

Case Number

5901

Application

Transcripts

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
April 20, 1977

EXAMINER HEARING

IN THE MATTER OF:

Application of Gulf Oil Corporation for) CASE
a nonstandard proration unit and simul-) 5901
taneous dedication, Lea County,)
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 | Lynn Teschendorf, Esq. |
| Conservation Commission: | Legal Counsel for the Commission |
| | State Land Office Building |
| | Santa Fe, New Mexico |

sid morrish reporting service
General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

1 MR. STAMETS: We will call next Case 5901.

2 MS. TESCHENDORF: Case 5901, application of Gulf
3 Oil Corporation for a nonstandard proration unit and
4 simultaneous dedication, Lea County, New Mexico.

5 The applicant has requested that we dismiss the
6 case.


7 MR. STAMETS: Case 5901 will be dismissed.

sid morrish reporting service
General Court Reporting Service
825 Calle Meja, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

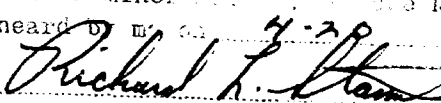
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REPORTER'S CERTIFICATE

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.

sid morrish reporting service
General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner's Case No. 5901
heard by me on 4-29-77
, Examiner
New Mexico Oil Conservation Commission



OIL CONSERVATION COMMISSION

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



DIRECTOR
JOE D. RAMEY

LAND COMMISSIONER
PHIL R. LUCERO
April 28, 1977

STATE GEOLOGIST
EMERY C. ARNOLD

Mr. C. D. Borland
Area Production Manager
Gulf Oil Corporation
P. O. Box 670
Hobbs, New Mexico 88240

Re: CASE NO. 5901
ORDER NO. K-5423

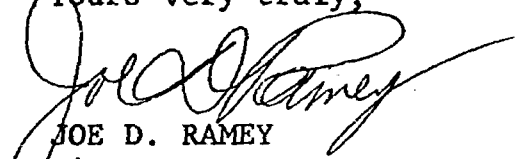
Applicant:

Gulf Oil Corporation

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. 5901
Order No. R-5423

APPLICATION OF GULF OIL CORPORATION
FOR A NON-STANDARD PRORATION UNIT
AND SIMULTANEOUS DEDICATION, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 20, 1977,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets

NOW, on this 26th day of April, 1977, the Commission,
a quorum being present, having considered the record and the
recommendations of the Examiner, and being fully advised in
the premises,

FINDS:

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

IT IS THEREFORE ORDERED:

That Case No. 5901 is hereby dismissed.

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

Jr/

Gulf Energy and Minerals Company-U.S.

SOUTHWEST DIVISION

J. L. Huitt
VICE PRESIDENT
C. E. Fields
CONSTRUCTION
R. E. Galvin
GENERAL MANAGER-PRODUCTION
J. A. Hord
GENERAL MANAGER-EXPLORATION

April 14, 1977

P. O. Drawer 1150
Midland, TX 79702

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

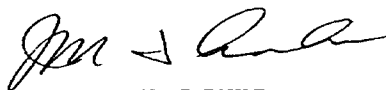
ATTN: Joe D. Ramey

RE: Case No. 5901, Gulf Oil Corporation's
Theodore Anderson Wells No. 1 and 4
Eumont Gas Pool
Lea County, New Mexico

Gentlemen:

By letter dated March 24, 1977, Gulf requested administrative approval for a 400 acre non-standard proration unit in the Eumont Gas Pool to be dedicated simultaneously to our Theodore Anderson Wells No. 1 and 4. It is requested that this application be withdrawn from your Wednesday, April 20, 1977 Examiners Hearing Docket. Please return the application material to our Hobbs office at Post Office Box 670.

Yours very truly,



J. M. THACKER
Manager - Operations

cc: M. L. Copeland - Midland
C. D. Borland - Hobbs



A DIVISION OF GULF OIL CORPORATION

Dockets Nos. 15-77 and 16-77 are tentatively set for hearing on May 11 and May 25, 1977. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 20, 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:

- ALLOWABLE:** (1) Consideration of the allowable production of gas for May, 1977, from seventeen prorated pools in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico.
- (2) Consideration of the allowable production of gas for May, 1977, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 5872: (Reopened)

In the matter of Case 5872 being reopened pursuant to the provisions of Order No. R-5373 which order suspended Rules 15(A) and 15(B) of the General Rules for Prorated Gas Pools as promulgated by Order No. R-1670, as amended, to permit overproduced wells to continue to produce gas during the present severe weather conditions without danger of being shut in for overproduction. All interested parties may appear and show cause why said suspension should not be rescinded. Also to be considered will be the matter of final disposition of overproduction accrued during the period of suspension of Rules 15(A) and 15(B), and what, if any, special consideration should be given to underproduction accrued to gas wells during the period of suspension of said rules.

CASE 5888: (Continued from March 23, 1977, Examiner Hearing)

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 5901: Application of Gulf Oil Corporation for a non-standard proration unit and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 400-acre non-standard gas proration unit comprising the SE/4 of Section 8, and the E/2 NW/4 and NE/4 of Section 17, Township 20 South, Range 37 East, Eumont Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to applicant's Theodore Anderson Wells Nos. 1 and 4, located at unorthodox locations in Unit O of said Section 8 and Unit B of said Section 17, respectively.

CASE 5902: Application of Amoco Production Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Apple Draw Unit Area comprising 3840 acres, more or less, of Federal, State, and Fee lands in Township 25 South, Range 27 East, Eddy County, New Mexico.

CASE 5903: Application of Maddox Energy Corporation for an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a gas well to be drilled at a point 2310 feet from the South line and 1650 feet from the West line of Section 9, Township 18 South, Range 26 East, Atoka-Pennsylvanian Gas Pool, Eddy County, New Mexico.

CASE 5639: (Reopened)

In the matter of Case 5639 being reopened pursuant to the provisions of Order No. R-5173, which order established temporary special pool rules for the South Maljamar-Strawn Pool, Lea County, New Mexico. All interested parties may appear and show cause why said pool should not be developed on 40-acre spacing units.

CASE 5904: (This Case will be continued to the May 11, 1977, Examiner Hearing)

Application of Palmer Oil & Gas Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Fruitland and Pictured Cliffs formations underlying the NE/4 and/or SE/4 of Section 20, Township 32 North, Range 6 West, San Juan County, New Mexico, and in the Mesaverde and Dakota formations underlying the E/2 of said Section 20, the above-described lands 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 5905: (This Case will be continued to the May 11, 1977, Examiner Hearing)

Application of Palmer Oil & Gas Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mesaverde and Dakota formations underlying the W/2 SE/4 and the E/2 SW/4 of Section 3, and the NW/4 of Section 10, and all mineral interests in the Pictured Cliffs and Fruitland formations underlying the NW/4 of Section 10, all in Township 31 North, Range 7 West, San Juan County, New Mexico, to be dedicated to a well to be drilled 1800 feet from the North line and 850 feet from the West line of said Section 10. 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 5906: (This Case will be continued to the May 11, 1977, Examiner Hearing)

Application of Palmer Oil & Gas Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mesaverde and Dakota formations underlying the W/2 SW/4 of Section 2, the E/2 SE/4 of Section 3, and the NE/4 of Section 10, all in Township 31 North, Range 7 West, San Juan County, New Mexico, to be dedicated to a well to be drilled 1525 feet from the North line and 1850 feet from the East line of said Section 10. 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 5907: Application of Dome Petroleum Corporation for a special depth bracket allowable, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a special depth bracket allowable of 750 barrels of oil per day for the Papers Wash-Entrada Oil Pool, McKinley County, New Mexico.

CASE 5908: Application of Dome Petroleum Corporation for a special depth bracket allowable, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a special depth bracket allowable of 750 barrels of oil per day for the Ojo Encino-Entrada Oil Pool, McKinley County, New Mexico.

CASE 5909: Application of Dome Petroleum Corporation for pool creation and special depth bracket allowable, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the creation of the Snake Eyes-Entrada Oil Pool in Section 20, Township 21 North, Range 8 West, San Juan County, New Mexico, and the establishment of a special depth bracket allowable of 750 barrels of oil per day for said pool.

CASE 5910: Application of Yates Petroleum Corporation for gas pool creations and downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of three Pennsylvanian gas pools in Townships 17 and 18 South, Ranges 24, 25, and 26 East, Eddy County, New Mexico, including the Richard Knob- and East Eagle Creek-Lower Penn Gas Pools with provisions in each for commingling Strawn, Atoka, and Morrow production in the wellbores of wells drilled therein, and the Eagle Creek Permo-Penn Gas Pool with provision for commingling Wolfcamp, Cisco, Canyon, and Strawn production in the wellbores of wells drilled therein.

CASE 5898: (Continued from April 6, 1977, Examiner Hearing)

Application of Chace Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Ballard-Pictured Cliffs and South Lindrith Gallup-Dakota production in the wellbore of its Jicarilla 70 Well No. 3 located in Unit C of Section 33, Township 24 North, Range 4 West, Rio Arriba County, New Mexico. In the alternative, applicant seeks authority to commingle said production at the surface without prior measurement and waiver of the gas-oil ratio test requirement.

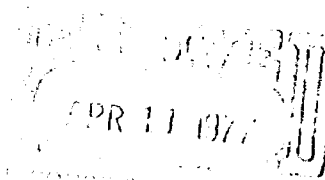
CASE 5911: Application of Odessa Natural Gas Company for special pool rules, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the adoption of special pool rules for the Chacon-Dakota Oil Pool, Rio Arriba County, New Mexico, to provide for 160-acre spacing for oil wells and for reclassification of wells from oil to gas and the removal of such gas wells to the Basin-Dakota Pool.

CASE 5629: (Reopened)

In the matter of Case 5629 being reopened pursuant to the provisions of Order No. R-5192, which order established temporary special pool rules for the Chacon-Dakota Oil Pool, Rio Arriba and Sandoval Counties, New Mexico. All interested parties may appear and show cause why said pool should not be developed on 40-acre spacing units.

CASE 5889: (Continued & Readvertised)

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 Abo 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.



Getty Oil Company

P.O. Box 1231, Midland, Texas 79701 • Telephone (915) 683-6801

Mid-Continent Exploration and Production Division

April 5, 1977

New Mexico Oil Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. Joe D. Ramey

Re: Gulf Energy & Minerals Company
Application for Administrative
Approval - 400 Acre Nonstandard
Proration Unit, Eumont Gas Pool,
Lea County, New Mexico

Gentlemen:

Gulf Energy & Minerals Company has requested administrative approval of a 400 acre nonstandard proration Unit in the Eumont Gas Pool covering the SE/4 of Sec. 8, the NE/4 Sec. 17 and E/2 NW/4 Sec. 17, T20-S, R37E. By a Gas Pooling Agreement dated April 28, 1955, Getty Oil Company (formerly Tidewater Associated Oil Company) contributed 80 acres, consisting of the N/2 SE/4 Sec. 8, to the 160 acre proration unit which is the SE/4 of Sec. 8. Getty has no interest in the 240 acre unit in Sec. 17.

Getty Oil Company objects to the formation of the 400 acre nonstandard proration unit for the following reasons:

- 1) Getty Oil Company has a 32.8125% revenue interest in the Theodore Anderson Well No. 1. Getty has no interest in the deficient Theodore Anderson Well No. 4. Combining the two units would effectively reduce Getty's fair and equitable share of the recoverable reserves beneath the 160 acre unit in Sec. 8.
- 2) Royalty Interest Owners in Sec. 8 would not receive their fair and equitable share of the recoverable reserves.

We respectfully request that Gulf's application concerning approval of the subject proration unit be denied.

Eumont Gas Pool
Lea County, N. M.

Page 2
April 5, 1977

If additional information is required, please advise.

Yours truly,

A. B. Cary
A. B. Cary

JEE:nh

cc: Mr. C. F. Kalteyer
Gulf Energy & Minerals Co. - US
P. O. Box 1150
Midland, Texas 79702

Mr. C. D. Borland
Gulf Energy & Minerals Co. - US
P. O. Box 670
Hobbs, New Mexico 88240

Mr. C. L. Wade
Getty Oil Company
Box 249
Hobbs, New Mexico 88240

OIL CONSERVATION COMMISSION
Hobbs DISTRICT

OIL CONSERVATION COMMISSION
BOX 2088
SANTA FE, NEW MEXICO

DATE March 28, 1977

RE: Proposed MC _____
Proposed DHC _____
Proposed NSL _____
Proposed SWD _____
Proposed WFX _____
Proposed PMX _____
NSP X

Gentlemen:

I have examined the application dated _____
for the Gulf Oil Corp. Theo Anderson #1-0 8-20-37 & #4-B 17-20-37
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

O.K.---J.S.

Yours very truly,

Jerry Sexton

low
65

Care 5901
San Juan

Gulf Energy and Minerals Company-U.S.

PRODUCTION DEPARTMENT
HOBBS AREA

C. D. Borland
AREA PRODUCTION MANAGER

March 24, 1977

MAR 28 1977

P.O. Box 670
Hobbs, New Mexico 88240

OIL CONSERVATION COMM.
Santa Fe

Mr. Joe D. Ramey
New Mexico Oil Conservation Commission
Post Office Box 2088
Santa Fe, NM 87501

Dear Sir:

Gulf Oil Corporation requests your administrative approval for a 400 acre nonstandard proration unit in the Eumont Gas Pool, covering the SE/4 of Section 8, the NE/4 NW/4 Section 17, SE/4 NW/4 Section 17 and NE/4 of Section 17, T-20-S, R-37-E, to be dedicated simultaneously to our Theodore Anderson Well No. 1, located 660' FSL and 1980' FEL of Section 8 and our Theodore Anderson Well No. 4, located 660' FNL and 1980' FEL of Section 17, T-20-S, R-37-E.

In support of this application the following facts are submitted:

- (1) The Theodore Anderson Well No. 1 is a Eumont gas well with a non-standard 160 acre proration unit consisting of the SE/4 of Section 8, T-20-S, R-37-E. This unit was authorized by NSP-171.
- (2) The Theodore Anderson Well No. 4 is a Eumont gas well with a non-standard 240 acre proration unit consisting of the NE/4 NW/4 Section 17, SE/4 NW/4 Section 17, and NE/4 of Section 17, T-20-S, R-37-E. This unit was authorized by NSP-129.
- (3) The attached plat shows the 400 acre unit outlined in red.
- (4) All offset operators have been furnished a copy of this application.

Your early consideration in this matter will be appreciated.

Yours very truly,

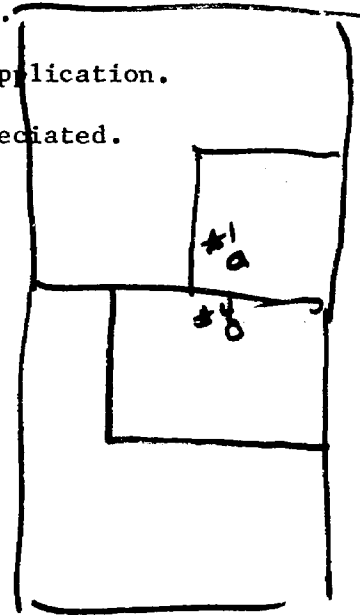
C. D. Borland

C. D. BORLAND

Attachment
JLN/dch



A DIVISION OF GULF OIL CORPORATION



Mr. Joe D. Ramey

Page 2

March 24, 1977

cc: New Mexico Oil Conservation Commission
P. O. Box 1980
Hobbs, NM 88240

Mr. C. F. Kalteyer
Gulf Energy and Minerals Company-U.S.
P. O. Box 1150
Midland, TX 79701

All Offset Operators

Amerada Hess Corporation
2207 Industrial
Midland, TX 79701

Getty Oil Company
P. O. Box 249
Hobbs, NM 88240

Mr. John H. Hendrix
Midland Tower
Midland, TX 79701

Millard Deck Oil Company
216 Texas Avenue
Eunice, NM 88231

Continental Oil Company
P. O. Box 460
Hobbs, NM 88240

Mobil Oil Corporation
901 E. Bender
Hobbs, NM 88240

Mr. R. B. Honeyman, Jr.
P. O. Box 1683
Hobbs, NM 88240



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. 5901

Order No. R- 5423

APPLICATION OF GULF OIL CORPORATION
FOR A NON-STANDARD PRORATION UNIT AND
SIMULTANEOUS DEDICATION, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 20, 1977,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this _____ day of April, 1977, the Commission,
a quorum being present, having considered the record and the recom-
mendations of the Examiner, and being fully advised in the premises,

FINDS:

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

IT IS THEREFORE ORDERED:

That Case No. 5901 is hereby dismissed.

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

