

CASE 3399: Application of TENNECC  
for two non-standard gas proration  
units, San Juan County, New Mexico.

Refracted.  
75. include Dec. 14 & 15

ASE NO.

3399

Application,

Transcripts,

Small Exhibits

ETC.



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. 3399  
Order No. R-3068

APPLICATION OF TENNECO OIL COMPANY  
FOR TWO NON-STANDARD GAS PRORATION  
UNITS, SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 25, 1966,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 1st day of June, 1966, 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, Tenneco Oil Company, seeks approval  
of the following-described non-standard gas proration units  
adjacent to the Blanco-Pictured Cliffs Pool in Township 30 North,  
Range 9 West, NMPM, San Juan County, New Mexico:

1. A 155.40-acre unit comprising the SE/4 SW/4  
and Lot 4 of Section 19, and the E/2 NW/4  
and Lots 1 and 2 of Section 30;
2. A 156.08-acre unit comprising the E/2 SW/4  
and Lots 3 and 4 of Section 30, and the NE/4  
NW/4 and Lot 1 of Section 31.

(3) That the two above-described non-standard gas proration  
units are to be dedicated, respectively, to a well to be drilled  
on each of said units.

-2-

CASE No. 3399

Order No. R-3068

(4) That the proposed non-standard gas proration units are necessitated by variations in the legal subdivisions of the United States Public Land Surveys, and can be efficiently and economically drained and developed by said wells.

(5) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the pool, and will otherwise prevent waste and protect correlative rights.

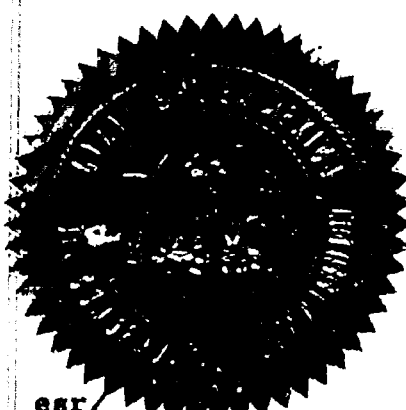
IT IS THEREFORE ORDERED:

(1) That the following-described non-standard gas proration units adjacent to the Blanco-Pictured Cliffs Pool in Township 30 North, Range 9 West, NMPM, San Juan County, New Mexico, are hereby approved:

1. A 155.40-acre unit comprising the SE/4 SW/4 and Lot 4 of Section 19, and the E/2 NW/4 and Lots 1 and 2 of Section 30, to be dedicated to a well to be drilled thereon.
2. A 156.08-acre unit comprising the E/2 SW/4 and Lots 3 and 4 of Section 30, and the NE/4 NW/4 and Lot 1 of Section 31, to be dedicated to a well to be drilled thereon.

(2) 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

*Guyton B. Hays*  
GUYTON B. HAYS, Member

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

esr

dearnley-meier reporting service, inc.

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

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



PAGE 1

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
April 27, 1966

EXAMINER      HEARING

IN THE MATTER OF:

Application of Tenneco Oil Company for two  
non-standard gas proration units, San Juan  
County, New Mexico.

Case No. 3399

BEFORE:

Elvis A. Utz, Gas Engineer

TRANSCRIPT OF HEARING

MR. UTZ: Call Case 3399. Application of Tenneco Oil Company for two non-standard gas proration units, San Juan County, New Mexico.

MR. KELLY: Booker Kelly appearing on behalf of the applicant, Tenneco Oil Company. I have one witness and ask that he be sworn.

(Witness sworn.)

(Whereupon Applicant's Exhibit Number 1 marked for identification.)

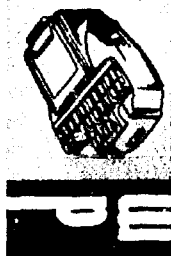
\* \* \*

MR. KELLY: Mr. Examiner this case was originally sent in, I think, orally, and there's apparently some confusion on the extent of our application. It got advertised as an application for two non-standard units strictly in Section 30 of Township 30 North, Range 9 West, adjacent to a Blanco-Pictured Cliffs Pool, San Juan County, New Mexico. Actually, the two non-standard units would be into Section 19 on the North and Section 31 on the South. And because of that we would like to put on our case at this time and then have it readvertised properly showing those sections, and then if there's any problem in the meantime we're going to get ahold of the operators in those sections, we'll come back next time and cover any objections. We don't think there will be any but this is the

dearnley-meier

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PAGE 3

procedure which has been used in similar situations, and I think it would be legally acceptable.

MR. PORTER: Your proposal is to readvertise the case giving the proper description of the unit desired, and to go ahead here today and put on your case and then at the next hearing reopen the case and ask for appearances?

MR. KELLY: Yes, sir, I move to use this report as the testimony.

MR. UTZ: The case will be heard with that stipulation. It will be readvertised and will be called, I believe it's the May 27 hearing, Examiner Hearing. If there is any further testimony to be given it will be taken at that time.

MR. PORTER: Mr. Utz, I believe there's going to be an Examiner Hearing the 11th, but I guess they won't have time.

MR. UTZ: It's too late to get on, Dan said it would be the next one.

MR. PORTER: Be that as it may. Advertise for the next Examiner Hearing.

\* \* \*

LESLIE B. PLUMB, a witness, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION





BY MR. KELLY:

Q Would you state your name, position, and employer for the record, please?

A Leslie B. Plumb, Petroleum Engineer for Tenneco Oil Company.

Q You are located in Durango, Colorado?

A Durango, Colorado.

Q Have you previously testified before this Commission?

A Yes, sir.

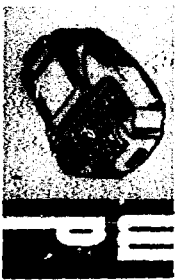
Q Would you state, referring to Exhibit 1, what Tenneco seeks?

A Tenneco is the operator of Section 30 in Township 30 North, Range 9 West, of San Juan County, New Mexico. We wish to drill for Pictured Cliffs gas production in this section. The standard proration unit for Pictured Cliffs gas production is 160 acres, usually being a quarter section. The Northwest Quarter and Southwest Quarter of Section 30 are irregular in that they are less than 160 acres. In each case the East half of the quarter section is 80 acres, but the West half consist of 2 lots being approximately 12 acres each. If we try to make proration units of the Northwest and Southwest quarter by themselves, they would consist each of only 104 acres. If, in an attempt to approach 160 acres, we add the North half of the Northwest

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Quarter of Section 31 to the Southwest Quarter of 30, we would then have 156 acres. If we add the South half of the Southwest Quarter of 19 to the Northwest Quarter of 30, we would have approximately 155.4 acres. By sizing these proration units thusly, we permit the formation of two equal size proration units in the West half of 31 and 19, respectively. This procedure would then permit the formation of four nearly equal proration units, all consisting of equal subdivisions to the North of this, along the West line of this Township.

Q Has the Commission done this on their on motion when other operators applied for non-standard proration units of less than a 160 acre unit?

A There are cases of formations, non-standard proration units in other reservoirs, particularly in the Dakota Reservoir. Recently there were a number of non-standard proration units formed which did encounter the irregular section on the West line of the township.

Q Was Tenneco notifying the operators?

A Yes.

Q Before the next hearing will Tenneco actually personally contact the operators and notify them?

A We will notify them by letter, of our application.

Q Basically, this application is to develop the

dearnley-meier reporting services, inc.

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spacing and the uniform pattern in this area of the State, is that right?

A Yes.

MR. KELLY: That's all we have.

CROSS-EXAMINATION

BY MR. UTZ:

Q Mr. Plumb, will the wells be drilled in a standard location so far as the Pictured Cliffs Rules are concerned?

A Yes, so far as possible. The topography is extremely rugged and there may be a necessity for unorthodox locations due to the topography conditions, but that would be the only circumstance which would necessitate an unorthodox location.

Q You feel you could get that by administrative approval?

A I hope so.

MR. UTZ: Any other questions of the witness.

Q (By Mr. Utz) Which pool will this be closest to, Blanco or Aztec?

A Closer to Blanco, I believe. As a matter of fact, I think that the East line of Township 30 North, 10 West, is the East line of the Aztec Pictured Cliffs Pool, but these, the East half of Section 30 is included in the Blanco-Pictured



Cliffs Pool at this time.

Q Pretty close to a draw, isn't it?

A We would probably propose to put these two wells into the Blanco-Pictured Cliffs Pool.

Q So they would be non-prorated?

A That would be one of the benefits accruing.

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

REDIRECT EXAMINATION

BY MR. KELLY:

Q Was Exhibit 1 prepared by you or under your supervision?

A Yes, sir.

MR. KELLY: We offer Exhibit 1 into evidence.

(Whereupon, Applicant's Exhibit Number 1 offered into evidence.)

MR. UTZ: Without objection the exhibit will be admitted.

(Whereupon, Applicant's Exhibit Number 1 admitted into evidence.)

MR. UTZ: Are there other questions of the witness? The witness may be excused. The case will be taken under advisement.

I N D E X

| <u>WITNESS</u>                    | <u>PAGE</u> |
|-----------------------------------|-------------|
| LESLIE B. PLUMB                   |             |
| Direct Examination by Mr. Kelly   | 4           |
| Cross-Examination by Mr. Utz      | 6           |
| Redirect Examination by Mr. Kelly | 7           |

E X H I B I T S

| <u>NUMBER</u> | <u>IDENTIFICATION</u> | <u>OFFERED</u> | <u>ADMITTED</u> |
|---------------|-----------------------|----------------|-----------------|
| Applt's. 1    | 2                     | 7              | 7               |

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

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I, BOBBY J. DAVIS, 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 15th day of May, 1966.

Bobby J. Davis  
NOTARY PUBLIC

My Commission Expires:

March 13, 1969.

I do hereby certify that the foregoing is  
a true and correct copy of the evidence in  
the within hearing of Case No. 3389,  
heard by me on April 27, 1966.

*John H. [Signature]*, Examiner  
New Mexico Oil Conservation Commission

WHITE, GILBERT, KOCH & KELLY  
ATTORNEYS AT LAW  
P. O. BOX 787  
SANTA FE, NEW MEXICO

BEFORE THE OIL CONSERVATION COMMISSION OF  
THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF  
TENNECO OIL COMPANY FOR APPROVAL OF  
TWO 160 ACRE NON STANDARD DRILLING UNITS  
IN AN UNDESIGNATED GAS POOL IN SAN  
JUAN COUNTY, NEW MEXICO

No. 5399

APPLICATION

Tenneco Oil Company hereby makes application for the establishment  
of two 160 acre non-standard drilling units across governmental section lines  
in an undesignated gas pool in San Juan County, New Mexico, and in support  
thereof, states:

1. Tenneco is the owner and operator of the  $W\frac{1}{2}$  of Section 30, T 30 N,  
R 9 W, San Juan County, New Mexico.

2. The proposed non-standard units are unorthodox in shape due to  
a variance in the legal subdivision of Section 30, i.e.:

The  $W\frac{1}{2}$  of the  $NW\frac{1}{4}$  consists of Lot 1 which  
contains 11.78 acres and Lot 2 containing  
11.90 acres.

The  $W\frac{1}{2}$  of the  $SW\frac{1}{4}$  consists of Lot 3 con-  
taining 12.02 acres and Lot 4 containing  
12.14 acres.

The  $E\frac{1}{2}$  of the  $NE\frac{1}{4}$  and the  $E\frac{1}{2}$  of the  $SE\frac{1}{4}$   
of Section 30 are each regular in size and  
each contains 80 acres.

3. Tenneco proposes to drill a 3,000 ft. Pictured Cliff well in  
each quarter section of the  $W\frac{1}{2}$  of Section 30 at locations prescribed by the  
Oil Conservation Commission regulations.

4. A plat showing the proposed units and wells is attached hereto  
marked Exhibit A and made a part hereof by reference.

5. The entire non-standard units may reasonably be presumed to be  
productive of gas.

WHEREFORE Tenneco prays that the Commission set this application  
for hearing before an examiner and that notice be issued according to law

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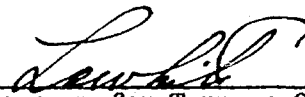
Date

WHITE, GILBERT, KOCH & KELLY  
ATTORNEYS AT LAW  
P. O. BOX 787  
SANTA FE, NEW MEXICO

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and that the application be granted upon hearing.

WHITE, GILBERT, KOCH & KELLY

By   
Attorneys for Tenneco Oil Company  
P. O. Box 787, Santa Fe, New Mexico





DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 25, 1966

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, Alternate Examiner:

CASE 3399: (Continued and Readvertised)

Application of Tenneco Oil Company for two non-standard gas pro-  
ration units, San Juan County, New Mexico. Applicant, in the  
above-styled cause, seeks approval of two non-standard gas pro-  
ration units adjacent to the Blanco-Pictured Cliffs Pool and  
described as follows:

- (1) A 155.40-acre unit comprising the SE/4 SW/4 and Lot  
4 of Section 19, and the E/2 NW/4 and Lots 1 and 2  
of Section 30, Township 30 North, Range 9 West;
- (2) A 156.08-acre unit comprising the E/2 SW/4 and lots  
3 and 4 of Section 30 and the NE/4 NW/4 and lot 1 of  
Section 31, Township 30 North, Range 9 West, all in  
San Juan County, New Mexico.

CASE 3404: Application of Tenneco Oil Company for a waterflood project,  
Eddy County, New Mexico. Applicant, in the above-styled cause,  
seeks authority to institute a waterflood project by the  
injection of water into the Grayburg and San Andres formations  
through six wells in Sections 22 and 28, Township 17 South,  
Range 29 East, Grayburg-Jackson Pool, Eddy County, New Mexico.  
Applicant further seeks an administrative procedure for expan-  
sion of said project to include additional injection wells and  
leases.

CASE 3405: Application of David Fasken for special pool rules, Eddy County,  
New Mexico. Applicant, in the above-styled cause, seeks the  
promulgation of special pool rules for the North Indian Hills-  
Morrow Gas Pool in Section 4, Township 21 South, Range 24 East,  
Eddy County, New Mexico, including a provision for 640-acre  
spacing units.

CASE 3406: Application of Pan American Petroleum Corporation for special  
pool rules, Lea County, New Mexico. Applicant, in the above-  
styled cause, seeks the promulgation of special pool rules for  
the Bough-Devonian Pool, Lea County, New Mexico, including a  
provision for 80-acre proration units.

CASE 3002: (Continued and Readvertised)

In the matter of Case No. 3002 being reopened pursuant to the  
provisions of Order No. R-2684-A, which order continued the  
original order for an additional year, establishing 320-acre  
spacing for the Fowler-Lower Paddock Gas Pool, Lea County,  
New Mexico. The original applicant, Pan American Petroleum  
Corporation, seeks continuation of the 320-acre spacing for

MAY 25, 1966, EXAMINER HEARING

CASE 3002 - Continued:

said gas pool and the amendment of the special pool rules to include the classification of oil and gas wells in said pool, a provision for 80-acre spacing for oil wells, and the establishment of a limiting gas-oil ratio of 6000 to 1.

CASE 3407: Application of Midwest Oil Corporation for a pressure maintenance project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project by the injection of water into the Upper Pennsylvanian formation through its Harris State Well No. 1, located in Unit N, Section 29, Township 13 South, Range 34 East, Nonombre-Upper Pennsylvanian Pool, Lea County, New Mexico.

CASE 3408: Application of Marathon Oil Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Queen formation through three wells in Sections 10 and 15, Township 18 South, Range 31 East, Shugart Pool, Eddy County, New Mexico.

CASE 3409: Application of Dr. Sam G. Dunn for a secondary recovery project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a secondary recovery project by the injection of air into the Upper San Andres formation through three wells located in Section 26, Township 7 South, Range 26 East, Leslie Spring-San Andres Pool, Chaves County, New Mexico. Applicant further seeks an administrative procedure to place additional wells on air injection if necessary.



TENNECO OIL COMPANY • P. O. BOX 1714 • 835 SECOND AVENUE • DURANGO, COLORADO 81302

May 3, 1966

RECEIVED  
MAY 9 PM 8 37

*Case File  
3399*

C  
El Paso Natural Gas Company  
P. O. Box 990  
Farmington, New Mexico

Re: Nonstandard Proration Units  
Undesignated Pictured Cliffs  
San Juan County, New Mexico

Gentlemen:

O  
P  
Tenneco Oil Company has applied to the New Mexico Oil Conservation Commission for two nonstandard proration units for Pictured Cliffs gas wells in T-30-N, R-9-W, San Juan County, New Mexico. The lands affected by this application are shown on the attached plat. These nonstandard units are necessary because the west half of each section along the western boundary of T-30-N, R-9-W is irregular in size. Please note that one of the proration units in this application will incorporate approximately 52 acres operated by El Paso Natural Gas Company.

Y  
As soon as these units are approved, we will submit to you the necessary unitization agreement and joint operating agreements. At the same time we will also submit a well cost estimate for the drilling of a well in the appropriate proration unit.

Very truly yours,

TENNECO OIL COMPANY

Original Signed By  
R. E. Siverson

Robert E. Siverson  
District Production Superintendent

LBP:hes

CC: New Mexico Oil Conservation Commission ✓



RECEIVED

Date 5-10-66



TENNECO OIL COMPANY • P. O. BOX 1714 • 835 SECOND AVENUE • DURANGO, COLORADO 81302

May 3, 1966

MAIN OFFICE 600

66 MAY 9 PM 8 37

C  
Pan American Petroleum Corporation  
Security Life Building  
Denver, Colorado 80202

Re: Nonstandard Proration Units  
Undesignated Pictured Cliffs  
San Juan County, New Mexico

Gentlemen:

O  
P  
Tenneco Oil Company has applied to the New Mexico Oil Conservation Commission for two nonstandard proration units for Pictured Cliffs gas wells in T-30-N, R-9-W, San Juan County, New Mexico. The lands affected by this application are shown on the attached plat. These nonstandard units are necessary because the west half of each section along the western boundary of T-30-N, R-9-W is irregular in size. Please note that one of the proration units in this application will incorporate approximately 52 acres operated by Pan American Petroleum Corporation.

Y  
As soon as these units are approved, we will submit to you the necessary unitization agreement and joint operating agreements. At the same time we will also submit a well cost estimate for the drilling of a well in the appropriate proration unit.

Very truly yours,

TENNECO OIL COMPANY

Original Signed By  
R. E. Siverson

Robert E. Siverson  
District Production Superintendent

LBP:hes

CC: New Mexico Oil Conservation Commission ✓





TENNECO OIL COMPANY • P. O. BOX 1714 • 835 SECOND AVENUE • DURANGO, COLORADO 81302

March 17, 1966

*Examined by 17*

*Price 3379*

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

Gentlemen:

Tenneco Oil Company is the operator of the W/2 of Section 30, T30N, R9W, San Juan County, New Mexico. Section 30 along with all other sections on the west line of T30N, R9W, are irregular in that the W/2 of each section contains less than 320 acres.

Tenneco Oil Company proposes to drill two Pictured Cliffs gas wells in the W/2 of Section 30 and requests that the NMOCC designate two gas proration units which will include the W/2 of Section 30.

Very truly yours,

TENNECO OIL COMPANY

*for* *Bob Plumb*

Robert E. Siverson  
District Production Superintendent

LBP:sg

cc: NMOCC, Aztec, New Mexico  
R. H. Byers

DOCKET MAILED

*3-21-66 Telephone to Plumb, Tenneco, Durango. They only desire  
hearing to consider 2 non standard units in W/2 of Sec 30.  
Will have their atty file formal Application requesting hearing  
on Apr 27 - examiner. JPD*



TENNECO OIL COMPANY • P. O. BOX 1714 • 835 SECOND AVENUE • DURANGO, COLORADO 81302

March 22, 1966

*Car 3399*

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

Gentlemen:

Tenneco Oil Company is the operator of the W/2 of Section 30, T30N, R9W, San Juan County, New Mexico. Section 30 along with all other sections on the west line of T30N, R9W, are irregular in that the W/2 of each section contains less than 320 acres.

Tenneco Oil Company requests an examiner hearing for the purpose of establishing two irregular gas proration units which will include all lands in the W/2 of Section 30, T30N, R9W.

Very truly yours,

TENNECO OIL COMPANY

*Robert E. Siverson*

*for* Robert E. Siverson  
District Production Supt.

LBP:sg

cc: NMOCC, Aztec, New Mexico  
R. H. Byers

DOCKET MAILED

Date 4-15-66  
*EL*

DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 27, 1966

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:

*Utz*  
CASE 3394: Application of Shell Oil Company for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas proration unit comprising the N/2 SW/4, SE/4 SW/4, and NW/4 SE/4 of Section 22, Township 21 South, Range 37 East, Blinebry Gas Pool, Lea County, New Mexico, said unit to be dedicated to applicant's Turner Well No. 13 located in Unit N of said Section 22.

*Utz*  
CASE 3395: Application of R. W. Warner for down-hole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle in the well-bore marginal oil production from undesignated Gallup and Dakota Pools in his Warner-Federal Well No. 1 located in Unit A of Section 10, Township 22 North, Range 8 West, San Juan County, New Mexico.

*Utz*  
CASE 3396: Application of Texaco Inc. for a non-standard oil proration unit and a non-standard location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the approval of a 40-acre non-standard oil proration unit comprising the NE/4 SW/4 of Section 14, Township 12 South, Range 34 East, Ranger Lake-Pennsylvanian Pool, Lea County, New Mexico, said unit to be dedicated to its State of New Mexico "DA" Well No. 2 to be located 1980 feet from the South and West lines of said Section 14.

*Utz*  
CASE 3397: Application of Texaco Inc. for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of its Skaggs-Grayburg Unit Area comprising 880 acres, more or less, of Fee land in Sections 12 and 13, Township 20 South, Range 37 East, and Sections 7 and 18, Township 20 South, Range 38 East, Lea County, New Mexico.

*Utz*  
CASE 3398: Application of Texaco Inc. for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Grayburg formation, Skaggs-Grayburg Pool, through eleven wells in its Skaggs-Grayburg Unit, Lea County, New Mexico.

CASE 3399: Application of Tenneco Oil Company for two non-standard gas proration units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of two non-standard gas proration units which would comprise all lands in the W/2 of Section 30, Township 30 North, Range 9 West, adjacent to a Blanco-Pictured Cliffs Pool, San Juan County, New Mexico.

CASE 3400: Application of Pan American Petroleum Corporation for creation of a new pool and special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for its Big Eddy Unit Well No. 7 located in Unit O of Section 19, Township 20 South, Range 31 East, Eddy County, New Mexico, and for the promulgation of special rules therefor, including a provision for 160-acre oil proration units.



- 2 -

APRIL 27, 1966, EXAMINER HEARING

CASE 3002 (Reopened):

In the matter of Case No. 3002 being reopened pursuant to the provisions of Order No. R-2684-A, which order continued the original order for an additional year, establishing 320-acre spacing for the Fowler-Lower Paddock Gas Pool, Lea County, New Mexico. All interested parties may appear and show cause why said pool should not be developed on 160-acre spacing units.

DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 27, 1966

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 3394: Application of Shell Oil Company for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas proration unit comprising the N/2 SW/4, SE/4 SW/4, and NW/4 SE/4 of Section 22, Township 21 South, Range 37 East, Blinebry Gas Pool, Lea County, New Mexico, said unit to be dedicated to applicant's Turner Well No. 13 located in Unit N of said Section 22.

CASE 3395: Application of R. W. Warner for down-hole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle in the well-bore marginal oil production from undesignated Gallup and Dakota Pools in his Warner-Federal Well No. 1 located in Unit A of Section 10, Township 22 North, Range 8 West, San Juan County, New Mexico.

CASE 3396: Application of Texaco Inc. for a non-standard oil proration unit and a non-standard location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the approval of a 40-acre non-standard oil proration unit comprising the NE/4 SW/4 of Section 14, Township 12 South, Range 34 East, Ranger Lake-Pennsylvanian Pool, Lea County, New Mexico, said unit to be dedicated to its State of New Mexico "DA" Well No. 2 to be located 1980 feet from the South and West lines of said Section 14.

CASE 3397: Application of Texaco Inc. for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of its Skaggs-Grayburg Unit Area comprising 880 acres, more or less, of Fee land in Sections 12 and 13, Township 20 South, Range 37 East, and Sections 7 and 18, Township 20 South, Range 38 East, Lea County, New Mexico.

CASE 3398: Application of Texaco Inc. for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Grayburg formation, Skaggs-Grayburg Pool, through eleven wells in its Skaggs-Grayburg Unit, Lea County, New Mexico.

CASE 3399: Application of Tenneco Oil Company for two non-standard gas proration units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of two non-standard gas proration units which would comprise all lands in the W/2 of Section 30, Township 30 North, Range 9 West, adjacent to a Blanco-Pictured Cliffs Pool, San Juan County, New Mexico.

CASE 3400: Application of Pan American Petroleum Corporation for creation of a new pool and special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for its Big Eddy Unit Well No. 7 located in Unit O of Section 19, Township 20 South, Range 31 East, Eddy County, New Mexico, and for the promulgation of special rules therefor, including a provision for 160-acre oil proration units.

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APRIL 27, 1966, EXAMINER HEARING

CASE 3002 (Reopened):

In the matter of Case No. 3002 being reopened pursuant to the provisions of Order No. R-2684-A, which order continued the original order for an additional year, establishing 320-acre spacing for the Fowler-Lower Paddock Gas Pool, Lea County, New Mexico. All interested parties may appear and show cause why said pool should not be developed on 160-acre spacing units.

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

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BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
May 25, 1966

EXAMINER

HEARING

IN THE MATTER OF:

Application of Tenneco Oil Company for two  
non-standard gas proration units, San Juan  
County, New Mexico

Case No. 3399

BEFORE:

Daniel S. Nutter, Chief Engineer

TRANSCRIPT OF HEARING

## NEW MEXICO OIL CONSERVATION COMMISSION

Examiner HearingSanta Fe, NEW MEXICOREGISTERHEARING DATE MAY 25, 1966 TIME: 9 A.M.

| NAME:          | REPRESENTING:            | LOCATION:      |
|----------------|--------------------------|----------------|
| J. E. Spurling | David J. Mearns          | Albuquerque    |
| James B. Henry | David Jackson            | Midland, Texas |
| Guy Buell      | PAN Am                   | Fort Worth     |
| Bob Anderson   | PAN Am                   | Lubbock, Tex.  |
| Sh. Buehl      | Self, Montgomery etc Co. | Santa Fe, NM   |
| B. V. Baker    | Midwest Oil Co.          | Midland, Tex.  |
| W. B. Kitchin  | Marathon Oil Co.         | Fort Worth     |
| Jack Patman    |                          | Austin         |
| Levitt         | W & K + K                | Santa Fe       |
| J. D. Thomas   | Texaco Oil Co.           | Midland        |
| James Kellaher | Kellaher & Co.           | Santa Fe       |
| Frank Jensen   | Petroleum Consultants    | Albuquerque    |
| N. Anthony     | See below                | Santa Fe       |
| Orville E. Fry | State Engrs office       | Santa Fe       |

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MR. NUTTER: The hearing will come to order, please.

The first case this morning will be case 3399, which is the application of Tenneco Oil Company for two non-standard gas proration units. This case was heard April 27, continued and readvertised. Are there any appearances to be made in Case 3399? If there are no appearances the case will be taken under advisement. Call Case 3002.

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

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SS

Witness my Hand and Seal this 9th day of June, 1966.

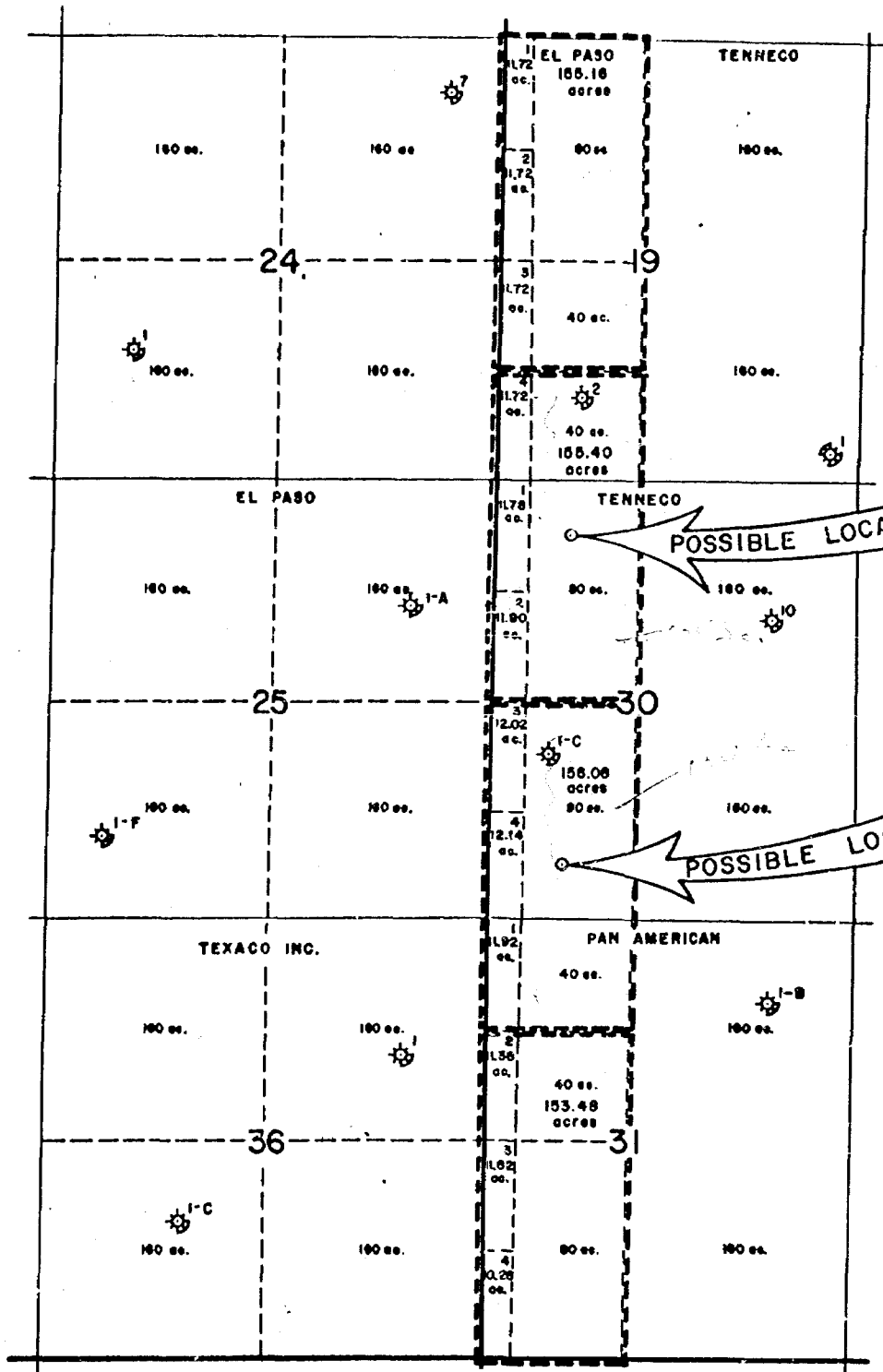
NOTARY PUBLIC

March 13, 1969.

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BEFORE EXAMINER UTZ  
OIL CONSERVATION COMMISSION

EXHIBIT NO. 1  
CASE NO. 3399



TENNECO OIL COMPANY

SUBSIDIARY OF TENNECO CORPORATION

BLANCO PICTURED CLIFFS POOL  
SAN JUAN COUNTY, NEW MEXICO

NON-STANDARD PRORATION UNITS



L.B.P.

4-66