

CASE 3109: Application of PHILLIPS
for a non-standard gas proration
unit and an unorthodox location.

CASE No.

3109

Application,
TRANSCRIPTS,
SMALL Exhibits
ETC.

CONTINENTAL OIL COMPANY

P. O. BOX 450
HOBBS, NEW MEXICO

1001 NORTH TURNER
TELEPHONE: EX 2-4141

PRODUCTION DEPARTMENT
HOBBS DISTRICT
JACK MARSHALL
DISTRICT MANAGER
G. C. JAMISON
ASSISTANT DISTRICT MANAGER

August 25, 1964

Phillips Petroleum Company (2)
P. O. Box 2130
Hobbs, New Mexico

Gentlemen:

Re: Phillips Petroleum Company's
M. E. Hale State Lease Well
No. 11, Lea County, New Mexico -
NSP and NSL

Continental Oil Company is an offset operator to the Phillips Petroleum Company Hale State Lease located in Section 35, T-17S, R-34E, Lea County, New Mexico. We have been informed that Phillips has applied for approval of a non-standard location 1980' from south line and 2310' from west line of said Section 35. We are further informed that Phillips has applied for approval of an 80-acre non-standard gas proration unit consisting of the E/2 SW/4 of said section.

You are hereby advised that Continental Oil Company waives notice and hearing in regard to the non-standard location and non-standard unit described above.

Yours very truly,

Jack Marshall

JM:DFW

Enc.

cc: RGP

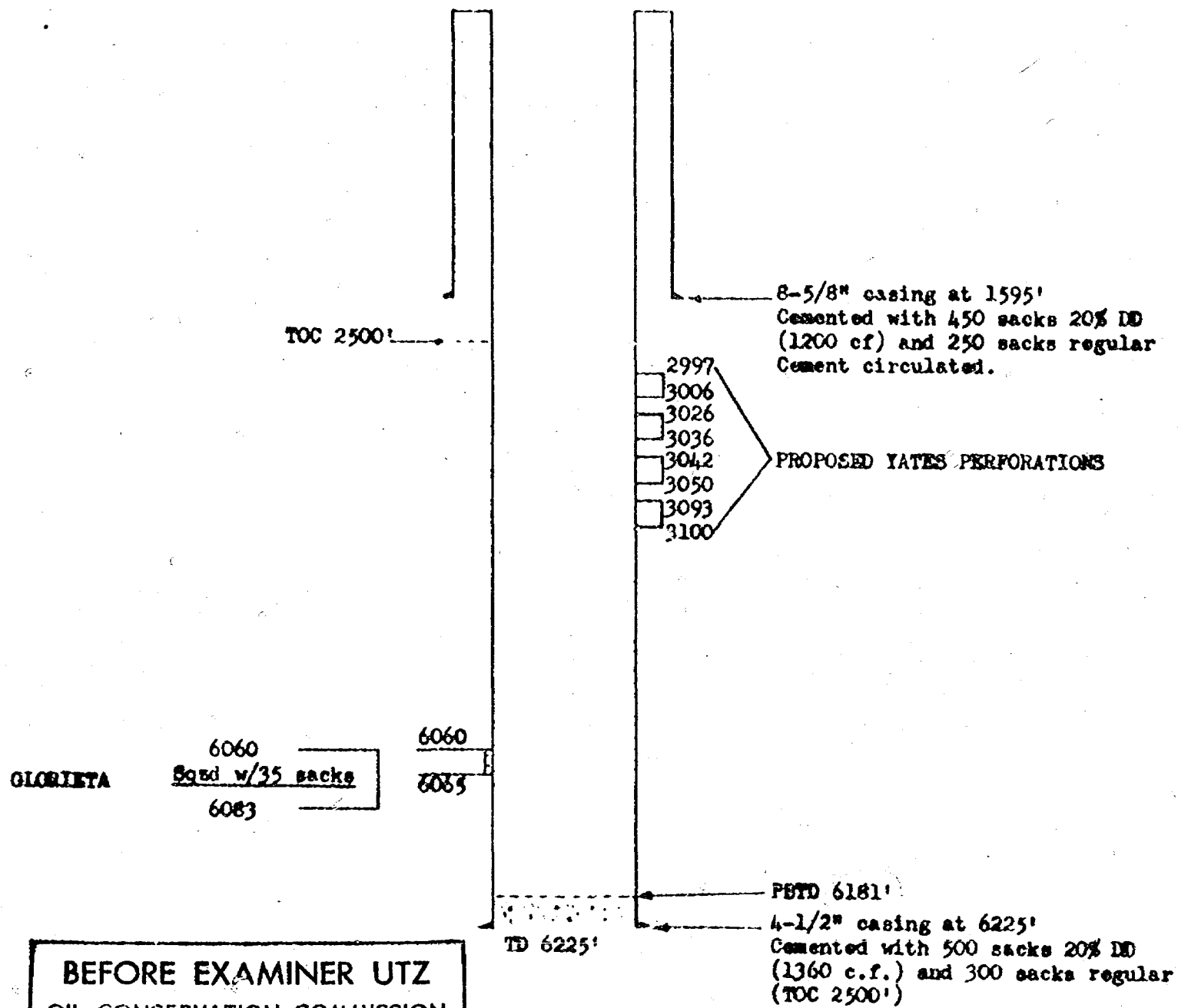
BEFORE EXAMINER UTZ	
OIL CONSERVATION COMMISSION	
<i>Appel</i>	EXHIBIT NO. <u>4</u>
CASE NO.	<u>3109</u>

*copy mailed to P. M. C. C.
Santa Fe, 8/27/64*

PHILLIPS PETROLEUM COMPANY

M. E. HALE No. 11

Unit K, Section 35, T178, R34E

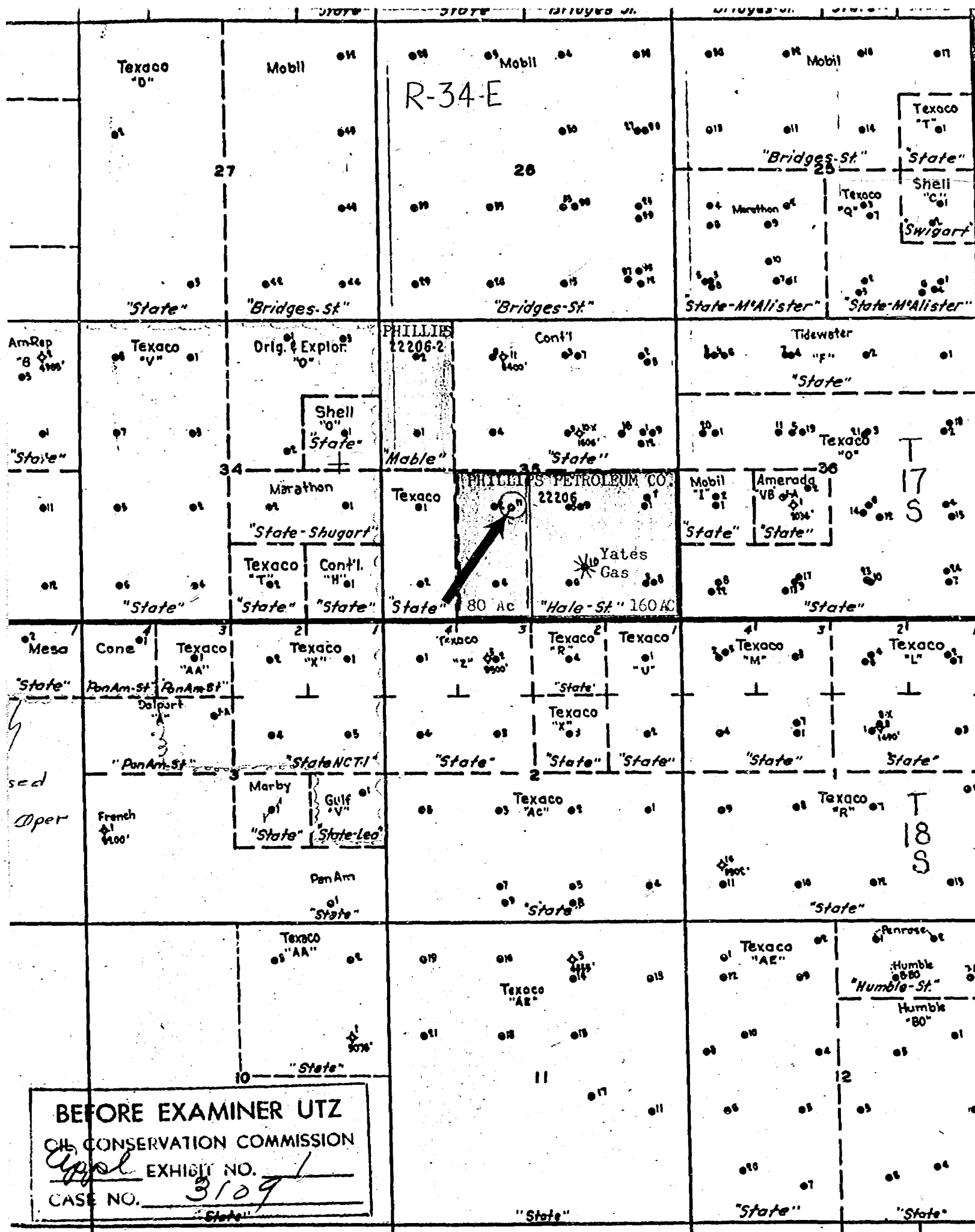


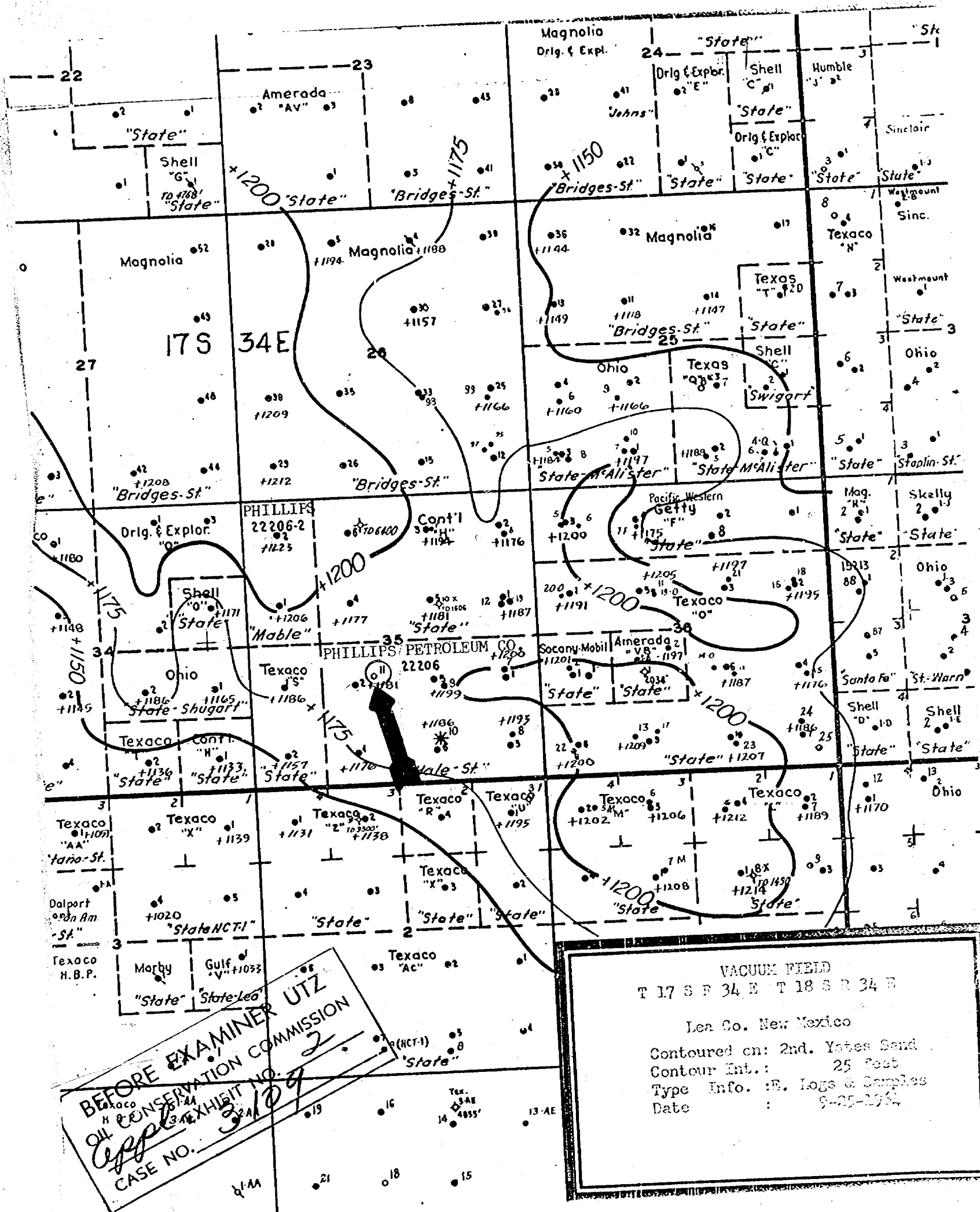
BEFORE EXAMINER UTZ

OIL CONSERVATION COMMISSION

Appl EXHIBIT NO. 3

CASE NO. 3109





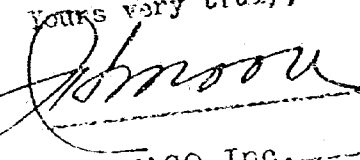
In re: Phillips Petroleum Company's M. E. Hale State Lease
Well No. 11, Lea County, New Mexico -
Waiver of Objection to Completion in Yates Gas and
Formation of 80-Acre Non-Standard Yates Gas Unit

Phillips Petroleum Company
P. O. Box 2130
Hobbs, New Mexico

Gentlemen:

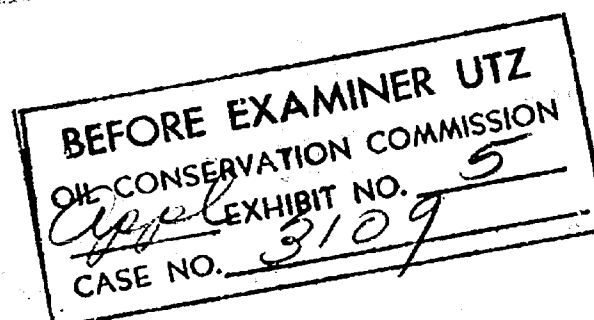
As an offset operator to your M. E. Hale State Lease, Lea County,
New Mexico; notification is hereby given of our waiver of objection to
your following proposals:

1. The completion of Hale No. 11 located 1980' FSL and 2310' FWL
of Section 35, T17S, R34E, Lea County, New Mexico in the Yates
gas pay.
2. The formation of a non-standard 80-acre Yates gas unit comprising
the E/2 SW/4 of Section 35, T17S, R34E, Lea County, New Mexico.

Yours very truly,


Signed _____
Company _____ TEXACO Inc.
August 27, 1964

cc: New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico



Copy furnished to NMOC: Santa Fe

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-122

MULTI-POINT PRESSURE TEST FOR GAS WELLS

revised 12-1-55

Pool Undesignated Formation Yates County Lea

Initial x Area Special Date of Test August 13, 1964

Company Phillips Petroleum Company Lease H. S. Hale Well No. 10

Unit 0 Sec. 35 Twp. 17S Rge. 24E Purchaser Phillips Petroleum Company

Casing 4.5" Wt. 9.5# I.D. 4.090 Set at 6200' Perf. 3004' To 3090'

Tubing 2.375 Wt. 4.7# I.D. 1.995 Set at 2935' Perf. None To

Gas Pay: From 3004' To 3090' L. 3047 x .776 G. 4013' Bar. Press. 13.2

Producing Thru: Casing Tubing x Type Well Single

Date of Completion: 8-12-64 Packer None Single-Bradenhead-G. G. or G.O. Dual
Reservoir Temp. 95°F

OBSERVED DATA

Tested Through: (Prover) (~~Orifice~~) (~~Standard~~) Type Taps

No.	Flow Data					Tubing Data		Casing Data		Duration of Flow Hr.
	(Prover) (Standard) Size	(Orifice) (Orifice) Size	Press.	Diff.	Temp.	Press.	Temp.	Press.	Temp.	
			psig	$\frac{h_g}{h_{xx}}$	°F.	psig	°F.	psig	°F.	
SI	2"	1.25				1613	66	1655	66	
1.	2"	1.25		3	95	1177	66	1279	66	1.0
2.	2"	1.25		5	90	693	77	1027	77	1.0
3.	2"	1.25		7	94	320	84	656	84	1.0
4.	2"	1.25		6	94	175	84	185	84	1.0
5.										

FLOW CALCULATIONS

No.	Coefficient (24-Hour)	$\sqrt{h_w h_f}$	Pressure Base Corr. psia	Flow Temp. Factor °F	Gravity Factor F _g	Compress. Factor F _{pv}	Rate of Flow Q-MCFPD @ 15.025 psia
1.	284		15.025	1.0048	.8793		244.6
2.	370		.975	.9723	.8793		308.4
3.	442		.975	.9688	.8793		367.1
4.	407		.975	.9688	.8793		338.0
5.							

PRESSURE CALCULATIONS

Gas Liquid Hydrocarbon Ratio cf/bbl.

Gravity of Liquid Hydrocarbons deg.

P_c (1-e^{-s})

Specific Gravity Separator Gas

Specific Gravity Flowing Fluid

P_c 1658.2 P_c^2 2783

No.	P_w psia	P_t^2	$P_c Q$	$(P_c Q)^2$	$(P_c Q)^2$ (1-e ^{-s})	P_w^2	$P_c^2 - P_w^2$	Cal. $\frac{P_w}{P_c}$	$\frac{P_w}{P_c}$
1.	1292.2					1670	1113		.7766
2.	1040.2					1082	1701		.6235
3.	669.2					448	2333		.4012
4.	498.2					243	2535		.3966
5.									

Absolute Potential: 408 MCFPD MCFPD; n .553391

COMPANY Phillips Petroleum Company

ADDRESS Box 2190 - Hobbs, New Mexico

AGENT and TITLE W. G. Griffin - Production Engineer

WITNESSED

COMPANY

REMARKS

BEFORE EXAMINER-UTZ

OIL CONSERVATION COMMISSION

EXHIBIT NO.

CASE NO. 3109

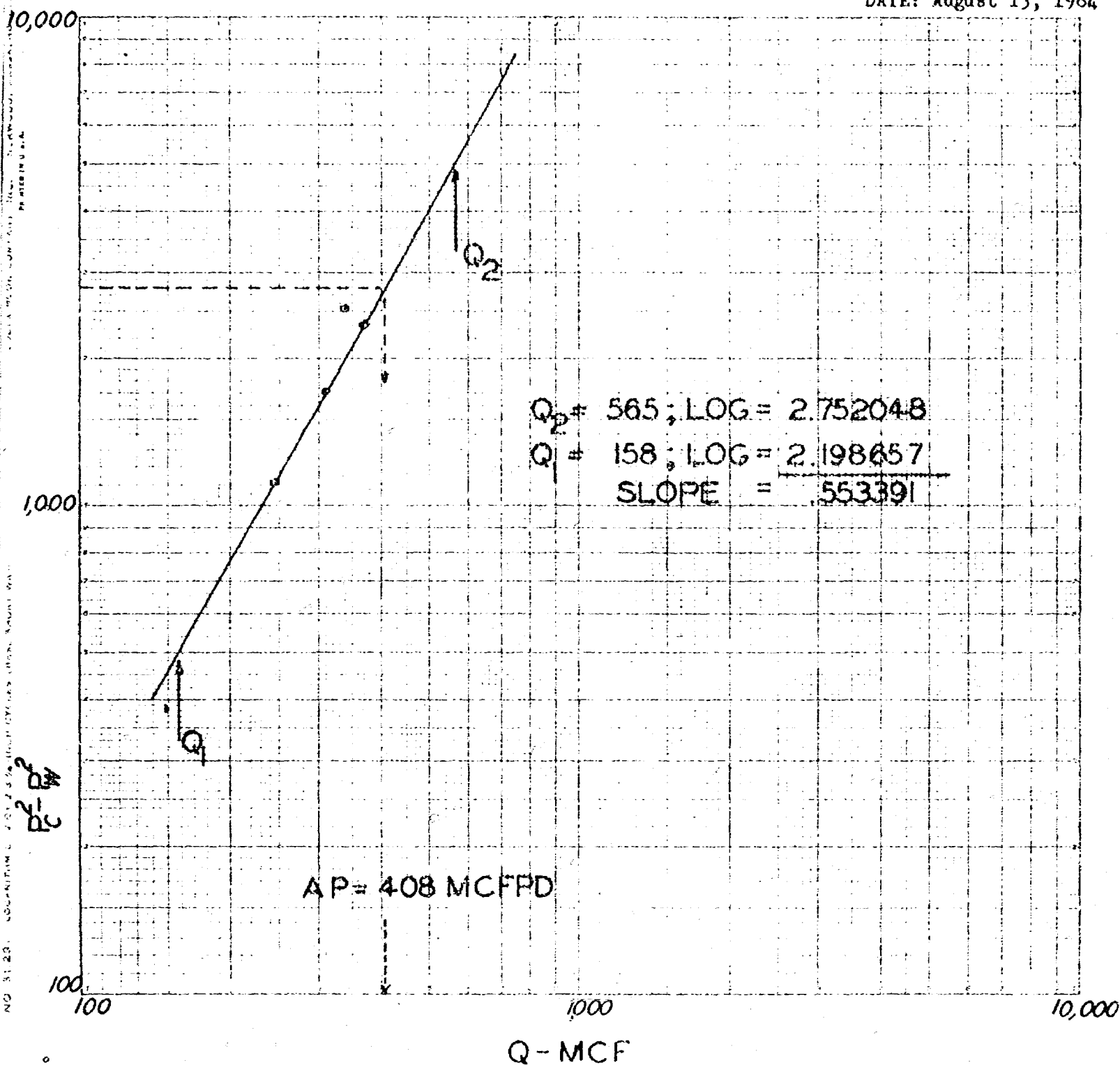
PHILLIPS PETROLEUM COMPANY

M. E. Hale No. 10

Unit O, Sec 35, T17S, R34E

Los County, New Mexico

DATE: August 13, 1964



New Mexico Oil Conservation
Commission

Santa Fe

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



CONTINENTAL OIL COMPANY

P. O. BOX 460
HOBBS, NEW MEXICO

August 25, 1964

PRODUCTION DEPARTMENT
HOBBS DISTRICT
JACK MARSHALL
DISTRICT MANAGER
G. C. JAMESON
ASSISTANT DISTRICT MANAGER

1001 NORTH TURNER
TELEPHONE: EX 3-4141

1964 AUG 25 PM 1:29

Case file

Phillips Petroleum Company (2)
P. O. Box 2130
Hobbs, New Mexico

Gentlemen:

Re: Phillips Petroleum Company's
M. E. Hale State Lease Well
No. 11, Lea County, New Mexico -
NSP and NSL

Continental Oil Company is an offset operator to the Phillips Petroleum Company Hale State Lease located in Section 35, T-17S, R-34E, Lea County, New Mexico. We have been informed that Phillips has applied for approval of a non-standard location 1980' from south line and 2310' from west line of said Section 35. We are further informed that Phillips has applied for approval of an 80-acre non-standard gas proration unit consisting of the E/2 SW/4 of said section.

You are hereby advised that Continental Oil Company waives notice and hearing in regard to the non-standard location and non-standard unit described above.

Yours very truly,

Jack Marshall

JM-DFW

Enc.

cc: RGP

NSP file

DM/MS 12 7 53

In re: Phillips Petroleum Company's M. E. Hale State Lease
Well No. 11, Lea County, New Mexico -
Waiver of Objection to Completion in Yates Gas and
Formation of 80-Acre Non-Standard Yates Gas Unit

Phillips Petroleum Company
P. O. Box 2130
Hobbs, New Mexico

Gentlemen:

As an offset operator to your M. E. Hale State Lease, Lea County,
New Mexico; notification is hereby given of our waiver of objection to
your following proposals:

1. The completion of Hale No. 11 located 1980' FSL and 2310' FWL
of Section 35, T17S, R34E, Lea County, New Mexico in the Yates
gas pay.
2. The formation of a non-standard 80-acre Yates gas unit comprising
the E/2 SW/4 of Section 35, T17S, R34E, Lea County, New Mexico.

Yours very truly,

Signed

Company

TEXACO Inc.

August 27, 1964

cc: New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 30, 1964

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, alternate examiner:

CASE 3099: (Continued from the September 9, 1964, examiner hearing). Application of Leonard Nichols for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the approval of the West Maljamar Unit Area comprising 440 acres more or less, of Federal and fee lands in Sections 4 and 9, Township 17 South, Range 32 East, Lea County, New Mexico.

CASE 3100: (Continued from the September 9, 1964, examiner hearing). Application of Leonard Nichols for a waterflood extension, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the extension of the waterflood project which he operates in Sections 2, 3, 10, and 11, Township 17 South, Range 32 East, Maljamar Pool, Lea County, New Mexico, by the addition of 6 water injection wells in Sections 4 and 9, same township. The original flood was authorized as the Boller-Nichols Waterflood Project, Roberts Pool, by Order No. R-1538.

CASE 3107: Application of Texas Pacific Oil Company for temporary special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of temporary special pool rules including a provision for 80-acre spacing for the North Bagley Middle Pennsylvanian Pool in Township 11 South, Range 33 East, Lea County, New Mexico.

CASE 3108: Application of Monsanto Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (conventional) of its Dagger Draw Well No. 1, located in Unit O of Section 6, Township 20 South, Range 25 East, Eddy County, New Mexico, to produce gas from the Strawn and Morrow formations through the casing-tubing annulus and through tubing, respectively.

CASE 3109: Application of Phillips Petroleum Company for a non-standard gas proration unit and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an 80-acre non-standard gas proration unit comprising the E/2 SW/4 of Section 35, Township 17 South, Range 34 East, Lea County, New Mexico, to be dedicated to its Hale Well No. 11 to be completed in an undesignated Yates gas pool at an unorthodox location 1980 feet from the South line and 2310 feet from the West line of said Section 35.

CASE 3110: Application of George L. Buckles Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Langlie-Mattix Pool by the injection of water into the Queen formation through two wells at unorthodox locations on its Jamison Lease in Sections 21 and 22, Township 24 South, Range 37 East, Lea County, New Mexico.

September 30, 1964 examiner hearing

CASE 3111: Application of Cities Service Oil Company for the expansion of a waterflood project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand the Drickey Queen Waterflood Project, Caprock Queen Pool, by the conversion to water injection of two wells in Units F and H of Section 22, Township 14 South, Range 31 East, Chaves County, New Mexico.

CASE 3112: Application of Continental Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to install dual-flow downhole commingling equipment in its dually completed Jicarilla 28 Well No. 1, located in Unit J of Section 28, Township 25 North, Range 4 West, Rio Arriba County, New Mexico. Said well is a Gallup-Dakota oil-oil dual completion.

CASE 3113: Application of BCO, Inc. for a unit agreement, San Juan and Rio Arriba Counties, New Mexico. Applicant, in the above-styled cause, seeks approval of the Escrito Gallup Pool Unit Area comprising 3123.88 acres, more or less, of state and federal lands in Township 24 North, Ranges 7 and 8 West, San Juan and Rio Arriba Counties, New Mexico.

CASE 3114: Application of BCO, Inc. for a waterflood project, San Juan and Rio Arriba Counties, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Escrito Gallup Oil Pool in its Escrito Unit Area by the injection of water into the Gallup formation through three wells located in Sections 17 and 18, Township 24 North, Range 7 West, and Section 12, Township 24 North, Range 8 West, San Juan and Rio Arriba Counties, New Mexico.

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

3109

August 26, 1964

C
O
P
Y

Phillips Petroleum Company
Exploration & Production Department
P. O. Box 2130
Hobbs, New Mexico

DOCKET MAILED

Attention: Mr. W. C. Rodgers

Date 9-18-64

Re: Application for 80-Acre Non-Standard
Yates Gas Unit and Non-Standard Location

Gentlemen:

We have your letter of August 19, 1964, requesting administrative approval of an 80-acre non-standard Yates gas unit comprising the E/2 SW/4 of Section 35, Township 17 South, Range 34 East, NMPM, Lea County, New Mexico, to be dedicated to your Hale Well No. 11 located 1980 feet from the South line and 2310 feet from the West line of Section 35.

The proposed non-standard unit is eligible for administrative approval under Rule 104 D II, however, under Rule 104 B I (b), a hearing will be necessary before approval of the non-standard location and the well cannot be produced without such approval. We therefore have tentatively docketed your request for the last examiner hearing in September. We will forward a docket of the hearing to you in the near future.

Please advise us if the hearing date is not satisfactory to you.

Very truly yours,

J. M. DURRETT, Jr.
Attorney

JMD/esr

cc: Oil Conservation Commission
P. O. Box 1980
Hobbs, New Mexico



PHILLIPS PETROLEUM COMPANY

Exploration & Production Department

P. O. Box 2130
Hobbs, New Mexico

1964 AUG 21 PM 1 39

August 19, 1964

3109

In re: Phillips Petroleum Company's M. E. Hale State Lease -
Well No. 11, Lea County, New Mexico - Application for 80-Acre
Non-Standard Yates Gas Unit

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr., Secretary-Director

Gentlemen:

Phillips Petroleum Company hereby requests administrative approval of an 80-acre non-standard Yates gas unit on the M. E. Hale State Lease in Section 35, T17S, R34E, Lea County, New Mexico. This unit will be in an undesignated Yates gas field and comprise the E/2 SW/4 of Section 35.

New Mexico Oil Conservation Commission Rule 104 requires standard 160-acre spacing for gas wells producing from formations of less than Pennsylvanian age. Rule 104, however, provides for administrative approval of non-standard units where they lie wholly within a single governmental quarter section and the offset operators enter no objection.

Phillips proposes to recompleté the Hale No. 11, which is located 1980' FSL and 2310' FWL of Section 35, in the Yates gas pay. Hale No. 11 was drilled as a Vacuum Glorieta development oil well, however, the Glorieta yielded 100% water and the well is currently shut-down. As a salvage operation, recompletion in the low productivity Yates gas pay is proposed.

Phillips' Hale No. 11 is located 660' FNL of the proposed non-standard 80-acre unit and 330' FEL of the unit. N.M.O.C.C. Rule 104 requires gas well locations to be 660' from the outer unit boundaries, and waiver of this requirement is requested. The east boundary of this non-standard unit adjoins the SE/4 of Section 35 which is dedicated to the Phillips Yates gas completion in Hale No. 10. Hale No. 10, a similar dry hole in the Glorieta, was recently recompleted in the Yates gas pay for a CAOPF of 408 MCFPD.

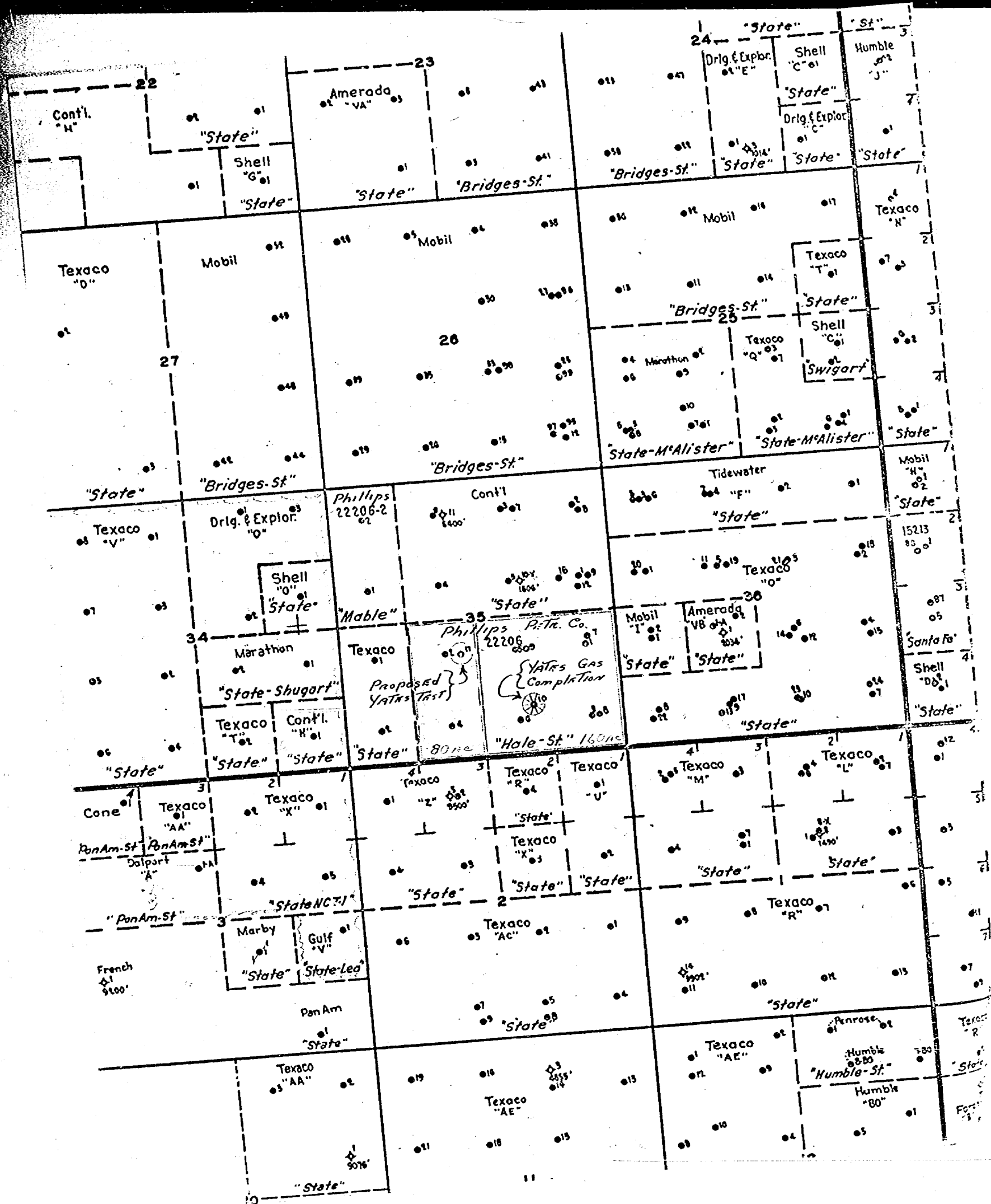
August 19, 1964
Page 2

Attached are a plat of this area showing the proposed 80-acre non-standard unit with the location of Hale No. 11, and copies of the notification sent to all offset operators. Approval of this application is believed to be in the interest of conservation since it will permit economical development of the low productivity Yates gas.

Yours very truly,

W. C. Rodgers
W. C. Rodgers
Area Superintendent
Production Division

WJM:wma
Attach.
cc: N.M.O.C.C. - Hobbs
Continental Oil Co.
Texaco, Inc.
Attach.





PHILLIPS PETROLEUM COMPANY
Exploration & Production Department

P. O. Box 2130
Hobbs, New Mexico

1964 AUG 19 PM 1:39

August 19, 1964

In re: Phillips Petroleum Company's M. E. Hale State Lease -
Well No. 11, Lea County, New Mexico -
Request for Waiver to 80-Acre Non-Standard Yates Gas Unit

Texaco, Inc.
P. O. Box 728
Hobbs, New Mexico

Gentlemen:

Phillips Petroleum Company hereby requests your waiver of objection to the completion of our Hale No. 11 in the Yates gas pay; and the formation of an 80-acre non-standard Yates gas unit comprising the E/2 SW/4 Section 35, T17S, R34E, Lea County, New Mexico. Attached is a copy of the application submitted to the New Mexico Oil Conservation Commission requesting administrative approval.

Your execution and return of two (2) copies of the attached waiver is requested.

Yours very truly,

W. C. Rodgers
Area Superintendent
Production Division

WJM:wna
Attach.

cc: New Mexico Oil Conservation Commission
Santa Fe, New Mexico



PHILLIPS PETROLEUM COMPANY
Exploration & Production Department

P. O. Box 2130
Hobbs, New Mexico

August 19, 1964

In re: Phillips Petroleum Company's M. E. Hale State Lease -
Well No. 11, Lea County, New Mexico -
Request for Waiver to 80-Acre Non-Standard Yates Gas Unit

Continental Oil Company
P. O. Box 460
Hobbs, New Mexico

Gentlemen:

Phillips Petroleum Company hereby requests your waiver of objection to the completion of our Hale No. 11 in the Yates gas pay; and the formation of an 80-acre non-standard Yates gas unit comprising the E/2 SW/4 Section 35, T17S, R34E, Lea County, New Mexico. Attached is a copy of the application submitted to the New Mexico Oil Conservation Commission requesting administrative approval.

Your execution and return of two (2) copies of the attached waiver is requested.

Yours very truly,

W. C. Rodgers
Area Superintendent
Production Division

WJM:ama
Attach.

cc: New Mexico Oil Conservation Commission
Santa Fe, New Mexico

In re: Phillips Petroleum Company's M. E. Hale State Lease
Well No. 11, Lea County, New Mexico -
Waiver of Objection to Completion in Yates Gas and
Formation of 80-Acre Non-Standard Yates Gas Unit

Phillips Petroleum Company
P. O. Box 2130
Hobbs, New Mexico

Gentlemen:

As an offset operator to your M. E. Hale State Lease, Lea County,
New Mexico; notification is hereby given of our waiver of objection to
your following proposals:

1. The completion of Hale No. 11 located 1980' FSL and 2310' FWL
of Section 35, T17S, R34E, Lea County, New Mexico in the Yates
gas pay.
2. The formation of a non-standard 80-acre Yates gas unit comprising
the E/2 SW/4 of Section 35, T17S, R34E, Lea County, New Mexico.

Yours very truly,

Signed _____

Company _____

cc: New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

P. O. Box 120
Hobbs, New Mexico

State Land Commissioner
P. O. Box 1140
Santa Fe, New Mexico

Attn.: Mr. Rowen Mortimer

Re: request to combine production
from Vacuum Upper Penn with previously
approved installation of
Vacuum Glorieta, North Vacuum Abo
and Vacuum Wolfcamp, State Water
A/c 1 Lease, Lea County, New Mex.

Dear Sir:

As per our telephone conversation this date, Marathon Oil Company respectfully submits the attached economics sheet concerning the above referenced commingling application.

It may be noted that slight differences are evident in the gravities contained on the economics sheet for the application dated July 12, 1966 as compared to the attached economics sheet. This is due to the fact that at the time the original application was submitted, the well containing Abo, Wolfcamp, and Upper Penn production had not yet been completed. Therefore, these gravities were estimated gravities. To arrive at the gravities contained on the attached economic sheet, at least twelve gravities were taken from actual run tickets on each of these zones and averaged. It is felt that these gravities contained herein are true and correct to the best of our ability.

It may be noted that utilizing these actual gravities, an increase in revenue will be realized through the commingling of the Penn with the previously approved installation. On the basis of this information Marathon respectfully requests authorization to commingle the Upper Penn production with the previously approved installation on the subject lease.

Yours very truly,

MARATHON OIL COMPANY

Original and copy
JOHN R. BARBER

John R. Barber
Area Petroleum Engineer

JRB:hjc

cc: WMOCC - Hobbs
WMOCC - Santa Fe,
Attn: Mr. Dan Galloway

MARATHON OIL COMPANY
STATE WARM A/C 1 LEASE
LEA COUNTY, NEW MEXICO

Zone	No. Wells	Top Unit Allow. BOPD	Daily Prod. BOPD	Gravity ° API @ 60°	Selling Price* \$/Bbl.	Income Per Day \$
Vacuum Glorieta	2	50	100	38.8	2.97	297.00
North Vacuum Abo	1	177	177	40.3	3.01	532.77
Vacuum Wolfcamp	1	177	177	41.2	3.01	532.77
Vacuum Upper Penn	1	247	<u>242</u>	41.3	3.01	<u>728.42</u>
			696			2090.96
Total revenue from crude sold from separate storage - - - - -						2090.96
Commingled Values			696	40.7	3.01	2094.96
Gain in value of crude as a result of commingling - - - - -						4.00

* West Texas Intermediate

Case # 7109
Heard 9-30-64
Rec. 10-1-64

1. Grant ~~Grant~~ Phillips Pit. an unorthodox location for an undesignated-Yates Gas well known as the M. E. Hale State #11 ¹⁹⁸⁰ ~~660~~/S, ²³¹⁰ ~~330~~/W lines sec. 35-175-34E.
2. Also grant Phillips a non lld unit consisting of E/2 SE/4 of said sec. 35 for the above captioned well.

Thurs. 11/1

This well is a Glorieta producer but will be plugged back to Yates because of depletion of Glorieta.

GOVERNOR
JACK M. CAMPBELL
CHAIRMAN

State of New Mexico
Oil Conservation Commission



LAND COMMISSIONER
E. S. JOHNNY WALKER
MEMBER

P. O. BOX 2088
SANTA FE

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

October 14, 1964

Mr. Jason Kellahin
Kellahin & Fox
Attorneys at Law
Post Office Box 1769
Santa Fe, New Mexico

Re: CASE NO. 3109
ORDER NO. R-2778
APPLICANT Phillips

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. Porter, Jr.
A. L. PORTER, Jr.
Secretary-Director

ir/

Carbon copy of order also sent to:

Hobbs OCC x

Artesia OCC

Aztec OCC

OTHER

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. 3109
Order No. R-2778

APPLICATION OF PHILLIPS PETROLEUM
COMPANY FOR A NON-STANDARD GAS PRO-
RATION UNIT AND AN UNORTHODOX LOCA-
TION, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on September 30, 1964, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 14th day of October, 1964, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, 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, Phillips Petroleum Company, is the owner and operator of the Hale Well No. 11 located 1980 feet from the South line and 2310 feet from the West line of Section 35, Township 17 South, Range 34 East, NMPM, Lea County, New Mexico; that said well was completed at a standard location in the Vacuum-Glorieta Pool but was non-productive from said pool and is currently shut in.

(3) That the applicant seeks authority to re-enter and complete the subject well at an unorthodox location in an undesignated Yates gas pool.

(4) That the applicant also seeks approval of an 80-acre non-standard gas proration unit in an undesignated Yates gas pool

-2-

CASE No. 3109
Order No. R-2778

comprising the E/2 SW/4 of said Section 35 to be dedicated to its Hale Well No. 11.

(5) That the proposed non-standard proration unit can be efficiently and economically drained and developed by one well.

(6) That approval of the subject application will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Phillips Petroleum Company, is hereby authorized to complete its Hale Well No. 11 at an unorthodox location in an undesignated Yates gas pool 1980 feet from the South line and 2310 feet from the West line of Section 35, Township 17 South, Range 34 East, NMPM, Lea County, New Mexico.

(2) That an 80-acre non-standard gas proration unit in said undesignated Yates gas pool comprising the E/2 SW/4 of Section 35, Township 17 South, Range 34 East, NMPM, Lea County, New Mexico, is hereby established and dedicated to the Phillips Petroleum Company Hale Well No. 11.

(3) 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
JACK M. CAMPBELL, Chairman

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

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

esr/

dearnley-meier reporting service, inc.

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1120 SIMMS BLDG. • P. O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO



BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
September 30, 1964

EXAMINER HEARING

IN THE MATTER OF: Application of Phillips)
Petroleum Company for a non-standard gas pro)
ration unit and an unorthodox location, Lea)
County, New Mexico. Applicant, in the above)
styled cause, seeks approval of an 80-acre)
non-standard gas proration unit comprising)
the E/2 SW/4 of Section 35, Township 17)
South, Range 34 East, Lea County, New Mexico)
to be dedicated to its Hale Well No. 11 to be)
completed in an undesignated Yates gas pool)
at an unorthodox location 1980 feet from the)
South line and 2310 feet from the West line)
of said Section 35.)

Case No. 3109

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

MR. UTZ: We will call Case 3109.

MR. DURRETT: Application of Phillips Petroleum Company for a non-standard gas proration unit and an unorthodox location, Lea County, New Mexico.

MR. KELLAHIN: Jason Kellahin, Kellahin and Fox, Santa Fe, representing the Applicant, and we'll have one witness I'd like to have sworn, please.

(Witness sworn.)

(Whereupon, Applicant's Exhibits 1 through 7 marked for identification.)

F. C. MORGAN, called as a witness, having been first duly sworn was examined and testified as follows:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you state your name, please?

A I'm F. C. Morgan.

Q By whom are you employed and in what position?

A I'm the Assistant Area Superintendent, Phillips Petroleum Company, Hobbs.

Q Have you testified before the Oil Conservation Commission and made your qualifications a matter of record?

A Yes, sir.

MR. KELLAHIN: Are the witness' qualifications acceptable?

MR. UTZ: Yes, sir, they are.

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Q Are you familiar with the application of Phillips Petroleum Company in 3109?

A Yes, sir, I am.

Q Would you state briefly what is proposed by Phillips in this case?

A Phillips seeks approval of a non-standard gas proration unit in an unorthodox location for its Hale Number 11, Lea County, New Mexico.

Q Referring to what has been marked as Exhibit Number 1, would you identify that exhibit and discuss it?

A Yes, it is a map of the area surrounding our Hale Lease. It is 240 acres in the south half of Section 35, it's colored in for you; the existing 160-acre gas unit on the lease is circled in red. The proposed 80-acre non-standard unit is dotted in red. Hale Number 10 shown with the red diagonal marks is the only completion in the Yates reservoir there. Hale Number 11 is shown with the red arrow on it. It is the well we propose to complete in the Yates reservoir.

Q What is the location of the well, the footage location?

A Yes, Hale Number 11 is located 1980 feet from the south line and 2310 feet from the west line of Section 35, Township 17 South, Range 34 East.

Q Why is it the desire of Phillips Petroleum Company to

complete this well in the Yates formation at the proposed location?

A This well was drilled originally as a Glorieta Well and they attempted completion in the Vacuum Glorieta Field. On reaching total depth it was found to be dry. The well is currently shut in as a dry hole. The proposal to recomplete in the Yates formation is based on the successful completion of Hale 10 to the southeast of this location.

Q Would it be in the interest of conservation and economy to permit the completion in the Yates as proposed?

A Yes, it would.

Q Would it save a considerable amount of money?

A Yes, as opposed to drilling a new well there would be considerable economy to be affected.

Q Is there anything else that could be done with the well than the proposed Yates completion?

A At the present time we have no other use for the well.

Q The standard spacing in the pool involved here is 160 acres, is it not?

A Yes, sir.

Q What do you propose in connection with the dedication of acreage to the Number 11 Well?

A We propose to dedicate the remaining acreage on the Hale Lease to Number 11. Being a 240-acre lease this would

require only an 80-acre assignment to this well.

Q Now refer to what has been marked as Exhibit Number 2. Would you identify that exhibit and discuss the information shown on it?

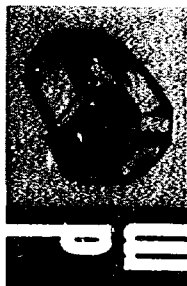
A Yes, Exhibit Number 2 is a contour map of this portion of the Vacuum Field contoured on the second Yates sand. Again the red arrow points to the well on which we propose a Yates completion, and from this structure you can see that we would anticipate very little structure difference between Hale Number 11 and the existing completion in Hale Number 10.

Q Referring to what has been marked as Exhibit Number 3, would you discuss that exhibit?

A Yes, sir, Exhibit Number 3 is a schematic diagram of the well down-hole status on Hale Number 11. It shows the well as having reached a total depth of 6225; four and a half casing cemented at total depth. Temperature survey determined the top of the cement to be 2500. The proposed Yates perforations are included there in four intervals covering an interval from 2997 to 3100.

Q Would a bridge plug be set?

A Yes, sir, we would propose to abandon the Glorieta with a bridge plug and sack of cement set at approximately 6,000 feet, and a second bridge plug and sack of cement set at approximately 3150.



Q Would that type of completion protect all the producing zones effectively?

A Yes, it would.

Q Referring to what has been marked as Exhibits Number 4 and 5, would you identify those exhibits, please?

A Yes, these are waivers from Continental Oil Company and Texaco, Incorporated, waiving objection to the approval of this application.

Q And they are the offset operators?

A Yes, sir, they are.

Q Referring to Exhibit Number 6, would you identify that exhibit?

A Yes, Exhibit Number 6 is a completed Form C-122 covering the openflow potential test on Hale Number 10. It will be noted that the absolute potential was only 408 MCF per day. This is a marginal type operation out of the Yates reservoir. We anticipate limited recoveries.

Q Has Texaco shown any interest in forming a standard unit by communitization?

A No, they have not. I think the reason for that, they would probably have an unacceptable rate of return to share in the cost of the well with us.

Q They have no objection to the dedication of the acreage as proposed?



A That is true.

Q Referring to what has been marked as Exhibit Number 7, would you identify that exhibit and state what information is shown on it?

A Yes, Exhibit 7 is an acoustilog on Hole Number 11. It includes the various formation tops on the two-inch scale. It shows the four zones that we propose to perforate for the Yates completion. The reason for the absence of a sonic log, the mud was so gas-cut it was impossible to get a sonic log at the time we run the open-hole logs in this well.

Q Were Exhibits 1 through 7 prepared by you or under your supervision?

A Yes, with the exception of the letters.

Q That would be 5 and 6?

A Yes.

MR. KELLAHIN: At this time we offer Exhibits 1 through 7.

MR. UTZ: Without objection, Exhibits 1 through 7 will be entered into the record of this case.

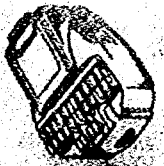
(Whereupon, Applicant's Exhibits 1 through 7 were entered in evidence.)

MR. KELLAHIN: That's all I have on direct examination of this witness.

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DM

CROSS EXAMINATION

BY MR. UTZ:

Q Is this a designated pool at the present time?

A It's undesignated as of now.

Q It's in the Vacuum area though?

A Yes, sir, it is.

Q The only people that you are actually crowding is yourselves, is that true?

A That is correct.

Q Actually from the Continental people you are 660 feet?

A Yes, we complied with the existing rules with respect to spacing from other units.

Q How close is this well to the Number 2 well that is just west of it?

A It would be 330 feet east of the standard location there at Number 2. Obviously the well was crowded east trying to get in on the Glorieta structure.

Q This was formerly a Glorieta Well, which you intend to plug back?

A Yes, it was dry in the Glorieta on the completion attempt.

MR. UTZ: Any other questions of the witness?

MR. KELLAHIN: I would like to ask one further question if I may.

REDIRECT EXAMINATION

BY MR. KELLAHIN:

Q Mr. Morgan, is the Hale Lease on which the Number 10 and the Number 11 wells are located all one basic lease?

A Yes, sir, it is.

Q Is the royalty ownership common throughout?

A It is common.

Q And the working interest common throughout?

A Yes.

MR. KELLAHIN: That's all.

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

(Witness excused.)

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

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SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

1120 SIMMS BLDG. • P. O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO

STATE OF NEW MEXICO)
) ss.
COUNTY OF BERNALILLO)

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission Examiner 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 8th day of October, 1964.

Ada Dearnley
Notary Public - Court Reporter

My Commission Expires:
June 19, 1967

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner's hearing of Case No. 3109, heard by me on Sept 30, 1964.
Ernest R. [Signature], Examiner
New Mexico Oil Conservation Commission

DRAFT

JMD/esr

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

CF Subj. _____

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

CASE No. 3105

Order No. R-2778

APPLICATION OF PHILLIPS PETROLEUM
COMPANY FOR A NON-STANDARD GAS PRO-
DUCTION UNIT AND AN UNORTHODOX LOCA-
TION, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
September 30 1964, at Santa Fe, New Mexico, before Examiner
Elvis A. Utz.

NOW, on this _____ day of October, 1964, the Commission,
a quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, 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, Phillips Petroleum Company, ~~seeks~~
is the owner and operator of the ~~authority to complete its~~ *located* Hale Well No. 11 at ~~an unorthodox loca-~~
~~tion in an undesignated Yates gas pool~~ 1980 feet from the South
line and 2310 feet from the West line of Section 35, Township 17
South, Range 34 East, NMPM, Lea County, New Mexico; *that said well*

~~(3) That the applicant, Phillips Petroleum Company, is the owner and~~
~~operator of the Hale Well No. 11 located 1980 feet~~
was completed at a standard location in the Vacuum Glorieta
Pool but was non productive from said pool and is currently
shut in.
(3) That the applicant seeks authority to re-enter ~~the subject~~
and complete the subject well at an unorthodox
location in an undesignated Yates gas pool.

(5) That the proposed non-standard proration unit can be efficiently and economically drained and developed by one well.

-2-
CASE No. 3109

(4) That the applicant also seeks approval of an 80-acre non-standard gas proration unit in an undesignated Yates gas pool comprising the E/2 SW/4 of said Section 35 to be dedicated to its Hale Well No. 11.

(5)
(6) That approval of the subject application will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Phillips Petroleum Company, is hereby authorized to complete its Hale Well No. 11 at an unorthodox location in an undesignated Yates gas pool 1980 feet from the South line and 2310 feet from the West line of Section 35, Township 17 South, Range 34 East, NMPM, Lea County, New Mexico.

(2) That an 80-acre non-standard gas proration unit in ^{said} an undesignated Yates gas pool comprising the E/2 SW/4 of Section 35, Township 17 South, Range 34 East, NMPM, Lea County, New Mexico, is hereby established and dedicated to the Phillips Petroleum Company Hale Well No. 11.

(3) 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.