

Case No.

664

Application, Transcript,
Small Exhibits, Etc.

NO.
CASE 664: Amerasia Petroleum Corp
Unorthodox unit, etc, Bronco-Siluro-
Devonian Pool (Re: No. 1 Schenck Well)

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
at
Santa Fe, New Mexico

Transcript of Hearing in
Case No.s 664, 665
Consolidated.

February 17, 1954
Regular Hearing.

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 105-106, EL CORTEZ BLDG.
PHONES 7-9645 AND 5-9546
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
at
Santa Fe, New Mexico
February 17, 1954

In the Matter of:

Amerada Petroleum Corporation's application for an order establishing a proration unit in the E/2 NE/4 of Section 14, Township 13 South, Range 38 East, Bronco-Siluro-Devonian Pool, Lea County, New Mexico, to consist of Lot 1 and 15.54 acres of Lot 2, and to increase the unit size and allowable assigned to its No. 1 Schenck Well, Lot 1, Section 14, Township 13 South, Range 38 East, Lea County.

Amerada Petroleum Corporation's application for an order establishing three proration units in SE/4 Section 11, Township 13 South, Range 38 East, Bronco-Siluro-Devonian Pool, Lea County, New Mexico, consisting of the east 43.69 acres of said SE/4 and the north and south 43.69 acres of W/2 of said SE/4, and to increase the unit size and allowable assigned to wells located in the SE/4 Section 11, Township 13 South, Range 38 East, Lea County, New Mexico.

Case No.s
664
665
Consolidated.

(Notice of Publication read.)

MR. WOODWARD: Mr. John A. Woodward representing Amerada. Applicant would like to request that Case 664 and 665 be consolidated and heard together.

MR. SPURRIER: Without objections, you may proceed.

R. S. CHRISTIE

having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. WOODWARD:

Q Would you state your name, please?

ADA DEARNLEY & ASSOCIATES
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ROOM 103-106, EL CORTEZ BLDG.
PHONES 7-3646 AND 5-0546
ALBUQUERQUE, NEW MEXICO

A R. S. Christie.

Q Where do you live? A Tulsa, Oklahoma.

Q By whom are you employed and in what capacity?

A Amerada Petroleum Corporation, Engineer.

Q You are familiar with the Bronco Field in New Mexico?

A Yes, I am.

Q Have you previously testified before this Commission in your capacity as a petroleum engineer or as an expert witness?

A Yes, sir.

MR. WOODWARD: Does the Commission accept Mr. Christie's qualification?

MR. SPURRIER: It does.

Q Mr. Christie, I hand you what has been marked Exhibit A. Will you explain what it is?

A Exhibit A has been posted on the board. It shows the proposed units here applied for in this application, or these applications.

Q I hand you what has been marked Exhibit B, will you explain what it is?

A Exhibit B is a map showing contours contoured on top of the Devonian formation.

Q I hand you what has been marked Exhibit C, will you tell what it is?

A Exhibit C is a tabulation of the pertinent well data on three wells here in this application on which we ask for unorthodox units.

Q I hand you what has been marked Exhibit D. Will you explain what it is?

A Exhibit D is a productivity report on the P. I. test of Schenck No. 1 and Exhibit E is a productivity index test on the Ward Number 2. Both located in the Bronco -Siluro-Devonian field.

Q Mr. Christie, would you identify on Exhibit A the three units in Section 11 and the proration unit in Section 14 that are covered by these two applications?

A The units here proposed are outlined in red. The unit in which Ward No. 2 is contained is this long unit on the east boundary of Section 11. The other two units are approximately square units in the west half of the southeast quarter of Section 11. The unit proposed for Schenck No. 1 well is a long 40-acre unit, along the Texas, New Mexico boundary line.

Q Mr. Christie, would you explain the purpose and reason for these two applications?

A I would like to read into the record a statement they are also contained in the reports handed to the Commission.

"The Bronco Siluro-Devonian Pool is located in Lea County, New Mexico and Yoakum County, Texas. Referring to Exhibit "A" it will be noted the east line of Sections 11 & 14 coincides with the boundary line between New Mexico and Texas, and because of the adjustment of the survey on the east line the SE/4 of Section 11 contains only 131.07 acres and the NE/4 of Sections 14 contains only 128.20 acres. This deficiency in acreage results in Lots of less than 40 acres being formed along the boundary line in New Mexico.

The Schenck No. 1 well is located in Lot No. 1, Section 14, T13S, R38E and it is proposed to unitize Lot No. 1 containing 24.46 acres with 15.54 acres of Lot No. 2 to form a 40 acre proration unit. The Ward No. 2 well is located in Lot No. 3, Section 11,

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PHONES 7-9645 AND 5-9546
ALBUQUERQUE, NEW MEXICO

T13S, R38E containing 25.89 acres. It is proposed to form three proration units of equal size, each unit to contain 43.69 acres, all contained within the boundary of the SE/4 of Section 11. All the acreage contained in this quarter section is one leasehold and therefore requires no unitization. All proration units herein proposed are outlined in red on Exhibit "A".

Exhibit "B" is a map of the Bronco Area showing contours drawn on the top of the Devonian formation. Our inspection of Exhibit "B" indicates that all the units here proposed lie within the productive limits of the pool.

Exhibit "C" is a tabulation of pertinent data pertaining to the three wells now completed on three of the four units here proposed. Of particular significance is the bottom-hole pressures and potential tests, which indicate good communication within the reservoir and high productivity.

Exhibits "D" & "E" are copies of productivity index reports on Schenck No. 1 and Ward No. 2. These tests further substantiate the high productivity of the wells and indicate in my opinion that one well will drain an area much larger than 40 acres."

Q Mr. Christie, inasmuch as one well will drain in excess of 40 acres, in your opinion, is it necessary to form these three proration units in the southeast quarter of Section 11 and the unit proposed in Section 14 in order to give applicant the full value of its wells in those areas?

A Yes, sir.

Q In your opinion, will the formation of these units result in waste, or prejudice the correlative rights of any individual owner or operator in the area?

A No, sir.

MR. WOODWARD: That is all of the testimony the applicant

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PHONES 7-9645 AND 5-9546
ALBUQUERQUE, NEW MEXICO

has in explanation of it's position here. We have got an exceptional situation along the boundary between Texas and New Mexico. We believe that the formation of these units will give us the full value of our wells without injuring the rights of any other person or resulting in waste in any form. This is an exceptional situation and an exceptional application to take care of. We will offer the Exhibits as evidence.

MR. SPURRIER: Without objection, they are received. Are there any questions of the witness? If not the witness may be excused.

(Witness excused.)

MR. ANDERSON: I have a comment on Case 664. This is John Anderson, Geological Survey, Roswell. The 1,554 acres in lot No. 2 of the proposed Schenck unit is included in a Federal lease. The proposed proration unit is satisfactory to us and we will recommend approval of a communitization agreement covering the unit we submitted.

MR. SPURRIER: Anyone else have anything in this case or in these cases? If not we will take the cases under advisement and move on to Case 666.

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO)

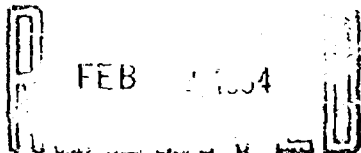
I HEREBY CERTIFY that the foregoing and attached transcript of hearing in Cases No. 664, and 665 before the Oil Conservation Commission, State of New Mexico, at Santa Fe, on February 17, 1954, is a true and correct record of the same to the best of my knowledge, skill and ability.

DATED at Albuquerque, New Mexico, this 21st day of February, 1954.

Ada Dearnley
COURT REPORTER

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 105-109, EL CORTEZ BLDG.
PHONES 7-9645 AND 5-9546
ALBUQUERQUE, NEW MEXICO

Oil



BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

APPLICATION OF AMERADA PETROLEUM CORPORATION
TO INCREASE THE UNIT AND ALLOWABLE FOR ITS
SCHENCK NO. 1 WELL IN THE NE/4 NE/4 OF
SEC. 14-13S-38E, BRONCO FIELD, LEA COUNTY,
NEW MEXICO

APPLICATION

COMES NOW, Amerada Petroleum Corporation and alleges and states:

(1) That it is the owner of oil and gas leases covering the NE/4 of Section 14, Township 13 South, Range 38 East, Lea County, New Mexico.

(2) That it heretofore completed its Schenck No. 1 Well in the NE/4 NE/4, otherwise described as Lot 1, of said section, which is an oil well producing from the Bronco Pool in Lea County, New Mexico.

(3) That said quarter quarter section or lot contains only 24.46 acres because of the adjustment of the survey on the east line of said section which coincides with the boundary line between New Mexico and Texas.

(4) That an increase in the unit for said well to include the NE/4 NE/4 or Lot 1 of said section and the north 15.54 acres of the SE/4 NE/4, otherwise described as Lot 2 of said section, as shown on a plat marked Exhibit "A", attached hereto and made a part hereof, and an increase in the allowable for said well proportionate to the increase in acreage attributable thereto, is necessary to secure to applicant the full value of its well in said quarter quarter section.

(5) That the increase in the unit and allowable for said well proposed herein will not result in waste or injury to correlative rights.

WHEREFORE, applicant respectfully requests that this matter be set down for hearing and that the unit and allowable for its Schenck No. 1 Well be increased as proposed herein.

DATED this 3 day of February, 1954.

AMERADA PETROLEUM CORPORATION

By

A handwritten signature in cursive script, appearing to read "John A. Woodward".
John A. Woodward
Its Attorney

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 664
ORDER NO. R-470

THE APPLICATION OF AMERADA
PETROLEUM CORPORATION FOR AN
ORDER ESTABLISHING A PRORATION
UNIT IN THE EAST HALF OF THE NORTHEAST
QUARTER OF SECTION 14, TOWNSHIP 13 SOUTH,
RANGE 38 EAST, NMPM., BRONCO SILURO-DEVONIAN
POOL, LEA COUNTY, NEW MEXICO, TO CONSIST OF
LOT 1 AND 15.54 ACRES OF LOT 2, AND TO INCREASE
THE UNIT SIZE AND ALLOWABLE ASSIGNED TO ITS
NO. 1 SCHENCK WELL, LOT 1, SECTION 14, TOWN-
SHIP 13 SOUTH, RANGE 38 EAST, NMPM, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m., on February 17, 1954, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission."

NOW, on this 27th day of May, 1954, the Commission, a quorum being present, having considered the records and testimony adduced and being fully advised in the premises,

FINDS:

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

(2) That Amerada Petroleum Corporation is the owner of oil and gas leases covering Lots 1 and 2 of Section 14, Township 13 South, Range 38 East, and has drilled a producing well known as the No. 1 Schenck to the producing horizon of the Bronco Siluro-Devonian Pool.

(3) That the east half of the northeast quarter of Section 14, Township 13 South, Range 38 East, NMPM., Lea County, New Mexico, is composed of Lots 1 and 2, Lot 1 containing 24.46 acres of land, more or less, and Lot 2 containing 23.74 acres of land, more or less.

(4) That the lots in question are within the defined limits of the Bronco Siluro-Devonian Pool.

(5) That wells drilled on the lots in question would be entitled to only approximately 24/40 of the allowable assigned to a full 40-acre unit.

(6) That the formation of a 40-acre proration unit in the east half of the northeast quarter of Section 14, Township 13 South, Range 38 East, to consist of all of Lot 1 (containing 24.46 acres) and 15.54 acres of

-2-

Order No. R-470

land in Lot 2, would prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That Lot 1, and the north 15.54 acres of land in Lot 2, be and the same hereby are established as a single proration unit to be assigned to the Amerada Petroleum Corporation No. 1, Schenck 'A', located in Lot 1, Section 14, Township 13 South, Range 38 East, NMPM.

(2) That the applicant's well, Schenck No. 1, located in said Lot 1, Section 14, Township 13 South, Range 38 East, NMPM., shall be granted an allowable, effective June 1, 1954, in the proportion that the above described and established 40-acre unit bears to the standard or orthodox proration unit for said pool, all until further order of the Commission.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

E. L. Mechem
Edwin L. Mechem, Chairman

E. S. Walker
E. S. Walker, Member

R. R. Spurrier
R. R. Spurrier, Member and Secretary

(SEAL)

MEMORANDUM

TO: Oil Conservation Commission and Messrs. Yost and Kitts

FROM: W. B. Macey, Chief Engineer

Subject: Case No. 664

This case is a companion case to Case 665 and involves the formation of an unorthodox proration unit in Case 664, a one unit of forty acres and in Case 665 three units of 43.69 acres. The pertinent facts pertaining to this case are as follows:

A. The petitioner, Amerada, desires to form a proration unit consisting of Lot 1 (24.46 acres) and 15.54 acres of Lot 2 in Section 14, Township 13 South, Range 38 East in the Bronco-Siluro-Devonian Pool. This would form a unit of 40 acres. The lots in question are along the state line between Texas and New Mexico. The lots in question are within the defined limits of the pool.

Amerada is the owner of an oil and gas lease covering the lots in question. Amerada has drilled a well known as the #1 Schenck in Lot 1 to the producing horizon of the pool.

RECOMMENDATION:

It is recommended that the order be entered approving the formation of this 40 acre unit since it would be in the interests of conservation, the protection of correlative rights and the prevention of waste, (if a well were drilled on each lot, each well would only get 24/40ths of an allowable.

April 19, 1954

See amended
In the matter of the App
application of Amersbach
Pet. Corp. for an order
communitizing certain
lands ~~in the~~
college acreage. ~~for the NE 1/4~~
~~NE 1/4 Sec. 14, T. 13 S, R. 38 E and~~
~~in SE 1/4 Sec. 11, T. 13 S, R. 38 E~~
in order to increase the
unit size & allowable
assigned its No. 1 Schenck,
Lat 1, Sec 14, T. 13 South
Range 38 E, N. M. P. M., Brown.
Silvera Donovan Pool
Lea County, N. M.

in Lot 4, Sec 11, T. 13 S, R. 38 E and
Lot 2, Sec 14, T. 13 S, R. 38 E with
Lot 1, Sec 14, T. 13 S, R. 38 E,

Page 668

BEFORE THE OIL CONSERVATION
COMMISSION OF THE STATE OF
NEW MEXICO

APPLICATION OF AMERADA PETRO-
LEUM CORPORATION TO INCREASE THE
UNIT AND ALLOWABLE FOR ITS SCHENCK
NO. 1 WELL IN THE NE/4 NE/4 SECTION
14, TOWNSHIP 13 SOUTH, RANGE 38
EAST, BRONCO FIELD, LEA COUNTY,
NEW MEXICO.

APPLICATION

Comes now, Amerada Petroleum Corporation and alleges and states:

(1) That it is the owner of oil and gas leases covering the NE/4 of
Section 14, Township 13 South, Range 38 East, Lea County, New Mexico

(2) That it heretofore completed its Schenck No. 1 Well in the NE/4
NE/4 of said section of approximately 24.46 acres.

(3) That said well is an oil well producing from the Bronco Pool in
Lea County, New Mexico.

(4) That applicant proposes to communitize the royalty interest in
the NE/4 NE/4 with the royalty interest in other contiguous lands in said
quarter section to form a unit for oil and gas purposes consisting of approx-
imately 40 contiguous acres.

(5) That an increase in the allowable for said well proportionate to
the increase in acreage proposed herein will not result in waste or prejudice
correlative rights.

WHEREFORE, Applicant respectfully requests that this matter be set
down for hearing and that the allowable for said well be increased proportion-
ately to the increase in acreage proposed herein.

Dated this 21st. day of January, 1954.

AMERADA PETROLEUM CORPORATION

By:

John A. Woodward
J. A. Woodward
Attorney for Amerada Petroleum
Corporation.