

16  
[REDACTED]  
operation unit in [REDACTED]  
Los County, New Mexico.

Case No.

1679

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Application, Transcript,  
Small Exhibits, Etc.

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

June 1, 1959

Mr. Thomas F. McKenna  
302 E. Palace Avenue  
Santa Fe, New Mexico

Dear Mr. McKenna:

On behalf of your client, Western Oil Fields, Inc.,  
we enclose two copies of Order No. R-1407, issued  
May 28, 1959, by the Oil Conservation Commission in  
Case No. 1679.

Very truly yours,

A. L. PORTER, Jr.  
Secretary-Director

ir/

Enclosures

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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. 1679  
Order No. R-1407

APPLICATION OF WESTERN OIL  
FIELDS, INC., FOR ESTABLISHMENT  
OF AN 80-ACRE NON-STANDARD GAS  
PRORATION UNIT IN THE BLINEBRY  
GAS POOL, LEA COUNTY, NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 20, 1959, at Santa Fe, New Mexico, before E. J. Fischer, 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 28<sup>th</sup> day of May, 1959, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, E. J. Fischer, 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, Western Oil Fields, Inc., is the owner and operator of the NW/4 SE/4 and the NE/4 SW/4 of Section 4, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the applicant is the owner and operator of the Gulf Hill Well No. 1, located 1980 feet from the South line and 1980 feet from the East line of said Section 4.

(4) That the applicant proposes the establishment of an 80-acre non-standard gas proration unit in the Blinebry Gas Pool consisting of the NW/4 SE/4 and the NE/4 SW/4 of said Section 4, to be dedicated to the said Gulf Hill Well No. 1.

(5) That approval of the subject application will neither cause waste nor impair correlative rights.

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Case No. 1679  
Order No. R-1407

IT IS THEREFORE ORDERED:

(1) That an 80-acre non-standard gas proration unit in the Blinebry Gas Pool consisting of the NW/4 SE/4 and the NE/4 SW/4 of Section 4, 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 applicant's Gulf Hill Well No. 1, located 1980 feet from the South line and 1980 feet from the East line of said Section 4.

(2) That the said Gulf Hill Well No. 1 shall be assigned an allowable for the Blinebry Gas Pool in the proportion that the acreage dedicated to the well bears to a standard gas proration unit in the Blinebry Gas Pool, subject to the special rules and regulations for said Blinebry Gas Pool.

(3) That the effective date of this order is the date of cancellation of the 160-acre unit previously assigned to the subject well.

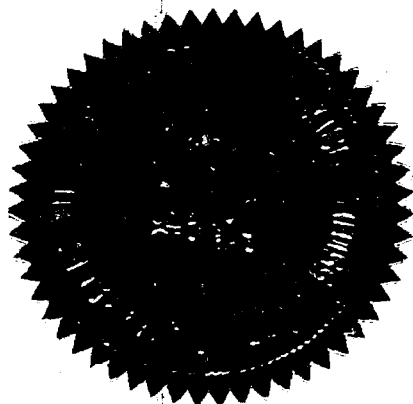
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*John Burroughs*  
JOHN BURROUGHS, Chairman

*Murray E. Morgan*  
MURRAY E. MORGAN, Member

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



vem/

CASE 1679: Application of Western Oil Fields, Inc., for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks the establishment of an 80-acre non-standard gas proration unit in the Blinebry Gas Pool consisting of the NW/4 SE/4 and the NE/4 SW/4 of Section 4, Township 21 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the applicant's Gulf Hill Well No. 1, located 1980 feet from the South and East lines of said Section 4.

CASE 1680: Application of Graridge Corporation for capacity allowables for eight wells in a water flood project. Applicant, in the above-styled cause, seeks an order authorizing capacity allowables for eight wells situated in the project area of its water flood project in the Caprock-Queen Pool in Lea and Chaves Counties, New Mexico.

CASE 1681: Application of The Ibex Company for a capacity allowable for one well in a water flood project. Applicant, in the above-styled cause, seeks an order authorizing a capacity allowable for its Welch Duke State Well No. 18 in the project area of its Artesia Water Flood Project No. 2, Artesia Pool, Eddy County, New Mexico.

DOCKET: EXAMINER HEARING MAY 20, 1959

Oil Conservation Commission, 9 a.m., Mabry Hall, State Capitol, Santa Fe

The following cases will be heard before E. J. Fischer, Examiner

- CASE 1673: Application of Standard Oil Company of Texas for an amendment of Order Nos. R-1067 and R-1124. Applicant, in the above-styled cause, seeks an amendment of Order Nos. R-1067 and R-1124 to permit the utilization of dump type meters in lieu of positive displacement meters on certain leases in the Atoka Pool, Eddy County, New Mexico.
- CASE 1674: Application of Continental Oil Company for a gas-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its M. E. Wantz Well No. 4-A located in the SW/4 SE/4 of Section 21, Township 21 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of gas from the Blinebry Gas Pool and the production of oil from the Wantz-Abo Pool through the casing-tubing annulus and the tubing respectively.
- CASE 1675: Application of Hill and Meeker for six non-standard oil proration units. Applicant, in the above-styled cause, seeks an order establishing six non-standard oil proration units for Delaware production on its State "36" Lease comprising all of partial Section 36, Township 26 South, Range 32 East, Lea County, New Mexico, with each of said non-standard oil proration units to consist of approximately 44 acres.
- CASE 1676: Application of Humble Oil & Refining Company for permission to produce more than sixteen wells into a common tank battery and to commingle the production from two separate leases. Applicant, in the above-styled cause, seeks permission to commingle the Gallup production from its Navajo "F" Lease comprising Sections 3, 4, 9, and 10 with the Gallup production from its Navajo "G" Lease comprising Sections 1, 2, 11, and 12, all in and adjoining the Chimney Rock-Gallup Oil Pool, Township 31 North, Range 17 West, San Juan County, New Mexico. Applicant further seeks authority to produce more than sixteen wells into said common tank battery.
- CASE 1677: Application of The Texas Company for an oil-gas dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its V. M. Henderson Well No. 2 located in the NE/4 NE/4 of Section 30, Township 21 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Paddock Pool and the production of gas from the Blinebry formation adjacent to the Blinebry Gas Pool.
- CASE 1678: Application of Rice Engineering and Operating, Inc. for a salt water disposal well. Applicant, in the above-styled cause, seeks an order authorizing it to recomplate its Gulf Oberholtzer Well No. 2 as a salt water disposal well in the Devonian formation; said well is located 1980 feet from the North line and 2310 feet from the West line of Section 7, Township 12 South, Range 38 East, Lea County, New Mexico. Applicant proposes to inject the produced salt water into the Devonian formation in the interval from 12,206 feet to 12,400 feet.



May 21, 1959

*Case 1679  
file*

Oil Conservation Commission  
P.O. Box 871  
Santa Fe, New Mexico

Gentlemen:

Reference is made to Oil Conservation Commission Case No. 1679, which was heard before Mr. E. J. Fischer, on May 20, 1959.

During the hearing a question concerning the gas-liquid ratio and the Specific Gravity of the liquid produced from our Gulf Hill No. 1, the well in question in the above case, was asked by Mr. Fischer. I did not have that information available at the time and would like to take this means of informing you that the last test, as recorded on Form C-116, shows production for a 24 hour period to be 17.35 barrels of 52 degree API crude and 722.0 MCF gas. The G.O.R. is 41,614 to 1.

Yours very truly,

R. H. Swarthout

RHS:sw

cc: Mr. Thomas F. McKenna  
File

*> Blinberry  
Formation*



# WESTERN OIL FIELDS, INC.

1827 GRANT STREET  
POST OFFICE BOX 1139 DENVER, COLORADO  
TELEPHONE MA 8-0226

April 27, 1959

*Case 1679  
Set for hearing  
(not eligible for  
admission  
approval)*

Re: Application for 80-Acre  
Non-Standard Gas Proration  
Unit, Blinebry Gas Pool,  
Comprising NW/4 of SE/4 and  
NE/4 of SW/4 of Section 4,  
T-21-S, R-37-E, Lea County,  
New Mexico

Oil Conservation Commission  
State Of New Mexico  
P.O. Box 871  
Santa Fe, New Mexico

Gentlemen:

A letter dated April 23, 1959, from the Hobbs office of the Oil Conservation Commission served to notify Western Oil Fields, Inc. that a non-standard gas proration unit order had never been issued by the Commission for our Gulf Hill No. 1 in Unit R of Section 4, T-21-S, R-37-E, Blinebry Gas Pool. This well was decreased from the standard 160 acres to 80 acres on September 1, 1956.

Western Oil Fields, Inc. hereby makes application for approval of a non-standard gas proration unit comprising NW/4 of SE/4 and NE/4 of SW/4 Section 4, T-21-S, R-37-E, Lea County, New Mexico, and in support thereof states the following facts:

- (1) Western Oil Fields, Inc. is operator of an oil and gas lease known as its Gulf Hill Lease, Lea County, New Mexico, as shown on the attached plat.
- (2) Western Oil Fields, Inc. proposes that the above described acreage be established as a non-standard 80 acre gas proration unit in exception to Rule 5 (a) of Order R-610.
- (3) The Gulf Hill Well No. 1, located 1980 feet from the East line and 1980 feet from the South line of Section 4, T-21-S, R-37-E, Lea County, New Mexico, was completed June, 1954, as a gas well in the Blinebry Gas Pool. The applicant proposes to use this well as the unit well.
- (4) The proposed non-standard gas proration unit will meet the requirements of Rule 5 (b) of the Oil Conservation Commission Order No. R-610 as follows:

*Robert M. Milled  
5-6-59*

*unit well*

- (a) Contiguous quarter-quarter sections will comprise the unit.
  - (b) The proposed unit lies wholly within a single governmental section.
  - (c) All acreage within the proposed unit may reasonably be presumed productive of gas.
  - (d) The length or width of the proposed unit does not exceed 2640 feet.
  - (e) Western Oil Fields, Inc. is operator of all the acreage comprising the proposed unit as shown on the attached plat, and by copy of this letter of application, all operators owning interest in the quarter section in which the proposed unit is located and all operators within 1500 feet of the proposed unit well are notified by registered mail of the intent of Western Oil Fields, Inc. to form the proposed non-standard gas proration unit.
- (5) The approval of this application for an 80 acre non-standard gas proration unit will, in the opinion of the applicant, prevent waste, protect correlative rights and serve the best interest of conservation.

In view of the existence of the facts herein stated and compliance with the provisions of Rule 5 (b) of the Oil Conservation Commission's Order No. R-610, Western Oil Fields, Inc., request that the Secretary of the Commission approve the above described non-standard gas proration unit to become effective retroactive to September 1, 1956, the date which, as above stated was the time that the non-standard acreage was so dedicated.

Respectfully submitted,

WESTERN OIL FIELDS, INC.

By *R. H. Swathout*  
Petroleum Engineer

cc: Registered Mail - Return Receipt Requested

Western Oil Fields, Inc.

Oil Conservation Commission

-3-

Oil Conservation Commission  
P.O. Box 871  
Santa Fe, New Mexico

Oil Conservation Commission  
P.O. Box 2045  
Hobbs, New Mexico

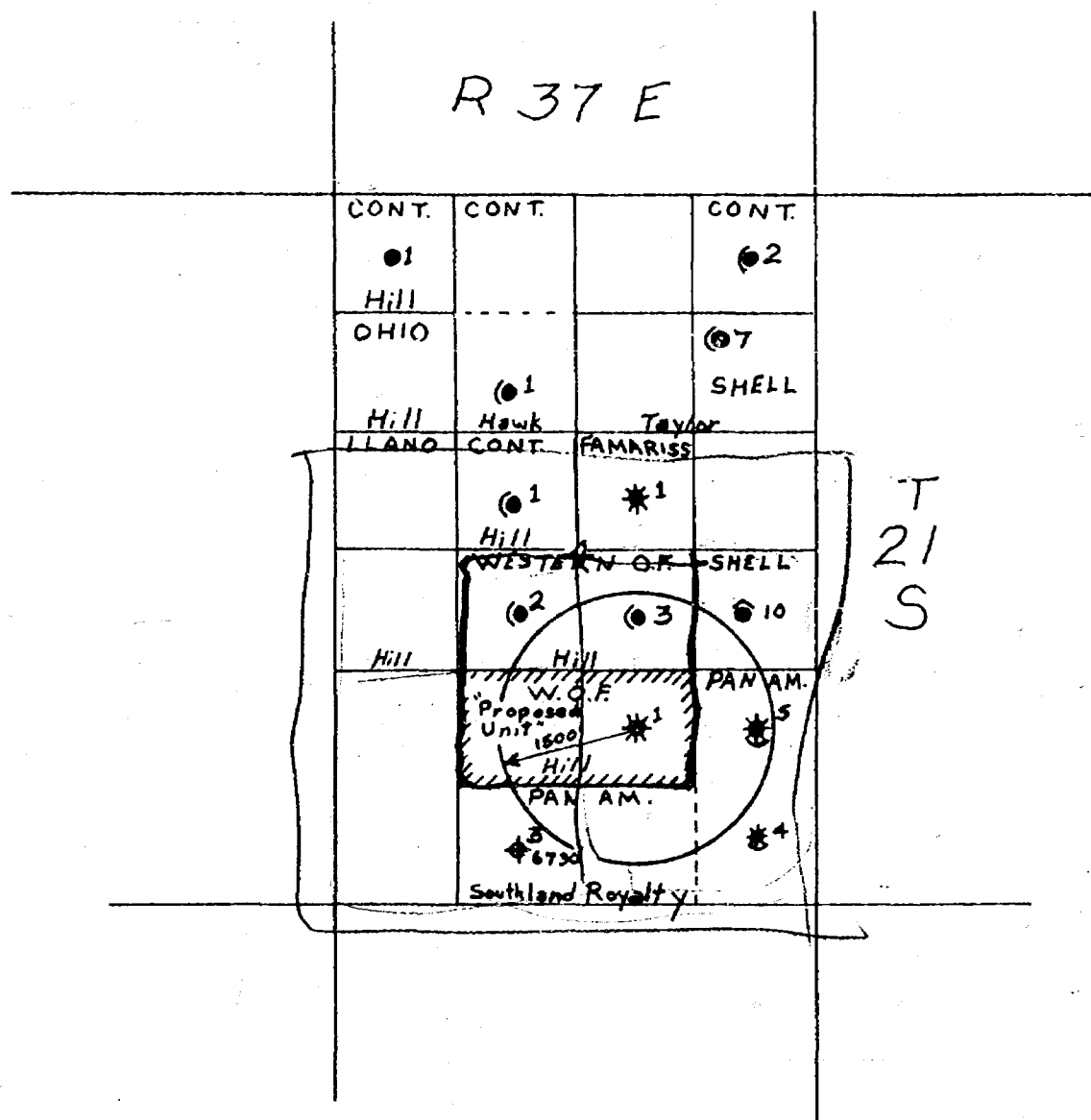
Shell Oil Company  
P.O. Box 845  
Roswell, New Mexico

Pan American Petroleum Corporation  
P.O. Box 1410  
Ft. Worth, Texas

Gulf Oil Company  
P.O. Box 1290  
Ft. Worth, Texas

Western Oil Fields, Inc.  
P.O. Box 1139  
Denver, Colorado

File



WESTERN OIL FIELDS, INC.  
ROBBS, NEW MEXICO  
Scale 1" = 2,000'

Flat Accompanying Application For  
80-acre Non-Standard Gas Unit  
(Ellichy Gas Pool)

Western Oil Fields, Inc. - Gulf Hill #1

(Ex. 1)

OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

Date May 20, 1959

CASE NO. 1679

HEARING DATE May 20, 1959

My recommendations for an order in the above numbered case(s) <sup>is</sup> are as follows:

Enter an order granting a non-standard gas proration unit in the Blinberry Gas Pool consisting of the NW 1/4 SE 1/4 & NE 1/4 SW 1/4 <sup>(80 acres)</sup> Section 4 - T21S - R37E Lea County. to be dedicated to Applicants Gulf Hill Well No. 1 loc. in Unit R, Section 4 - 21 - 37

80 ac. non-standard unit  
in exception to Rule 5(a) of  
Order R-610.

E. J. Fischer  
Staff Member

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

*Case  
1679*

April 30, 1959

Western Oil Fields, Inc.  
P. O. Box 1139  
Denver, Colorado

Attention: Mr. R. H. Swarthout

Gentlemen:

We are in receipt of your application for an 80-acre non-standard gas proration unit in the Blinebry Gas Pool to consist of the NW/4 SE/4 and the NE/4 SW/4 of Section 4, Township 21 South, Range 37 East, Lea County, New Mexico, to be dedicated to your Gulf Hill Well No. 1, located 1980 feet from the South and East lines of said Section 4.

It will be necessary to set this matter for an examiner hearing inasmuch as administrative approval of this unit cannot be granted under the Blinebry Pool rules. The proposed non-standard gas proration unit does not lie wholly within a single governmental quarter section. See paragraph 2 of Rule 5 (B), Order No. R-810.

We have docketed this case for an examiner hearing to be held on May 20, 1959, in Santa Fe, New Mexico.

Very truly yours,

OLIVER E. PAYNE  
General Counsel

*checked  
mailed  
5-6-59  
gh*  
OEP/ir

cc: R. F. Montgomery - Oil Conservation Commission  
Hobbs, New Mexico

MAIN OFFICE OCC

1959 JUN 10 AM 8 00

BEFORE THE  
CONSERVATION COMMISSION  
Santa Fe, New Mexico  
May 20, 1959

EXAMINER HEARING

IN THE MATTER OF:

Case 1679

DEARNLEY - MEIER & ASSOCIATES  
GENERAL LAW REPORTERS  
ALBUQUERQUE NEW MEXICO  
Phone CHapel 3-6691

BEFORE THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
May 20, 1959

EXAMINER HEARING

-----  
IN THE MATTER OF: )

Application of Western Oil Fields, Inc., for )  
a non-standard gas proration unit. Applicant, )  
in the above-styled cause, seeks the estab- )  
lishment of an 80-acre non-standard gas pro- )  
ration unit in the Blinebry Gas Pool consist- )  
ing of the NW/4 SE/4 and the NE/4 SW/4 of ) Case 1679  
Section 4, Township 21 South, Range 37 East, )  
Lea County, New Mexico, said unit to be ded- )  
icated to the applicant's Gulf Hill Well No. )  
1, located 1980 feet from the South and East )  
lines of said Section 4. )  
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BEFORE:

Mr. E. J. Fischer, Examiner.

TRANSCRIPT OF HEARING

MR. FISCHER: The next case on the docket is Case  
1679.

MR. PAYNE: "Application of Western Oil Fields, Inc.,  
for a non-standard gas proration unit."

MR. McKENNA: Mr. Examiner, my name is Thomas F.  
McKenna and I'm appearing on behalf of Western Oil Fields, Inc.,  
and I have one witness, Mr. Herbert Swarthout, whom I would  
like to have sworn in.

(Witness sworn.)



MR. McKENNA: Mr. Examiner, before we proceed, I would like to move another amendment of the application. In view of the fact that the well Gulf Hill No. 1 involved in this petition is located in the Northwest Quarter of the Southeast Quarter and the Northeast of the Southwest Quarter rather than a single Governmental quarter section apparently required by the rules of the Commission, and would like to move that be considered, and I request amended, to reflect that would be an unorthodox location.

MR. FISCHER: All right, sir, we'll consider that.

ROBERT H. SWARTHOUT

called as a witness, having been previously duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. McKENNA:

Q Would you state your name, please?

A Robert H. Swarthout.

Q Where do you live, Mr. Swarthout?

A Hobbs, New Mexico.

Q Have you testified previously before this Commission?

A No, I haven't.

Q Can you tell the Examiner and the Commission your education and your experience?

A I have a B. S. degree in petroleum engineering

from the University of Oklahoma, three years' experience in engineering with the Pure Oil Company and one year experience with the Western Oil Fields, Inc.

Q In what capacity are you employed?

A I am a petroleum engineer.

Q With Western Oil Fields. Are you familiar with this particular petition?

A Yes, sir.

Q Can you tell the Examiner and the Commission and explain the past history and circumstances concerning this Gulf Hill No. 1 in Section 4?

A Yes, sir. The Gulf Hill No. 1 was drilled in Unit R of Section 4, 21, 27 in 1954 and completed in the Blinebry Gas Pool, at which time it was allotted 160 acre standard gas unit. The later wells drilled on that same lease which are our Gulf Hills No. 2 and No. 3 were completed in a lower section and designated as Terry-Blinebry oil wells.

By a letter from Mr. Montgomery of the Hobbs Commission Office to Mr. Porter in Santa Fe, dated April, or August 23, 1956, it was requested that the extension of the Terry-Blinebry Oil Pool be taken into Lots 14 and 15 of Section 4, which would necessitate deleting the same acreage from the Blinebry Gas Pool, of which our Gulf Hill No. 1 at that time is producing. That request was granted and became effective on September 1st, 1956.

Our Gulf Hill No. 1 has produced as a non-standard gas proration unit since that time without any order from the Commission having been issued.

Then a letter dated April 23, 1959 from the Hobbs Office of the Oil Commission notified our company that a non-standard gas proration unit order had not been issued by the Commission and requested that we do so immediately.

Q What was the date of that letter that you mentioned?

A April 23, this year.

Q So the purpose of this request is to secure a formal approval?

A That's correct.

Q Referring to the application plat which you testified that you are completely familiar with, will you explain the facts concerning this request for non-standard proration unit of 80 acres in accordance with the request herein made?

A Yes, sir, as noted on the plat, Western Oil Fields is the operator of a total of 160 acres located in the South Half of Section 4, 21, 37, which are Lots No. 14, 15, 19 and 18. This comprises the portions of the Southwest and the Southeast Quarter of that section.

The Gulf Hill No. 1 Blinbry gas well located in Block or in Lot 18, Unit R of that section is in the Southeast Quarter of that section, and the proposed unit extends into the Northeast

Quarter of the Southwest Quarter of that section, which is an exception to Paragraph 2 of Rule 5-B of Unit Order R-610. It is under these circumstances that we are asking an exception to that portion of the rule.

MR. McKENNA: Mr. Examiner, let me go back for a minute and review the effect of the previous testimony. Mr. Swarthout had not previously testified prior to this time. May I formally move his qualifications be accepted?

MR. FISCHER: They're accepted.

Q What is your opinion, Mr. Swarthout, as to non-standard unit herein requested as to principles of conservation, prevention of waste and correlative rights?

A The operators are of the opinion that the prevention of waste, protection of correlative rights and the serving of the best interest of conservation will be held up throughout the life of this well.

Q It is your formal request that the approval herein petitioned for be made retroactive to September 1st, 1956, is that correct?

A Yes, it is.

Q Why was that date of September 1st, 1956 selected?

A That was the date that the Commission deleted the normal 160 acre allotment of the Gulf No. 1 Hill Well to an 80 acre non-standard allotment.

MR. MCKENNA: I have no further questions.

MR. FISCHER: Are there any questions of Mr. Swarthout?

MR. PAYNE: Yes, sir.

MR. FISCHER: Mr. Payne.

CROSS EXAMINATION

BY MR. PAYNE:

Q What's the distance of this well from the nearest boundaries of the proposed 80 acre unit?

A 660 feet.

Q So that it's not an unorthodox location, is it?

A No, sir. The unit itself is unorthodox inasmuch as it does not lie wholly within a Governmental quarter section.

Q Yes, but the well location is orthodox?

A Yes, sir.

MR. PAYNE: That's all. Thank you.

BY MR. FISCHER:

Q This Section 4, 21, 37 is a long section?

A It is, yes, sir.

Q What's the acreage, you say the total acreage is a flat 80 acres?

A Yes, sir.

Q As I understand it, you want this well, was it ever classified as a Terry-Blinbry well?

A No, it was completed and classified as a Blinbry

gas well.

Q And has remained classified as a Blinebry gas well?

A That's right.

Q Does it produce any liquids?

A Yes, sir, some high gravity distillate.

Q Do you know the gravity and the gas-oil ratio of this well?

A No, sir, off-hand I don't. I'm not sure that I have that information with me right now. There has been some recent tests run down there and there is a test period coming up this month I believe.

Q Your Gulf Hill Well then comes under the Blinebry semi-annual pressure?

A Yes, sir.

Q Pressure tests scheduled? A That's right.

MR. FISCHER: Any other questions of Mr. Swarthout?  
You may be excused.

(Witness excused.)

Any statements to be made? If not, the case will be taken under advisement.

STATE OF NEW MEXICO )  
COUNTY OF BERNALILLO ) ss

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 3rd day of June, 1959.

Ada Dearnley  
Notary Public - Court Reporter

My Commission Expires:  
June 19, 1959.

BEFORE EXAMINER FISCHER  
OIL CONSERVATION COMMISSION  
Exhibit No. 1679  
Case No. EJ Fischer

DEARNLEY - MEIER & ASSOCIATES  
GENERAL LAW REPORTERS  
ALBUQUERQUE, NEW MEXICO  
Phone CHapel 3-6691