

CASE 5882: AMOCO PRODUCTION COMPANY
FOR SPECIAL POOL RULES, EDDY COUNTY,
NEW MEXICO

Case Number

5882

Application

Transcripts

Small Exhibits

ETC.

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date

MARCH 23, 1977

TIME: 9:00 A.M.

NAME	REPRESENTING	LOCATION
AK Kendrick	o c c	Ayler
N. E. Maxwell	NMOC	Ayler
William J. Carr	Am. Pet. Oil Co.	Santa Fe
James E. Pease	Amoco Production	Houston
ANTHONY L. PETERSON	AMOCO PRODUCTION	HOUSTON
Mr. Wristy	Atty	Row
EW Renshaw	Ideal Basic Ind.	Carlsbad
Ray Foster	NM Bureau of Mines	Socorro
George H. Humbler	Saturn Oil Co.	Roswell, N.M.
Max E. Curry	Saturn Oil Co.	Midland, Tex
Victor T. Lyon	Continental Oil Co	Hobbs
DON EOLT, JR.	CONTINENTAL OIL	HOBBS
DW. DICKSON	CONTINENTAL OIL	HOBBS
L. N. Lane	Kerr McGee	Hobbs
Dan Maldonado	U.S.G.S.	Albuquerque
E. R. Manning	El Paso Natural Gas	El Paso
R. A. Ulrich	El Paso Nat Gas	Farmington

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
March 23, 1977

EXAMINER HEARING

IN THE MATTER OF:

Application of Amoco Production Company) CASE
for special pool rules, Eddy County,) 5882
New Mexico.)

BEFORE: Richard L. Stamets, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil Conservation Commission: Lynn Teschendorf, Esq.
Legal Counsel for the Commission
State Land Office Building
Santa Fe, New Mexico

For the Applicant: Antone L. Peterson III, Esq.
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I N D E X

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EXHIBIT INDEX

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1 MR. STAMETS: The hearing will please come to order.
2 We will call at this time Case 5882.

3 MS. TESCHENDORF: Case 5882, application of Amoco
4 Production Company for special pool rules, Eddy County,
5 New Mexico.

6 MR. PETERSON: My name is Antone Peterson. I'm an
7 attorney representing Amoco Production Company and the file
8 should reflect an appearance on Amoco's behalf by New Mexico
9 counsel, Atwood, Malone, Mann and Cooter.

10 Amoco has one witness today, Mr. Jim Pease. I would
11 like to have him sworn at this time.

12 (THEREUPON, the witness was duly sworn.)
13

14 JAMES E. PEASE

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

17
18 DIRECT EXAMINATION

19 BY MR. PETERSON:

20 Q Mr. Pease, you've previously testified before the
21 Commission or an examiner of the Commission, have you not?

22 A Yes, sir.

23 Q All right, and your qualifications were found
24 acceptable?

25 A Yes, sir.

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1 Q I would like for you to turn your attention to
2 Amoco's Exhibit One, please.

3 MR. STAMETS: For the record, how was Mr. Pease
4 qualified in earlier hearings?

5 MR. PETERSON: He is a Reservoir Engineer.

6 MR. STAMETS: Thank you.

7 Q (Mr. Peterson continuing.) Amoco's Exhibit One which
8 is a map, could you explain what that map shows, please?

9 A This is a structure map on a radioactive marker
10 within the Wolfcamp section.

11 Q I notice hachured or dashed lines on the map, could
12 you explain what those lines denote?

13 A Yes, sir, in the center of the map the large dashed
14 lines represent the boundary of the Empire South Deep Unit.
15 The small dashed lines within this boundary is the presently
16 recognized pool limits for the Empire South Wolfcamp Pool.

17 Q You have several wells, three marked with red
18 triangles, could you explain the significance of those markings,
19 please?

20 A These represent the present Wolfcamp completions
21 in the field.

22 Q You said this is a structure map, could you explain
23 what this shows with regard to the structure, please?

24 A Well, basically the structure in the area of the
25 Empire South Wolfcamp Pool reflects regional dip. This indicates

1 that the trapping mechanism is stratigraphic in nature.

2 Q You also have green lines drawn which are between
3 several of the wells shown on the map. What does that green
4 line show?

5 A This green line represents the line of section of
6 the log structure section that is our Exhibit Number Two.

7 Q Could you please look at that exhibit at this time?

8 Oh, yes, pardon me, back to Exhibit One, the other
9 wells marked on the map, why were they marked on the map and
10 are there any other wells not included on the map?

11 A These wells that are shown are wells that have
12 penetrated the Wolfcamp. Wells that did not penetrate the
13 Wolfcamp have not been shown.

14 Q All right, thank you. Now, looking at Exhibit Two
15 could you explain generally what that exhibit shows?

16 A This is what we term a structural cross section. It
17 consists of formation density compensated neutron logs on five
18 of the Empire South Deep Unit wells.

19 Q You have several horizons marked it appears. Could
20 you explain why those are marked?

21 A At the top of the section we have marked three
22 thousand feet below sea level, we've marked across the top of
23 the Wolfcamp zone, we've marked several relative markers across
24 the section. We've shown the datum for the structure map which
25 is Exhibit Number One and at the bottom we have shown the top of

1 the Cisco formation.

2 Q What do the log cross sections show about the
3 Wolfcamp?

4 A Well, it shows that there are several porosity
5 intervals within the Wolfcamp. Well No. 7, the log on the
6 left, is completed at seven thousand, eight hundred and sixty-
7 three to seventy-three feet and as can be seen, this is higher
8 in the Wolfcamp than the completion intervals in the Wells 11
9 and 4 which are the two logs on the right. Well No. 11 is
10 perforated from eight thousand, four hundred and four to eight
11 thousand, four hundred and thirty-six feet and Well No. 4 is
12 perforated from eight thousand, four hundred and forty-nine
13 feet to eight thousand, five hundred and twenty-two feet.

14 Q I think you have a core section taken from one of the
15 wells. Could you give that to me and I'll let the Examiner see
16 it and explain where it came from, which well, and give a
17 description of it, if you would?

18 A Empire South Deep Unit No. 11 was cored from eight
19 thousand, three hundred and ninety-two feet to eight thousand,
20 five hundred and five feet. That particular core sample is at
21 eight thousand, four hundred and twenty-two to twenty-three
22 feet. The depth is shown there on the sample itself. This is
23 within the perforated interval of Well No. 11.

24 Q Was there a core analysis made of that core?

25 A Yes, the entire core was analyzed by Core Laboratories

1 and it was based on a whole section. That particular sample
2 had a porosity of two, point, one percent and the maximum
3 permeability was one, point, nine millidarcies.

4 Q How does the porosity and permeability in that well
5 compare to the other Wolfcamp wells?

6 A Well, based on the logs the porosity in Number 11 is
7 lower than the porosity in Number 4.

8 Q You have all three Wolfcamp wells on the cross section,
9 do you have any data with regard to productivity or productive
10 capability of those wells?

11 A The current producing ability of the wells is No. 7
12 is on pump and during the month of February it produced sixty-
13 six barrels of oil, it's a very weak well. No. 11 is in the
14 process of being potentialized. The potential test will be filed
15 in the near future. It perhaps has been filed as of today.
16 A test that I have on it which may not be the potential test
17 is eighty barrels of oil per day, no water, a thousand and
18 twenty-four MCF a day of gas. This is flowing on a three-fourths
19 inch choke and the flowing tubing pressure was two hundred and
20 fifty pounds. The GOR on this calculates to be twelve thousand,
21 eight hundred to one.

22 No. 4 is capable of producing three hundred and ten
23 barrels of oil per day, no water, a thousand, nine hundred
24 and seventy MCF a day of gas. It's flowing and the flowing
25 tubing pressure is seven hundred and fifty pounds. This calcu-

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1 lates to be a gas-oil ratio of six thousand, three hundred and
2 fifty to one.

3 Q I think in earlier exhibits submitted to the Commission
4 that the datum -- you've used a different datum point on this
5 cross section than on earlier cross sections presented. Is
6 that correct and why?

7 A That is correct. At the last hearing which was held
8 about a year ago the datum point was eight thousand, four
9 hundred and twenty-nine feet in the No. 4 Well and that was
10 based on this clean lime section right above the perforations
11 and if you carry the line above that across you will see that
12 by the time you reach Well No. 3 in the center you are within
13 a lime interval. So it was found that this was not a very
14 good marker and a new marker has been chosen which is a
15 radioactive zone up at about eighty-two, twenty in the No. 4
16 Well.

17 Q Do you have any further comments regarding Amoco's
18 Exhibit Two?

19 A I would like to comment a little bit more on the
20 core. As can be seen in that sample the only porosity that
21 is evident is that that was created by the leaching of the
22 fractures, samples of fractured limestone rock.

23 Q All right, if you will turn your attention to
24 what has been labeled as Amoco's Exhibit Three and tell us
25 what the graphs or curves on that exhibit show, please?

1 A. This is a performance curve for the Empire South
2 Wolfcamp Pool. The top line represents the number of wells in
3 the pool. Of course, the period for the curve is from '74 to
4 1976. The next line is the composite gas-oil ratio for the
5 pool. Then we have the bottom-hole pressure of the pool. Then
6 we have the computed monthly average daily oil rate and we have
7 a curve representing the cumulative oil and gas production.

8 Q. Could you explain please, there are noticeable lows
9 in the monthly oil production curve, could you explain why
10 those occurred?

11 A. Well, in the latter part of '74 and January of '75
12 the oil production decline was a result of paraffin deposits
13 in the tubing. The ones in 1976 were a result of trying to
14 balance out the gas production.

15 Q. In relation to the production curve, when did the
16 hearing for field rules take place so we can relate it to the
17 production curve?

18 A. The pool went on production in March of '74. The
19 first field rule hearing was held in April of '74, the temporary
20 field rules were issued in May of '74, a subsequent hearing
21 was held in April of '75 at which time it was asked that the
22 temporary rules be made permanent.

23 Q. And the gas-oil ratio at that time was less than
24 two thousand to one?

25 A. That is correct. The performance curve indicates that

1 the bubble point of the reservoir was about twenty-seven
2 hundred and fifty pounds and this was reached in April of 1975,
3 about the time of the second hearing.

4 Q Any further comments regarding Exhibit Three?

5 A No, sir.

6 Q In your opinion, Mr. Pease, will an increase in the
7 GOR limit to six thousand to one cause any physical waste of
8 oil and gas?

9 A I don't believe that it will. The performance curve
10 indicates that we have a depletion drive type reservoir. The
11 log sections and the structure map indicate that we have a
12 stratigraphic type of trap and as such I don't believe that
13 this reservoir's ultimate oil recovery would be sensitive to
14 the producing rate.

15 Q All right, also in your opinion will an increase in
16 GOR affect anyone's correlative rights?

17 A No, I believe the entire pool is under the Empire
18 South Deep Unit.

19 Q Have you consulted with the gas purchaser to ascertain
20 whether you can dispose of this gas or not?

21 A Yes, sir, we have contacted Phillip Petroleum who is
22 the gas purchaser and they have indicated that they could take
23 additional gas that might be produced.

24 Q Thank you, Mr. Pease. Do you have any further
25 comments?

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1 A No, sir.

2 MR. PETERSON: No further questions, Mr. Examiner.

3

4

CROSS EXAMINATION

5 BY MR. STAMETS:

6 Q Mr. Pease, when you get outside of the South Empire
7 Deep Unit there are a number of wells which run off to the
8 north and east and then some over to the south and west, since
9 the top of the Wolfcamp is marked on here I would presume that
10 all of those wells penetrated the Wolfcamp?

11 A That is correct.

12 Q Do you know whether the Wolfcamp was non-productive
13 in those wells?

14 A As far as I know the only well to the northeast that
15 tested it was the El Paso well up in Section 22 of Township 17
16 South, Range 29 East and it was noncommercial there. The Empire
17 South Deep Unit No. 1 had a drill stem test performed on it in
18 the Wolfcamp. It's presently a Morrow completion. It did show
19 some oil production through it.

20 Q What is the location of that well?

21 A It's in Section 6 of Township 18 South, Range 29
22 East.

23 Q How much Wolfcamp production did that have?

24 A The tool was open, it's a drill stem test, eight
25 thousand, seven hundred and twelve, forty-three feet. The tool

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1 was open two hours and ten minutes, gas was to the surface in
2 twelve and a half minutes at the initial rate of five hundred
3 MCF a day. It decreased to a hundred and ninety-five MCF a
4 day. The recovery was sixteen barrels of oil. The one-hour
5 initial shut-in pressure was three thousand, six hundred and
6 twelve pounds. The flowing bottom-hole pressure was a hundred
7 and twenty-four to four hundred and forty-five pounds. The
8 two-hour final shut-in pressure was three thousand, one hundred
9 and seventy-six pounds. So we saw some pressure decline as
10 a result of that production.

11 Q Is that indicative of a limited reservoir?

12 A Yes, sir.

13 Q Have you made any calculations as to the reservoir
14 size for the reservoir that the No. 11 and the No. 4 wells are
15 completed in?

16 A No, sir. We do not have any good property data and
17 we do not have any relative permeability data.

18 Q Are there any plans for additional drilling in the
19 Wolfcamp in this area?

20 A Not at this time. Normally here the Wolfcamp has
21 been a plug-back zone for wells drilled in the Morrow. No. 11
22 is the only well we have drilled since we have operated the
23 property that actually was drilled just to the Wolfcamp.

24 Q Does it look like it is going to be a commercial
25 success?

1 A. Yes, although it found the pressure of eighteen
2 hundred and thirty-nine pounds which is the No. 4. We ran a
3 pressure in it and the pressure was eighteen hundred and eight
4 pounds, I believe. It indicates that the No. 4, the production
5 from it has been draining the area of the No. 11 Well.

6 MR. STAMETS: Any other questions of the witness? He
7 may be excused.

8 (THEREUPON, the witness was excused.)

9 MR. STAMETS: Anything further in this case?

10 MR. PETERSON: I would like to offer Amoco's Exhibits
11 One, Two and Three into evidence.

12 MR. STAMETS: These exhibits will be admitted.

13 (THEREUPON, Amoco's Exhibits One through
14 Three were admitted into evidence.)


15 MR. STAMETS: Anything further in this case? We will
16 take the case under advisement.

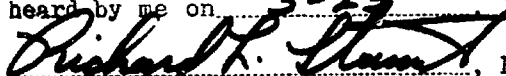
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REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand Reporter,
do hereby certify that the foregoing and attached Transcript
of Hearing before the New Mexico Oil Conservation Commission
was reported by me, and the same is a true and correct record
of the said proceedings to the best of my knowledge, skill and
ability.


Sidney F. Morrish, C.S.R.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 5882
heard by me on 3-23-27
, Examiner
New Mexico Oil Conservation Commission



STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

**LAND COMMISSIONER
PHIL R. LUCERO
March 30, 1977**



STATE GEOLOGIST
EMERY C. ARNOLD

Re: CASE NO. 5882
ORDER NO. R-5405

Applicant:

Amoco Production Company

Dear Sir:

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

Yours very truly,

JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCC	X
Artesia OCC	X
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. 5882
Order No. R-5405

APPLICATION OF AMOCO PRODUCTION
COMPANY FOR SPECIAL POOL RULES,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 23, 1977, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 29th day of March, 1977, 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, Amoco Production Company, seeks, as an exception to Rule 506 of the Commission Rules and Regulations, a limiting gas-oil ratio of 6,000 cubic feet of gas per barrel of oil for the South Empire Wolfcamp Pool, Eddy County, New Mexico.

(3) That the reservoir characteristics of the subject pool justify the establishment of a gas-oil limitation of 6,000 cubic feet of gas per barrel of liquid hydrocarbons.

(4) That in order to afford to the owner of each property in the South Empire Wolfcamp Pool the opportunity to produce his just and equitable share of the oil and gas in the subject pool and for this purpose to use his just and equitable share of the reservoir energy, a limiting gas-oil ratio of 6,000 cubic feet of gas per barrel of liquid hydrocarbons should be established for the pool.

-2-

Case No. 5882

Order No. R-5405

IT IS THEREFORE ORDERED:

(1) That effective April 1, 1977, the limiting gas-oil ratio in the South Empire Wolfcamp Pool, Eddy County, New Mexico, shall be 6,000 cubic feet of gas for each barrel of liquid hydrocarbons produced; that, effective April 1, 1977, each proration unit in the South Empire Wolfcamp Pool shall produce only that volume of gas equivalent to 6,000 multiplied by the top unit allowable for the pool.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman



EMERY C. ARNOLD, Member

JOE D. RAMEY, Member & Secretary

S E A L

Ar/

Dockets Nos. 11-77 and 12-77 are tentatively set for hearing on April 6 and April 20, 1977. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MARCH 23, 1977

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

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

- CASE 5882: Application of Amoco Production Company for special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of a special gas-oil ratio limit of 6000 cubic feet of gas per barrel of oil for the South Empire Wolfcamp Pool, Eddy County, New Mexico.
- CASE 5883: Application of Am-Bett Oil Company, Inc. for an oil treating plant permit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority for the construction and operation of an oil treating plant for the purposes of treating and reclaiming sediment oil at a site in the SE/4 NW/4 of Section 3, Township 21 South, Range 37 East, Lea County, New Mexico.
- CASE 5884: Application of BCO, Inc., for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Greenhorn, Graneros, and Dakota production in the wellbore of its Dunn Well No. 1 located in Unit M of Section 10, Township 23 North, Range 7 West, Rio Arriba County, New Mexico.
- CASE 5885: Application of Continental Oil Company for amendment of Order No. R-5315, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-5315 to permit the dedication of a previously approved 320-acre proration unit comprising the W/2 of Section 31, Township 22 South, Range 31 East, Los Medanos Field, Eddy County, New Mexico, to a well to be drilled at a standard location in Unit E of said Section 31, rather than in Unit I as previously approved.
- CASE 5886: Application of Continental Oil Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled at a point 1980 feet from the North line and 660 feet from the West line of Section 31, Township 22 South, Range 31 East, Los Medanos Field, Eddy County, New Mexico, the N/2 of said Section 31 to be dedicated to the well.
- CASE 5887: Application of Gas Company of New Mexico for suspension of Rules 14(a) and 15(a) of the gas proration rules, Catclaw Draw-Morrow Gas Pool, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks suspension for a period of one year from April 1, 1977, of those provisions of Rules 14(a) and 15(a) of the General Rules and Regulations for the prorated gas pools of Southeastern New Mexico promulgated by Order No. R-1670, as amended, that provide for the cancellation of underproduction and the shutting-in of overproduced wells, as applied to the Catclaw Draw-Morrow Gas Pool, Eddy County, New Mexico.
- CASE 5888: Application of Dalport Oil Corporation for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its A. L. Christmas Well No. 3 to be drilled 330 feet from the South line and 2310 feet from the East line of Section 25, Township 22 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico.
- CASE 5889: Application of Saturn Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down to and including the Blinberry formation underlying the NE/4 SE/4 of Section 11, Township 23 South, Range 37 East, Lea County, New Mexico, to be dedicated to its Lineberry Well No. 1 located in Unit I of said Section; and underlying the NW/4 SE/4 of said Section 11 to be dedicated to its Lineberry Well No. 2 located in Unit J of said Section. In the event re-entry into either well is unsuccessful, applicant proposes to drill a replacement well at a standard location on its tracts. Also to be considered will be the costs of recompletion or drilling and completing said wells and the allocation of the costs thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the wells and a charge for risk involved in recompletion or drilling of said wells.
- CASE 5890: Application of James C. Whitten for an unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the re-entry of a well at an unorthodox location 1980 feet from the South line and 660 feet from the East line of Section 14, Township 20 South, Range 34 East, Lea Devonian Pool, Lea County, New Mexico. If said re-entry is unsuccessful, applicant proposes to drill a new well at an unorthodox location 2030 feet from the South line and 660 feet from the East line of said Section 14.

CASE 5891: Application of Sam H. Snoddy for directional drilling and a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the directional drilling of two 13,500 foot Morrow test wells from a single drilling site in the extreme Northwest five acres of the NW/4 SE/4 of Section 25, Township 20 South, Range 32 East, Potash-Oil Area, Lea County, New Mexico. Applicant proposes to vertically drill each of said wells to a depth of approximately 3000 feet and to then directionally drill one well in a Northeasterly direction bottoming said well in the approximate center of the NE/4 of said Section 25, and to then directionally drill the other well in a Southwesterly direction, bottoming said well in the approximate center of the SW/4 of said Section 25. Applicant would dedicate the N/2 to the first of the aforesaid wells, and would dedicate a non-standard 160-acre unit comprising the SW/4 of said Section 25 to the second.

CASE 5820: (Continued from March 9, 1977, Examiner Hearing)

Application of Texas Oil & Gas Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the W/2 of Section 4, Township 22 South, Range 26 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5892: Southeastern New Mexico nomenclature case calling for the creation and extension of certain pools in Eddy and Lea Counties, New Mexico.

(a) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the East Burton Flat-Atoka Gas Pool. The discovery well is the J. C. Williamson & D. W. Underwood et al Williamson Federal Well No. 1 located in Unit J of Section 9, Township 20 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM
Section 9: E/2

(b) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the North Eidson-Morrow Gas Pool. The discovery well is the Sabine Production Company North Eidson Fee Well No. 1 located in Unit M of Section 34, Township 15 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 34 EAST, NMPM
Section 34: W/2

(c) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the Forehand Ranch Delaware Pool. The discovery well is the Husky Oil Company of Delaware Forehand Well No. 2 located in Unit K of Section 15, Township 23 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM
Section 15: SW/4

(d) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the Grayburg-Strawn Gas Pool. The discovery well is the Amoco Production Company Empire South Deep Unit Gas Com Well No. 8 located in Unit L of Section 33, Township 17 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
Section 33: S/2

(e) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Indian Flats-Morrow Gas Pool. The discovery well is the Perry R. Bass Big Eddy Unit Well No. 41 located in Unit J of Section 35, Township 21 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 28 EAST, NMPM
Section 35: E/2

(f) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the South Maroon Cliffs-Morrow Gas Pool. The discovery well is the Perry R. Bass Big Eddy Unit Well No. 44 located in Unit H of Section 16, Township 21 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 30 EAST, NMPM
Section 16: E/2

(g) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Quahada Ridge-Atoka Gas Pool. The discovery well is the Perry R. Bass Big Eddy Unit Well No. 40 located in Unit G of Section 22, Township 21 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 29 EAST, NMPM
Section 22: N/2

(h) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the East Red Tank-Morrow Gas Pool. The discovery well is the Gulf Oil Corporation Covington "A" Federal Well No. 1 located in Unit C of Section 25, Township 22 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM
Section 25: N/2

(i) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the South Rock Tank-Morrow Gas Pool. The discovery well is the Amoco Production Company South Rock Tank Well No. 1 located in Unit H of Section 2, Township 24 South, Range 24 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 24 EAST, NMPM
Section 2: N/2

(j) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the Trinity-Wolfcamp Pool. The discovery well is the Wainoco, Inc. Hodge et al Well No. 1 located in Unit P of Section 28, Township 12 South, Range 38 East, NMPM. Said pool would comprise:

TOWNSHIP 12 SOUTH, RANGE 38 EAST, NMPM
Section 28: SE/4

(k) EXTEND the Baum-Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 13 SOUTH, RANGE 33 EAST, NMPM
Section 30: NE/4

(l) EXTEND the South Bell Lake-Atoka Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM
Section 31: S/2
Section 32: W/2

(m) EXTEND the South Bell Lake-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 33 EAST, NMPM
Section 36: NE/4

(n) EXTEND the Blinebry Oil and Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 21: SW/4
Section 28: NW/4

(o) EXTEND the Cemetery-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM
Section 36: S/2

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM
Section 28: S/2
Section 31: S/2
Section 32: S/2
Section 33: All
Section 34: N/2
Section 35: N/2

TOWNSHIP 20 SOUTH, RANGE 24 EAST, NMPM
Section 1: All

TOWNSHIP 21 SOUTH, RANGE 24 EAST, NMPM
Section 6: Lots 1, 2, 7, 8, 9, 10, 15 & 16

ATWOOD, MALONE, MANN & COOTER
LAWYERS

JEFF D. ATWOOD [1983-1986]
ROSS L. MALONE [1910-1974]

P. O. DRAWER 700
SECURITY NATIONAL BANK BUILDING
ROSWELL, NEW MEXICO 88201
[505] 622-6221

March 18, 1977

CHARLES F. MALONE
RUSSELL D. MANN
PAUL A. COOTER
BOB F. TURNER
ROBERT A. JOHNSON
JOHN W. BASSETT
ROBERT E. SABIN
R. E. THOMPSON

RALPH D. SHAMAS
RANDAL W. ROBERTS

Mr. Joe D. Ramey, Director
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Case No. 5882, Examiner Hearing
March 23, 1977

Dear Mr. Ramey:

Enclosed is our Entry of Appearance in Case No.
5882.

With best regards, I am,

Very truly yours,



Paul Cooter

PC:bc

Enc.

cc: Antone Peterson, Esq. (w/Enc.)

MAR 21 1977

U. S. DEPARTMENT OF COMMERCE
BUREAU OF OIL CONSERVATION

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION)
OF AMOCO PRODUCTION COMPANY FOR)
SPECIAL POOL RULES, EDDY COUNTY,)
NEW MEXICO.)

Case No. 5882

ENTRY OF APPEARANCE

The undersigned hereby enter their appearance herein
for the Applicant, Amoco Production Company, with Antone Peter-
son of Houston, Texas.

ATWOOD, MALONE, MANN & COOTER, P.A.

By 

P. O. Drawer 700
Roswell, New Mexico 88201

Attorneys for Amoco Production
Company



Amoco Production Company

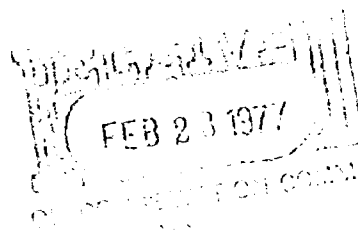
500 Jefferson Building
P.O. Box 3092
Houston, Texas 77001

T. Don Stacy
Division Engineering
Manager

February 21, 1977

File: TBM-986.51NM-1283

Re: Application for Hearing
Empire Wolfcamp, South Pool
Eddy County, New Mexico



New Mexico Oil Conservation Commission (3)
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. Joe D. Ramey

Gentlemen:

Amoco Production Company respectfully requests a hearing for the purpose of establishing a Special Gas-Oil Ratio Limit Rule for the Empire Wolfcamp, South Pool, Eddy County, New Mexico.

Attached is a map showing the area of the Empire Wolfcamp, South Pool.

It is respectfully requested that this matter be included on the Docket of the Hearing to be held March 23, 1977.

Yours very truly,

T. Don Stacy

Attachment

JEP:as

Jim P...

6,000

DRAFT

dr/

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. 5882

Order No. R- 5405

APPLICATION OF AMOCO PRODUCTION
COMPANY FOR SPECIAL POOL RULES,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 23,
19 77, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this _____ day of _____, 1977, 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, Amoco Production Company, seeks,
as an exception to Rule 506 of the Commission Rules and Regula-
tions, a limiting gas-oil ratio of 6,000 cubic feet of gas per
barrel of oil for the South Empire Wolfcamp Pool, Eddy County,
New Mexico.

(3) That the reservoir characteristics of the subject
pool justify the establishment of a gas-oil limitation of 6,000
cubic feet of gas per barrel of liquid hydrocarbons.

(4) That in order to afford to the owner of each property in the South Empire Wolfcamp Pool the opportunity to produce his just and equitable share of the oil and gas in the subject pool and for this purpose to use his just and equitable share of the reservoir energy, a limiting gas-oil ratio of 6,000 cubic feet of gas per barrel of liquid hydrocarbons should be established for the pool.

IT IS THEREFORE ORDERED:

(1) That effective April 1, 1977, the limiting gas-oil ratio in the South Empire Wolfcamp Pool, Eddy County, New Mexico, shall be 6,000 cubic feet of gas for each barrel of liquid hydrocarbons produced; that, effective April 1, 1977, each proration unit in the South Empire Wolfcamp Pool shall produce only that volume of gas equivalent to 6,000 multiplied by the top unit allowable for the pool.

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

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