

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION COMMISSION

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

RECEIVED

FEB 17 1995

Oil Conservation Division

APPLICATION OF ENSERCH EXPLORATION,
INC., FOR THE ASSIGNMENT OF A
SPECIAL DEPTH BRACKET OIL ALLOWABLE,
ROOSEVELT COUNTY, NEW MEXICO.

No. 10994
(De Novo)

PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Campbell, Carr, Berge & Sheridan, P.A.,
as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Enserch Exploration, Inc.
c/o Frank Pope
Post Office Box 2649
Dallas, TX 75221
(214) 748-1110

name, address, phone and
contact person

ATTORNEY

William F. Carr, Esq.
Campbell, Carr, Berge & Sheridan, P.A.
Post Office Box 2208
Santa Fe, New Mexico 87504
(505) 988-4421

OTHER PARTY

Phillips Petroleum Company

name, address, phone and
contact person

ATTORNEY

W. Thomas Kellahin, Esq.
Kellahin & Kellahin
Post Office Box 2265
Santa Fe, New Mexico 87504-2265
(505) 982-4285

STATEMENT OF CASE

APPLICANT

(Please make a concise statement of what is being sought with this application and the reasons therefore.)

Enserch Exploration, Inc., applicant in the above-styled cause, seeks a special depth bracket allowable, pursuant to General Rule 505(d), of 500 barrels of oil per day for the South Peterson-Fusselman Pool, which is located in portions of Townships 5 and 6 South, Ranges 32 and 33 East, being approximately 14 miles east of Kenna, New Mexico.

OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

PROPOSED EVIDENCE

APPLICANT

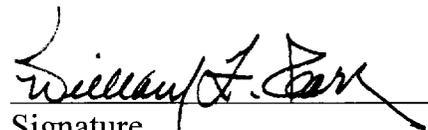
WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
George Faigle, Geologist	20 Min.	Approximately 4
Ralph Telford, Petroleum Engineer	30 Min.	Approximately 10

OTHER PARTY

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
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PROCEDURAL MATTERS

(Please identify any procedural matters which need to be resolved prior to hearing)



Signature

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
JANUARY 12, 1995

COMMISSION HEARING

IN THE MATTER OF:

Application of Enserch Exploration,
Inc. for the assignment of a special
depth bracket oil allowable, Roosevelt
County, New Mexico.

CASE 10994
(DE NOVO)

BEFORE: William J. LeMay, Director

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil
Conservation Commission:

Scott Spencer
Legal Counsel for the Commission
2040 S. Pacheco
Santa Fe, New Mexico

MR. LEMAY: Next we call Case 10994.

MR. SPENCER: Case 10994, the application of Enserch Exploration, Inc. for the assignment of a special depth bracket oil allowable, Roosevelt County, New Mexico, to be heard De Novo upon the application of Enserch Exploration, Inc. The De Novo applicant has requested that this case be continued to the Commission hearing scheduled for February 23, 1995.

MR. LEMAY: Without objection De Novo Case 10994 is hereby continued to the February 23, 1995 Commission hearing. The hearing is adjourned.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
JANUARY 12, 1995

COMMISSION HEARING

IN THE MATTER OF:

Application of Enserch Exploration,
Inc. for the assignment of a special
depth bracket oil allowable, Roosevelt
County, New Mexico.

CASE 10994
(DE NOVO)

BEFORE: William J. LeMay, Director

TRANSCRIPT OF HEARING

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For the New Mexico Oil
Conservation Commission:

Scott Spencer
Legal Counsel for the Commission
2040 S. Pacheco
Santa Fe, New Mexico

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MR. SPENCER: Case 10994, the application of Enserch Exploration, Inc. for the assignment of a special depth bracket oil allowable, Roosevelt County, New Mexico, to be heard De Novo upon the application of Enserch Exploration, Inc. The De Novo applicant has requested that this case be continued to the Commission hearing scheduled for February 23, 1995.

MR. LEMAY: Without objection De Novo Case 10994 is hereby continued to the February 23, 1995 Commission hearing. The hearing is adjourned.

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2268

SANTA FE, NEW MEXICO 87504-2268

TELEPHONE (505) 982-4285

TELEFAX (505) 982-2047

W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

January 9, 1995

VIA FACSIMILE**(505) 827-8177**

Mr. William J. LeMay, Chairman
Oil Conservation Commission
2040 South Pacheco
Santa Fe, New Mexico 87503

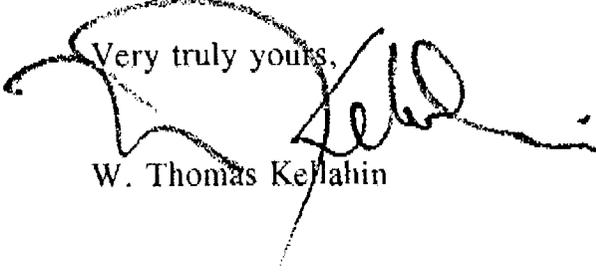
Re: *REQUEST FOR CONTINUANCE*
NMOCD Case 10994 (DeNovo) Order R-
Application of Ensearch Exploration, Inc. for
Increased Special Oil Allowable
South Peterson-Fusselman Pool
Roosevelt County, New Mexico.

Dear Mr. LeMay:

On behalf of Phillips Petroleum Company, we have no objection to the Commission granting the request of the appellant, Ensearch Exploration Inc. that the referenced De Novo Case be continued from the Commission's January 12, 1995 docket to the February, 1995 docket.

I have received a telephone call from office of Ensearch's attorney, William F. Carr, on January 7, 1995 seeking my concurrence.

Very truly yours,


W. Thomas Kellahin

cc: *William F. Carr, Esq.*
cc: *Phillips Petroleum Company*
Attn: Reece B. Copeland, Esq.

DOCKET: EXAMINER HEARING - THURSDAY - JANUARY 5, 1995

8:15 A.M. - 2040 SOUTH PACHECO

SANTA FE, NEW MEXICO

Dockets Nos. 3-95 and 4-95 are tentatively set for January 19, 1995 and February 2, 1995. Applications for hearing must be filed at least 23 days in advance of hearing date. The following cases will be heard by an Examiner:

CASE 10804: (Continued from November 10, 1994, Examiner Hearing.)

Application of Collins & Ware, Inc. for special pool rules, Eddy County, New Mexico. Applicant seeks the promulgation of special pool rules for the Happy Valley-Delaware Pool, located in the NE/4 NW/4 of Section 33, Township 22 South, Range 26 East, including a provision for a gas-oil ratio limitation of 10,000 cubic feet of gas per barrel of oil and a special oil allowable of 160 barrels per day. Said area is located approximately 5 miles southwest of Carlsbad, New Mexico.

CASE 10530: (Continued from December 1, 1994, Examiner Hearing.)

In the matter of Case No. 15030 being reopened pursuant to the provisions of Order Nos. R-9722 and R-9722-A, which promulgated special rules and regulations for the West Lovington-Strawn Pool including a provision for 80-acre spacing. Operators in the subject pool should be prepared to appear and show cause why the temporary special rules and regulations for the West Lovington-Strawn Pool should not be rescinded and said pool not be developed on 40-acre spacing units.

CASE 11172: **Application of Purvis Operating Company for salt water disposal, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks approval to dispose of produced salt water into the Gladiola-Wolfcamp Pool through the perforated interval from approximately 9103 feet to 9674 feet in its Lea "AV" State Well No. 4 located 1980 feet from the North and West lines (Unit F) of Section 19, Township 12 South, Range 38 East, which is located approximately 2.5 miles east-northeast of Gladiola, New Mexico.**CASE 11173:** **Application of W. M. Gallaway for downhole commingling, Rio Arriba County, New Mexico.** Applicant, in the above-styled cause, seeks approval to downhole commingle Blanco-Mesaverde Pool gas production with Gavilan-Mancos Oil Pool production within the wellbore of its Trix Well No. 2 located 790 feet from the South line and 990 feet from the West line (Unit M) of Section 5, Township 26 North, Range 2 West. Said well is located 15 miles north of Lindrith, New Mexico.**CASE 11174:** **Application of Primero Operating, Inc. for an unorthodox oil well location, Chaves County, New Mexico.** Applicant, in the above-styled cause, seeks approval to drill its Moriah Well No. 1 in order to test the Devonian formation at an unorthodox oil well location 228 feet from the North line and 349 feet from the East line (Unit A) of Section 18, Township 10 South, Range 29 East. The NE/4 NE/4 of said Section 18 is to be dedicated to said well forming a standard 40-acre oil spacing unit. Said unit is located approximately 28 1/2 miles east of Roswell, New Mexico.**CASE 11175:** **Application of Matador Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks approval to drill its K. C. Singer Well No. 1 at an unorthodox gas well location 990 feet from the North line and 660 feet from the West line (Lot 1/Unit D) of Section 19, Township 20 South, Range 27 East. If the subject well is capable of production from any formation from the top of the Wolfcamp to the top of the Morrow formation, including the Undesignated Avalon-Strawn Gas Pool, then Lots 1 through 4 and the E/2 W/2 (W/2 equivalent) of said Section 19 is to be dedicated to the well forming a standard 319.80-acre gas spacing and proration unit. If the subject well is capable of production from the Morrow formation then it is to be a replacement well for the Hunt Oil Company State "1-19" Com Well No. 1, located in Unit "F", and all of said Section 19 is to be dedicated to said well forming a standard 639.80-acre gas spacing and proration unit for production from the McMillan-Morrow Gas Pool. Said well is located approximately 3 miles southeast from the spillway at Lake McMillan Reservoir, New Mexico.**CASE 11176:** **Application of Amoco Production Company to amend Division Order No. R-10174 to include provisions for an unorthodox surface gas well location, simultaneous dedication, and an exception to Rule 2(b) of the Special Rules governing the Blanco-Mesaverde Pool, San Juan County, New Mexico.** Applicant, in the above-styled cause, seeks to amend Division Order No. R-10174, issued in Case 11054 and dated August 25, 1994, which order authorized Amoco Production Company to initiate a high angle/horizontal directional drilling pilot project within an existing non-standard 327.11-acre gas spacing and proration unit in the Blanco-Mesaverde Pool comprising Lots 8, 9, 10, and 11 and the SE/4 (E/2 equivalent) of Section 6, Township 30 North, Range 8 West, by changing the surface location of its proposed Florance "H" Well No. 37-R to an unorthodox surface gas well location 1350 feet from the North line and 1850 feet from the East line (Lot 10/Unit G) of said Section 6. Applicant further seeks an exception to Rule 2(b) of the Special Rules and Regulations for the Blanco-Mesaverde Pool, as promulgated by Division Order No. R-8170, as amended, allowing for a third well to be drilled on a spacing unit and for production from all three wells to be simultaneously dedicated to said 327.11-acre proration unit. Said project area is located approximately 5 miles northwest of the Navajo Reservoir Dam. In the absence of objection, this application will be taken under advisement.

CASE 11177: Application of Enron Oil & Gas Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location in the Undesignated Red Hills-Bone Spring Pool for its Hallwood "1" Federal Well No. 3 to be drilled 1430 feet from the South line and 1830 feet from the East line (Unit J) of Section 1, Township 25 South, Range 33 East. The W/2 SE/4 of said Section 1 is to be dedicated to said well forming a standard 80-acre oil spacing and proration unit for said pool. Said unit is located approximately 19 miles west by north of Jal, New Mexico.

CASE 11178: Application of David Petroleum Corporation for an Unorthodox Gas Well Location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authorization to re-enter and deepen the plugged and abandoned Barbara Fasken Maxwell Trust "26" Well No. 1, located 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 26, Township 15 South, Range 34 East, in order to test the Morrow formation at an unorthodox gas well location. The N/2 of said Section 26 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit. Said unit is located approximately 5 miles northwest by west of the Lovington-Lea County Airport.

CASE 11179: Application of Meridian Oil Inc. for Designation of a portion of the Entrada Formation as an "Exempted Aquifer", and to Amend Division Order No. R-10168, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks to designate the Entrada formation underlying the SW/4 SW/4 of Section 4, S/2 of Section 5, SE/4 SE/4 of Section 6, all of Sections 7 and 8, W/2 W/2 of Section 9, N/2 N/2 of Section 17, and the NE/4 NE/4 of Section 18, all in Township 24 North, Range 3 West, as an "Exempted Aquifer" pursuant to Division Rule No. 701(E) and applicable Federal Underground Injection Control Program Rules and Regulations. Contingent upon this request, the applicant further seeks verification that it is able to utilize its Jillson Federal SWD Well No. 1, located in Unit F of said Section 8, as an Entrada disposal well as previously authorized by Division Order No. R-10168 feet. Applicant further seeks to amend the injection interval approved by Division Order No. R-10168 to allow injection into the perforated interval from approximately 8,404 feet to 8,659. Said area is located approximately 6 miles west-northwest of Lindrith, New Mexico.

CASE 11180: Application of Harvard Petroleum Corporation for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to drill its Angell Well No. 1 at an unorthodox oil well location 550 feet from the North line and 2600 feet from the East line (Unit B) of Section 4, Township 15 South, Range 38 East, to test the Wolfcamp formation, Undesignated East Denton-Wolfcamp Pool. The NW/4 NE/4 of Section 4 is to be dedicated to the subject well forming a standard 40-acre oil spacing and proration unit for said pool. Said unit is located approximately 14 miles southeast of McDonald, New Mexico.

CASE 11181: Application of Enron Oil & Gas Company for Pool Creation and Downhole Commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new pool for the production of oil from the Wolfcamp formation comprising the NE/4 NE/4 of Section 36, Township 22 South, Range 30 East. Applicant further seeks authority to downhole commingle Wolfcamp and Bone Spring production within its existing James Ranch Unit Well No. 71 located 330 feet from the North line and 660 feet from the East line (Unit A) of said Section 36. Said well is located approximately 7 miles southeast of Lindsey Lake.

CASE 11182: Application of Enron Oil & Gas Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authorization to drill its Hallwood "1" Federal Well No. 4 at an unorthodox oil well location 1060 feet from the South line and 1650 feet from the West line (Unit N) of Section 1, Township 25 South, Range 33 East, to test the Bone Spring formation, Undesignated Red Hills-Bone Spring Pool. The E/2 SW/4 of said Section 1 is to be dedicated to said well forming a standard 80-acre oil spacing and proration unit for said pool. Said unit is located approximately 3 miles Southeast of the Double X Ranch.

CASE 11183: Application of David Petroleum Corporation for Compulsory Pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Strawn formation underlying the N/2 NE/4 of Section 33, Township 15 South, Range 35 East, in the following described manner: the N/2 NE/4 forming a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within said vertical extent which presently includes but is not necessarily limited to the Undesignated West Lovington-Strawn Pool; and, the NW/4 NE/4 forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre oil spacing within said vertical extent. Said unit(s) are to be dedicated to the Barton Fee Well No. 1 to be drilled at a standard location 760 feet from the North line and 2090 feet from the East line (Unit B) of Section 33. 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, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 4 miles Northwest of Lovington, New Mexico.

CASE 11161: (Continued from December 15, 1994 Examiner Hearing.)

Application of Yates Petroleum Corporation for a pressure maintenance project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a cooperative pressure maintenance project on portions of its Hillview "AHE" Federal, Saguaro "AGS" Federal, and Senita "AIP" Federal leases underlying the E/2 SW/4 and SE/4 of Section 14 and the NE/4, E/2 NW/4, NE/4 SW/4, and N/2 SE/4 of Section 23, both in Township 20 South, Range 24 East, by the injection of water into the South Dagger Draw-Upper Pennsylvanian Associated Pool through three certain existing wells to be converted to water injection wells. This area is located approximately 8 miles west of Seven Rivers, New Mexico.

CASE 11184: Application of Yates Petroleum Corporation for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above styled cause, seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the S/2 of Section 5, Township 18 South, Range 27 East, in the following described manner: the S/2 forming a standard 320-acre spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent which presently includes but is not necessarily limited to the Red Lake-Pennsylvanian Gas Pool and the Undesignated Scoggin Draw-Morrow Gas Pool; the SW/4 forming a standard 160-acre spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent which presently includes but is not necessarily limited to the Undesignated Empire-Abo Gas Pool; the N/2 SW/4 forming a standard 80-acre spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within said vertical extent; and, the NE/4 SW/4 forming a standard 40-acre spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent. Said unit(s) are to be dedicated to the existing Humble Chalk Bluff "ANA" Federal Com Well No. 1 to be reentered at an unorthodox gas well location 2055 feet from the South line and 1980 feet from the West line of said Section 5. 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, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said well is located approximately 7 miles southeast of Artesia, New Mexico.

CASE 11185: Application of Yates Petroleum Corporation for Qualification of a Pressure Maintenance Project for the Recovered Oil Tax Credit Pursuant to the "New Mexico Oil Recovery Act", Eddy County, New Mexico. Applicant, in the above styled cause, seeks to qualify its South Dagger Draw Pressure Maintenance Project, located in the E/2 SW/4 and SE/4 of Section 14, the NE/4, E/2 NW/4, NE/4 SW/4 and the N/2 SE/4 of Section 23, both in Township 20 South, Range 24 East, for the Recovered Oil Tax Rate under the "Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). This area is located approximately 8 miles west of Seven Rivers, New Mexico.

CASE 11186: Application of Nearburg Exploration Company for Compulsory Pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Strawn formation underlying the E/2 NW/4 of Section 13, Township 17 South, Range 37 East, forming a standard 80-acre oil spacing and proration unit for the South Humble City-Strawn Pool. Said unit is to be dedicated to the Shriner "13" Well No. 1 to be drilled at a standard oil well location 2086 feet from the North and West lines (Unit F) of said Section 13. 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, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 3 miles North of Humble City, New Mexico.

CASE 10748 (Reopened)

In the matter of Case No. 10748 being reopened pursuant to the provisions of Division Order No. R-9922, which order promulgated temporary special rules and regulations for the Indian Basin-Upper Pennsylvanian Associated Pool in Eddy County, New Mexico. Operators in the subject pool may appear and show cause why said temporary special rules and regulations for the Indian Basin-Upper Pennsylvanian Associated Pool should not be rescinded.

CASE 10653: (Reopened)

In the matter of Case No. 10653 being reopened pursuant to the provisions of Division Order No. R-9842-A, which order provided for an increase in allowable to 300 BOPD for the Northeast Lea-Delaware Pool, in Eddy County, New Mexico. Operators in the subject pool may appear and present evidence and show cause why said 300 BOPD allowable should not revert to the standard 107 BOPD depth bracket allowable.

CASE 11152: (Continued from December 1, 1994, Examiner Hearing.)

Joint application of Texaco Exploration and Production, Inc. and Marathon Oil Company for a pressure maintenance project, unorthodox injection well locations, and qualification for the recovered oil tax credit pursuant to the New Mexico Oil Recovery Act, Lea County, New Mexico. Applicants, in the above-styled cause, seek authority to institute a cooperative pressure maintenance project in the Vacuum-Drinkard Pool comprising portions of Section 36, Township 17 South, Range 34 East; Section 31, Township 17 South, Range 35 East; Section 1, Township 18 South, Range 34 East; and, Section 6, Township 18 South, Range 35 East, by the injection of water into two existing wells and six wells to be drilled at locations considered to be unorthodox. Applicants further seek to qualify this project for the Recovered Oil Tax Rate under the "Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). Said project is located approximately 1.5 miles south of Buckeye, New Mexico.

CASE 11099: (Continued from December 1, 1994, Examiner Hearing.)

Application of TARA-JON Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Drinkard formation underlying the NE/4 NW/4 (Unit C) of Section 27, Township 16 South, Range 38 East, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Garrett-San Andres Pool, Undesignated Garrett-Drinkard Pool, and Undesignated East Garrett-Drinkard Pool. Said pooled unit is to be dedicated to either the plugged and abandoned The Texas Company Gottlieb Ertal Well No. 1 (T.D. -13,310 feet), located at a standard oil well location 660 feet from the North line and 1982 feet from the West line, more or less, of said Section 27 or, if said Gottlieb Ertal Well No. 1 is found not to be mechanically sound, to a new well to be drilled at a standard oil well location thereon. Also to be considered will be the cost of re-entering and recompleting the old plugged and abandoned well and/or the costs of drilling and completing a new well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as the operator of the unit and a charge for risk involved in re-entering the old plugged and abandoned well and/or the drilling of a new well. Said unit is located approximately 12 miles north of Hobbs, New Mexico.

DOCKET NO. 2-95

DOCKET: COMMISSION HEARING - THURSDAY - JANUARY 12, 1995
9:00 A.M. - 2040 SOUTH PACHECO, SANTA FE, NEW MEXICO

The Land Commissioner's designee for this hearing will be Jami Bailey or Gary Garlson

CASE 11048: (De Novo)

Application of Bass Enterprises Production Co. for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Morrow formation underlying the S/2 of Section 30, Township 23 South, Range 30 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent. Said unit is to be dedicated to a well to be drilled and completed at a standard gas well 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, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 6.0 miles northwest of Poker Lake. Upon application at Maralo, Inc., and Santa Fe Energy Operating Partners, L. P., this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 10994: (De Novo)

Application of Enserch Exploration, Inc. for the assignment of a special depth bracket oil allowable, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks a special depth bracket oil allowable, pursuant to General Rule 505(d), of 500 barrels of oil per day for the South Peterson-Fusselman Pool, which is located in portions of Townships 5 and 6 South, Ranges 32 and 33 East, being approximately 14 miles east of Kenna, New Mexico. Upon application of Enserch Exploration, Inc., this case will be heard De Novo pursuant to the provisions of Rule 1220.

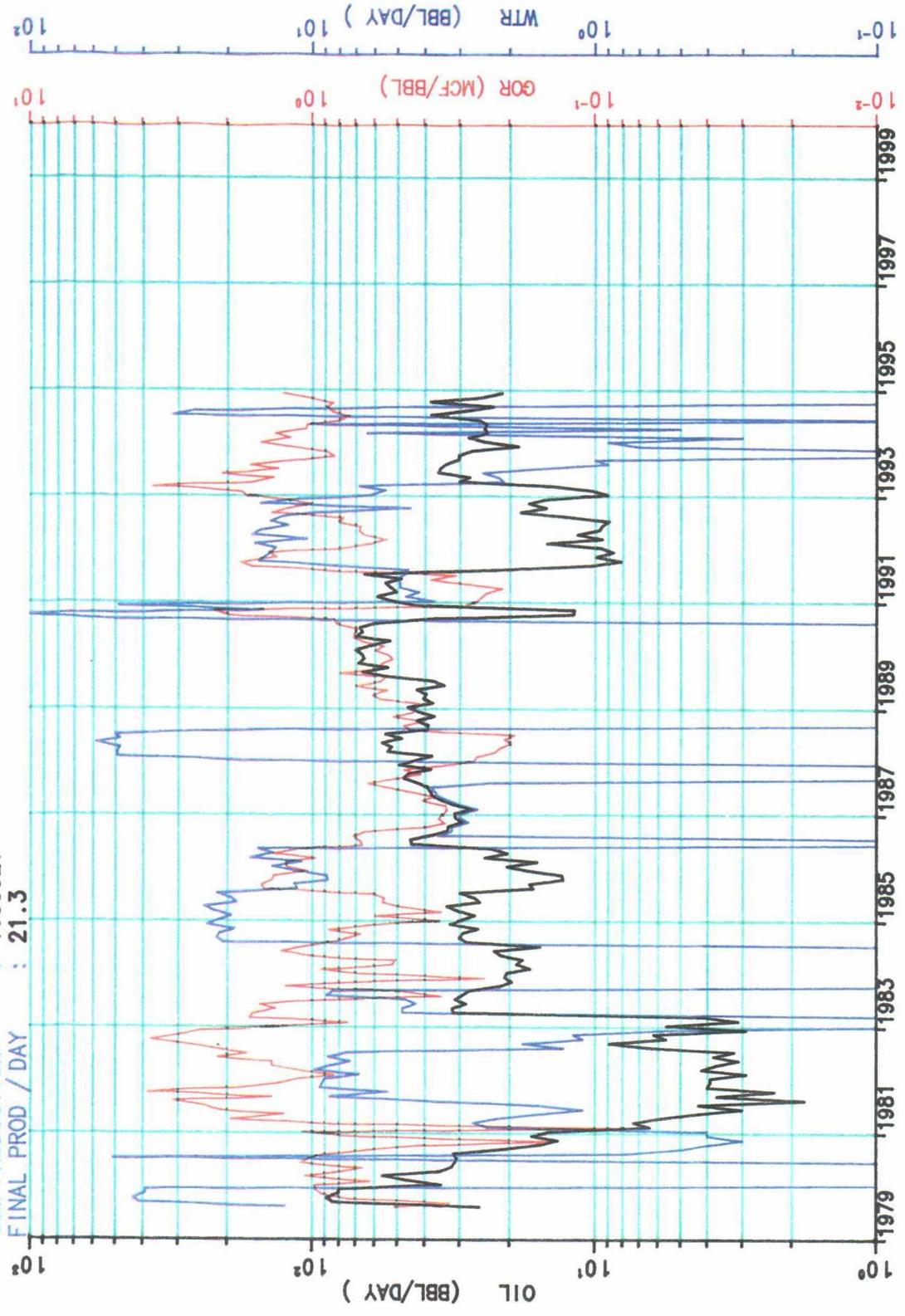
PHILLIPS PETROLEUM
 Hearing Date: February 23, 1995

PHILLIPS PETROLEUM: LAMBIRTH-A #3

8/79-12/94

Current Cums
 165532. BBL OIL
 120090. MCF GAS
 52388. BBL WTR

INITIAL PROD / DAY : 25.5
 REMAINING LIFE : 15.42
 0.00
 CUM PRODUCTION : 165532.
 FINAL PROD / DAY : 21.3



LEASE- 600157 : LAMBIRTH-A
 RESVR- 078 : PETERSON SOUTH FUSSELMAN
 WELL - 000003 PHS WELL PRODUCTION
 WELL-6001570780000003
 API-30041204840000

PHILLIPS PETROLEUM: LAMBIRTH-A #1

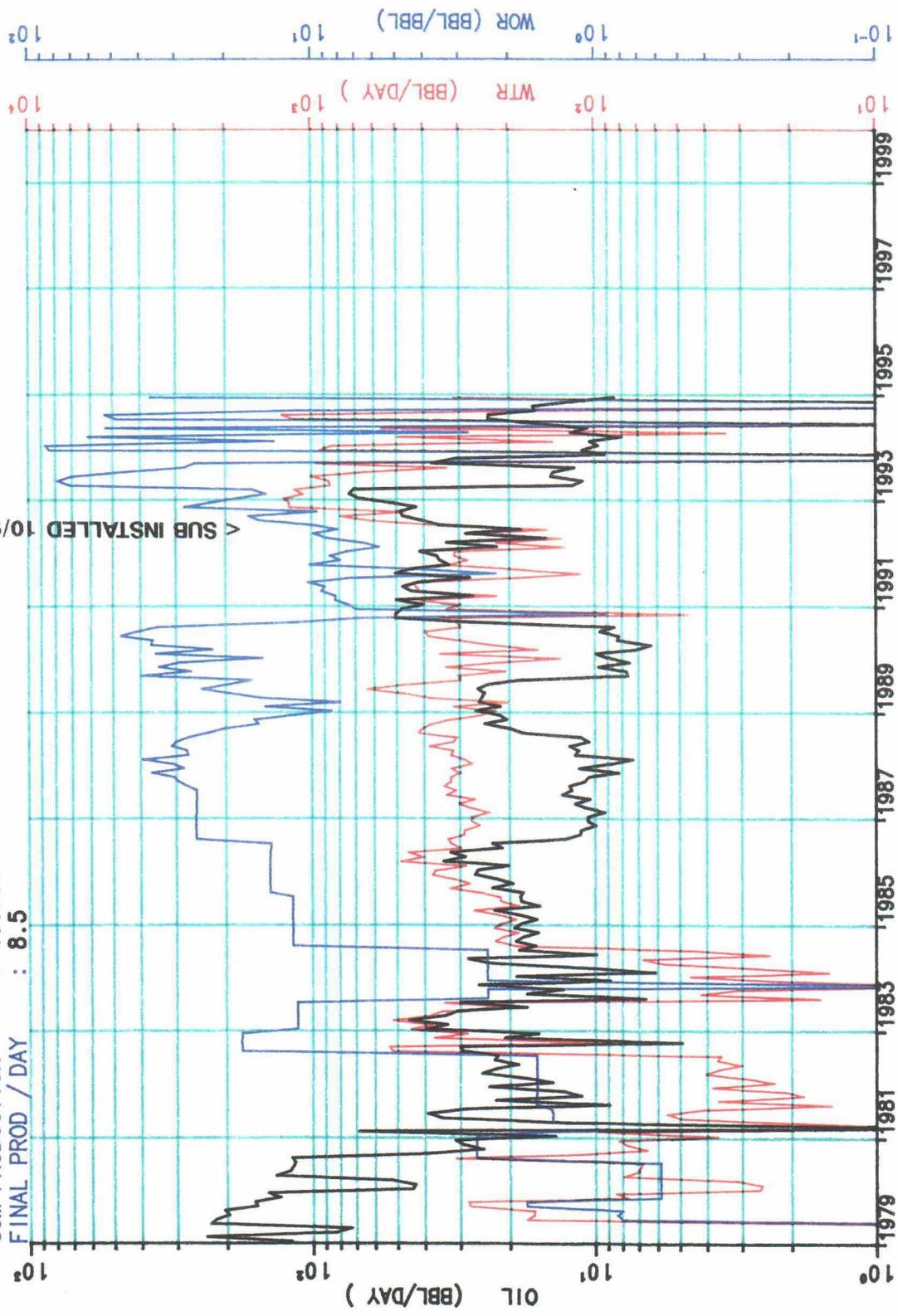
1/79-12/94

Current Cums

INITIAL PROD / DAY : 119.4
 REMAINING LIFE : 16.00
 CUM PRODUCTION : 198701.
 FINAL PROD / DAY : 8.5

198701. BBL OIL
 196826. MCF GAS
 1649. MBBL WTR

< SUB INSTALLED 10/92



LEASE- 600157 : LAMBIRTH-A
 RESVR- 078 : PETERSON SOUTH
 WELL - 000001 PHS WELL PRODUCTION

FUSSELMAN
 WELL-600157078000001
 API-30041204710000

DATE: 114
 OIL CURRENT WELL TEST REPORT
 JACK PETERSON
 1/27/95

LEASE NAME: WELLS DATE OIL WATCH GAS CUR MHP STK STK FLUID
 RESERVOIR: ** ** ** * * * * * PM LNT LEVEL L

KEYSTONE HOLT J
 KEYSTONE
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 0001401 650110 30.0 233.0 14,530

KEYSTONE HOLT J
 KEYSTONE
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LAMBIRTH-A
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 - FUSSELLMAN
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WOR
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LAMBIRTH-A
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LAMBIRTH-A
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 - FUSSELLMAN
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LAYLA
 APALCA
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LFA
 VACUUM
 - GM-SA
 000003 941201 4.4 5.3 4.2 1,242
 000003 941103 3.2 5.3 10.1 3,156

REFER INQUIRIES TO BOB WENDERSON - WEST TEXAS DISTRICT (X1394)
 REFER INQUIRIES TO BELGAS TELFORD - WEST TEXAS DISTRICT (X1213)

ILLEGIBLE

PHILLIPS PETROLEUM: LAMBIRTH-A #2

Submitted By:

PHILLIPS PETROLEUM

Hearing Date: February 23, 1995

4/79-12/94

INITIAL PROD / DAY : 53.4

REMAINING LIFE : 15.75

0.00

CUM PRODUCTION : 446387.

FINAL PROD / DAY : 99.8

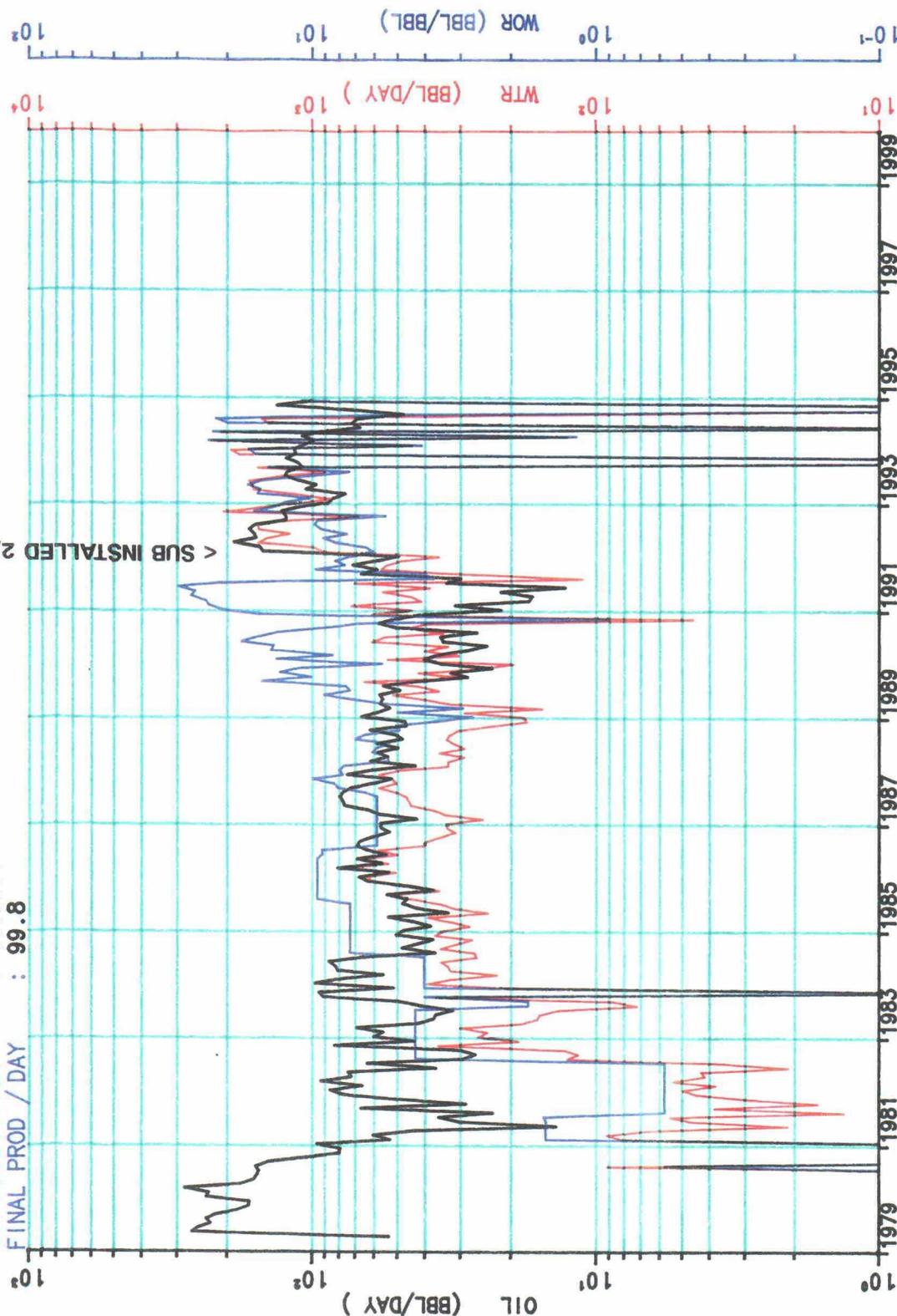
Current Cums

446387. BBL OIL

351386. MCF GAS

2495. MBBL WTR

> SUB INSTALLED 2/92



LEASE- 600157 : LAMBIRTH-A
RESVR- 078 : PETERSON SOUTH
WELL - 00002 PHS WELL PRODUCTION

FUSSELMAN
WELL-600157078000002
API-30041204810000

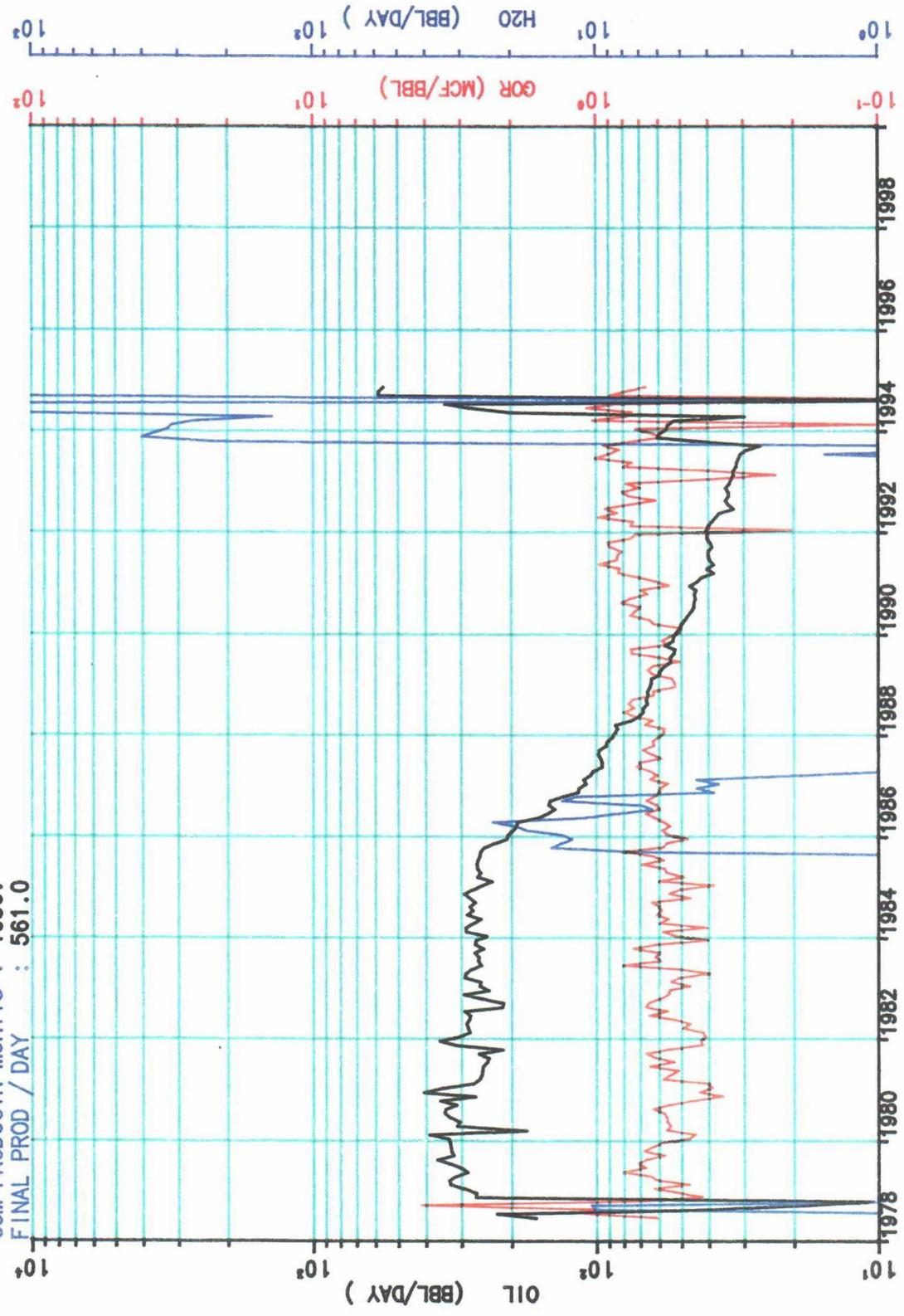
Hearing Date: February 23, 1995

ENSERCH: LAMBIRTH #1

6/78-11/94

Current Cums
1036. MBL OIL
621519. MCF GAS
597023. BBL H2O

INITIAL PROD / DAY : 165.1
 REMAINING LIFE : 16.50
 0.00
 CUM PRODUCTN-MUNITS : 1036.
 FINAL PROD / DAY : 561.0



LEASE- LAMBIRTH
 RESYR- 002 : PETERSON SOUTH (FUSSELLMAN)
 WELL - 000001 CUM MBL = 1037. 31K 5S 33E

DWIGHTS ACT
 150,041.05S3E31K00FS API-300412044900
 E P OPERATING LTD PRT THRU 11/94

Submitted By:

PHILLIPS PETROLEUM

Hearing Date: February 23, 1995

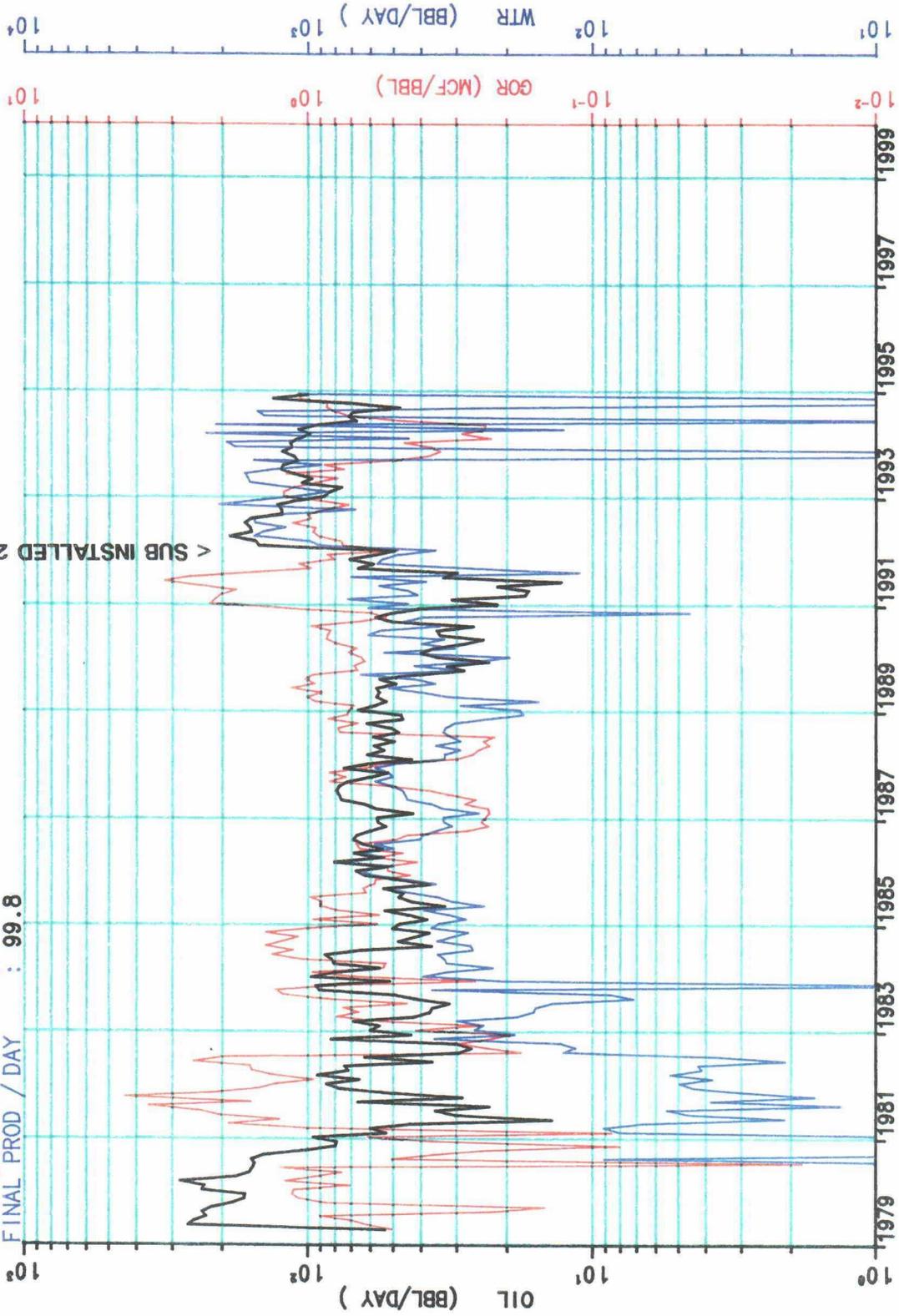
PHILLIPS PETROLEUM: LAMBIRTH-A #2

4/79-12/94

INITIAL PROD / DAY : 53.4
REMAINING LIFE : 15.75
CUM PRODUCTION : 446387.
FINAL PROD / DAY : 99.8

Current Cums
446387. BBL OIL
351386. MCF GAS
2495. MBBL WTR

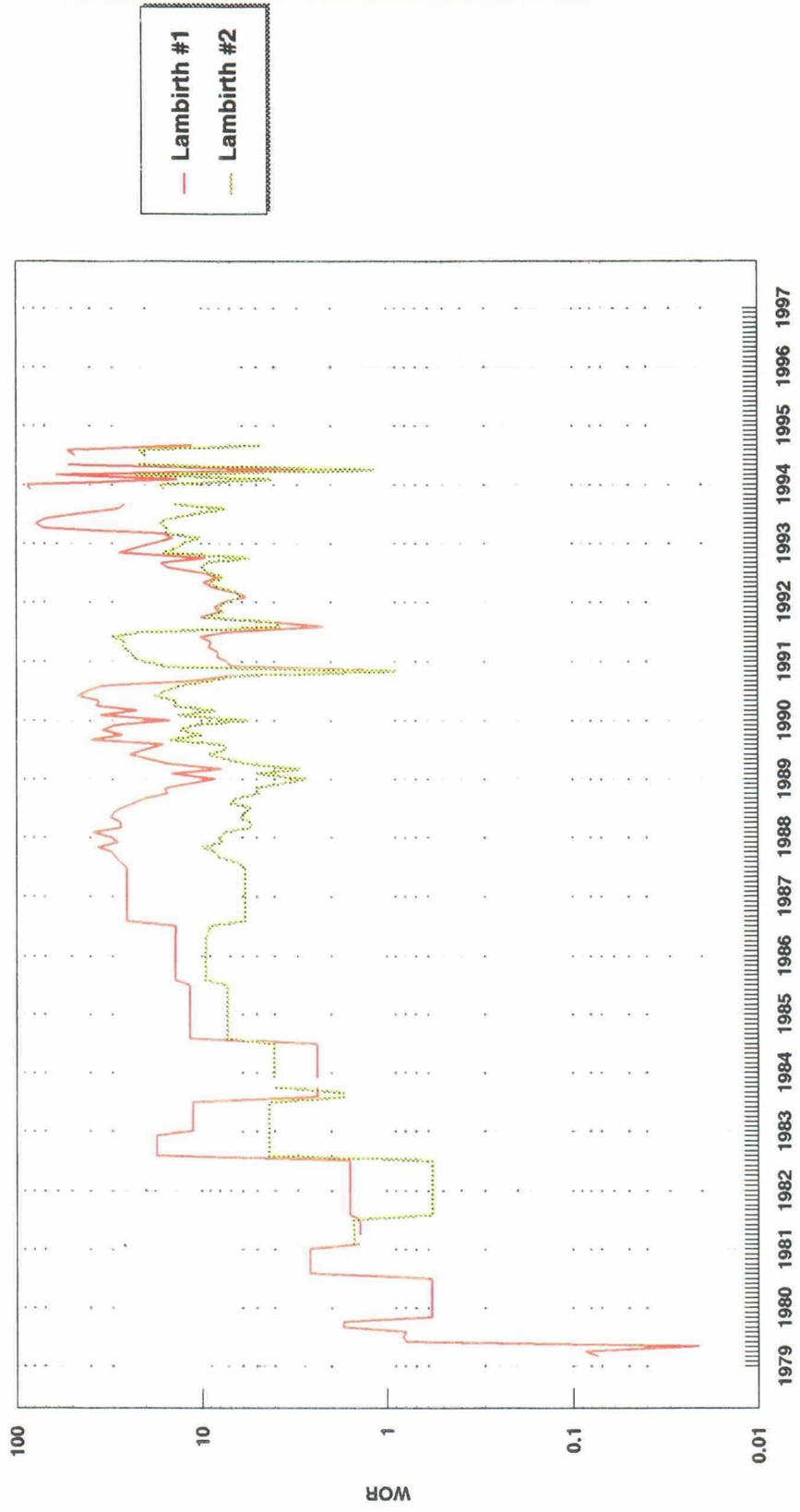
< SUB INSTALLED 2/92



LEASE- 600157 : LAMBIRTH-A
RESVR- 078 : PETERSON SOUTH
WELL - 000002 : PHS WELL PRODUCTION

FUSSELMAN
WELL-600157078000002
API-30041204810000

Lambirth A Water Oil Ratio



1 water saturation of 18 percent; and a productivity index
2 of 35 barrels per day per psi.

3 And the Phillips Lambirth A No. 3 Well
4 had a net pay thickness of 13 feet; average porosity of
5 15.2 percent; and average water saturation of 20 percent.

6 These are all based on log calculations,
7 all this petrophysical data.

8 Q Mr. Kersh, now refer to Exhibit Number
9 Five and explain that to the Examiner.

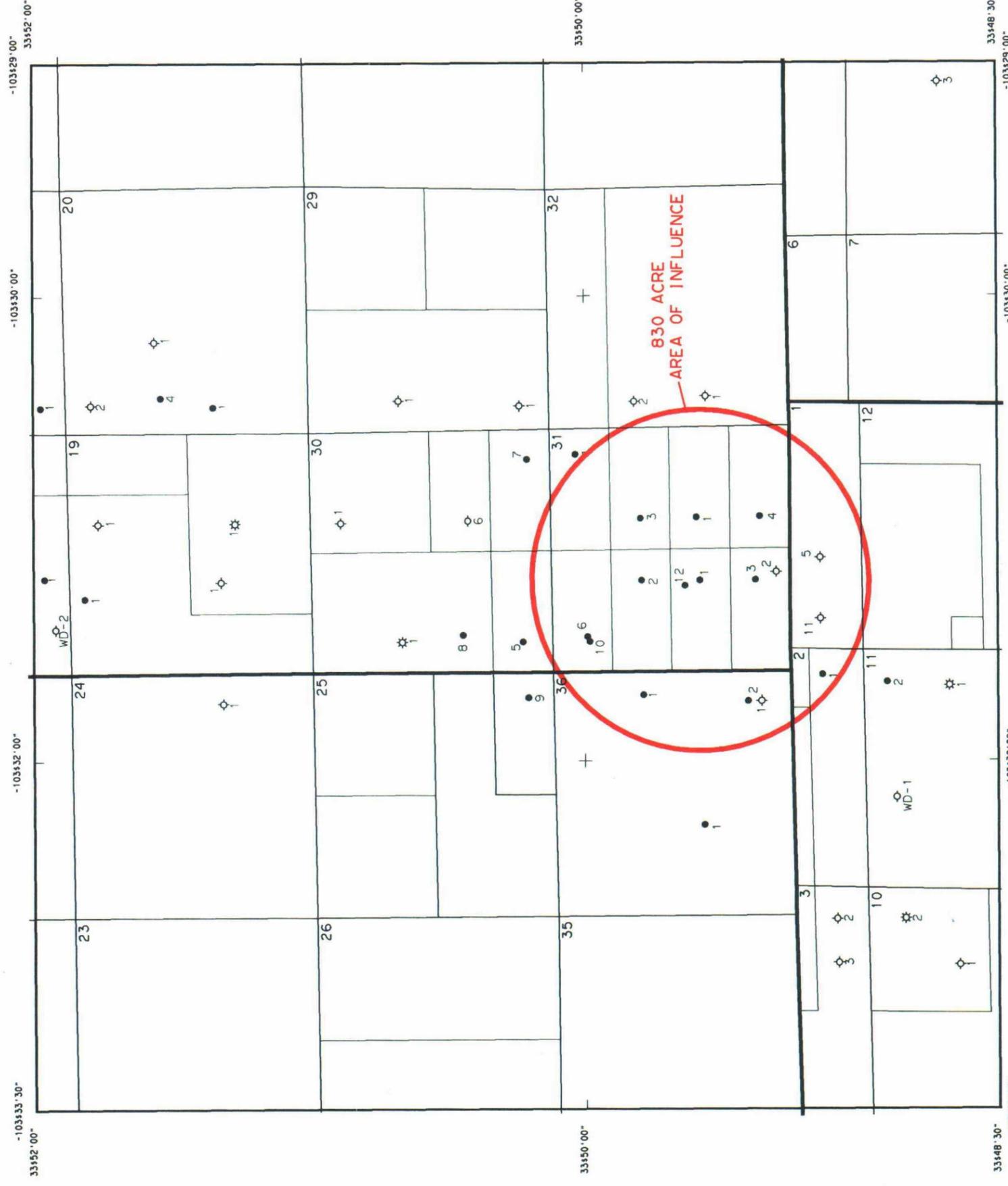
10 A Exhibit Number Five is an extended draw-
11 down test and/or reservoir limits test on the Enserch Lam-
12 birth No. 1 Well, conducted June 19th through 22nd, 1978.

13 Our main concern here was that the Enserch
14 Lambirth No. 1 Well was a discovery well of the field; our
15 main concern was to try to determine the drainage area or
16 the reservoir size, the size of the reservoir.

17 Okay, so what we did, was we conducted
18 approximately a 66-hour extended drawdown, or reservoir
19 limits test, on the Enserch Lambirth No. 1, using a highly
20 sensitive gauge, a Hewlett-Packard pressure gauge,
21 and shown at semi-steady state. This would be on the con-
22 tinuation of the drawdown test, at semi-steady state.
23 β_{pdr} , which is equal to β , is equal to .15 psi per hour.
24 And employing these -- this slope into our reservoir limits
25 test calculations, we calculated a contributing pore volume

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3088 Plaza Blanca (S.O.B.) 411-3182
Santa Fe, New Mexico 87501

ILLEGIBLE



PHILLIPS PETROLEUM COMPANY
PERMIAN BASIN GEOLOGY

66

SOUTH PETERSON FIELD
ROOSEVELT CO., NEW MEXICO

SCALE: 1" = 2,000 FEET

DATE: 1-95
MAP NO.:
PROJECT LEAD: R. COSSIN

CONTOLARED ON: SCOTT BALKE
TYPE: INFO

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 10994 DeNovo Exhibit No. 14
Submitted By:
PHILLIPS PETROLEUM
Hearing Date: February 23, 1995

ENSEARCH LAMBIRTH NO. 1

Cumulative Production: 953,358 Bbls. Oil
554,119 MCF Gas
37,164 Bbls. Water

38% of oil production S. Peterson Fslm Field
8% acreage & wells
22% of net oil pay
20% of OOIP

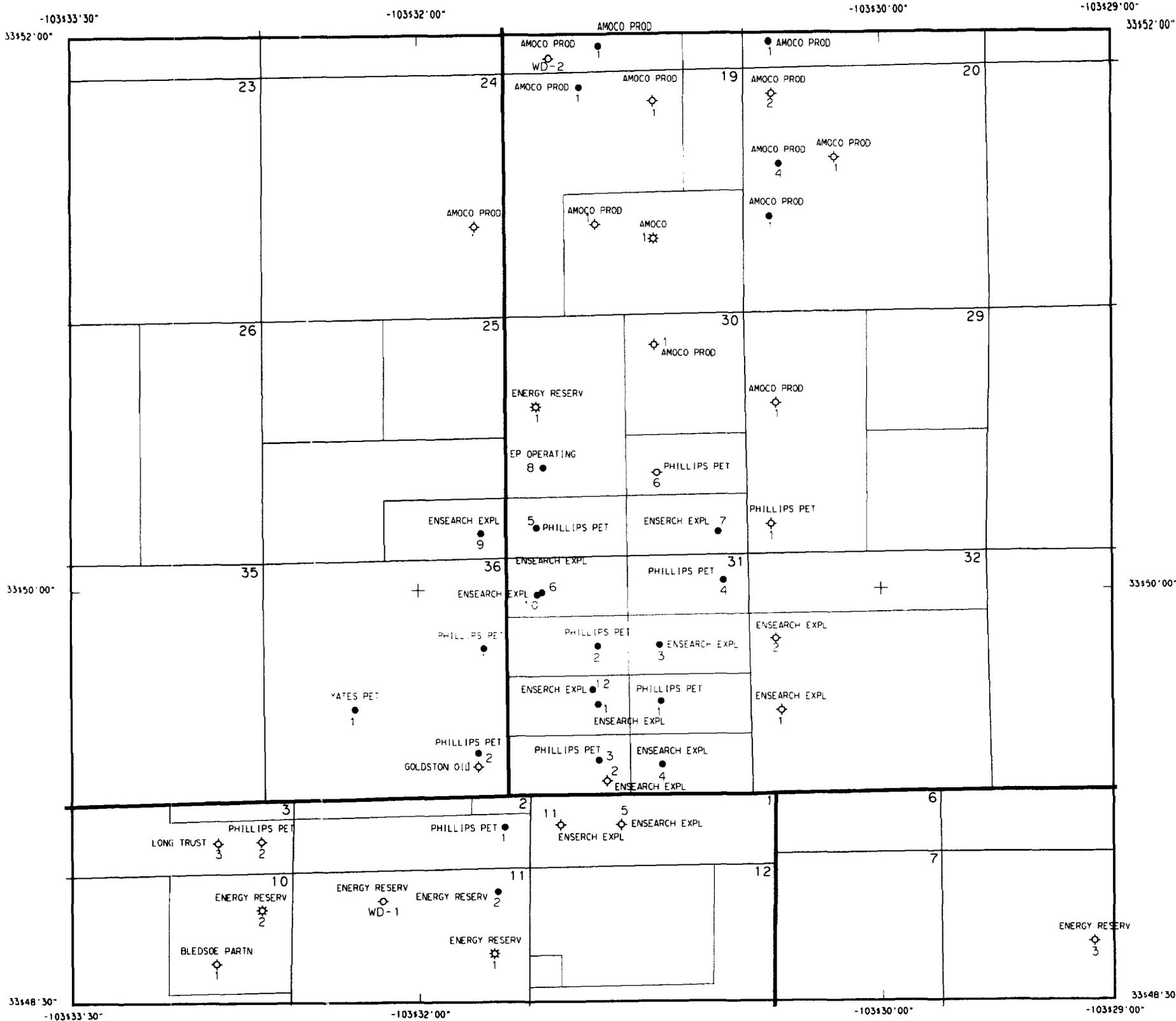
Exhibits Submitted by
PHILLIPS PETROLEUM COMPANY

DE NOVO HEARING

February 23, 1995

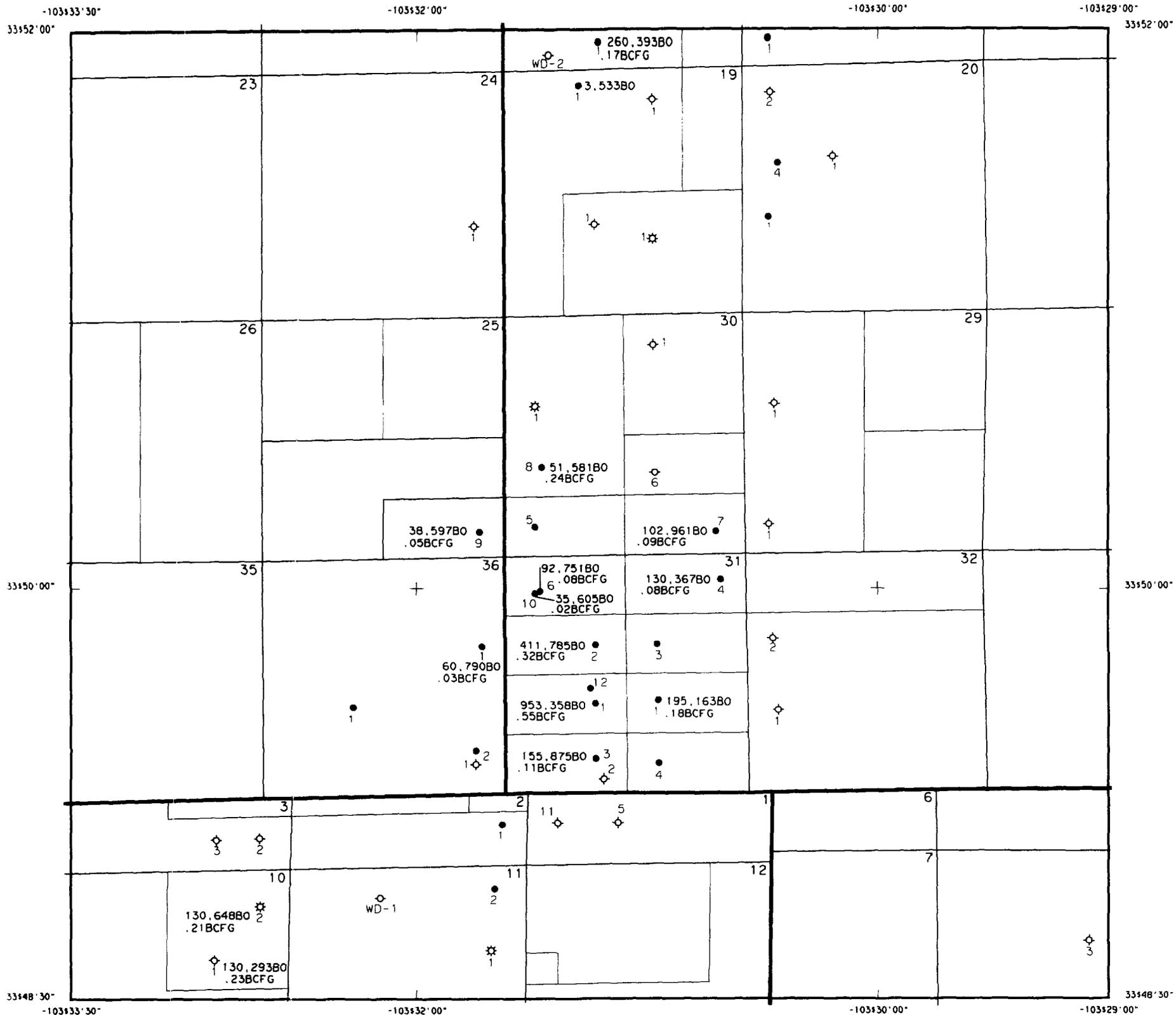
SOUTH PETERSON FIELD

Roosevelt County, New Mexico



BEFORE THE
OIL CONSERVATION DIVISION
Case No. 10994 DeNovo Exhibit No. 1
Submitted By:
PHILLIPS PETROLEUM
Hearing Date: February 23, 1995

		PHILLIPS PETROLEUM COMPANY PERMIAN BASIN GEOLOGY	
SOUTH PETERSON FIELD ROOSEVELT CO., NEW MEXICO			
0 2,000 4,000 SCALE (FEET)			
SCALE	C 1	GEOLOGY BY	DATE
CONTOURED ON		SCOTT BALKE	1-95
TYPE INFO		DRAFTING	INSPECTION
		R. COSSIN	



BEFORE THE
 OIL CONSERVATION DIVISION
 Case No. 10994 DeNovo Exhibit No. 2
 Submitted By:
PHILLIPS PETROLEUM
 Hearing Date: February 23, 1995

 PHILLIPS PETROLEUM COMPANY PERMIAN BASIN GEOLOGY			
SOUTH PETERSON FIELD ROOSEVELT CO., NEW MEXICO			
 SCALE (FEET)			
SCALE	C 1	GEOLOGY BY	DATE
		SCOTT BALKE	1-95
CONTOURED ON PRODUCTION MAP OF FUSSELMAN WELLS BY			
TYPE INFO	CURRENT THRU 12/93		DRAFTING
			R. COSSIN

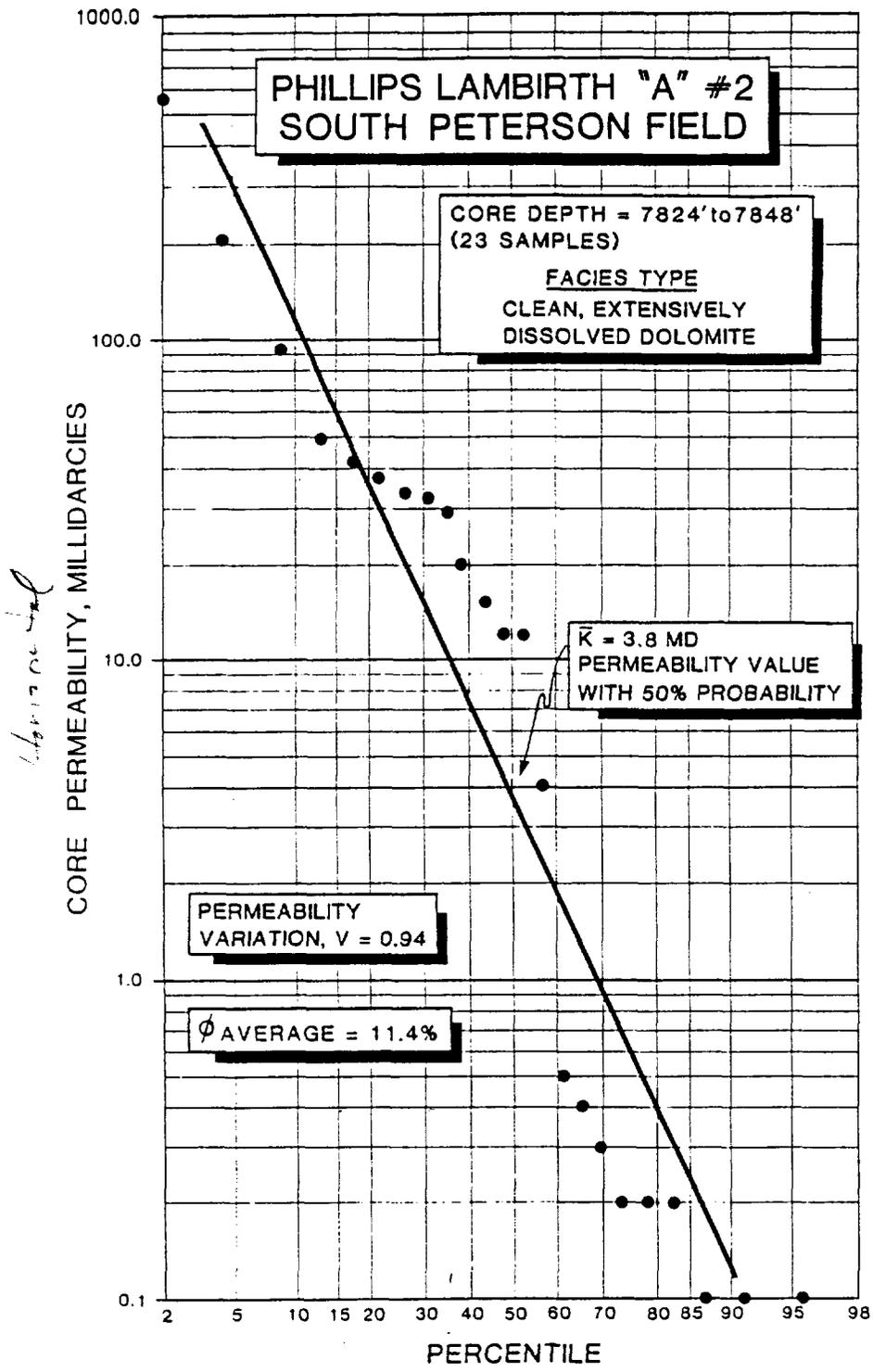


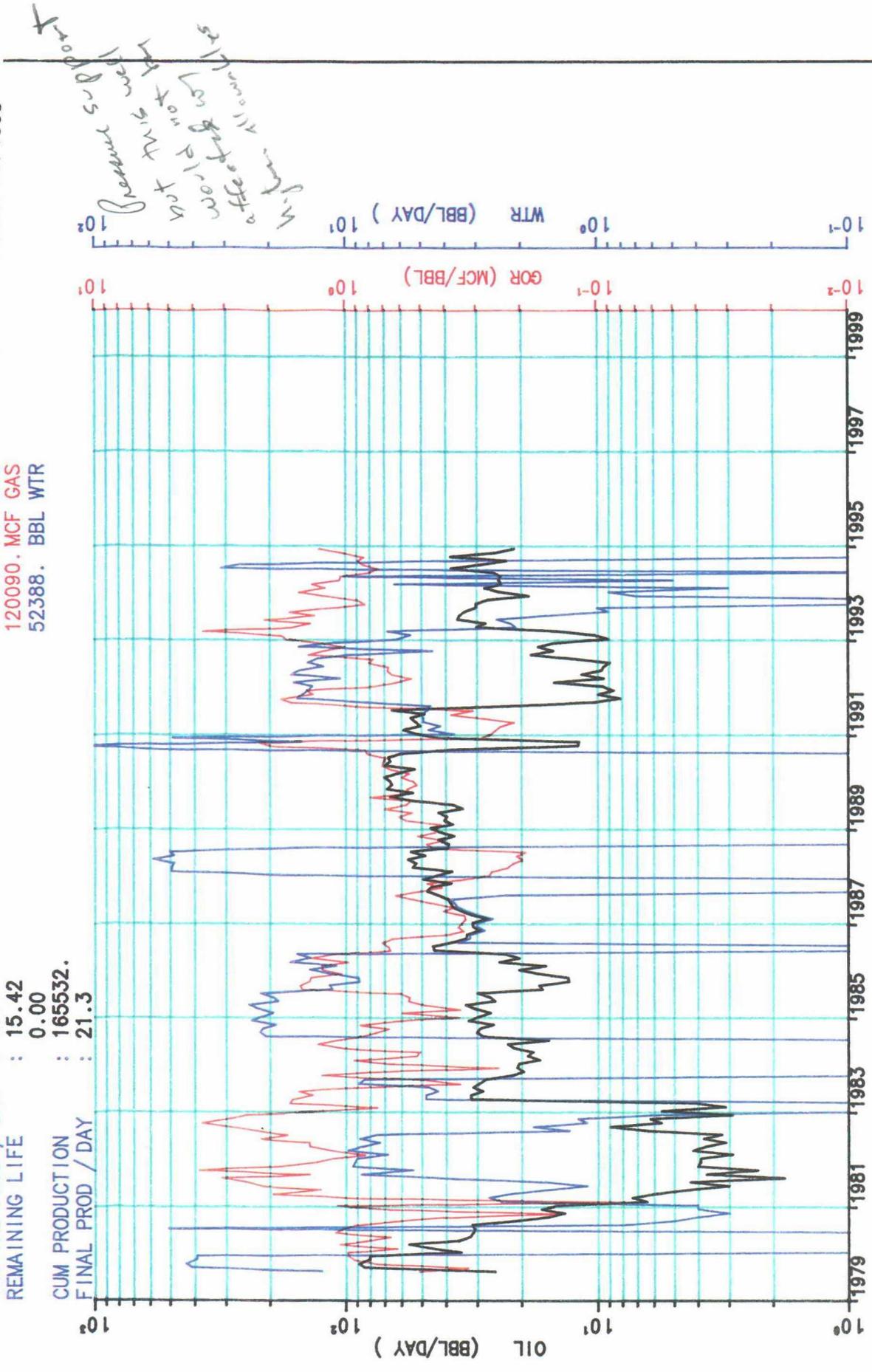
Figure 9.111. Distribution of core permeability for samples from the Phillips Lambirth "A" #2 well. Permeability variation (V) = 0.94, indicating a very heterogeneous distribution. This resulted in premature water breakthrough in the reservoir.

PHILLIPS PETROLEUM
 Hearing Date: February 23, 1995

PHILLIPS PETROLEUM: LAMBIRTH-A #3

8/79-12/94
 Current Cums
 165532. BBL OIL
 120090. MCF GAS
 52388. BBL WTR

INITIAL PROD / DAY : 25.5
 REMAINING LIFE : 15.42
 0.00
 CUM PRODUCTION : 165532.
 FINAL PROD / DAY : 21.3

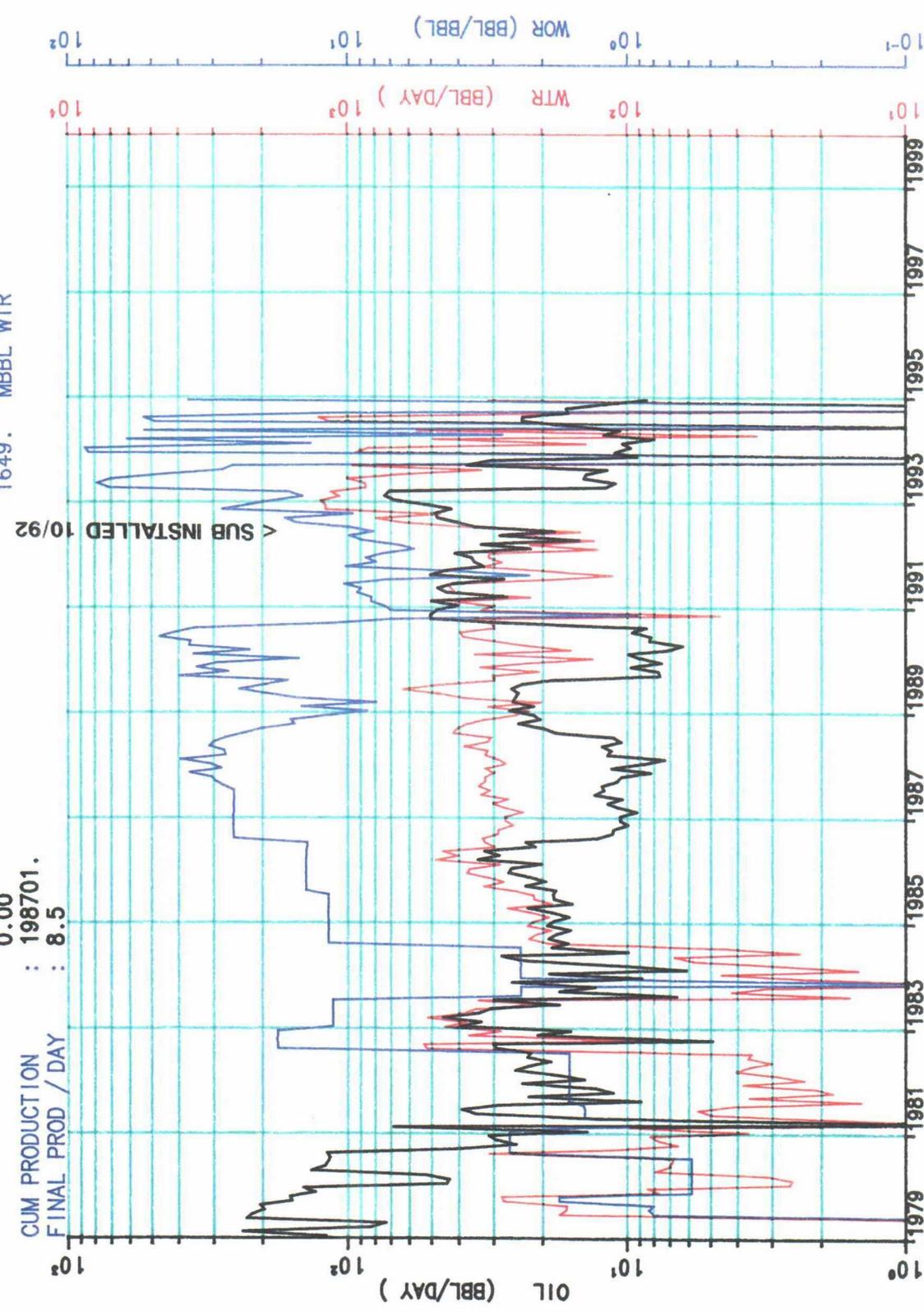


LEASE- 600157 : LAMBIRTH-A
 RESVR- 078 : PETERSON SOUTH
 WELL - 000003 PHS WELL PRODUCTION
 FUSSELMAN
 WELL-600157078000003
 API-30041204840000

PHILLIPS PETROLEUM: LAMBIRTH-A #1

Current Cums
198701. BBL OIL
196826. MCF GAS
1649. MBBL WTR

1/79-12/94
 INITIAL PROD / DAY : 119.4
 REMAINING LIFE : 16.00
 CUM PRODUCTION : 198701.
 FINAL PROD / DAY : 8.5



LEASE- 600157 : LAMBIRTH-A
 RESVR- 078 : PETERSON SOUTH
 WELL - 000001 PHS WELL PRODUCTION
 FUSSELMAN
 WELL-600157078000001
 API-30041204710000

FOR CURRENT WELL TEST REPORT
 JACK PICKETT
 1/27/95

PAGE 114

LEASE NAME: RESERVOIR:	WELLNO **	DATE **	DIL *	WATCH *	GAS *	WUP *	PUMP SIZE	STK PM	STK INT	FLUID LEVEL
KEYSTONE HOLT U KEYSTONE	0001401	690418	18.0	3.0	138.0	9,925				
	0001401	690118	30.8		233.0	14,530				
	0001403	661203	50.0	10.0	253.0	5,140				
	0001403	660514	45.0	5.0	230.0	5,173				
LAWBIRTH-A PETERSON SOUTH	0000001	940620	15.0	1,050.0	40.0	2,656				6,460
	0000001	940324	25.1	1,264.1	50.1	1,996				
LAWBIRTH-A PETERSON SOUTH	0000002	940314	11.0	361.0	51.0	4,636				
	0000002	941031	150.5	3,112.9	155.2	1,031				
	0000002	941031	153.0	3,500.0	235.0	1,535				
	0000002	940621	173.1	1,506.1	70.0	1,937				
LAWBIRTH-A PETERSON SOUTH	0000003	940314	22.0	2,100.0	15.0	154				
	0000003	941127	29.0		35.5	1,224				
	0000003	941021	30.0	10.0	20.0	1,600				
	0000003	940523	35.0	30.0	35.0	1,000		7	120	1,830
LAWBIRTH-A PETERSON SOUTH	0000003	940314	22.0	2.0	15.0	631				
	0000001	941207	7	1.4	143.0	204,235				
	0000001	940505	1.4	2.1	191.0	129,235				
	0000001	940301	3.5	.4	212.0	60,571				
LEA VACUUM	0000001	930323	1.4	.7	160.0	114,244				
	0000003	941201	4.4	.3	4.5	1,222				
0000003	941103	3.2	5.2	10.1	3,156					

WOR
 70
 50
 70
 51

21
 24
 21
 28

REFER INQUIRIES TO ODIE HENDERSON - WEST TEXAS DISTRICT (X1324)
 REFER INQUIRIES TO BELLE HENDERSON - WEST TEXAS DISTRICT (X1213)

ILLEGIBLE

Hearing Date: February 23, 1995

PHILLIPS PETROLEUM: LAMBIRTH-A #2

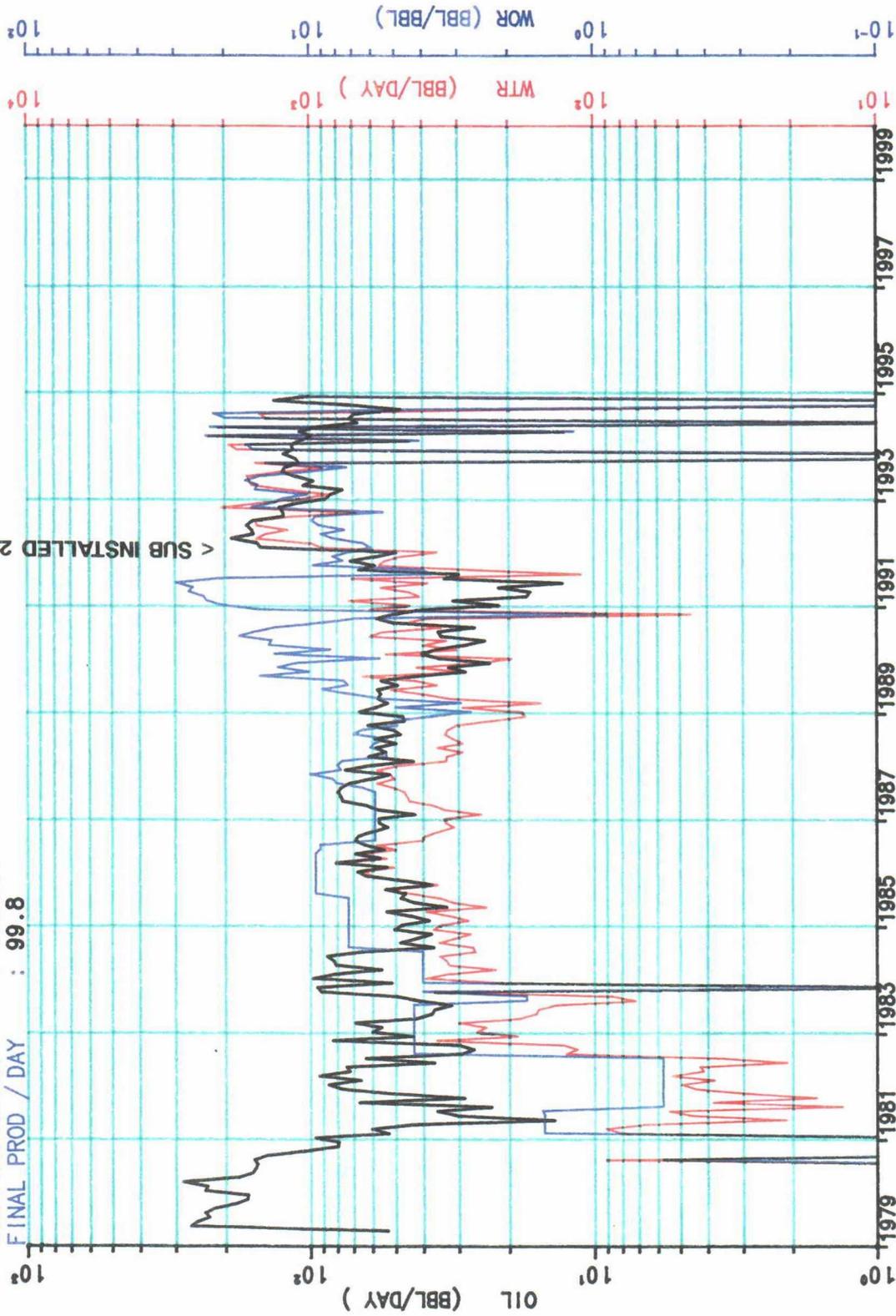
4/79-12/94

Current Cums

INITIAL PROD / DAY : 53.4
 REMAINING LIFE : 15.75
 CUM PRODUCTION : 446387.
 FINAL PROD / DAY : 99.8

446387. BBL OIL
 351386. MCF GAS
 2495. MBBL WTR

< SUB INSTALLED 2/92



LEASE- 600157 : LAMBIRTH-A
 RESVR- 078 : PETERSON SOUTH
 WELL - 000002 PHS WELL PRODUCTION

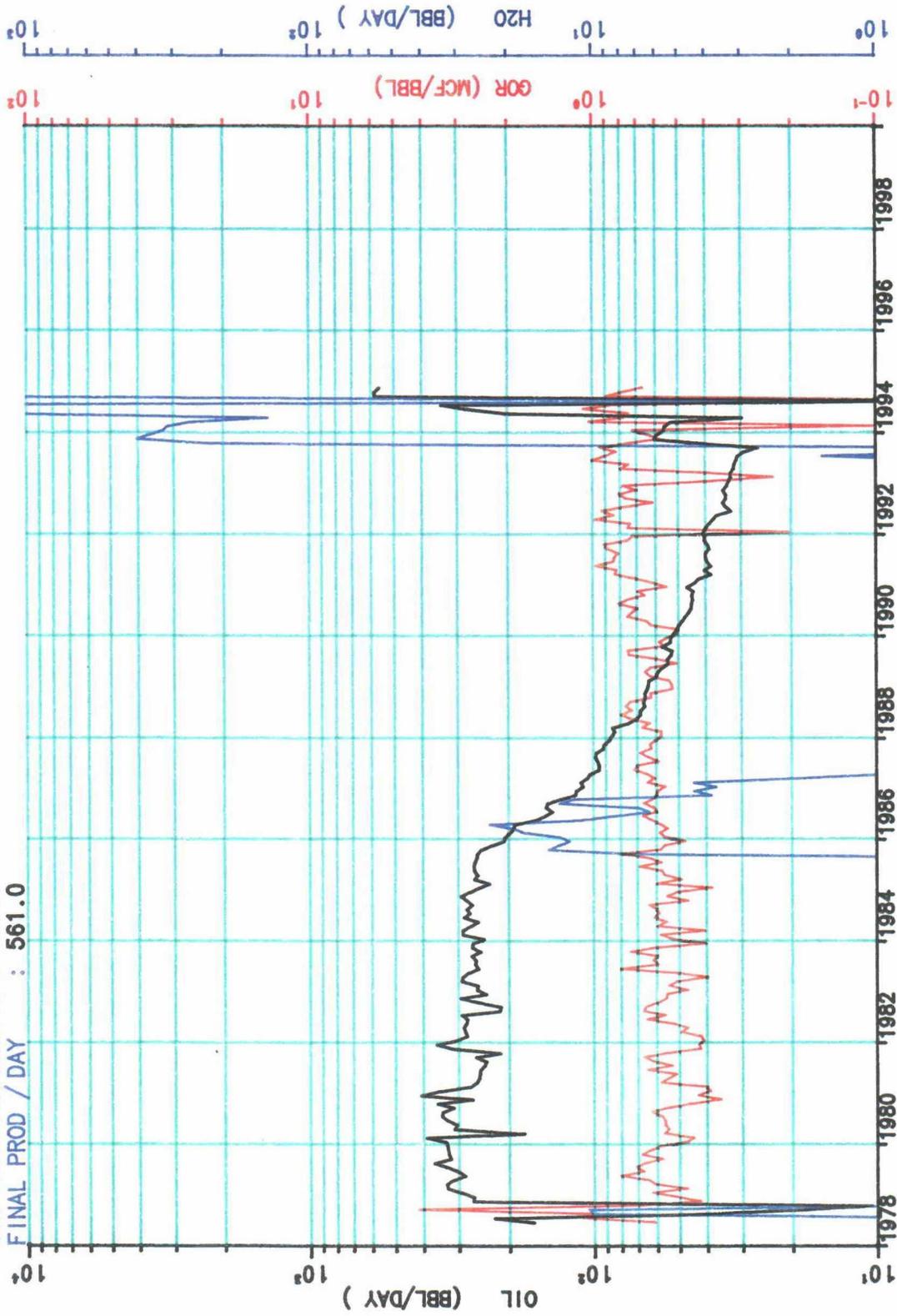
FUSSELMAN
 WELL-600157078000002
 API-30041204810000

ENSERCH: LAMBIRTH #1

6/78-11/94

Current Cums
1036. MBBL OIL
621519. MCF GAS
597023. BBL H2O

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 CUM PRODUCTN-MUNITS : 1036.
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LEASE- LAMBIRTH
 RESVR- 002 : PETERSON SOUTH (FUSSELMAN)
 WELL - 000001 CUM MBL = 1037. 31K 5S 33E

DWIGHTS ACT
 150,041,05S33E31K00FS API-300412044900
 E P OPERATING LTD PRT THRU 11/94

PHILLIPS PETROLEUM
 Hearing Date: February 23, 1995

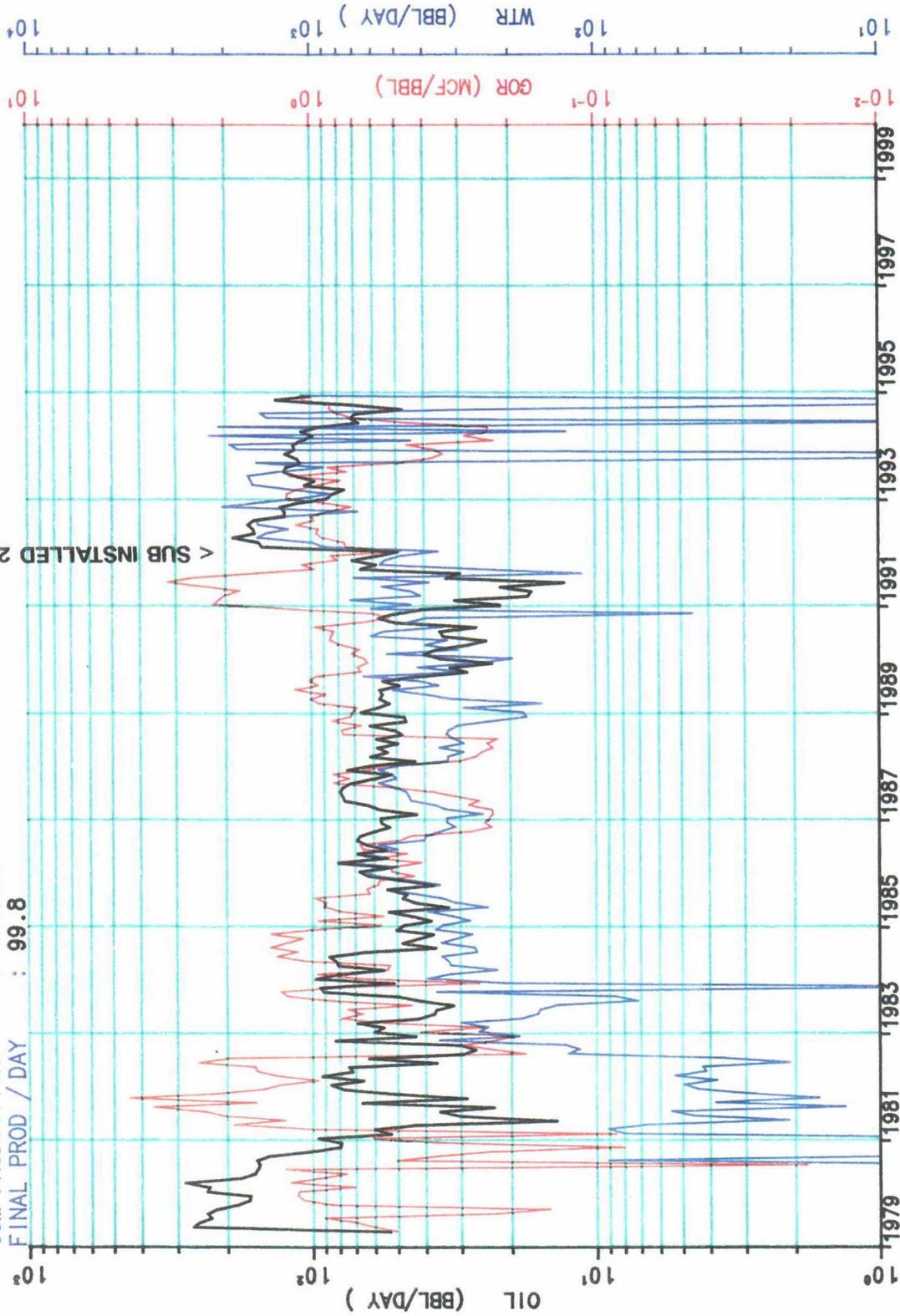
PHILLIPS PETROLEUM: LAMBIRTH-A #2

4/79-12/94

INITIAL PROD / DAY : 53.4
 REMAINING LIFE : 15.75
 CUM PRODUCTION : 446387.
 FINAL PROD / DAY : 99.8

Current Cums
 446387. BBL OIL
 351386. MCF GAS
 2495. MBBL WTR

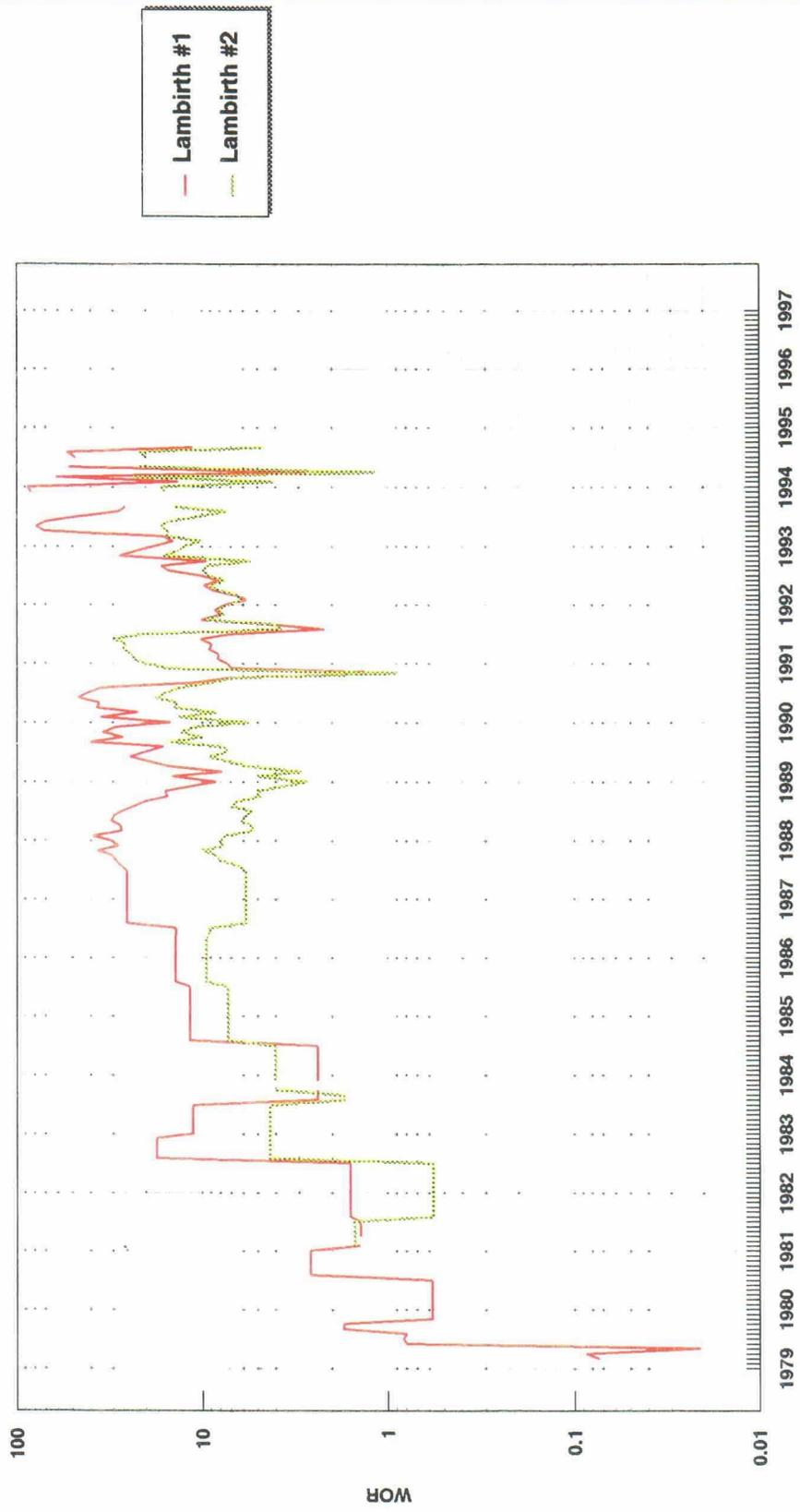
> SUB INSTALLED 2/92



LEASE- 600157 : LAMBIRTH-A
 RESVR- 078 : PETERSON SOUTH FUSSELMAN
 WELL - 000002 PHS WELL PRODUCTION

WELL-600157078000002
 API-30041204810000

Lambirth A Water Oil Ratio



1 water saturation of 18 percent; and a productivity index
2 of 35 barrels per day per psi.

3 And the Phillips Lambirth A No. 3 Well
4 had a net pay thickness of 18 feet; average porosity of
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6 These are all based on log calculations,
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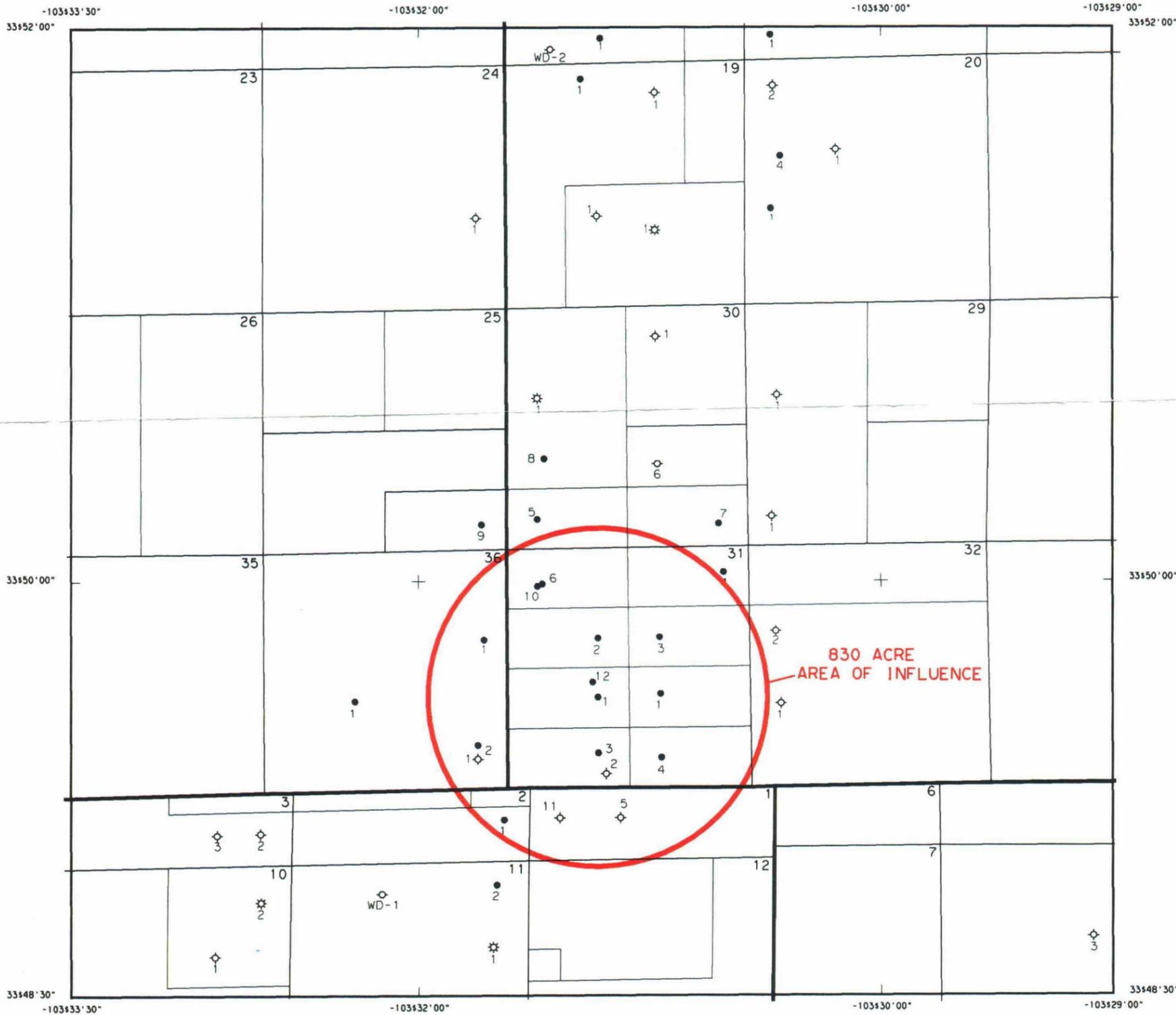
10 A Exhibit Number Five is an extended draw-
11 down test and/or reservoir limits test on the Enserch Lam-
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13 Our main concern here was that the Enserch
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21 and shown at semi-steady state. This would be on the con-
22 tinuation of the drawdown test, at semi-steady state.

23 dpdT, which is equal to beta, is equal to .15 psi per hour.
24 And employing these -- this slope into our reservoir limits
25 test calculations, we calculated a contributing pore volume

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (606) 471-2498
Santa Fe, New Mexico 87501



BEFORE THE
 OIL CONSERVATION DIVISION
 Case No. 10994 DeNovo Exhibit No. 14
 Submitted By:
PHILLIPS PETROLEUM
 Hearing Date: February 23, 1995

		PHILLIPS PETROLEUM COMPANY PERMIAN BASIN GEOLOGY	
SOUTH PETERSON FIELD ROOSEVELT CO., NEW MEXICO			
 SCALE (FEET)			
SCALE	C 1	GEOLOGY BY SCOTT BALKE	DATE 1-95
CONTOURED ON		MAP NO. NHSPEIERS DGN	
TYPE INFO		DRAFTING R. COSSIN	

VI-830AC LV: 1-5.7.41

ENSEARCH LAMBIRTH NO. 1

Cumulative Production: 953,358 Bbls. Oil
554,119 MCF Gas
37,164 Bbls. Water

38% of oil production S. Peterson Fslm Field
8% acreage & wells
22% of net oil pay
20% of OOIP

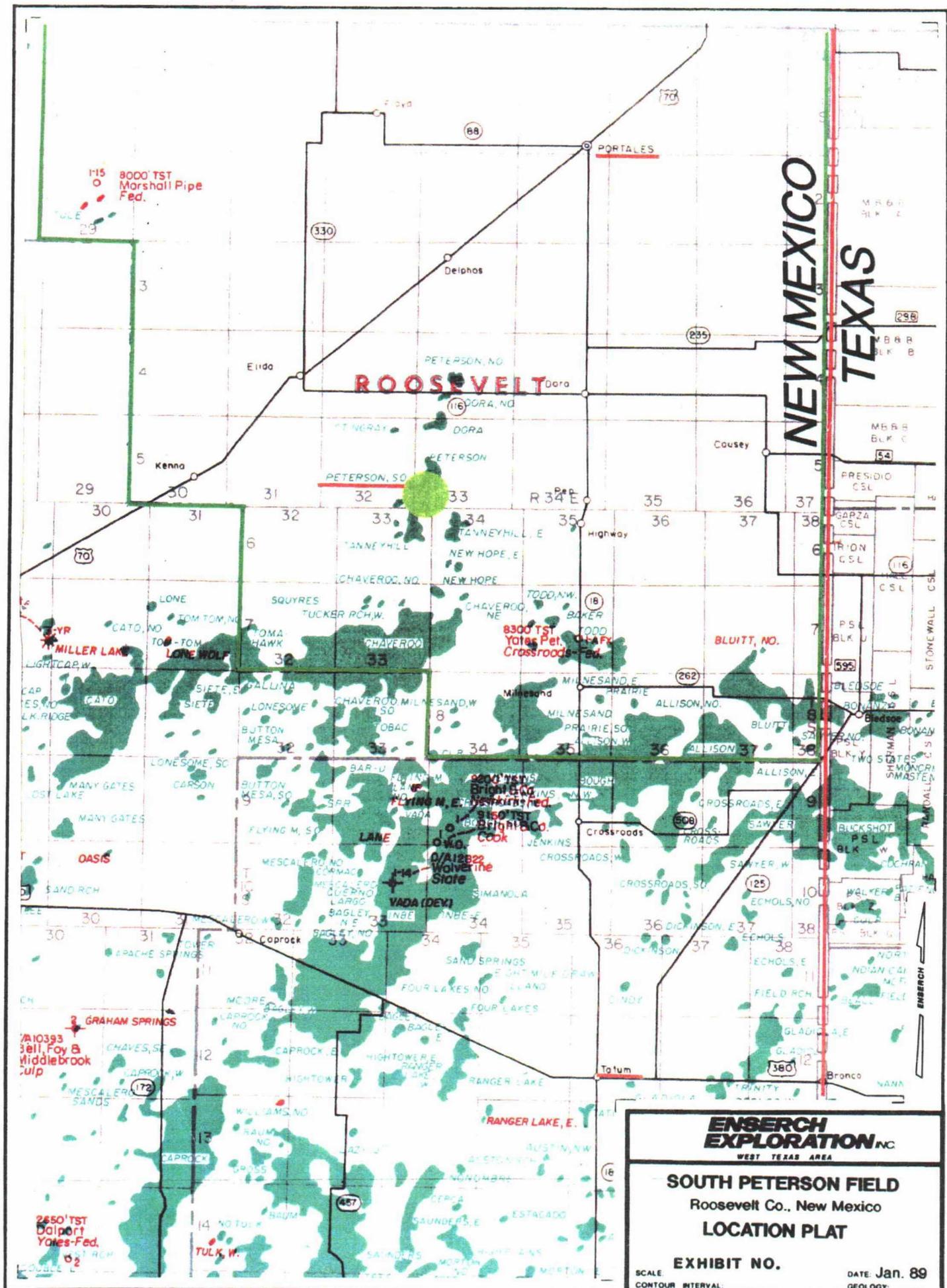
Exhibits Submitted by
ENSERCH EXPLORATION, INC.

DE NOVO HEARING

February 24, 1995

SOUTH PETERSON FIELD

Roosevelt County, New Mexico



ENSERCH EXPLORATION INC
WEST TEXAS AREA

SOUTH PETERSON FIELD
Roosevelt Co., New Mexico
LOCATION PLAT

EXHIBIT NO.

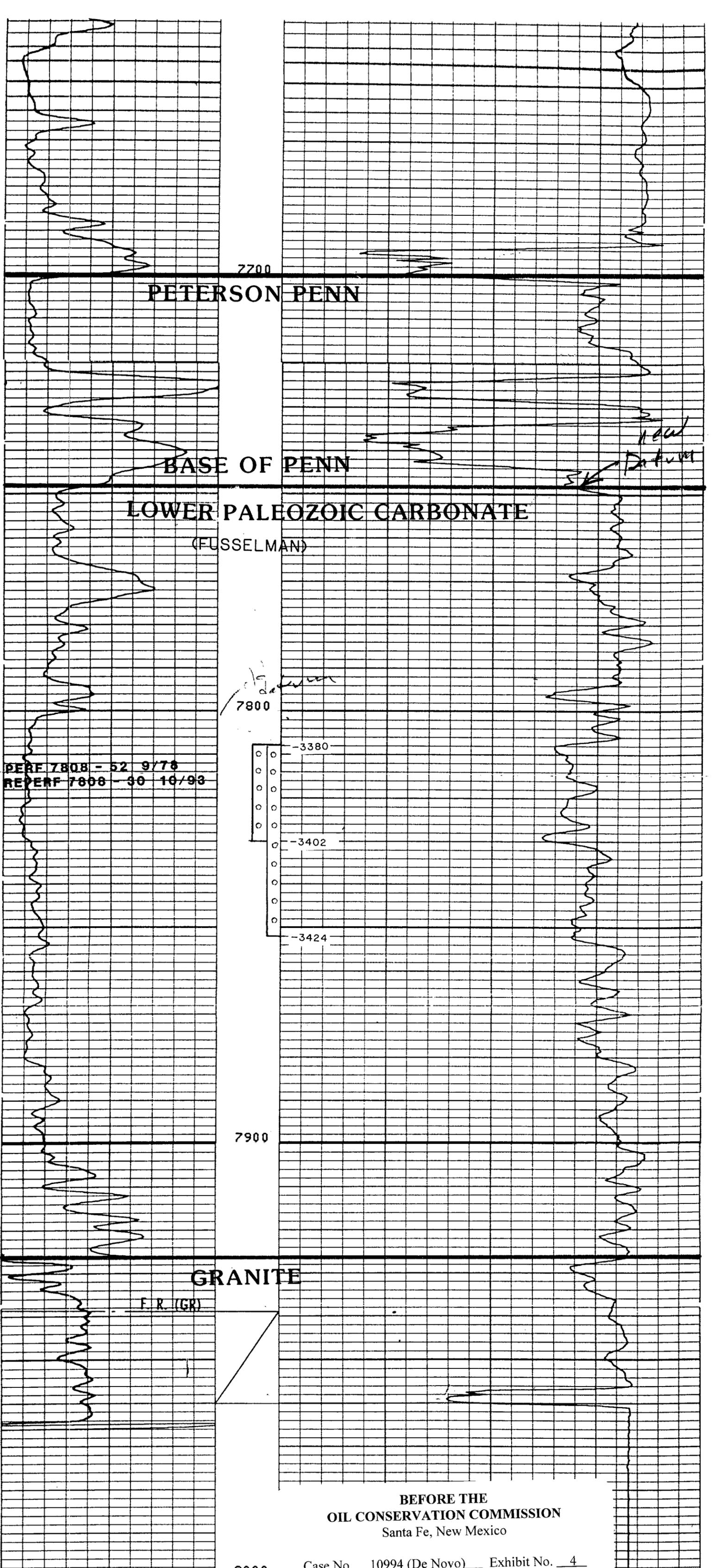
SCALE _____ DATE Jan. 89
CONTOUR INTERVAL _____ GEOLOGY _____

**BEFORE THE
OIL CONSERVATION COMMISSION**
Santa Fe, New Mexico

Case No. 10994 (De Novo) Exhibit No. 1

Submitted by: Enserch Exploration, Inc.

Hearing Date: February 24, 1995



BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Case No. 10994 (De Novo) Exhibit No. 4

Submitted by: Enserch Exploration, Inc.

Hearing Date: February 24, 1995

GAMMA RAY		API UNITS
0		100
100		200

CALIPER		DIAM. IN INCHES
6		16

RUN 1
DEPTH

INTERVAL TRANSIT TIME		MICROSECONDS PER FOOT	T <u>3</u> R ₁ <u>2</u> R ₂
100		70	40
160		130	100

COMPANY ENSERCH EXPLORATION, INC.

WELL LAMBIRTH #1

FIELD WILDCAT

COUNTY ROOSEVELT STATE NEW MEXICO

SCHL. FR 7773

SCHL. TD 7786

DRLR. TD 7814

Elev: KB 4428

DF 4414

GL 4414