

June 16, 1992

RECEIVED

Florene Davidson
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

JUN 23 1992

OIL CONSERVATION DIVISION

Re: Case No. 10494- Union Oil Company of California
Application for Pool Contraction, etc.

The N. C. Case Land and Management Company, Inc. hereby
requests to be a party of record in the above case relative
to the mineral owned in 320 acres:

W/2 NE/4 Section 3-26 South-33 East &
NE/4 & S/2 SE/4 Section 34-25 South-33 East

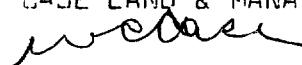
We believe our mineral will be drained by UNOCAL.

^{required}
We ~~need~~ lease with UNOCAL.

Sincerely,

N. C. CASE LAND & MANAGEMENT COMPANY, INC.

By



William C. Case, Vice-President

4028 SW Trenton St.
Seattle, WA 98136-2546
206-935-5391

DINWIDDIE CATTLE CO.

OIL CONSERVATION DIVISION
RECEIVED

BILL DINWIDDIE

Box 374
ROSWELL, NEW MEXICO 88201
355-7610

TOMMY DINWIDDIE

Box 195
JAL, NEW MEXICO 88252
395-2001

W. D. "JIGGS" DINWIDDIE

Box 302
JAL, NEW MEXICO 88252
395-3021

92 JUN 25 AM 9 37

June 19, 1992

Division Examiner New Mexico Oil Conservation Division
New Mexico Department of Energy, Minerals and Natural Resources
500 Don Gaspar
Santa Fe, New Mexico 87509

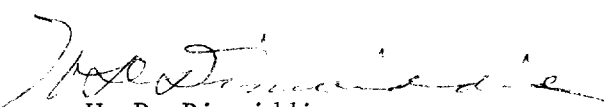
RE: Application of Union Oil Company of California, d/b/a UNO-
CAL, for Pool Contraction, Pool Creation and Special Pool Rules,
Lea County, New Mexico. Said application is acknowledged by
New Mexico Oil Conservation Division as of June 2, 1992.
UNOCAL requests this application be set for hearing before
a duly appointed Examiner of the New Mexico Oil Conservation
Division June 25, 1992.

Dear Sir:

We request being on record opposing rule and/or regulation
changes as requested in the above UNOCAL applications.

We are owners of unleased mineral interests contiguous with
boundaries of UNOCAL Red Hills existing pools.

Respectfully Submitted,


W. D. Dinwiddie
P.O. Box 302
Jal, New Mexico 88252

Billy W. Dinwiddie
Box 374
Roswell, New Mexico 88201

6-19-92

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
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MICHAEL H. FELDEWERT

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SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE (505) 988-4421
TELECOPIER (505) 983-6043

July 2, 1992

HAND-DELIVERED

Mr. David R. Catanach
Hearing Examiner
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

RECEIVED

JUL 09 1992

OIL CONSERVATION DIVISION

Re: Oil Conservation Division Case No. 10494:
Application of Union Oil Company of California d/b/a Unocal for pool
contraction, pool creation and special pool rules, Lea County, New Mexico

Dear Mr. Catanach:

At the June 25, 1992 hearing in the above-referenced case you asked Unocal's witness if there were other Atoka sand pools in the general area of the Red Hills-Pennsylvanian Gas Pool which were developed on 640-acre spacing. Unocal stated that they believed the Pitchfork Ranch-Atoka Pool was developed on this spacing pattern.

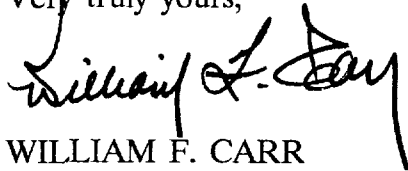
Following the hearing, Unocal has confirmed that the Pitchfork Ranch-Atoka Gas Pool is developed on 320-acre spacing. Attached for your information is data on the wells in this pool which shows that the Pitchfork "34" Federal No. 1 Well, the first well in the pool, recovered almost half the estimated ultimate recovery from this reservoir and that subsequent wells have produced substantially less.

Mr. David R. Catanach
Hearing Examiner
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
July 2, 1992
Page 2

Furthermore, when the distance between the PF "34" Federal No. 1 Well and offsetting wells is reviewed in conjunction with the data on the acres drained by each, it shows that wells in this Atoka sand can drain 640-acres.

We believe that this information demonstrates that these Atoka sand reservoirs can be drained effectively and efficiently by a limited number of wells. Although the Pitchfork Ranch Atoka-Gas Pool is not developed on 640-acre spacing units as we previously reported, we believe the data on this reservoir supports Unocal's request for permanent 640-acre spacing rules for its proposed Red Hills-Atoka Gas Pool.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr", written over the typed name.

WILLIAM F. CARR

WFC:mlh
Enclosure

PITCHFORK RANCH-ATOKA GAS POOL WELL DATA

Well Name	Date Compl.	Net Pay Ft.	Average POR	EUR (BCF)	Drainage Area (Acres)	Distance From PF "3" Fed #1 (Original Well)
PF "34" Fed #1	6/83	5	16	12.0	1475	_____
Vaca Ridge "4" #2	2/86	3	14	1.1	260	3/4 mile
Diamond Fed "5" #3	10/86	?	?	3.7	?	_____
Madera "33" Fed #3	4/87	4	12	2.1	425	1 mile
Madera "28" Fed #2	5/87	3	14	3.7	865	1 mile
Page "3" Com #2	7/87	7	15	2.0	190	1/2 mile
Madera "33" Fed #4	11/87	6	11	1.3	195	1/2 mile
PF "4" Fed 21	8/88	?	?	1.5	?	_____

-- EUR from decline curve analysis
 -- Fluid prop. assumed equal to RHU #3
 -- Press. gradient assumed equal to RHU #3
 -- Water sat. equal to RHU #3 (SW = 20%)

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

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

CASE NO. 10494

APPLICATION OF UNION OIL COMPANY
OF CALIFORNIA d/b/a UNOCAL FOR
POOL CONTRACTION, POOL CREATION
AND SPECIAL POOL RULES,
LEA COUNTY, NEW MEXICO.

RECEIVED
JUN 17 1992
OIL CONSERVATION DIVISION

PRE-HEARING STATEMENT

This prehearing statement is submitted by William F. Carr, as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Union Oil Company of California
d/b/a Unocal
1004 North Big Spring
Midland, Texas 79792
Attn: Thomas O. Morrow

(915) 684-8231 _____
name, address, phone and
contact person

ATTORNEY

William F. Carr

Campbell, Carr, Berge & Sheridan
Post Office Box 2208
Santa Fe, New Mexico 87504

(505) 988-4421 _____

OPPOSITION OR OTHER PARTY

name, address, phone and
contact person

ATTORNEY

STATEMENT OF CASE

APPLICANT

Union Oil Company of California d/b/a Unocal, applicant, seeks the contraction of the vertical limits of the Red Hills-Pennsylvanian Gas Pool, which is currently comprised of Sections 31, 32 and 33, Township 25 South, Range 33 East, and Sections 4, 5 and 6, Township 26 South, Range 33 East, to include only the interval from the top of the lower "Atoka lime" to the base of the Morrow formation. Further, applicant seeks the creation of a new pool for the production of gas from the "Upper Atoka" formation underlying all of Section 5, Township 26 South, Range 33 East, and the promulgation of special pool rules therefor, including provisions for 640-acre spacing and proration units and designated well location requirements.

OPPOSITION OR 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

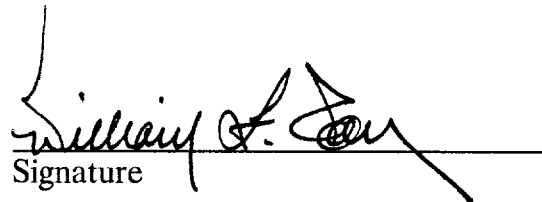
APPLICANT

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Thomas O. Morrow, Petroleum Engineer	15 Min.	Approximately 6

OPPOSITION

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


Signature