

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
Santa Fe, New Mexico

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TRANSCRIPT OF PROCEEDINGS

CASE NO. 702

Regular Hearing

May 19, 1954

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
Santa Fe, New Mexico
May 19, 1954

IN THE MATTER OF:

Application of Schermerhorn Oil Com-
pany for unorthodox gas proration unit.

Case No. 702

Applicant, in the above-styled case, seeks an order authorizing the formation of a 320-acre unorthodox gas proration unit as an exception pursuant to provisions of Rule 7 (a) of Order R-369-A and consisting of the E/2 of Section 28, Township 24 South, Range 37 East, Lea County, New Mexico, in the Langmat Gas Pool; and for assignment of two unit allowables to the Schermerhorn Woolworth Well No. 3, located in NW/4 SE/4 of said Section 28.

TRANSCRIPT OF PROCEEDINGS

MR. MOORE: My name is J. H. Moore. I live in Hobbs. I represent the Schermerhorn Oil Corporation in presenting their Case 702. Their application is for a 320-acre unorthodox location comprising the east half of Section 28, in the Langmat Pool.

I have here a chart which shows the location of a completed gas well which is now on the proration schedule and is allocated allowable for 160 acres, being the southeast quarter of this section. It is our request that two allowables be produced from this well and a 320 acre proration unit be formed comprising the entire east half of Section 28. All of the east half of Section 28 is owned by Schermerhorn except 40 acres owned by Gulf.

I will review the history of the completed well which is a producing gas well now. This well was plugged back in 1952 and completed as a gas well. It previously was an oil well. At the time that it was plugged back in 1952 it was completed for an open flow

production of 1.7 million cubic feet of gas per day natural. It has produced gas allocated to it up to this time. In March of this year the well was treated with 6,000 gallons of sandfrac.

That is the first time that it had been treated as a gas well and in April 12, 1954 it was tested by the engineering department of El Paso Natural and it tested an open flow potential of 18 million cubic feet per day. It had a shutin pressure of 1,048.3 pounds. The well is capable of producing more than the allowable for one 160 acre unit and we propose that two allowables be assigned to this well.

The reason for this would be that it would be unnecessary to drill another well here in the north part of the section. There are three or four wells in the northeast corner of the section that are now small oil producers. Probably if one of those were plugged back to make a gas well in order to get the unit for this 160 acre tract, the oil production would be shut off or it would have to be a dual completion.

We feel that this well is capable of producing the allowable for both unit 160 acre tracts. Gulf has given their permission that their tract be included in this unit and they will participate in this allowable. We will be asking for two regular 160 acre allowables from that tract. The other exhibit I have is --

MR. KITTS: You want this marked?

MR. MOORE: I didn't intend to introduce these except to better explain the situation. I only have one copy of each. I don't know whether they would necessarily have to be exhibits or not, but this is a cross section showing the correlation of the zone in the area and the Yates, the production is from the lower Yates zone

which is the production in the Langmat field. This shows the No. 3 Woolworth Schermerhorn Well which is productive and a correlation to the east. I believe I will just present these for your consideration. I believe I have nothing further to add except that Gulf has indicated that they would join us in making the 320 acre unit and they would put in their 40 acre tract. All of the ownership here is federal land rather than state land. I believe that all of the royalty owners will join in a communitization of the acreage.

MR. WALKER: Any questions to ask the witness? If not the witness may be excused.

(Witness excused.)

MR. WALKER: Any statements anyone care to make in this case?

MR. MACEY: The only thing I can think of is that in order to issue an order in this case the Commission probably would have to have a letter from the Gulf Oil Corporation to the effect that they would join in the unit, or some definite statement.

MR. MOORE: We can get that. Do you want these exhibits?

MR. MACEY: No.

MR. MOORE: We will have Gulf furnish a letter saying that they will go into the unit. We know that they will be glad to do that.

MR. WALKER: This case will be taken under advisement. We will move on to Case 703.

C E R T I F I C A T E

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings in the matter of Case No. 702 was taken by me on May 19, 1954, that the same is a true and correct record to the best of my knowledge, skill and ability.


Reporter