

Case No.

920

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Application, Transcript,  
Small Exhibits, Etc.

Q 500: Application of Gulf Oil Corp.  
for non-standard gas proration unit in  
Jensen Gas Pool (Arnott Ramsey "B" Well #1)

BEFORE THE  
**Oil Conservation Commission**  
SANTA FE, NEW MEXICO  
June 28, 1955

IN THE MATTER OF:

CASE NO. 920

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES  
COURT REPORTERS  
605 SIMMS BUILDING  
TELEPHONE 3-6691  
ALBUQUERQUE, NEW MEXICO

IN THE MATTER OF:

Case No. 920

A Yes, sir, I am.

Q What is the purpose of that application?

A This is a request for a 320-acre non-standard gas proration unit comprising that portion of the Arnott Ramsay "B" Lease, which covers the west half of Section 32, Township 25 South, Range 37 East, Lea County, New Mexico.

Q From what well is it proposed to produce the unit allowable?

A From Gulf's Arnott Ramsay "B" Well No. 1.

(Marked Gulf's Exhibits No. 1, 2, 3 and 4, for identification.)

Q I hand you an instrument which has been identified as Gulf's Exhibit 1 and ask you to state what that is.

A Gulf's Exhibit No. 1 is a plat showing the acreage enclosed by the proposed proration unit.

Q I hand you Gulf's Exhibit 2 and ask you to state what that is.

A Gulf's Exhibit No. 2 is a plat indicating the ownership of all wells drilled in the acreage enclosed in our proposed unit.

Q I hand you Gulf's Exhibit No. 3 and ask you to state what that is.

A Gulf's Exhibit 3 is a structure map contoured on top of the Yates Horizon, using a contour interval of 25 feet.

Q Examine Gulf's Exhibit 4 and state what it is.

A Gulf's Exhibit No. 4 is a sample log of the Arnott Ramsay "B" Well, No. 1.

Q Were these exhibits prepared by you or under your direction?

A Yes, sir, they were.

Q Will you give the Commission the information which you have

as to the drilling and completion of the Arnott Ramsay "B" well No. 1?

A This well was completed on August 2, 1953 at a depth of 3,240 feet; plugged back from 3,400 feet. As a gas well in the Jalmat Gas Pool, it is producing through five and a half inch casing, perforated from 2,815 feet to 3,150 feet, which is from within the vertical limits of the Jalmat Gas Pool, as defined by the Oil Conservation Commission Order No. R-520.

Q Does the well produce any fluid of any kind?

A No, sir, it does not produce any fluid.

Q Is there any oil well included within the exterior boundaries of the proposed unit?

A No, sir, there are not.

Q What is the present disposition being made of the gas from this well?

A The gas is being connected at the present time, to El Paso Natural Gas Company's system. It has been, up to the present time, connected to Permian Basin.

Q Do you have any pressure data on the well?

A We have a shut-in wellhead pressure at the time of completion, which was 576 PSIG.

Q What other information do you have bearing on the ability of the well to produce the increased allowable, if granted?

A The well is presently assigned on the basis of 160 acres, an allowable of 181 MCF per day. If the 320-acre unit is assigned, as proposed, this well may be assigned an allowable of approximately 1,326 MCF per day. The well has a deliverability of 1,447 MCF per day

at 480 PSI. The calculated openflow potential is 3,880 MCF per day.

Q Do you have an opinion as to whether or not all of the acreage included in the proposed unit can reasonably be presumed to be productive of gas?

A Yes, sir, I do.

Q What is your opinion.

A In my opinion, the entire 320 acres being included in this proposed non-standard unit can reasonably be presumed to be productive of gas.

Q On what do you base that opinion?

A The opinion is based on the fact as shown on Gulf's Exhibit No. 2, this unit is completely surrounded by other wells completed in and producing from the Jalmat Gas Pool, in conjunction with Gulf's Exhibit No. 3, which is the structure map on top of the Yates.

Q Is Gulf the owner of all the operating rights and the acreage included in the proposed unit?

A Yes, sir, they are.

Q Who is the owner of the royalty?

A State of New Mexico.

Q In your opinion, would the approval of the proposed unit prevent waste and protect correlative rights?

A Yes, sir, it would.

Q Is there anything further to which you wish to testify?

A I don't believe I have anything further.

MR. MALONE: We offer Gulf's Exhibits 1, 2, 3 and 4.

MR. MACEY: Without objection they will be received. Anything further?

MR. MALONE: Nothing further.

MR. MACEY: Any questions of the witness? Mr. Rieder?

CROSS EXAMINATION

By MR. RIEDER:

Q This area adjoins the Rhodes storage area, does it not?

A Yes, sir, that is correct.

Q Have you contacted the El Paso?

A No, sir, we have not contacted El Paso in this matter at all.

MR. RIEDER: That is all.

MR. MACEY: The area actually borders the Rhodes unit area, but the storage area is considerably further south, is it not?

A That may be correct, Mr. Macey. I knew it was the unit area, whether or not it is an actual storage area or not, I am not familiar enough with that unit to know. I do know that the unit area does go along the south edge of Section 32.

RE-DIRECT EXAMINATION

By MR. MALONE:

Q What is your information as to the testimony that was given at the time that unit area was approved for storage purposes, with reference to the geology here?

A This is strictly an understanding, but it is my understanding that at that time there was some evidence which was presented in conjunction with this unit which seemed to indicate the possibility of perhaps a local porosity or permeability, lack of porosity or permeability development, which seemed to almost parallel that section line.

MR. MACEY: Does anyone else have anything further in this



case? Any further questions of the witness? If not the witness may be excused.

MR. MALONE: That is all.

(Witness excused.)

MR. MACEY: Anyone have anything further in this case? If not we will take the case under advisement.

STATE OF NEW MEXICO )  
                          : SS  
COUNTY OF BERNALILLO )

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 7th day of July, 1955.

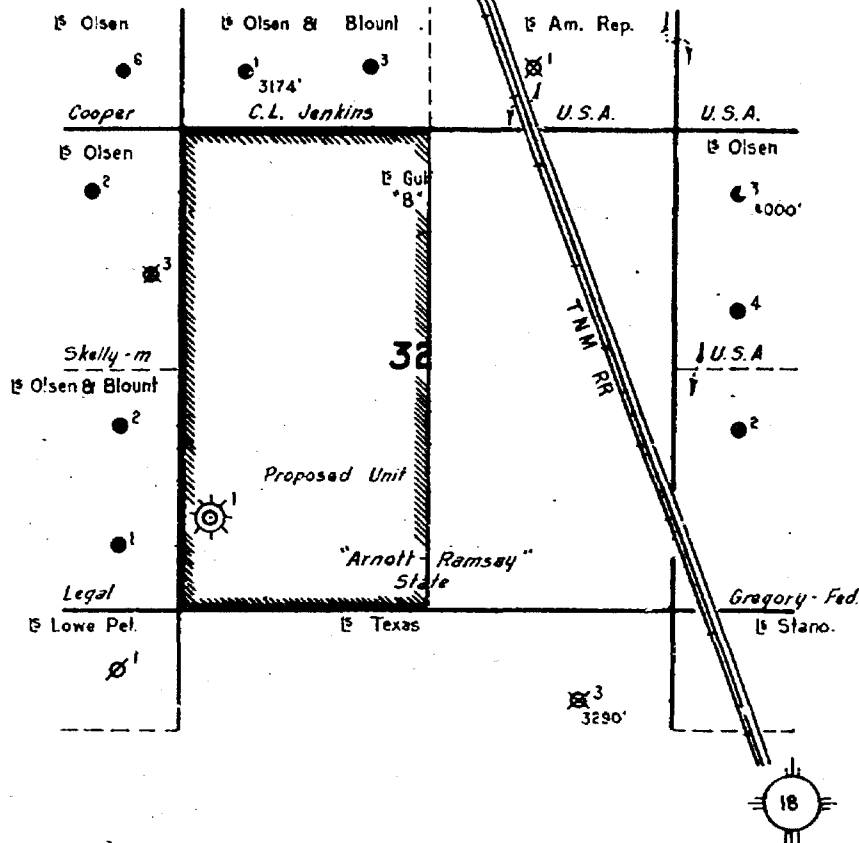
  
Notary Public, Court Reporter

My Commission Expires:  
June 19, 1959



R-37-E

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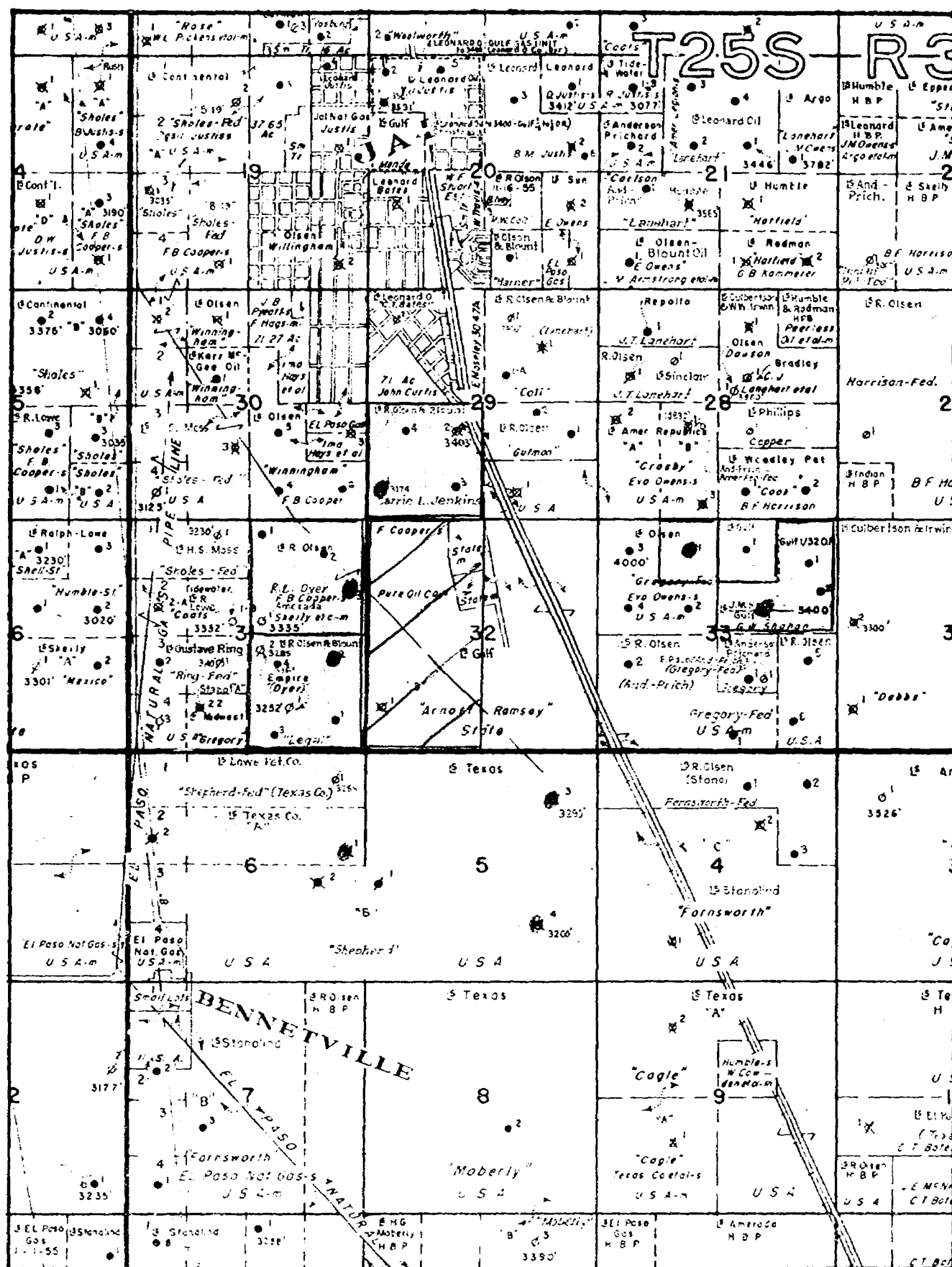


BEFORE THE  
OIL AND GAS COMMISSION  
SANTA FE, NEW MEXICO  
EXHIBIT No. 1  
CASE 920

GULF OIL CORPORATION  
FORT WORTH PRODUCTION DIVISION  
Scale 1" = 2,000'

Plat Accompanying Application for  
320-Acre Non-Standard Gas Unit

Gulf - Arnett-Ramsay "B" Lease



BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
CASE 920 EXHIBIT No. 2

# Memo

From WDM (for DSN)

To JWG

Case #920  
heard 6/18/55

Write normal approval for NSP  
of 320 Acres (W/2) Loc MAT  
producing from Y & SR

Loc. 330' FWL  
990' FSL of Sec. 32 - 255-37E

9/29/55

WBM

say's goodhead  
& units as 320 Ac.

WDM

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

October 19, 1955

Mr. Ross Malone  
200 West First Street  
Roswell, New Mexico

Dear Sir:

In behalf of your client, Gulf Oil Corporation, we enclose  
a copy of Orders R-689, Case 945; R-693, Case 920; R-695, Case 937;  
issued October 13, 1955, by the Oil Conservation Commission.

Very truly yours,

W. B. Macey  
Secretary - Director

WMH:brp  
Enclosures

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Y

case 920



PETROLEUM AND ITS PRODUCTS

MAIN OFFICE, DDD

## GULF OIL CORPORATION

MAY 3 AM 8 P. O. DRAWER 1290 FORT WORTH 1, TEXAS  
R. E. THOMPSON  
DIVISION PRODUCTION MANAGER

FORT WORTH  
PRODUCTION DIVISION

May 4, 1955

Re: Application for 320-acre Non-Standard  
Gas Proration Unit, Jalmat Gas Pool,  
Comprising W/2 of Section 32, T-25-S,  
R-37-E, Lea County, New Mexico

Oil Conservation Commission  
State of New Mexico  
Santa Fe, New Mexico

Gentlemen:

On December 14, 1954, Gulf Oil Corporation made written application for an exception to the New Mexico Oil Conservation Commission's Order No. R-520 in regard to the creation of a 640-acre non-standard gas proration unit in the Jalmat Gas Pool to be located in Section 32, T-25-S, R-37-E, Lea County, New Mexico. By your letter of January 10, 1955, we were advised that according to Rule 5(a), Paragraph 3, of Order No. R-520, 160 acres is the maximum acreage that could be assigned administratively to our Arnett Ramsay "B" Well No. 1 because of the well's location in respect to the south and west boundaries.

Therefore, Gulf Oil Corporation hereby resubmits an amended application for a 320-acre non-standard gas proration unit, comprising the W/2 of Section 32, T-25-S, R-37-E, Lea County, New Mexico, to be assigned to its Arnett Ramsay "B" Well No. 1 in the Jalmat Gas Pool. It is respectfully requested that the Commission place this matter on its Docket for the next regular Statewide Hearing.

The following facts are offered in support of this application:

- (1) Gulf Oil Corporation is the owner and operator of the 640-acre oil and gas lease known as the Arnett Ramsay "B" State Lease, Lea County, New Mexico, as shown on the attached plat.
- (2) Gulf Oil Corporation proposes that the above-described acreage be established as a non-standard 320-acre gas proration unit in exception to Rule 5(a) of Order No. R-520.
- (3) The Arnett Ramsay "B" Well No. 1, located 990 feet from the south line and 330 feet



May 4, 1955

from the west line, Section 32, T-25-S, R-37-E, Lea County, New Mexico, was completed on August 2, 1935, at a depth of 3240 feet as a gas well in the Jalmat Gas Pool, and is producing from within the vertical limit of said gas pool as defined in New Mexico Oil Conservation Commission's Order No. R-520. The applicant proposes to use this well as the unit well.

- (4) No other Jalmat Gas well is completed on the 320-acre proration unit proposed under this application.

Respectfully submitted,

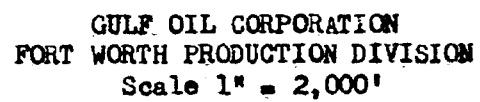
GULF OIL CORPORATION

By: 

Division Production Manager

cc: New Mexico Oil Conservation Commission  
P. O. Box 2045  
Hobbs, New Mexico  
Att'n: Mr. A. L. Porter, Jr.

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S**



Gulf - Arnott-Ramsay "B" Lease

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

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

CASE NO. 920  
Order No. R-693

THE APPLICATION OF GULF OIL  
CORPORATION FOR AN ORDER  
GRANTING APPROVAL OF AN  
EXCEPTION PURSUANT TO RULE 5 (a)  
OF THE SPECIAL RULES AND  
REGULATIONS FOR THE JALMAT GAS  
POOL OF ORDER NO. R-520 IN ESTABLISH-  
MENT OF A NON-STANDARD GAS PRORATION  
UNIT OF 320 CONTIGUOUS ACRES CONSISTING  
OF THE W/2 SECTION 32, TOWNSHIP 25 SOUTH,  
RANGE 37 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 June 28,  
1955, at Santa Fe, New Mexico, before the Oil Conservation Commission,  
hereinafter referred to as the "Commission".

NOW, on this 13<sup>th</sup> day of October, 1955, 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 pursuant to provisions of Rule 5 (a) of the Special Rules and Regulations for the Jalmat Gas Pool of Order No. R-520, the Commission has power and authority to permit the formation of a gas proration unit consisting of other than a legal section after notice and hearing by the Commission.
- (3) That applicant, Gulf Oil Corporation is the owner of an oil and gas lease in Lea County, New Mexico the land consisting of other than a legal section, and described as follows, to-wit:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM  
W/2 Section 32

containing 320 acres, more or less.

(4) That applicant, Gulf Oil Corporation has a producing well on the aforesaid state lease known as Arnott Ramsay "B" Well No. 1, located 990 feet from the South line and 330 feet from the West line of Section 32, Township 25 South, Range 37 East.

(5) That the aforesaid well was completed and in production prior to the effective date of Order No. R-520, and is located within the horizontal limits of the pool heretofore delineated and designated as the Jalmat Gas Pool.

(6) That it is impractical to pool applicant's said lease with adjoining acreage in the Jalmat Gas Pool, and that the owners of adjoining acreage in said area have not objected to the formation of the proposed proration unit of 320 acres.

(7) That unless a proration unit consisting of applicant's aforesaid acreage is permitted, applicant will be deprived of the opportunity to recover its just and equitable share of the natural gas in the Jalmat Gas Pool.

(8) That creation of a proration unit consisting of the aforesaid acreage will not cause but will prevent waste, and will protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of Gulf Oil Corporation for approval of a non-standard proration unit consisting of the following described acreage:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM  
W/2 Section 32

be and the same is hereby approved, and a proration unit consisting of aforesaid acreage is hereby created.

(2) That applicant's well Arnott Ramsay "B" Well No. 1 located in the SW/4 SW/4 Section 32, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, Jalmat Gas Pool, shall be granted an allowable in the proportion that the above described 320 acre unit bears to the standard or orthodox proration unit for said pool, all until further order of the Commission.

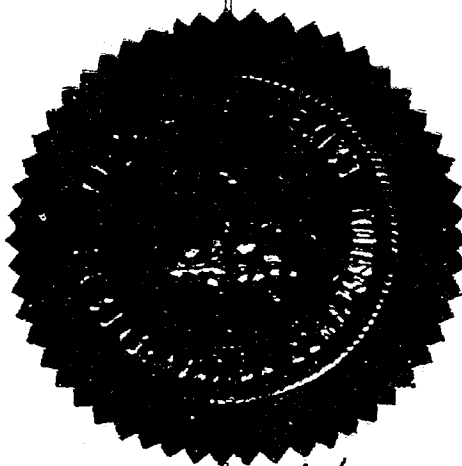
Done at Santa Fe, New Mexico on the day and year hereinabove designated.

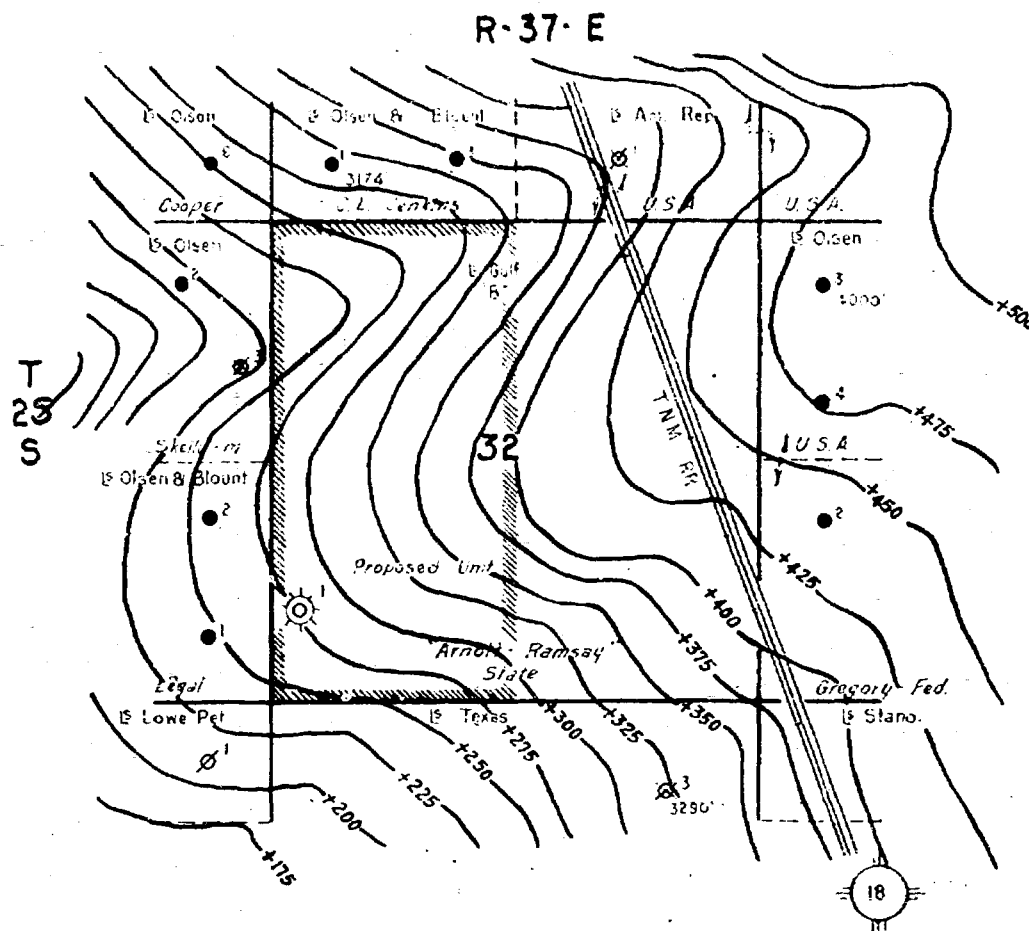
STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*John F. Simms*  
JOHN F. SIMMS, Chairman

*E. S. Walker*  
E. S. WALKER, Member

*W. B. Macey*  
W. B. MACEY, Member and Secretary





GULF OIL CORPORATION  
FORT WORTH PRODUCTION DIVISION  
Scale 1"= 2,000'

Plat Accompanying Application for  
320-Acre Non-Standard Gas Unit

Gulf - Arnett-Ramsay "B" Lease

Structure Map Contoured on top  
of Yates Horizon

Contour Interval - 25'

BEFORE THE  
COMMISSION  
STATE OF NEW MEXICO  
EXHIBIT No. 3  
CASE 920