

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

June 23, 1961

C
Gulf Oil Corporation
P. O. Drawer 1938
Roswell, New Mexico

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Attention: Mr. W. A. Shellshear

Gentlemen:

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Reference is made to your letter of June 22, 1961, and to the recent visit of your Mr. J. H. Hoover to this office regarding your requested exception to that provision of Rule 701 which requires that wells outside a prorated waterflood project area which are producing into common facilities with wells inside such project area must be tested each month.

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It is recognized by the Commission that Gulf has quite a sizeable number of wells on the W. A. Ramsay, Arnott-Ramsay (NCT-C), and Arnott-Ramsay (NCT-D) leases which are producing into the same battery as the waterflood project area wells, and further, that to require testing of these wells at least until such time as fill-up has been achieved in the pilot area and response to injection obtained, would result in the unnecessary expenditure of man-power and money.

Gulf Oil Corporation is, therefore, hereby granted an exception to the aforesaid testing requirement of Rule 701 until such time as the wells in the waterflood project area are capable of producing 1134 barrels of oil per day as reflected by the monthly

*File in Gulf
authorizing Gulf
NCT-C, D
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SANTA FE, NEW MEXICO

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Form C-120 filed for your Ramsay Queen Project in the Eumont and South Eunice Pools. It is, of course, assumed that monthly tests are being made in the project area to observe the effect of water injection and provide the data for the C-120's.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/DSH/ir

cc: Mr. Joe D. Ramey
Oil Conservation Commission
Hobbs, New Mexico

Gulf Oil Corporation

ROSWELL PRODUCTION DISTRICT

W. A. Shellshear
DISTRICT MANAGER
F. O. Mortlock
DISTRICT EXPLORATION
MANAGER
M. I. Taylor
DISTRICT PRODUCTION
MANAGER
H. C. Vivian
DISTRICT SERVICES MANAGER

June 22, 1961

P. O. Drawer 1938
Roswell, New Mexico

Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.

Gentlemen:

Reference is made to the visit to your office June 20, 1961 by Mr. J. H. Hoover, of this office, concerning Gulf's desire to obtain administrative approval for exception to a certain provision of Rule 701 of the Commission Rules and Regulations. The exception requested pertains to the portion of that rule which provides, "each and every well outside a prorated water flood project area which is producing into common facilities with wells inside a prorated water flood project area, shall be tested once each month and the results of such tests shall be included on the monthly Commission Form C-120 filed for said project".

As stated at the above meeting, Gulf was granted approval to commingle production from several leases under Order No. R-1767 dated September 9, 1960. Gulf was further authorized by Order No. R-1820 dated November 16, 1960, to install a water flood project to include portions of Sections 27, 33, 34 and 35, all in Township 21 South, Range 26 East, Lea County, New Mexico.

The portion of Rule 701 quoted above would require Gulf to test and report each month 50 additional tests for wells outside the project area by virtue of our commingling operations covering the W. A. Ramsay, Arnott-Ramsay (NCT-C) and Arnott-Ramsay (NCT-D) Leases. Since injection of water was started on June 14, 1961, we feel that the testing and reporting of these additional tests is unnecessary at this time until response to the water injection is obtained.

It is therefore, respectfully requested that Gulf be granted an exception to the above quoted portion of Rule 701 until such time as the wells in the project area respond to flood operations and the production from these wells exceed the project area allowable.

We wish to take this opportunity to thank you for the kind consideration that you have shown us in this matter, and should you desire additional information, please advise.

Yours very truly,

W. A. Shellshear
W. A. Shellshear



JHH:sz

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

July 5, 1961

Gulf Oil Corporation
P. O. Box 669
Roswell, New Mexico

Attention: Mr. Bill Kastler

Gentlemen:

Reference is made to our letter of November 16, 1960, wherein we stated that the maximum allowable which your Eumont South Eunice No. 1 Water Flood Project would be eligible to receive under the provisions of Rule 701-E-3 would be 1176 barrels per day.

Until such time as one of the options provided in paragraph 3 of Order No. R-1820 has been exercised, the maximum allowable for the initial project area will be 1134 barrels per day.

Very truly yours,

DANIEL S. NUPPER
Chief Engineer

DSN/og

cc: Oil Conservation Commission
Box 2045
Hobbs, New Mexico

GOVERNOR
JOHN BURROUGHS
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
MURRAY E. MORGAN
MEMBER



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

P. O. BOX 871
SANTA FE

Mr. Bill Kastler
Gulf Oil Corporation
P. O. Box 669
Roswell, New Mexico

November 16, 1960

Dear Mr. Kastler:

Gentlemen:

Enclosed herewith is Commission Order No. R-1820, entered in Case No. 2111, approving the Gulf Eumont South Sanico No. 1 Water Flood Project.

According to our calculations, when all of the authorized injection wells have been placed on active injection, the maximum allowable which this project will be eligible to receive under the provisions of Rule 701-E-3 is 1176 barrels per day.

Please report any error in this calculated maximum allowable immediately, both to the Santa Fe office of the Commission and the appropriate District proration office.

In order that the allowable assigned to the project may be kept current, and in order that the operator may fully benefit from the allowable provisions of Rule 701, it behooves him to promptly notify both of the aforementioned Commission offices by letter of any change in the status of wells in the project area, i.e., when active injection commences, when additional injection or producing wells are drilled, when additional wells are acquired through purchase or unitization, when wells have received a response to water injection, etc.

Your cooperation in keeping the Commission so informed as to the status of the project and the wells therein will be appreciated.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

cc: Oil Conservation Commission
Hobbs, New Mexico

Handwritten notes and calculations in the top right corner of the document, including the number 1176 and various arithmetic operations.