipated

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as to each of those, they would be duly completed as South Eunice oil Jal Mat gas, is that correct?

A Yes, sir.

Q Now, there has been set for today a Case Number 3579, which includes hearing on three dual completions being all except your Number 6 well. Now, are you asking the Examiner, at this time, to vacate Case Number 3579 and then, is it your intention, if this application is approved, that you will apply for administrative approval of all four of these dual completions?

A This is correct. We will make this administrative application at the time that the work is to be done, rather than today.

Q At this point?

A Yes, sir.

Q Is there anything further you would like to bring out in connection with this Case Number 3578?

A No, sir.

MR. RUSSELL: At this time, I would like to offer into evidence Applicant's Exhibits Numbers 1, 2 and 3.

MR. NUTTER: Applicant's Exhibits 1 through 3 will be admitted in evidence.

(Whereupon, Applicant's Exhibits 1 through 3 were admitted in evidence.)

MR. RUSSELL: I have no further questions of this

witness.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Hughey, as I understand it, you are not dedicating any additional acreage which is not dedicated at the present time?

A This is correct.

Q This is a matter of merely realigning the acreage and getting four new wells to help produce the acreage?

A This is correct.

Q Is the ownership of all of the units, as they now exist, and if they would be rededicated, identical throughout?

A Yes, sir, this is a one hundred percent working interest lease and a state of New Mexico --

Q There is no variation anywhere in overrides from one portion of the lease to the other?

A No, sir.

Q So, any realignment of allowables and existing status won't affect anyone's rights?

A This is correct.

MR. RUSSELL: Mr. Examiner, there is one further question I overlooked.

MR. NUTTER: Yes, sir, go ahead.

RE-DIRECT EXAMINATION

BY MR. RUSSELL:

Q Mr. Hughey, where you have asked for dedication of acreage which contains two wells, are you also asking that the allowable assigned to the wells will be one allowable, but that it may be produced from either or both of the wells in any proportion?

A This is correct, yes, sir. This is true in the case of wells Numbers 5 and 6.

MR. NUTTER: That's the only unit in which you have more than one well?

THE WITNESS: Yes, sir.

MR. RUSSELL: That's all.

RE-CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Hughey, could you furnish us, I doubt if you have got it with you, you might have, but, could you furnish us with a list of the orders which authorized these units, so that they may be superceded?

A I can do this. I don't have it with me.

Q We would appreciate receiving it from you.

A All right.

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



(Witness excused.)

MR. NUTTER: Do you have anything further  
Mr. Russell?

MR. RUSSELL: Nothing further, Mr. Examiner.

MR. NUTTER: In that event, we will take the case  
under advisement.

dearnley-meier

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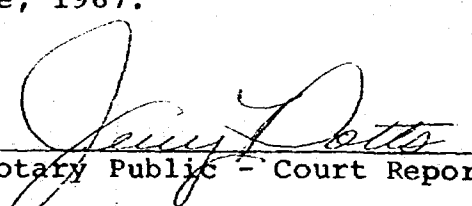
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STATE OF NEW MEXICO )  
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I, JERRY POTTS, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission Examiner at Santa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

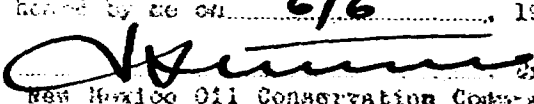
IN WITNESS WHEREOF I have affixed my hand and notarial seal this 30<sup>th</sup> day of June, 1967.

  
Notary Public - Court Reporter

My Commission Expires:

7-10-70

I do hereby certify that the foregoing is a complete record of the proceedings in the Brazier hearing of Case No. 3578 heard by me on 6/6, 1967.

  
Examiner  
New Mexico Oil Conservation Commission

TEXAS PACIFIC OIL COMPANY  
STATE "A" A/C-2 WELL NO. 40  
JALMAT GAS FIELD  
LEA COUNTY, NEW MEXICO

COMPLETION DATE:

4-19-1952

INITIAL POTENTIAL:

3,320 MCF/D

*into line pressure*

CURRENT POTENTIAL:

4,003 MCF/D

*(reduced line pressure)*

CUMULATIVE GAS PRODUCTION  
TO 2-1-1968

3,991,267 MCF

ANTICIPATED ALLOWABLE:

30,860 MCF/Month

BEFORE EXAMINER NUTTER  
OIL CONSERVATION COMMISSION  
*Applicants* EXHIBIT NO. 1  
CASE NO. 3578

JALMAT GAS POOL  
CASE 3578 - TEXAS PACIFIC OIL COMPANY  
PERTINENT DATA SHEET

<u>Well Name &amp; Number</u>	<u>Gas, Completion Date</u>	<u>Completion Interval</u>	<u>Cumulative Prod. 1-1-66</u>	<u>(1) Anticipated Monthly Allow.</u>
I. State "A" A/c-2 #5 660' FNL & 660' FEL Section 7, T-22-S, R-36-E (120 ac.)	9-16-37	3200-3260	1,435,487 MCF	9750 MCF (combined allowable) (#5 & #6)
State "A" A/c-2 #6 1980' FEL & 660' FNL Section 7-22-36	Not presently completed in the Jalmat Gas Horizon		-	
II. State "A" A/c-2 #41 660' FS&WL Section 5-22-36 (160 acres)	11-20-52	3360-3550'	5,447,027 MCF	13,000 MCF
III. State "A" A/c-2 #44 1980' FN&WL Section 5-22-36 (80 acres)	4-26-60	3206-3388'	567,791 MCF	6,500 MCF
IV. State "A" A/c-2 #28 1980' FSL & 660' FEL Section 5-22-36 (160 acres)	Not presently completed in the Jalmat Gas Horizon		-	13,000 MCF
V. State "A" A/c-2 #27 660' FS&EL Section 5-22-36 (80 acres)	4-10-65	3055-3355	148,155 MCF	6,500 MCF (2)
VI. State "A" A/c-2 #54 660' FSL & 1980' FEL Section 8-22-36 (160 acres)	Not presently completed in the Jalmat Gas Horizon		-	13,000 MCF
VII. State "A" A/c-2 #56 1980' FS&EL Section 8-22-36 (160 acres)	9-8-61	3182-3353	1,418,378 MCF	13,000 MCF (2)

BEFORE EXAMINER NUTTER  
OIL CONSERVATION COMMISSION  
EXHIBIT NO. 3  
CASE NO. 3578

JALMAT GAS POOL  
CASE 3578 - TEXAS PACIFIC OIL COMPANY  
PERTINENT DATA SHEET

<u>Gas, Completion Date</u>	<u>Completion Interval</u>	<u>Cumulative Prod. 1-1-66</u>	<u>(1) Anticipated Monthly Allow.</u>	<u>Anticipated Monthly Capacity</u>
9-16-37 (120 ac.)  Not presently completed in the Jalmat Gas Horizon	3200-3260	1,435,487 MCF	9750 MCF (combined allowable) (#5 & #6)	8,000 MCF @ 100# Test 8-26-66  8,000 MCF (est. @100#) 16,000 MCF Com. Total
11-20-52	3360-3550'	5,447,027 MCF	13,000 MCF	32,000 MCF @ 100# Test 9-16-66
4-26-60  Not presently completed in the Jalmat Gas Horizon	3206-3388'	567,791 MCF	6,500 MCF	14,600 MCF @ 100# Test 9-16-66 (2) 2740 MCF @ line pres.
4-10-65  Not presently completed in the Jalmat Gas Horizon	3055-3355	148,155 MCF	13,000 MCF	33,000 MCF (est. @100#)
9-8-61	3182-3353	1,418,378 MCF	6,500 MCF	(2) 5,950 MCF @ Line Pres.
			13,000 MCF	33,000 MCF (est. @100#)
			13,000 MCF	35,000 MCF @ 100# Test 8-26-66 (2) 11,000 MCF @ line pressure

BEFORE EXAMINER NUTTER  
OIL CONSERVATION COMMISSION  
EXHIBIT NO. 3  
CASE NO. 3578

<u>Well Name &amp; Number</u>	<u>Gas Completion Date</u>	<u>Completion Interval</u>	<u>Cumulative Prod. 1-1-66</u>	<u>(1) Anticipated Monthly Allow.</u>
VIII. State "A" A/c-2 #43 1650' FNL & 990' FEL Section 8-22-36 (80 acres)	11-9-57	3180-3320'	1,877,791 MCF	6,500 MCF
IX. State "A" A/c-2 #49 660' FNL & 1980' FWL Section 8-22-36 (80 acres)	3-15-65	3074-3383	48,072 MCF	6,500 MCF
X. State "A" A/c-2 #40 990' FN & FEL Section 9-22-36 (240 acres)	1-30-52	3286-3459'	3,594,771 MCF	19,500 MCF (2)
XI. State "A" A/c-2 #38 1980' FSL & FWL Section 9-22-36 (240 acres)	3-15-47	3105-3340	4,333,947 MCF	19,500 MCF (2)
XII. State "A" A/c-2 #29 660' FN & FWL Section 9-22-36 (160 acres)	Not presently completed in the Jalmat Gas Horizon		-	13,000 MCF

(1) Based on average monthly allowable during 1964 , 1965, and 1966, of 13,000 MCF/month per 160 acres.

(2) Based on average daily production during April, 1967.

<u>Gas Completion Date</u>	<u>Completion Interval</u>	<u>Cumulative Prod. 1-1-66</u>	<u>(1) Anticipated Monthly Allow.</u>	<u>Anticipated Monthly Capacity</u>
11-9-57	3180-3320'	1,877,791 MCF	6,500 MCF	8,000 MCF @ 100# Test 8-26-66
3-15-65	3074-3383	48,072 MCF	6,500 MCF	5,150 MCF @ 100# Test 10-14-66
1-30-52	3286-3459'	3,594,771 MCF	19,500 MCF	35,000 MCF @ 100# Test 8-26-66 (2) 10,900 MCF @ line pressure
3-15-47	3105-3340	4,333,947 MCF	19,500 MCF	(2) 43,000 MCF @ line pressure
Not presently completed in the Jalmat Gas Horizon		-	13,000 MCF	33,000 (estimated @ 100#)

allowable during 1964 , 1965, and 1966, of 13,000 MCF/month per 160 acres.  
production during April, 1967.





MR. NUTTER: We will call next Case 3578.

MR. HATCH: Case 3578, Reopened. Application of Texas Pacific Oil Company for an amendment to Order No. R-3264, Lea County, New Mexico.

MR. RUSSELL: John Russell, Roswell, New Mexico, appearing on behalf of the Applicant. I have one witness, Mr. Ron Freels.

(Witness sworn)

RON FREELS,

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

DIRECT EXAMINATION

BY MR. RUSSELL:

Q Will you please state your name, by whom you are employed, and in what capacity?

A Ron Freels. I am employed as Staff Proration Engineer for Texas Pacific Oil Company.

Q And you have previously given testimony before this Commission and the Examiner?

A Yes, I have.

Q Are you familiar with the application in Case 3578?

A Yes, I am.

Q Now, is it your request at this time that this hearing be limited to the request for rededication of acreage to your State A Account No. 2 Well No. 40 located in Unit A of Section 9 Township 22 South, Range 36 East in the Jalmat Gas Pool and dedicating a 320-acre nonstandard unit consisting of the north half of Section 9 to this well and deleting from the hearing the remaining portion of the call?

A Yes, sir, we do.

Q Now, will you explain to the Examiner what it is you are trying to do by this application?

A Well No. 40 in our State A Account 2 --

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

Q Before you get into that, you have in front of you what has been marked as Applicant's Exhibit 1, now that actually consists of three parts stapled together, one being well data, the second one being your present acreage allotment map and the third one being your proposed acreage allocation map, is that correct?

A That is correct.

Q Now, in referring to any one of the three, identify them in that manner.

A All right. I would like to refer first to the first map which is the present acreage allocation. This

is a plat of the vicinity of our State A Account 2 Lease in Lea County, New Mexico and on this plat we show the contours on top of the Yates Formation and also we have shaded yellow the present acreage dedicated which is presently dedicated to our Well No. 40. This is 240 acres in Section 9.

Q Now, that particular proration unit was authorized by Order R-3264, was it not?

A That is correct. We would like to enlarge the present acreage allocation to Well No. 40 by adding an additional 80 acres which comprise the west half of the northwest quarter of Section 9 making a total of 320 acres on our second plat, which is an identical plat with the exception we show the additional acreage shown dedicated to this well and have it shaded yellow.

Q So the only change is adding of an 80-acre to the unit which was previously authorized?

A That is correct.

Q Now, what is the basis for your requesting this additional acreage?

A Well No. 40 is one of our better wells on this lease, has the capacity to produce additional gas which we can assign if we add the additional acreage and this was

the purpose for doing this on this well.

Q Going to the first sheet which was the well information, point out where or why you feel that this well can handle the additional acreage?

A All right. I'll read the data I have on this first sheet. This State A Account 2 Well No. 40 was initially completed in the Jalmat Gas in April of 1952. The initial potential on it -- I wish to clarify, this is not the absolute open flow, but the initial potential of the well into line pressure was 3,320 MCF per day. The current potential of the well is 4,003 MCF per day. The line pressure is reduced, which accounts for the difference. The cumulative gas production to February 1, 1968 from this one well was 3,000,991,267 cubic feet of gas.

The anticipated allowable with the additional acreage to this well would be approximately 30,860,000 cubic feet per month.

Q What's that figure again?

A 30,860,000 cubic feet or 30,860 MCF.

Q So there is no question but on the basis of the current potential that this well can take care of the additional acreage?

A That is right.

Q The two maps which you have attached to this exhibit have outlined your State A Account 2 Lease, has it not?

A Yes, there is additional to the Account 2 Lease that is non-contiguous to this portion. It is over in Section 11 to the east. I haven't colored it so it wouldn't confuse this portion here.

Q This is the contiguous acreage?

A This is the contiguous acreage of the State A Account 2.

Q You are actually in the process of reworking some of the other acreage dedications to get the maximum productivity for each proration unit, is that correct?

A That is right, we have immediate plans to recomplete three additional wells and to do some actual workovers in other wells in hope to improve their productivity.

Q In your opinion, the granting of this application would prevent economic waste for reworks or additional wells and also allow you to get your fair share of the gas under this lease, is that correct?

A Yes.

MR. RUSSELL: At this point, I would like to offer

in evidence Applicant's Exhibit 1 consisting of three parts.

MR. NUTTER: Texas Pacific's Exhibit 1 in three parts will be admitted in evidence.

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

MR. RUSSELL: I have no further questions of this witness.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Freels, as I understand it, Order No. R-3264 rededicated certain acreage here on this State A Account 2 Lease and that the plats have been filed and that the units are in effect at this time?

A That is right, we filed the plats on January 31st of this year.

Q Now, you are adding 80 acres to this present 240-acre unit. Where is that 80 acres coming from, one of those previously authorized proration units?

A Right, this was previously authorized as 160-acre nonstandard unit and we were to recomplete Well No. 29, it would be the northwest quarter of the northwest quarter of Section 9 and through evaluation of this thing we could see that this acreage that this well was going to be on could

very readily be handled by Well No. 40 and it would be the most economic approach, would be to assign this acreage to Well 40 then work over the wells in Section 8 in order to take up the additional acreage there.

Q What is the description of the proration unit to which this 80 acres, the west half of the northwest of 9 is presently assigned?

A I have another map, I hadn't planned on submitting at this time.

Q You can just tell what the acreage is.

A The acreage that was dedicated to Well No. 29 which originally would be the north half of the northeast quarter of Section 8 plus the west half of the northwest quarter of Section 9, for a total of 160 acres.

Q It would be the west half of the northwest of 9 and the north half of the northeast of 8?

A Right.

Q So are you seeking to abolish that proration unit?

A Yes, we are. We wish to abolish that portion --

Q And take 80 acres out of it and assign to Well No. 40?

A Yes, Well No. 40, and we will rededicate the additional 80 acres in Section 8 after we have worked over

the wells to determine which would be the logical one to dedicate.

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

(Witness excused.)

MR. NUTTER: Does anyone have anything they wish to offer in Case 3578? We will take the case under advisement.



STATE OF NEW MEXICO )  
 ) ss  
COUNTY OF BERNALILLO )

I, KAY EMBREE, 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 27th day of March, 1968.

Kay Embree  
NOTARY PUBLIC

My Commission Expires:

November 19, 1971

I do hereby certify that the foregoing is a complete record of the proceedings in the aforesaid hearing of Case No. 3578, filed by us on 3/20, 1969.

*[Signature]*, President  
New Mexico Oil Conservation Commission