

**CASE 5128: Application of GULF
FOR A NON-STANDARD GAS PRORATION
UNIT & SIMULTANEOUS DEDICATION.**

Cont to
to ~~27th~~

Cont to
Jan 30th

CASE No.

5128

Application,

Transcripts,

Small Exhibits

ETC.

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

Case 5128
///

Hearing Date JANUARY 30, 1974 TIME: 9 A.M.

NAME	REPRESENTING	LOCATION
E.R. Manning	El Paso Natural Gas	El Paso
R.W. Keener	Northwest Pipeline	Salt Lake City
J.B. MAQUIDER	El Paso Nat. Gas	El Paso
J.P. Smith	El Paso Nat. Gas	El Paso
NEIL J. BECK	" " " "	"
Tom P. Stephens	Franklin, Aston & Gair, Inc.	Roswell, N.M.
Thomas A. Dugan		Farmington, N.M.
DAN KEANSHTAN	ANADARCO Production	Houston
R.M. Richardson	Pet. Res. Corp.	Lawrence
J.M. Julian	Pet Reserve Corp	Tulsa
N.B. Lowe	Pet. Res Corp	Roswell, N.M.
C.H. Kimbro	AMERICAN ANADARCO	MIDLAND TEXAS
P.T. W. Grattan	U.S.G.S	Farmington
Bl. Hoche	Catus Service	Tulsa
W.D. Miller	"	MIDLAND
E.E. Taylor	"	Midland

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date JANUARY 30, 1974 TIME: 9 A.M.

NAME	REPRESENTING	LOCATION
Pam Thompson	General American Oil Co	Dallas
Larry J. Darnell	"	"
Bob Lutz	Southern Union Assn	Farmington
Bob McCreary	" "	Dallas
Ray Crow	General American	Artisia
John Reynolds	"	Dallas
AR Kendrick	OCC	Aylee
E.C. Adams	OCC	Aylee
Tom Kellahan	Kellahan & Fox	Shawnee
Joel Carson	Loose & Carson PA	Artisia
Walter P. Smith	Depco Inc.	Odena, Texas
Ken Satorn	White Kiehl & McCarty	Santa Fe
Robert H. Borker	Coors, Sze & Borker	Alto
James L. ...		

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
January 30, 1974

EXAMINER HEARING

IN THE MATTER OF:

Application of Gulf Oil
Corporation for a non-
standard gas proration unit
and simultaneous dedication,
Lea County, New Mexico.

Case No. 5128

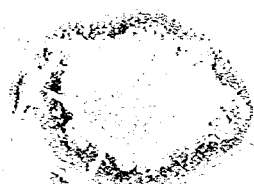
BEFORE: Daniel S. Mutter, Examiner.

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil
Conservation Commission:

William Carr, Esq.
Legal Counsel for the Com-
mission
State Land Office Building
Santa Fe, New Mexico



MR. NUTTER: Call Case 5128.

MR. CARR: Case 5128. Continued from January 3, 1974, Examiner Hearing. Application of Gulf Oil Corporation for a non-standard gas proration unit and simultaneous dedication, Lea County, New Mexico.

MR. NUTTER: At the request of the Applicant, this case will be continued and re-advertised until Applicant concludes a dual completion of one of these wells. So case No. 5128 will be continued to the Examiner Hearing to be held in the O.C.C. Conference Room at 9:00 o'clock A.M., February 27th, 1974.

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

I, RICHARD L. MYE, Court Reporter, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.

RICHARD L. NYE, Court Reporter

I do hereby certify that the foregoing is a complete record of the proceedings in the Plurine hearing of Case No. 5128 heard by me on 1/30, 1974.

....., Examiner
New Mexico Oil Conservation Commission

THE NYE REPORTING SERVICE
STATE-WIDE DEPOSITION NOTARIES
225 JOHNSON STREET
SANTA FE, NEW MEXICO 87501
TEL. (505) 982-0386

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
February 27, 1974

EXAMINER HEARING

IN THE MATTER OF:

Application of Gulf Oil Corporation for
a non-standard gas proration unit and
simultaneous dedication, Lea County,
New Mexico.

Case No.
5128

BEFORE: Daniel S. Nutter, Examiner

For New Mexico Oil Conservation
Commission:

Thomas Derryberry, Esq.
Legal Counsel for the
Commission
State Land Office Bldg.
Santa Fe, New Mexico

For the Applicant:

Daniel W. McAllen, III
Midland, Texas
Appearing through
James E. Sperling, Esq.
MODRALL, SPERLING, ROEHL,
HARRIS & SISK
8th Floor
Public Service Building
Albuquerque, New Mexico

I N D E X

CHARLES F. KALTEYER

Page

Direct Examination by Mr. McAllen

3

E X H I B I T S

Marked

Admitted

Gulf's Exhibits 1 through 3

9

9

KALTEYER-DIRECT

CASE 5128

Page. 3

MR. NUTTER: Case No. 5128

MR. DERRYBERRY: Case 5128, Application of Gulf Oil Corporation for a non-standard gas proration unit and simultaneous dedication, Lea County, New Mexico.

MR. McALLEN: Daniel W. McAllen, III, for Gulf Oil Corporation from Midland, Texas, appearing through James E. Sperling of Albuquerque, and I'll have one witness.

(Witness sworn.)

CHARLES F. KALTEYER

called as a witness, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. McALLEN:

Q Will you please state your name, please, your employer and the capacity in which you are employed?

A My name is Charles F. Kalteyer, employed by Gulf Oil Corporation as District Proration Engineer in Midland, Texas.

Q Mr. Kalteyer, have you previously testified before the New Mexico Oil Conservation Commission and had your qualifications accepted by this body?

A Yes, sir.

MR. McALLEN: Mr. Examiner, are the Witness'

KALTEYER-DIRECT

qualifications acceptable?

MR. NUTTER: The Witness is qualified.

BY MR. McALLEN:

Q Mr. Kalteyer, will you please explain what Gulf is seeking in its Application?

A Gulf is seeking authority to reinstate a non-standard location for its J.N. Carson (NCT-A) Well No. 4 in Unit O, Section 28, T-21S, R-37E, and simultaneous dedication for a 160-acre non-standard gas proration unit in the Blinebry Gas Pool for Well No. 4 and the presently producing Well No. 9 at a non-standard location in Unit K, Section 28, T-21S, R-37E, Lea County, New Mexico. We further request approval to produce the unit allowable in any proportion from these wells.

Q Okay. Mr. Kalteyer, I show you Exhibit marked No. 1 and ask you if you would please explain what is shown by that Exhibit?

A Exhibit No. 1 is a plat which shows the 160-acre J.N. Carson (NCT-A) lease outlined in red. This acreage is currently dedicated to Well No. 9 which is carried as a marginal well on the February proration schedule for the Blinebry Gas Pool. You will note on this plat the Blinebry Gas completions are circled in yellow and that the proposed

KALTEYER-DIRECT

CASE 5128

Page.....5

completion of No. 4 is circled in green. The J.N. Carson (NCT-A) 160-acre non-standard gas proration unit comprises the NE/4 of the SW/4 and the W/2 of the SE/4 of Section 28 and the NW/4 of the NE/4 of Section 33, all in T-21S, R-37E, Blinebry Gas Pool, Lea County, New Mexico. Well No. 9 is a non-standard location 1874 feet from the south line and 2086 feet from the west line of Section 28. Well No. 4 is a non-standard location 554 feet from the south line and 2086 feet from the east line of Section 28.

Q. Okay. Mr. Kalteyer, would you please explain the history of the J.N. Carson (NCT-A) Well No. 4?

A Well No. 4 was completed November 7, 1947, through open-hole interval 6516-6615' in the Drinkard Pool. On August 26, 1954, the well was dual completed under Order No. DC-109 on April 27, 1954, in the Blinebry through perforations 5475-5630' with an initial potential of 510 MCF per day. A 160-acre proration unit consisting of the E/4 of Section 28 was dedicated to the well at that time.

Q Mr. Kalteyer, was this proration unit consisting of the SE/4 of Section 28 subsequently revised and, if so, by what Commission Order did that revision take place?

A On September 10, 1958, at a hearing before New

KALTEYER-DIRECT

CASE 5128

Page.....6

Mexico Oil Conservation Examiner Daniel S. Nutter, Gulf Oil Corporation requested the revision of the 160-acre proration unit to the NE/4 of the SW/4 and the W/2 of the SE/4 of Section 28 and the NW/4 of the NE/4 of Section 33 in T-21S, R-37E in order to eliminate the necessity of developing wells within the residential section of the City of Eunice, New Mexico. Approval of this request was granted by Order No. R-1253, Case No. 1506 of the Oil Conservation Commission on September 29, 1958. We enter as Exhibit No. 2 a copy of that Order. Well No. 4 produced from the Blinebry Gas Pool from August 26, 1954, until it was permanently shut-in on November 1, 1961, and the acreage dedicated to Well No. 9.

Q. Okay. Mr. Kalteyer, on what authority was Well No. 9 substituted for Well No. 4 on this non-standard proration unit?

A By Administrative Order CUW-1 dated October 13, 1961, and signed by A.L. Porter, Jr., Gulf was authorized to change the unit well from Well No. 4 to Well No. 9 and to shut-in No. 4. For the Examiner's convenience, we enter as Exhibit No. 3 a copy of that Order.

Q Mr. Kalteyer, would you please explain the history of Well No. 9?

KALTEYER-DIRECT

CASE 5128

Page.....7.....

A Gulf's J.N. Carson (NCT-A) Well No. 9 was completed March 2, 1949, through open-hole interval 7884-8073' in the Brunson Ellenburger Pool, and produced from this horizon until it was temporarily abandoned March 27, 1961. On August 4, 1961, the well was recompleted in the Blinebry Gas Pool in the interval 5834-36' with initial delivery to Northern Natural on November 27, 1961. This well is still on production.

Q Mr. Kalteyer, in your opinion, is this Application in the interest of the protection of correlative rights?

A Yes, it is. By reference to the February Gas Proration Schedule you will find that in the S/2 of Section 28 Gulf's J.N. Carson (NCT-A) Well No. 9 is the only marginal gas well of the three presently producing Blinebry gas completions located thereon. The average producing rate for Well No. 9 has declined to approximately 340 MCF per day. The top allowable for a 160-acre non-marginal-gas-proration unit in the Blinebry Gas Pool for February, 1974, is 1709 MCF per day. Immediately prior to shutting in Well No. 4 in 1961, it was capable of producing at an average rate of approximately 230 MCF per day. We anticipate that the simultaneous dedication of acreage to

Wells No. 4 and 9 would still result in a marginal gas classification for the unit.

Q Is there a precedent in the immediate area of Section 28 for a second well on a 160-acre proration unit?

A Yes, in Section 20 to the Northeast of Section 28, Gulf operates Wells No. 3 and 5 on a standard 160-acre-proration unit with simultaneous dedication of production and currently carried as marginal. The February proration schedule for the Blinebry Gas Pool carries numerous other simultaneous dedications of acreage, namely, Continental Oil Company's Hawk "B" No. 1, 2 and 4 Wells; Gulf Oil Corporation's T.R. Andrews Wells 1 and 2, and C.L. Hardy Wells 3 and 5; Marathon's L.G. Warlick "C" Wells No. 2 and 9; Getty Oil Company's Percy Hardy Wells 1 and 3; and S.J. Sarkey's Wells 3 and 4.

Q Now I believe you testified that Section 20 was to the northeast when in fact it's to the northwest?

A Northwest, right. Excuse me.

Q Would you again summarize what Gulf is seeking in this Application?

A Gulf is seeking approval to restore its J.N. Carson (NCT-A) Well No. 4 to production from the Blinebry Gas Pool at a non-standard location in Unit O, Section 28,

KALTEYER-DIRECT

CASE 5128

Page.....9

T-21S, R-37E and authority for the simultaneous dedication of the 160-acre non-standard-gas-proration unit in the Blinebry Gas Pool to said Well No. 4 and the currently producing Well No. 9 at a non-standard location in Unit K, Section 28, T-21S, R-37E, Lea County, New Mexico. We further request approval to produce the unit allowable in any proportion from these two wells.

Q Mr. Kalteyer, were Exhibits Nos. 1 through 3 prepared by you or under your direction and supervision?

A Exhibit No. 1 was prepared under my supervision, and the other two are copies of Commission Orders.

MR. McALLEN: Okay. Mr. Examiner, I move that Exhibits 1 through 3 be admitted.

MR. NUTTER: Gulf's Exhibits 1 through 3 will be admitted into evidence

(Whereupon, Gulf's Exhibits
1 through 3 were marked for identification and admitted into evidence.)

MR. McALLEN: That will conclude my direct examination of this Witness.

MR. NUTTER: Are there any questions of Mr. Kalteyer? He may be excused. Do you have anything further?

THE NYE REPORTING SERVICE
STATE-WIDE DEPOSITION NOTARIES
225 JOHNSON STREET
SANTA FE, NEW MEXICO 87501
TEL. (505) 982-0386

CASE 5128

Page..... 10

MR. McALLEN: No, sir.

MR. NUTTER: Does anyone have anything to offer in
Case No. 5128? We will take the case under advisement
and go to Case No. 5174.

CASE 5128

Page 11

STATE OF NEW MEXICO)
COUNTY OF SANTA FE) ss.

I, RICHARD L. NYE, Court Reporter, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.


COURT REPORTER

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 5128, heard by me on 4-27-74, 1974.


Examiner
New Mexico Oil Conservation Commission

THE NYE REPORTING SERVICE
STATE-WIDE DEPOSITION NOTARIES
225 JOHNSON STREET
SANTA FE, NEW MEXICO 87501
TEL. (505) 982-0386

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
January 3, 1974

EXAMINER HEARING

IN THE MATTER OF:

Application of Gulf Oil Corporation
for a non-standard gas proration
unit and simultaneous dedication,
Lea County, New Mexico.

No. 5128

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For New Mexico Oil Conservation
Commission:

William Carr, Esq.
Legal Counsel for the Com-
mission
State Land Office Bldg.
Santa Fe, New Mexico

THE NYE REPORTING SERVICE
STATE-WIDE DEPOSITION NOTARIES
225 JOHNSON STREET
SANTA FE, NEW MEXICO 87501
TEL. (505) 982-0386

MR. NUTTER: We will call the next case, No. 5128.

MR. CARR: Case 5128. Application of Gulf Oil Corporation for a non-standard gas proration unit and simultaneous dedication, Lea County, New Mexico.

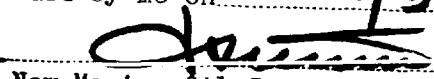
Mr. Examiner, I have received a letter from J. L. Pike of Gulf Oil Company requesting that this case be continued to January 30th.

MR. NUTTER: Case 5128 will be continued to the Examiner Hearing scheduled to be held in the Oil Conservation Commission Conference Room, State Land Office Building, Santa Fe, New Mexico at 9:00 o'clock A.M., January 30, 1974.

STATE OF NEW MEXICO)
)ss.
COUNTY OF SANTA FE)

I, RICHARD L. NYE, Court Reporter, do hereby certify
that the foregoing and attached Transcript of Hearing before
the New Mexico Oil Conservation Commission was reported by
me, and the same is a true and correct record of the said
proceedings, to the best of my knowledge, skill and ability.


COURT REPORTER

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 5128
heard by me on 1/3, 1974

Examiner
New Mexico Oil Conservation Commission

THE NYE REPORTING SERVICE
STATE-WIDE DEPOSITION NOTARIES
225 JOHNSON STREET
SANTA FE, NEW MEXICO 87501
TEL. (505) 982-0386



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 · SANTA FE
87501

March 6, 1974

I. R. TRUJILLO
CHAIRMAN

**LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER**

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

Mr. Dan McAllen
Gulf Oil Corporation
Gulf Building
Post Office Box 1150
Midland, Texas 79701

Re: CASE NO. 5128
ORDER NO. R-4736
Applicant:
Gulf Oil Corporation

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. Porter, Jr.

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC x
Artesia OCC
Aztec OCC

Other Mr. Jim Sperling

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 5128
Order No. R-4736

APPLICATION OF GULF OIL CORPORATION
FOR A NON-STANDARD GAS PRORATION
UNIT AND SIMULTANEOUS DEDICATION,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 27, 1974, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 6th day of March, 1974, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

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

(2) That the applicant, Gulf Oil Corporation, seeks approval for a non-standard 160-acre gas proration unit comprising the NE/4 SW/4 and W/2 SE/4 of Section 28, and the NW/4 NE/4 of Section 33, both in Township 21 South, Range 37 East, NMPM, Blinebry Oil and Gas Pool, Lea County, New Mexico.

(3) That the applicant seeks to simultaneously dedicate to said non-standard unit its J. N. Carson Wells Nos. 4 and 9 located in Units O and K, respectively, of Section 28, with unit production to be taken from said wells in any proportion.

(4) That the proposed non-standard gas proration unit can be efficiently and economically drained and developed by the subject wells.

(5) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Blinebry Oil and Gas Pool and will otherwise prevent waste and protect correlative rights.

-2-
Case No. 5128
Order No. R-4736

IT IS THEREFORE ORDERED:

(1) That effective at 7:00 a.m. March 1, 1974, the applicant, Gulf Oil Corporation, is hereby authorized to simultaneously dedicate a non-standard 160-acre gas proration unit comprising the NE/4 SW/4 and W/2 SE/4 of Section 28, and the NW/4 NE/4 of Section 33, both in Township 21 South, Range 37 East, NMPM, Blinbry Oil and Gas Pool, Lea County, New Mexico, to its J. N. Carson Wells Nos. 4 and 9 located in Units O and K, respectively, of said Section 28 with unit production to be taken from said wells in any proportion.

(2) That the allowable assigned to the above-described gas proration unit shall be based upon the unit size of 160 acres and that the operator may produce the allowable assigned to the unit from the subject wells in any proportion.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



I. R. Trujillo
I. R. TRUJILLO, Chairman

Alex J. Armiño
ALEX J. ARMIÑO, Member

A. L. Porter, Jr.
A. L. PORTER, Jr., Member & Secretary

S E A L

dr/

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 27, 1974

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

CASE 5173: (Continued from the February 13, 1974, Examiner Hearing)

Application of Mobil Oil Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the W/2 of Section 3, Township 23 South, Range 27 East, South Carlsbad Field, Eddy County, New Mexico, to be dedicated to its Maude Rickman Com Well No. 1 located in Unit L of said Section 3. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5128: (Continued from the January 30, 1974, Examiner Hearing)

Application of Gulf Oil Corporation for a non-standard gas proration unit and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 160-acre non-standard gas proration unit comprising the NE/4 SW/4 and W/2 SE/4 of Section 28 and the NW/4 NE/4 of Section 33, both in Township 21 South, Range 37 East, Blinebry Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to its J. N. Carson Wells Nos. 4 and 9 located in Units O and K, respectively, of Section 28.

CASE 5174: Application of Gulf Oil Corporation for three dual completions and for the amendment of Order No. R-2909, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete three wells for water injection into its Central Drinkard Unit Waterflood Project in Township 21 South, Range 37 East, Lea County, New Mexico, and for production as follows:

- H. T. Mattern Well No. 8, Unit I, Section 30: Blinebry Oil Pool;
- W. T. McCormack Well No. 13, Unit A, Section 32: Tubb Gas Pool;
- J. N. Carson Well No. 4, Unit O, Section 28: Blinebry Gas Pool;

Applicant further seeks the amendment of Order No. R-2909, which authorized said waterflood project, to provide for administrative approval of additional dual injection-production wells in said unit area.

CASE 5055: (Reopened)

In the matter of Case No. 5055 being reopened pursuant to the provisions of Order No. R-4651 to permit the applicant, Merrion and Bayless, to appear and present evidence as to the method for allocating oil production to the Devils Fork-Gallup Oil Pool and to an undesignated Greenhorn Oil Pool, and gas to the Basin-Dakota Pool in its Canada Mesa Well No. 3 located in Unit A of Section 14, Township 24 North, Range 6 West, Rio Arriba County, New Mexico, said production having been commingled in the wellbore under authority of said Order No. R-4651.

CASE 5175: Application of Flag-Rodfern Oil Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks, as an exception to the West Sawyer-San Andres special pool rules, authority to drill a well at an unorthodox location 1980 feet from the South line and 660 feet from the East line of Section 23, Township 9 South, Range 37 East, Lea County, New Mexico.

CASE 5176: Application of R. Q. Silverthorne for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Yates formation in the perforated interval from 2485 feet to 2506 feet in his Kenwood Well No. 4 located in Unit K of Section 30, Township 18 South, Range 31 East, Shugart Pool, Eddy County, New Mexico.

CASE 5177: Application of Atlantic Richfield Company for the amendment of Order No. R-4549, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-4549, which order established project rules for the Empire-Abo Pressure Maintenance Project, Eddy County, New Mexico, to raise the maximum project allowable from the present 40,192 barrels per day to 40,555 barrels per day because of additional lands committed to the unit, and to provide for administrative approval for water injection wells in said project, and for inclusion of a reservoir voidage replacement credit for water injected into the Abo reservoir; applicant further seeks the amendment of Order No. R-4549 to provide that the maximum project allowable of 40,555 barrels per day would be achieved upon injection of "all available residue gas" rather than "70% of the produced gas", as now provided in the project rules. Applicant further seeks the establishment of a gas injection credit "bank", against which injection credit could be drawn in order to maintain full allowables during such times as injection plant shut-downs, etc.

CASE 5178: Application of El Paso Natural Gas Company for the amendment of Order No. R-1670 and Order No. R-333-F-1, San Juan Basin, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Rules 8(C)3 and 10(B)2 and 3 of the Northwest New Mexico Gas Proration Rules as prescribed by Order No. R-1670, as amended, and Section 1 B of Chapter 1 of the Gas Well Testing Rules for Northwest New Mexico as prescribed by Order No. R-333-F-1, as amended, to provide for a 90-day period within which to conduct deliverability tests on newly completed wells. Applicant further seeks the amendment of the gas well testing rules to provide a production penalty for delinquency in testing non-prorated wells in the same manner as such penalty is currently applied to delinquency in testing prorated wells. Applicant further seeks clarification for the classification of exempt-marginal status for wells upon which tests are not required.

J. R. MODRALL
JAMES E. SPERLING
JOSEPH E. ROEHL
GEORGE T. HARRIS, JR.
DANIEL A. SISK
LELAND S. SEABERRY, JR.
ALLEN C. DEWEY, JR.
FRANK H. ALLEN, JR.
JAMES P. SAUNDERS, JR.
JAMES A. PARKER
JOHN R. COONEY
KENNETH L. HARRIGAN
PETER J. ADAMS
DALE W. EK
DENNIS J. FALK
ARTHUR D. MELENDES
BRUCE D. BLACK
CHARLES J. NOYA
JOE R. O. FULCHER
MEL E. YOST
JAMES P. HOUGHTON
GEORGE J. HOPKINS

LAW OFFICES OF
MODRALL, SPERLING, ROEHL, HARRIS & SISK

PUBLIC SERVICE BUILDING

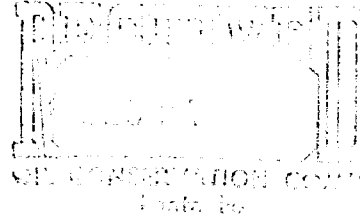
P. O. BOX 2168

ALBUQUERQUE, NEW MEXICO 87103

December 26, 1973

JOHN F. SIMMS (1955-1954)
AUGUSTUS T. SEYMOUR
(1907-1966)

TELEPHONE 243-4511
AREA CODE 505



Mr. A. L. Porter
Secretary-Director
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Case No. 5128

Dear Mr. Porter:

Enclosed is an Entry of Appearance on behalf of Gulf Oil Corporation in the above-captioned case, which has been scheduled for examiner hearing on your docket of Thursday, January 3, 1974.

Very truly yours,

James E. Sperling
James E. Sperling

/jv

Enclosure

cc: Mr. Robert W. Fuller, w/encl.
Divisional Attorney
Law Department
Gulf Oil Company
P. O. Box 1150
Midland, Texas 79701

DOCKET MAILED

Date 2-15-74

DOCKET MAILED

Date 1-18-74

*Called Mr. Sperling and notified
him of the continuance of this
case to Jan. 30 as per Mr. [unclear]'s instructions
to me.*
WLL - 12/27/73

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF GULF OIL CORPORATION FOR A
NON-STANDARD GAS PRORATION UNIT
AND SIMULTANEOUS DEDICATION,
LEA COUNTY, NEW MEXICO

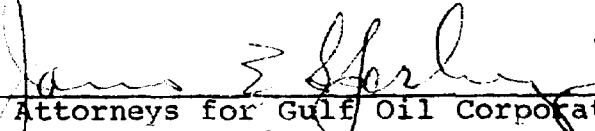
Case No. 5128

ENTRY OF APPEARANCE

The undersigned, Modrall, Sperling, Roehl, Harris & Sisk,
of Albuquerque, New Mexico, hereby enter their appearance
herein for the Applicant, Gulf Oil Corporation, with its
house counsel of Midland, Texas.

MODRALL SPERLING ROEHL HARRIS & SISK

By:


Attorneys for Gulf Oil Corporation
P. O. Box 2168
Albuquerque, New Mexico 87103

Gulf Oil Company - U.S.
PRODUCTION DEPARTMENT
MIDLAND DISTRICT

P. O. Drawer 1150
Midland, Texas 79701

December 26, 1973

W. B. Hopkins
DISTRICT PRODUCTION MANAGER
J. L. Pike
DISTRICT OPERATIONS MANAGER
M. B. Moseley
DISTRICT SERVICES MANAGER
A. J. Evans, Jr.
DISTRICT ENVIRONMENTAL & SAFETY MANAGER
J. C. Howard
DISTRICT EMPLOYEE RELATIONS MANAGER

A. L. Porter, Jr.
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

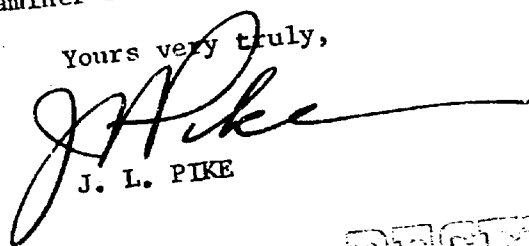
Re: Case No. 5128 Non-standard Proration Unit
and Simultaneous Acreage Dedication, Gulf
Oil Corporation's J. N. Carson (NCT-A)
Wells No. 4 and 9, Blinebry Gas Pool, Lea
County, New Mexico

Dear Sir:

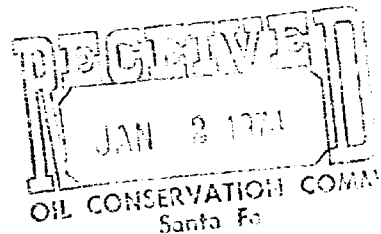
By letter dated November 7, 1973, Gulf's Hobbs Area Office requested administrative approval for a 160-acre non-standard proration and simultaneous dedication for its J. N. Carson (NCT-A) Wells No. 4 and 9 in the NW/4, NE/4, Section 33 and W/2, SE/4 and the NE/4, SW/4, Section 28, T-21S, R-37E, Blinebry Gas Pool, Lea County, New Mexico. This matter was assigned Case No. 5128 and set for examiner hearing on the January 3, 1974, docket.

Due to scheduling conflicts, we respectfully request that this case be continued to your January 30 examiner's hearing docket.

Yours very truly,


J. L. PIKE

CFK:jm



SECRET MAILED

Date 1-18-74



A DIVISION OF GULF OIL CORPORATION

DOCKET: EXAMINER HEARING - THURSDAY - JANUARY 3, 1974

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

CASE 5000: (Continued from the June 20, 1973, Regular Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Aztec Oil and Gas Company and United States Fidelity and Guaranty Company and all other interested parties to appear and show cause why the Aztec Totah Unit Wells Nos. 17 and 18, located in Unit E of Section 20, and Unit H of Section 19, respectively, Township 29 North, Range 13 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5006: (Continued from the June 20, 1973, Regular Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Aztec Oil and Gas Company and United States Fidelity and Guaranty Company and all other interested parties to appear and show cause why the Southeast Cha Cha Unit Well No. 1 located in Unit M of Section 32, Township 29 North, Range 13 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5128: Application of Gulf Oil Corporation for a non-standard gas proration unit and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 160-acre non-standard gas proration unit comprising the NE/4 SW/4 and W/2 SE/4 of Section 28 and the NW/4 NE/4 of Section 33, both in Township 21 South, Range 37 East, Blinbry Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to its J. N. Carson Wells Nos. 4 and 9 located in Units O and K, respectively, of Section 28.

CASE 5129: Application of Dorchester Exploration Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order force pooling all mineral interests in the Wilson-Pennsylvanian Pool underlying the E/2 of Section 13, Township 21 South, Range 34 East, Lea County, New Mexico, to be dedicated to a well to be drilled at a standard location in Unit I of said Section 13. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5130: Application of Mesa Petroleum Company for the amendment of Order No. R-4658, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-4658, which order promulgated special

(Case 5130 continued from Page 1)

pool rules for the North Shoe Bar-Strawn Pool, Lea County, New Mexico. Applicant seeks the amendment of said rules to provide for a special gas-oil ratio limitation of 4000 to one.

CASE 5131: Application of Jake Hamon for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Devonian formation through the perforated interval from 12,935 feet to 12,946 feet and the open-hole interval from 12,960 feet to 13,023 feet in his Getty State L-736 Well No. 1 located in Unit D of Section 32, Township 16 South, Range 36 East, East Shoe Bar-Devonian Pool, Lea County, New Mexico.

CASE 5132: Application of American Quasar Petroleum Company of New Mexico for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the White City Unit Area comprising 5,120 acres, more or less, of Federal, State and fee lands in Township 25 South, Ranges 25 and 26 East, Eddy County, New Mexico.

CASE 5133: Application of Atlantic Richfield Company for four non-standard gas proration units and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the following 320-acre non-standard gas proration units in Township 22 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico:

The N/2 of Section 34 to be dedicated to its Curran Jones Wells Nos. 1 and 10 located in Units A and C, respectively, of Section 34;

McDonald State Lease:

The N/2 of Section 14 to be dedicated to Wells Nos. 11 and 25 both located in Unit D of Section 14;

The E/2 of Section 26 to be dedicated to Wells Nos. 22, 9, and 8 located in Units A, G, and P, respectively, of Section 26;

The W/2 of Section 24 to be dedicated to Wells Nos. 26 and 12 located in Units D and M, respectively, of Section 24.

CASE 5134: Application of Atlantic Richfield Company for simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the simultaneous dedication of four wells to a standard 640-acre unit comprising all of Section 15, Township 22 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, said wells being applicant's McDonald State WN Wells Nos. 23, 14, 15, and 13, located in Units C, G, L, and P, respectively, of Section 15.

CASE 5135: Application of Atlantic Richfield Company for the amendment of Order No. R-4549, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Rule 1 of the Special Rules for the Empire-Abo Pressure Maintenance Project as promulgated by Order No. R-4549 to expand the project area as defined therein to include the

(Case 5135 continued from Page 2)

SW/4 SE/4 of Section 27 and the S/2 SE/4 of Section 34, both in Township 17 South, Range 28 East, and the NW/4 NE/4 and the SE/4 SW/4 of Section 6, Township 18 South, Range 28 East, Empire-Abo Pool, Eddy County, New Mexico.

Applicant further seeks the amendment of Rules 3 and 4 of said special rules to provide that effective January 1, 1974, the maximum allowable for the project area be 33,000 barrels per day rather than 30,000 as presently provided.

CASE 5136: Application of Coastal States Gas Producing Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox oil well location of its McGuffin Well No. 2 at a point 1980 feet from the North line and 660 feet from the West line of Section 29, Township 9 South, Range 33 East, Flying "M"-San Andres Pool, Lea County, New Mexico.

CASE 5137: Application of Skelly Oil Company for two unorthodox locations, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill two producing wells at two unorthodox locations, one 2630 feet from the North line and 1330 feet from the West line and the other 1330 feet from the South line and 10 feet from the West line, both in Section 22, Township 17 South, Range 31 East, Grayburg-Jackson Pool, Eddy County, New Mexico.

CASE 5138: Application of Skelly Oil Company for a waterflood project and four dual completions, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Seven Rivers formation, Fren Pool, through six injection wells in its Skelly Unit Area in Sections 21, 22 and 28, Township 17 South, Range 31 East, Eddy County, New Mexico, three of which wells would be dually completed for injection into the Seven Rivers formation and the existing Grayburg-Jackson waterflood project. Applicant further seeks authority to dually complete its Skelly Unit Well No. 76 located in Unit O of said Section 21 as a dual completion to produce from the Fren Seven Rivers Pool and the Grayburg-Jackson Pool through parallel strings of tubing.

CASE 5139: Application of Skelly Oil Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Grayburg-San Andres formation through three wells on its Lea "C" Lease in Section 11, Township 17 South, Range 31 East, Grayburg-Jackson Pool, Eddy County, New Mexico.

CASE 5141: Application of David Fasken for directional drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to re-enter an existing well, the unorthodox surface location of which is 660 feet from the South and West lines of Section 7, Township 18 South, Range 26 East, West Atoka-Morrow Gas Pool, Eddy County, New Mexico,

(Case 5141 continued from Page 3)

and to directionally drill said well in such a manner as to bottom the well in the Morrow formation at a point 915 feet from the South line and 660 feet from the West line of said Section 7.

CASE 5142: Application of Amoco Production Company for special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Black River-Pennsylvanian Gas Pool, Eddy County, New Mexico, including a provision for 320-acre drilling and proration units. In the absence of objection, this pool will be placed on the standard 320-acre spacing for Pennsylvanian gas pools rather than the present 160-acre spacing.

CASE 5140: (This case will be continued to January 16, 1974, Examiner Hearing)

Application of Pierce & Dehlinger for compulsory pooling, Vada-Pennsylvanian Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Vada-Pennsylvanian Pool underlying the NW/4 of Section 24, Township 9 South, Range 33 East, Lea County, New Mexico, to be dedicated to the King Resources Sheridan Well No. 1-A located in Unit C of said Section 24; Also to be considered is designation of the applicant as operator of the NW/4 of said Section 24 and the well located thereon, provision for allocation of actual operating costs and charges for supervision, and allocation of costs for reworking said well including a 200% charge attributable to any non-consenting working interest owner's pro rata share of said workover costs, for the risk involved in said workover.

CASE 4956: (Reopened) (This case will be continued to January 16, 1974, Examiner Hearing)

Application of Pierce & Dehlinger for a determination of well costs, Lea County, New Mexico. Applicant, as operator of the Sheridan Well No. 1 located in Unit M of Section 13, Township 9 South, Range 33 East, Lea County, New Mexico, to which well is dedicated the SW/4 of said Section 13, all mineral interests in the Vada-Pennsylvanian Pool thereunder having been pooled by Commission Order No. R-4560, seeks the determination of reasonable well costs attributable to applicant and to King Resources, including, but not limited to, the costs of reworking and placing said Sheridan Well No. 1 back on production and attorneys fees in connection therewith. Applicant further seeks an order assessing, as a charge for the risk involved in the reworking of the well, 120% of the pro rata share of the reasonable well costs attributable to the working interest of King Resources.

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 30, 1974

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

CASE 5153: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the amendment of Commission Form C-113, Refiner's Monthly Report.

CASE 5154: In the matter of the hearing called by the Oil Conservation Commission on its own motion, at the recommendation of the Commission's "Pictured Cliffs Gas Proration Committee," to consider the amendment of Commission Order No. R-1670 for the purpose of elimination of gas prorationing in the Aztec-Pictured Cliffs, Ballard-Pictured Cliffs, Fulcher Kutz-Pictured Cliffs, and West Kutz-Pictured Cliffs Gas Pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 5128: (Continued from the January 3, 1974, Examiner Hearing)

Application of Gulf Oil Corporation for a non-standard gas proration unit and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 160-acre non-standard gas proration unit comprising the NE/4 SW/4 and W/2 SE/4 of Section 28 and the NW/4 NE/4 of Section 33, both in Township 21 South, Range 37 East, Blinbry Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to its J. N. Carson Wells Nos. 4 and 9 located in Units O and K, respectively, of Section 28.

CASE 5132: (Continued from the January 3, 1974, Examiner Hearing)

Application of American Quasar Petroleum Company of New Mexico for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the White City Unit Area comprising 5,120 acres, more or less, of Federal, State and fee lands in Township 25 South, Ranges 25 and 26 East, Eddy County, New Mexico.

CASE 5155: Application of Harding Oil Company for directional drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to re-enter an existing well, the surface location of which is 2310 feet from the South line and 1650 feet from the West line of Section 34, Township 13 South, Range 32 East, adjacent to the old Gross-Devonian Pool, Lea County, New Mexico, and to directionally drill said well in such a manner as to bottom the well in the Devonian formation within 100 feet of a point 430 feet South 60 degrees West of the surface location.

- CASE 5156: Application of Franklin, Aston & Fair for pool creation and special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new gas pool for Morrow production for its McIntyre Well No. 6-A located in Unit 0 of Section 20, Township 17 South, Range 30 East, Eddy County, New Mexico, and for the promulgation of special pool rules therefor including a provision for 640-acre spacing.
- CASE 5159: Application of Petroleum Reserve Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Wood Canyon Unit Area comprising 2,560 acres, more or less, of Federal and fee lands in Township 24 South, Range 25 East, Eddy County, New Mexico.
- CASE 5160: Application of Randolph M. Richardson for a unit agreement, Eddy and Chaves Counties, New Mexico. Applicant, in the above-styled cause, seeks approval for the West Hope Unit Area comprising 13,448 acres, more or less, of Federal, State and Fee lands in Townships 17 and 18 South, Ranges 20 and 21 East, Eddy and Chaves Counties, New Mexico.
- CASE 5161: Application of Depco, Inc. for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for its Northwest Artesia Unit Area comprising 640 acres, more or less of State lands in Sections 31 and 32, Township 17 South, Range 28 East, and Section 6, Township 18 South, Range 28 East, Eddy County, New Mexico.
- CASE 5144: (Continued and Readvertised)
- Application of Depco, Inc. for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Grayburg-San Andres formation through six wells located in its Northwest Artesia Unit Area, Artesia Pool, Eddy County, New Mexico.
- CASE 5162: Application of Western Oil Producers, Inc. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill an undesignated Morrow gas well at an unorthodox location 1980 feet from the South line and 660 feet from the East line of Section 34, Township 17 South, Range 26 East, Eddy County, New Mexico, the S/2 of said Section 34 to be dedicated to the well.
- CASE 5163: Application of Western Oil Producers, Inc. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill an undesignated Morrow gas well at an unorthodox location 660 feet from the South and East lines of Section 27, Township 17 South, Range 26 East, Eddy County, New Mexico, the S/2 of said Section 27 to be dedicated to the well. As an alternative, applicant seeks approval for a location 1980 feet from the South line and 660 feet from the East line of said Section 27.

CASE 5158: Application of Cities Service Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the E/2 of Section 29, Township 21 South, Range 27 East, Eddy County, New Mexico, to be dedicated to its Simpson Well No. 1 to be drilled at an orthodox location for said unit. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5157: Application of Cities Service Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the S/2 of Section 9, Township 21 South, Range 27 East, Burton Flats Field, Eddy County, New Mexico, to be dedicated to its State C-P Well No. 1 to be drilled at an orthodox location for said unit. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5164: Application of Jake L. Hannon for compulsory pooling and for an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order force pooling all mineral interests in the Strawn and Morrow formations underlying the E/2 of Section 9, Township 21 South, Range 27 East, Burton Flats Field, Eddy County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location 1650 feet from the North line and 660 feet from the East line of said Section 9. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

EXHIBIT 2
CASE 5128
2-27-74

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

CASE NO. 1506
Order No. R-1253

APPLICATION OF GULF OIL CORPORATION
FOR TWO NON-STANDARD GAS PRORATION
UNITS IN THE BLINEBRY GAS POOL AND
FOR TWO NON-STANDARD GAS PRORATION
UNITS IN THE TUBB GAS POOL, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BEFORE EXAMINER NUTTER	
OIL CONSERVATION COMMISSION	
Gulf Oil	EXHIBIT NO. 2
CASE NO. 5128	

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on September 10, 1958, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 29th day of September, 1958, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, and being fully advised in the premises,

FINDS:

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

(2) That the applicant, Gulf Oil Corporation, is the operator of the NE/4 SW/4 and the SE/4 of Section 28 and the NW/4 NE/4 and the NE/4 NE/4 of Section 33, all in Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the applicant is the operator of the following-described wells:

J. N. Carson "C" Well No. 6, located 330 feet from the South line and 965 feet from the East line of said Section 28, which well is completed in the Blinebry Gas Pool.

-2-

Case No. 1506

Order No. R-1253

J. N. Carson "C" Well No. 3, located 640 feet from the South line and 660 feet from the East line of said Section 28, which well is dually completed in the Tubb Gas Pool and the Drinkard (Oil) Pool.

J. N. Carson "A" Well No. 4, located 554 feet from the South line and 2086 feet from the East line of said Section 28, which well is dually completed in the Blinebry Gas Pool and the Drinkard (Oil) Pool.

J. N. Carson "A" Well No. 6, located 2086 feet from the South line and 2086 feet from the East line of said Section 28, which well is dually completed in the Tubb Gas Pool and the Drinkard (Oil) Pool.

(4) That applicant presently has a 160-acre standard gas proration unit in both the Blinebry and Tubb Gas Pools, consisting of the SE/4 of said Section 28 and dedicated respectively to the said J. N. Carson "A" Well No. 4 and the J. N. Carson "C" Well No. 3.

(5) That the applicant proposes the establishment of four non-standard gas proration units, two in the Blinebry Gas Pool and two in the Tubb Gas Pool, to-wit:

A 160-acre non-standard gas proration unit in both the Blinebry and Tubb Gas Pools, consisting of the NE/4 SW/4 and the W/2 SE/4 of said Section 28 and the NW/4 NE/4 of said Section 33 to be dedicated respectively to the aforesaid J. N. Carson "A" Well No. 4 and the J. N. Carson "A" Well No. 6.

A 120-acre non-standard gas proration unit in both the Blinebry and Tubb Gas Pools, consisting of the E/2 SE/4 of said Section 28 and the NE/4 NE/4 of said Section 33 to be dedicated respectively to the aforesaid J. N. Carson "C" Well No. 6 and the J. N. Carson "C" Well No. 3.

(6) That the applicant proposes the above-described arrangement of dedicated acreage in order to eliminate the necessity of developing wells within the residential section of Eunice, New Mexico.

(7) That approval of the subject application will not cause waste nor impair correlative rights.

-3-

Case No. 1506
Order No. R-1253

IT IS THEREFORE ORDERED:

(1) That a 160-acre non-standard gas proration unit in the Blinebry Gas Pool, consisting of the NE/4 SW/4 and the W/2 SE/4 of Section 28 and the NW/4 NE/4 of Section 33, all in Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, be and the same is hereby established. Said unit is to be dedicated to the applicant's J. N. Carson "A" Well No. 4, located 554 feet from the South line and 2086 feet from the East line of said Section 28.

(2) That a 160-acre non-standard gas proration unit in the Tubb Gas Pool, consisting of the NE/4 SW/4 and the W/2 SE/4 of said Section 28 and the NW/4 NE/4 of said Section 33, be and the same is hereby established. Said unit is to be dedicated to the applicant's J. N. Carson "A" Well No. 6, located 2086 feet from the South line and 2086 feet from the East line of said Section 28.

(3) That a 120-acre non-standard gas proration unit in the Blinebry Gas Pool, consisting of the E/2 SE/4 of said Section 28 and the NE/4 NE/4 of said Section 33, be and the same is hereby established. Said unit is to be dedicated to the applicant's J. N. Carson "C" Well No. 6, located 330 feet from the South line and 965 feet from the East line of said Section 28.

(4) That a 120-acre non-standard gas proration unit in the Tubb Gas Pool, consisting of the E/2 SE/4 of said Section 28 and the NE/4 NE/4 of said Section 33, be and the same is hereby established. Said unit is to be dedicated to the applicant's J. N. Carson "C" Well No. 3, located 640 feet from the South line and 660 feet from the East line of said Section 28.

(5) That each of the non-standard gas proration units created above be assigned an allowable in the appropriate pool in the proportion that the acreage contained in said unit bears to the acreage contained in a standard proration unit for the pool.

(6) That the establishment of the above-described non-standard gas proration units and the allowables assigned thereto shall become effective November 1, 1958, provided that all applicable pool rules and regulations have been complied with on that date.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Edwin L. Mechem, Chairman

Murray E. Morgan, Member

A. L. Porter, Jr., Member & Secretary

S E A L
ir/

Handwritten:
H. C. H. F.
FILE

LAND COMMISSIONER
L. S. JOHNNY WALKER
MEMBER

GOVERNOR
EDWIN L. MECHAM
CHAIRMAN

State of New Mexico
Oil Conservation Commission

EXHIBIT 3
CASE 5128
2-27-74



P. O. BOX 871
SANTA FE

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

October 13, 1961

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

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
Gulf Oil EXHIBIT NO. 3
CASE NO. 5128

Attention: Mr. W. A. Shellshear

Administrative Order CUW-1

Gentlemen:

Reference is made to your request for administrative approval to change the unit well attributed to a previously approved 160-acre non-standard gas proration unit in the Blinebry Gas Pool, Lea County, New Mexico, dated September 11, 1961.

It is understood that the 160-acre non-standard gas proration unit, comprising the NE/4 SW/4 and the W/2 SE/4 of Section 28, and the NW/4 NE/4 of Section 33, all in Township 21 South, Range 37 East, Lea County, New Mexico, has been dedicated to the J. N. Carson (NCT-A) Well No. 4, and that you now seek permission to dedicate said unit to the J. N. Carson (NCT-A) Well No. 9, located 2086 feet from the West line and 1874 feet from the South line of said Section 28 and to shut-in the said J. N. Carson (NCT-A) Well No. 4.

By authority granted me under the provisions of the Special Rules and Regulations for the Blinebry Gas Pool, you are hereby authorized to dedicate the above-described 160-acre non-standard gas proration unit to the said J. N. Carson (NCT-A) Well No. 9; provided however, that the said J. N. Carson (NCT-A) Well No. 4 shall be shut-in and the Commission advised of same.

Very truly yours,

A. L. Porter, Jr.

A. L. PORTER, Jr.,
Secretary-Director

ALP/JEW/esr

cc: Oil Conservation Commission
Hobbs, New Mexico

Last sentence added to Hobbs

*copy to DMR
10/16/61*

Gulf Oil Company - U.S.

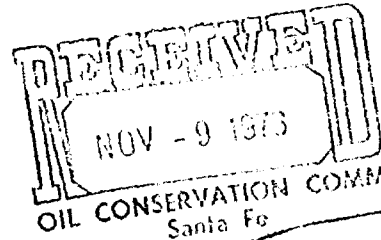
HOBBS PRODUCTION AREA

C. D. Borland
AREA PRODUCTION MANAGER

November 7, 1973

P. O. Box 670
Hobbs, New Mexico 88240

Mr. A. L. Porter, Jr.
New Mexico Oil Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico 87501



Dear Sir:

Gulf Oil Corporation requests your administrative approval for a 160 acre proration unit in the Blinebry Gas pool, covering the NW/4 NE/4, Section 33 and the W/2 SE/4 and the NE/4 SW/4, Section 28, all in Township 21-S, Range 37-E, to be dedicated simultaneously to our J. N. Carson (NCT-A) well No. 4, located 554' FSL and 2086' FEL and our J. N. Carson (NCT-A) No. 9, located 1874' FSL and 2086' FWL, both in Section 28, 21-S, 37-E.

In support of this application the following facts are submitted:

1. New Mexico Oil Conservation Commission Order R-1253, dated September 29, 1958 authorized the dedication of this acreage to the No. 4 well.
2. Well No. 9 was completed in the Blinebry Gas zone and connected on November 1, 1961.
3. New Mexico Oil Conservation Commission Administrative Order CUW-1, dated October 13, 1961, authorized the rededication of this acreage to the No. 9 well with the requirement that well No. 4 be shut-in the Commission advised. The Commission was advised, by Form C-103, approved November 18, 1961, that the equipment was disconnected and well No. 4 shut-in. This well has been shut-in, in the Blinebry zone, since November 1, 1961.
4. There are no other wells producing from the Blinebry zone in the above described acreage.
5. The attached plat shows the proposed unit outlined in red.
6. All offset operators have been furnished a copy of this application.

Your early consideration in this matter will be appreciated.

Yours truly,

C. D. Borland
C. D. BORLAND

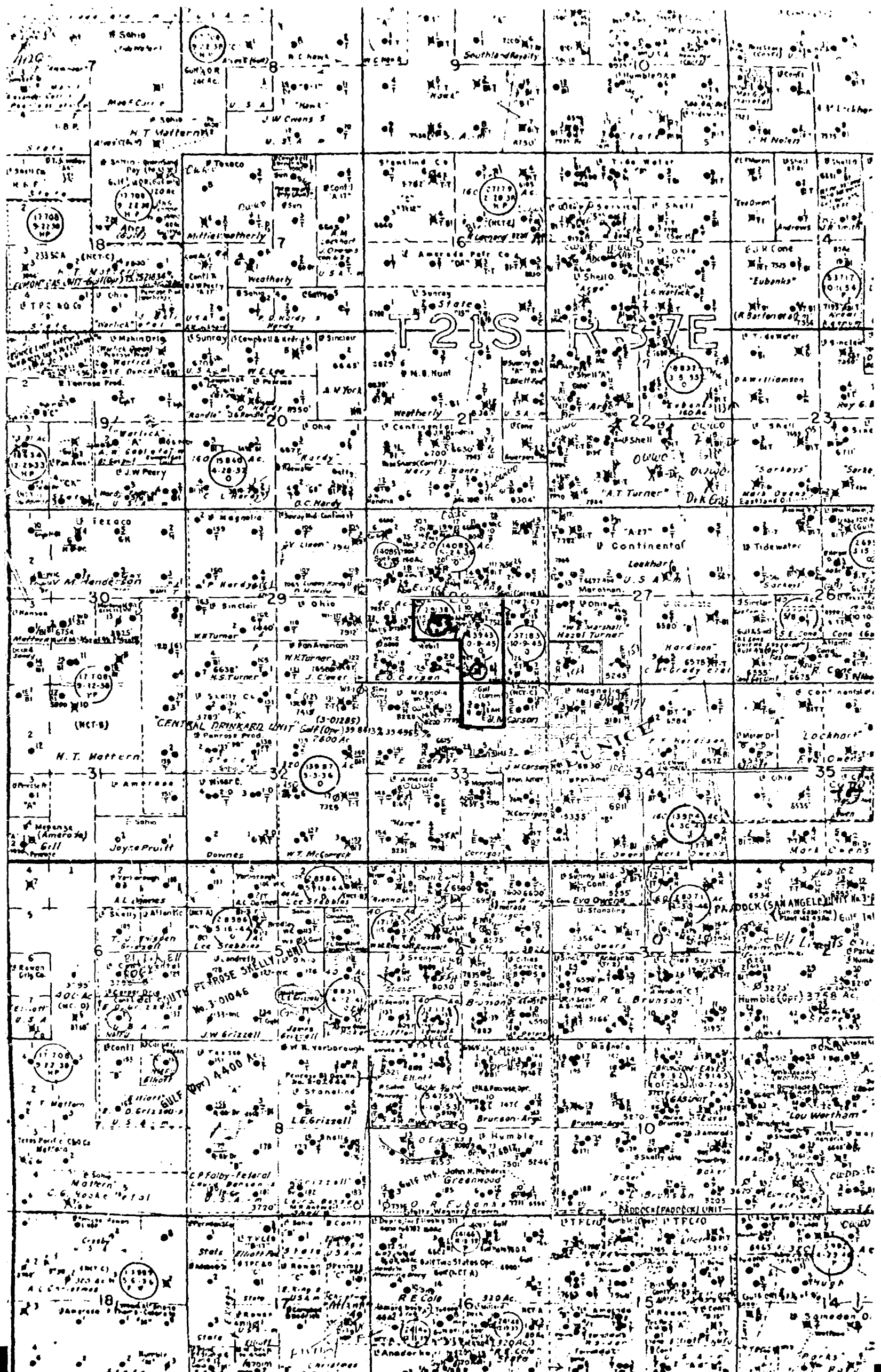
lwd:
Att'd
cc: All offset operators
NMOCC, Hobbs, New Mexico
J. L. Pike, Midland, Texas



A DIVISION OF GULF OIL CORPORATION

BUCKET MAILED

Date 12-18-73



DRAFT

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 5128

Order No. R-4736

APPLICATION OF GULF OIL CORPORATION
FOR A NON-STANDARD GAS PRORATION UNIT
AND SIMULTANEOUS DEDICATION, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 27, 1974, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this _____ day of March, 1974, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

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

(2) That the applicant, Gulf Oil Corporation, seeks ~~the~~ approval for a non-standard 160-acre gas proration unit comprising the NE/4 SW/4 and W/2 SE/4 of Section 28, and the NW/4 NE/4 of Section 33, both in Township 21 South, Range 37 East, NMPM, Blinbry ^{Oil and} Gas Pool, Lea County, New Mexico.

-2-
Case No. 5128
Order No. R-

(3) That the applicant seeks to simultaneously dedicate to said non-standard unit its J. N. Carson Wells Nos. 4 and 9 located in Units O and K, respectively, of Section 28, with unit production to be taken from said wells in any proportion.

(4) That the proposed non-standard gas proration unit can be efficiently and economically drained and developed by the subject wells.

(5) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Blinebry ^{Oil and} Gas Pool and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That effective at 7:00 a.m. March 1, 1974, the applicant, Gulf Oil Corporation, is hereby authorized to simultaneously dedicate ^a ~~its~~ non-standard 160-acre gas proration unit comprising the NE/4 SW/4 and W/2 SE/4 of Section 28, and the NW/4 NE/4 of Section 33, both in Township 21 South, Range 37 East, NMPM, Blinebry ^{Oil and} Gas Pool, Lea County, New Mexico, to its J. N. Carson Wells Nos. 4 and 9 located in Units O and K, respectively, of said Section 28 with unit production to be taken from said wells in any proportion.

(2) That the allowable assigned to the above-described gas proration unit shall be based upon the unit size of 160 acres and that the operator may produce the allowable assigned to the unit from the subject wells in any proportion.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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