

CASE 2920: Application of TEXAS
PACIFIC for a non-standard gas

This case being continued
to June 5th
rather inside
Gr

CASE No.
2820

Application,
TRANSCRIPTS,
SMALL Exhibits
ETC.

DRAFT

JMD/esr

June 7, 1963

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. 2820

Order No. R- 2504

APPLICATION OF TEXAS PACIFIC COAL
& OIL COMPANY FOR A NON-STANDARD
GAS PRORATION UNIT, 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 5, 1963, at Santa Fe, New Mexico, before Elvis A. Utz
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 _____ day of June, 1963, the Commission,
a quorum being present, having considered the application, the
evidence adduced, and the recommendations of the Examiner,
Elvis A. Utz, 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 Order No. R-1364 created the following-described
non-standard gas proration units in the Jalmat Gas Pool to be
dedicated to the following-described wells:

- A 240-acre unit comprising the*
1. NE/4 of Section 20 and W/2 NW/4 of Section
21, Township 23 South, Range 36 East, NMPM,
Lea County, New Mexico, to be dedicated to the
Texas Pacific Coal and Oil Company State "A"
A/c-1 Well No. 3, located 1650 feet from
the North line and 330 feet from the West
line of said Section 21.
- A 40-acre unit comprising the*
2. NE/4 NW/4 of Section 21, Township 23 South,
Range 36 East, NMPM, Lea County, New Mexico,
to be dedicated to the Texas Pacific Coal and
Oil Company State "A" A/c-1 Well No. 4,
located 330 feet from the North line and
1650 feet from the West line of said Sec-
tion 21.

A 40-acre unit comprising the

3. SE/4 NW/4 of Section 21, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico, to be dedicated to Texas Pacific Coal & Oil Company State "A" A/c-1 Well No. 6, located 2310 feet from the North line and 1650 feet from the West line of said Section 21.

(3) That the applicant, Texas Pacific Coal and Oil Company, seeks ~~abolishment~~ *to abolish* of the above-described non-standard gas proration units and ~~creation of~~ *create* a 320-acre non-standard gas proration unit comprising the NE/4 of Section 20 and the NW/4 of Section 21, Township 23 South, Range 36 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico.

(4) That the applicant proposes to dedicate the said 320-acre non-standard gas proration unit to its State "A" A/c-1 Well No. 6, located 2310 feet from the North line and 1650 feet from the West line of said Section 21.

(5) That the applicant has encountered an emulsion block in its State "A" A/c-1 Well No. 3 and can no longer efficiently and economically produce said well.

(6) That the applicant has reworked its State "A" A/c-1 Well No. 6 so that it is now capable of producing a 320-acre allowable.

(7) That the applicant's State "A" A/c-1 Well No. 6 is capable of efficiently and economically draining ~~the entire~~ *and developing* proposed non-standard gas proration unit.

(8) That waste is occurring and correlative rights are being violated as the applicant is not presently afforded the opportunity to produce its just and equitable share of the gas in the pool.

(9) That to avoid the drilling of unnecessary wells, to ~~to prevent reduced recovery which might result from the drilling of too few wells,~~ to afford the applicant an opportunity to produce its just and equitable share of the gas in the pool, and to prevent waste and protect correlative rights, the subject application should be approved.

(10) That Order No. R-1364 should be superseded insofar as it is inconsistent with this order.

avoid the aggravation of make drilling from the drilling of an excessive number of wells,

IT IS THEREFORE ORDERED:

(1) That a 320-acre non-standard gas proration unit comprising the NE/4 of Section 20 and the NW/4 of Section 21, Township 23 South, Range 36 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico, is hereby established and dedicated to the Texas Pacific Coal and Oil Company State "A" A/c-1 Well No. 6, located 2310 feet from the North line and 1650 feet from the West line of said Section 21.

(2) That on the effective date of this order, the production status of the non-standard gas proration unit created by this order shall be the combined production status of applicant's State "A" A/c-1 Well No. 3, State "A" A/c-1 Well No. 4, and State "A" A/c-1 Well No. 6.

(3) That the non-standard gas proration unit created by this order shall be subject to the balancing of production rules as set out in Section D of Order No. R-1670.

(4) That an exception is hereby granted to the well location requirements of Rule 5(B) of Order No. R-1670.

(5) That this order shall be effective the first day of the first month after applicant's State "A" A/c-1 Well No. 3 and State "A" A/c-1 Well No. 4 have been disconnected from the pipeline and a disconnection notice filed with the Commission.

(6) That Order No. R-1364 is hereby superseded insofar as it is inconsistent with this order.

(7) 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.

No. 16-63

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 5, 1963

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

The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, as alternate examiner:

- CASE 2816: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit C. T. Robertson and all other interested parties to appear and show cause why the Honolulu State "B" Wells Nos. 4 and 5 in Units G and H, respectively, of Section 11, Township 11 South, Range 27 East, Chaves County, New Mexico, should not be plugged in accordance with a Commission-approved plugging program.
- CASE 2827: Application of Texaco Inc. for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the triple completion (combination) of its State "O" Well No. 17 located in Unit N of Section 36, Township 17 South, Range 34 East, Vacuum Field, Lea County, New Mexico, to produce oil from the Wolfcamp and the Pennsylvanian formations through parallel strings of 2 7/8 inch casing and from the Devonian formation through 1 1/2 inch tubing installed within 3 1/2 inch casing, all casing strings to be cemented in a common well bore.
- CASE 2828: Application of Continental Oil Company for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the triple completion (conventional) of its Warren Unit Well No. 26, located in Unit M of Section 27, Township 20 South, Range 38 East, Lea County, New Mexico, to produce gas from the Warren Blinebry Gas Pool and from the Warren-Tubb Gas Pool and oil from the Warren-Drinkard Pool through parallel strings of tubing.
- CASE 2829: Application of Amerada Petroleum Corporation for a dual completion, and for commingling authority, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (conventional) of its S. E. Anderson Well No. 1, located in Unit B of Section 30, Township 9 South, Range 35 East, Lea County, New Mexico, to produce oil from the Bough "C" zone of the Pennsylvanian formation and from the Devonian formation through parallel strings of tubing. Applicant further seeks authority to commingle said pools on said lease by use of the subtraction method.

- CASE 2830: Application of Humble Oil & Refining Company for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an amendment to Order No. R-2433, which order authorized the triple completion (tubingless), of applicant's State "S" Well No. 24 located in Unit J, Section 2, Township 22 South, Range 37 East, to produce oil from the Blinebry, Drinkard, and Abo formations through parallel strings of 2 7/8 inch casing cemented in a common well bore. Applicant now desires to substitute the Granite Wash for the Blinebry formation in said Order No. R-2433.
- CASE 2831: Application of Pan American Petroleum Corporation for an exception to Rules 15 (A) and 15 (B) of the general Rules and Regulations governing prorated gas pools in Northwestern New Mexico. Applicant, in the above-styled cause, seeks to suspend the shut-in provisions of Rules 15(A) and 15(B) of Order No. R-1670, as amended, until September 1, 1963, for the Gallegos Canyon Unit Wells No. 96, 107, 109, 110, and 111 located in Sections 18, 19 and 20, Township 29 North, Range 12 West, and the Gallegos Canyon Unit Wells No. 102, 106, and 108, located in Sections 13 and 24, Township 29 North, Range 13 West, Basin Dakota Pool, San Juan County, New Mexico.
- CASE 2554: (Reopened)
In the matter of Case 2554 being reopened pursuant to the provisions of Order No. R-2253, which order established temporary 80-acre proration units for the South Lane Pennsylvanian Pool, Lea County, New Mexico, for a period of one year. All interested parties may appear and show cause why said pool should not be developed on 40-acre proration units.
- CASE 2820: (Continued from the May 22, 1963 examiner hearing)
Application of Texas Pacific Coal & Oil Company for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 320-acre non-standard gas proration unit comprising the NE/4 of Section 20 and the NW/4 of Section 21, Township 23-South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, to be dedicated to its State "A" A/c-1 Well No. 6, located 2310 feet from the North line and 1650 feet from the West line of said Section 21.
- CASE 2821: (Continued from the May 22, 1963 examiner hearing)
Application of D. W. Falls, Inc. for an extension of Order

No. R-2213, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the extension of Order No. R-2213, which order assigned a temporary deliverability for allowable purposes to applicant's Federal Well No. 2-11, located in Unit O of Section 11, Township 28 North, Range 13 West, Basin-Dakota Gas Pool, San Juan County, New Mexico.

CASE 2824:

(Continued from the May 22, 1963 examiner hearing)
Application of Texaco Inc. for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the triple completion (combination) of its State "O" Well No. 14, located in Unit J of Section 36, Township 17 South, Range 34 East, Lea County, New Mexico, to produce oil from the North Vacuum-Abo and the Vacuum-Wolfcamp Pools through parallel strings of 2 7/8 inch casing and from the Vacuum-Devonian Pool through 1 1/2 inch tubing installed within 3 1/2 inch casing, all casing strings to be cemented in a common well bore.

CASE 2826:

(Continued from the May 22, 1963 examiner hearing)

Application of Texaco Inc. for a triple completion & for certain administrative procedures, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the triple completion (combination) of its State "L" Well No. 6 located in Unit B of Section 1, Township 18 South, Range 34 East, Lea County, New Mexico, to produce oil from the Vacuum Wolfcamp Pool and an undesignated Pennsylvanian Pool through parallel strings of 2 7/8 inch casing and from the Vacuum-Devonian Pool through 1 1/2 inch tubing installed within 3 1/2 inch casing, all casing strings to be cemented in a common well bore. Applicant further seeks a procedure whereby 1 1/2 inch tubing for Devonian production in this field may be approved administratively.

LAW OFFICES OF
JOHN F. RUSSELL
SUITE 1010 SECURITY NATIONAL BANK BUILDING
P. O. DRAWER 640
ROSWELL, NEW MEXICO

TELEPHONE 622-4641
AREA CO. 2 505

May 14, 1963

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

ATTENTION: Mr. Dan Nutter

RE: Texas Pacific Coal and Oil Company
Case No. 2820

Dear Mr. Nutter:

Pursuant to our telephone conversation, it is respectfully requested that Case No. 2820 originally set for an examiner hearing on May 22, 1963 be continued to the examiner hearing on June 5, 1963.

All offset operators are being notified of this request for a continuance.

Very truly yours,

John F. Russell
John F. Russell

JFR:np

DOCKET MARKED

5/23/63
JR

No. 15-63

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 22, 1963

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

The following cases will be heard before Daniel S. Nutter, Examiner, or Elvis A. Utz, as alternate examiner:

- CASE 2814: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Stanley L. Jones and Sam Watkins and all other interested parties to appear and show cause why La Esperanza State Well No. 1, located in Unit D of Section 10, Township 19 South, Range 29 East, Eddy County, New Mexico, should not be plugged in accordance with a Commission-approved plugging program.
- CASE 2815: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Corine Foster dba Corine Foster Oil Company and all other interested parties to appear and show cause why the Corine Foster Oil Company Ohio Farris Well No. 1, located in Unit P of Section 4, Township 19 South, Range 26 East, Eddy County, New Mexico, should not be plugged in accordance with a Commission-approved plugging program.
- CASE 2816: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit C. T. Robertson and all other interested parties to appear and show cause why the Honolulu-State "B" Wells Nos. 4 and 5 in Units G and H respectively, of Section 11, Township 11 South, Range 27 East, Chaves County, New Mexico, should not be plugged in accordance with a Commission-approved plugging program.
- CASE 2817: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Fred M. Allison and C. T. Robertson and all other interested parties to appear and show cause why the Honolulu State "A" Wells Nos. 1, 2, 3, 4, and 5, located in Units D, C, E, F, and D, respectively, of Section 14; the Honolulu State "B" Wells Nos. 1, 2, and 3, located in Units I, O, and J, respectively, of Section 11; and the Magnolia State Well No. 1, located in Unit P of Section 11, all in Township 11 South, Range 27 East, Chaves County, New Mexico, should not be plugged in accordance with a Commission-approved plugging program.
- CASE 2818: Application of Union Oil Company of California for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the West McDonald Unit Area comprising 2,560 acres of State and Fee lands in Township 14 South, Range 35 East, Lea County, New Mexico.
- CASE 2819: Application of M. F. Abraham for a unit agreement, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Star Lake Unit Area comprising 22,358 acres of Federal, State, Indian and Fee lands in Townships 18 and 19 North, Ranges 5 and 6 West, McKinley County, New Mexico.
- CASE 2820: Application of Texas Pacific Coal & Oil Company for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 320-acre non-standard gas proration

unit comprising the NE/4 of Section 20 and the NW/4 of Section 21 Township 23 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, to be dedicated to its State "A" A/c-1 Well No. 6, located 2310 feet from the North line and 1650 feet from the West line of said Section 21.

- CASE 2821: Application of D. W. Falls, Inc. for an extension of Order No. R-2213, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the extension of Order No. R-2213, which order assigned a temporary deliverability for allowable purposes to applicant's Federal Well No. 2-11, located in Unit O of Section 11, Township 28 North, Range 13 West, Basin-Dakota Gas Pool, San Juan County, New Mexico.
- CASE 2822: Application of Gulf Oil Corporation for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an 80-acre non-standard gas proration unit comprising the SE/4 SE/4 of Section 28 and the NE/4 NE/4 of Section 33, Township 21 South, Range 37 East, Blinebry Gas Pool, Lea County, New Mexico, to be dedicated to its J. N. Carson Well No. 6 located in Unit P of said Section 28.
- CASE 2823: Application of Pan American Petroleum Corporation for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the triple completion (conventional) of its Southland Royalty "A" Well No. 4, located in Unit X of Section 4, Township 21 South, Range 37 East, Lea County, New Mexico, to produce oil from the Drinkard and Blinebry formations through parallel strings of tubing and gas from the Tubb Gas Pool through the casing annulus.
- CASE 2824: Application of Texaco Inc. for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the triple completion (combination) of its State "O" Well No. 14, located in Unit J of Section 36, Township 17 South, Range 34 East, Lea County, New Mexico, to produce oil from the North Vacuum-Abo and the Vacuum-Wolfcamp Pools through parallel strings of 2 7/8-inch casing and from the Vacuum-Devonian Pool through 1 1/2-inch tubing installed within 3 1/2-inch casing, all casing strings to be cemented in a common well bore.
- CASE 2825: Application of Sinclair Oil & Gas Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (conventional) of its State Lea 403 Well No. 4 located in Unit D of Section 17, Township 18 South, Range 35 East, Lea County, New Mexico, to produce oil from the Bone Springs and Devonian formations through parallel strings of tubing.
- CASE 2826: Application of Texaco, Inc. for a triple completion and for certain administrative procedures, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the triple completion (combination) of its State "L" Well No. 6 located in Unit B of Section 1, Township 18 South, Range 34 East, Lea County, New Mexico, to produce oil from the Vacuum Wolfcamp Pool and an undesignated Pennsylvanian pool through

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Docket No. 15-63

parallel strings of 2 7/8 inch casing and from the Vacuum-Devonian Pool through 1½ inch tubing installed within 3½ inch casing, all casing strings to be cemented in a common well bore. Applicant further seeks a procedure whereby 1½ inch tubing for Devonian production in this field may be approved administratively.

CASE 2806:

(Continued from May 15, 1963 Hearing)

Application of Sun Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order force pooling all mineral interests in the Oil-Center Blinebry Pool underlying the W/2 SW/4 of Section 3, Township 21 South, Range 36 East, Lea County, New Mexico.

TEXAS PACIFIC COAL AND OIL COMPANY

MIDLAND, TEXAS

APRIL 17, 1963

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

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

Re: Texas Pacific Coal and Oil Company's
application for a hearing to grant a
320-acre non-standard gas proration
unit for its State "A" A/c-1 Well No.
6 in Section 21, Township 23 South,
Range 36 East, Jalmat Gas Pool, Lea
County, New Mexico.

Gentlemen:

Texas Pacific Coal and Oil Company respectfully requests an Examiner Hearing under the provisions of Rule 5 (C) of General Rules and Regulations for Prorated Gas Pools in Southeastern New Mexico of Order No. R-1670 for the formation of a 320 acre non-standard gas proration unit for its State of New Mexico "A" A/c-1 Well No. 6, located 2310' from the North line and 1650' from the West line - the SW/4 NW/4 - of Section 21, Township 23 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico.

The proposed unit is to consist of the NW/4 of Section 21 and the NE/4 of Section 20, both in Township 23 South, Range 36 East. Since this proposed unit will cross section lines, it is contrary to Rule 5 (C) - 3 which states that the unit should be wholly within a single governmental section. However, in support of this request we would like to point out that the proposed non-standard gas proration conforms with the other requirements of said Rule 5 (C) as follows:

1. The proposed non-standard proration unit consists of less acreage than a standard proration unit.
2. Said unit consists of contiguous quarter quarter sections.
3. The entire proposed unit may be reasonably presumed to be productive of gas.
4. The length or width of the unit does not exceed 5280 feet.
5. Copies of this application have been furnished this date by registered mail to all offset operators and all operators within 1500 feet of said well.

The 320 acres involved in the proposed gas proration unit for Well No. 6 are presently assigned as follows:

State "A" A/c-1 Well No. 3 (1650' from the North line and 330' from the West line of Section 21) - NE/4 of Section 20 and W/2 NW/4 of Section 21 (240 acres).

State "A" A/c-1 Well No. 4 (330' from the North line and 1660' from the West line of Section 21) - NE/4 NW/4 of Section 21 (40 acres).

State "A" A/c-1 Well No. 6 (2310' from the North line and 1650' from the West line of Section 21) - SE/4 NW/4 of Section 21 (40 acres)

A plat is attached hereto showing to the best of my knowledge and belief the proposed unit, the location of the wells and the offset ownership.

DOCKET MAILED

5-10-63
Date _____
JL

In view of the facts set out herein, it is respectfully requested that the Commission grant an Examiner Hearing to hear evidence in order that it might approve the non-standard gas proration unit for Texas Pacific Coal and Oil Company's State of New Mexico "A" A/c-1 Well No. 6 as described above.

Yours very truly,

TEXAS PACIFIC COAL AND OIL COMPANY

By John Yuronka
John Yuronka, Division Engineer

THE STATE OF TEXAS)

COUNTY OF MIDLAND)

Subscribed and sworn to before me, the undersigned authority, by John Yuronka, on this 17th day of April, 1963, to certify which witness my hand and seal of office.

Lloyd Beck LLOYD BECK
Notary Public in and for Midland
County, Texas

Copies by Registered Mail to:

Bogle Oil Company
C/o Oil Reports & Gas Services
Box 763
Hobbs, New Mexico

Continental Oil Company
P. O. Box 1377
Roswell, New Mexico

Gulf Oil Corporation
P. O. Drawer 1938
Roswell, New Mexico

Sinclair Oil and Gas Company
P. O. Box 1470
Midland, Texas

Socony Mobil Oil Co., Inc.
P. O. Box 2406
Hobbs, New Mexico

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

FORM C-128
Revised 5/1/57

SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE

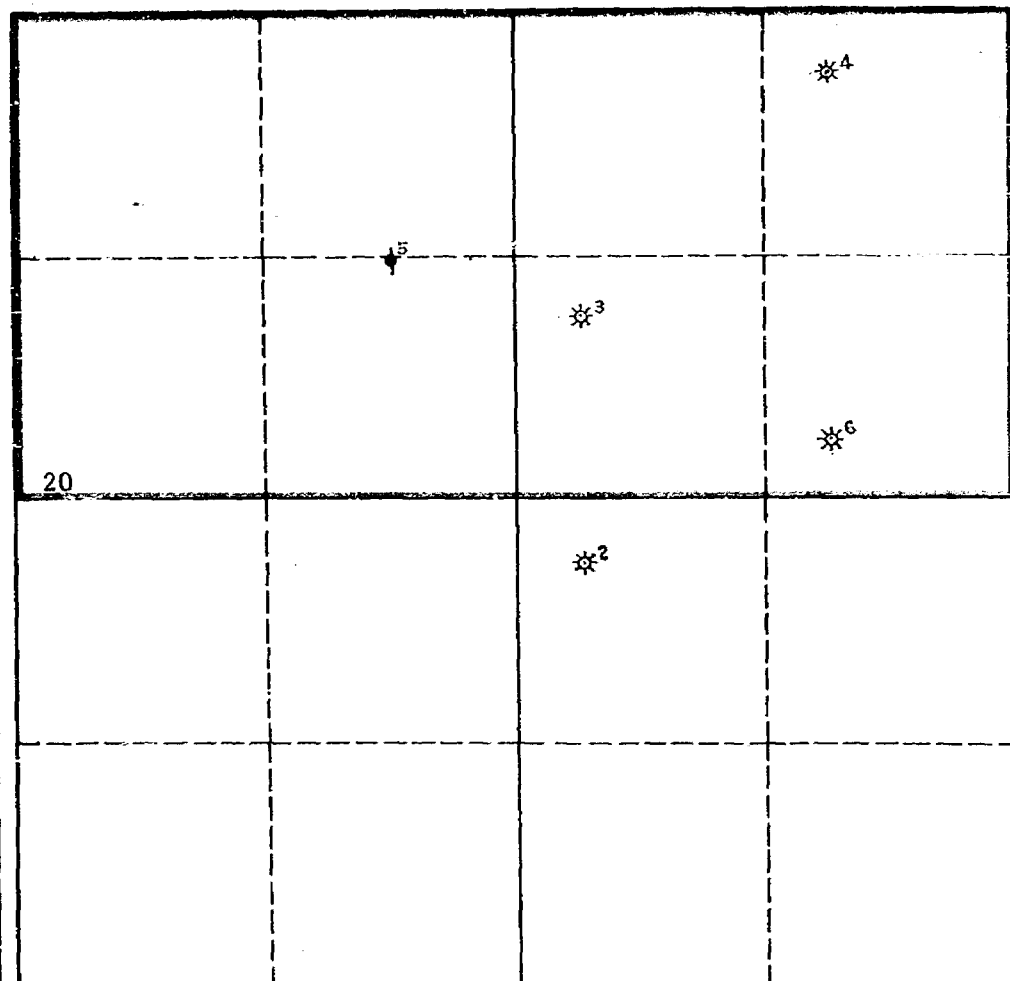
SECTION A

Operator Texas Pacific Coal and Oil Co.			Lease State "A" A/c-1		Well No. 6
Unit Letter F	Section 21	Township 23S	Range 36E	County Lea	
Actual Footage Location of Well: 2310 feet from the North line and 1650 feet from the West line					
Ground Level Elev. 3430	Producing Formation Yates		Pool Jalmat Pool		Dedicated Acreage: 320 Acres

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES ☒ NO ☐ ("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1935 Comp.)
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES ☐ NO ☐ If answer is "yes," Type of Consolidation _____
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description

SECTION B



CERTIFICATION

I hereby certify that the information in SECTION A above is true and complete to the best of my knowledge and belief.

Name John Heronka
Position Division Engineer
Company Texas Pacific C&O Co.
Date April 17, 1963

I hereby certify that the well location shown on the plat in SECTION B was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed _____
Registered Professional Engineer and/or Land Surveyor _____

Certificate No. _____

INSTRUCTIONS FOR COMPLETION OF FORM C-128

1. Operator shall furnish and certify to the information called for in Section A.
2. Operator shall outline the dedicated acreage for *both* oil and gas wells on the plat in Section B.
3. A registered professional engineer or land surveyor registered in the State of New Mexico or approved by the Commission shall show on the plat the location of the well and certify this information in the space provided.
4. All distances shown on the plat must be from the outer boundaries of the Section.
5. If additional space is needed for listing owners and their respective interests as required in question 3 of Section A, please use space below.

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. 2820
Order No. R-2504

APPLICATION OF TEXAS PACIFIC COAL
& OIL COMPANY FOR A NON-STANDARD
GAS PRORATION UNIT, 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 5, 1963, at Santa Fe, New Mexico, before Elvis A. Utz, 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 11th day of June, 1963, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, 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 Order No. R-1364 created the following-described non-standard gas proration units in the Jalmat Gas Pool to be dedicated to the following-described wells:

1. A 240-acre unit comprising the NE/4 of Section 20 and W/2 NW/4 of Section 21, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico, to be dedicated to the Texas Pacific Coal & Oil Company state "A" A/c-1 Well No. 3, located 1650 feet from the North line and 330 feet from the West line of said Section 21.
2. A 40-acre unit comprising the NE/4 NW/4 of Section 21, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico, to be dedicated to the Texas Pacific Coal

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CASE No. 2820

Order No. R-2504

& Oil Company State "A" A/c-1 Well No. 4, located 330 feet from the North line and 1660 feet from the West line of said Section 21.

3. A 40-acre unit comprising the SE/4 NW/4 of Section 21, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico, to be dedicated to the Texas Pacific Coal & Oil Company State "A" A/c-1 Well No. 6, located 2310 feet from the North line and 1650 feet from the West line of said Section 21.

(3) That the applicant, Texas Pacific Coal & Oil Company, seeks to abolish the above-described non-standard gas proration units and create a 320-acre non-standard gas proration unit comprising the NE/4 of Section 20 and the NW/4 of Section 21, Township 23 South, Range 36 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico.

(4) That the applicant proposes to dedicate the said 320-acre non-standard gas proration unit to its State "A" A/c-1 Well No. 6, located 2310 feet from the North line and 1650 feet from the West line of said Section 21.

(5) That the applicant has encountered an emulsion block in its State "A" A/c-1 Well No. 3 and can no longer efficiently and economically produce said well.

(6) That the applicant has reworked its State "A" A/c-1 Well No. 6 so that it is now capable of producing a 320-acre allowable.

(7) That the applicant's State "A" A/c-1 Well No. 6 is capable of efficiently and economically draining and developing the entire proposed non-standard gas proration unit.

(8) That waste is occurring and correlative rights are being violated as the applicant is not presently afforded the opportunity to produce its just and equitable share of the gas in the pool.

(9) That to avoid the drilling of unnecessary wells, to avoid the augmentation of risks arising from the drilling of an excessive number of wells, to afford the applicant an opportunity to produce its just and equitable share of the gas in the pool, and to prevent waste and protect correlative rights, the subject application should be approved.

(10) That Order No. R-1364 should be superseded insofar as it is inconsistent with this order.

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CASE No. 2820
Order No. R-2504

IT IS THEREFORE ORDERED:

(1) That a 320-acre non-standard gas proration unit comprising the NE/4 of Section 20 and the NW/4 of Section 21, Township 23 South, Range 36 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico, is hereby established and dedicated to the Texas Pacific Coal & Oil Company State "A" A/c-1 Well No. 6, located 2310 feet from the North line and 1650 feet from the West line of said Section 21.

(2) That on the effective date of this order, the production status of the non-standard gas proration unit created by this order shall be the combined production status of applicant's State "A" A/c-1 Well No. 3, State "A" A/c-1 Well No. 4, and State "A" A/c-1 Well No. 6.

(3) That the non-standard gas proration unit created by this order shall be subject to the balancing of production rules as set out in Section D of Order No. R-1670.

(4) That an exception is hereby granted to the well location requirements of Rule 5(B) of Order No. R-1670.

(5) That this order shall be effective the first day of the first month after applicant's State "A" A/c-1 Well No. 3 and State "A" A/c-1 Well No. 4 have been disconnected from the pipeline and a disconnection notice filed with the Commission.

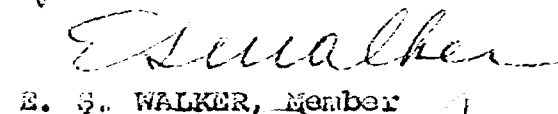
(6) That Order No. R-1364 is hereby superseded insofar as it is inconsistent with this order.


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

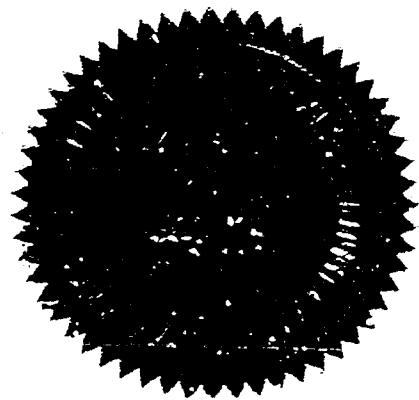
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JACK M. CAMPBELL, Chairman


E. S. WALKER, Member


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



esr/

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. 1611
Order No. R-1364

APPLICATION OF TEXAS PACIFIC COAL & OIL
COMPANY FOR THREE NON-STANDARD GAS PRORATION
UNITS IN THE JALMAT 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 March 11, 1959, at Santa Fe, New Mexico, before Daniel S. Nutter, 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 7th., day of April, 1959, the Commission, a quorum being present, having considered the application, the evidence adduced and the recommendations of the Examiner, Daniel S. Nutter, 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, Texas Pacific Coal & Oil Company, is the owner and operator of the E/2 of Section 20 and the W/2 of Section 21, both in Township 23 South, Range 36 East, NMPM, Lea County, New Mexico.

(3) That the applicant is the owner and operator of the following-described wells in the Jalmat Gas Pool:

State "A" a/c-1 Well No. 2, located 2260 feet from the South line and 330 feet from the West line of said Section 21.

✓ State "A" a/c-1 Well No. 3, located 1650 feet from the North line and 330 feet from the West line of said Section 21.

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Case No. 1611
Order No. R-1364

State "A" a/c-1 Well No. 4, located 330 feet from the North line and 1660 feet from the West line of said Section 21.

State "A" a/c-1 Well No. 6, located 2310 feet from the North line and 1650 feet from the West line of said Section 21.

(4) That the applicant proposes the establishment of three non-standard gas proration units in the Jalmat Gas Pool, to-wit:

A 320-acre non-standard gas proration unit consisting of the SW/4 of said Section 21 and the SE/4 of said Section 20 to be dedicated to said State "A" a/c-1 Well No. 2.

✓ A 240-acre non-standard gas proration unit consisting of the NE/4 of said Section 20 and the W/2 NW/4 of said Section 21 to be dedicated to said State "A" a/c-1 Well No. 3.

An 80-acre non-standard gas proration unit consisting of the E/2 NW/4 of said Section 21 to be dedicated to said State "A" a/c-1 Wells No. 4 and 6.

(5) That all of the above-described acreage can reasonably be presumed to be productive of gas from the Jalmat Gas Pool.

(6) That said 80-acre non-standard gas proration unit consisting of the E/2 NW/4 of said Section 21 with said State "A" a/c-1 Wells No. 4 and 6 as the unit wells should be denied; rather, two 40-acre non-standard gas proration units should be formed, one consisting of the NE/4 NW/4 of said Section 21 with said State "A" a/c-1 Well No. 4 as the unit well, the other consisting of the SE/4 NW/4 of said Section 21 with the said State "A" a/c-1 Well No. 6 as the unit well.

(7) That establishment of the four above-described non-standard gas proration units in the Jalmat Gas Pool will not cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

(1) That a 320-acre non-standard gas proration unit in the Jalmat Gas Pool, consisting of the SW/4 of Section 21 and the SE/4 of Section 20, both in Township 23 South, Range 36 East, NMPM, Lea County, New Mexico, be and the same is hereby established. Said unit is to be dedicated to applicant's State "A" a/c-1 Well No. 2, located 2260 feet from the South line and 330 feet from the West line of said Section 21.

(2) That the said State "A" a/c-1 Well No. 2 be granted an acreage factor for allowable purposes in the proportion that the above-described acreage bears to a standard gas proration unit in the Jalmat Gas Pool.

(3) That a 240-acre non-standard gas proration unit in the Jalmat Gas Pool, consisting of the NE/4 of said Section 20 and the W/2 NW/4 of said Section 21 be and the same is hereby established. Said unit is to be dedicated to applicant's State "A" a/c-1 Well No. 3, located 1650 feet from the North line and 330 feet from the West line of said Section 21.

(4) That the said State "A" a/c-1 Well No. 3 be granted an acreage factor for allowable purposes in the proportion that the above-described acreage bears to a standard gas proration unit in the Jalmat Gas Pool.

(5) That a 40-acre non-standard gas proration unit in the Jalmat Gas Pool, consisting of the NE/4 NW/4 of said Section 21, be and the same is hereby established. Said unit is to be dedicated to applicant's State "A" a/c-1 Well No. 4, located 330 feet from the North line and 1660 feet from the West line of said Section 21.

(6) That the said State "A" a/c-1 Well No. 4 be granted an acreage factor for allowable purposes in the proportion that the above-described acreage bears to a standard gas proration unit in the Jalmat Gas Pool.

(7) That a 40-acre non-standard gas proration unit in the Jalmat Gas Pool, consisting of the SE/4 NW/4 of said Section 21, be and the same is hereby established. Said unit is to be dedicated to applicant's State "A" a/c-1 Well No. 6, located 2310 feet from the North line and 1650 feet from the West line of said Section 21.

(8) That the said State "A" a/c-1 Well No. 6 be granted an acreage factor for allowable purposes in the proportion that the above-described acreage bears to a standard gas proration unit in the Jalmat Gas Pool.

(9) That the non-standard gas proration units in the Jalmat Gas Pool established by Orders R-535 and R-536 be and the same are hereby rescinded.

--4--
Case No. 1611
Order No. R-1364

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JOHN BURROUGHS, Chairman

MURRAY E. MORGAN, Member

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

S E A L

ir/

Case 2820

Heard. 5-5-63

Rec. 5-6-63

1. Grant Texas & Pacific CO Co.
a 320 NSP in Jolinet Gas Pool
consisting of NE/4 sec. 20 + NW/4 sec.
21 - 23 S. 36 E. The dedicated well to be
their st. "A" a/c-1 #6 located 2310/N,
1650/W lines sec. 21.
2. The ~~current~~ over or under produced
status of the # 3, 4 & 6 wells shall be
combined effective July 1, 1963 & the
unit should be effective that date
provided the # 3 & 4 wells have
been physically disconnected and
a disconnection notice filed with
the commission by the purchaser of
gas from these wells.
3. The unit shall be subject to the
balancing rules ^(see 0) of order R-1670.
4. The order R-1364 paragraphs 3, 4, 5,
6, 7 & 8 should be rescinded.
5. Grant an exception, to the unit
spacing rules as provided in
Rule 5(B) of the Jolinet Rules of R-1670.
The well is 330' to far east to comply
with this Rule.

Thos. H. R.

State of New Mexico
Oil Conservation Commission



STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY • DIRECTOR

TEXAS PACIFIC COAL & OIL CO.

OTHER _____

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BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
May 22, 1963

EXAMINER HEARING

IN THE MATTER OF:

Application of Texas Pacific Coal & Oil Company
for a non-standard gas proration unit, Lea
County, New Mexico. Applicant, in the above-
styled cause, seeks approval of a 320-acre non-
standard gas proration unit comprising the
NE/4 of Section 20 and the NW/4 of Section 21,
Township 23 South, Range 36 East, Jalmat Gas
Pool, Lea County, New Mexico, to be dedicated
to its State "A" A/c-1 Well No. 6, located 2310
feet from the North line and 1650 feet from the
West line of said Section 21.

CASE 2820

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

MR. NUTTER: We will call next Case 2820.

MR. DURRETT: Application of Texas Pacific Coal & Oil
Company for a non-standard gas proration unit, Lea County, New
Mexico.

If the Examiner please, we have also received a letter
from John F. Russell, attorney for the Applicant, and this letter
reads as follows:

"Pursuant to our telephone conversation, it is respect-
fully requested that Case 2820, originally set for an Examiner
Hearing on May 22, 1963, be continued to the Examiner Hearing
on June 5, 1963. All offset operators are being notified of this



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request for a continuance."

On the basis of this letter I would like to move that this case be continued to June 5.

MR. NUTTER: Case 2820 will be continued to 9:00 o'clock A.M. June 5th at the same place.

* * * *

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) ss

I, ADA DEARNLEY, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me; and that the same is a true and correct record of the said proceedings, to the best of my knowledge, skill, and ability.

WITNESS my Hand and Seal this 25th day of May, 1963.

Ada Dearnley
NOTARY PUBLIC

My Commission Expires:
June 19, 1963.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2820, heard by me on 5/22, 1963.
[Signature], Examiner
New Mexico Oil Conservation Commission



BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
June 5, 1963

EXAMINER HEARING

IN THE MATTER OF:

(Continued from the May 22, 1963 Examiner
Hearing.)

Application of Texas Pacific Coal & Oil Company
for a non-standard gas proration unit, Lea
County, New Mexico. Applicant, in the above-
styled cause, seeks approval of a 320-acre non-
standard gas proration unit comprising the NE/4
of Section 20 and the NW/4 of Section 21,
Township 23 South, Range 36 East, Jalmat Gas
Pool, Lea County, New Mexico, to be dedicated
to its State "A" A/c-1 Well No. 6, located
2310 feet from the North line and 1650 feet
from the West line of said Section 21.

CASE 2820

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

MR. UTZ: Case 2820.

MR. DURRETT: Application of Texas Pacific Coal & Oil
Company for a non-standard gas proration unit, Lea County, New
Mexico.

MR. RUSSELL: John F. Russell of Roswell, New Mexico,
appearing on behalf of the Applicant, Texas Pacific Coal and Oil
Company. I have one witness.

(Witness sworn.)

(Whereupon, Applicant's Exhibits
Nos. 1 through 9 marked for
identification.)

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JOHN YURONKA

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

DIRECT EXAMINATION

BY MR. RUSSELL:

Q Will you state your name, occupation, and name of your employer?

A John Yuronka, I am employed by Texas Pacific Coal and Oil Company as Petroleum Engineer.

Q Have you previously qualified to testify before this Commission?

A I have.

Q Are you familiar with the application filed in Case 2820 and also the area covered by the application?

A I am.

Q What does the Applicant seek to obtain by this application?

A The Applicant requests a non-standard proration unit in the Jalmat Gas Pool, covering the Northeast Quarter of Section 20 and the Northwest Quarter of Section 21, Township 23 South, Range 36 East.

Q That is the area in yellow shown on Exhibit 1?

A It is.

Q Mr. Yuronka, at the present time are there proration units covering this entire 320 acres?

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A There are.

Q Were they established by Order No. R-1364 entered in Case 1611?

A Yes.

Q What are those units?

A Texas Pacific State "A" Account-1 Well No. 3 located in the Southwest Quarter of the Northwest Quarter of Section 21 now has dedicated to it the Northeast Quarter of Section 20 and the West Half of the Northwest Quarter of Section 21, a total of 240 acres. Well No. 4 on the same lease is located in the Northeast Quarter of the Northwest Quarter of Section 1 and presently has that 40-acre tract dedicated to it. Well No. 6 on the same lease is located in the Southeast Quarter of the Northwest Quarter of Section 21, and that 40-acre tract is presently dedicated to it.

Q Mr. Yuronka, have you prepared an exhibit showing the well logs of the various wells shown on your red lines?

A Yes, I have.

Q Referring to Exhibit No. 2, would you just point out to the Commission the significant facts or data contained there that you want to present?

A These cross sections shown on --

Q First, is this for A-A'?

A Yes. The cross sections shown on this plat, I might add briefly, are essentially the same as the ones presented in



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Case 1611, and I will point out the major changes that have occurred in the wells since that time. In Cross Section A-A', Sinclair Federal 7-14 Well No. 3 located in the Northwest of the Southwest Quarter of Section 17, this well is noted on the cross section, perforation was originally completed in September of 1957 as a Jalmat gas well with an absolute open flow of 5,285 MCF per day. It was reclassified as a Jalmat gas well in February of 1960 with a test --

MR. UTZ: Was it originally gas or oil?

A It was originally gas, yes, sir, with a test of 46 barrels of oil and nine barrels of water.

Q Was it reclassified as an oil well or a gas well?

A It was reclassified as a Jalmat oil well. Production for that well for March of 1963 is 496 barrels of oil, 248 barrels of water, 1,012 MCF of gas, with an operating GOR of 2,040.

Texas Pacific Coal and Oil Company State "A" Account-1 Well No. 3 is the next well in which a major change has occurred. In November of 1962 this well was treated with 20,000 gallons of water and 45,000 pounds of sand, and an emulsion block occurred during the treatment. We ran various tests on it. It flowed approximately 370 MCF per day with a tubing pressure of 20 pounds. Within a week after the treatment, we treated the well with 1500 gallons of an emulsion breaker, 7-1/2 percent, and we could not break it down. We ran some more tests on it and we re-treated it on February the 13th, 1963, with 10,000 gallons of an emulsion



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breaker. The highest test we have received on that well since that treatment in February has been 68 MCF per day flowing to the atmosphere, with a tubing pressure of 28 pounds.

Well No. 6, Texas Pacific Coal and Oil State "A" Account Well No. 6 was fracked with oil in April of 1963, 20,000 gallons of oil and 60,000 pounds of sand, and an absolute open flow run in the first week of May showed the well, or was, pardon me, 3,590 MCF per day. During the month of April the well produced 17 days an average 677 MCF per day. During the month of March just prior to the frac treatment the well produced an average of 36 MCF per day for 27 days.

Q I refer you to Exhibit No. 3 and ask you what the significance of that exhibit is.

A Exhibit No. 3 is a shut-in pressure versus cumulative gas production for State "A" Account-1 Well No. 6.

Q Which is the proposed well to be attributed for the allowable?

A Correct.

Q I refer you to Exhibit No. 4 and ask you to point out the significance of that.

A This is a shut-in pressure versus cumulative gas for the State "A" Account-1 Well No. 3.

Q Which is the one that presently has the 240-acre allowable attributed to it?

A Yes.



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Q I'll refer you to Exhibit No. 5 and ask you to point out the significant points you want to call to the Examiner's attention.

A This well, or this Cross Section B-B', is indicated on the plat and the major change in this has been --

MR. UTZ: Exhibit what?

MR. RUSSELL: That's Exhibit No. 5.

MR. UTZ: And C-C' was what?

MR. RUSSELL: That would be 7.

A One major change shown on this cross section is in Continental Oil Company Stevens B-20 Well No. 2 located in the Southeast Quarter of the Northwest Quarter of Section 20. In July of 1961 two additional zones were perforated, and each interval was fracked with 17,500 gallons of oil and 20,000 pounds of sand. A bridge plug was pulled, and all the perforations as shown are producing. Before the workover, as indicated on the cross section, the well was tested or had tested six barrels of oil per day and two barrels of water. After the workover, the well tested 21 barrels of oil and no water. March production for this well, March of 1963 production for this well is 203 barrels of oil, 31 barrels of water, produced gas, 1,435 MCF, with an operating GOR of 7,069. Cumulative production, oil production on this well at the first of 1963 is 18,231 barrels of oil.

I have previously explained the change that occurred in Well No. 3; that is also shown on the cross section.



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Q Exhibit No. 6.

A Exhibit No. 6 is shut-in pressure versus cumulative gas for Texas Pacific State "A" Account-1 Well No. 4.

Q Exhibit No. 7.

A Exhibit No. 7 is a Cross Section C-C', as indicated on the plat or Exhibit No. 1. The major change that has occurred in this cross section is, one of them is Texas Pacific Coal and Oil Company State "A" Account-1 Well No. 2 located in the Northwest Quarter of the Southwest Quarter of Section 21. In November of '62, just shortly after we treated No. 3, we treated this well or fracked this well with 20,000 gallons of oil, 60,000 pounds of sand. The deliverability before this frac treatment was 284 MCF per day. The deliverability afterwards was 3,850 MCF per day. The absolute open flow was 4,696, which is greater than the absolute open flow obtained in a workover in July of 1946. This well was under production at the time it was worked over, and during the month of April the well produced 42,673 MCF per day for 30 days, or an average of 1423 MCF per day. In March this well produced 47,155 MCF for 27 days, or an average of 1746 MCF per day. Texas Pacific State "A" Account Well No. 6 is also shown on this cross section.

Q I refer you now to Exhibit 8 and ask you to identify it.

A Exhibit No. 8 is a shut-in pressure versus cumulative production on Texas Pacific State "A" Account-1 Well No. 2. I would like to point out the increase in shut-in pressure after



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treatment of the well in November.

Q Of 1962?

A Yes.

Q I refer you to Exhibit No. 9.

A Exhibit No. 9 is a rate versus time curve also on the Texas Pacific State "A" Account-1 Well No. 2. I would like to point out in this curve the fact that the production since the frac treatment on our Well No. 2 is the highest it has been since 1958 except for one month. Our State "A" Account 2 is now over-

produced 24,137 MCF on a June gas proration schedule.

Q For a little recapping of our evidence, you have testified that due to an emulsion block that for all practical purposes you have lost Well No. 3?

A Yes.

Q It is no longer capable of producing the gas from the acreage allotted to it, is that correct?

A Yes, that is correct.

Q And it has also been previously established by your production records that the Well No. 4 and Well No. 5 are producing gas as to the acreage allotted to them?

A No. 4 and No. 6.

Q No. 4 and No. 6, correct. You are asking that Well No. 6 be designated as the well for the allowable, the 320-acre allowable you are requesting?

A Yes.



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Q Why do you think or do you feel that that well will drain the entire 320, and is capable of so doing?

A Well, the primary sands as shown on the cross section is indicative throughout the entire tract and can be assumed to be productive.

Q And based on your reworking of No. 6?

A Yes.

Q Which is similar to the rework on Well No. 2?

A Yes.

Q Now in addition to asking for a non-standard proration unit, this Well No. 6 is actually in a non-standard location, is it not?

A Yes.

Q Why are you asking the Commission to approve it?

A Well, the well has already been drilled and we would like to use that well.

Q If you were required to drill a new well at a standard location for this unit, would that create economic waste?

A Yes.

Q Because in your opinion No. 6, which is a presently existing and producing well which has been reworked, will effectively drain it, is that right?

A Yes.

Q In your opinion do you think Well No. 6, located where it is, would actually be more productive of the gas from the entire



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unit if it was located in the Northeast Quarter of Section 20?

A As indicated on Exhibit 1, it is higher structurally than any other well on the Texas Pacific acreage in that area.

Q And since it has already been drilled and is the highest well on the structure, it will most effectively drain this proposed allowable unit, is that correct?

A Yes.

MR. UTZ: I think we had better recess until about 1:15.

MR. RUSSELL: I was going to ask the final question.

MR. UTZ: There will be cross examination, I'm sure. We will recess for lunch.

(Whereupon, the hearing was recessed.)

AFTERNOON SESSION

(Whereupon, the hearing was resumed at 1:15 o'clock P.M.)

MR. UTZ: The hearing will come to order. Mr. Russell.

Q (By Mr. Russell) Mr. Yuronka, referring to your Exhibit No. 1, Well No. 3, that is the well to which 240 acres is presently dedicated, is it not?

A Yes, sir.

Q What is the status of the production from that well in connection with its allowable?

A On the June proration schedule it is 105,000 some odd MCF underproduced.

Q In the event the Commission grants this application,



what relief are you requesting in connection with that underproduction?

A We would request that we be given until the end of this year to make up that underproduction.

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

A Yes, sir.

MR. RUSSELL: I would like to move the introduction of Exhibits 1 through 9.

MR. UTZ: Without objection, Exhibits 1 through 9 will be entered into the record in this case.

(Whereupon, Applicant's Exhibits Nos. 1 through 9 received in evidence.)

MR. RUSSELL: I have no further questions of this witness, Mr. Examiner.

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Yuronka, your request as to the make-up of the 105,000 MCF now accumulated on the No. 3, that was a recent accumulation?

A Oh, I don't remember the exact amount. It was a very small amount that the well was underproduced at the time we worked it over, but most of the accumulation has been since the workover on the well.

Q There was 105 MCF underproduced sometime during this

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period?

A In the June proration schedule it is so listed.

Q I don't believe, then, it will be necessary to make any requests to make it up by the end of the year. That's going to be automatically true. Also if this application is granted, the status of all three units will go together.

A I see.

Q It's the usual practice. Now, let's review the status of some of these wells again. Now the No. 4 Well now is dedicated to the Northeast of the Northwest of Section 21, is that true?

A That is right.

Q What is the status of that well?

A It is a marginal well.

Q Marginal well?

A Yes, sir.

Q What do you intend to do with that well?

A Shut it in.

Q And disconnect it?

A That's right.

Q Now the No. 6 Well, which is the well currently dedicated to the Southeast of the Northwest of Section 21, what is the status of that well?

A It is also a marginal. It was before this workover.

Q You intend to shut that in?



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A No, that's the one we are requesting the acreage be dedicated to.

Q That well now is capable of producing how much?

A It had an absolute open flow of 3,590.

Q Has it produced since the workover?

A Yes, sir. We have a test on that particular well. The well was treated on April 10th of 1963 and on April the 18th the well tested 1122 MCF per day; tubing pressure, 340; casing pressure, 340.

Q In your opinion then will the well make a 320-acre allowable in the Jalmat?

A Yes, sir.

Q Now the Well No. 3, which is currently dedicated to the remaining 200 acres, isn't it?

A 240.

Q 240 acres. What is the status of that well?

A Well, we have tried, after our sand-water treatment, we encountered this emulsion block and we tried two treatments to break it down and we were unsuccessful. The last test on the well that I have, March the 12th, was 68 MCF per day with a flowing pressure of 28 pounds. We have not been able to put it into the line since the workover because of the block.

Q What will you do with that well?

A We will shut it in and disconnect it.

Q Is the No. 5 Well in the Section 20 in the Northeast



Quarter, is that a dry hole?

A It was plugged and abandoned, yes, sir.

Q Is it now plugged and abandoned?

A Yes, sir. We attempted a completion on that well in 1952, it was when fracking was in its infancy, and the job was a very small one and we did not get any show. We feel it is a mechanical difficulty. We have encountered the same situation, most of these wells were drilled in this particular area round 1930; when they encountered the gas they used everything but the kitchen sink, really, to try and stop the gas flow, and they put large amounts of cement in there and we have run cement bomb logs on this flank and it shows that the cement has gone into the porous sand zones in the Yates, and consequently we have been unable to complete some of them. We feel it is a mechanical difficulty.

Q You feel, then, if a new well was drilled in that Quarter Section it would be productive of gas?

A Yes, sir.

Q Now in the Northwest Quarter of Section 20, the Sinclair B-20, or Continental B-20 No. 2 which is the end well in your Cross Section B-B'.

A Yes, sir.

Q Was that an oil well in the Jalmat?

A Yes, sir.

Q Do you recall what kind of a GOR that well had?



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A During the month of March it had an operating GOR of 7,069.

Q Up in Section 17 in the Southeast Quarter, the Texas Pacific New Mexico 2 "A" Account-1 No. 39, what is the status of that well?

A That is a Jalmat gas well right now.

Q That is gas. Is that a pretty good producer?

A No, sir.

Q It's a marginal well?

A Yes, sir.

Q Down in the Southwest Quarter of Section 20, the Sinclair 714 No. 4, what kind of a well is that?

A That is a Jalmat oil well. It was worked over in March of '62, they used an abrasive jet at three intervals as indicated, and sand-oil treated and potentialed the well at 15 barrels of oil and 15 barrels of water. During the month of March the well produced 26 barrels of oil for 31 days.

Q 36?

A 26. 6200 barrels of water, and had an operating GOR of 2,346. Cumulative oil production as of the first of this year was 10,445 barrels of oil.

Q That is an oil well but not a very good one?

A Yes, sir.

Q Now back in Section 21 in the Southwest Quarter, your State No. 2, I believe that was a rework with pretty fair results



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as a Jalmat gas well, was it not?

A Yes, sir.

Q What was the AOF or the productivity of the well?

A The absolute open flow after the workover was 4,696 MCF per day.

Q Has that well produced since workover?

A Yes, sir. I have a rate versus time curve there. I believe it's Exhibit No. 9. And Exhibit No. 8 shows the increase in shut-in pressure since the well has been treated.

Q Would you have any opinion as to how far up-structure and into the Northeast Quarter of Section 20 the oil zone comes in the Jalmat pay?

A Well, this Continental Stevens B-20 No. 2, if I may refer to that, that well --

Q Where is that well located?

A That's the west well in Cross Section B-B'. If you'll notice in July of '61 when they performed this workover, the production before was six barrels of oil, and after it was 21. The March production, that indicates that is down to 6.5 barrels of oil per day. It was down to what it was before. The top of the perforations in that well is a minus 113. I feel that there is very little oil in the Northeast Quarter of Section 20, not enough to warrant an economical producer. It is also evidenced by the fact that that particular well was completed in 1958, and even with the workover in 1962, the cumulative production on that well



as of the first of this year was 18,231 barrels of oil.

Q So it's your opinion, then, that the Jalmat oil column did not come up into the Northeast Quarter of Section 20 very far, if any at all?

A Correct.

Q Now in regard to your non-standard location for your No. 6, what is the footage location of that well?

A Well No. 6 is located 2310 feet from the North line and 1650 feet from the West line of Section 21.

Q 1650?

A Yes, sir.

Q So it would be 330 from the South line of the unit?

A Yes.

Q Which, according to rule something or other, Order 1670, is too close to the unit line to dedicate 320 acres to?

A Well, this well, as I say, was drilled back in --

Q Well, that was my next question, when was it drilled?

A The well was completed on October 3rd, 1938.

Q Which would bring you under the exception in Order 1670?

A Yes.

Q It would be your recommendation to supersede Order R-1364?

A Well, to the extent that it covers this 320 acres. There are other than S.P.'s involved in that order.

Q Oh, I didn't realize that. I guess I didn't read the

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order very close. But there are other units in that order except the three?

A The other that is involved is the 320 acres dedicated to Well No. 2.

Q The South Half of 21?

A Yes, sir, the Southwest Quarter of Section 21 and the Southeast Quarter of Section 20.

Q So those four units are covered under 1364?

A Yes, sir.

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

MR. DURRETT: Yes, sir.

BY MR. DURRETT:

Q Mr. Yuronka, what type of block did you say the No. 3 Well was suffering from?

A An emulsion block.

Q Emulsion.

A We feel that the water used in the frac treatment was incompatible with whatever was in the well and created the block. We have found by fracking, we thought at one time that we could frac the Jalmat gas interval with water, for economic reasons, naturally be cheaper; and we could end up with the same type of well. Now we have fracked several wells with water, not only in this area but in other areas, and we have not come up with as good a well as surrounding wells, with pays being comparable.



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Q And you said you tried to do this with the No. 3, or you decided against it, I missed you on that.

A No, we treated No. 3 with water, and this block resulted, and we tried to break the block down in two separate treatments and never could.

Q You don't think anything could be done to get around this emulsion block in the future by any method known to you?

A No, we have attempted to flow the well to atmosphere, oh, several times. We have tested every day for about ten days; during daylight hours we left it open, but we could never get more than 30 pounds flowing pressure or approximately 75 MCF per day, which, of course, we could never put into the line.

Q Do I understand correctly that this entire acreage involved is on a State lease?

A Yes, sir.

Q And are you familiar with the royalty as far as the beneficiary of the royalty?

A They're the same.

Q The same beneficiary?

A Yes.

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

MR. UTZ: I would gather that you don't think enough of the oil pocket in the Northeast Quarter of 20 to drill a well for Jalmat oil?

A No, sir.



MR. UTZ: Any other questions? The witness may be excused.

(Witness excused.)

MR. UTZ: Any statements in this case? The case will be taken under advisement.

* * *

STATE OF NEW MEXICO }
COUNTY OF BERNALILLO } ss

I, ADA DEARNLEY, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing was reported by me, and that the same is a true and correct record of the said proceedings before the New Mexico Oil Conservation Commission, to the best of my knowledge, skill, and ability.

WITNESS my Hand and Seal this 19th day of June, 1963.

Ada Dearnley
NOTARY PUBLIC

My Commission Expires:
June 19, 1963.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2820 heard by me on June 5, 1963.
[Signature], Examiner
New Mexico Oil Conservation Commission

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