

MAY 1986  
 THE U. S. DEPARTMENT OF JUSTICE  
 ATTORNEY GENERAL  
 WASHINGTON, D. C.

Case Number

3882

Application  
Transcripts.

Small Exhibits

ETC.

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

1120 SIMAS BLDG. • P. O. BOX 1092 • PHONE 243-6691 • 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 Solar Oil Company for  
a special gas-oil ratio limitation,  
Lea County, New Mexico.

Case 3882

Application of Solar Oil Company for  
a special gas-oil ratio limitation,  
Lea County, New Mexico.

Case 3883

BEFORE: Elvis Utz, Examiner

TRANSCRIPT OF HEARING

MR. UTZ: Case 3882.

MR. HATCH: Case 3882, application of Solar Oil Company for a special gas-oil ratio limitation, Lea County, New Mexico.

If the Examiner please, the applicant has communicated with the Commission the desire for this case to be heard at the next Examiner's hearing.

MR. UTZ: In Case 3883, same story?

MR. HATCH: Yes.

MR. UTZ: Case 3882 and Case 3883 will be continued to the October 23d Examiner Hearing.

STATE OF NEW MEXICO )  
 ) ss  
 COUNTY OF BERNALILLO)

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 Macias*  
 COURT REPORTER

I do hereby certify that the foregoing is a true and correct record of the proceedings in the hearing of Case No. 3882 heard by me on 10-9-1968.  
*[Signature]*  
 New Mexico Oil Conservation Commission

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Case 3882

TRANSCRIPT OF HEARING

MR. NUTTER: Case No. 3882.

MR. HATCH: (It's continued from the October 9, 1968, Examiner Hearing.) Application of Solar Oil Company for a special gas-oil ratio limitation, Lea County, New Mexico.

MR. KELLAHIN: If it please, Jason Kellahin, Kellahin and Fox, Santa Fe, appearing for the applicant. I have one witness I would like to have sworn, please.

(Witness sworn.)

MR. KASLER: Mr. Nutter, I would also like for the record to show that I am Bill Kasler, appearing on behalf of Gulf Oil Corporation. And, we will have one witness for a short statement.

MR. KELLAHIN: Would you state your name, please?

THE WITNESS: My name is Daroyl R. Curry.

MR. KELLAHIN: Where are you located, Mr. Curry?

THE WITNESS: Midland, Texas.

MR. KELLAHIN: Are you affiliated with the applicant in this case?

THE WITNESS: Yes. I am an officer of the corporation.

MR. KELLAHIN: Are you a petroleum engineer?

THE WITNESS: Yes, sir.

MR. KELLAHIN: Have you ever testified before the Oil Conservation Commission in New Mexico oil?

THE WITNESS: No, I haven't.

MR. KELLAHIN: For the benefit of the Examiner, would you briefly outline your education and experience as a petroleum engineer?

THE WITNESS: I graduated from the University of Oklahoma with a B.S. Degree in Petroleum Engineering in 1957. I received a Masters Degree in Sanitary Engineering at the University of Texas in 1960. During the time I matriculated at the University of Texas, I held the position of Hydrological Engineer with the Texas Water Commission, and, immediately after graduation there, I was employed by Skelly Oil Company as a Staff Engineer in Tulsa, Oklahoma. I worked for Skelly as a Reservoir and Secondary Recovery Engineer for two and a half years. In January, 1963, I became a partner in Curry Engineering, a petroleum engineering consulting firm based in Midland, Texas, and I'm still active in that capacity, at the present time. I helped found Solar Oil Company in 1954, and have served in the capacity of Vice President and Petroleum Engineer since that company was founded.

MR. KELLAHIN: Mr. Curry, were you active in the discovery and development of the Teague Blinbry Field?

THE WITNESS: Yes. I have been active in the field and am familiar with its entire development.



MR. KELLAHIN: We submit the qualifications of the witness.

MR. NUTTER: The witness is qualified.

DAROYL R. CURRY

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Mr. Curry, are you familiar with the application of Solar Oil Company in the case now before the Commission?

A Yes, I am.

Q What is proposed by Solar in this case?

A Solar seeks to get an exception to State Rule 506 to provide for a limiting gas-oil ratio of 6,000 standard cubic feet of gas per barrel of oil in the Teague Blinebry Pool.

Q Located in Lea County, New Mexico, is it not?

A Yes.

Q Have you been active in the recent development of this pool?

A Yes.

Q Are you affiliated with the Bronco Oil Corporation?

A I am an officer in Bronco Oil Corporation.

Q Did the corporation also actively participate in the

redevelopment of the Teague Blinebry?

A Yes. On December 3, 1966, Bronco Oil Corporation initiated an attempt to re-enter the old Gulf Oil Corporation E. C. Hill Well No. 2 for the purpose of testing the Drinkard, Tubb, Blinebry and Paddock Formations for commercial oil or gas production. This well had been originally completed as an Ellenburger producer in 1951 at a total depth of 9780 feet. The well was potentialed in the Blinebry Formation for 79 barrels per day on the 31st of May, 1967, and an allowable of 63 barrels of oil per day was assigned on the 13th of June, 1967. This was a discovery well in the Teague Blinebry Field.

I wish to present to the Commission, at this time, two maps termed Exhibit A, Field outline map showing a portion of the southeast quarter of Lea County, New Mexico; and Exhibit B, ownership map in the Teague Blinebry Pool area, Lea County, New Mexico. Exhibit B covers Township 23 South, Range 37 East, which is shown in red on Exhibit A. The leases currently prorated in the Teague Blinebry Pool are shown in yellow on Exhibit B. At present, there are 42 Blinebry wells completed in the Teague Blinebry Pool. They are producing an average of 2,019 barrels of oil per day, and 5 point 7 million standard cubic feet of gas per day.

Q I will call your attention now to Exhibit C. Would

you discuss that exhibit?

A Exhibit C is a tabulation of production data reported to the New Mexico Oil and Gas Engineering Committee for July, 1968. You will note from this exhibit that the producing gas-oil ratios reported to the Commission for this month range from 587 to 9,438 standard cubic feet per barrel of stock tank oil. You will also note that 84 per cent of the oil now being produced is produced at gas-oil ratios in excess of 2,000 standard cubic feet per barrel of oil. For the purposes of determining a mean producing gas-oil ratio for this month, the leases not having gas sales connections have been deleted. These leases were omitted on the basis that precise gas measurement figures are not ordinarily available for leases not tied into a sales line. The mean producing gas-oil ratio determined by this method for the field is 3,057 standard cubic feet per barrel of stock tank oil.

Q Now, directing your attention to what has been marked as Exhibit D, would you discuss the information contained in that exhibit?

A Exhibit D is termed production performance curves for several Blinebry fields in southeastern New Mexico. Please note that all pools, except the Blinebry Pool, had initial stabilized gas-oil ratios in excess of 2,000 standard cubic feet

per barrel. In the initial stages of depletion, all pools exhibited increasing gas-oil ratios with increasing time. You will note that the Blinebry Pool has produced in excess of 2,000 standard cubic feet per barrel since the year 1966. We maintained that all of the pools covered by Exhibit D have exhibited normal solution gas drive performance.

Q Now, referring to what has been marked as Exhibit E, would you identify that exhibit?

A Exhibit E is termed production performance curves for several leases in the Teague Blinebry Pool. Seven of the eight production performance curves presented herein indicate that gas-oil ratios have stabilized at rates in excess of 2,000 standard cubic feet per barrel. It is our feeling that these curves reflect normal solution gas drive performance similar to the performance experienced in older fields, shown in Exhibit D.

Q Just for the record, would you state what exhibits are covered by Exhibit D?

A Exhibit D is the exhibit termed production performance curves for several Blinebry Fields in the southeast.

Q Would you just list the fields that are covered by the exhibit for the record?

A The fields include the Weir Blinebry East, the Oil

Center Blinebry Pool, the Justice Blinebry Pool, the Fowler Blinebry Pool, and the Blinebry Pool. You will note that these fields are noted on Exhibit A in yellow.

Q And they are all in the vicinity of the Teague Blinebry Pool, are they not?

A That is correct. They are all located on the central basin platform.

Q Do you find any significant difference between the various pools on their performance?

A We felt that these pools are closely similar in the reservoir and production characteristics in the performance to the Teague Blinebry Pool.

Q Now, Mr. Curry, do you find on the basis of your experience in operating the wells in this pool, it is necessary to perform at higher rates than committed by the present gas-oil limitations?

A When these wells that Solar Oil Company now operates in the Teague Blinebry Pool are flowed at low rates, the tubing loads up and the wells become incapable of production without artificial lift. Some of the wells which are being artificially lifted will flow by heading and will have an intermittent production of oil or gas.

Q Now, as I understand, you are recommending a limiting

gas-oil ratio of 6,000 cubic feet of gas per barrel of oil.  
Is that correct?

A That is correct.

Q Will the operation of this pool at these levels result in a loss of reservoir energy?

A I feel that it will not result in a loss of reservoir energy.

Q Do you feel that a -- it would, in any way, impair the ultimate recovery of oil from the Teague Blinebry Pool?

A I feel that it will audment the ultimate recovery for some leases and wells having marginal porosity development, by extending their economic life.

Q Now, if you choke these wells down to restrictive flow, what has been your experience?

A Our experience has been that the wells will produce at substantially higher gas-oil ratios than if they were flowed at 30 or 32 64ths choke setting.

Q Were Exhibits A through E prepared by you or under your supervision?

A They were.

MR. KELLAHIN: At this time I would like to offer in evidence Applicant's Exhibits A through E, inclusive.

(Whereupon, Applicant's Exhibits A through E, inclusive, were marked by the Reporter for identification.)

MR. NUTTER: Applicant's Exhibits A through E will be admitted in evidence.

(Whereupon, Applicant's Exhibits A through E, inclusive, were admitted in evidence.)

MR. KELLAHIN: That is all I have on direct examination, Mr. Nutter. It is my understanding that Gulf Oil Corporation will offer some information in regard to the disposition of the produced gas.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Curry, now what is the yellow outline on your Exhibit Number B, here?

A The yellow outline is an outline of all the leases which were on the proratio schedule and reported to the New Mexico Oil and Gas Engineering Committee for the month of July, 1968.

Q Produced from the Teague Blinebry Pool?

A That is right. They had at least one well on each lease producing from the Teague Blinebry.

Q This is not necessarily, then, the pool limits as defined by the Commission?

A No, sir. The pool has since been extended by further drilling.

Q And we have 42 wells in the pool as exhibited by your Exhibit Number C?

A As of July.

Q And the average daily production for those 42 wells was 2,019 barrels of oil per day and 5 point 7 million cubic feet of gas per day?

A That is correct.

Q But, evidently, according to the Exhibit C, some of these wells are not connected insofar as casing of gas is concerned?

A They are in the process of being connected. They do not show gas sales for the month of July.

Q How many gas purchases are in this area?

A One, to my knowledge.

Q Who is that?

A That is El Paso Natural Gas.

Q Does El Paso Natural Gas have the capacity and are they willing to take additional gas from these wells in the event the GOR were to be increased?

A It has been related to me by Gulf's representative that they have a letter to this effect.

MR. KASLER: That is what we are going to talk about.

Q (By Mr. Nutter) Now, where is the Blinebry Pool



with respect to this area, Mr. Curry?

A It is located to the north. You can see it on the -- it is shown in Section 22 South, Range 37 East, on Exhibit A. It is indicated in yellow.

Q Some place in that area where the word "Blinebry" is?

A It is right below the oil center. It is the second yellow name from the top.

Q What is the limiting GOR there that the State has set?

A Six thousand, one.

Q So you are asking for the same GOR limit for this one?

A Yes, sir.

Q Now, is there any evidence here that you have any stringers that contain oil, as stringers that contain gas like you have in the Blinebry Pool itself?

A My experience would indicate that the method of cementing and stimulating the wells is more important than any other single characteristic and controlling gas-oil ratio. If the cement job fails, the stimulation effect is dissipated and you may result in a marginal high gas-oil ratio well.

Q We have gas-oil ratios here on your Exhibit C that run all the way from 587 clear up to over 9,000, almost 10,000. Is this a reflection of the method of completion of the wells, then?

A We feel it is. The well -- lease, it does show a 9,000 to 1 ratio. The Solar Oil Company, E. C. Hill A, is a re-entered well. This well was cemented, in one stage, from the Ellenburger. We feel that the cement that the Blinebry in the Permian Formation is not as competent as it would be on a newly drilled well. We have performed some tracer surveys which I've indicated that within the Blinebry Formation we do have communication of the hole.

Q Do you believe that there is a -- or some gas stringers in there that contains solely gas, or there may be a gas cap to this oil?

A No, sir. Our experience would not support the idea that it did have an associated gas cap in the Blinebry Formation.

Q There are some extremely high ratio gas sands in there that may be in communication through the well board, is that right?

A We feel that this is a mechanical problem, a well board problem more than anything else. That our experience in the Justice Pool where we have, as Curry Engineering, affected 30 or 35 stimulations that we have changed some of these wells and ratios, the ratio by affecting now stimulating techniques. The next offset well from log analysis may have a comparable section which appears to be continuous across the field.

The gas-oil ratio performance may not be comparable.

Q Now, this is the tabulation of all the wells that were produced in July. Are there any other wells that weren't produced that you don't have included on the tabulation?

A Would you repeat the question, please?

Q This is the tabulation of the July production. Were there any other wells completed that were not producing and therefore are not included in the tabulation?

A Yes.

Q Are there some shut-in gas wells in this area?

A No gas wells that I would term --

Q What is the highest ratio that you know of?

A The highest ratio is the E. C. Hill A, which is a one-well lease.

Q That is 9400 to 1?

A That is correct.

Q Were the operators in the pool -- if the Commission should decide to raise the GOR limits, would the operators in the pool have an objection to the Commission establishing a no-flare rule for the pool?

A No. We are, at the present time, selling all of our gas. El Paso has shown an interest in effecting connections to all of the Blinbry wells.

Q And you don't have any GOR on this Fanning Lease that is operated by Russler and Sheldon?

A It was not reported during that month. I don't know when it was vented or -- they didn't receive the report on it. This is an offset to the Fanning A Lease. I presume that it is probably similar.

Q It is the only one that is not reported as far as gas production?

A That's right.

Q Do you know for certain whether all of these are connected to gas lines?

A They are, or are in the process of being connected.

Q How many of these pools that you have included in this Exhibit Number D have GOR's, other than the 2,000 to 1 statewide limit?

A It is my understanding that all of them do.

Q What is the GOR limit for each of them?

A Six thousand to one.

Q These are all 6,000 to 1 pools?

A That is my belief. I might add that in the Justice Blinebry Pool, when the gas-oil ratio hearing was held in 1966, their main field gas-oil ratio was a little over 3,500 cubic feet per barrel.

Q Do you have the Teague Blinebry here?

A I have it by individual leases.

Q But you don't have one composite figure showing the GOR trend for the pool as a whole?

A That is reflected for the month of July on Exhibit C, as 3,057 to 1.

Q But, I mean the trend of the GOR's in this pool is not shown on this exhibit?

A Not as a composite. We have a short producing life on this pool. I think we are approaching stabilized condition, and this will be -- in my estimation, will reflect the performance similar to the other Blinebry Pools.

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

Do you have anything further, Mr. Kellahin?

MR. KELLAHIN: I have nothing further, Mr. Nutter.

MR. NUTTER: Do you have your exhibits?

MR. KELLAHIN: Yes. I will offer Exhibits A through E inclusive.

MR. NUTTER: They have been entered. If there is nothing further, the witness may be excused.

JOHN HOOVER

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

DIRECT EXAMINATION

BY MR. KASLER:

Q For the record, will you please state your name, where you reside, and by whom you are employed, and in what capacity?

A John Hoover, employed by Gulf Oil Corporation, Roswell, New Mexico, as District Production Engineer.

Q Mr. Hoover, to your knowledge, has Gulf had any particular interest in this application in the Case No. 3882?

A Yes, we do. I think we have a very large interest in this pool. We operate the majority of the wells and we felt tht this ratio should be increased to 6,000 and it should be done now. We proceeded to instigate a hearing. We approached the El Paso Natural Gas Company to see if they could handle the additional gas. We also approached the operators to see if they would have any objections. And Solar, when they received our letter, advised us that they had already called the hearing. So we had the letter from El Paso saying that they would take the gas, it would be no problem. Therefore, we would like to present the letter of El Paso, dated September 10, 1968, to

Gulf, saying that they anticipate no problems in handling the extra gas to be produced in this field.

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

Q You are referring to Gulf Exhibit Number 1?

A Yes.

Q Thank you.

A We would like to take this opportunity to concur with Solar, and hope that the Commission will rule favorably on the increased gas-oil ratio.

MR. KASLER: That is all we have, Mr. Nutter. I would like to move that Gulf Exhibit Number 1 be admitted into evidence.

MR. NUTTER: Gulf Exhibit Number 1 will be admitted in evidence.

(Whereupon, Gulf Exhibit Number 1 was admitted in evidence.)

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Hoover, what has been the history of this pool?  
When was the first development?

A Solar discovered the pool by their well, and I believe --

Q Of '67?

A '66.

Q So, the pool is approximately three years old. Is that

correct?

A Yes, sir. Most of the development was probably in the latter part of '67 and this year.

Q Is there any current development going on or has the pool been defined as of now?

A We feel that -- I believe, at the present time, there are 44 wells through October, looking at the proratio schedule and we feel that the pool is pretty well defined, maybe two more wells. It is pretty well defined as far as Gulf Agency is concerned. We do not anticipate much more drilling.

Q In replying to your letter, El Paso, in their letter of September 10, said, "At this time we anticipate no problems in handling the extra gas listed by years in your recent letter." Now, what were you doing, projecting the life of the pool over an expanded number of years with an expanded GOR as time went on, or --

A Yes, sir. We -- in our letter we gave -- worked up a gas availability which was based on the expected additional wells. In fact, we based it on, at that time, which was May and August, of 40 wells, and we anticipated that the ultimate total would be 59, and we gave them availability by years of 1969 through 1974, which took into account these additional wells that might be drilled, plus the increased gas-oil ratio on



2,000 and 06,000. And that volume is what they refer to there that they have no problem handling. Well --

Q What was the maximum anticipated amount of gas that you would have available for them?

A I think I will just give you a copy of this letter.

Q I think it is very pertinent, because they are talking about advancing a volume of gas that we don't have.

A For the year 1969, we estimated the gas production at a 6,000 ratio of 9,250 MCF per day. The estimated gas at 2,000 GOR was 9,019 MCF per day, or an increase of 231 MCF per day. In the year 1970, the estimated gas at 6,000 gas-oil ratio was 16,500 MCF per day, two thousand eleven hundred seventy -- excuse me, 11,270 MCF per day, an increase of 5,230 MCF per day. For the year 1971 the estimated gas is 6,000 ratio, was 8,550 MCF per day. The estimated gas was at 2,000 GOR, 10,970 MCF per day, or an increase of 7,580 MCF per day. In 1972 the estimated gas was at the 6,000 ratio, is 17,300 MCF per day. Two thousand ratio, 10,130 MCF per day, or an increase of 7,170 MCF per day. In 1973 the estimated gas at 6,000 was 17,500 MCF per day, a 2,000, 9,890 MCF per day, or an increase of 3,610 MCF per day. In 1974, 9,600 MCF per day, 6,000 ratio. Two thousand ratio, 9,563 MCF per day, or an increase of 37 MCF per day. I would like to point out now these are the figures

that El Paso said they had no problem handling. But, thereby, in my opinion, we wouldn't ever get to 59 wells.

Q This was based on an ultimate total of 59?

A Fifty-nine. This figures will all be something less, considerably less, probably. This is the letter that I wrote to El Paso in which they -- their letter of September 10 is an answer to.

Q I see. Now, in effect, this 1969 rate of 9,000 at 2,000 GOR is some 50 per cent higher than what the wells are producing at the present time. I believe Mr. Curry's testimony was that in August -- or in July they had produced 5 point 7, or you might say six million MCF cubic feet per day.

A Yes. I believe that was right. Here again, this would represent more wells -- his is based on 42 wells. This would probably be something in 50.

Q Which one of their systems is this? They have that low pressure, high pressure, and medium.

A This is the casing head gas system.

Q Would that be low pressure?

A Low pressure, as I understand. It is the same system that they have been buying the Teague casing head gas production from the Teague Pool, Teague, Simpson, and -- although I'm not positive that they wouldn't put a new system in, it is my

understanding it would be the same existing system.

Q Are all of the Gulf wells connected to the system at the present time?

A Yes, sir.

Q All your batteries connected?

A Yes, sir, and El Paso is the only purchaser in the area at the present time.

MR. NUTTER: Does anyone have any further questions of Mr. Hoover? You may be excused. Do you have anything further, Mr. Kasler?

MR. KASLER: Nothing.

MR. NUTTER: Does anyone have anything they wish to offer in Case No. 3882? Take the case under advisement, and call Case Number 3883.

I N D E X

<u>WITNESS</u>	<u>PAGE</u>
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<u>EXHIBITS</u>	<u>MARKED</u>	<u>OFFERED AND ADMITTED</u>
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STATE OF NEW MEXICO    )  
                               ) ss  
 COUNTY OF BERNALILLO    )

I, BRENDA BURKS, 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.

Brenda Burks  
 COURT REPORTER

I do hereby certify that the foregoing is  
 a complete record of the proceedings in  
 the Executive Hearing of Case No. 3882  
 heard by me on 10/23, 1968.

[Signature]  
 New Mexico Oil Conservation Commission

Spec Pool  
Rules  
incl BOR  
Int of 6000/1  
and no flare  
provision  
Order 394  
R- 1237

State of New Mexico  
Oil Conservation Commission



P. O. BOX 2088  
SANTA FE

October 31, 1968

Re: Case No. 3882  
Order No. R-3545  
Applicant:  
Solar 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. 3882  
Order No. R-3545

APPLICATION OF SOLAR OIL COMPANY  
FOR A SPECIAL GAS-OIL RATIO LIMITA-  
TION, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 23, 1968, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 31st day of October, 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, Solar Oil Company, seeks the establishment of a special gas-oil ratio limitation of 6,000 cubic feet of gas for each barrel of oil produced in the Teague-Blinebry Pool, Lea County, New Mexico.

(3) That approval of the subject application will afford to the owner of each property in the pool the opportunity to produce his just and equitable share of the oil and gas and for this purpose to use his just and equitable share of the reservoir energy.

(4) That approval of the subject application will prevent waste and protect correlative rights, provided the flaring or venting of gas in the Teague-Blinebry Pool is prohibited.

(5) That in order to assure the protection of correlative rights, the operator of each well in the Teague-Blinebry Pool



-2-

CASE No. 3882  
Order No. R-3545

should file a new gas-oil ratio test with the Commission's Hobbs District Office on or before January 15, 1969.

IT IS THEREFORE ORDERED:

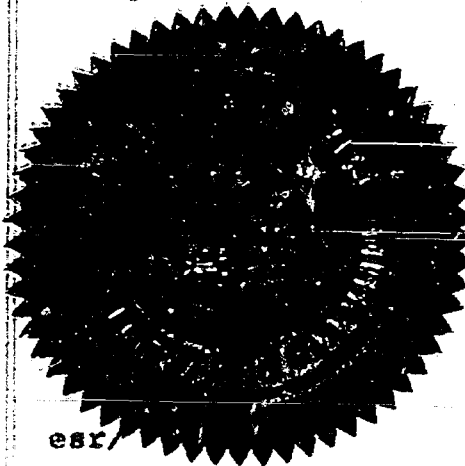
(1) That, effective December 1, 1968, the limiting gas-oil ratio in the Teague-Blinebry Pool, Lea County, New Mexico, shall be 6,000 cubic feet of gas for each barrel of oil produced; that, effective December 1, 1968, each proration unit in the Teague-Blinebry Pool shall produce only that volume of gas equivalent to 6,000 multiplied by top unit oil allowable for the pool.

(2) That the operator of each well in the Teague-Blinebry Pool shall file a new gas-oil ratio test with the Commission's Hobbs District Office on or before January 15, 1969, and shall furnish a schedule of test dates to the Commission's Hobbs District Office in order that the tests may be witnessed.

(3) That no gas shall be flared or vented in the Teague-Blinebry Pool more than 60 days after a well begins to produce or 60 days after the date of issuance of this order, whichever is later. Any operator desiring to obtain an exception to this provision shall submit to the Secretary-Director of the Commission an application for such exception with a statement setting forth the facts and circumstances justifying it. The Secretary-Director is hereby authorized to approve such an application if he determines that the exception is necessary to prevent waste. If the Secretary-Director declines to grant administrative approval of the requested exception, the matter shall be set for hearing if the operator so requests.

(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*  
DAVID F. CARGO, Chairman

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

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

esr/

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

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

CASE No. 3470  
Order No. R-3133

APPLICATION OF GULF OIL CORPORATION  
FOR A SPECIAL GAS-OIL RATIO LIMITATION,  
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 28, 1966,  
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 4th day of October, 1966, 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, Gulf Oil Corporation, seeks the  
establishment of a special gas-oil ratio limitation of 6,000  
cubic feet of gas for each barrel of oil produced in the Justis-  
Blinbry Pool, Lea County, New Mexico.

(3) That approval of the subject application will afford to  
the owner of each property in the pool the opportunity to produce  
his just and equitable share of the oil and gas and for this  
purpose to use his just and equitable share of the reservoir  
energy.

(4) That approval of the subject application will prevent  
waste and protect correlative rights provided the flaring or vent-  
ing of gas in the Justis-Blinbry Pool is prohibited.

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CASE No. 3470  
Order No. R-3133

(5) That in order to assure the protection of correlative rights, the operator of each well in the Justis-Blinebry Pool should file a new gas-oil ratio test with the Commission's Hobbs District Office on or before December 1, 1966.

IT IS THEREFORE ORDERED:

(1) That, effective November 1, 1966, the limiting gas-oil ratio in the Justis-Blinebry Pool, Lea County, New Mexico, shall be 6,000 cubic feet of gas for each barrel of oil produced; that, effective November 1, 1966, each proration unit in the Justis-Blinebry Pool shall produce only that volume of gas equivalent to 6,000 multiplied by top unit oil allowable for the pool.

(2) That the operator of each well in the Justis-Blinebry Pool shall file a new gas-oil ratio test with the Commission's Hobbs District Office on or before December 1, 1966, and shall furnish a schedule of test dates to the Commission's Hobbs District Office in order that the tests may be witnessed.

(3) That no gas shall be flared or vented in the Justis-Blinebry Pool more than 60 days after a well begins to produce or 60 days after the effective date of this order, whichever is later. Any operator desiring to obtain an exception to this provision shall submit to the Secretary-Director of the Commission an application for such exception with a statement setting forth the facts and circumstances justifying it. The Secretary-Director is hereby authorized to approve such an application if he determines that the exception is necessary to prevent waste. If the Secretary-Director declines to grant administrative approval of the requested exception, the matter shall be set for hearing if the operator so requests.

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

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman

GUYTON B. HAYS, Member

S E A L

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

esr/

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 23, 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:

*Continued to  
Nov. 7*

CASE 3894: Application of Signal Oil and Gas Company for a non-standard oil proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a non-standard oil proration unit comprising the W/2 NE/4 and the N/2 SE/4 of Section 17, Township 10 South, Range 34 East, Vada-Pennsylvanian Pool, Lea County, New Mexico, said unit to be dedicated to its State AP Well No. 1 located 1980 feet from the South line and 660 feet from the East line of said Section 17.

*Jason  
Brownlee  
Dutton*

CASE 3895: Application of Sun Oil Company for a pressure maintenance project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project in its New Mexico State "H" Lease by the injection of water into the San Andres formation through its New Mexico State "H" Well No. 13 located in the SE/4 SE/4 of Section 16, Township 8 South, Range 30 East, Cato-San Andres Pool, Chaves County, New Mexico. Applicant further seeks the promulgation of special rules to govern operation of said pressure maintenance project.

*Kersey*

CASE 3887: (Continued from the October 9, 1968, Examiner Hearing)

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 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.

*Kersey*

CASE 3896: Application of Kersey & Hanson, Yates Drilling Company, and John H. Trigg for several waterflood projects, Eddy County, New Mexico. Applicants, in the above-styled cause, seek authority to institute several cooperative waterflood projects by the injection of water into the Queen and Grayburg formations through four injection wells located in Sections 21

CASE 3896 continued

and 23, Township 12 South, Range 29 East, Turkey  
Track Queen-Grayburg Pool, Eddy County, New Mexico.

CASE 3897:

*Kersey*

Application of Kersey-Wittkopp and E. A. Hanson for two  
waterflood projects, Eddy County, New Mexico. Applicants,  
in the above-styled cause, seek authority to institute two  
cooperative waterflood projects by the injection of water  
into the Queen formation through two injection wells loca-  
ted in the NW/4 SE/4 and the SW/4 SE/4 of Section 6, Town-  
ship 19 South, Range 31 East, Shugart Pool, Eddy County,  
New Mexico.

CASE 3898:

*Charlie White  
Allen Houston*

Application of Tenneco 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 Queen formation in the open-hole interval from  
approximately 3258 feet to 3341 feet in its Ginsberg-Federal  
Well No. 6 located in Unit E of Section 31, Township 25  
South, Range 38 East, Langlie-Mattix Field, Lea County, New  
Mexico.

CASE 3899:

*Jason*

Application of Cities Service 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 in the interval from  
approximately 4087 feet to 4176 feet in its State AD Well  
No. 8 located in Unit J of Section 22, Township 10 South,  
Range 32 East, Mescalero-San Andres Pool, Lea County, New  
Mexico.

CASE 3900:

*Jason*

Application of Continental Oil Company for downhole commin-  
gling, Lea County, New Mexico. Applicant, in the above-  
styled cause, seeks authority to commingle production from  
the Vacuum Wolfcamp Pool and the North Vacuum Abo Pool in  
the well-bore of its State H-35 Well No. 7 located 660 feet  
from the North line and 1780 feet from the East line of  
Section 35, Township 17 South, Range 34 East, Lea County,  
New Mexico.

CASE 3901:

*View*

Application of Continental Oil Company for salt water dis-  
posal, Lea County, New Mexico. Applicant, in the above-  
styled cause, seeks authority to dispose of produced salt  
water into the Yates-Seven Rivers formations in the perforated  
interval from approximately 3330 feet to 3552 feet in its  
Lynn A-28 Well No. 6 located in Unit H of Section 28, Township

(CASE 3901 continued)

23 South, Range 36 East, Jalmat Pool, Lea County, New Mexico.

CASE 3902:

*Jason*

Application of Continental Oil Company for a 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 Queen formation through its Stevens "B" Well No. 8 located in Unit A of Section 12, Township 23 South, Range 36 East, Langlie-Mattix Pool, Lea County, New Mexico.

CASE 3903:

*Jason*

Application of Continental Oil Company 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 Delaware formation in the perforated intervals from approximately 4675 feet to 4765 feet in its Payne Well No. 11 and from 4666 feet to 4740 feet in its Payne Well No. 12 located 660 feet from the South line and 1650 feet from the West line of Section 30, 1935 feet from the North line and 2090 feet from the West line of Section 31, respectively, Township 26 South, Range 33 East, El Mar-Delaware Pool, Lea County, New Mexico.

CASE 3904:

*Jason*

Application of Continental Oil Company for a 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 Delaware formation through its Thompson Federal 19 Well No. 2 located in Unit F of Section 19, Township 26 South, Range 32 East, North Mason-Delaware Pool, Lea County, New Mexico.

CASE 3905:

*Jack Russell*

Application of Texas Pacific 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 Devonian formation in the open-hole interval from approximately 12,269 feet to 12,541 feet in its State "O" Well No. 1 located in Unit J of Section 15, Township 10 South, Range 36 East, South Crossroads-Devonian Pool, Lea County, New Mexico.

*Ronald Jacobs*  
**CASE 3906:** Application of Skelly Oil Company 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 Queen formation through its Mattix "A" Well No. 4 located in Unit K of Section 2, Township 24 South, Range 37 East, Langlie-Mattix Oil Pool, Lea County, New Mexico. Applicant further seeks a procedure whereby said project may be expanded administratively without a showing of well response.

*Ronald Jacobs*  
**CASE 3907:** Application of Skelly Oil Company for a waterflood project, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pilot waterflood project by the injection of water into the San Andres formation through its Hobbs "W" Well No. 9 located in Unit F of Section 29, Township 7 South, Range 34 East, Chaverroo-San Andres Pool, Roosevelt County, New Mexico. Applicant further seeks a procedure whereby said project may be expanded administratively without a showing of well response.

*Horton D. Ryan*  
**CASE 3908:** 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 formation in the perforated interval from approximately 3932 feet to 4027 feet in its Miller Federal Well No. 4 located in Unit L of Section 35, Township 7 South, Range 31 East, Tom-Tom San Andres Pool, Chaves County, New Mexico.

*Bill Boyle*  
**CASE 3909:** Application of Champlin Petroleum Company for salt water disposal, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into San Andres formation, Chaverroo-San Andres Pool, Roosevelt County, New Mexico, through the following two wells located in Township 7 South, Range 33 East:

Champlin Lauck-Federal Well No. 12,  
Unit J of Section 29; Disposal Interval -  
4202 feet to 4404 feet;

Champlin State 32-7-33 Well No. 5, Unit J  
of Section 32; Disposal Interval - 4303  
feet to 4425 feet.

- CASE 3910: Application of Atlantic Richfield Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Bough "C" zone of the Pennsylvanian formation underlying the SW/4 of Section 17, Township 10 South, Range 34 East, Vada-Pennsylvanian Pool, Lea County, New Mexico. Said acreage to be dedicated to a well located in the NE/4 SW/4 of said Section 17.
- CASE 3911: Application of Atlantic Richfield Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Bough "C" zone of the Pennsylvanian formation underlying the SE/4 of Section 8, Township 10 South, Range 34 East, Vada-Pennsylvanian Pool, Lea County, New Mexico. Said acreage to be dedicated to a well located in the NW/4 SE/4 of said Section 8. In the alternative applicant seeks approval of a non-standard oil proration unit comprising the E/2 SE/4 of said Section 8 and the W/2 SW/4 of Section 9, said Township and Range, said unit to be dedicated to a well to be drilled in the NE/4 SE/4 of said Section 8.
- CASE 3882: (Continued from the October 9, 1968, Examiner Hearing)  
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: (Continued from the October 9, 1968, Examiner Hearing)  
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.



Docket No. 31-68

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 23, 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 3894: Application of Signal Oil and Gas Company for a non-standard oil proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a non-standard oil proration unit comprising the W/2 NE/4 and the N/2 SE/4 of Section 17, Township 10 South, Range 34 East, Vada-Pennsylvanian Pool, Lea County, New Mexico, said unit to be dedicated to its State AP Well No. 1 located 1980 feet from the South line and 660 feet from the East line of said Section 17.

CASE 3895: Application of Sun Oil Company for a pressure maintenance project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project in its New Mexico State "H" Lease by the injection of water into the San Andres formation through its New Mexico State "H" Well No. 13 located in the SE/4 SE/4 of Section 16, Township 8 South, Range 30 East, Cato-San Andres Pool, Chaves County, New Mexico. Applicant further seeks the promulgation of special rules to govern operation of said pressure maintenance project.

CASE 3887: (Continued from the October 9, 1968, Examiner Hearing)

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 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.

CASE 3896: Application of Kersey & Hanson, Yates Drilling Company, and John H. Trigg for several waterflood projects, Eddy County, New Mexico. Applicants, in the above-styled cause, seek authority to institute several cooperative waterflood projects by the injection of water into the Queen and Grayburg formations through four injection wells located in Sections 21

CASE 3896 continued

and 28, Township 18 South, Range 29 East, Turkey  
Track Queen-Grayburg Pool, Eddy County, New Mexico.

CASE 3897:

Application of Kersey-Wittkopp and E. A. Hanson for two  
waterflood projects, Eddy County, New Mexico. Applicants,  
in the above-styled cause, seek authority to institute two  
cooperative waterflood projects by the injection of water  
into the Queen formation through two injection wells loca-  
ted in the NW/4 SE/4 and the SW/4 SE/4 of Section 6, Town-  
ship 19 South, Range 31 East, Shugart Pool, Eddy County,  
New Mexico.

CASE 3898:

Application of Tenneco 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 Queen formation in the open-hole interval from  
approximately 3258 feet to 3341 feet in its Ginsberg-Federal  
Well No. 6 located in Unit E of Section 31, Township 25  
South, Range 38 East, Langlie-Mattix Field, Lea County, New  
Mexico.

CASE 3899:

Application of Cities Service 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 in the interval from  
approximately 4087 feet to 4176 feet in its State AD Well  
No. 8 located in Unit J of Section 22, Township 10 South,  
Range 32 East, Mescalero-San Andres Pool, Lea County, New  
Mexico.

CASE 3900:

Application of Continental Oil Company for downhole commin-  
gling, Lea County, New Mexico. Applicant, in the above-  
styled cause, seeks authority to commingle production from  
the Vacuum Wolfcamp Pool and the North Vacuum Abo Pool in  
the well-bore of its State H-35 Well No. 7 located 660 feet  
from the North line and 1780 feet from the East line of  
Section 35, Township 17 South, Range 34 East, Lea County,  
New Mexico.

CASE 3901:

Application of Continental Oil Company for salt water dis-  
posal, Lea County, New Mexico. Applicant, in the above-  
styled cause, seeks authority to dispose of produced salt  
water into the Yates-Seven Rivers formations in the perforated  
interval from approximately 3330 feet to 3552 feet in its  
Lynn A-28 Well No. 6 located in Unit H of Section 28, Township

(CASE 3901 continued)

23 South, Range 36 East, Jalmat Pool, Lea County, New Mexico.

CASE 3902: Application of Continental Oil Company for a 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 Queen formation through its Stevens "B" Well No. 8 located in Unit A of Section 12, Township 23 South, Range 36 East, Langlie-Mattix Pool, Lea County, New Mexico.

CASE 3903: Application of Continental Oil Company 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 Delaware formation in the perforated intervals from approximately 4675 feet to 4765 feet in its Payne Well No. 11 and from 4666 feet to 4740 feet in its Payne Well No. 12 located 660 feet from the South line and 1650 feet from the West line of Section 30, 1935 feet from the North line and 2090 feet from the West line of Section 31, respectively, Township 26 South, Range 33 East, El Mar-Delaware Pool, Lea County, New Mexico.

CASE 3904: Application of Continental Oil Company for a 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 Delaware formation through its Thompson Federal 19 Well No. 2 located in Unit F of Section 19, Township 26 South, Range 32 East, North Mason-Delaware Pool, Lea County, New Mexico.

CASE 3905: Application of Texas Pacific 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 Devonian formation in the open-hole interval from approximately 12,269 feet to 12,541 feet in its State "O" Well No. 1 located in Unit J of Section 15, Township 10 South, Range 36 East, South Crossroads-Devonian Pool, Lea County, New Mexico.

- CASE 3906:** Application of Skelly Oil Company 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 Queen formation through its Mattix "A" Well No. 4 located in Unit K of Section 2, Township 24 South, Range 37 East, Langlie-Mattix Oil Pool, Lea County, New Mexico. Applicant further seeks a procedure whereby said project may be expanded administratively without a showing of well response.
- CASE 3907:** Application of Skelly Oil Company for a waterflood project, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pilot waterflood project by the injection of water into the San Andres formation through its Hobbs "W" Well No. 9 located in Unit F of Section 29, Township 7 South, Range 34 East, Chaveroo-San Andres Pool, Roosevelt County, New Mexico. Applicant further seeks a procedure whereby said project may be expanded administratively without a showing of well response.
- CASE 3908:** 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 formation in the perforated interval from approximately 3932 feet to 4027 feet in its Miller Federal Well No. 4 located in Unit L of Section 35, Township 7 South, Range 31 East, Tom-Tom San Andres Pool, Chaves County, New Mexico.
- CASE 3909:** Application of Champlin Petroleum Company for salt water disposal, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into San Andres formation, Chaveroo-San Andres pool, Roosevelt County, New Mexico, through the following two wells located in Township 7 South, Range 33 East:

Champlin Lauck-Federal Well No. 12,  
Unit J of Section 29; Disposal Interval -  
4202 feet to 4404 feet;

Champlin State 32-7-33 Well No. 5, Unit J  
of Section 32; Disposal Interval - 4303  
feet to 4425 feet.

CASE 3910: Application of Atlantic Richfield Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Bough "C" zone of the Pennsylvanian formation underlying the SW/4 of Section 17, Township 10 South, Range 34 East, Vada-Pennsylvanian Pool, Lea County, New Mexico. Said acreage to be dedicated to a well located in the NE/4 SW/4 of said Section 17.

CASE 3911: Application of Atlantic Richfield Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Bough "C" zone of the Pennsylvanian formation underlying the SE/4 of Section 8, Township 10 South, Range 34 East, Vada-Pennsylvanian Pool, Lea County, New Mexico. Said acreage to be dedicated to a well located in the NW/4 SE/4 of said Section 8. In the alternative applicant seeks approval of a non-standard oil proration unit comprising the E/2 SE/4 of said Section 8 and the W/2 SW/4 of Section 9, said Township and Range, said unit to be dedicated to a well to be drilled in the NE/4 SE/4 of said Section 8.

CASE 3882: (Continued from the October 9, 1968, Examiner Hearing)  
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: (Continued from the October 9, 1968, Examiner Hearing)  
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.

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 equally 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.

October 9, 1968, Examiner Hearing  
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Docket 29-58

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 Blinebry 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.

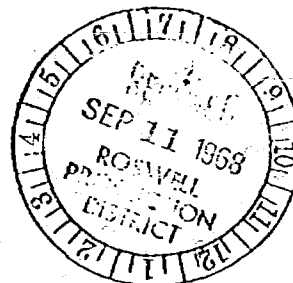
*444*  
*RAC*  
*Added to File 9-11-68*

# El Paso Natural Gas Company

El Paso, Texas 79999

September 10, 1968

ADDRESS REPLY TO:  
800 BANK OF THE SOUTHWEST BLDG  
MIDLAND, TEXAS 79701



Gulf Oil Company - U.S.  
P. O. Drawer 1938  
Roswell, New Mexico 88201

Attention: Mr. M. I. Taylor

Gentlemen:

Please refer to your letter of August 13, 1968, in which you advise that you are planning to request the New Mexico Oil Conservation Commission to increase the limiting GOR in the Teague-Blinbry Oil Pool from 2,000 to 6,000 cubic feet per barrel.

At this time we anticipate no problems in El Paso Natural Gas handling the extra gas listed by years in your recent letter.

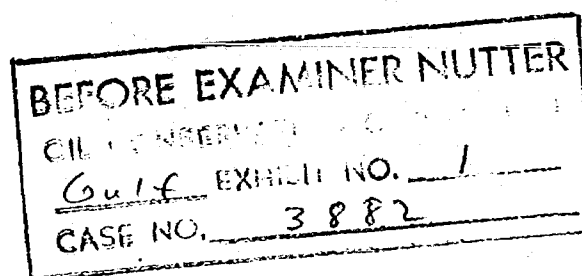
If we can assist you further in this matter, please advise.

Yours very truly,

EL PASO NATURAL GAS COMPANY

*J. W. Baulch*  
J. W. Baulch

JWB/jan



August 13, 1968

El Paso Natural Gas Company  
2005 Wilco Building  
Midland, Texas 79701

Attention: Mr. J. W. Baulch

Re: Proposed Gas-Oil Ratio Increase  
Teague Blinbry Oil Pool, Lea County, New Mexico

Gentlemen:

As you know, we have previously contacted you concerning our plans to ask the New Mexico Oil Conservation Commission to approve an increase in the limiting GOR from 2,000 to 6,000 cubic feet per barrel for the Teague Blinbry Oil Pool. As you also know, before any GOR increase could be approved, the extra gas produced has to have a market.

In order to estimate the increased gas production, we have made a gas availability study and the results are tabulated below. This study is based on the 40 existing wells and an ultimate total of 59 wells.

Year	Estimated Gas At 6000 GOR	Estimated Gas At 2000 GOR	Increase
1969	9,250 MCF/Day	9,019 MCF/Day	231 MCF/Day
1970	16,500 MCF/Day	11,270 MCF/Day	5,230 MCF/Day
1971	18,550 MCF/Day	10,970 MCF/Day	7,580 MCF/Day
1972	17,300 MCF/Day	10,130 MCF/Day	7,170 MCF/Day
1973	13,500 MCF/Day	9,890 MCF/Day	3,610 MCF/Day
1974	9,600 MCF/Day	9,563 MCF/Day	37 MCF/Day

Will you please advise if El Paso could handle the extra gas that would be produced if the ratio is increased to 6,000. Thank you in advance for your consideration in this matter.

Yours very truly,  
ORIGINAL SIGNED  
BY R. A. COLEMAN

M. I. Taylor

JHH:sz

bcc: H. F. Swannack - Kermit

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
Gulf EXHIBIT NO. 2
CASE NO. 3882

*JHH*

Presented as Exhibit "A" Before the 23rd October  
1968 Examiner Hearing of the New Mexico Oil & Gas  
Conservation Commission by SOLAR OIL CO.

## OIL CONSERVATION SUMMARY DATA

APP EXHIBIT NO. D

CASE NO. 3882

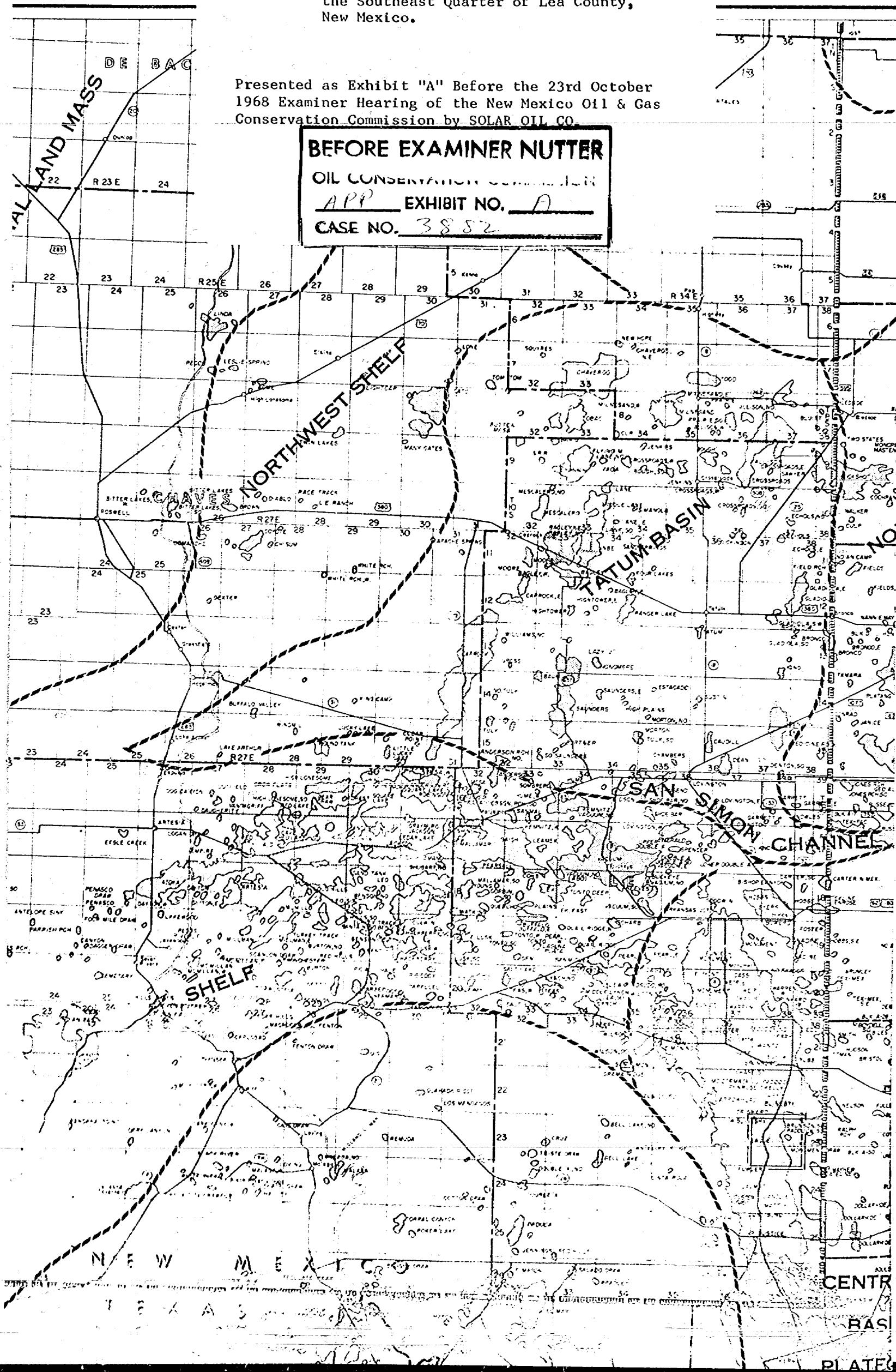


PLATE II - Ownership Map in Teague Blinebry  
Pool Area, Lea County, New Mexico.

Presented as Exhibit "B" Before the 23rd October  
1968 Examiner Hearing of the New Mexico Oil &  
Gas Conservation Commission in the Matter of

OIL CONSERVATION COMMISSION

APP. EXHIBIT NO. B

CASE NO. 3882

ANADARKO UNIT

SKELLY UNIT

SKELLY (OPER)

BLINEBRY UNIT

207960

5000

25

36

37

BEFORE EXAMINED AND  
 APP. EXHIBIT NO. C  
 CASE NO. 3882

TABLE I

Exhibit "C" for Examiner Hearing Wednesday 23 October 1968, Case 3882

Tabulation of Production Data Reported to  
 The New Mexico Oil & Gas Engineering Committee for July 1968

July 1968 Production					
Operator	Lease	Oil Production	Oil Production MCF	Production GOR (Calculated) Scf/Bsto	Well Count
BRONCO	Saltmount	2,835	15,770	5,562	2
GULF	Elson	1,309	1,420	1,313	1
	LaMunyon	32,269	108,406	3,359	24
	Stewart	9,319	10,788	1,157	4
RESLER & SHELDON	Fanning	1,120	n.a.*		1
SOLAR	Elk State	1,647	10,385	6,305	1
	Fanning "A"	2,005	5,369	2,677	1
	Fanning "B"	1,306	4,879	3,735	1
	Hill "A"	1,001	9,448	9,438	1
	Hill "B"	1,427	637		1
	Hill "C"	1,997	334		1
	Travis	3,558	9,205	2,587	2
TEXACO	B Z State Nct 8	670	760	1,134	1
	D C State	131	77	587	1
POOL TOTAL		62,594	177,478	3,057**	42

\* No report of gas sales, vented presumably

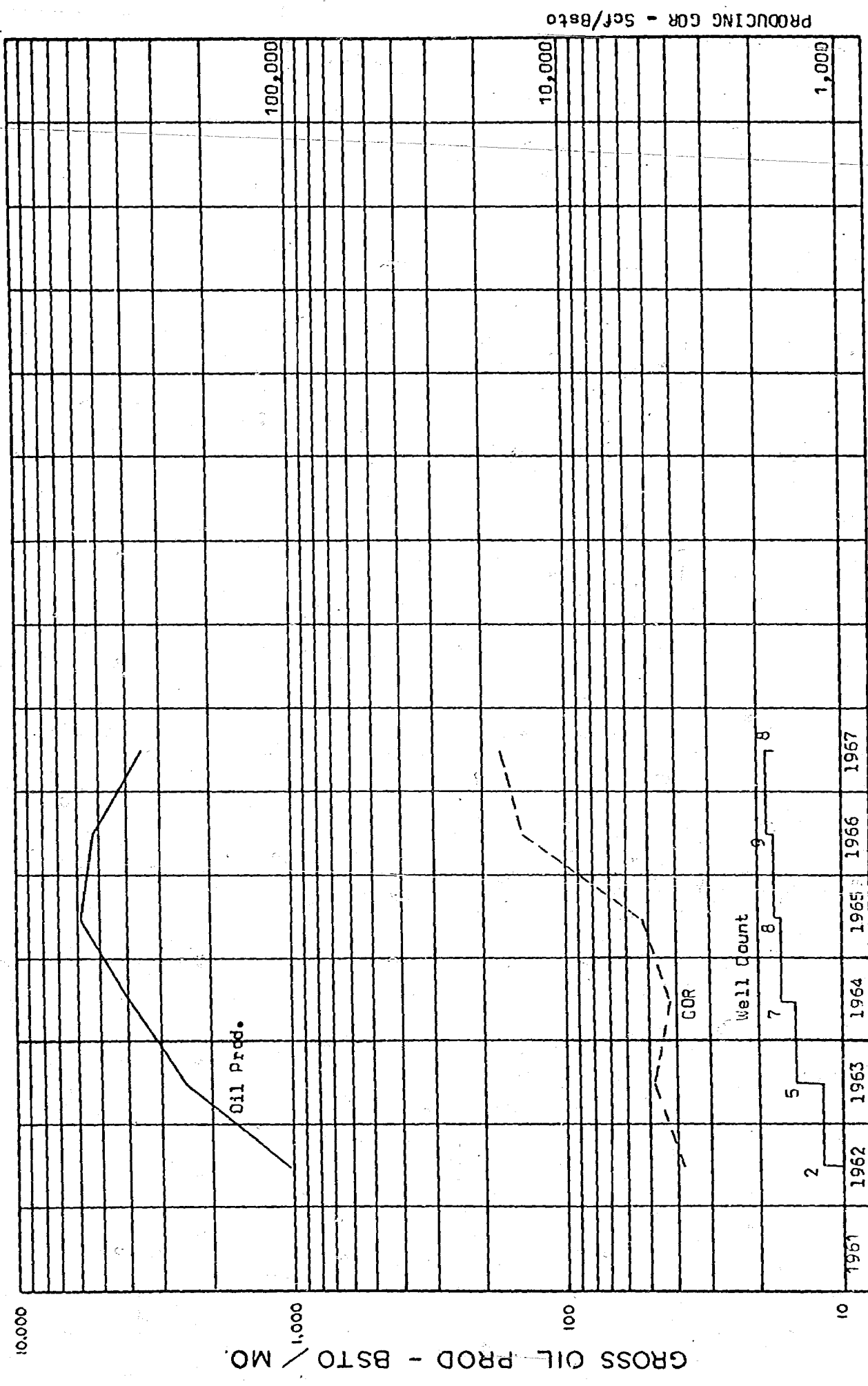
\*\* Leases having no gas sales connection excluded

BEFORE EXAMINER NUTTER  
OIL CONSERVATION COMMISSION  
APP. EXHIBIT NO. D  
CASE NO. 3882

EXHIBIT "D"

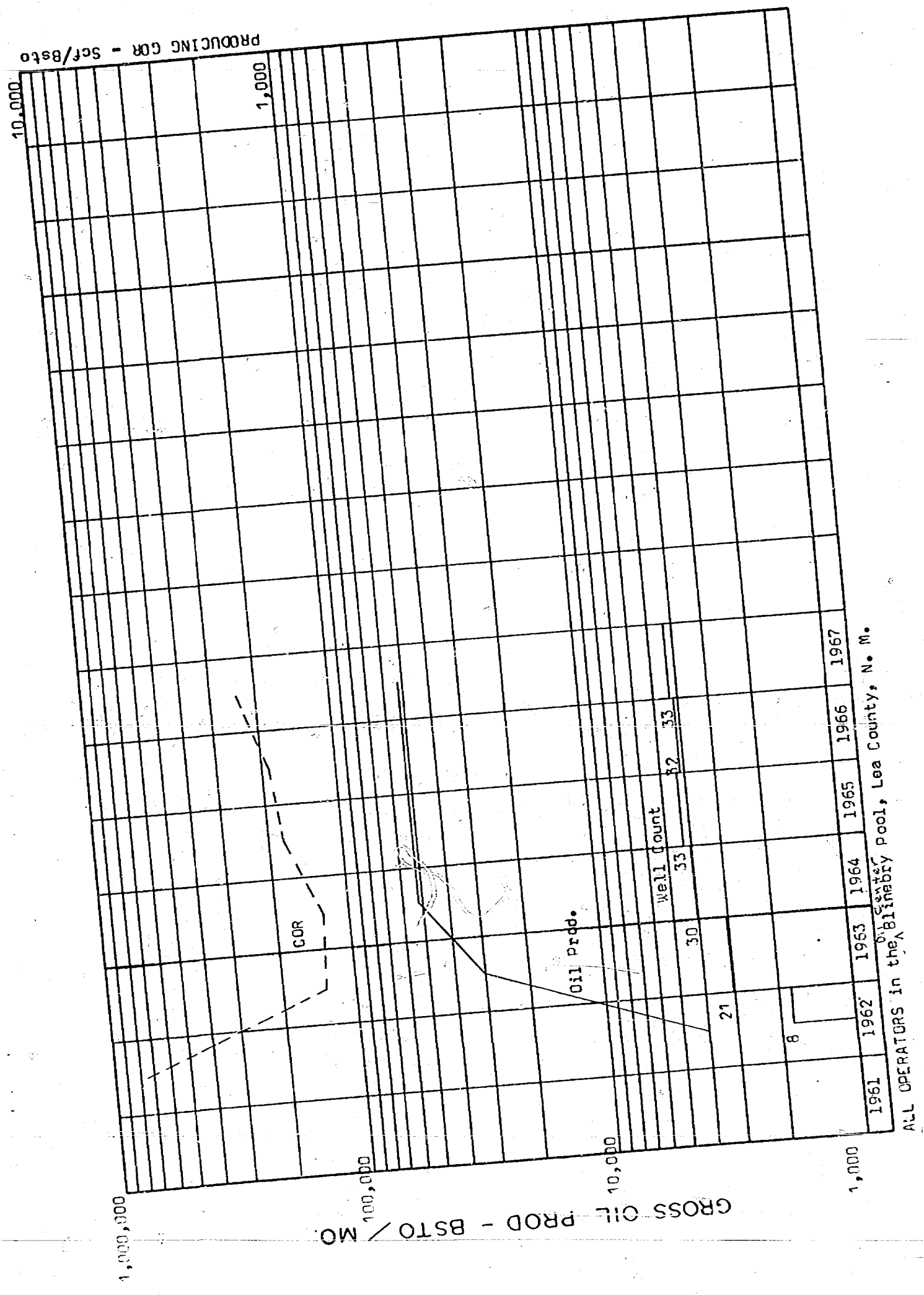
PRODUCTION PERFORMANCE CURVES FOR SEVERAL BLINEBRY  
POOLS LOCATED IN SOUTHEASTERN NEW MEXICO

Presented by SOLAR OIL COMPANY as an exhibit for an Examiner's  
Hearing conducted on October 23, 1968, Case number 3882.



ALL OPERATORS - Weir Blinbry, East Pool, T-20-S, R-37-E, Lea Co., N. M.





ALL OPERATORS in the <sup>of</sup> Blinberry pool, Lea County, N. M.

# GROSS OIL PROD - BSTO / MO.

1,000,000

100,000

10,000

Gross Prod.

GOR

1,000

10,000

PRODUCING GOR - Scf/Bsto

Well Count

12

15

16

18

19

24

31

32

1958

1959

1960

1961

1962

1963

1964

1965

1966

1967

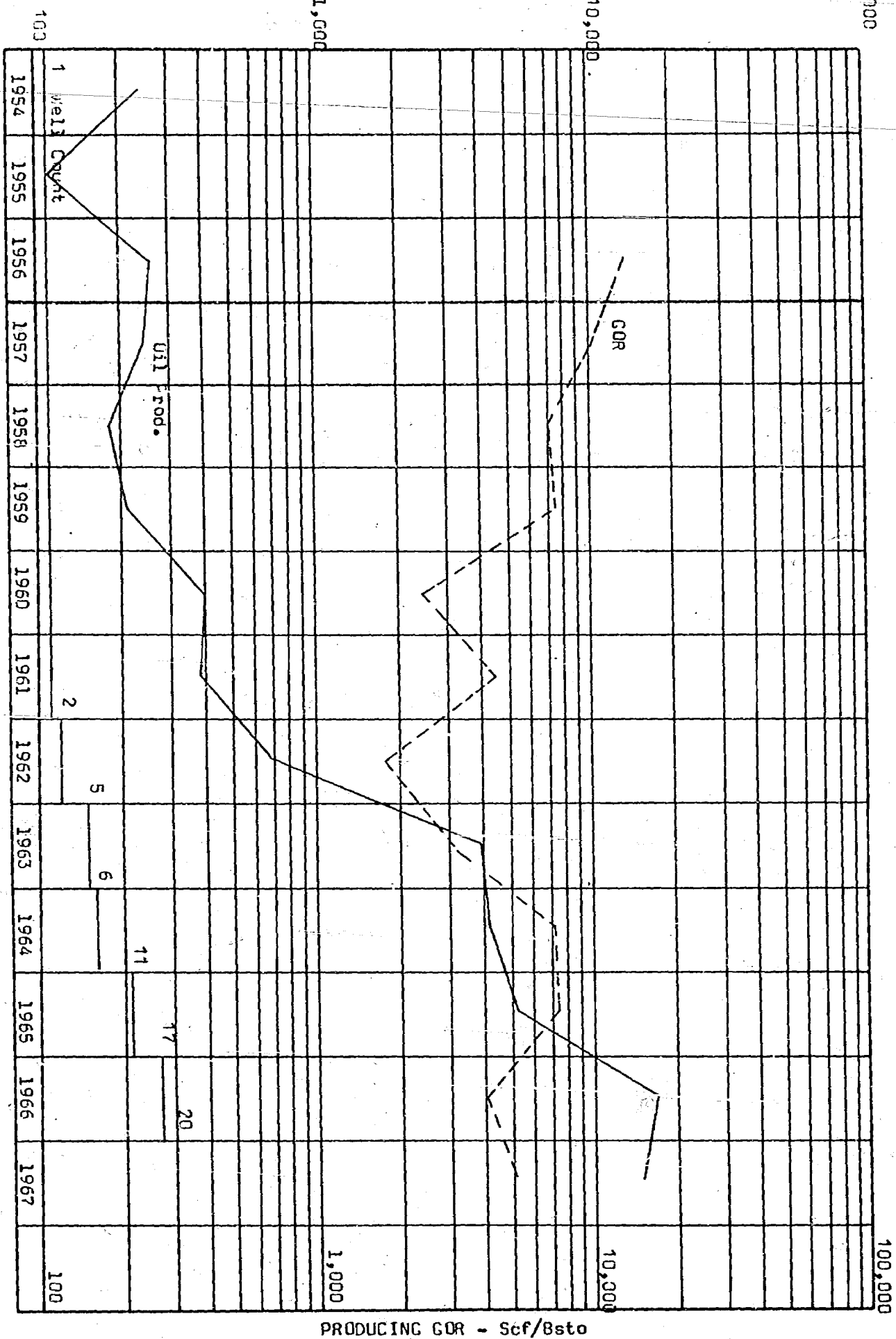
ALL OPERATORS in the Justis Blinberry Pool, Lea County, N. M.

6000,1

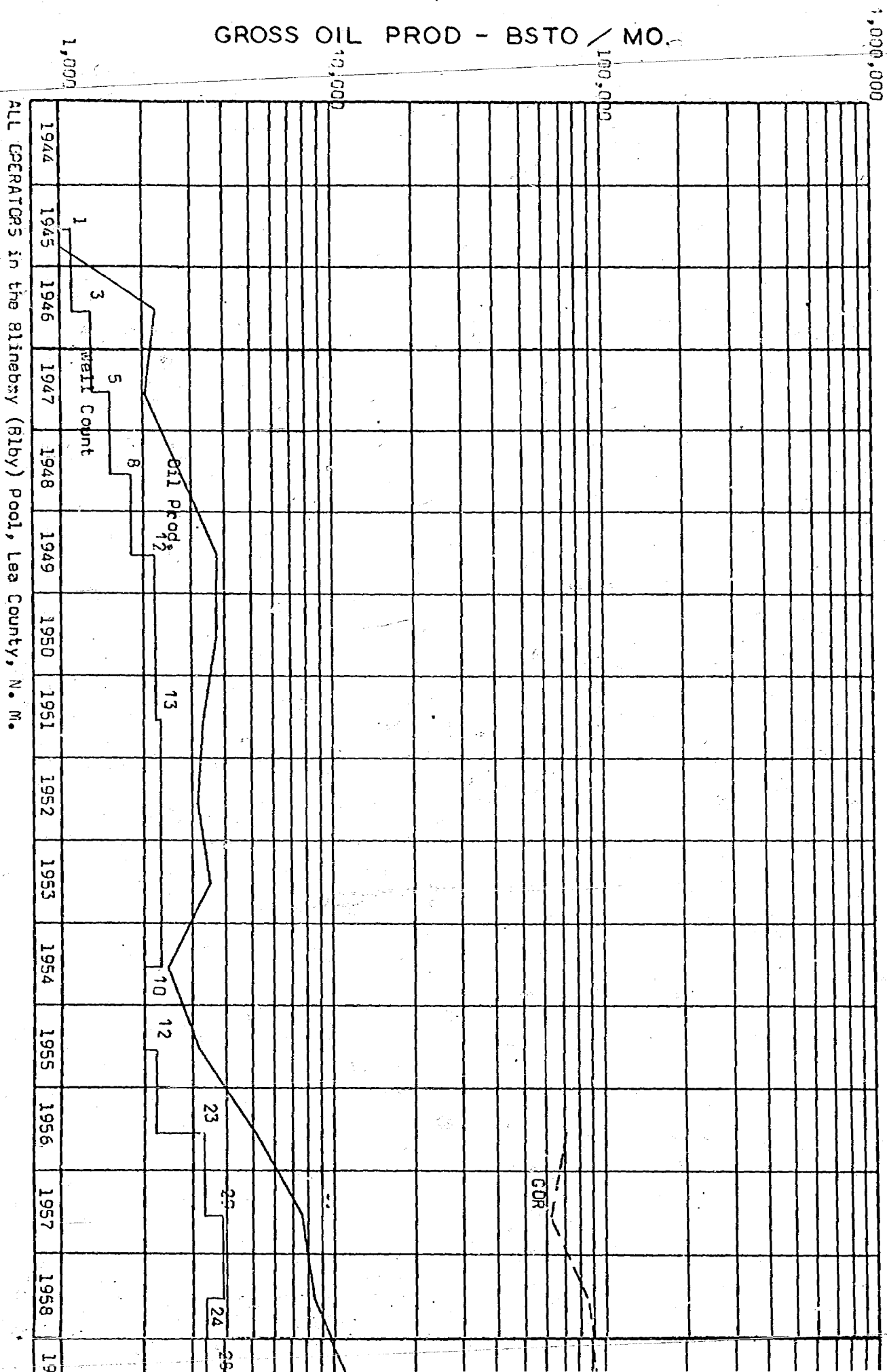
# GROSS OIL PROD - BSTO / MO.

ALL OPERATORS in the Fowler Blinberry Pool, Lea County, N.M.

6000:1

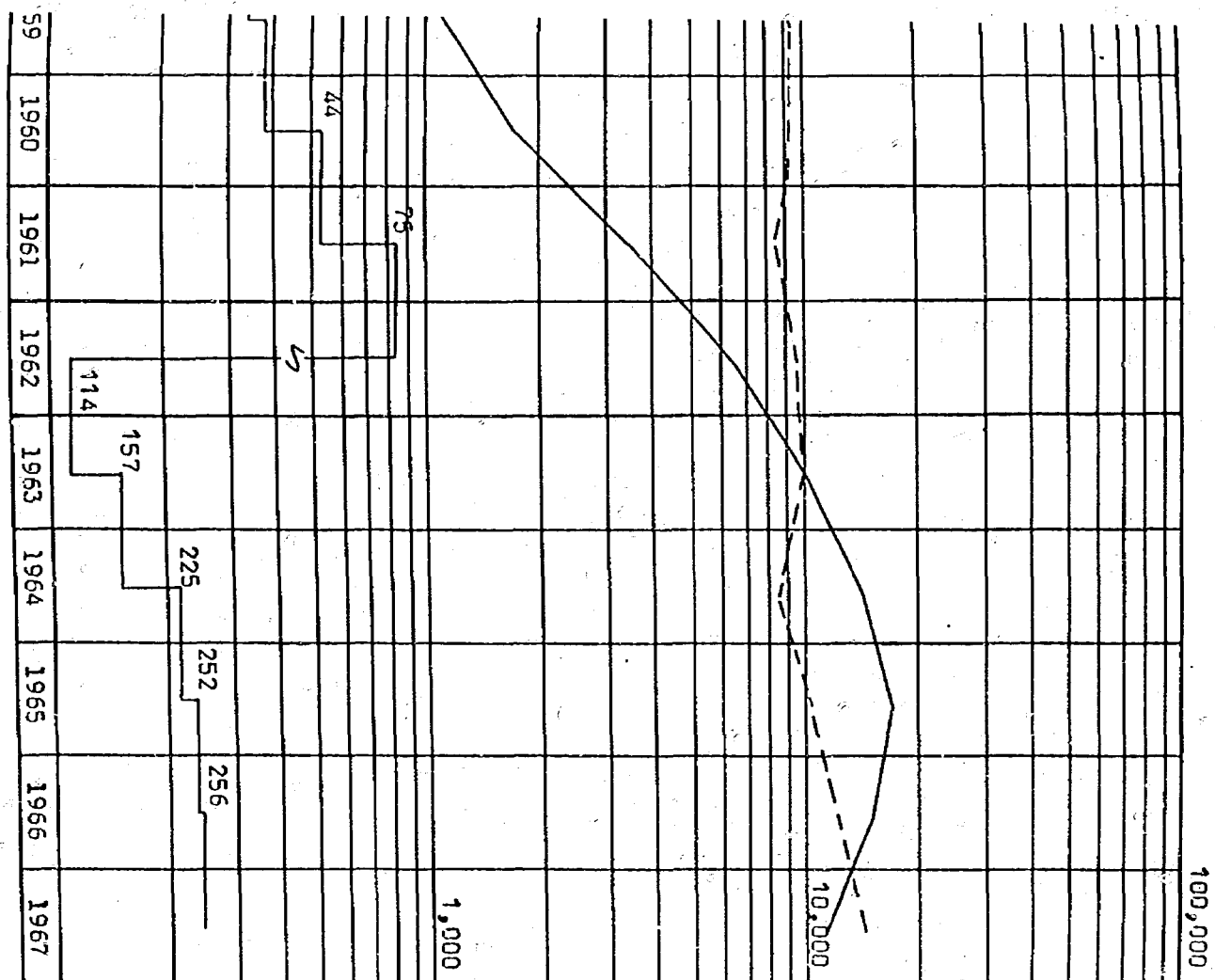


# GROSS OIL PROD - BSTO / MO.



6000:1

GOR



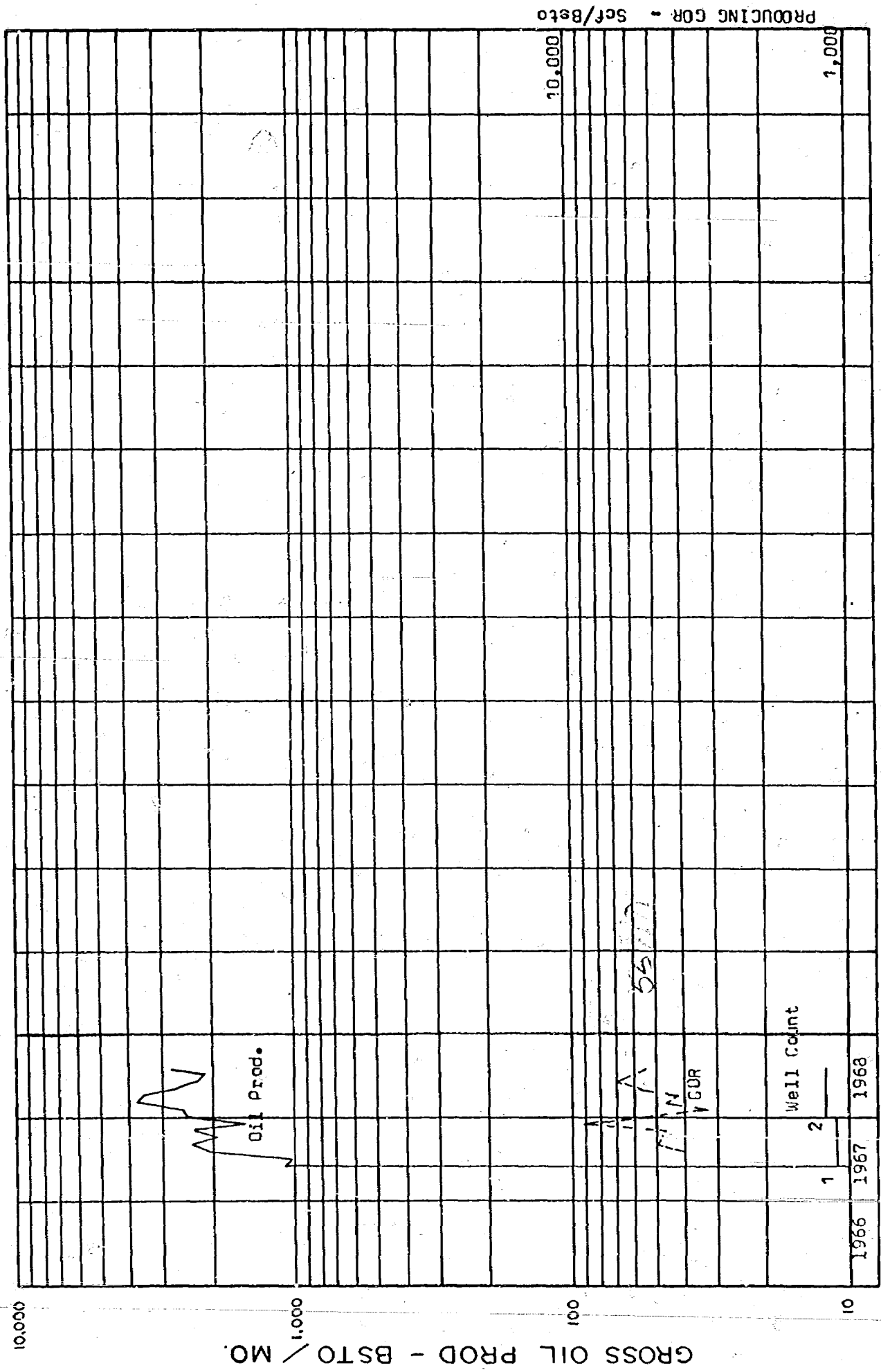
PRODUCING GOR - Scf/Esto

BEFORE EXAMINER NUTTER  
OIL CONSERVATION COMMISSION  
APP. EXHIBIT NO. E  
CASE NO. 3882

EXHIBIT "E"

PRODUCTION PERFORMANCE CURVES FOR SEVERAL LEASES  
LOCATED IN THE TEAGUE BLINEBRY POOL, LEA CO., N. M.

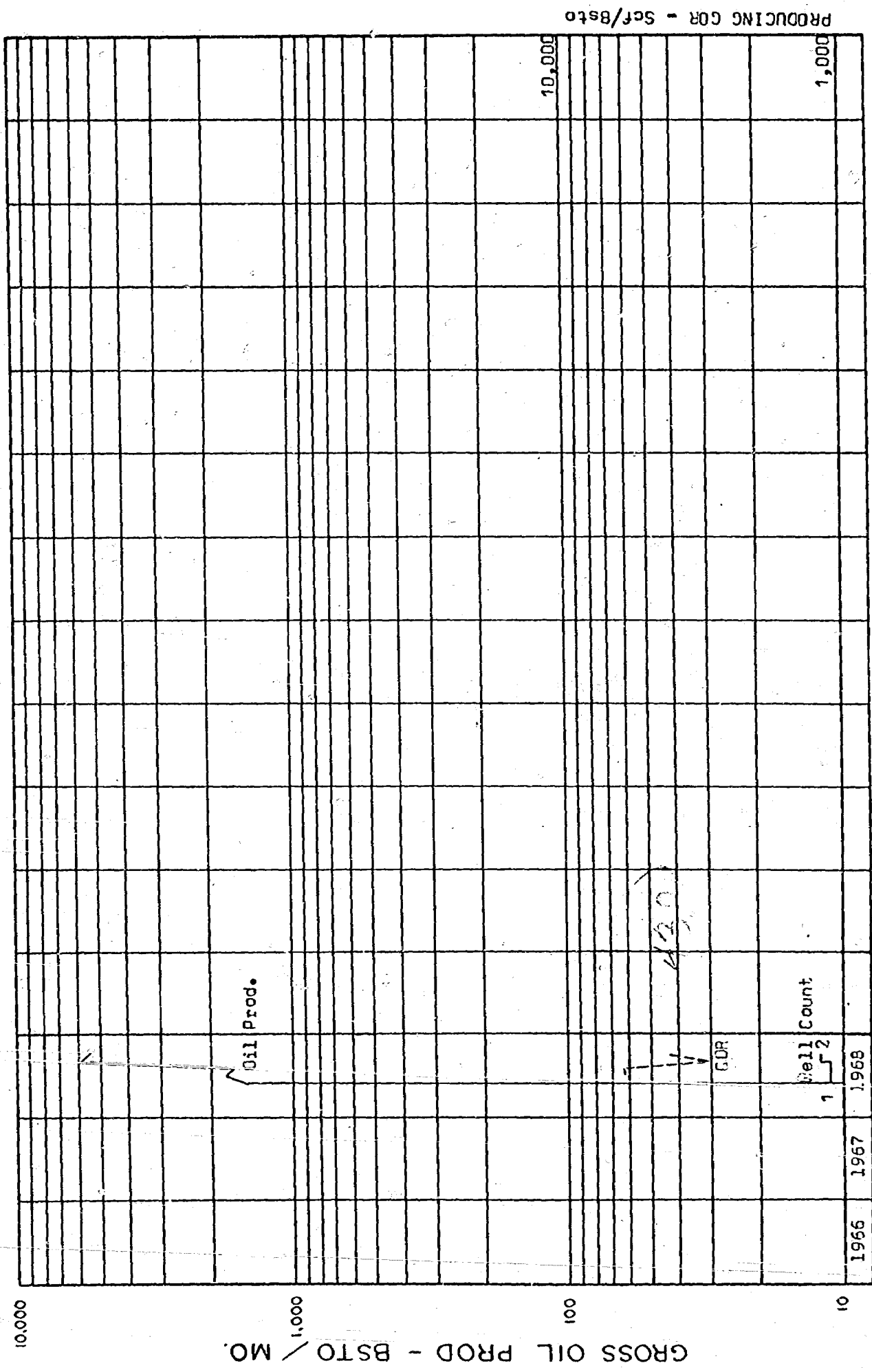
Presented by SOLAR OIL COMPANY as an exhibit for an Examiner's  
Hearing conducted on October 23, 1968, Case number 3882.



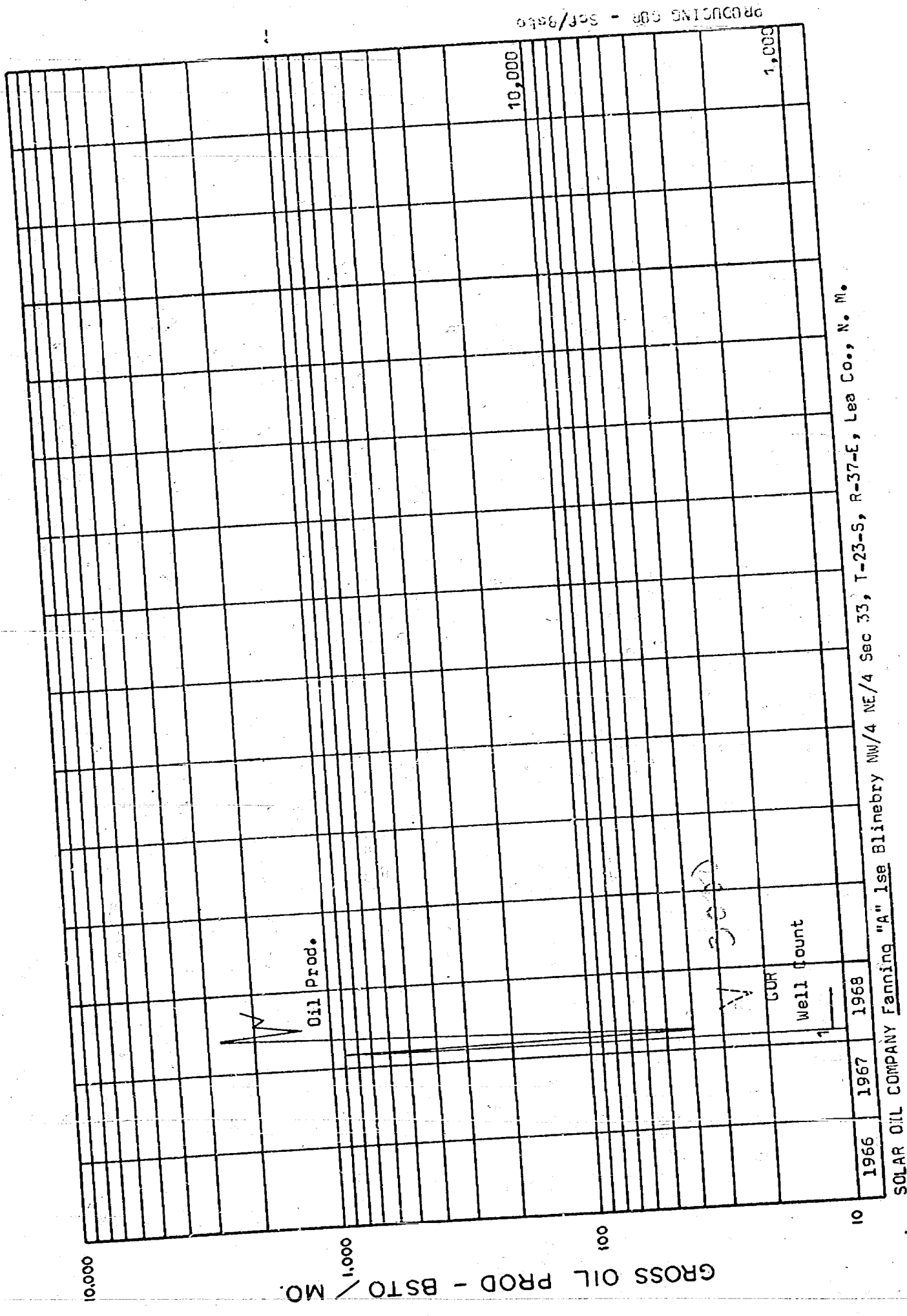
BRONCO OIL CORPORATION Saltmount lse Blinbry S/2 SE/4 Sec 21, T-23-S, R-37-E, Lea Co., N. M.





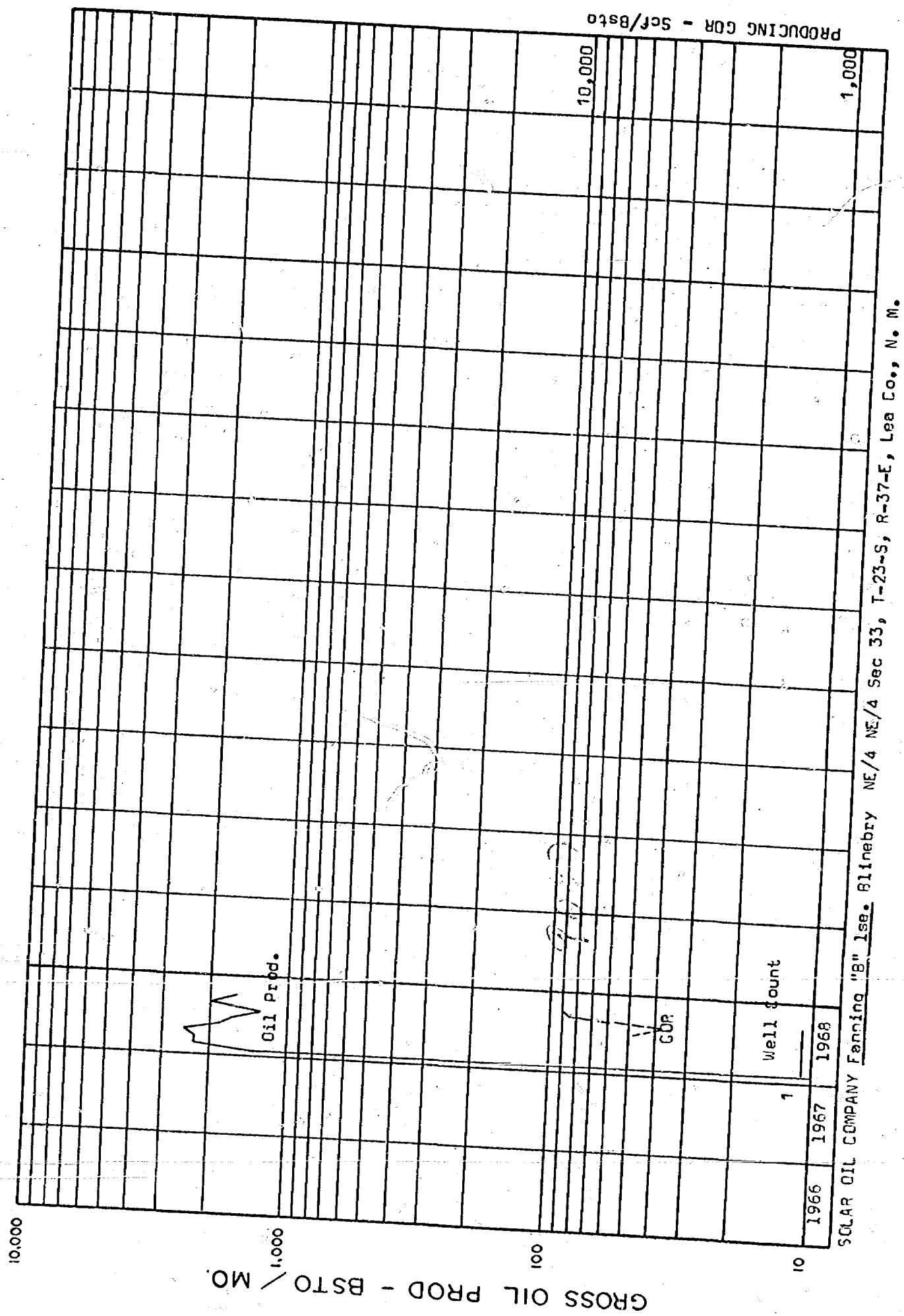


SOLAR OIL COMPANY Elk State lse Blinbry, NW/4, SW/4, & SE/4 of Sec 16, T-23-S, R-37-E, Lea Co., N.M.

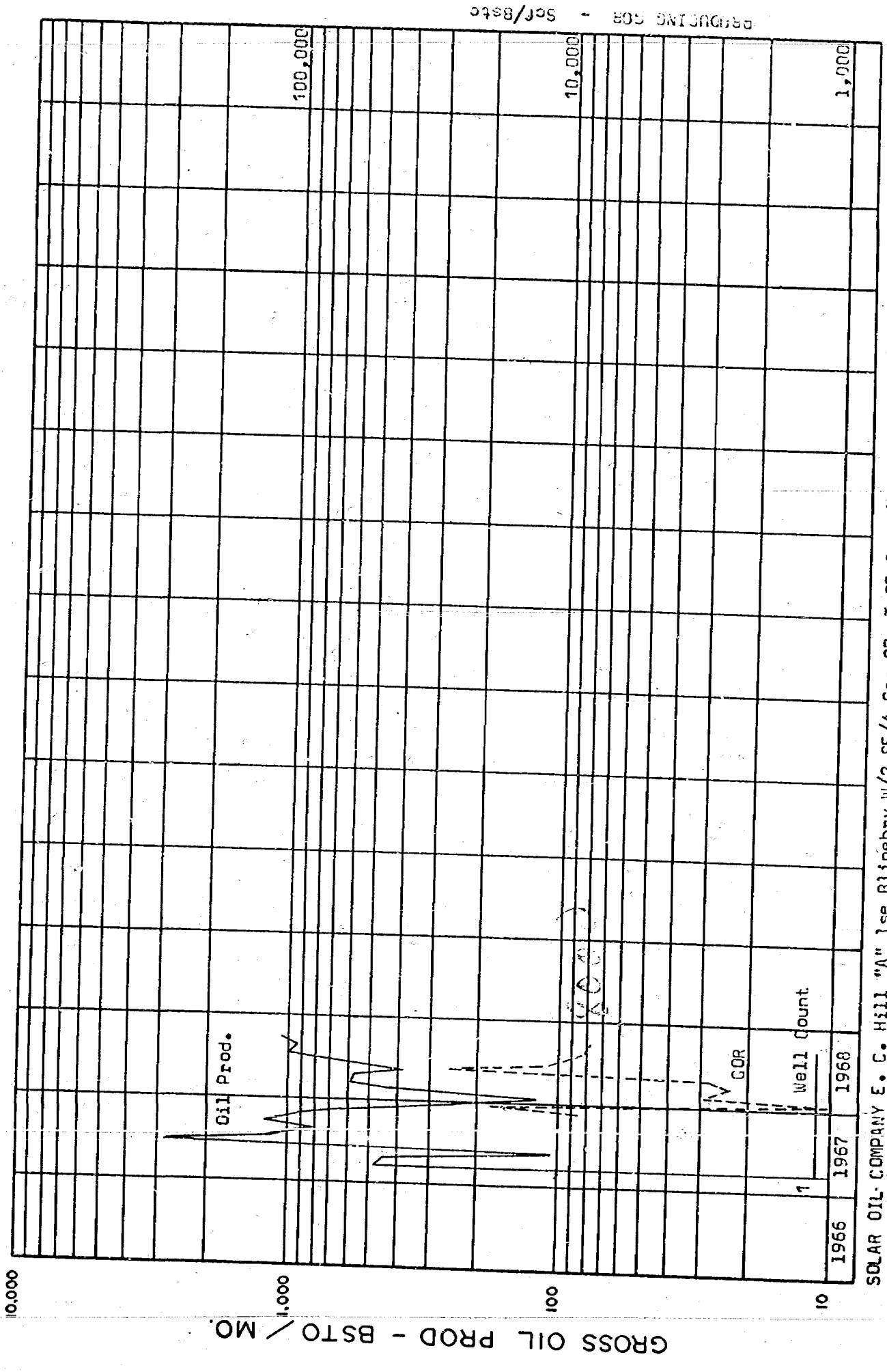


PRODUCING CUR - Sec/9540

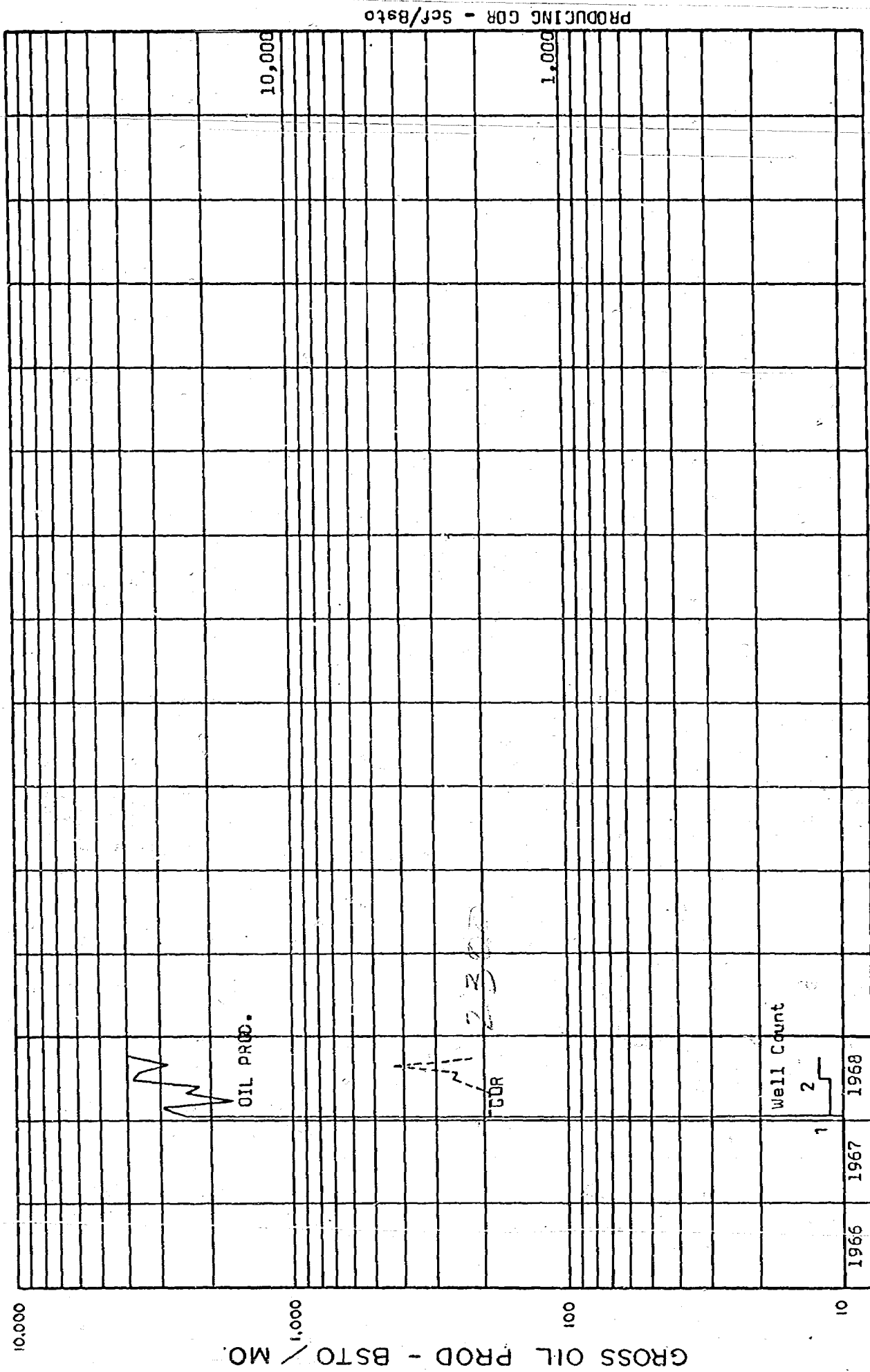
SOLAR OIL COMPANY Fanning "A" 1se Blinbry NW/4 NE/4 Sec 33, T-23-S, R-37-E, Lea Co., N. M.



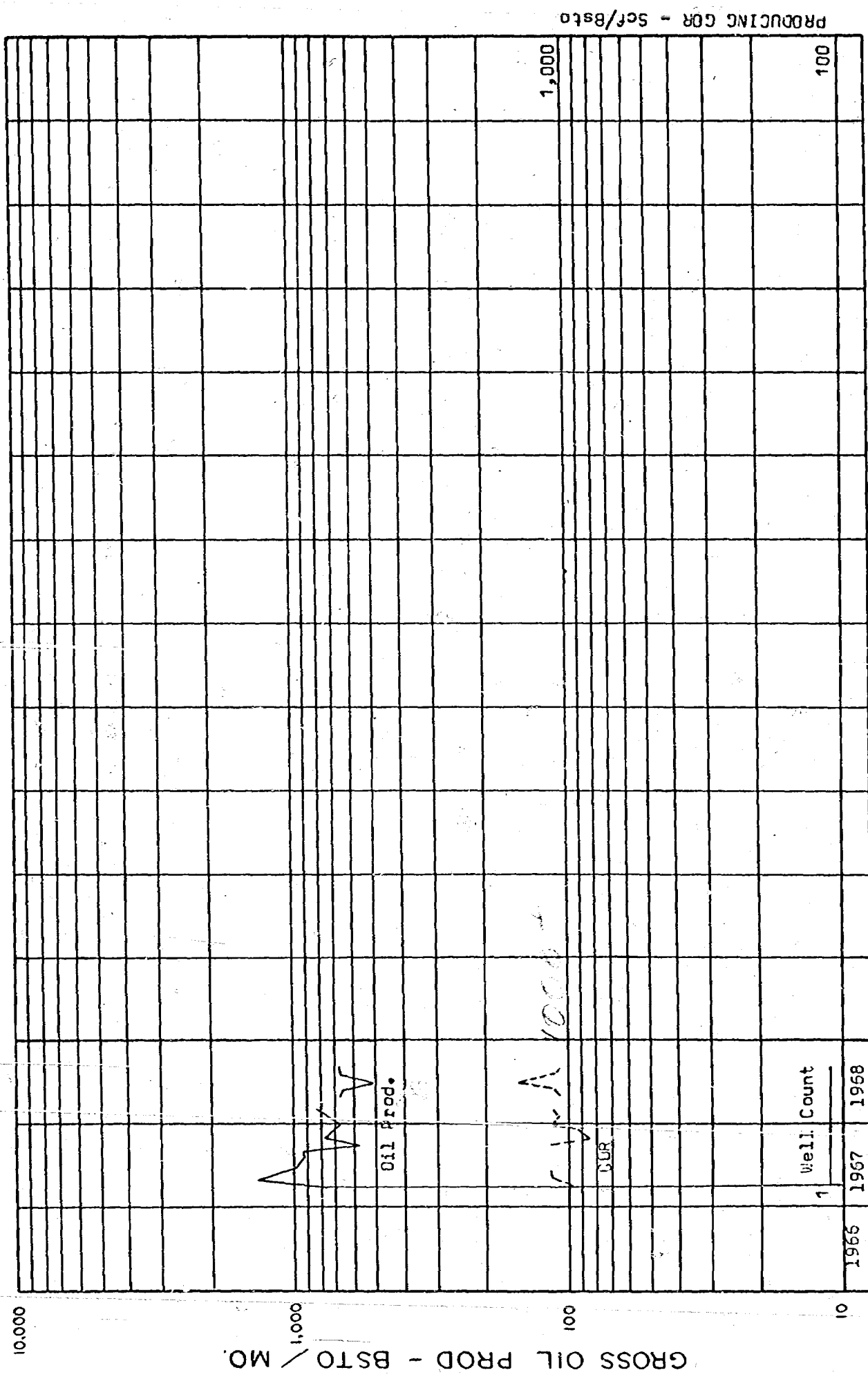
SOLAR OIL COMPANY Fanning "B" Lse.	Blaineby	NE/4	Sec 33,	T-23-S,	R-37-E,	Lea Co.,	N. M.
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SOLAR OIL COMPANY E. C. Hill "A" lse Blinbry W/2 SE/4 Sec 27, T-23-S, R-37-E, Lea Co., N. M.



SOLAR OIL COMPANY Travis lse. Blinbry N/2 SE/4 Sec 21, T-23-S, R-37-E, Lea Co., N. M.



TEXACO INC. "B2" State NCT 8 lse. 8linebry Sec 16, T-23-S, R-37-E, Lea Co., N. M.

SOLAR OIL COMPANY

MIDLAND, TEXAS  
2101 W. TEXAS AVE.  
P. O. BOX 5114 AC 915 MU 2-2031

MAX E. CURRY  
DAROYL R. CURRY

September 16, 1968

*Case 3882*

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

Re: Request for Hearing.

To raise limiting GO-R in  
Teague Blinebry and ~~Teague~~ *Imperial*  
Tubb-Drinkard Fields  
Lea County, New Mexico

Gentlemen:

Solar Oil Company, a Texas corporation with principal offices at 2101 West Texas, Midland, Texas, requests a hearing before the New Mexico Oil Conservation Commission to present testimony supporting special field rules in the Teague Blinebry and Imperial Tubb-Drinkard Pools. Solar recommends the limiting gas-oil ratio be increased from the statewide limit of 2000:1 to 6000:1.

Solar requests that this matter be set for hearing at your earliest convenience.

Very truly yours,

SOLAR OIL COMPANY

*Max E. Curry*  
Max E. Curry

MEC:ru

60 SEP 17 AM 10 30

DOCKET MAILED

Date *9-26-68*

Date

DRAFT

GMH/esr

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

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

RECORDS CENTER & LAW LIBRARY

CASE No. 3882

Order No. R-3545

APPLICATION OF SOLAR OIL COMPANY  
FOR A SPECIAL GAS-OIL RATIO LIMITA-  
TION, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 23, 1968,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 10th day of Oct, 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, Solar Oil Company, seeks the  
establishment of a special gas-oil ratio limitation of 6,000  
cubic feet of gas for each barrel of oil produced in the Teague-  
Blinebry Pool, Lea County, New Mexico.

(3) That approval of the subject application will afford  
to the owner of each property in the pool the opportunity to  
produce his just and equitable share of the oil and gas and for  
this purpose to use his just and equitable share of the reservoir  
energy.



CASE No. 3882

(4) That approval of the subject application will prevent waste and protect correlative rights, provided the flaring or venting of gas in the Teague-Blinebry Pool is prohibited.

(5) That in order to assure the protection of correlative rights, the operator of each well in the Teague-Blinebry Pool should file a new gas-oil ratio test with the Commission's Hobbs District Office on or before January 15 ~~November 15~~, 1969.

IT IS THEREFORE ORDERED:

(1) That, effective December 1 ~~December 1~~, 1968, the limiting gas-oil ratio in the Teague-Blinebry Pool, Lea County, New Mexico, shall be 6,000 cubic feet of gas for each barrel of oil produced; that, effective December 1, 1968, each proration unit in the Teague-Blinebry Pool shall produce only that volume of gas equivalent to 6,000 multiplied by top unit oil allowable for the pool.

(2) That the operator of each well in the Teague-Blinebry Pool shall file a new gas-oil ratio test with the Commission's Hobbs District Office on or before January 15, 1969, and shall furnish a schedule of test dates to the Commission's Hobbs District Office in order that the tests may be witnessed.

(3) That no gas shall be flared or vented in the Teague-Blinebry Pool more than 60 days after a well begins to produce or 60 days after the date of issuance ~~effective date~~ of this order, whichever is later. Any operator desiring to obtain an exception to this provision shall submit to the Secretary-Director of the Commission an application for such exception with a statement setting forth the facts and circumstances justifying it. The Secretary-Director is hereby authorized to approve such an application if he determines

that the exception is necessary to prevent waste. If the Secretary-Director declines to grant administrative approval of the requested exception, the matter shall be set for hearing if the operator so requests.

(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.