

CASE 6197: AMERADA HESS CORP.
FOR A NON-STANDARD GAS PROBATION
UNIT, UNORTHODOX LOCATION AND
SIMULTANEOUS DEDICATION

Case NO.

6/97

Application

Transcripts

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION DIVISION
SANTA FE, NEW MEXICO
APRIL 5, 1978

EXAMINER HEARING

-----)
)
 IN THE MATTER OF:)
)
 Application of Amerada Hess)
 Corporation for a non-standard) Case 6197
 gas proration unit, an un-)
 orthodox location and)
 simultaneous dedication, Lea)
 County, New Mexico.)
)
 -----)

BEFORE: Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil Conservation Division:

Lynn Teschendorf, Esq.
Legal Counsel for the Division
State Land Office Building
Santa Fe, New Mexico

For the Applicant:

Tom Kellahin, Esq.
Kellahin and Fox
Attorneys at Law
500 Don Gaspar
Santa Fe, New Mexico

LANPHERE REPORTING SERVICE

P. O. BOX 449
58 SOUTH FEDERAL PLACE
SANTA FE, NEW MEXICO 87501

I N D E X

	<u>Page</u>
1. Appearances	2
2. The Witness - WAYNE WISE Direct Examination by Mr. Kellahin	
3. Reporter's Certificate	16

E X H I B I T S

Applicant's Exhibit No. 1, map (admitted)	13
Applicant's Exhibit No. 2, chart (admitted)	13

LANPHERE REPORTING SERVICE
P. O. BOX 449
58 SOUTH FEDERAL PLACE
SANTA FE, NEW MEXICO 87501

MR. NUTTER: We call now Case No. 6197.

MS. TESCHENDORF: Case 6197, Application of Amerada Hess Corporation for a non-standard gas proration unit, an unorthodox location and simultaneous dedication, Lea County, New Mexico.

MR. KELLAHIN of Kellahin and Fox, Santa Fe, New Mexico, appearing on behalf of Amerada Hess Corporation. I have one witness.

WAYNE WISE

the witness herein, having been duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you please state your name and by whom you are employed?

A Wayne Wise, I'm employed by Amerada Hess.

Q In what capacity are you employed, Mr. Wise?

A I'm a production engineer.

Q You have not previously testified before the Commission, have you?

A No, sir.

Q Where did you obtain your degree and in what field?

LANPHERE REPORTING SERVICE

P. O. BOX 449
58 SOUTH FEDERAL PLACE
SANTA FE, NEW MEXICO 87501

A I got a Masters and Bachelors in mechanical engineering from Texas A and M.

Q In what years?

A 1973 and 1975.

Q Subsequent to graduation where have you been employed and in what capacity?

A I've been with Amerada Hess, Seminole region working in the south Lea County area.

Q Have you made a study of and are you familiar with the facts surrounding this particular case?

A Yes, I have.

MR. KELLAHIN: If the Examiner please, we move that Mr. Wise be admitted as an expert witness.

MR. NUTTER: He is qualified.

Q (By Mr. Kellahin) Mr. Wise, let me have you refer to what I have marked as Applicant's Exhibit No. 1, identify it and tell us what Amerada is seeking?

A We are seeking approval for the unorthodox location of Well No. 5 and the approval of a multiple well unit.

Q The non-standard gas proration unit that's the subject of this case is found in what acreage, Mr. Wise?

A The north half of Section 36, Range 36

LANPHERE REPORTING SERVICE

P. O. BOX 449
58 SOUTH FEDERAL PLACE
SANTA FE, NEW MEXICO 87501

east, Township 23 South.

Q What pool are you in?

A We're in the Jalmat pool.

Q The north half of 36 is indicated in the dark color on Exhibit No. 1, is it not?

A Yes, sir.

Q Commencing with the top line of wells in the north half of 36 and with the first well on the left, would you identify what that well produces from?

A Okay. That is a Langlie Mattix.

Q Excuse me sir, in the far northwest corner?

A I'm sorry, it's a producer.

Q And that produces from what?

A Langlie Mattix.

Q The next well to the right is what?

A Injection well, Langlie Mattix, the next one is an oil producer, Langlie Mattix.

Q Next well is well no. 5?

A Yes, sir.

Q How is it completed?

A It is dual completed as a shutin Jalmat gas well and injecture and the Langlie Mattix.

LANPHERE REPORTING SERVICE

P. O. BOX 449
58 SOUTH FEDERAL PLACE
SANTA FE, NEW MEXICO 87501

Q All right. Do you inject into the Langlie Mattix through the tubing or the casing?

A Through the tubing.

Q And the well is equipped to produce the gas production through the casing?

A Yes, sir.

Q What is the current status of the gas production?

A It's been shut in since 1965.

Q Do you recall what month in '65?

A I believe it was February, 1965.

Q Would you summarize for the Examiner the history of that well?

A It was completed open hole in the Langlie Mattix in 1949 and in 1954 it was dual in the Jalmat and in about 1959 it was stimulated and thereafter the GOR dropped from 5501 and it was dual oil producer in the Langlie Mattix and the Jalmat. And subsequently two or three years thereafter GOR was increased and then it was shut in in 1965, the Jalmat side.

Q You now seek approval to produce that well as a Jalmat gas well?

A Yes, sir.

LANPHERE REPORTING SERVICE

P. O. BOX 449
58 SOUTH FEDERAL PLACE
SANTA FE, NEW MEXICO 87501

Q Do you have any opinion with regards to what the ability of the No. 5 well is to produce from the Jalmat gas?

A Based on the decline and offset production it would be between two and three hundred thousand a day.

Q All right. Let's look at the offset production if you would please. Exhibit No. 1 identifies certain offset wells and it has some numbers in a horizontal line and other numbers just below that line. What is the significance of those entries?

A The upper figure is average daily production of 1977 and the lower figure is the cumulative production through 1977.

Q And those are for the offset Jalmat gas wells?

A Yes, sir.

Q No. 5 well has been shutin for some approximate 12 years, is that correct?

A Yes, sir.

Q At the time it was shutin what was its daily capacity with regards to the Jalmat gas well?

A It was flowing between 5 and 600 a day.

Q Would you expect it to produce in those

LANPHERE REPORTING SERVICE

P. O. BOX 449
58 SOUTH FEDERAL PLACE
SANTA FE, NEW MEXICO 87501

quantities now?

A No, sir.

Q Why not?

A Basically due to drainage and the depletion of the reservoirs.

Q Let's look at the bottom row of the wells in the north half of 36 and commencing with the well on the far left, would you identify what that well does?

A Okay. Injection well on the Langlie Mattix.

Q Next well?

A Is a dual completion as a producer, as an oil producer and gas producer in the Jalmat and Langlie Mattix.

Q That's the number 2 well?

A Yes, sir.

Q And that's a dual producer?

A Yes, sir.

Q And tell me it's dueled how?

A In the Jalmat gas and the Langlie Mattix ore.

Q Has that well been the subject of an administrative order by the Commission?

LANPHERE REPORTING SERVICE

P. O. BOX 449
58 SOUTH FEDERAL PLACE
SANTA FE, NEW MEXICO 87501

A Yes, sir.

Q What is that Commission order number?

A NSP 744.

Q That's an administrative order?

A Yes, sir.

MR. NUTTER: NSP would be a non-standard proration order.

Q (By Mr. Kellahin) What was the purpose of that administrative order, Mr. Wise?

A It was the dedication of 320 acres to this well.

Q That administrative order also provides that the No. 5 well not produce from the Jalmat gas zone, does it not?

A Yes, sir.

Q The third well in line on the bottom row, does what?

A Injector in the Langlie Mattix.

Q The last well?

A Producer in the Langlie Mattix.

Q Redirecting your attention to well No. 5 in your opinion, Mr. Wise, is the Jalmat gas production that's capable of being produce from well No. 5 currently

LANPHERE REPORTING SERVICE

P. O. BOX 449
58 SOUTH FEDERAL PLACE
SANTA FE, NEW MEXICO 87501

being drained by the offsetting wells?

A Yes, it is.

Q In your opinion if the application is not approved as requested will the proration unit continue to suffer offset drainage?

A Yes, sir.

Q You are requesting that wells No. 2 and No. 5 be allowed to produce from the Jalmat gas pool?

A Yes, sir.

Q In any proportion?

A Yes, sir.

Q Is there a non-marginal well allowable assigned for the Jalmat gas for the north half of 36, what would be your unit allowable?

A It would be over a million. It would be approximately 540 per 160 acres.

Q That's 540 MCF per day?

A Yes, sir.

Q Is there an acreage factor assigned to this acreage?

A Acreage factor of two.

Q Summarize again how you reach the unit allowable for the north half of 36?

LANPHERE REPORTING SERVICE

P. O. BOX 449
58 SOUTH FEDERAL PLACE
SANTA FE, NEW MEXICO 87501

A How I did what?

Q You have told me that the unit allowable for the north half of 36 is about a million MCF per day?

A Yes.

Q How do you know that that's the unit allowable?

A Well, based on 160 acres the allowable is-- varies from month to month but in January it was approximately 540. Since we have 320 acres you multiply it times two and there you are.

Q Are wells No. 2 and 5 capable of producing in excess of the unit allowable that would be assigned to the north half of 36?

A No, sir.

Q What is the total cumulative production from the Jalmat gas zone in well No. 5?

A 1.6 billion.

Q Would you refer to what we have marked as Exhibit No. 2, identify that and explain what information it contains?

A It is a declining occurrence since 1972 of State LM U No. 2 Jalmat gas.

Q In your opinion, Mr. Wise, will approval of

LANPHERE REPORTING SERVICE

P. O. BOX 449
58 SOUTH FEDERAL PLACE
SANTA FE, NEW MEXICO 87501

this application be in the best interest of conservation, the prevention of waste and and the protection of correlative rights?

A Yes, sir.

Q Were Exhibits No. 1 and 2 prepared under your direction or complied by you directly?

A Yes, sir.

MR. KELLAHIN: We move the introduction of Exhibits 1 and 2.

MR. NUTTER: Amerada's Exhibits 1 and 2 will be admitted into evidence.

(WHEREUPON, Amerada Hess Corporation's Exhibits No. 1 and 2 admitted into the evidence.)

MR. KELLAHIN: That concludes our direct examination.

MR. NUTTER: Mr. Wise, you mentioned that No. 5 was proved as a duel completion, I think back in 1954 to produce from the Jalmat and the Langlie Mattix?

MR. WISE: Yes, sir.

MR. NUTTER: Now, it's also an injection well in the Langlie Mattix at this time?

MR. WISE: Yes, sir.

LANPHERE REPORTING SERVICE

P. O. BOX 449
58 SOUTH FEDERAL PLACE
SANTA FE, NEW MEXICO 87501

MR. NUTTLER: Do you know the order number that authorized it as an injection well and did that authorize it as a dual injection well and producer?

MR. WISE: No, sir. At the time it was completed as an injection well the Jalmat was not producing.

MR. NUTTER: Do you know the order number that approved it?

MR. WISE: No, sir. This is untized under Getty and I'm not familiar with the--

MR. NUTTER: Was it one of the original wells in the water flood?

MR. WISE: Yes, sir.

MR. NUTTER: So it would be under Getty's authorization that the well was proved--

MR. WISE: Yes, sir.

MR. NUTTER: --as an injection well?

MR. WISE: Yes, sir.

MR. NUTTER: I believe you will have to have another hearing to get a dual completion for injection and production because we don't have administrative procedure for that anyway and if it's going to go back on production and continue on injection, we will have to have another hearing, agreeable?

LANPHERE REPORTING SERVICE

P. O. BOX 449
58 SOUTH FEDERAL PLACE
SANTA FE, NEW MEXICO 87501

MR. KELLAHIN: Yes, sir.

MR. NUTTER: Any further question of
Mr. Wise? Me have be excused.

Do you have anything further, Mr. Kellahin?

MR. KELLAHIN: No, sir.

MR. NUTTER: Does anyone have anything
to offer in Case No. 6197? We will take the case under
advisement.

(WHEREUPON, hearing was concluded.)

LANPHERE REPORTING SERVICE

P. O. BOX 449
58 SOUTH FEDERAL PLACE
SANTA FE, NEW MEXICO 87501

REPORTER'S CERTIFICATE

I, BETTY J. LANPHERE, CCR-RIR with offices in Santa Fe, New Mexico, do hereby certify that the foregoing transcript is a complete and accurate record of said proceedings as the same were recorded by me stenographically and reduced to typewritten transcript by me or under my supervision.

DATED at Santa Fe, New Mexico, this eleventh day of April, 1978.

Betty J. Lanphere
Betty J. Lanphere, Court Reporter

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. *6177* heard by me on *4-5*, 1978.

[Signature], Examiner
New Mexico Oil Conservation Commission

LANPHERE REPORTING SERVICE
P.O. BOX 449
58 SOUTH FEDERAL PLACE
SANTA FE, NEW MEXICO 87501



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

JERRY APODACA
GOVERNOR

NICK FRANKLIN
SECRETARY

April 11, 1978

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Re: CASE NO. 6197
ORDER NO. R-5701

Mr. Tom Kellahin
Kellahin & Fox
Attorneys at Law
Post Office Box 1769
Santa Fe, New Mexico

Applicant:

Amerada Hess Corporation

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Division 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

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6197
Order No. R-5701

APPLICATION OF AMERADA HESS CORPORATION
FOR A NON-STANDARD PRORATION UNIT, AN
UNORTHODOX LOCATION AND SIMULTANEOUS
DEDICATION, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on April 5, 1978, at Santa Fe, New Mexico, before Examiner, Daniel S. Nutter.

NOW, on this 11th day of April, 1978, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Amerada Hess Corporation, seeks approval of a 320-acre non-standard gas proration unit comprising the N/2 of Section 36, Township 23 South, Range 36 East, NMPM, to be simultaneously dedicated to its State LMT Well No. 5 at an unorthodox location in Unit A of said Section 36 and its Well No. 2 in Unit F.

(3) That the entire non-standard proration unit may reasonably be presumed productive of gas from the Jalmat Gas Pool and that the entire non-standard gas proration unit can be efficiently and economically drained and developed by the aforesaid well.

(4) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Jalmat Gas Pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

Case No. 6197
Order No. R-5701

(5) That Administrative Order No. NSP-744, which approved a 320-acre non-standard unit to be dedicated to applicant's above-described Well No. 5 only, should be superseded.

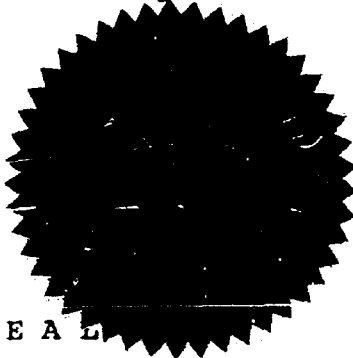
IT IS THEREFORE ORDERED:

(1) That a 320-acre non-standard gas proration unit in the Jalmat Gas Fool comprising the N/2 of Section 36, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby established and simultaneously dedicated to the Amerada Hess Corporation State LMT Well No. 5 at an unorthodox location in Unit A and to its State LMT Well No. 2 in Unit F both in said Section 36.

(2) That Administrative Order No. NSP-744 is hereby superseded.

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

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

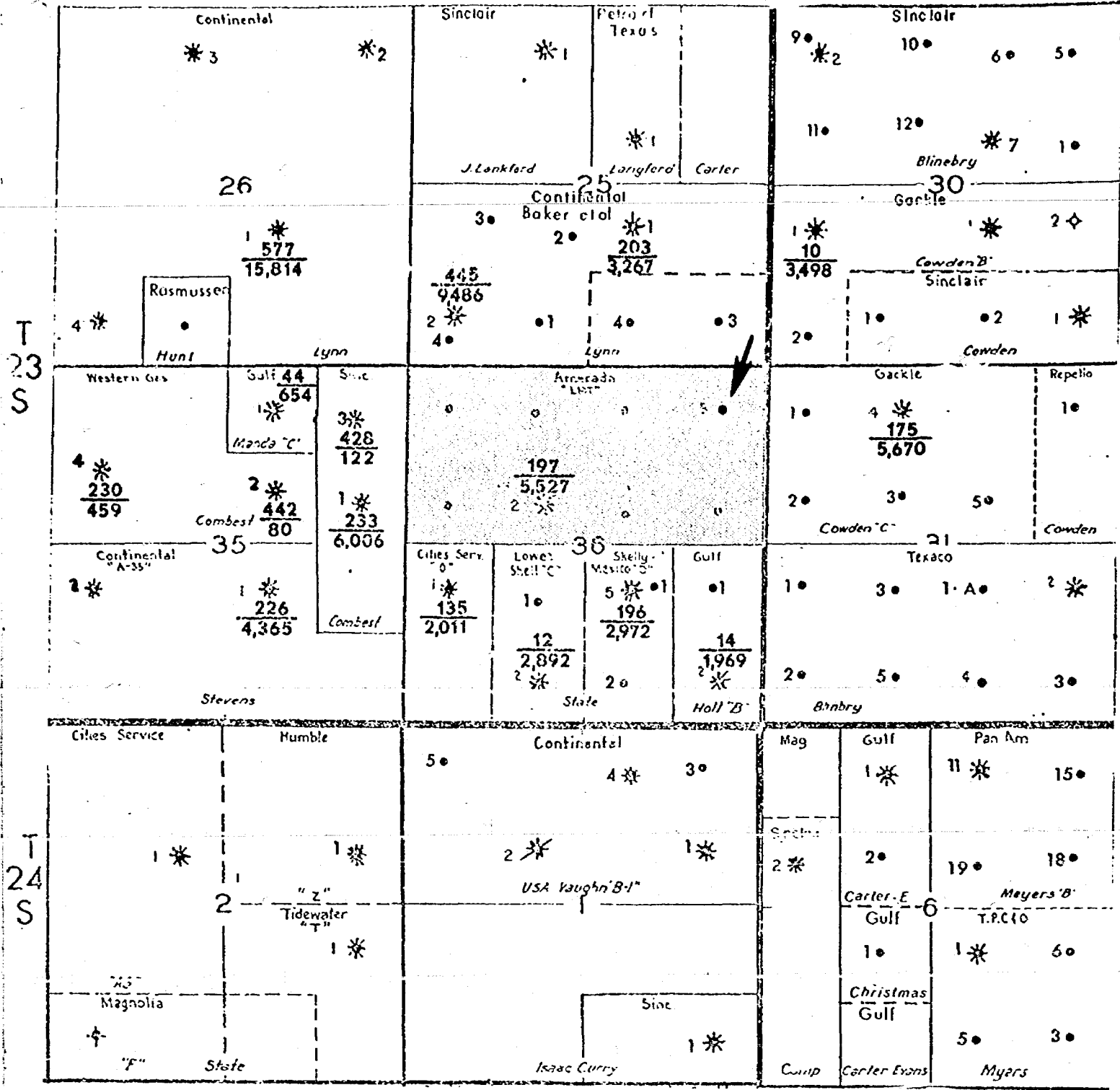


STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY
Director

S E A L

jr/



* Jalmat Gas Wells

1977 Average Daily Production, MCF/D
 Cumulative Production thru 1977, MMCF

BEFORE EXAMINER NUTTER
 OIL CONSERVATION COMMISSION
Amerida EXHIBIT NO. 1
 CASE NO. 6197

LANGLIE MATTIX JALMAT FIELD
 Lea Co., New Mexico

YATES 7 RIVERS TANST

Scale: 1" = 2000'

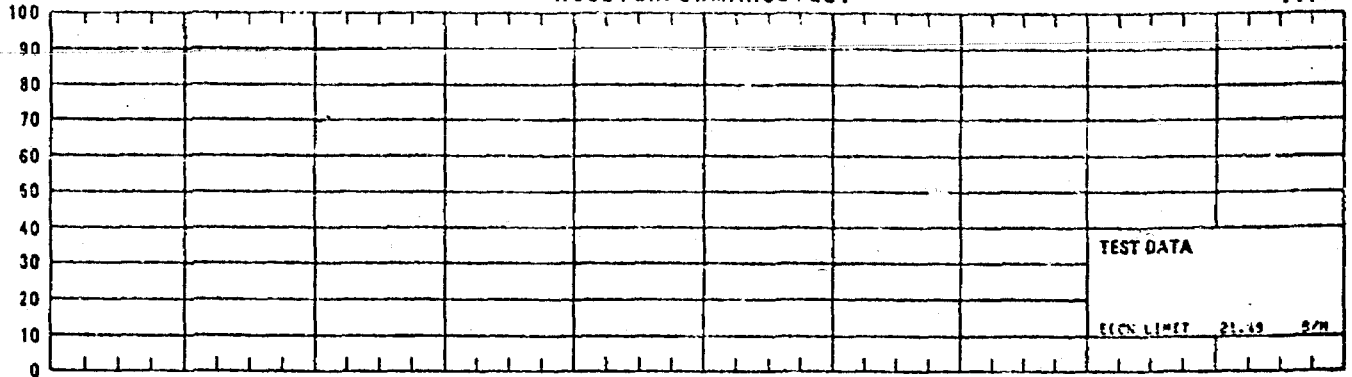
STATE INT LEASE

AHEP-3045

WELL PERFORMANCE PLOT

1117

TEST DATA



TEST DATA

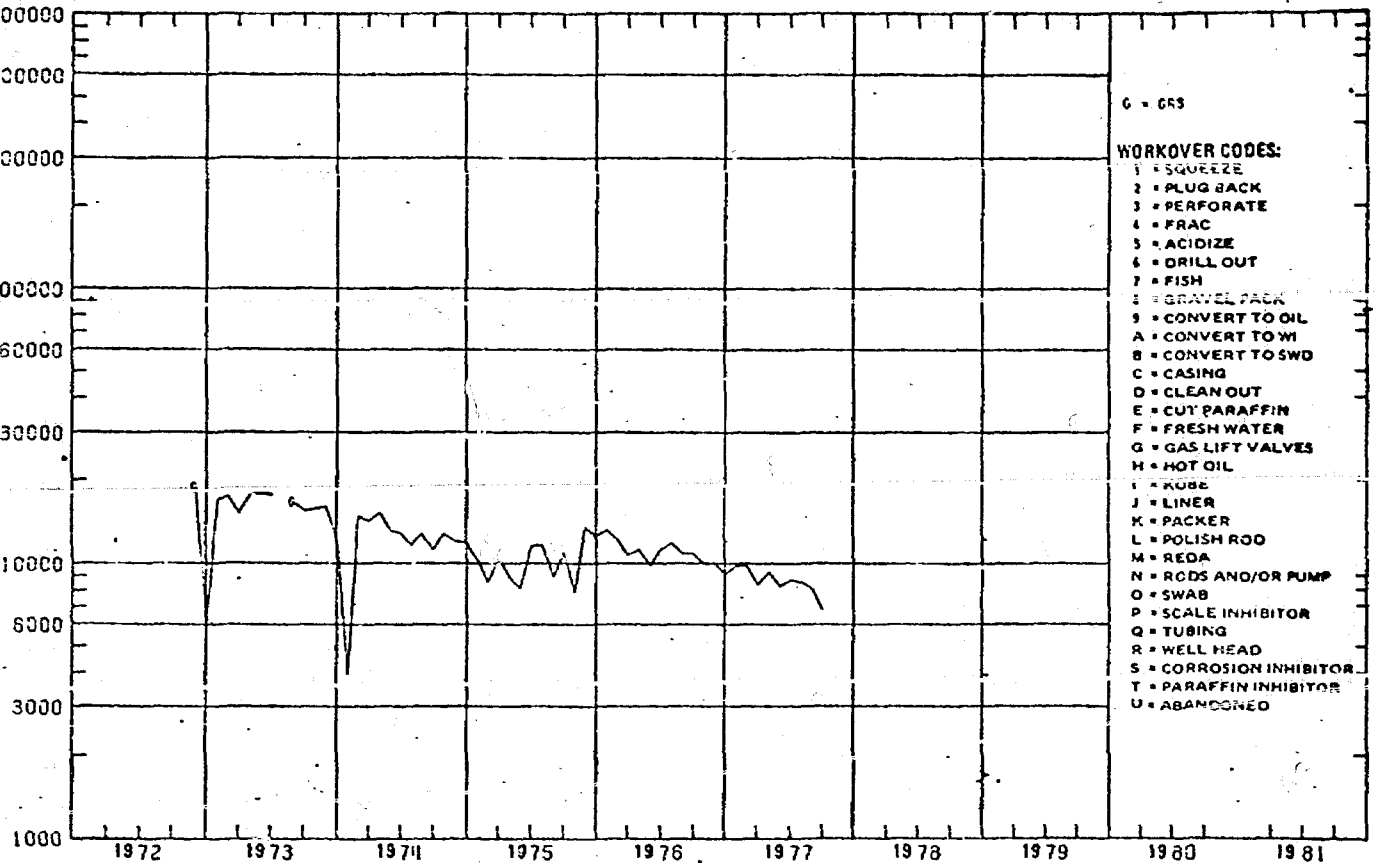
ECON LIMIT 21.49 5/M

CUMULATIVE:
OIL MMBLS
GAS MMCF
WTR MBLS

4920.4 5102.7 5251.5 5376.6 5509.9 5599.4

000000

PRODUCTION DATA MCF / MONTH



G = GAS

WORKOVER CODES:

- 1 = SQUEEZE
- 2 = PLUG BACK
- 3 = PERFORATE
- 4 = FRAC
- 5 = ACIDIZE
- 6 = DRILL OUT
- 7 = FISH
- 8 = GRAVEL PACK
- 9 = CONVERT TO OIL
- A = CONVERT TO WI
- B = CONVERT TO SWD
- C = CASING
- D = CLEAN OUT
- E = CUT PARAFFIN
- F = FRESH WATER
- G = GAS LIFT VALVES
- H = HOT OIL
- I = KOB
- J = LINER
- K = PACKER
- L = POLISH ROD
- M = REDA
- N = RCDS AND/OR PUMP
- O = SWAB
- P = SCALE INHIBITOR
- Q = TUBING
- R = WELL HEAD
- S = CORROSION INHIBITOR
- T = PARAFFIN INHIBITOR
- U = ABANDONED

REGION: SOUTHWEST REGIO
LEASE: STATE LM T

FIELD: JALHAT
LEASE NO: 02292

POOL: JALHAT/YATES GAS/
WELL: 2 STATUS: 41

BEFORE EXAMINER NUTTER

OIL COMPANY OF AMERICA

Ameyds EXHIBIT NO. 2

CASE NO. 6197

GOVERNOR
JACK M. CAMPBELL
CHAIRMAN

SUPT. *J.C.C.*
ENG. *[Signature]*
CLERK *[Signature]*

2-12-66

State of New Mexico
Oil Conservation Commission



LAND COMMISSIONER
GUYTON B. HAYS
MEMBER

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

P. O. BOX 2088
SANTA FE

February 10, 1966

Amerada Petroleum Corporation
P. O. Box 668
Hobbs, New Mexico

Attention: Mr. D. C. Capps

Administrative Order NSP-744

Gentlemen:

Reference is made to your application for approval of a 320-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the following acreage:

LEA COUNTY, NEW MEXICO
TOWNSHIP 23 SOUTH, RANGE 36 EAST, NMPM
Section 36: N/2

It is understood that this unit is to be dedicated to your State LM "T" Well No. 2 located 1980 feet from the North line and 1980 feet from the West line of said Section 36.

By authority granted me under the provisions of Order No. R-1670, as amended, you are hereby authorized to operate the above-described acreage as a non-standard gas proration unit

Your State LM "T" Well No. 5 located in Unit A of Section 36 shall not be produced while this order is in effect. This order shall be effective the date your State LM "T" Well No. 5 was reclassified as a Jalmat gas well.

Very truly yours,
A. L. Porter, Jr.
A. L. PORTER, Jr.
Secretary-Director

ALP/JMD/esr

cc: Oil Conservation Commission - Hobbs
Oil & Gas Engineering Committee - Hobbs

Xerox Copies To: Tulsa, Midland, Monument & Eunice 2-14-66

AMERADA PETROLEUM CORPORATION

Box 668
HOBBS, NEW MEXICO

January 10, 1966

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

Re: Application for Non-Standard
Gas Proration Unit

Gentlemen:

Amerada Petroleum Corporation requests that a non-standard gas proration unit be assigned to its State LM "T" No. 2, located 1980' FNL and 1980' FWL of section 36, T-23-S, and R-36-E, Lea County, New Mexico. The well is presently producing from the Jalmat Gas Pool with 280 acres (NW/4 of Section 36, W/2 and SE/4 of NE/4 of Section 36) assigned. It is requested that the proration unit be increased to include the NE/4 of NE/4 of Section 36 for a total of 320 acres.

The NE/4 of the NE/4 was formerly assigned to Amerada's State LM "T" No. 5, located 660' FEL and 660' FNL of Section 36, T-23-S, and R-36-E. This well is completed in the Jalmat zone and has been re-classified from an oil well to a gas well due to a recent gas-oil ratio test. The well is presently temporarily abandoned.

Yours very truly,


D. C. Capps

DCC/JHS/jh

cc: O. C. C. - Santa Fe (2)
O. C. C. - Hobbs (2)
Mr. J. O. Hathaway
Mr. O. C. McBryde
Midland
Monument
Eunice
File

Offset Operators - See Attached Sheet

CASE 6197: Application of Amerada Hess Corporation for a non-standard gas proration unit, an unorthodox location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 320-acre non-standard gas proration unit comprising the N/2 of Section 36, Township 23 South, Range 36 East, Jalcat Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to its State DMT Well No. 5 at an unorthodox location in Unit A of said Section 36 and its Well No. 2 in Unit F.

CASE 6170: (Continued from March 22, 1976, Examiner Hearing)

Application of Aminoil USA, Inc., for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for its Westlake Unit Area comprising 1920 acres, more or less, of State lands in Township 24 South, Range 33 East, Lea County, New Mexico.

CASE 6189: (Continued from March 22, 1978, Examiner Hearing)

Application of Merrion & Bayless for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Pictured Cliffs and Mesaverde production in the wellbore of its North Lindrith Com Well No. 2, to be drilled in the NW/4 of Section 20, Township 26 North, Range 2 West, Rio Arriba County, New Mexico.

CASE 6137: (Continued from March 22, 1978, Examiner Hearing)

Application of Amoco Production Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Nellis Federal Well No. 3 to be located 1980 feet from the North line and 660 feet from the West line of Section 8, Township 19 South, Range 33 East, West Tonto-Pennsylvanian Gas Pool, Lea County, New Mexico, the N/2 of said Section 8 to be dedicated to the well.

Docket No. 13-78

DOCKET: COMMISSION HEARING - WEDNESDAY - APRIL 12, 1978

OIL CONSERVATION COMMISSION - 9 A.M. - ROOM 205,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 6149: (Continued from February 21, 1978, Commission Hearing)

Application of The Permian Corporation for amendment of Order No. R-5208, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-5208 which, as amended by R-5208-A, authorizes salt water disposal into the Delaware formation through applicant's State CS Well No. 1 located in Unit I of Section 17, Township 21 South, Range 27 East, Eddy County, New Mexico, with a maximum wellhead surface pressure of 600 psi. Applicant seeks to have the aforesaid pressure limitation increased or removed.

CASE 6077: (Continued from February 23, 1978, Commission Hearing)

Application of Bass Enterprises Production Company for a drilling permit in the Potash-Oil Area, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its Big Eddy Unit Well No. 52 and its Rodke Federal Well No. 3 located, respectively, in Units I and F of Section 27, Township 20 South, Range 31 East, Eddy County, New Mexico, said location being within the boundaries of the Potash-Oil Area as defined by Commission Order No. R-111-A and having been objected to by the owners of potash leases in the area.

6197

MAR 17 1978

JASON W. KELLAHIN
ROBERT E. FOX
W. THOMAS KELLAHIN

KELLAHIN and FOX
ATTORNEYS AT LAW
800 DON GASPAR AVENUE
P. O. BOX 1769
SANTA FE, NEW MEXICO 87501

TELEPHONE 882-4315
AREA CODE 505

March 16, 1978

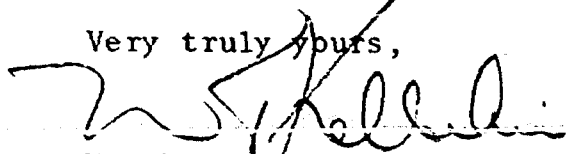
Mr. Joe Ramey
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: State LMT Gas Unit
Jalmat Gas Pool

Dear Mr. Ramey:

Please set the enclosed application on behalf of
Amerada Hess Corporation for hearing on April 19, 1978.

Very truly yours,



W. Thomas Kellahin

CC: Mr. Gilbert E. Miller

WTK:kfm

Enclosure

*April 5
checked to
Tom 3/17*

BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF AMERADA HESS CORPORATION FOR
SIMULTANEOUS DEDICATION, LEA
COUNTY, NEW MEXICO

A P P L I C A T I O N

COMES NOW Amerada Hess Corporation, by and through its attorneys, Kellahin & Fox, and applies to the Oil Conservation Commission of New Mexico for simultaneous dedication of the N/2 of Section 36, T23S, R36E, NMPM to its State LMT Well No. 5 located in Unit A of Section 36 and to its State LMT Well No. 2 located 1980 feet from the north and west lines of Section 36, and in support thereof would show the Commission:

1. Applicant is the operator of the N/2 of Section 36, T23S, R36E, NMPM, Lea County, New Mexico.
2. Applicant currently has two wells located in the N/2 of Section 36 capable of production from the Jalmat Gas Pool, to-wit: State LMT Well No. 5 located in Unit A; and State LMT Well No. 2 located 1980 feet from the North and West lines of Section 36.
3. Applicant desires to simultaneously produce both wells from the Jalmat Gas Pool and to simultaneously dedicate the N/2 of Said Section 36 to the wells.
4. Approval of this application will not impair the corrlative rights of others and will be in the best interests of conservation and the prevention of waste.

WHEREFORE applicant respectfully requests that this

Handwritten signature or initials, possibly 'oz' and '05'.

application be set for hearing before the Commission's duly appointed Examiner and that upon hearing, an order be entered authorizing the application as requested.

Respectfully submitted,

AMERADA HESS CORPORATION

By 

Kellahin & Fox
P. O. Box 1769
Santa Fe, New Mexico 87501

Attorneys for Applicant

APR 17 1958

BEFORE THE

OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF AMERADA HESS CORPORATION FOR
SIMULTANEOUS DEDICATION, LEA
COUNTY, NEW MEXICO

A P P L I C A T I O N

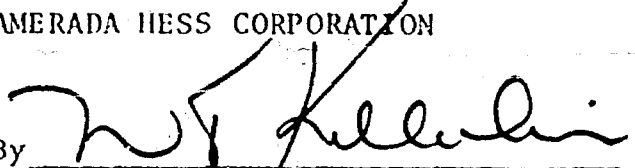
COMES NOW Amerada Hess Corporation, by and through its attorneys, Kellahin & Fox, and applies to the Oil Conservation Commission of New Mexico for simultaneous dedication of the N/2 of Section 36, T23S, R36E, NMPM to its State LMT Well No. 5 located in Unit A of Section 36 and to its State LMT Well No. 2 located 1980 feet from the north and west lines of Section 36, and in support thereof would show the Commission:

1. Applicant is the operator of the N/2 of Section 36, T23S, R36E, NMPM, Lea County, New Mexico.
2. Applicant currently has two wells located in the N/2 of Section 36 capable of production from the Jalmat Gas Pool, to-wit: State LMT Well No. 5 located in Unit A; and State LMT Well No. 2 located 1980 feet from the North and West lines of Section 36.
3. Applicant desires to simultaneously produce both wells from the Jalmat Gas Pool and to simultaneously dedicate the N/2 of Said Section 36 to the wells.
4. Approval of this application will not impair the corrlative rights of others and will be in the best interests of conservation and the prevention of waste.

WHEREFORE applicant respectfully requests that this

application be set for hearing before the Commission's duly appointed Examiner and that upon hearing, an order be entered authorizing the application as requested.

Respectfully submitted,
AMERADA HESS CORPORATION

By 
Kellahin & Fox
P. O. Box 1769
Santa Fe, New Mexico 87501

Attorneys for Applicant

17 13 8

BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF AMERADA HESS CORPORATION FOR
SIMULTANEOUS DEDICATION, LEA
COUNTY, NEW MEXICO

A P P L I C A T I O N

COMES NOW Amerada Hess Corporation, by and through its attorneys, Kellahin & Fox, and applies to the Oil Conservation Commission of New Mexico for simultaneous dedication of the N/2 of Section 36, T23S, R36E, NMPM to its State LMT Well No. 5 located in Unit A of Section 36 and to its State LMT Well No. 2 located 1980 feet from the north and west lines of Section 36, and in support thereof would show the Commission:


1. Applicant is the operator of the N/2 of Section 36, T23S, R36E, NMPM, Lea County, New Mexico.
2. Applicant currently has two wells located in the N/2 of Section 36 capable of production from the Jalmat Gas Pool, to-wit: State LMT Well No. 5 located in Unit A; and State LMT Well No. 2 located 1980 feet from the North and West lines of Section 36.
3. Applicant desires to simultaneously produce both wells from the Jalmat Gas Pool and to simultaneously dedicate the N/2 of Said Section 36 to the wells.
4. Approval of this application will not impair the corrlative rights of others and will be in the best interests of conservation and the prevention of waste.

WHEREFORE applicant respectfully requests that this

application be set for hearing before the Commission's duly appointed Examiner and that upon hearing, an order be entered authorizing the application as requested.

Respectfully submitted,

AMERADA HESS CORPORATION

By 
Kellahin & Fox
P. O. Box 1769
Santa Fe, New Mexico 87501

Attorneys for Applicant

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6197

Order No. R- 5701

APPLICATION OF AMERADA HESS CORPORATION
FOR A NON-STANDARD PRORATION UNIT, AN
UNORTHODOX LOCATION AND SIMULTANEOUS
DEDICATION, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on April 5, 1978, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this _____ day of April, 1978, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Amerada Hess Corporation, seeks approval of a 320-acre non-standard gas proration unit comprising the N/2 of Section 36, Township 23 South, Range 36 East, NMPM, to be simultaneously dedicated to its State LMT Well No. 5 at an unorthodox location in Unit A of said Section 36 and its Well No. 2 in Unit F.

(3) That the entire non-standard proration unit may reasonably be presumed productive of gas from the Jalmat Gas Pool and that the entire non-standard gas proration unit can be efficiently and economically drained and developed by the aforesaid well.

(4) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Jalmat Gas Pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the agumentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That a 320-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the N/2 of Section 36, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby established and simultaneously dedicated to ~~As~~ State LMT *The Amodeo Hess Corporation* Well No. 5 at an unorthodox location in Unit A ~~of said Section 36~~ *to State LMT* and its Well No. 2 in Unit F. ~~both located~~ *both located* in said Section 36.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

J. D. RAMEY, DIRECTOR
DIRECTOR

(2) T.

(1) That Administrative Order No. NSP-744, which approved a ^{320-acre} non-standard unit to be dedicated to applicant's above-described Well No. 5 only, should be superseded.

(2) That Administrative Order No. NSP-744 is hereby superseded.