

CASE 5314: Application of GULF OIL
CORP. FOR SIMULTANEOUS DEDICATION,
LEA COUNTY, NEW MEXICO.

CASE No.

5314

Application,
Transcripts,
Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
September 18, 1974

EXAMINER HEARING

IN THE MATTER OF:

Application of Gulf Oil Corporation)
for simultaneous dedication, Lea)
County, New Mexico.)

Case No. 5314

BEFORE: Richard L. Stamets, 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
Commission
State Land Office Building
Santa Fe, New Mexico

For the Applicant: Charles C. Hairston, Esq.
Gulf Oil Corporation
Midland, Texas

CASE 5314

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I N D E X

PAGE

CHARLES F. KALTEYER

Direct Examination by Mr. Hairston
Cross Examination by Mr. Stamets

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E X H I B I T S

Applicant's Exhibits Nos. 1 and 2

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KALTEYER-DIRECT

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MR. STAMETS: Case 5314.

MR. CARR: Case 5314. Application of Gulf Oil Corporation for simultaneous dedication, Lea County, New Mexico.

MR. STAMETS: We call for appearances in this case.

MR. HAIRSTON: Yes, sir. I am Charles C. Hairston, Attorney for Gulf Oil in Midland, and I have one witness, Mr. Charles F. Kalteyer.

MR. STAMETS: Are there any other appearances in this case?

The witness will stand and be sworn, please.

(Witness sworn.)

CHARLES F. KALTEYER

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

DIRECT EXAMINATION

BY MR. HAIRSTON:

Q For the record, would you please state your name, by whom you are employed and in what capacity?

A I am Charles F. Kalteyer. I am employed by Gulf Oil Corporation as District Promotion Engineer, and I am located in Midland.

KALTEYER-DIRECT

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Q Mr. Kalteyer, have you previously testified before the Commission?

A Yes, sir. I have made numerous appearances before the Commission.

Q And at that time you were qualified as a petroleum engineer?

A Yes, sir.

Q What is Gulf seeking in this Application?

A Gulf is seeking approval for a non-standard location for its W. A. Ramsay (NCT-A) Well No. 6, in Unit H, Section 35, Township 21 South, Range 36 East, and simultaneous dedication for a 640-acre standard proration unit in the Eumont Queen Gas Pool to Well No. 6, together with the presently producing W. A. Ramsay (NCT-A) Well No. 7 and 20 at non-standard locations in Unit N and E, respectively, Section 35, Township 21 South, Range 36 East, Lea County, New Mexico.

We further request approval to produce the unit allowable in any proportion from these three wells and that we be allowed to make up underage through Wells 7 and 20.

Q Do you have an exhibit which shows the W. A. Ramsay (NCT-A) Lease?

A Yes, sir. It is Exhibit No. 1. Exhibit No. 1 is

KALTEYER-DIRECT

Page.....5.....

a plat showing the 1920 acre W. A. Ramsay (NCT-A) State of New Mexico Lease outlined in red. Outlined in green is the 640 acres currently dedicated to Wells Nos. 7 and 20 which encompasses Section 35 in its entirety. You will note that the Eumont Queen gas completions are circled in red, and that the proposed completion of Well No. 6 is circled in yellow. Circled in green are two Jalmat Yates gas completions. The Jalmat Yates Gas Pool extends across the Tansill, Yates and Seven Rivers formations while the Eumont Queen Gas Pool extends across the Yates, Seven Rivers and Queen formations. You will note also that Wells No. 14, 17 and 46 in Sections 27 and 34 on the same W. A. Ramsay (NCT-A) Lease are completed in the Eumont Queen Gas Pool.

Well No. 6 is located in Unit h, 1980 feet from the north line and 660 feet from the east line of Section 35, and is a non-standard location for the Eumont Queen Gas Pool. The El Paso Natural Gas Shell State Com. D Unit to the southeast in Section 36, Township 21 South, Range 36 East is the only property besides Gulf's with acreage falling within 1980 feet of our Well No. 6. Gulf has a 25 percent interest in this communitized unit.

Q Has a precedent been set in the immediate area

of Section 35 for more than one well on a 640-acre proration unit?

A Yes, sir. In Section 26, immediately to the north of Gulf's Section 35, Exxon Oil Company-U.S. operates Wells 2 and 6 at non-standard locations with simultaneous 640-acre dedication and with production to be in any proportion between wells. Simultaneous dedication under Case No. 4066 and Order No. R-3700, effective April 1, 1969, was granted Exxon Oil Company-U.S. for their New Mexico State "G" Wells 2 and 4, in Section 26. Under Case No. 4601, Order R-3700-A, Well No. 6 in Section 26 was exchanged for Well No. 4, effective October 1, 1971.

In Section 27, northwest of Section 35, the Commission, on March 31, 1973, by Case No. 4917 and Order No. R-4496 granted Gulf authority to produce the W. A. Ramsay (NTC-A) Wells No. 17 and 46 with simultaneous dedication of a 640-acre standard gas proration unit.

On July 13, 1973, the Commission, under Case No. 4983, Order No. R-4590, granted Gulf authority to produce W. A. Ramsay (MCT-A) Wells Nos. 7 and 20 in Section 35, the section we are concerned with today, with simultaneous dedication of a 640-acre standard gas proration unit.

It is also to be noted that 7 of the 8 sections

surrounding Section 35 contain from 2 to 4 gas completions in the Eumont Queen Gas Pool and/or the Jalmat Yates Gas Pool.

Q Will you tell me of the present status of the W. A. Ramsay (NCT-A) Wells Nos. 7 and 20?

A The Eumont gas production rate has declined to approximately 365 MCF per day from Well No. 7, and 900 MCF per day from Well No. 20. The allowable for a non-marginal 640-acre unit in 1973 has been in the range of 1400 to 3800 MCF per day.

Q Mr. Kalteyer, what is the present status of Well No. 6?

A Well No. 6 was completed in June of 1940 at a standard location in the Arrowhead Pool. This well was closed in on October 1, 1965, after becoming uneconomical to produce. We propose to abandon the Arrowhead oil zone and recomplete in the Eumont gas as follows:

Set a cast iron bridge plug at 3725, cap it with cement, run radioactivity log, selectively perforate 5½ inch casing with four 1/2-inch jet holes per foot, acidize and fracture treat with gelled salt water with 1 to 2 pounds of sand per gallon and place on production.

Q Now, is this Application in the interest of the

KALTEYER-DIRECT

protection of correlative rights?

A Yes, sir, it is.

Q Have you prepared an exhibit concerning this?

A Yes, sir. Our Exhibit No. 2. You will note on Exhibit 2, the gas production for the month of June, 1974, for each of the 8 sections immediately surrounding the pertinent Section 35, as well as for Section 35. You will note in the 9th column entitled, "Status," that Wells No. 7 and 20 are currently classified as a multi-well marginal gas unit. Five of the eight sections surrounding 35 contain wells classified as non-marginal.

Q Will you, again, summarize briefly what Gulf is requesting in this Application?

A Gulf Oil Corporation is seeking approval for a non-standard location in the Eumont Queen Gas Pool for its W. A. Ramsay (NCT-A) Well No. 6 in Unit H of Section 35, and authority for the simultaneous dedication of a standard GAO-well for operation in the Eumont Queen Gas Pool to said Well No. 6 and the currently producing Wells Nos. 7 and 20 at a non-standard location in Unit H and Unit B, respectively, of Section 35, Township 21 South, Range 36 West, Lea County, New Mexico.

We further request approval to produce the unit

KALTEYER-DIRECT

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allowable in any proration from these three wells, and to be allowed to make up underage accrued by Wells 7 and 20.

Q Mr. Kalteyer, were the exhibits which you have presented in this Hearing prepared by you or under your supervision?

A Yes, they were.

Q And do they show what they purport to show?

A Yes, sir.

MR. HAIRSTON: Mr. Examiner, at this time, we would like to move that Exhibits 1 and 2 be received in this Hearing.

MR. STAMETS: Applicant's Exhibits 1 and 2 will be admitted into evidence.

(Whereupon, Applicant's Exhibits Nos. 1 and 2 were marked for identification, and were admitted into evidence.)

MR. HAIRSTON: I believe that concludes our presentation, Mr. Examiner.

CROSS EXAMINATION

BY MR. STAMETS:

Q Mr. Kalteyer, I believe you mentioned something initially about making up underage, and it looks like Exhibit No. 2 shows that the wells are classified as

marginal. Do the wells currently have any underage?

A No, sir. Well, they have underage when they got reclassified.

Q When did that reclassification take place?

A Reclassified marginal in April of '74.

Q And the wells are currently unable to produce a non-marginal allowable?

A Well, the allowables are considerably down at this time, and they are capable of producing in excess of the current allowable for September and August, I believe. The allowables during '73 and the first part of '74, they were at a high compared to the current allowable.

Q All of the information as to well status and their ability to produce a non-marginal allowable will be reflected in the Commission's gas proration records?

A Yes, sir.

Q Well No. 6 has not yet been completed as a Eumont Gas Well?

A No, sir.

MR. STAMETS: Are there any other questions of the witness?

You may be excused.

(Witness dismissed.)

CASE 5314

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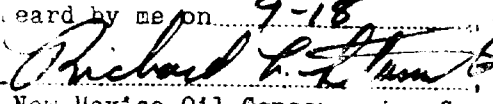
MR. STAMETS: Is there anything further in this
case?

We will take the case under advisement.

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 at the Examiner hearing of Case No. 5314 heard by me on 9-18-74 1974

 Richard L. Nye, 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

L. R. TRUJILLO
CHAIRMAN
LAND COMMISSIONER
ALEX J. ARMUJO
MEMBER
STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

October 9, 1974

Mr. James E. Sperling
Modrall, Sperling, Roehl, Harris
& Sisk
Attorneys at Law
Post Office Box 2168
Albuquerque, New Mexico 87103

Re: CASE NO. 5314
is ORDER NO. R-4867
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	<u>X</u>
Artesia OCC	<u> </u>
Aztec OCC	<u> </u>

Other Mr. Charles Hairston

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. 5314
Order No. R-4867

APPLICATION OF GULF OIL COMPANY
FOR SIMULTANEOUS DEDICATION,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 18, 1974, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 9th day of October, 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 Company, is the operator of a standard 640-acre gas proration unit comprising all of Section 35, Township 21 South, Range 36 East, NMPM, Eumont Gas Pool, Lea County, New Mexico, which is presently simultaneously dedicated to applicant's W. A. Ramsay (NCT-A) Wells Nos. 7 and 20, located in Units N and E, respectively, of said Section 35, both of which wells are in unorthodox locations previously approved by the Commission.

(3) That the producing capacities of said wells Nos. 7 and 20 have declined to the extent that they are incapable of producing a non-marginal allowable for said unit.

(4) That applicant is also the operator of its W. A. Ramsay (NCT-A) Well No. 6, located in Unit H of said Section 35.

(5) That the applicant seeks approval for the simultaneous dedication of the subject standard proration unit to the above-described three wells with the allowable assigned to said unit to be produced from said wells in any proportion.

(6) That the applicant further seeks approval of an unorthodox location for its W. A. Ramsay Well No. 6 in Unit H, located 1980 feet from the North line and 660 feet from the East line of said Section 35.

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CASE NO. 5314
Order No. R-4867

(7) That approval of the subject application will better enable the applicant to produce its just and equitable share of the gas in the Eumont Gas Pool and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:


(1) That the applicant, Gulf Oil Corporation, is hereby authorized to simultaneously dedicate its 640-acre standard proration unit consisting of all of Section 35, Township 21 South, Range 36 East, NMPM, Eumont Gas Pool, Lea County, New Mexico, to its W. A. Ramsay Wells Nos. 6, 7, and 20, located in Units H, N, and E, respectively, of said Section 35, with the allowable assigned to said unit to be produced by said wells in any proportion.

(2) That an unorthodox gas well location is hereby approved for applicant's W. A. Ramsay Well No. 6, located 1980 feet from the North line and 660 feet from the East line of Section 35, Township 21 South, Range 36 East, NMPM, Eumont Gas Pool, Lea County, New Mexico.

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

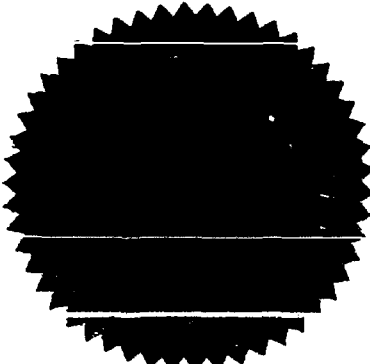
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


L. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member


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


S E A L

jr/

Dockets Nos. 29-74 and 30-74 are tentatively set for hearing on October 2 and October 16, 1974. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 18, 1974

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

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

- ALLOWABLE: (1) Consideration of the allowable production of gas from seventeen prorated pools in Lea, Eddy, Roosevelt, and Chaves Counties, New Mexico, for October, 1974;
- (2) Consideration of the allowable production of gas from five prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, for October, 1974;

CASE 5288: (Continued from the August 7, 1974, Examiner Hearing)

Application of Merrion & Bayless for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of hydrocarbon production from the top of the Gallup formation at 5434 feet to the base of the Dakota formation at 6570 feet in its Keeling Federal Well No. 1 located in Unit B of Section 20, Township 25 North, Range 8 West, Dufers Point-Dakota Pool, San Juan County, New Mexico.

CASE 5313: Application of El Paso Natural Gas Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Aztec-Pictured Cliffs and Blanco-Mesaverde production in the wellbore of its Ludwick Well No. 11 located in Unit B of Section 9, Township 30 North, Range 10 West, San Juan County, New Mexico.

CASE 5292: (Continued from the August 7, 1974, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit El Paso Natural Gas Company, United States Fidelity and Guaranty Co., and all other interested parties to appear and show cause why each of the following wells should not be plugged and abandoned in accordance with a Commission-approved plugging program:

EPNG Ludwick Well No. 11, located in Unit B, Section 19, Township 30 North, Range 10 West, San Juan County, New Mexico;

EPNG Rincon Unit Well No. 127, located in Unit A, Section 28, Township 27 North, Range 6 West, Rio Arriba County, New Mexico; and

EPNG Warren A Well No. 2, located in Unit A, Section 23, Township 28 North, Range 9 West, San Juan County, New Mexico.

- CASE 5316: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Benson-Montin-Greer Drilling Corporation and Hartford Accident and Indemnity Company and all other interested parties to appear and show cause why the Segal Well No. 1 located in Unit K of Section 10, Township 31 North, Range 13 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.
- CASE 5317: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit R & G Drilling Company, Inc., and all other interested parties to appear and show cause why the Marron Well No. 42 in Unit M of Section 22, Township 27 North, Range 8 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.
- CASE 5318: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit William C. Russell and United States Fidelity and Guaranty Company and all other interested parties to appear and show cause why the Marron Well No. 46 located in Unit K of Section 23, Township 27 North, Range 8 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.
- CASE 5326: Application of William C. Russell for directional drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the directional drilling of his Hammond Well No. 1, the surface location of which is 1800 feet from the North line and 1650 feet from the East line of Section 26, Township 27 North, Range 8 West, Largo-Chacra Pool, San Juan County, New Mexico.
- CASE 5328: Application of R & G Drilling Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blanco-Mesaverde and Basin-Dakota gas production in the wellbore of its Hammond Well No. 47, located in Unit K of Section 35, Township 27 North, Range 8 West, San Juan County, New Mexico.
- CASE 5312: Application of SEC Corporation for two non-standard carbon dioxide gas units, Harding County, New Mexico. Applicant, in the above-styled cause, seeks approval for two non-standard gas units in the South Bueyeros Carbon Dioxide Field, Harding County, New Mexico, the first comprising the W/2 NE/4, SE/4 NE/4, and NE/4 SE/4 of Section 32, Township 19 North, Range 30 East, to be dedicated to a well to be drilled in the approximate center of the SW/4 NE/4 of said Section 32; the second non-standard unit would comprise the SW/4 NE/4, N/2 SE/4 and SE/4 SE/4 of Section 5, Township 18 North, Range 30 East, and would be dedicated to a well in the approximate center of the NW/4 SE/4 of said Section 5.

CASE 5314: Application of Gulf Oil Corporation for simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the simultaneous dedication of its W. A. Ramsay Wells Nos. 6, 7, and 20 located in Units H, N, and E, respectively, of Section 35, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, to a standard 640-acre gas proration unit comprising all of said Section 35. Each of the aforesaid wells is at a non-standard location for a 640-acre unit in said pool.

CASE 5315: Application of Texaco Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blinbry, Tubb-Drinkard, and Fusselman production in the wellbore of its G. L. Erwin "B" Federal Well No. 4 located in Unit O of Section 35, Township 24 South, Range 37 East, Justis Field, Lea County, New Mexico.

CASE 5319: Application of Alan Ralston dba Apollo Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Jalmat Gas Pool underlying the NW/4 of Section 25, Township 25 South, Range 36 East, Lea County, New Mexico, to form a 160-acre non-standard gas proration unit to be dedicated to applicant's Brown Well No. 1 located 1980 feet from the North line and 2310 feet from the West line of said Section 25. Applicant further seeks the pooling of all mineral interests in the Jalmat Pool underlying the following 40 acre oil proration units in said Section 25: the NW/4 NW/4 to be dedicated to Brown Well No. 2 located 330 feet from the North line and 825 feet from the West line; the NE/4 NW/4 to be dedicated to Brown Well No. 3 located 365 feet from the North line and 1650 feet from the West line; the SE/4 NW/4 to be dedicated to Brown Well No. 4 located 1690 feet from the North line and 1870 feet from the West line; and the SW/4 NW/4 to be dedicated to Brown Well No. 5 located 1650 feet from the North line and 990 feet from the West line. Also to be considered will be the cost of reworking said wells 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 wells and a charge for risk involved in reworking said wells.

CASE 5320: Application of Lively Exploration Company for a non-standard gas proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 341.33-acre non-standard gas proration unit comprising Lots 9, 10, 11, and 12 of Section 7, and Lots 1, 2, 3, and 4 and the E/2 W/2 of Section 18, Township 29 North, Range 8 West, Basin-Dakota Pool, San Juan County, New Mexico, to be dedicated to a well to be drilled at a standard location for said unit.

- CASE 5321: Application of Northern Minerals, Inc. for pool creation and special pool rules, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks the creation of the Miguel Creek-Hospah Oil Pool in Township 16 North, Range 6 West, McKinley County, New Mexico, and for the promulgation of special pool rules therefor, including the elimination of the requirement for surface casing and authority to inject water through casing. Applicant is currently conducting waterflood operations in said pool pursuant to authority granted by Order No. R-4649 and seeks administrative provision for the drilling of additional injection and production wells at orthodox and unorthodox locations.
- CASE 5322: Application of Phillips Petroleum Company for an exception to Rule 104-C-I, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Commission Rule 104-C-I to permit the production of its Santa Fe Wells Nos. 41 and 86, both of which are located in Unit C of Section 26, Township 17 South, Range 35 East, Vacuum Grayburg-San Andres Pool, Lea County, New Mexico, said wells being located closer than the required 330 feet apart.
- CASE 5323: 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 of Pennsylvanian age, or older, underlying the E/2 of Section 32, Township 21 South, Range 27 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard 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 5324: 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 of Pennsylvanian age, or older, underlying the E/2 of Section 18, Township 22 South, Range 27 East, South Carlsbad Field, Eddy County, New Mexico, to be dedicated to applicant's Tracy "B" Well No. 1, the surface location of which is 2045 feet from the South line and 479 feet from the East line of said Section 18. 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 5325: Application of Cities Service Oil Company for directional drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill its Tracy "B" Well No. 1, the surface location of which is 2045 feet from the South line and 479 feet from the East line of Section 18, Township 22 South, Range 27 East, South

(Case 5325 continued from Page 4)

Carlsbad Field, Eddy County, New Mexico, in such a manner as to bottom said well in the Morrow formation at an orthodox location within 165 feet of a point 2145 feet from the North line and 825 feet from the East line of said Section 18. Applicant further seeks approval for the unorthodox location of said well in the Strawn formation, in the event production is therein encountered, within a 100-foot radius of a point 2600 feet from the North line and 675 feet from the East line of said Section 18. The E/2 of said Section 18 would be dedicated to the well for both formations.

CASE 5327: Application of Cities Service Oil Company for an unorthodox location and gas injection, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Empire-Abo Unit Well No. 111 to be drilled at a point 990 feet from the South line and 1880 feet from the West line of Section 35, Township 17 South, Range 27 East, Empire-Abo Pool, Eddy County, New Mexico. This well is to be used as a gas injection well and, in exception to the provisions of Order No. R-4808, is located 1140 feet from the outer boundary of the Citgo Empire-Abo Unit Boundary, rather than the required 1650 feet from the outer boundary.

Call 5314

OK Typical
simultaneous dedication
order with NSLs
approved

J. R. MODRALL
JAMES E. SPERLING
JOSEPH E. ROEHL
GEORGE T. HARRIS, JR.
DANIEL A. SISK
LELAND S. SEDBERRY, 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. MELENORES
BRUCE D. BLACK
JOE R. G. FULCHER
MEL E. YOST
JAMES P. HOUGHTON
GEORGE J. HOPKINS
PAUL M. FISH

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

PUBLIC SERVICE BUILDING
P. O. BOX 2168
ALBUQUERQUE, NEW MEXICO 87103

JOHN F. SINMS (1885-1954)
AUGUSTUS T. SEYMOUR
(1907-1965)

TELEPHONE 243-4511
AREA CODE 505

September 10, 1974

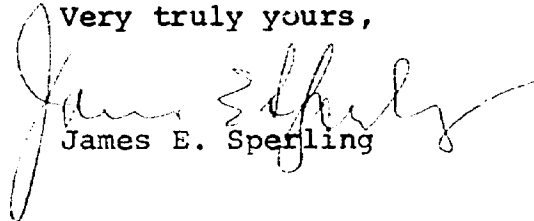
**Mr. A. L. Porter, Jr.
Secretary-Director
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501**

**Re: Application of Gulf Oil Corporation
for Simultaneous Dedication, Lea
County, New Mexico
Case No. 5314**

Dear Mr. Porter:

Enclosed is Entry of Appearance on behalf of the Applicant,
Gulf Oil Corporation, in the above-captioned case, which
has been docketed for the Examiner's hearing on September
18, 1974.

Very truly yours,


James E. Sperling

/jv

Enclosure

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

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

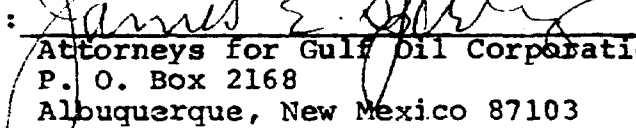
IN THE MATTER OF THE APPLICATION
OF GULF OIL CORPORATION FOR
SIMULTANEOUS DEDICATION, LEA
COUNTY, NEW MEXICO.

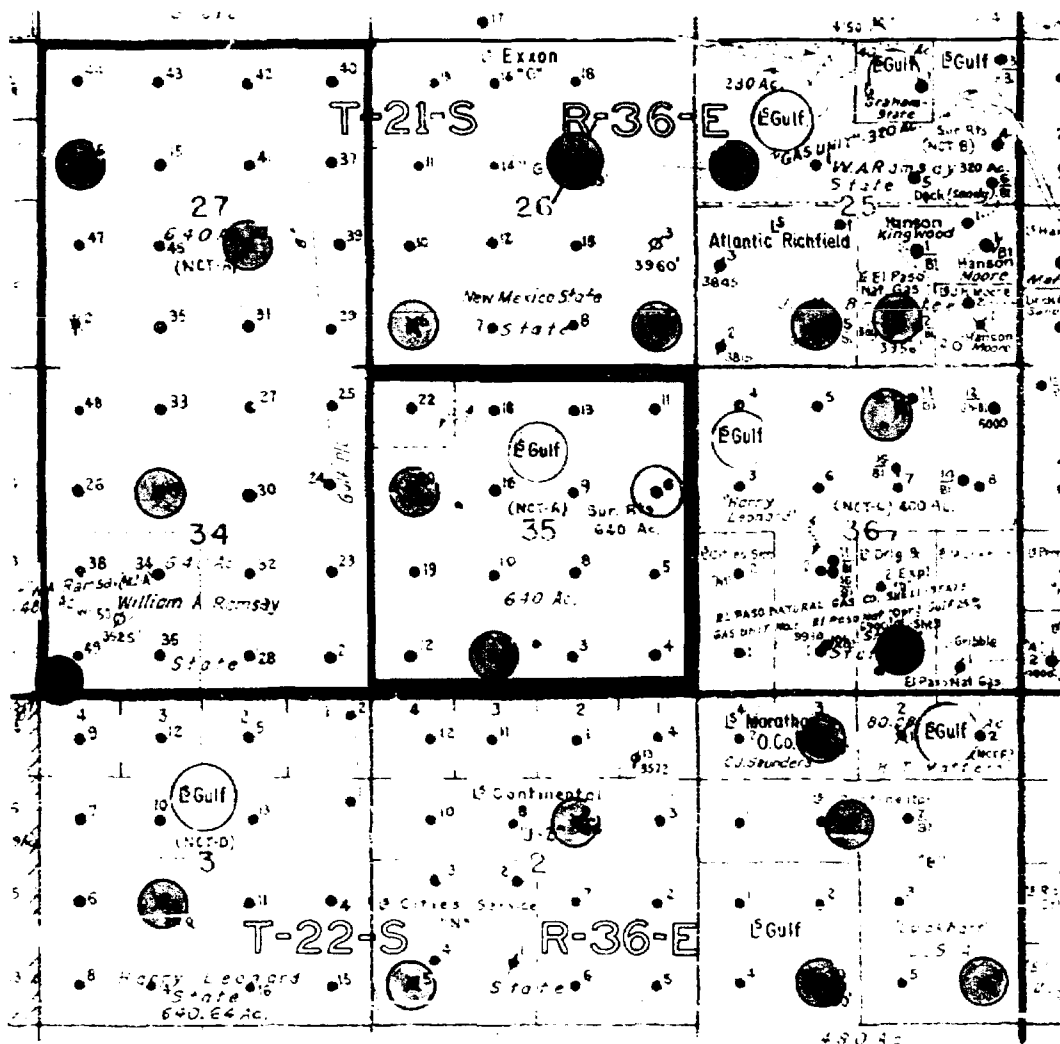
Case No. 5314

ENTRY OF APPEARANCE

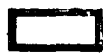
The undersigned, Modrall, Sperling, Roehl, Harris &
Sisk, of Albuquerque, New Mexico, hereby enter their appear-
ance herein for the Applicant, Gulf Oil Corporation, with
its house counsel of Midland, Texas.

MODRALL SPERLING ROEHL HARRIS & SISK

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



GULF OIL CORPORATION
 V. A. RAMSAY (NCT-A) LEASE
 Lea County, New Mexico
 Scale: 1" = 3000'



Lease Outline



Pertinent Unit Outline



Eumont Queen (Gas) Completion



Jalisco Gas Completion



Proposed Nonstandard Location

BEFORE EXAMINER STAMETS
 OIL CONSERVATION COMMISSION

EXHIBIT NO. 1

CASE NO. 5314

Submitted by GULF OIL CORP

Hearing Date 9-18-74

Exhibit No. 1

Case No. 5314

September 18, 1974

TABLE 1
PRODUCTION DATA
EUMONT QUEEN (GAS) POOL*
LEA COUNTY, NEW MEXICO

Gulf Oil Corporation
Case No. 5314
September 18, 1974

Sec.	Operator	Lease	Well No.	Unit	Sec.	Tnshp.	Rng.	Status	Acreage Factor	Production (MCF) June 1974
25	Atlantic Richfield	J. M. Brownlee	4	N	25	21S	36E	M	1.0	10,650
	El Paso Natural Gas	Brownlee	1	O	25	21S	36E	M	1.0	12,091
	Gulf Oil Corporation	W. A. Ramsay (NCT-B) Com.	2	E	25	21S	36E	M	<u>2.0</u> 4.0	<u>19,077</u> 41,818
26	Exxon Oil Co. -U.S.	New Mexico G State	2	P	26	21S	36E	Unit	0	13,097
		New Mexico G State	4	G	26	21S	36E	--	0	--
		New Mexico G State	6	M	26	21S	36E	Unit	0	3,160
								WM	4.0	16,257
27	Gulf Oil Corporation	W. A. Ramsay (NCT-A)	17	J	27	21S	36E	Unit	0	25,780
		W. A. Ramsay (NCT-A)	46	E	27	21S	36E	Unit	0	5,675
								WN	4.0	31,455
34	Gulf Oil Corporation	W. A. Ramsay (NCT-A)	14	F	34	21S	36E	N	3.0	41,723
		W. A. Ramsay (NCT-A) Com.	1	M	34	21S	36E	N	<u>3.0**</u> 6.0	<u>63,776</u> 105,499
35	Gulf Oil Corporation	W. A. Ramsay (NCT-A)	7	N	35	21S	36E	Unit	0	11,376
			20	E	35	21S	36E	Unit	0	26,155
								WM	4.0	37,531
36	El Paso Natural Gas	Shell State Com. D	12	C	36	21S	36E	M	2.0	15,432
	Gulf Oil Corporation	Harry Leonard (NCT-C)	9	B	36	21S	36E	M	2.0	14,798

* Eumont Queen (Gas) Pool (Yates, Seven Rivers and Queen Formations)

** Jalmat Yates (Gas) Pool (Tansill, Yates and Seven Rivers Formations)

BEFORE EXAMINER STAMETS	
OIL CONSERVATION COMMISSION	
EXHIBIT NO.	2
CASE NO.	5314
Submitted by	GULF OIL CORP.
Hearing Date	9-18-74

TABLE 1
PRODUCTION DATA
EUMONT QUEEN (GAS) POOL*
LEA COUNTY, NEW MEXICO

Gulf Oil Corporation
Case No. 5314
September 18, 1974
Page 2

Sec.	Operator	Lease	Well No.	Unit	Sec.	Tnshp.	Rng.	Status	Acreage Factor	Production (MCF) June 1974
1	Continental Oil Co.	Lockhart B 1	4	G	1	22S	36E	Unit	0.0	7,649
		Lockhart B 1	6	P	1	22S	36E	Unit	0.0	11,661
								WM	2.0	19,310
	Gulf Oil Corporation	H. T. Mattern (NCT-E)	10	N	1	22S	36E	WM	3.0***	11,320
	Marathon Oil Company	C. J. Saunders	1	C	1	22S	36E	N	0.5 5.5	27 30,657
2	Cities Service Oil Co.	State N	5	M	2	22S	36E	N	1.0	74
	Continental Oil Co.	State J-2	9	G	2	22S	36E	M	3.0 4.0	11,756 11,830
3	Gulf Oil Corporation	Harry Leonard (NCT-D)	3	K	3	22S	36E	N	3.0**	45,414

* Eumont Queen (Gas) Pool (Yates, Seven Rivers and Queen Formations)

** Jalmat Yates (Gas) Pool (Tansill, Yates and Seven Rivers Formations)

*** Unit Allowable w/Well No. 11 Unit B, Sec. 12, T-22S, R-36E

Gulf Oil Company - U.S.

PRODUCTION DEPARTMENT

MIDLAND DISTRICT

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

August 19, 1974

P. O. Drawer 1150
Midland, Texas 79701

Case 5314

Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

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

Gentlemen:

It is respectfully requested that a hearing be scheduled on your September 18th docket for the purpose of considering Gulf Oil Corporation's application for a non-standard location for its W. A. Ramsay (NCT-A) Well No. 6 located in Unit H and simultaneous dedication for a 640-acre standard gas proration unit in the Eumont (Queen) Gas Pool with the following wells which currently have simultaneous dedication under Order No. R-4590.

W. A. Ramsay (NCT-A) No. 20 at a previously approved non-standard location in Unit E, and the W. A. Ramsay (NCT-A) No. 7 at a previously approved non-standard location in Unit N, all in Section 35-21S-36E, Lea County, New Mexico

Gulf also seeks to produce the allowable from the three wells in any proportion and make up gas underage accrued by the W. A. Ramsay (NCT-A) Nos. 7 and 20.

Yours very truly,

J. L. Pike
J. L. PIKE

CFK:jm



A DIVISION OF GULF OIL CORPORATION

100-21-1574
OIL CONSERVATION COMMISSION

DOCKET MAILED

Date 9-6-74

DRAFT

jr/TWD

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. 5314

Order No. R- 4867

APPLICATION OF GULF OIL COMPANY
FOR SIMULTANEOUS DEDICATION, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 18, 1974
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this _____ day of October, 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 Company, is the operator of a standard 640-acre gas proration unit comprising all of Section 35, Township 21 South, Range 36 East, NMPM, Eumont Gas Pool, Lea County, New Mexico, which is presently simultaneously dedicated to applicant's W.A. Ramsay (NCT-A) Wells Nos. 7 and ²⁰●, located in Units N and E, respectively, of said Section 35, both of which wells are in unorthodox locations previously approved by the Commission.

1 -2-
2 CASE NO.5314
3 Order No. R-

4 (3) That the producing capacities of said wells Nos. 7 and
5 20 have declined to the extent that they are incapable of producing
6 ~~a non-marginal~~
~~the~~ allowable for said unit.

7 (4) That applicant is also the operator of its W.A. Ramsay
8 (NCT-A) Well No. 6, located in Unit H of said Section 35.

9 (5) That the applicant seeks approval for the simultaneous
10 dedication of the subject standard proration unit to the above-
11 described three wells with the allowable assigned to said unit to
12 be produced from said wells in any proportion.

13 (6) That the applicant further seeks approval of an unortho-
14 dox location for its W.A. Ramsay Well No. 6 in Unit H, located
15 1980 feet from the North line and 660 feet from the East line of
16 said Section 35.

17 (7) That approval of the subject application will better
18 enable the applicant to product its just and equitable share of
19 the gas in the Eumont Gas Pool and will otherwise prevent waste
20 and protect correlative rights.

21 IT IS THEREFORE ORDERED:

22 (1) That the applicant, Gulf Oil Corporation, is hereby
23 authorized to simultaneously dedicate its 640-acre standard
24 proration unit consisting of all of Section 35, Township 21 South,
25 Range 36 East, NMPM, Eumont Gas Pool, Lea County, New Mexico, to
26 its W.A. Ramsay Wells Nos. 6, 7, and 20, located in Units H, N, and
27 E, respectively, of said Section 35, with the allowable assigned
28 to said unit to be produced by said wells in any proportion.
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1 -3-

2 CASE NO. 5314

3 Order No. R-

4 (2) That an unorthodox gas well location is hereby approved
5 for applicant's W.A. Ramsay Well No. 6, be located 1980 feet
6 from the North line and 660 feet from the East line of Section 35,
7 Township 21 South, Range 36 East, NMPM, Eumont Gas Pool, Lea
8 County, New Mexico.

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

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

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