

Case No.

390

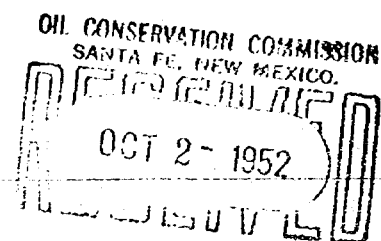
Application, Transcript,  
Small Exhibits, Etc.

BEFORE THE  
OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO

TRANSCRIPT OF PROCEEDINGS  
CASE NO. 390

September 16, 1952  
Regular Hearing

ADA DEARNLEY & ASSOCIATES  
COURT REPORTERS  
ROOM 12, CROMWELL BLDG.  
PHONES 7-9645 AND 5-9546  
ALBUQUERQUE NEW MEXICO



BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

SEPTEMBER 16, 1952

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In the Matter of:

Readvertised for further hearing after having been originally before the Commission at the August 19 hearing, this case is concerned with the Commission's application for an order exempting certain legally advertised pools of southeastern New Mexico from the requirements of Rule 301 pertaining to the filing of Form C-116, Gas-Oil Ratio Test, and Rule 506 (d) pertaining to gas-oil ratio limitations. Purpose of readvertisement was to permit inclusion of additional pools upon presentation of proper testimony and recommendations justifying their inclusion.

Case No. 390

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MR. SPURRIER: Before we take any testimony on this case, we should be advised that only the pools advertised are the pools effected.

Mr. Selinger, do you have something?

MR. SELINGER: At the August 19 Hearing, when this case was first called, we stated to the Commission our reasons why we felt that the Penrose-Skelly Pool, which is now to be exempt from Rule 506, Paragraph "D", should be likewise exempt from Rule 301. In other words, the Penrose-Skelly Field has always been exempt from its inception and we are asking that this field likewise be exempt from being required to take any gas-oil ratio test at all.

ADA DEARNLEY & ASSOCIATES  
COURT REPORTERS  
ALBUQUERQUE, NEW MEXICO

At the August 19 Hearing we introduced an exhibit. We desire to introduce another exhibit which supplements the previous exhibit in that it includes May and June. It indicates that this field averages a production of 3.7 per well for 293 wells and runs an average of 3.6 for 293 wells.

In addition to the previous reasons given on August 19, we wish further to state that the taking of gas-oil ratios necessitates an expense from twenty to twenty-five dollars per well with an average production or runs of a little over three barrels. Each operator required over a weeks production just in order to take a gas-oil ratio test. As it now stands you have a limiting gas-oil ratio. We can't see the necessity for requiring a gas-oil ratio test. These wells have always been exempt from limiting gas-oil ratios. All the gas in the field is legally utilized by the plants in the field and take all the Casinghead gas.

We think it is a useless gesture for operators of 293 wells to have to take gas-oil ratio tests for no purpose whatsoever. The notice which was advertised in Case 390 and re-advertised indicates, with respect to the various fields under Rule 301 with the including statement "and such other oil pools in Eddy, Lea, Chaves and Roosevelt Counties which may be included herein as supported by proper testimony and recommendations adduced at said hearing." We feel this Commission at this particular hearing has justification to include Penrose-Skelly in the list of fields not only to be exempt from Rule 506 but also Rule 301, and we particularly urge the Commission to exempt the Penrose-Skelly area from the working not only 506 but 301.

ADA DEARNLEY & ASSOCIATES  
COURT REPORTERS  
ALBUQUERQUE, NEW MEXICO

MR. MACEY: I would like to say in connection with your request, possibly the inclusion was an over-sight on our part. I know that it was supposed to be in Paragraph "A" to be exempt from the requirements of the Rule.

MR. SELINGER: We felt certainly it was overlooked, but unavoidably and inadvertently. We would like to have the record straight.

MR. WHITE: What is the relative gas-oil ratio in the Penrose-Skelly field?

MR. SELINGER: 13,000 for the first six months of this year, 13,560 cubic feet per barrel of the 3.7. All of that gas is being utilized by the plants.

MR. SPURRIER: Anyone else?

MR. PORTER: In the second advertisement of this Case, the Langlie-Mattix Pool should be included in Paragraph "B".

MR. MACEY: Not on this.

MR. SELINGER: That was discussed at the August 19 Hearing and at that time Mr. Macey stated as long as there are new wells being drilled with top allowables they were not going to include it.

MR. PORTER: I don't mean the Langlie-Mattix should be included in the group of Paragraph "A" but it is not listed in Paragraph "B" which we are to be exempt from the limiting ratio.

MR. MACEY: We have a telegram from John M. Kelley.

"R. R. Spurrier, Oil Conservation Commission, Santa Fe, New Mexico. Re: Case 390. Please add the Langlie Mattix Pool

to the list of pools being exempt from the requirements of Rule 506, Paragraph "D". Apparently this pool name was not listed in the advertisement of case 390. This pool is at the present time exempt from Gas-Oil Ration rules. Personal regards. John M. Kelly"

MR. SPURRIER: Anything further?

MR. CHRISTIE: R. S. Christie, representing Amerada.

At the August 19 Hearing we recommended to the Commission that the Bagley Devonian & Hightower Devonian, East Caperoock Devonian and Knowles Fields be exempt from the requirements of Rule 301 and also Rule 506 Paragraph "D". We would like to renew that request at this time and also would like to have the testimony of that hearing made a part of the record of this hearing.

MR. SPURRIER: Very well.

MR. SELINGER: Mr. Commissioner, going back to the Langlie-Mattix, I think you will find that covered by Order R-98 "B", in which Langlie-Mattix is specifically stated as having no limiting gas-oil ratio. It was included in R-98 "B".

MR. CHRISTIE: We would like to add another field to the list and include the Moore Devonian.

MR. CAMPBELL: Mr. Jack Campbell, Texas Pacific, we would like the record to show we join in the request of Amerada for the exclusion of the Bagley Devonian Field from the gas-oil ratio test being limited.

MR. BICKEL: Bickel with Shell. We have no comments relative to the specific pools under consideration in this case, any specific pools.

MR. SPURRIER: Anyone else.

MR. MACEY: We have a letter here from the Buffalo Oil Company pertaining to the South Maljamar Pool. It reads as follows:

"Gentlemen: We have notification of Case No. 390 to be heard September 16, 1952, and this is a readvertisement to permit inclusion of additional pools which are to be exempt from regulations pertaining to gas-oil ratio limitations.

The Buffalo Oil Company operates its Cheesman 2-X, which is a one-well pool, designated as the South Maljamar pool, location is NE $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 22, Twp. 18S., Rge. 32E., Lea County, New Mexico. This well was completed August 1, 1943, and has a present allowable of only 10 bbls. per day. The well has always been a small well and has produced a very small quantity of gas. The last gas-oil ratio test taken January, 1952, showed a gas-oil ratio of 575. We would like to have the South Maljamar pool included among the pools which are exempt from a limiting gas-oil ratio. This well is in an isolated location and is barely economical to operate. Since the well produces very little gas, we feel there is no necessity to take further gas-oil ratio tests and this will relieve the well of some additional operating cost which will tend to permit longer operation of the well. Yours very truly, BUFFALO OIL COMPANY, By: Ralph L. Gray, Asst. Supt."

MR. SPURRIER: Anyone else? If not, the Case will be taken under advisement and the meeting is adjourned.

C E R T I F I C A T E

I HEREBY CERTIFY that the foregoing and attached transcript of hearing before the Oil Conservation Commission, State of New Mexico, at Santa Fe, September 16, 1952, in Case No. 390, is a true and correct record to the best of my knowledge, skill and ability.

Dated at Albuquerque, New Mexico, this 25<sup>th</sup> day of September, 1952.

Marianna Meier  
Reporter

ADA DEARNLEY & ASSOCIATES  
COURT REPORTERS  
ALBUQUERQUE, NEW MEXICO



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CASE 390:

In the matter of the application of the Oil Conservation Commission upon its own motion for an order (a) exempting the following pools from the requirements of Rule 301 of the Oil Conservation Commission's Rules and Regulations pertaining to the filing of form C-116, Gas-Oil Ratio Test, and from the requirements of Rule 506, (paragraph d) pertaining to Gas-Oil Ratio limitations:

Acme, Aid, Anderson, Artesia, Barber, Benson, Black River, Barton, Caprock, Cedar Hills, Chisum-San Andres, Dougherity, Dayton, South Drinkard, Dublin-Devonian, Empire, Forest, Fren, Garrett, Getty, Grayburg-Jackson, Grayburg-Keely, Halfway, Henshaw, High Lonesome, Leo, Leonard, Loco Hills, Loco Hills-Queen, Lusk, West Lusk, North Lynch, East Maljamar, McMillan, McMillan-Seven Rivers, Millman, Nadine, New Hope, Nichols, P. C. A., Pearsall, Premier, Red Lake, Robinson, Russell, Santo Nino, San Simon, Sawyer, Shugart, North Shugart, Square Lake, Teas, Turkey Track, East Turkey Track, West Turkey Track, Turkey Track-Seven Rivers, Watkins, Watkins-Grayburg, North Wilson, Young and,

(b) exempting the following pools from the requirements of Rule 506 (paragraph d) pertaining to Gas-Oil Ratio limitations:

Baish, Cooper-Jal, South Eunice, Hardy, Lynch, Maljamar-Paddock, Penrose-Skelly, Rhodes, Wilson, West Wilson.

# PHILLIPS PETROLEUM COMPANY

BARTLESVILLE, OKLAHOMA

June 11, 1952

In re: Proposed Revisions  
Rule 301 Gas-Oil Ratio Tests  
New Mexico Oil Conservation Commission

Mr. Glenn Staley  
New Mexico Oil and Gas Engineering Committee  
Hobbs, New Mexico

Dear Mr. Staley:

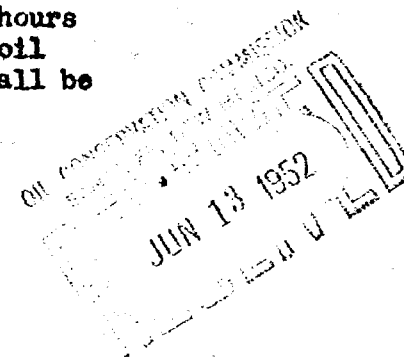
We have studied the revised Statewide Rule 301 which has been proposed by Mr. A. L. Porter, Jr. for consideration by the New Mexico Oil and Gas Engineering Committee.

It occurs to us that if Rule 301 is to be revised, then it would be appropriate to include in such rule a provision to insure more representative gas-oil ratio tests. Such a provision is used by the conservation agencies of many other states.

We have in mind a provision which would require a well to be produced at or near its allowable rate for a period of 24 hours immediately prior to the taking of the gas-oil ratio tests. It is the opinion of Phillips Petroleum Company that unless operators are required to take gas-oil ratio tests with wells in normal operating condition, the gas-oil ratios reported to the Commission will be much lower than the true operating ratios and will be misleading to the Commission and will also result in wasteful operating practices and unequal treatment and allowables to some operators which are not fair and equitable.

Therefore, we desire to propose that sub-paragraph (d) of the proposed revised Rule 301 be worded as follows:

"Immediately prior to taking a gas-oil ratio test each well shall be produced for a period of not less than 24 hours at a rate as near as possible to the average daily oil allowable. During gas-oil ratio tests each well shall be



Mr. Glenn Staley  
Proposed Revisions  
Rule 301 Gas-Oil Ratio Tests  
N. M. Oil Conservation Commission  
June 11, 1952  
Page No. 2

produced at a rate not to exceed the top allowable for the pool in which it is located by more than 25 percent."

It is our hope that your committee will see fit to recommend this revised wording.

The other portions of Mr. Porter's proposed rule appear to be satisfactory.

Yours very truly,

  
C. P. Dimit

CPD

cc Messrs. R. R. Sparrier ← COPY FOR  
W. B. Macey

New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

New Mexico  
OIL CONSERVATION COMMISSION

GOVERNOR EDWIN L. MECHEM  
CHAIRMAN

LAND COMMISSIONER GUY SHEPARD  
MEMBER

STATE GEOLOGIST R. R. SPURRIER  
SECRETARY AND DIRECTOR



P. O. BOX 1545  
HOBBS, NEW MEXICO

May 9, 1952

*Enclosed  
a copy  
W. H. M.*

Mr. R. R. Spurrier  
Box 871  
Santa Fe, New Mexico

Dear Mr. Spurrier:

I am attaching suggested revisions to Rule 301 of the rules and regulations, and a gas oil ratio survey schedule. You will please notice that I have not proposed any changes in limiting gas oil ratios with the exception of those pools in which I think the limit should be removed. If it is deemed advisable to change the present limits in other pools, then separate hearings would probably be necessary. My thoughts on this matter are to get a workable gas oil ratio rule established and to exempt those pools in which the requirement of taking gas oil ratio tests would serve no useful purpose as far as conservation is concerned.

In the proposed survey schedule I have not suggested survey periods for the Grayburg Jackson and Loco Hills pools as I would like to discuss those pools with Mr. Macey.

As indicated above I am submitting these proposals merely for the purpose of getting the rule revisions under way. Before the matter is advertised for hearing I think we should have a meeting of Commission personnel for the purpose of drafting something for consideration at the hearing.

I hope to visit your office on Tuesday of next week at which time we can discuss the matter more fully.

Yours very truly,

A handwritten signature in dark ink, appearing to read "A. L. Forter, Jr." with a stylized flourish at the end.

A. L. Forter, Jr.  
Proration Manager

ALF/mw

PROPOSED REVISIONS  
RULE 301 GAS OIL RATIO TEST

(a) Each Operator shall take a gas oil ratio test upon completion or recompletion of an oil well provided that (1) the well is a wildcat, or (2) the well is located within a pool not exempted from the requirements of this rule, (wells located within one mile of the outer boundaries of a defined oil pool shall be governed by the provisions of this rule which are applicable to the nearest pool producing from the same formation). The results of such test shall be reported on form C-116 which must accompany form C-104, "Request for allowable". Each operator shall also make an annual gas oil ratio test of each producing oil well, located within a pool not exempted from the requirements of this rule, during a period prescribed by the Commission. A gas oil ratio survey schedule shall be established by the Commission setting forth the period in which gas oil ratio tests are to be taken for each pool wherein a test is required. Such schedule shall also list the pools which are exempted from the test requirements and shall be revised in December of each year to take into account any new pools which may have been created since the last schedule was issued.

(b) The results of gas oil ratio tests taken during regular survey periods shall be filed with the Commission on form C-116 not later than the 15th of the month following the close of the survey period for the pool in which the well is located. The gas oil ratios thus reported shall become effective for proration purposes on the first day of the month following the month in which they are reported. Unless form C-116 is filed within the required time limit the allowable for the affected well shall be suspended for the balance of the proration period and shall not be reinstated until form C-116 is filed.

(c) In the case of special tests taken between regular gas oil ratio surveys, the gas oil ratio shall become effective for proration purposes upon the date form C-116 reporting the results of such test is received by the Commission. A special test does not exempt any well from the regular survey.

(d) During gas oil ratio tests each well shall <sup>Not</sup> be produced at a rate <sup>IN EXCESS</sup> equal to or ~~0.5 125% of~~ ~~not exceeding~~ top allowable for the pool in which the well is located ~~by more than~~ 25%.

(e) The limiting gas oil ratios established by the above mentioned gas oil ratio survey schedule shall supersede those listed in appendix B of the Rules and Regulations.

POOL	PRESENT GOR LIMIT	PROPOSED SURVEY-DATES	DEADLINE FOR FILING FORM C-116
ACME	2000	To be exempted	Not required
AID	2000	To be exempted	Not required
ANDERSON	2000	To be exempted	Not required
ARROWHEAD	3500	Jan. - Feb.	March 15
ARTESIA	2000	To be exempted	Not required
BAGLEY-PENN	2000	July	August 15
BAGLEY-SILURO/DEVONIAN	2000	July	August 15
BAISH	2000	To be exempted	Not required
BARBER	2000	To be exempted	Not required
BENSON	2000	To be exempted	Not required
BLACK RIVER	2000	To be exempted	Not required
BLINEBRY	2000	April	May 15
BOUGH	2000	March	April 15
BOWERS	2000	May - June	July 15
BRUNSON	2000	2 Surveys-Mar.-Apr. and Sept.-Oct.	May 15 November 15
BURTON	2000	To be exempted	Not required
CAPROCK	2000	June - July	August 15
CAPROCK EAST, DEVONIAN	2000	July	August 15
CARY	2000	May	June 15
CASS	2000	June	July 15
CAUDILL PENN.	2000	Drilling deeper	
CEDAR HILL, YATES	2000	To be exempted	Not required
CHISUM	2000	August	September 15
CHISUM-SAN ANDRES	2000	August	September 15
COOPER JAL	None	Feb. - March	April 15
CORBIN	2000	January	February 15
CROSSROADS	2000	March	April 15
CROSSROADS-PENN	2000	March	April 15
DAUGHERITY	2000	To be exempted	Not required

POOL	PRESENT GOR LIMIT	PROPOSED SURVEY-DATES	DEADLINE FOR FILING FORM C-116
DAYTON	2000	To be exempted	Not required
DENTON	2000	September	October 15
DENTON-WOLFCAMP	2000	September	October 15
DOLLARHIDE WEST	2000	January	February 15
DOLLARHIDE WEST DRINKARD	2000	January	February 15
DRINKARD	2000	April - May	June 15
DRINKARD, SOUTH	2000	To be exempted	Not required
DUBLIN-DEVONIAN	2000	To be exempted	Not required
EAVES	2000	March	April 15
ECHOL-DEVONIAN	2000	February	March 15
EMPIRE	2000	To be exempted	Not required
EUNICE	6000	October - Nov.	December 15
EUNICE, SOUTH	6000	October	November 15
FOWLER	2000	January	February 15
FOREST	2000	To be exempted	Not required
FREN	2000	To be exempted	Not required
GARRETT	2000	To be exempted	Not required
GETTY	2000	To be exempted	Not required
GLADIOLA	2000	October	November 15
GLADIOLA WOLFCAMP	2000	October	November 15
GRAYBURG-JACKSON	4000		
GRAYBURG-KEELY	2000	To be exempted	Not required
HALFWAY	2000	To be exempted	Not required
HARDY	None	Aug. - Sept.	October 15
HARE	2000	April	May 15
HARE, SOUTH	2000	To be exempted	Not required
HENSHAW	2000	To be exempted	Not required
HIGH LONESOME	2000	To be exempted	Not required
HIGHTOWER	2000	July	August 15



POOL	PRESENT GOR LIMIT	PROPOSED SURVEY-DATES	DEADLINE FOR FILING FORM C-116
HIGHTOWER-PERMO-PENN	2000	July	August 15
HOBBS	3500	May - June	July 15
HOBBS, EAST-BLINEBRY	2000	November	December 15
HOBBS, EAST-SAN ANDRES	2000	November	December 15
HOUSE	2000	February	March 15
HOUSE, SAN ANDRES	2000	To be exempted	Not required
KING-WOLFCAMP	2000	January	February
KNOWLES	2000	May	June 15
LANGLIE MATTIX	None	Feb. - March	April 15
LEO	2000	To be exempted	Not required
LEONARD	2000	To be exempted	Not required
LEONARD, SOUTH	2000	July	August 15
LIGHTCAP	2000	February	March 15
LOCO HILLS	3000	To be exempted	Not required
LOCO HILLS (REPRESS)	3000		
LOCO HILLS, QUEEN	2000	To be exempted	Not required
LOVINGTON	2000	April - May	June 15
LOVINGTON, ABO	2000	April	May 15
LOVINGTON, EAST-PENN	2000	April	May 15
LOVINGTON, WEST	2000	April - May	June 15
LUSK	2000	To be exempted	Not required
LUSK, WEST	2000	To be exempted	Not required
LYNCH	2000	February	March 15
LYNCH, NORTH	2000	To be exempted	Not required
MALAGA (DELAWARE)	2000	January	February 15
MALJAMAR	3000	May - June	July 15
MALJAMAR-DEVONIAN	2000	May	June 15
MALJAMAR, EAST	2000	To be exempted	Not required

POOL	PRESENT GOR LIMIT	PROPOSED SURVEY-DATE	DEADLINE FOR FILING FORM C-116
MALJAMAR-NORTH	2000	To be exempted	Not required
MALJAMAR, PADDOCK	2000	March	April 15
MALJAMAR, SOUTH	2000	To be exempted	Not required
McMILLAN	2000	To be exempted	Not required
McMILLAN SEVEN RIVERS	2000	To be exempted	Not required
McCORMACK	2000	May	June
MILLMAN (GRAYBURG)	2000	To be exempted	Not required
MONUMENT	3000	August - Sept.	October 15
MONUMENT, AEO	2000	August - Sept.	October 15
MONUMENT, BLINEBRY	2000	August - Sept.	October 15
MONUMENT, PADDOCK	2000	August - Sept.	October 15
NADINE	2000	To be exempted	Not required
NEW HOPE	2000	To be exempted	Not required
NICHOLS	2000	To be exempted	Not required
PADDOCK	2000	May - June	July 15
P. C. A.	2000	To be exempted	Not required
FEARSALL	2000	To be exempted	Not required
PENROSE SKELLY	None	April - May	June 15
PREMIER	2000	To be exempted	Not required
RED LAKE	2000	To be exempted	Not required
RHODES	None	Sept. - Oct.	Nov. 15
ROBERTS	2000	March	April 15
ROBINSON	2000	To be exempted	Not required
RUSSELL	2000	To be exempted	Not required
SANTO NINO	2000	To be exempted	Not required
SAN SIMON	2000	To be exempted	Not required
SAUNDERS	2000	January	February 15
SAUNDERS, SOUTH	2000	January	February 15

POOL	PRESSENT COR- LIMIT	PROPOSED SURVEY-DATES	DEADLINE FOR FILING FORM 3-116
SAMYER	2000	To be exempted	Not required
SHUGART	2000	To be exempted	Not required
SHUGART, NORTH	2000	To be exempted	Not required
SKAGGS	2000	February	March 15
SQUAKE LAKE	2000	To be exempted	Not required
TEAGUE	2000	March	April 15
TEAGUE, DEVONIAN	2000	March	April 15
TEAGUE, ELLENBURGER	2000	March	April 15
TEAS	2000	To be exempted	Not required
TULK, WOLFCAMP	2000	February	March 15
TURKEY TRACK	2000	To be exempted	Not required
TURKEY TRACK, EAST	2000	To be exempted	Not required
TURKEY, SEVEN RIVERS	2000	To be exempted	Not required
TURKEY, TRACK WEST	2000	To be exempted	Not required
TWIN LAKES	2000	February	March
VACUUM	2500	January-February	March 15
WARTZ, ABO	2000	February	March 15
WARREN, DRINKARD	2000	June	July 15
WARREN, McKEE	2000	June	July 15
WARREN, McKEE NORTH	2000	June	July 15
WATKINS	2000	To be exempted	Not required
WATKINS-GRAYBURG	2000	To be exempted	Not required
WEISER	2000	February	March 15
WILSON	2000	To be exempted	Not required
WILSON, NORTH	2000	To be exempted	Not required
WILSON, WEST	2000	To be exempted	Not required
YOUNG	2000	To be exempted	Not required

*File in Case 390* *KS*  
*Worm*

**BUFFALO OIL COMPANY**

A MARYLAND CORPORATION  
NEW MEXICO DISTRICT  
CARPER BUILDING  
ARTESIA, NEW MEXICO

MAIN OFFICE  
GULF STATES BUILDING  
DALLAS, TEXAS

Box 686

Sept. 9, 1952

New Mexico Oil Conservation Commission  
Box 871  
Santa Fe, New Mexico

Gentlemen:

We have notification of Case No. 390 to be heard September 16, 1952, and this is a re-advertisement to permit inclusion of additional pools which are to be exempt from regulations pertaining to gas-oil ratio limitations.

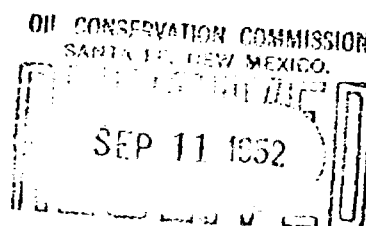
The Buffalo Oil Company operates its Cheesman 2-X, which is a one-well pool, designated as the South Maljamar pool, location is NE $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 22, Twp. 18S., Rge. 32E., Lea County, New Mexico. This well was completed August 1, 1943, and has a present allowable of only 10 bbls. per day. The well has always been a small well and has produced a very small quantity of gas. The last gas-oil ratio test taken January, 1952, showed a gas-oil ratio of 575. We would like to have the South Maljamar pool included among the pools which are exempt from a limiting gas-oil ratio. This well is in an isolated location and is barely economical to operate. Since the well produces very little gas, we feel there is no necessity to take further gas-oil ratio tests and this will relieve the well of some additional operating cost which will tend to permit longer operation of the well.

Yours very truly,

BUFFALO OIL COMPANY

By: *Ralph L Gray*  
Asst. Supt.

RLG:lt



CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable symbol above or preceding the address.

# WESTERN UNION

1201

SYMBOLS

DL=Day Letter  
NL=Night Letter  
LT=Int'l Letter Telegram  
VLT=Int'l Victory Ltr.

W. P. MARSHALL, PRESIDENT

The filing time shown in the date line on telegrams and day letters is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination.

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R R SPURRIER=

OIL CONSERVATION COMMISSION SANTA FE NMEX=

RECASE 390 PLEASE ADD THE LANGLIE MATTIX POOL TO THE LIST OF POOLS BEING EXEMPT FROM THE REQUIREMENTS OF RULE 506 PARAGRAPH D APPARENTLY THIS POOL NAME WAS NOT LISTED IN THE ADVERTISEMENT OF CASE 390 THIS POOL IS AT THE PRESENT TIME EXEMPT FROM GAS-OIL RATION RULES PERSONAL REGARDS=

JOHN M KELLY=

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE.

*Rel. 10-15-42*

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

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

CASE No. 390  
ORDER No. R-199

THE APPLICATION OF THE OIL  
CONSERVATION COMMISSION UPON  
ITS OWN MOTION FOR AN ORDER (a)  
EXEMPTING CERTAIN POOLS IN EDDY,  
LEA, CHAVES AND ROOSEVELT COUNTIES  
FROM THE PROVISIONS OF RULE 301 AND  
RULE 506 (PARAGRAPH 'D'); AND (b) EXEMPT-  
ING CERTAIN POOLS IN LEA COUNTY FROM  
THE PROVISIONS OF RULE 506 (PARAGRAPH  
'D')

ORDER OF THE COMMISSION

BY THE COMMISSION:

This matter came on for hearing at Santa Fe, New Mexico, at  
9 o'clock a. m. August 19, 1952, and September 16, 1952, before the  
Oil Conservation Commission of New Mexico, hereinafter referred to  
as the "Commission."

NOW, on this 13<sup>th</sup> day of November, the Commission, a  
quorum being present, having considered the testimony adduced and  
the exhibits received at said hearing, and being otherwise fully advised  
in the premises,

FINDS:

(1) That due notice having been given as required by law, the  
Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the following pools in Eddy, Lea, Chaves and Roosevelt  
Counties, New Mexico, by Reason of their low productivity of oil and gas,  
should be exempted from:

(a) The provisions of Rule 301 of the  
Commission's Rules and Regulations,  
said rule pertaining to the filing of  
Form C-116, Gas-Oil Ratio Test; and

(b) The provisions of Paragraph (d) of  
Rule 506 of the Commission's Rules  
and Regulations, said rule pertaining  
to gas-oil ratio limitations.

Acme, Aid, Anderson, Artesia, Barber, Benson, Black River,  
Burton, Caprock, Cedar Hills, Chisum-San Andres, Daughterity, Dayton,

Case No. 390  
Order No. R-199

South Drinkard, Dublin-Devonian, Empire, Forest, Fren, Garrett, Getty, Grayburg-Jackson, Grayburg-Keely, Halfway, Henshaw, High Lonesome, Leo, Leonard, Loco Hills, Loco Hills-Queen, Lusk, West Lusk, North Lynch, East Maljamar, South Maljamar, McMillan, McMillan-Seven Rivers, Millman, Nadine, New Hope, Nichols, P.C.A., Pearsall, Penrose-Skelly, Premier, Red Lake, Robinson, Russell, Santo Nino, San Simon, Sawyer, Shugart, North Shugart, Square Lake, Teas, Turkey Track, East Turkey Track, West Turkey Track, Turkey Track-Seven Rivers, Watkins, Watkins-Grayburg, North Wilson, and Young.

(3) That the following pools in Lea County, New Mexico, because of their low productivity of gas should be exempted from the provisions of Rule 506, Paragraph (d), of the Commission's Rules and Regulations, pertaining to gas-oil ratio limitations.

Baish, Cooper-Jal, South Eunice, Hardy, Lynch, Langlie-Mattix, Maljamar-Paddock, Rhodes, Wilson, West Wilson, Crossroads, Bagley-Siluro-Devonian, East Caprock-Devonian, and Knowles.

IT IS THEREFORE ORDERED:

(1) That the following pools in Eddy, Lea, Chaves and Roosevelt Counties be and the same hereby are exempted from the provisions of Rule 301 of the Commission's Rules and Regulations and from the provisions of Rule 506, Paragraph (d), of the Commission's Rules and Regulations:

Acme, Aid, Anderson, Artesia, Barber, Benson, Black River, Burton, Caprock, Cedar Hills, Chisum-San Andres, Daugherty, Dayton, South Drinkard, Dublin-Devonian, Empire, Forest, Fren, Garrett, Getty, Grayburg-Jackson, Grayburg-Keely, Halfway, Henshaw, High Lonesome, Leo, Leonard, Loco Hills, Loco Hills-Queen, Lusk, West Lusk, North Lynch, East Maljamar, South Maljamar, McMillan, McMillan-Seven Rivers, Millman, Nadine, New Hope, Nichols, P.C.A., Pearsall, Penrose-Skelly, Premier, Red Lake, Robinson, Russell, Santo Nino, San Simon, Sawyer, Shugart, North Shugart, Square Lake, Teas, Turkey Track, East Turkey Track, West Turkey Track, Turkey Track-Seven Rivers, Watkins, Watkins-Grayburg, North Wilson, and Young.


(2) That the following pools in Lea County, New Mexico, be and the same hereby are exempted from the provisions of Rule 506, Paragraph (d), of the Commission's Rules and Regulations:

Baish, Cooper-Jal, South Eunice, Hardy, Lynch, Langlie-Mattix, Maljamar-Paddock, Rhodes, Wilson, West Wilson, Crossroads, Bagley-Siluro-Devonian, East Caprock-Devonian, and Knowles.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
EDWIN L. MECHEM, Chairman

  
GUY SHEPARD, Member

  
R. R. SPURRIER, Secretary

S E A L

Shell Cr 1  
Coke 345

Month 1952	Wells on Schedule	Daily Field Allowable	Monthly Figures					Average Well	Bbls./day Average Well Production	Bbls./well/day Average Runs	Weighted GOR	Bbls./well/day Average Water
			Oil Prod.	Oil Runs	Gas MCF	Water Prod.	Well Days					
Jan.	142	4,214	114,165	111,201	386,485	885,956	4,402	29.7	25.9	25.3	3,385	201
Feb.	143	4,450	108,260	107,893	399,857	827,014	4,147	31.1	26.1	26.0	3,693	199
Mar.	147	4,413	116,875	116,823	569,427	888,564	4,557	30.0	25.6	25.6	4,872	195
Apr.	148	4,460	112,885	111,673	611,117	900,345	4,440	30.1	25.4	25.2	5,414	202
Totals	580	17,537	452,185	447,590	1,966,886	3,501,879	17,546	30.2	25.8	25.5	4,350	200
Weighted Average												
SOUTH EUNICE												
Jan.	97	1,319	32,029	32,688	1,081,019	131,105	3,007	13.6	10.7	10.9	33,751	43.6
Feb.	96	1,318	33,448	32,839	1,079,531	125,859	2,784	13.7	12.0	11.8	32,275	45.2
Mar.	96	1,368	36,628	36,237	1,164,221	136,855	2,976	14.3	12.3	12.2	31,785	46.0
Apr.	96	1,388	34,788	35,756	1,125,717	121,988	2,880	14.5	12.1	12.4	31,483	42.4
Totals	385	5,393	136,893	137,520	4,450,488	515,807	11,647	14.0	11.8	11.8	32,511	44.3
Weighted Average												
HARDY												
Jan.	32	178	4,935	5,090	94,888	20	992	5.6	5.0	5.1	19,228	.02
Feb.	32	175	4,600	4,425	93,776	23	928	5.5	5.0	4.8	20,386	
Mar.	32	173	4,853	5,104	117,043	25	992	5.4	4.9	5.1	24,118	
Apr.	32	177	4,628	4,812	111,638	20	960	5.5	4.8	5.0	24,122	
Totals	128	703	19,016	19,431	417,345	88	3,872	5.5	4.9	5.0	21,947	
Weighted Average												
LANE-MATIX												
Jan.	441	5,533	142,911	139,387	1,947,863	15,904	13,671	12.5	10.5	10.2	13,630	1.2
Feb.	443	5,749	135,033	136,336	1,796,980	16,071	12,847	13.0	10.5	10.6	13,308	1.3
Mar.	446	6,065	143,813	138,611	1,898,191	29,422	13,826	13.6	10.4	10.0	13,199	2.1
Apr.	448	6,178	144,772	142,093	1,840,495	13,889	13,440	13.8	10.8	10.6	12,713	1.0
Totals	1,778	23,525	566,529	556,427	7,483,529	75,286	53,784	13.2	10.5	10.3	13,209	1.4
Weighted Average												
PENROSE-SKELLY												
Jan.	295	1,372	35,476	32,881	437,626	3,730	9,145	4.7	3.9	3.6	12,336	0.4
Feb.	294	1,366	33,254	34,248	401,309	3,449	8,526	4.6	3.9	4.0	12,068	
Mar.	295	1,384	35,739	33,941	468,569	7,187	9,145	4.7	3.9	3.7	13,111	
Apr.	293	1,384	33,616	35,057	451,800	6,351	8,790	4.7	3.8	4.0	13,440	
Totals	1,177	5,506	138,085	136,127	1,759,304	20,717	35,606	4.7	3.9	3.8	12,741	
Weighted Average												



PENROSE-SKEELLY

Month	Wells on Schedule	Daily Field Allowable	Oil Prod.	Oil Runs	Gas MCF	Water Prod.	Well Days	Average Well Allowable	Bbls./day Average Well Production	Bbls./well/day Average Runs	Weighted GOR	Bbls./well/day Average Water
1952	295	1,372	35,476	32,881	437,626	3,730	9,145	4.7	3.9	3.6	12,336	0.4
Jan.	294	1,366	33,254	34,248	401,309	3,449	8,526	4.6	3.9	4.0	12,068	
Feb.	295	1,384	35,739	33,941	468,569	7,187	9,145	4.7	3.9	3.7	13,111	
Mar.	293	1,384	33,616	35,057	451,800	6,351	8,790	4.7	3.8	4.0	13,440	
Apr.	293	1,371	28,857	11,012	446,132	6,096	9,083	4.7	3.2	1.2	15,460	
May	293	1,352	28,742	45,358	430,803	6,145	8,790	4.6	3.2	5.2	14,989	
June	1,763	8,229	195,684	192,497	2,636,239	32,958	53,479	4.6	3.7	3.6	13,567	
						Weighted Average						

*Heelby*

*Case 390*

*Case 2*

# PHILLIPS PETROLEUM COMPANY

PRODUCTION DEPARTMENT  
C. P. DIMIT  
VICE PRESIDENT

BARTLESVILLE, OKLAHOMA

June 23, 1952

L. E. FITZJARRALD  
MANAGER  
H. H. KAVELER  
ASSISTANT MANAGER  
J. M. HOUGHIN  
GENERAL SUPERINTENDENT  
H. S. KELLY  
CHIEF ENGINEER

In re: Proposed Revisions  
Rule 301 Gas-Oil Ratio Tests  
New Mexico Oil Conservation Commission

*Copy 508*

New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

Attention of Messrs. R. R. Spurrier and W. B. Macey

Gentlemen:

Under date of June 11, 1952 we wrote Mr. Glenn Staley of the New Mexico Oil and Gas Engineering Committee recommending the change in Revised Statewide Rule 301 as proposed by Mr. A. L. Porter, Jr. We proposed that sub-paragraph (d) of Mr. Porter's proposed Revised Rule 301 be worded as follows:

"Immediately prior to taking a gas-oil ratio test each well shall be produced for a period of not less than 24 hours at a rate as near as possible to the average daily oil allowable. During gas-oil ratio tests each well shall be produced at a rate not to exceed the top allowable for the pool in which it is located by more than 25 percent."

At Mr. Staley's suggestion we are requesting that this letter be made a part of the evidence to be submitted at the Commission's hearing on August 19, 1952 at the time that the revision of Rule 301 is considered.

Thanking you, I am

Yours very truly,

*C. P. Dimit*  
C. P. Dimit

CPD

JUN 24 1952

New Mexico  
OIL CONSERVATION COMMISSION

GOVERNOR THOMAS J. MABRY  
CHAIRMAN  
LAND COMMISSIONER GUY SHEPARD  
MEMBER  
STATE GEOLOGIST R. R. SPURRIER  
SECRETARY AND DIRECTOR



P. O. BOX 1545  
HOBBS, NEW MEXICO

December 27, 1951

*Mark Manning*

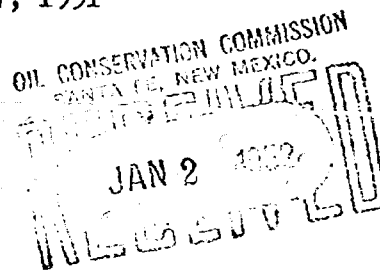
Mr. R. R. Spurrier  
Box 871  
Santa Fe, New Mexico

Dear Mr. Spurrier:

I am attaching hereto a tabulation relative to the filing of form C-116 for the years 1950 and 1951 for eight of the larger pools of Southeastern New Mexico in which gas oil ratios are an actual factor in proration. These figures indicate approximately 90 percent compliance in these pools for 1950 and approximately 80 percent for 1951. I have reason to believe that the 1951 figure will show an improvement within the next few days as all of the 1951 reports have not come in.

To me this tabulation indicates that compliance is fairly good in those pools in which gas oil ratios are an actual factor in proration, but it also indicates that some of the operators are not complying with Rule ~~503~~ 301. In the matter of enforcing it, as far as these particular operators are concerned, we are handicapped by a rule which provides that form C-116 must be filed on all producing oil wells. This, of course, includes many pools in which the gas oil ratio is not a factor in proration, and as a consequence there has always been widespread disregard of the rule by operators in such pools.

To remedy this situation I would like to suggest that a hearing be called in February for the purpose of considering the revision of Rule ~~503~~ 301. Pending the hearing, a committee of operators, familiar with the situation, should be appointed to consider and recommend to the Commission certain pools to be exempt under Rule ~~503~~ 301 (if you think this desirable). The committee should also establish and recommend a gas oil ratio survey schedule for those pools in which Rule ~~503~~ 301 is to remain effective. Such a schedule should be revised in December of each year in order to take into account new pools which may have been created during the year.



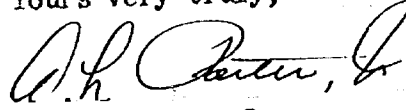
Mr. Spurrier

-2-

December 27, 1951

As a practical procedure for enforcement, I would like to suggest a definite allowable suspension period (15 or 30 days) to be imposed against those wells on which form C-116 has not been filed within 15 days after the close of the survey period.

Yours very truly,



A. L. Porter, Jr.  
Proration Manager

ALP/mv

POOL	TOTAL WELLS	NO. OF WELLS NOT REPORTED	
		1950	1951
Arrowhead	115	7	6
Bowers	73	3	6
Brunson	102	5	18
Drinkard	425	35	10
Eunice-Monument	939	89	18
Hobbs	257	7	95
Paddock	101	20	15
Vacuum	416	95	95
	2428	261	524

N. M. OIL & GAS ENGINEERING COMMITTEE  
DRAWER I  
HOBBS, NEW MEXICO

June 16, 1952

C. P. D.ait  
Phillips Petroleum Company  
Bartlesville, Oklahoma

Dear Sir:

Repling to letter dated June 10th.

The Committee consisting of all interested members of the New Mexico Oil and Gas Engineering Committee was appointed to make recommendation to the New Mexico Oil and Gas Conservation Commission as to the dates on which GOR Surveys should be made in the different Pools in order not to work anymore of a hardship than necessary on company's having oil wells in a number of Pools.

The attached copy of the minutes is the Committee's recommendation.

I note that Mr Spurrier and Mr Macey recieved a copy of your letter to me. I would suggest that you request the Commission to make your letter a part of the evidence to be submitted in the revision of Rule 301 at the hearing to be held August 19, 1952.

The effect of submitting GOR's under the above Rule or any revision there of will necessarily be State-wide therefor in the opinion of the writer all suggestions as to changes should be made to the Commission by the operators in the various Pools, over the state.

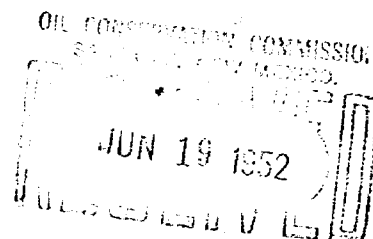
With kindest personal regards, I am

Very Truly Yours,

*Glenn Staley*  
Glenn Staley

GS/jp

cc Messrs. R. R. Spurrier  
W. B. Macey  
New Mexico Oil Conservation Commission  
Santa Fe, New Mexico



# MINUTES OF GAS OIL RATIO SCHEDULE MEETING

With reference to the minutes of the Engineers meeting mailed by this office May 29, 1952 the Gas Oil Ratio Schedule meetings were held June 12 & 13th to compile a suggested Gas Oil Ratio Schedule.  
The following were present:

## June 12

Name	Company	Address
R. G. McPherson	Gulf Oil Corp.	Hobbs, N. M.
W. G. Abbott	Amerada Pet. Corp.	Monument, N.M.
Homer Dailey	Continental Oil Co.	Midland, Tex.
William Randolph	Continental Oil Co.	Hobbs, N.M.
A. T. Guernsey	Shell Oil Co.	Hobbs, N.M.
H. E. Burke	The Texas Co.	Jal, N.M.
A. L. Crain	Phillips Pet. Co.	Hobbs, N.M.
W. C. Rigg	Phillips Pet. Co.	Hobbs, N.M.
W. L. Morris	Magnolia Pet. Co.	Eunice, N.M.
J. W. Strayhorn	Magnolia Pet. Co.	Buckeye, N.M.
B. W. Ratliff	Skelly Oil Co.	Hobbs, N.M.
C. O. Lukehart	Skelly Oil Co.	Hobbs, N.M.
K. D. McPeters	Stanolind Oil & Gas Co.	Hobbs, N.M.
Kenneth J. Barr	" " "	Lubbock, Tex.
J. W. Smith	Cities Service Oil Co.	Hobbs, N.M.
D. L. Irion	Mid-Continent Pet. Co.	" "
H. T. Weaver	The Texas Company	Monument, N.M.

## June 13

D. L. Irion	Mid-Continent Pet. Co.	Hobbs, N.M.
K. D. McPeters	Stanolind Oil & Gas Co.	Hobbs, N.M.
W. C. Riggs	Phillips Pet. Co.	Hobbs, N.M.
H. F. Weaver	The Texas Company	Monument, N.M.
C. O. Lukehart	Skelly Oil Co.	Hobbs, N.M.
B. W. Ratliff	Skelly Oil Co.	Hobbs, N.M.
R. G. McPherson	Gulf Oil Corp.	Hobbs, N.M.
W. G. Abbott	Amerada Pet. Corp.	Monument, N.M.
Homer Dailey	Continental Oil Co.	Midland, Tex.
William Randolph	Continental Oil Co.	Hobbs, N.M.
A. T. Guernsey	Shell Oil Company	Hobbs, N.M.
W. L. Morris	Magnolia Pet. Co.	Eunice, N.M.
H. E. Furk	The Texas Company	Jal, N.M.

Attached is the recommended testing schedule as prepared by the group. This schedule will be submitted to the New Mexico Oil Conservation Commission by some of the operators for their consideration and for use at the hearing to be held to revise Rule 301 As Proposed by the Commission. Also attached is a revised page 2 for "Proposed Revisions Rule 301 Gas Oil Ratio Test", suggested by Mr. Porter, Proration Manager for the Commission. The "Proposed Revisions" were mailed with the Engineers minutes May 29, 1952.

NEW MEXICO OIL & GAS ENGINEERING COMMITTEE  
Hobbs New Mexico  
June 16 1952

Case 401

August 6, 1952

TO ALL OPERATORS:

Gentlemen:

Among the Cases to be heard at the regular hearing of the New Mexico Oil Conservation Commission at 9:00 A.M., on August 19, 1952, Mabry Hall, State Capitol, Santa Fe, New Mexico, Case 401 will be heard. This Case is an application of the Oil Conservation Commission on its own motion for an Order revising Rule 301 of its Rules and Regulations, as of January 1, 1950.

The following is a copy of Rule 301 as printed in the Rules and Regulations, Page 14 Section E:

**RULE 301. GAS-OIL RATIO TEST**

(a) Each Operator shall take a gas-oil ratio test within 30 days following the completion or recompletion of an oil well. Also, each operator shall make an annual gas-oil ratio test of each well during the month which contains the anniversary date of the discovery well, in the pool in which the well is located, or at such other periods which the Commission may designate. During such tests, each well shall be produced at a rate equal to or not exceeding its allowable by more than 25 percent. No well shall be given an allowable greater than the amount of oil produced on official test during a 24-hour period. The results of such test shall be reported on Form C-116 on or before the 15th day of the month following the month during which such test is made. The Commission will drop from the Proration Schedule any proration unit for failure to make or report such test as herein provided until such time as a satisfactory explanation is given. Provided, however, that no gas-oil ratio test shall be required as to the following wells:

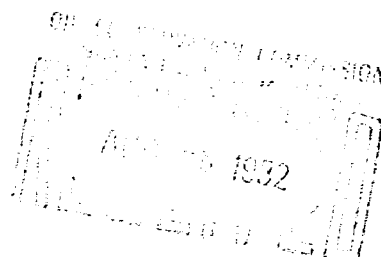
- (1) Any well for which a permit has been granted and which is being used as an input well for the injection of gas, or
- (2) Any well in a pool exempted from the requirements of this rule after hearing by the Commission.

(b) Even though no gas-oil ratio test is required to be taken, the operator shall annually file Form C-116 and shall show thereon the reason no test was taken.

Respectfully submitted,

Glenn Staley

N.M. Oil and Gas Engineering Committee  
Hobbs, New Mexico  
August 6, 1952





PAGE 2  
Proposed Revisions- Rule 301  
Gas-Oil Ratio Test

(d) During gas oil ratio tests each well shall be produced at a rate equal to its assigned allowable and not exceeding ten allowable for the pool in which it is located by more than 25%. No well shall be assigned an allowable greater than the amount of oil produced on official test during a 24 hour period.

(e) The limiting gas oil ratios established by the above mentioned gas oil ratio survey schedule shall supersede those listed in Appendix B of the Rules and Regulations.

### RECOMMENDED GAS/OIL RATIO SCHEDULE

[illegible]

**POOL JAN. FEB. MAR. APR. MAY JUNE JULY AUG. SEPT.OCT. NOV. DEC. DATE DUE**

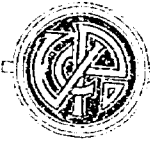
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GOR SCHEDULE CONT'D.

POOL	JAN.	FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	DATE DU
SAUNDERS, SOUTH	X												Feb. 15
SANTER				X									May. 15
SKAGGS	X	X											Mar. 15
TEAGUE		X	X										Apr. 15
TEAGUE- DEVONIAN		X	X										Apr. 15
TEAGUE- ELLENBURGER		X	X										Apr. 15
TEAS													
TOWTO													
TULK (WOLFCAMP)				X									May 15
TULK (WOLFCAMP) NORTH				X									May 15
TWIN LAKES						X							July 15
VACUUM			X	X	X								June 15
WARREN, DRINKARD						X							July 15
WARREN McKEE						X							July 15
WARREN McKEE, NORTH						X							July 15
WANTZ-ABO		X											Mar. 15
WATKINS				X									May 15
WATKINS GRAYBURG				X									May 15
WEIER		X											Mar. 15
WILSON					X	X							July 15
WILSON, NORTH						X							July 15
WILSON, WEST			X										Apr. 15
YOUNG				X									May 15

5-11-51



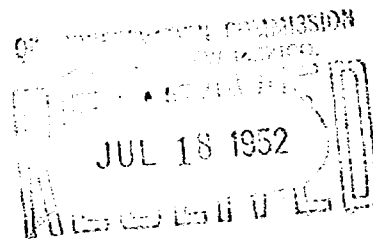
**THE VICKERS PETROLEUM Co., Inc.**  
PRODUCERS REFINERS DISTRIBUTORS  
OF PETROLEUM AND ITS PRODUCTS

PLEASE REPLY TO ROSWELL, NEW MEXICO  
P. O. BOX 744

**WICHITA 1, KANSAS**

July 16, 1952

REFINERY AT POTWIN, KANSAS



Mr. R. R. Spurrier,  
Oil Conservation Commission,  
Santa Fe, New Mexico

Dear Dick:

I understand you are going to have a hearing in August regarding the scheduling of gas-oil ratio tests to be taken in the various pools in South-eastern New Mexico.

We feel the expense of gas-oil ratio tests in the Caprock Pool of Lea and Chaves Counties, and the Square Lake Pool of Eddy County, would create an additional burden on stripper properties that are near the marginal stage. In the Caprock Pool, all the wells are pumping and show little gas. In the Square Lake Pool, nearly all the wells are pumping and are very near the depletion state.

Please give these pools due consideration.

Very truly yours,

THE VICKERS PETROLEUM COMPANY, INC.

*Lonnie Kemper*  
Lonnie Kemper,  
Production Superintendent

LK:hmv

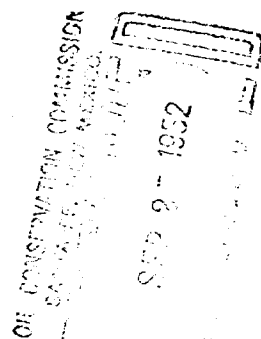
BEFORE THE  
OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO

\*\*\*

TRANSCRIPT OF HEARING

August 19, 1952

Case No. 390



BEFORE THE  
OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO

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In the matter of the application of the Oil Conservation Commission upon its own motion for an order (a) exempting the following pools from the requirements of Rule 301 of the Oil Conservation Commission's Rules and Regulations pertaining to the filing of Form C-116, Gas-Oil Ratio Test, and from the requirements of Rule 506-(paragraph d) pertaining to Gas-Oil Ratio limitations: Acme, Aid, Anderson, Artesia, Barber, Benson, Black River, Barton, Caprock, Cedar Hills, Chisum-San Andres, Dougherty, Dayton, South Drinkard, Dublin-Devonian, Empire, Forest, Fren, Garrett, Getty, Grayburg-Jackson, Grayburg-Kelly, Halfway, Henshaw, High Lonesome, Leo, Leonard, Loco Hills, Loco Hills-Queen, Lusk, West Lusk, North Lynch, East Maljamar, McMillan, McMillan-Seven Rivers, Millman, Nadine, New Hope, Nichols, P.C.A., Pearsall, Premier, Red Lake, Robinson, Russell, Santo Nino, San Simon, Sawyer, Shugart, North Shugart, Square Lake, Teas, Turkey Track, East Turkey Track, West Turkey Track, Turkey Track-Seven Rivers, Watkins, Watkins-Graysburg, North Wilson, Young, and,

(b) exempting the following pools from the requirements of Rule 506 (paragraph d) pertaining to Gas-Oil Ratio limitations: Baish, Cooper-Jal, South Eunice, Hardy, Lynch, Maljamar-Paddock, Penrose-Skelly, Rhodes, Wilson, West Wilson.

Case No. 390

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TRANSCRIPT OF HEARING

August 19, 1952

(See transcript in Case entitled "Allowable"  
for register of attendance and appearances.)



MR. SPURRIER: We will move on to Case 390.  
(Mr. Graham reads the Notice of Publication.)  
MR. GRAHAM: Mr. Macey.

(Witness sworn.)

W. B. MACEY

being first duly sworn, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. WHITE:

Q Mr. Macey, will you state your full name for the record, please, and your position?

A W. B. Macey, Engineer, Oil Conservation Commission.

Q In your capacity as engineer for the Oil Conservation Commission, have you had occasion to make a study of Case 390, in regard to Rules 301 and 506-d?

A Yes, sir.

Q Will you give your report to the Commission, together with your conclusions and recommendations?

A In paragraph 1-a, Case 390, certain fields are listed as being exempt from both Rule 301 requiring gas-oil ratio test, and also Rule 506, paragraph d, of Rules and Regulations, putting a gas-oil ratio limit on the field.

The main reason why the pools are exempt from the requirements of these two rules is the fact that in every case all the wells involved are marginal wells; and we could see no reason for imposing a gas-oil ratio limit

on a field where there is virtually no gas or oil present. There may be some more fields in the southeastern part of the State that should be placed in this category.

As to those fields listed under paragraph b, it is my recommendation that we include the Langley-Mattix pool in that category. It was left off the list by accident; and in this case, we are removing the gas-oil ratio limitation but are still requiring an annual gas-oil ratio test on the well, which is also a production test. And we felt that in this case, where there are a number of large capacity wells in some of the fields, there are a lot of top allowable wells, we felt it advisable to require the submission of a Form C-116 on an annual basis.

That is all I have.

Q You mean all these wells are pumping and have a little gas showing?

A In the first category, not all the wells are pumping, but they are all small, marginal wells.

MR. SPURRIER: Any further questions?

MR. McKELLAR: Mr. Macey, is there any objection to putting a Crossroads Devonian in there, since it makes a strong water field production and there is virtually no gas?

THE WITNESS: That is in the first category exempting on production?

MR. McKELLAR: Yes.

THE WITNESS: I would have to check, Mac, but if it falls in the same category as the rest of the wells are in, it is to our advantage, actually.

MR. McKELLAR: Some of those wells, of course, are top allowable wells, but with a strong, water-drive field, as it was testified here on a previous occasion; and if there is no gas being produced, it would help the operators, too.

THE WITNESS: You are talking about, is there a Crossroads-Devonian pool in the first category?

MR. McKELLAR: Yes.

THE WITNESS: I think Crossroads-Devonian is the nomenclature for that pool, derived from Crossroads- Pennsylvanian.

MR. CHRISTIE: We would like to make a similar request as Magnolia did on four different fields in Southeastern New Mexico.

Those fields are the Bagley-Siluro-Devonian Field, the Hightower-Devonian, the East Caprock-Devonian, and the Knowles Fields.

All four of these fields have a very definite water drive, and there will be no increase in the gas-oil ratio. The variance in the gas-oil ratio in the Bagley-Devonian Field is 32 cubic feet per barrel; the variance in the

East Caprock-Devonian Field is 20 cubic feet per barrel; that in the Hightower is approximately 300 cubic feet per barrel; for the Knowles-Devonian it is about 180 cubic feet per barrel.

In addition to the low ratios, which are sometimes very difficult to obtain, an accurate one, we have some gas-lift wells, particular in the Bagley-Devonian Field, which complicate the taking of gas-oil ratios. It is not impossible to get a higher in-put ratio than to get an out-put ratio, because of the low solution ratio to start with.

So we would like to ask the Commission to consider exempting these Fields from Rule 301, and also from Rule 506 (d).

THE WITNESS: Mr. Christie, why do you want to exempt them from Rule 301?

MR. CHRISTIE: Well, we see no particular reason for taking them since there is no change in them, and the gas is reported at least each month on the C-115, I believe. So you actually get the measure of gas; and it is really a waste of time to try to take a ratio on 20 cubic feet, or on 32, as a matter of fact.

THE WITNESS: Well, I concur with you in that statement, but what about the oil angle of the test?

MR. CHRISTIE: Well, of course, you get an indication

of what the wells produced in the past, also, when you see the one hundred fifteen.

THE WITNESS: Would you have any objection to its just being included in the category for the removal of gas-oil ratio limitation.

MR. CHRISTIE: Well, actually, what we are trying to get out of is the work of taking the ratios, because we feel it isn't absolutely necessary. But elimination of either rule would have

MR. SHEPPARD: Mr. Christie, were the fields you just mentioned, were they included in the Notice of Hearing?

MR. CHRISTIE: No, they were not. We are just bringing them up for your consideration.

MR. SHEPPARD: Anyone else?

MR. PIERCE: I would like to concur in the recommendation made by Mr. McKellar of Magnolia, concerning the Crossroads-Devonian Pool. It has been repeatedly testified here by expert witnesses that reservoir energy in Crossroads-Devonian is derived from a strong, water drive, and that the gas-oil ratios are extremely low and of no material benefit in indicating the conditions of the reservoir.

These ratios run on the order of 40 to 70 cubic feet per barrel; and as Mr. Christie has said, these ratios cause considerable difficulty just in the matter of obtaining them.

As far as the question Mr. Macey asked regarding the

placing of the Crossroads under Section (b) there, as being exempt from gas-oil/<sup>ratio</sup>limitation, I believe nothing would be accomplished there in the matter of getting out, or relieving the burden, both on the Commission and on the operators, because the pool will probably never come up to the limitation that is now in effect.

MR. SHEPPARD: Anyone else?

MR. SELINGER: I would like to call the Commission's attention to the Penrose-Skelly Field. It is one of the Fields in the Notice on Case 390.

It is under the (b) section, which exempts this field, among other fields, from a gas-oil ratio limitation, in which no limit has been in effect for some twelve years. For at least ten of those twelve years, no gas-oil ratio tests were required in the field. I believe that the majority of the operators in that field still do not take gas-oil ratio tests.

In discussing this matter with one of the other operators in this field, his opinion was that the new Rules and Regulations on January 1, 1950, required such gas-oil tests, ratio tests, to be taken in this old field. However, as I said, most of the operators still do not take gas-oil tests in that field.

It is our purpose in calling this to the Commission's attention, to see that this field not only is exempt from

Rule 506, but should also be exempt from Rule 301.

I would like to have this marked as Skelly's Exhibit No. 1 in Case 390.

(Skelly's Exhibit No. 1, Case 390, marked for identification.)

And I would like to refer the Commission that Exhibit, which indicates that there are 293 wells in the field that have been on production for a number of years, with no new wells for producing purposes drilled in that field.

The average allowable is 3.9 over the past four months. None of the wells can meet more than ten or twelve barrels, which is below the top allowable assignable to wells in this field.

We see no purpose, no necessity, for requiring a gas-oil ratio test on the 293 wells in this field where there has been no limiting gas-oil ratio for the past twelve years. It would serve no purpose even, to determine the productivity of the wells.

I might say that in the past all the wells were connected to a general plant in as far as their casinghead gas is concerned; and we, therefore, urge the Commission to exempt this field from not only the status it occupies now as an exemption from Rule 506 for any limitation, but we urge the Commission to exempt this field from Rule 301

in requiring 293 wells to have a periodic test, whether it is one time, or two times a year, as accomplishing no purpose except to cause a great deal of unnecessary trouble and expense, not only on the part of the operator, but also on the part of the State of New Mexico.

MR. SHEPPARD: Anyone else?

MR. RANDOLPH: In regard to the Commission's exempting pools from the rule for taking of gas-oil ratios, why we have operated one pool, where we have a low ratio and do not feel it will increase; but our wells are top allowable wells, and we feel as such, the wells should be required to be tested at least once a year; and in some of these pools where there is a water drive, we feel that where a pool has top allowable wells in it, it should not be exempt from the test.

MR. SHEPPARD: Anyone else? Any further statement?

If not, we will take the case under advisement. And we will now take a five-minute recess.

(A recess was taken at 9:55 o'clock, A.M., the hearing being resumed at 10:10 o'clock, A.M., whereupon the following proceedings were had, to-wit:)

MR. SPURRIER: For the record, we stated that Case 390 would be taken under advisement. But we should like to make a change, and continue that case to the regular September hearing, of September 16, so that you people who



are interested will have time to digest these recommendations and make your own at the next hearing.

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STATE OF NEW MEXICO )  
COUNTY OF SAN MIGUEL ) SS.

I hereby certify that the foregoing and attached transcript of proceedings in Case No. 390, before the Oil Conservation Commission, is a true and correct record of the same to the best of my knowledge, skill and ability.

Dated at Las Vegas, New Mexico, this 23rd day of August,  
A.D. 1952.

Ruth Warden  
REPORTER

CASE 390:

In the matter of the application of the Oil Conservation Commission upon its own motion for an order (a) exempting the following pools from the requirements of Rule 301 of the Oil Conservation Commission's Rules and Regulations pertaining to the filing of form C-116, Gas-Oil Ratio Test, and from the requirements of Rule 506, (paragraph d) pertaining to Gas-Oil Ratio limitations:

*Parished  
Shelley*  
Acme, Aid, Anderson, Artesia, Barber, Benson, Black River, Barton, Caprock, Cedar Hills, Chisum-San Andres, Dougherty, Dayton, South Drinkard, Dublin-Devonian, Empire, Forest, Fren, Garrett, Getty, Grayburg-Jackson, Grayburg-Keely, Halfway, Henshaw, High Lonesome, Leo, Leonard, Loco Hills, Loco Hills-Queen, Lusk, West Lusk, North Lynch, East Maljamar, McMillan, McMillan-Seven Rivers, Millman, Nadine, New Hope, Nichols, P. C. A., Pearsall, Premier, Red Lake, Robinson, Russell, Santo Nino, San Simon, Sawyer, Shugart, North Shugart, Square Lake, Teas, Turkey Track, East Turkey Track, West Turkey Track, Turkey Track-Seven Rivers, Watkins, Watkins-Grayburg, North Wilson, Young and, ~~Cressroads~~, *n.i.n.*

(b) exempting the following pools from the requirements of Rule 506 (paragraph d) pertaining to Gas-Oil Ratio limitations:

Baish, Cooper-Jal, South Eunice, Hardy, Lynch, Maljamar-Paddock, ~~Penrose-Slaty~~, Rhodes, Wilson, West Wilson, *Shelley matter.*

*not in notice*

*Both categories*

*(32 CF/100) 300 CF/100 20*  
*Bagley SD, Haystack Dec, E Caprock*  
*(180) I know less*