

Case No.

974

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Application, Transcript,  
Small Exhibits, Etc.

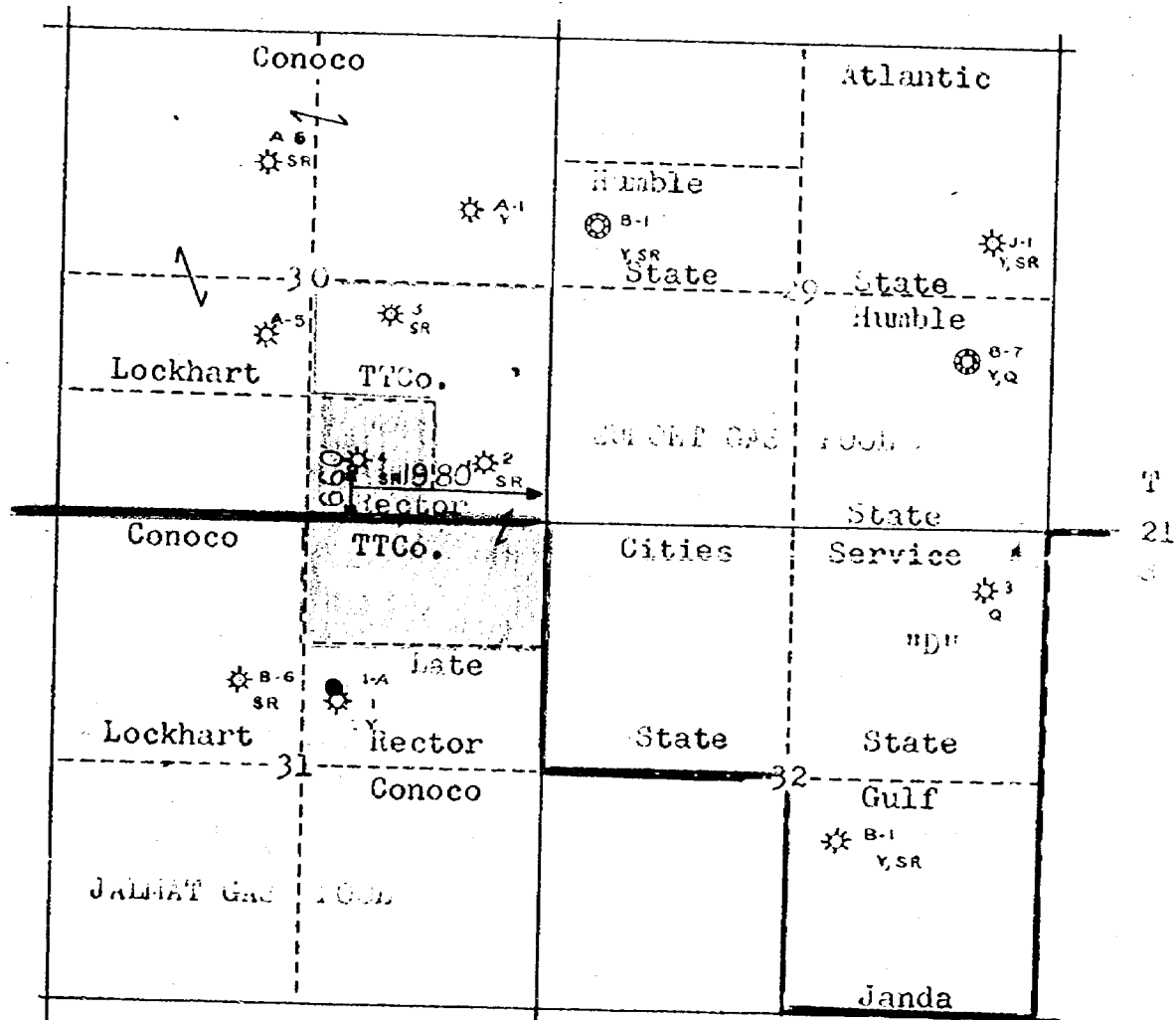


EXHIBIT I  
The Texas Company  
J. K. Rector Lease  
Well No. 4  
EUMONT GAS POOL  
Lea County, New Mexico  
10-28-55 JAS  
Scale: 1"=2000'

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
EXHIBIT No. 1  
CASE 974

**Memo**

11/9/58

From  
WWR

Re: Case # 974  
To: JWB

Go ahead and write  
for approval as a normal  
NSP across section lines.

WWR

BEFORE THE

Oil Conservation Commission

~~SANTA FE~~ NEW MEXICO/  
HOBBS, NEW MEXICO

IN THE MATTER OF:

CASE NO. 974

TRANSCRIPT OF PROCEEDINGS

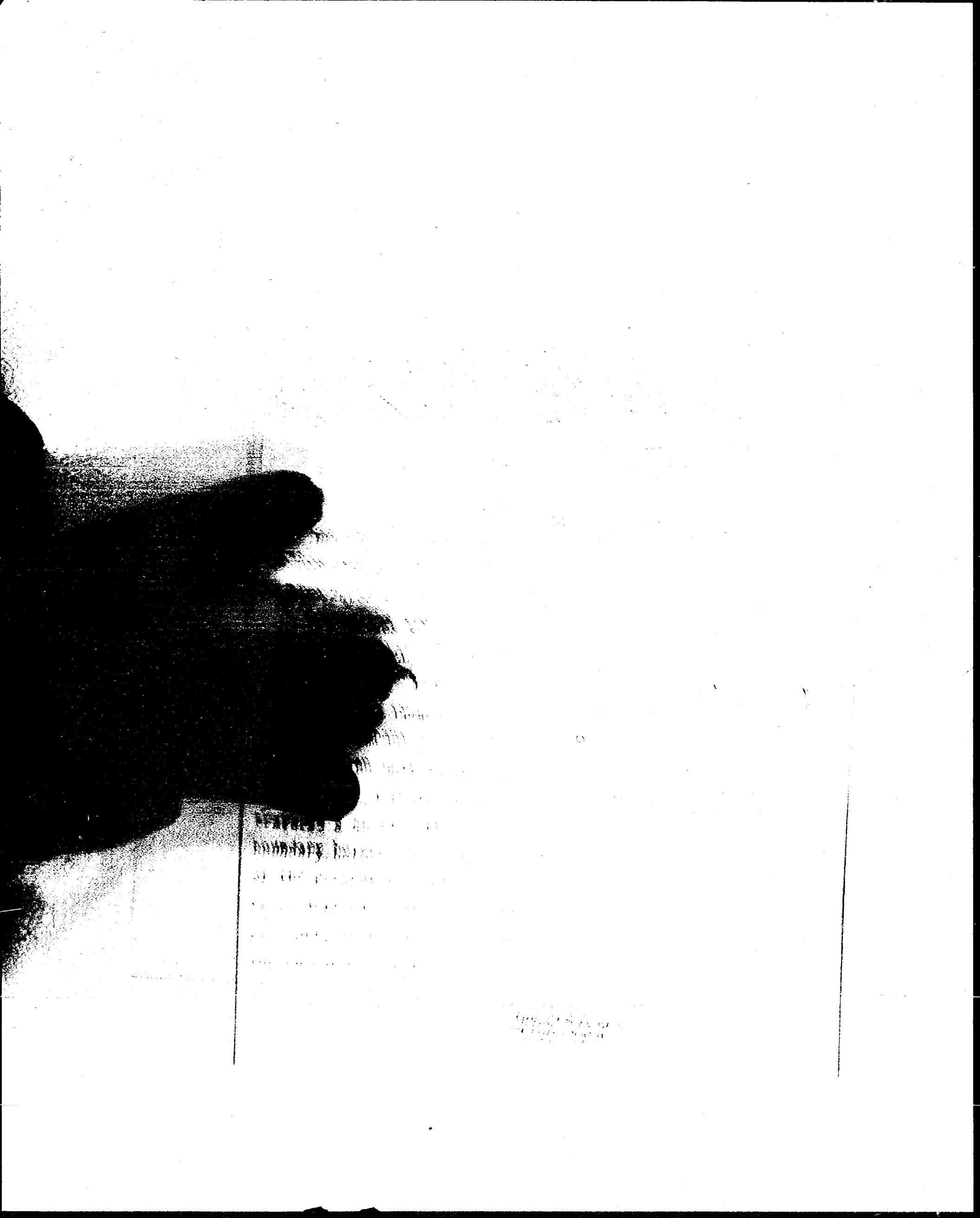
ADA DEARNLEY AND ASSOCIATES

COURT REPORTERS

605 SIMMS BUILDING

TELEPHONE 3-6691

ALBUQUERQUE, NEW MEXICO



BEFORE THE  
OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO  
Hobbs, New Mexico

IN THE MATTER OF:

Application of the Texas Company for approval  
of 120 acre non-standard gas proration unit  
in the Eumont Gas Pool, Lea County, New Mexico,  
to consist of SW/4 SE/4, Section 30, and N/2  
NE/4, Section 31, Township 21 South, Range 36  
East, and to be dedicated to applicants Rector  
Well No. 4, SW/4 SE/4, Section 30.

Case No: 974

Before: HEARING EXAMINER WARREN MANKIN

TRANSCRIPT OF HEARING

HEARING EXAMINER MANKIN: We will then proceed with Case 974,  
application of Texas Company. Would all the witnesses that are to  
be presented in the case and give testimony, stand and be sworn?

(Witnesses sworn.)

HEARING EXAMINER MANKIN: Proceed.

MR. L. W. FOLMAR: Mr. Examiner, I am L. W. Folmar, F-o-l-m-a-r  
from the Texas Company at Forth Worth. This is an application of  
the Texas Company to form a 180, excuse me, 120 acre non-standard  
gas proration unit in the Eumont Gas Pool, Lea County, New Mexico,  
to be assigned to its J. K. Rector Well No. 4. This unit will  
traverse a section line. Also, we are requesting that the common  
boundary between the Jalmat Gas Pool and the Eumont Gas Pool, which  
at the present time bisects the Texas Company J. K. Rector Lease to  
be re-defined so that the south 80 acres of this lease, which is  
presently included in the Jalmat Gas pool, will in the future be in  
the Eumont Gas Pool.

Now, I would like to present Mr. J. A. Schaffer, our first witness here.

J. A. SCHAFFER

having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By: MR. FOHMAR:

Q Will you state your name, please?

A J. A. Schaffer.

Q By whom are you employed? A Texas Company.

Q In what position?

A Petroleum engineer in the Midland Office.

Q Are you a graduate of an accredited engineering school?

A Yes, I am.

Q Have you testified before the Oil Conservation Commission in New Mexico before? A Yes, I have.

MR. FOHMAR: Are the witness's qualifications acceptable?

HEARING EXAMINER MANKIN: They are.

Q Mr. Schaffer, have you made a study of the Texas Company J. K. Rector Lease and the area around it?

A Yes, I have. I have looked into the structural position of the acreage in relationship to surrounding acreage and also as to completion intervals both originally and at the present time in the existing gas well in that area.

Q Mr. Schaffer, I hand you what is marked as Texas Company Exhibit No. 1. Will you explain to the Examiner what that consists of?

A Exhibit 1 is a plat which shows sections 29, 30, 31 and 32 of Township 21 South, Range 36 East, and also indicates the proposed

non-standard gas proration unit colored in yellow and the rest of our Rector lease, which is outlined by a single yellow line on the lease line. In addition, it shows the common boundary between the Jalmat Gas Pools and Eumont Gas Pool as it exists at the present time. Also, it shows to the best of my knowledge, the producing gas wells in that immediate area.

Q Mr. Schaffer, how many wells are there on the Texas Company J. K. Rector Lease?

A We have three at the present.

Q Would you name those wells and give their location?

A All right. We have three wells. Rector No. 3 is located in the northwest quarter of the southeast quarter. It is a gas well producing from Seven Rivers.

Q Would you give the Section and Township?

A Section 30, Township 21 South, Range 36 East, gas well producing from Seven Rivers, has assigned 80 acres, namely the north half of the southeast quarter of Section 30, then, well No. 2 is located in the southeast quarter of the southeast quarter of Section 30, Township 21 South, Range 36 East, and it is also a gas well producing from the Seven Rivers and has assigned to it 40 acres. Well No. 4 is located in the southwest quarter of the southeast quarter of Section 30, and at the present time has assigned 40 acres to it for gas allowable purposes. That is the well which we wish to add the additional 80 acres, representing the north half of the northeast quarter of Section 31, Township 21 South, Range 36 East.

Q Were these wells originally completed as oil wells?

A Yes, they were originally completed as oil wells. They were oil wells producing from the Queen, and they were plugged back



because of excessive water encroachment.

Q What is the present producing zone of each of these three Texas Company Oil Wells?

A At the present time they are producing from what I would call the Middle Seven Rivers.

Q And is that within the designated vertical limits of the Eumont Pool as defined by the Commission's Order R-520?

A Yes, it is.

Q Mr. Schaffer, do you have a record on the Yates tops of each of these wells?

A Yes, I do.

Q Would you please state what those are for the record?

A Well No. 2 has Yates top of 3,198, which on the subsea basis is plus 406. Well No. 3, 3,206, or a plus 429. That is a sample top. The other two are logged, picked from the logs, and No. 4, Yates top 3,166, plus 454.

Q In regard to the 80 acres which is the north one-half of the northeast quarter of Section 31, Township 31 South, Range 36 East, in your opinion, is that 80 acres, would you consider it reasonably productive of gas from the Seven Rivers and Yates Formation?

A Yes, our structural interpretation would make it in my estimation gas production.

Q To your knowledge, is there any permeability <sup>barriers</sup> ~~variance~~ within the 120 acres proration unit which is being proposed by this application?

A To my knowledge, none.

Q The 80 acres to the south of the Texas Company Lease, which is the south one-half of the northeast quarter of Section 31, has that 80 acres been assigned to a gas well producing from the Jalmat

Gas Pool?

A Yes, it has. It has been assigned to the Late Rector Well No. 1.

Q The 160 acres, being the northwest quarter of Section 31, has that lease been assigned to a gas well producing from the Jalmat Gas Pool?

A Yes, it has been assigned to Continental Oil Company Lockhart B-6.

Q In your opinion, will the Texas Company J. K. Rector Well No. 4 drain the full 120 acre unit which we propose to assign to it?

A Yes, it will.

Q Mr. Schaffer, do you know any reason why, for administrative purposes, the 80 acres, the south 80 acres of the Texas Company Rector Lease should not be removed from the Jalmat Pool and placed into the Eumont Pool for regulation of gas production?

A No, sir.

MR. FOLMAR: I believe that is all Mr. Examiner.

HEARING EXAMINER MANKIN: Any other questions of the witness?

MR. J. W. GURLEY: Is it your understanding that this extension or revision of the Jalmat Gas Pool, or rather the Eumont Gas Pool is under the nomenclature case set up for November 16th at the Oil Conservation Commission Hearing?

A Yes, it was called to our attention today.

Q The decision upon the two cases will, or the decision upon that nomenclature case will affect this decision here, is that your understanding?

A Yes.

MR. GURLEY: That is all.

HEARING EXAMINER MANKIN: Any other questions of the witness?

If not, the witness may be excused. Did you have any other witnesses?

MR. FOLMAR: No.

HEARING EXAMINER MANKIN: I might say, to clarify the record; it was mentioned in this nomenclature case to delete the northeast quarter of Section 31, Township 21 South, Range 36 East and to extend the Eumont Pool to include that same 160 acres, being the northeast quarter of Section 31, will be heard and has been advertised under Case 979 Parts C and D for the November 16th Hearing to be held at 9:00 o'clock at Santa Fe, New Mexico.

Is there anything further in this case? If not, we will take the case under advisement and the hearing is adjourned.

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STATE OF NEW MEXICO    }  
COUNTY OF BERNALILLO }    ss.

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

*Amado Trujillo*  
Court Reporter

TO BE HELD AT 1:30 O'CLOCK P. M., ON NOVEMBER 1, 1955, AT THE AUDITORIUM LOCATED IN THE OFFICES OF THE NEW MEXICO OIL CONSERVATION COMMISSION, HOBBS, NEW MEXICO, BEFORE WARREN W. MANKIN, EXAMINER.

October 5, 1955

APPLICATION FOR HEARING TO INCREASE  
SIZE OF NON-STANDARD GAS PRORATION UNIT

The Texas Company's  
J. K. Rector Well No. 4, Eumont Gas Pool  
Lea County, New Mexico

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

Attention: Mr. W. B. Macey

Gentlemen:

The Texas Company wishes to extend a 40-acre non-standard proration unit to a 120-acre non-standard proration unit in the Eumont Gas Pool, Lea County, New Mexico. This application is made under Rule 5 (a) of Order R-520. A request is also made to extend the field limits of the Eumont Gas Pool to include the N/2 of NE/4 of Section 31, T-21-S, R-36-E. This area is presently in the Jalmat Gas Pool.

In support of these requests, the following data are furnished:

1. The J. K. Rector Well No. 4 was completed May 4, 1937 at a total depth of 3,950 feet with an initial potential of 441 barrels of oil, 18.4 barrels of water, with a gas-oil ratio of 725 cubic feet per barrel of oil in nine and one-half hours, flowing without shot or acid. Water production increased until it was necessary to plug the well back. This work was performed in February, 1951. The well was plugged back to 3,786 feet and gas production was established through casing perforations from 3,758 feet to 3,785 feet. The well continued to make some water and the delivery pressure of the gas was not sufficient to meet the requirements of the gas purchaser. On August 18, 1952, a cast iron bridging plug was set at 3735 feet in the 7-inch casing and a calseal plug was built-up to 3726 feet. The casing was jet perforated from 3450 feet to 3565 feet, and this section acidized with 1000 gallons of 15 per cent acid. After workover, the well produced 1,885 MCF per day at 584 pounds per square inch tubing back pressure. The maximum build up was 669 pounds per square inch which was reached in two and one-quarter minutes after shut in. The absolute open flow was calculated at 3,150 MCF per day. The well is shut in from over production.

2. The proposed non-standard gas proration unit will consist of three contiguous quarter quarter sections as described below:

SW/4 of SE/4 of Section 30, T-21-S, R-36-E,  
NE/4 of NE/4 of Section 31, T-21-S, R-36-E,  
NW/4 of NE/4 of Section 31, T-21-S, R-36-E.

3. The entire proposed non-standard gas proration unit may reasonably be presumed to be productive of gas.

4. The length or width of the proposed non-standard gas proration unit does not exceed 5,280 feet.

5. The vertical limits of the Eumont Gas Pool includes the Yates, Seven

CASE 974

CASE 974 - CONT'D.

Rivers and Queen formations. The Texas Company J. K. Rector Well No. 4 is completed in the middle and lower Seven Rivers and, therefore, satisfies the vertical limit requirement of the Eumont Gas Pool.

In view of the above facts, the Texas Company requests the New Mexico Oil Conservation Commission to set a date for hearing the subject application. It is preferred that this case be heard as soon as possible at an Examiner hearing at Hobbs, New Mexico.

Yours very truly,

THE TEXAS COMPANY, PROD. DEPT.

W. H. Hahn  
Petroleum Engineer

NEW MEXICO OIL & GAS ENGINEERING COMMITTEE  
HOBBS, NEW MEXICO  
October 14, 1955

**NEW MEXICO  
OIL CONSERVATION COMMISSION**

Gas Well Plat

Date 10-3-55

The Texas Company      J. K. Rector      4  
Operator                      Lease                      Well No.

Name of Producing Formation Seven Rivers      Pool Eumont

No. Acres Dedicated to the Well 120

SECTION 30 and 31      TOWNSHIP 21-S      RANGE 36-E

"A" (160) A-6 SR 12	Continental "A" (160) A-1 Y 30	Humble State (80) B-1 Y, SR 20	Atlantic (160) State J-1 Y, SR
Lockhart "A" (80) A-5 SR 12	TTCO. (80) 3 SR 30	C.C. Pollard Humble State 20	Humble (160) State B-7 Y, a
"B" B-8 Y, SR 12	TTCO. Rector (40) 2 SR 30	Humble State 20	Cities Service State 32
Continental (160) Lockhart B-6 SR 32	Rector TTCO. (120) Late Oil Co. (80) Rector 1 Y 32	J. Moore Pech Oil Co. R-36-E State	Gulf "Janda" B-1 Y, SR

T-21-S

I hereby certify that the information given above is true and complete to the best of my knowledge.

- Is this gas well a dual completion?  
Yes \_\_\_\_\_ No \_\_\_\_\_
- If the answer to Question 1 is Yes, are there any other dually completed wells within the dedicated acreage?  
Yes \_\_\_\_\_ No \_\_\_\_\_

Name J. J. [Signature]  
Position Division Civil Engineer  
Representing The Texas Company  
Address P.O. Box 1720, Ft. Worth, Texas

(over)

OIL CONSERVATION COMMISSION  
P. O. BOX 871  
SANTA FE, NEW MEXICO

December 30, 1955

Mr. W. L. Hahn  
The Texas Company  
P.O. Box 1720  
Ft. Worth, 1, Texas

Dear Sir:

We enclose a copy of Order R-734 issued December 14, 1955,  
by the Oil Conservation Commission in Case 974, which was heard  
on November 1st in Hobbs, New Mexico.

Very truly yours,

W. B. Macey  
Secretary - Director

WBM:brp

C  
O  
P  
Y

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. 974  
ORDER NO. R-734

THE APPLICATION OF THE TEXAS COMPANY  
FOR AN ORDER GRANTING APPROVAL OF AN  
EXCEPTION PURSUANT TO RULE 5 (a) OF  
THE SPECIAL RULES AND REGULATIONS OF  
THE EUMONT GAS POOL OF ORDER R-520 IN  
ESTABLISHMENT OF A NON-STANDARD GAS  
PRORATION UNIT OF 120 CONTIGUOUS ACRES  
CONSISTING OF SW/4 SE/4 SECTION 30 AND  
N/2 NE/4 SECTION 31, TOWNSHIP 21 SOUTH,  
RANGE 36 EAST, N. M. P. M., LEA COUNTY,  
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 1:30 o'clock p.m. on November 1, 1955, at Hobbs, New Mexico, before Warren W. Mankin, Examiner duly appointed by the Oil Conservation Commission of New Mexico in accordance with Rule 1214 of Order R-681.

NOW, on this 14<sup>th</sup> day of December, 1955, the Oil Conservation Commission of New Mexico, hereinafter referred to as the Commission, a quorum being present, having considered said application, transcript of testimony and record, and the recommendations of the Examiner, Warren W. Mankin, 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 cause and the subject matter thereof.

(2) That pursuant to provisions of Rule 5 (a) of the Special Rules and Regulations of the Eumont Gas Pool of Order 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, The Texas Company, is the owner of an oil and gas lease in Lea County, New Mexico, the land consisting of other than a legal section, a part of which is described as follows, to-wit:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM  
SW/4 SE/4 Section 30  
N/2 NE/4 Section 31

(4) That applicant, The Texas Company, has a producing well on the aforesaid portion of said lease known as the J. K. Rector Well No. 4 located 1980 feet from the East line and 660 feet from the South line of Section 30, Township 21 South, Range 36 East.



(5) That the aforesaid well was recompleted 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 Eumont Gas Pool.

(6) That at the time applicant submitted its application to the Commission, the N/2 NE/4 of Section 31, Township 21 South, Range 36 East, was within the horizontal limits of the Jalmat Gas Pool, but as a result of Order No. R-724, which followed the nomenclature hearing of November 16, 1955, said N/2 NE/4 of Section 31 is now part of the horizontal limits of the Eumont Gas Pool.

(7) That it is impractical to pool applicant's said lease with adjoining acreage in the Eumont Gas Pool and that the owners of the adjoining acreage in said area have not objected to the formation of the proposed proration unit of 120 acres.

(8) 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 Eumont Gas Pool.

(9) That the 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 The Texas Company for approval of a non-standard proration unit in the Eumont Gas Pool consisting of the following acreage:

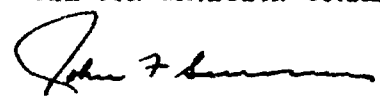
TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM  
SW/4 SE/4 Section 30  
N/2 NE/4 Section 31

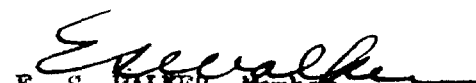
be and the same is hereby approved and a proration unit consisting of the aforesaid acreage is hereby created.

(2) That applicant's well, the J. K. Rector Well No. 4 located in the SW/4 SE/4 Section 30, Township 21 South, Range 36 East, in the Eumont Gas Pool, shall be granted an allowable in the proportion that the above described 120 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. SIMS, Chairman

  
E. S. WALKER, Member

  
W. B. MACEY, Member and Secretary

