

**CASE 3879: Application of WALTER
DUNCAN OIL PROPERTIES FOR AN
UNORTHODOX OIL WELL LOCATION.**

Dismiss

Case Number

3879

Application
Transcripts.

Small Exhibits

ETC.

GOVERNOR
DAVID F. CARGO
CHAIRMAN

State of New Mexico
Oil Conservation Commission



P. O. BOX 2088
SANTA FE

LAND COMMISSIONER
GUYTON B. HAYS
MEMBER

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

October 15, 1968

Mr. Jim L. Jacobs
Dugan Production Corporation
Post Office Box 234
Farmington, New Mexico

Re: Case No. 3879
Order No. R-3523
Applicant:

Walter Duncan Oil Properties

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 x

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. 3879
Order No. R-3523

APPLICATION OF WALTER DUNCAN OIL
PROPERTIES FOR AN UNORTHODOX OIL
WELL LOCATION, SAN JUAN COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 9, 1968,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 15th day of October, 1968, the Commission, a
quorum being present, having considered the record and the recom-
mendations of the Examiner, and being fully advised in the
premises,

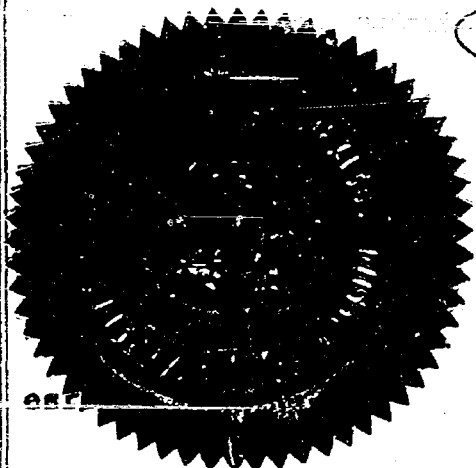
FINDS:

That the applicant's request for dismissal should be
granted.

IT IS THEREFORE ORDERED:

That Case No. 3879 is hereby dismissed.

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



STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

David F. Cargo
DAVID F. CARGO, Chairman

Guyton B. Hays
GUYTON B. HAYS, Member

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

dearnley-meier reporting service, inc.

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

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



BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
October 9, 1968
EXAMINER HEARING

IN THE MATTER OF:)

Application of Walter Duncan Oil) Case 3879
Properties for an unorthodox oil)
well location, San Juan County,) Dismissed
New Mexico.)

BEFORE: Elvis Utz, Examiner

TRANSCRIPT OF HEARING

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date OCTOBER 9, 1968TIME: 9 A.M.

NAME	REPRESENTING	LOCATION
Guy BUELL	PAN Am	FORT WORTH
George H. Ford	Pan American	Fort Worth
John D. Russell		Coswell, N.M.
J.B. Jordan	Union Oil Co. of Calif.	Midland, Texas
Fannie Hughes		
Thomson Ledbetter	Newmont Oil Co.	Midland, Texas
Wright M. Guthrie	Self	Hobbs, N.M.
R.D. "Bob" McPherson	Marathon Oil Company	Midland, Texas
William H. Holloway	Marathon Oil Company	Midland, Texas
W. J. Butler		
Jerry I. Moritz	BTA Oil Prod	Midland, TX
Bill McMichael	Marathon	Midland Tex
Richard S. Morris	Marathon	Santa Fe
R. K. Holbrook	BTA Oil Prod	Midland Tex
J. R. Foster	Self	Midland, N.M.
W. J. Butler		
Ray Crow	General American Corp.	Santa Fe, N.M.
John H. Sundig	Amerada Petroleum Corp.	Hobbs
Jason Kallahi	Kallahi & Fox	MIDLAND, TEXAS
		Santa Fe

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICOHearing Date OCTOBER 9, 1968 TIME: 9 A.M.

NAME	REPRESENTING	LOCATION
K.W. Schults	J.M. Huber Corp.	Midland
L.M. Anderson	Sinclair Oil Corp.	Midland
Fred A. Watson	Windfokn Oil Company	Artesia, N.Mex.
Ralph Gray	" " "	" " "
Booker Kelly		S.F.

MR. UTZ: We'll call the hearing to order, please.

We'll have three continued cases which I will announce and one dismissal, the only change in the order of the docket will be that Case 3890 will be moved up to follow Case 3875 so that both Pan American's cases will be together.

The first case on the docket will be 3879.

MR. HATCH: Case 3879, application of Walter Duncan Oil Properties for an unorthodox oil well location, San Juan County, New Mexico.

The Commission has received a letter requesting that the case be dismissed from the applicant.

MR. UTZ: Case 3879 will be dismissed as requested by the applicant.

I, CHARLOTTE J. MACIAS, Court Reporter 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.

Charlotte Maciss
COURT REPORTER

I do hereby certify that the foregoing is a complete record of the proceedings in the earlier hearing of Case No. 3829 heard by me on 10-9-1965.

Annette M. Chairman
New Mexico Oil Conservation Commission

Post Office Box 234
Zip Code 87401

DUGAN PRODUCTION CORP.

THOMAS A. DUGAN, President
709 BLOOMFIELD RD.
FARMINGTON, NEW MEXICO
September 23, 1968

TELEPHONE: 325-9184 Office
325-5894 Home

Area Code 505

*Case 3879
file*

Sub

Mr. George M. Hatch
Attorney
N. M. Oil Conservation Commission
P.O. Box 2088
Santa Fe, New Mexico 87501

Dear Mr. Hatch:

This is to advise you that the procedure outlined in your letter of September 16, 1968 concerning the application of Walter Duncan Oil Properties for an unorthodox location 1000 ft. from the north line and 1242 ft. from the west line of Section 36, Township 32 north, Range 18 west, NMPM, San Juan County, New Mexico is satisfactory.

Very truly yours,

Jim L. Jacobs
Jim L. Jacobs

SC

cc: Walter Duncan

68 SEP 24 AM 10 18

POST OFFICE BOX 234
Zip Code 87401

DUGAN PRODUCTION CORP.

THOMAS A. DUGAN, President

709 BLOOMFIELD Rd.
FARMINGTON, NEW MEXICO

October 2, 1968

TELEPHONE: 325-9184 Office
325-5694 Home
Area Code 505

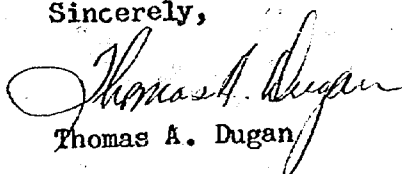
Mr. A. L. Porter
Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

Re: Case #3879
Application for Unorthodox Location

Dear Mr. Porter:

Walter Duncan Oil Properties have reviewed their geological picture and decided to drill the well on an orthodox spacing. Therefore, we are requesting that Case #3879 be dismissed.

Sincerely,


Thomas A. Dugan

dw

cc: Emery Arnold
Oil Conservation Commission
1000 Rio Brazos Road
Aztec, New Mexico

60 OCT 3 AM 3 PM

Docket No. 29-68

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 9, 1968

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 3872: Application of Union Oil Company of California for a dual completion and salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to fully complete its Federal "A" Well No. 1 located in Unit P of Section 12, Township 15 South, Range 34 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Morton-Wolfcamp Pool and the disposal of produced salt water through the intermediate casing-production casing annulus into the San Andres and such other formations as may occur in the open-hole interval from approximately 4620 to 7350 feet.
- CASE 3873: Application of R. G. McPherson 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 in the open-hole interval from approximately 5250 feet to 5854 feet in his S. P. Johnson Well No. 1 located 990 feet from the West line and 1650 feet from the South line of Section 5, Township 18 South, Range 39 East, South Carter-San Andres Pool, Lea County, New Mexico.
- CASE 3874: Application of Gulf Oil Company - U. S. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Paddock and Blinbry Oil Pools in the well-bore of its C. L. Hardy Well No. 2 located in Unit N of Section 20, Township 21 South, Range 37 East, Lea County, New Mexico, with the provision that no more than one single allowable will be produced from said well.
- CASE 3875: Application of Pan American Petroleum Corporation for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a well in exception to the Fowler-Ellenburger Rules at an unorthodox location 910 feet from the North line and 1980 feet from the West line of Section 15, Township 24 South, Range 37 East, Lea County, New Mexico.

- CASE 3876: Application of Newmont Oil Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Young (Queen) Unit Area comprising 1320 acres, more or less, of federal and state lands in Township 18 South, Range 32 East, Young (Queen) Pool, Lea County, New Mexico.
- CASE 3877: Application of Newmont Oil Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its Young (Queen) Unit Area by the injection of water into the Queen formation through 17 wells located in Sections 9, 16, 17, 19, 20, 21, and 29, Township 18 South, Range 32 East, Young (Queen) Pool, Lea County, New Mexico.
- CASE 3878: Application of General American Oil Company of Texas 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 Premier sand through two injection wells located in Unit M of Section 8, and Unit G of Section 17, Township 16 South, Range 30 East, West Henshaw-Grayburg Pool, Eddy County, New Mexico.
- CASE 3879: Application of Walter Duncan Oil Properties for an unorthodox oil well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a well at an unorthodox oil well location 1000 feet from the North line and 1242 feet from the East line of Section 36, Township 32 North, Range 18 West, San Juan County, New Mexico. Said well would be projected to the Dakota formation.
- CASE 3880: Application of Anne Burnett Windfohr, dba Windfohr 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 Abo formation in the perforated interval from approximately 6970 feet to 7028 feet in the Windfohr Oil Company Jackson "B" Well No. 23 located in Unit J of Section 24, Township 17 South, Range 30 East, Jackson-Abo Pool, Eddy County, New Mexico.
- CASE 3881: Application of J. M. Huber Corporation for the creation of a new oil pool and for special pool rules, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Devonian oil pool for its Lone Star Federal Well No. 1 located in the NE/4 NE/4 of Section 20, Township 8 South, Range 36 East, Roosevelt County, New Mexico, and for the promulgation of special rules therefor including a provision for 80-acre proration units.

- CASE 3882: Application of Solar Oil Company for a special gas-oil ratio limitation, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 506 of the Commission Rules and Regulations to provide for a limiting gas-oil ratio of 6,000 cubic feet of gas per barrel of oil in the Teague Blinbry Pool, Lea County, New Mexico.
- CASE 3883: Application of Solar Oil Company for a special gas-oil ratio limitation, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 506 of the Commission Rules and Regulations to provide for a limiting gas-oil ratio of 6,000 cubic feet of gas per barrel of oil in the Imperial Tubb-Drinkard Pool, Lea County, New Mexico.
- CASE 3884: Application of Marathon Oil Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Miller Ranch Unit Area comprising 5,276 acres, more or less, of State, Federal and Fee lands in Townships 21 and 22 South, Range 25 East, Eddy County, New Mexico.
- CASE 3885: Application of Sinclair Oil & Gas Company for a waterflood expansion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Turner "B" Grayburg-Jackson Waterflood Project, Grayburg-Jackson Pool, by the conversion to water injection of 12 additional injection wells located in Sections 20, 29, and 30, Township 17 South, Range 31 East, Eddy County, New Mexico.
- CASE 3886: Application of Sinclair Oil & Gas Company for the amendment of a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks amendment of its Guadalupe Ridge Unit Agreement, unitizing certain lands in Eddy County, New Mexico, and approved by Order No. R-3471, to conform to certain requirements of the Director of the United States Geological Survey. In the absence of objection, the case will be submitted and an order issued upon the basis of the application and exhibits attached thereto.
- CASE 3887: Application of Kersey & 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 Premier sand of the Grayburg formation through two wells to be located in Units E and K of Section 12, Township 18 South, Range 28 East, Artesia Pool, Eddy County, New Mexico. Applicant further proposes to produce oil from the Upper Grayburg through parallel strings of tubing, if said zones are productive in the subject wells.

October 9, 1968, Examiner Hearing
-4-

Docket No. 29-68

CASE 3888: Application of Amerada Petroleum Corporation for a dual completion, salt water disposal and tubing exception, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its State E "B" Well No. 1 located in Unit E of Section 27, Township 10 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the North Echols-Devonian Pool and the disposal of produced salt water through the tubing-casing annulus into the San Andres formation through perforations in said casing from approximately 5220 feet to 5250 feet. Applicant also seeks an exception to the tubing requirements of Commission Rule 107 in that said tubing would be set more than 250 feet above the upper most Devonian perforation.

CASE 3889: Application of BTA Oil Producers for the creation of a new pool and special pool rules, Lea and Roosevelt Counties, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new pool for the production of oil from the Bough C zone of the Pennsylvanian formation for its well located in Section 5, Township 9 South, Range 36 East, Lea County, New Mexico, and for the promulgation of special rules therefor including a provision for 160-acre proration units and for the assignment of an 80-acre allowable factor of 4.77.

CASE 3890: Application of Pan American Petroleum Corporation for special pool rules and a non-standard gas proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Empire-Pennsylvanian Gas Pool, Eddy County, New Mexico, including a provision for 320-acre spacing units with wells to be located in either the northwest quarter or the southeast quarter of the section. Applicant further seeks approval of a 280-acre non-standard gas proration unit comprising the SE/4, S/2 SW/4, and the NW/4 SW/4 of Section 30, Township 17 South, Range 28 East, Empire-Pennsylvanian Gas Pool, to be dedicated to its State V Com Well No. 1 located 990 feet from the South and East lines of said Section 30.

3879

Recd 10-9-68

Rec. 10-10-68

Dismissed as requested by
applicant.

Thos. J. [Signature]

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

September 16, 1968

Case 3879

Mr. Jim L. Jacobs
Dugan Production Corporation
P. O. Box 234
Farmington, New Mexico

DOCKET MAILED

Date *9-26-68*

Dear Mr. Jacobs:

Reference is made to your application dated September 13, 1968, on behalf of Walter Duncan Oil Properties, for administrative approval for an unorthodox location for a Dakota formation oil test well 1000 feet from the North line and 1242 feet from the East line of Section 36, Township 32 North, Range 18 West, NMPM, San Juan County, New Mexico.

This application is not eligible for administrative approval and is being set for hearing before an examiner on October 9, 1968. Please advise the Commission whether or not this procedure is satisfactory.

Very truly yours,

GEORGE M. HATCH
Attorney

GMH/esr

cc: Oil Conservation Commission - Aztec

C
O
P
Y

POST OFFICE BOX 234
Zip Code 87491

DUGAN PRODUCTION CORP.

THOMAS A. DUGAN, President

709 BLOOMFIELD RD.
FARMINGTON, NEW MEXICO
September 13, 1968

TELEPHONE: 325-9184 Office
325-5694 Home

Area Code 505

*Set for hearing
10/9*

Cpe 3879

Mr. A. L. Porter
Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

Dear Mr. Porter:

Walter Duncan Oil Properties has a location for a Dakota formation oil test staked 1000' in 1, 1242' in 1, Sec. 36, T32N, R18W, NMPM, San Juan County, New Mexico. We are asking for administrative approval for an unorthodox location due to topographic and geological conditions.

There is an inaccessible butte located to the west of this location making it impossible to locate the test in the NW/4 of the NE/4, and if we are forced to move the location farther east we will be off the geologic structure necessary to form an oil trap in this area.

Very truly yours,

Jim L. Jacobs
Jim L. Jacobs

SC

cc: Duncan-Denver
NMOCC-Aztec

60 SEP 18 1968

County

Pool

NEW MEXICO PRINCIPAL MERIDIAN

TOWNSHIP

South, RANGE

Foot

6	5	4	3	2	1
7	8	9	10	11	12
13	14	15	16	17	18
19	20	21	22	23	24
25	26	27	28	29	30
31	32	33	34	35	36

1660
320

DRAFT

GMH/esr

(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. 3879

Order No. R- 3523

APPLICATION OF WALTER DUNCAN OIL
PROPERTIES FOR AN UNORTHODOX OIL
WELL LOCATION, SAN JUAN COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
October 9, 1968, at Santa Fe, New Mexico, before Examiner
Elvis A. Utz.

NOW, on this day of October, 1968, the Commission,
a quorum being present, having considered the record and the
recommendations of the Examiner, and being fully advised in the
premises,

FINDS:

That the applicant's request for dismissal should be
granted.

IT IS THEREFORE ORDERED:

That Case No. 3879 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.