

CASE 6771: GETTY OIL COMPANY FOR A NON-
STANDARD GAS PRORATION UNIT, LEA COUNTY,
NEW MEXICO

CASE NO.

6771

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

February 12, 1980

Mr. William F. Carr
Campbell and Black
Attorneys at Law
Post Office Box 2208
Santa Fe, New Mexico

Re: CASE NO. 6771
ORDER NO. R-6259

Applicant:

Getty Oil Company

Dear Sir:

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

Yours very truly,

JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

| | |
|-------------|-------------------|
| Hobbs OCD | <u> x </u> |
| Artesia OCD | <u> x </u> |
| Aztec OCD | <u> </u> |

Other _____

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6771
Order No. R-6252

APPLICATION OF GETTY OIL COMPANY
FOR A NON-STANDARD GAS PRORATION UNIT,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on January 16, 1980, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 7th day of February, 1980, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Getty Oil Company, seeks approval of a 160-acre non-standard gas proration unit comprising the E/2 SW/4 of Section 31, Township 24 South, Range 37 East, NMPM, and the NW/4 NE/4 and NE/4 NW/4 of Section 6, Township 25 South, Range 37 East, NMPM, Jalmat Gas Pool, to be dedicated to a well to be drilled at a standard location thereon at a point 660 feet from the North line and 2000 feet from the West line of said Section 6.
- (3) That the entire non-standard proration unit may reasonably be presumed productive of gas from the Jalmat Gas Pool and that the entire non-standard gas proration unit can be efficiently and economically drained and developed by the aforesaid well.
- (4) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Jalmat Gas Pool, will prevent the

-2-

Case No. 6771
Order No. R-6259

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 will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

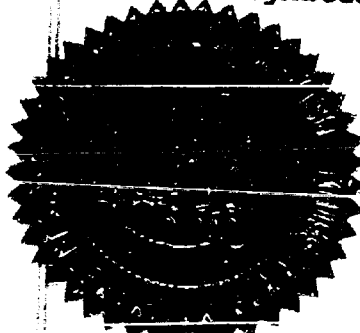
(1) That a 160-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the E/2 SW/4 of Section 31, Township 24 South, Range 37 East, and the NW/4 NE/4 and NE/4 NW/4 of Section 6, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby established and dedicated to a well to be drilled at a standard location thereon at a point 660 feet from the North line and 2000 feet from the West line of said Section 6.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director


S E A L

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
16 January 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Getty Oil Company) CASE
for a non-standard gas proration) 6771
unit, Lea County, New Mexico.)

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation Division: Ernest L. Padilla, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant: William F. Carr, Esq.
CAMPBELL & BLACK P. A.
Jefferson Place
Santa Fe, New Mexico 87501

SALLY W. BOYD, C.S.R.

Rt. 1 Box 159-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
San Jo Fe, New Mexico 87501
Phone (505) 455-7415

Page 2

I N D E X

HERMAN W. TERRY

Direct Examination by Mr. Carr 3

Cross Examination by Mr. Nutter 7

E X H I B I T S

Applicant Exhibit One, Plat 4

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

Page 3

1 MR. NUTTER: Call next Case Number 6771.

2 MR. PADILLA: Application of Getty Oil
3 Company for a non-standard gas proration unit, Lea County,
4 New Mexico.

5 MR. CARR: May it please the Examiner,
6 my name is William F. Carr, Campbell and Black, P. A., ap-
7 pearing on behalf of Getty Oil Company.

8 I would request that the record reflect
9 that the witness was sworn in the previous case; that he
10 remains under oath and is qualified to testify.

11 MR. NUTTER: The witness is still under
12 oath and qualified.

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14 HERMAN W. TERRY
15 being called as a witness and having been previously sworn
16 upon his oath, testified as follows, to-wit:

17
18 DIRECT EXAMINATION

19 BY MR. CARR:

20 Q Would you state your full name for the
21 record, please?

22 A My name is Herman W. Terry.

23 Q Mr. Terry, will you briefly state what
24 Getty seeks with this application?

25 A We're seeking approval of a 160-acre

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7439

1 non-standard gas proration unit, comprising the east half
2 of the southwest quarter of Section 31, Township 24 South,
3 Range 37 East, and the northwest quarter of the northeast
4 quarter and the northeast quarter of the northwest quarter
5 of Section 6, Township 25 South, Range 37 East, all in Lea
6 County, this acreage to be dedicated to a well to be drilled
7 in the Jalmat Gas Pool at a standard location. The location
8 of this well is proposed at 660 feet from the north line,
9 2000 feet from the west line of Section 6, Township 25 South,
10 Range 37 East.

11 Q. Would you please refer to what has been
12 marked for identification as Getty Exhibit Number One and
13 explain to the Examiner what this exhibit shows?

14 A. This exhibit is a map of the area. It
15 shows the proposed non-standard proration unit as outlined
16 in red. The proposed -- location of the proposed well is
17 circled. It shows offset operators to the proposed non-
18 standard proration unit.

19 Q. Mr. Terry, what is the status of the
20 ownership within this non-standard proration unit?

21 A. Getty Oil Company is 100 percent working
22 interest owner of the acreage included in the non-standard
23 proration unit.

24 Q. And what is the standard spacing unit
25 for a well in the Jalmat Pool?

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

1 A. The standard spacing is 640 acres; how-
2 ever, typically the Jalmat has been developed on smaller
3 proration units in this area; typically 160 being very
4 typical.

5 Q. Is there any other acreage which is con-
6 tiguous to this non-standard proration unit which is avail-
7 able to be dedicated to this non-standard proration unit?

8 A. No, sir, there is not.

9 Q. Are there other non-standard proration
10 units in the area which cross section lines?

11 A. Mr. Nutter, I think you will recall
12 Doyle Hartman recently submitted an application to -- for a
13 non-standard proration unit, which was to include the acreage
14 within this proposed non-standard proration unit, also some
15 acreage directly west of this proposed non-standard pro-
16 ration unit, and I believe some acreage over in Section 36.
17 He subsequently withdrew this application; however, I believe
18 he has appeared before an Examiner's Hearing requesting
19 creation of a non-standard proration unit for the 120 acres
20 immediately to the west of the proposed non-standard pro-
21 ration unit, and this non-standard proration unit does
22 cross section lines.

23 Also, the Commission has previously
24 approved a request for a non-standard proration unit in
25 this general area. This was Order No. R-1665, dated May

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 453-7409

1 9th of 1960. It created a 476-acre non-standard proration
2 unit in the Jalmat for the northeast quarter Section 5,
3 Township 24 South, Range 37 East, and the north half of
4 Section 4, Township 24 South, Range 37 East.

5 This non-standard proration unit is
6 six or seven miles to the northeast of the proposed non-
7 standard proration unit; however, it is in the same pool.

8 Q And did it cross the section line?

9 A Yes, sir, it did.

10 Q Now, is this request for a non-standard
11 proration unit based on any structure considerations?

12 A No, sir, it's not. It's simply a re-
13 quest so that we can put our -- drill a well on our remaining
14 acreage on the J. W. Sherrill lease.

15 Q And if you divided this non-standard
16 proration unit on the section line -- why can't you do that?

17 A Well, we can. It would leave us with
18 two 80-acre proration units, which we don't feel is the
19 prudent way to develop this acreage.

20 Q Are there any other wells on this unit
21 which are currently producing from the Jalmat formation?

22 A No, sir, there are not.

23 Q And in your opinion would granting this
24 application be in the interest of conservation, the prevention
25 of waste, and the protection of correlative rights?

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 435-7409

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A Yes, sir, it would.

Q And was Exhibit One prepared by you?

A Yes, it was.

MR. CARR: At this time, Mr. Examiner,
we would offer Exhibit One into evidence.

MR. NUTTER: Getty Exhibit Number One
will be admitted in evidence.

MR. CARR: I have nothing further on
direct.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Terry, you stated that there are
presently no Jalmat wells producing on this proposed 160-
acre unit. Are there any wells on the unit that have pre-
viously produced from the Jalmat?

A Yes, sir, we have our J. W. Sherrill No.
5.

Q Is that the one that's shown to be a gas
well on --

A Yes, sir, that well has produced in
the Jalmat. It is presently -- has been plugged and aban-
doned.

Q That's the only Jalmat well on the
unit?

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

1 A Yes, sir, to my knowledge it is.
2 Q When was it P&A'd?
3 A I believe in 1973.
4 Q Now, has any of this acreage that is
5 proposed to be included in the unit been previously dedi-
6 cated to other proration units?
7 A Yes, sir. I believe the 80 acres in
8 Section 31 was previously dedicated to the Sherrill No. --
9 J. W. Sherrill No. 5.
10 Q Well, I meant other than the old --
11 than the well that was P&A'd.
12 A No, sir.
13 Q This hasn't been communitized with any
14 of these adjoining leases that produced from the Jalmat.
15 A No, sir. No, sir, other than Doyle
16 Hartman's original application. He proposed to include
17 this in his non-standard --
18 Q That wasn't approved and wasn't dedi-
19 cated that way.
20 A Yes, sir, that's correct.
21 Q Okay. So this is all virgin acreage,
22 so to speak.
23 A Yes, sir, it is.
24 Q With the exception of the 80 that was
25 dedicated to a well that's now P&A'd.

1 A Yes, sir, that's correct.

2 Q Okay.

3 MR. NUTTER: Are there any further
4 questions of Mr. Terry? He may be excused.

5 Do you have anything further, Mr. Carr?

6 MR. CARR: Nothing further, Mr. Examiner.

7 MR. NUTTER: Does anyone have anything
8 in Case Number 6771?

9 Take the case under advisement.

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11 (Hearing concluded.)
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SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a Certified Shorthand Reporter,
DO HEREBY CERTIFY that the foregoing and attached Transcript
of Hearing before the Oil Conservation Division was reported
by me; that the said transcript is a full, true, and correct
record of the hearing, prepared by me to the best of my
ability.

Sally W. Boyd C.S.R.
Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 6771,
heard by me on 1/16 1980.
[Signature] Examiner
Oil Conservation Division

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
16 January 1980

EXAMINER HEARING

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E X H I B I T S

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SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-11

Sanita Fe, New Mexico 87501

Phone (505) 455-7409

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Rt. 1 Box 193-B
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23 doned.

24 Q That's the only Jalmat well on the
25 unit?

SALLY W. BOYD, C.S.R.

Rt. 1 Box 153-B
Santa Fe, New Mexico 87501
Phone (505) 451-7409

Page 8

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A. Yes, sir, that's correct.

Q Okay.

MR. NUTTER: Are there any further questions of Mr. Terry? He may be excused.

Do you have anything further, Mr. Carr?

MR. CARR: Nothing further, Mr. Examiner.

MR. NUTTER: Does anyone have anything in Case Number 6771?

Take the case under advisement.

(Hearing concluded.)

SALLY W. BOYD, C.S.R.
Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a Certified Shorthand Reporter,
DO HEREBY CERTIFY that the foregoing and attached Transcript
of Hearing before the Oil Conservation Division was reported
by me; that the said transcript is a full, true, and correct
record of the hearing, prepared by me to the best of my
ability.

Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 6771
heard by me on 1/16 1980.

[Signature], Examiner
Oil Conservation Division

SALLY W. BOYD, C.S.R.

Rt. 1 Box 191-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
3 January 1980

EXAMINER HEARING

IN THE MATTER OF:)

Application of Getty Oil Company)
for a non-standard gas proration)
unit, Lea County, New Mexico.)

CASE
6771

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel for the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

MR. STAMETS: The hearing will please
come to order.

We'll call at this time Case 6771.

MR. PADILLA: Application of Getty Oil
Company for a non-standard gas proration unit, Lea County,
New Mexico.

MR. STAMETS: At the request of the
applicant, this case will be continued to the January 16th
Examiner Hearing.

(Hearing concluded.)

REPORTER'S CERTIFICATE

I, SALLY W. BOYD, A Certified Shorthand Reporter,
DO HEREBY CERTIFY that the foregoing and attached Transcript
of Hearing before the Oil Conservation Division was reported
by me; that the said transcript is a full, true, and correct
record of the hearing, prepared by me to the best of my ability,
from my notes taken at the time of the hearing.

Sally W. Boyd C.S.R.
Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 6771.
heard by me on 1-3 1986.
Richard R. Starn Examiner
Oil Conservation Division

STATE OF NEW MEXICO
 ENERGY AND MINERAL RESOURCES DEPARTMENT
 OIL CONSERVATION DIVISION
 STATE LAND OFFICE BLDG.
 SANTA FE, NEW MEXICO
 3 January 1980

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IN THE MATTER OF:

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 for a non-standard gas proration
 unit, Lea County, New Mexico.

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TRANSCRIPT OF HEARING

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For the Oil Conservation
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New Mexico.

MR. STAMETS: At the request of the
applicant, this case will be continued to the January 16th
Examiner Hearing.

(Hearing concluded.)

I, SALLY W. Doyd, Court and shorthand Reporter,
DO HEREBY CERTIFY that the foregoing is a correct transcript
of Hearing before the Oil Conservation Division reported
by me; that the said transcript has been read, and correct
record of the hearing, prepared by me to the best of my ability,
from my notes taken at the time of the hearing.

Sally W. Doyd, C.S.R.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. _____,
heard by me on _____ 19____.

_____, Examiner
Oil Conservation Division

CASE 6795: Application of Torreon Oil Company for a waterflood project, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the San Luis-Mesaverde Oil Pool by the injection of water into the Menafce formation through its San Luis Fed. Wells Nos. 1 and 2, located in Unit K of Section 21, Township 18 South, Range 3 East. Applicant further seeks an administrative procedure for approval of additional producing and injection wells at unorthodox locations in said project.

CASE 6608: (Reopened and Readvertised)

In the matter of Case 6608 being reopened pursuant to the provisions of Order No. R-6088 which order created the Grama Ridge-Wolfcamp Pool with temporary special rules and regulations with provisions for 160-acre spacing. All interested parties may appear and show cause whether the Grama Ridge-Wolfcamp Pool is in fact an oil reservoir or a gas reservoir, and if it is an oil reservoir, show cause why the Grama Ridge-Wolfcamp Pool should not be developed on less than 160-acre spacing units.

CASE 6771: (Continued from January 3, 1980, Examiner Hearing)

Application of Getty 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 E/2 SW/4 of Section 31, Township 24 South, Range 37 East, and the NW/4 NE/4 and NE/4 NW/4 of Section 6, Township 25 South, Range 37 East, Jalmat Gas Pool, to be dedicated to a well to be drilled at a standard location thereon.

CASE 6767: (Continued from January 3, 1980, Examiner Hearing)

Application of Alpha Twenty-One Production Company for two non-standard gas proration units, unorthodox well location, and approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 40-acre non-standard proration unit comprising the NW/4 NW/4 of Section 27, Township 25 South, Range 37 East, Jalmat Gas Pool, to be dedicated to El Paso Natural Gas Company's Harrison Well No. 2, and also a 200-acre unit comprising the S/2 N/2 and NE/4 NW/4 of said Section 27 to be dedicated to a well to be drilled at an unorthodox location 1980 feet from the North line and 560 feet from the West line of Section 27. Applicant further seeks a finding that the drilling of the latter well is necessary to effectively and efficiently drain that portion of an existing proration unit which cannot be so drained by the existing well.

Docket No. 1-80

Dockets Nos. 2-80 and 3-80 are tentatively set for January 16 and 30, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - THURSDAY - JANUARY 3, 1980

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

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 6770: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit National Petroleum Company and all other interested parties to appear and show cause why its Well No. 1 located 905 feet from the North line and 1155 feet from the West line of Section 22, Township 29 North, Range 11 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6786: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the amendment of its administrative procedure for the approval of infill drilling on existing gas proration units as promulgated by Order No. R-6013 to permit the approval of infill wells as new onshore production wells pursuant to the Natural Gas Policy Act of 1978 without notice and hearing even though such wells have been spudded prior to receiving such approval.

CASE 6771: Application of Getty 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 E/2 SW/4 of Section 31, Township 24 South, Range 37 East, and the NW/4 NE/4 and NE/4 NW/4 of Section 6, Township 25 South, Range 37 East, Jalmat Gas Pool, to be dedicated to a well to be drilled at a standard location thereon.

CASE 6772: Application of Reading & Bates Petroleum Co. for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the SE/4 of Section 17, Township 24 North, Range 3 West, Chacon-Dakota Pool, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6773: Application of Southland Royalty Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the E/2 of Section 20, Township 19 South, Range 27 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6774: Application of Doyle Hartman for an unorthodox location, non-standard proration unit, and approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 120-acre non-standard proration unit comprising the NW/4 NE/4 of Section 6, Township 25 South, Range 37 East, and the W/2 SW/4 of Section 31, Township 24 South, Range 37 East, to be dedicated to his Federal Jalmat Com Well No. 1 at an unorthodox location 590 feet from the North line and 660 feet from the West line of said Section 6, applicant further seeks a finding that the drilling of said well is necessary to effectively and efficiently drain that portion of an existing proration unit which cannot be so drained by the existing well.

CASE 6768: (Continued and Readvertised)

Application of Alpha Twenty-One Production Company for two non-standard gas proration units, compulsory pooling, unorthodox well location, and approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 40-acre non-standard gas proration unit comprising the SW/4 SE/4 of Section 21, Township 24 South, Range 37 East, Jalmat Gas Pool, to be dedicated to the El Paso Natural Gas Company Shell Black Well No. 2. Applicant also seeks an order pooling all mineral interests in the Jalmat Gas Pool underlying the E/2 SW/4 and NW/4 SE/4 of said Section 21 to form a 120-acre non-standard gas proration unit to be dedicated to a well to be drilled at an unorthodox location 990 feet from the South line and 1650 feet from the West line of said Section 21. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well. Applicant further seeks a finding that the drilling of said well is necessary to effectively and efficiently drain that portion of the existing proration unit which cannot be so drained by the existing well.

CASE 6767: (Continued from December 12, 1979, Examiner Hearing)

Application of Alpha Twenty-One Production Company for two non-standard gas proration units, unorthodox well location, and approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 40-acre non-standard proration unit comprising the NW/4 NW/4 of Section 27, Township 25 South, Range 37 East, Jalmat Gas Pool, to be dedicated to El Paso Natural Gas Company's Harrison Well No. 2, and also a 200-acre unit comprising the S/2 N/2 and NE/4 NW/4 of said Section 27 to be dedicated to a well to be drilled at an unorthodox location 1980 feet from the North line and 560 feet from the West line of Section 27. Applicant further seeks a finding that the drilling of the latter well is necessary to effectively and efficiently drain that portion of an existing proration unit which cannot be so drained by the existing well.

CASE 6487: (Continued from October 17, 1979, Examiner Hearing)

Application of El Paso Natural Gas Company for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Shell E State Com Well No. 2 located in Unit N of Section 6, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

CASE 6732: (Continued from November 28, 1979, Examiner Hearing)

Application of Dorchester Exploration, Inc. for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Morton Solid State Unit Well No. 1 located 2156 feet from the North line and 990 feet from the West line of Section 4, Township 15 South, Range 34 East, Tres Papalotes-Pennsylvanian Pool.

CASE 6775: Application of Harvey E. Yates Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Young Deep Unit Area, comprising 2242 acres, more or less, of Federal lands in Township 18 South, Range 32 East.

CASE 6776: Application of Harvey E. Yates Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Young Deep Unit Well No. 1, a Morrow test to be drilled 660 feet from the North and West lines of Section 10, Township 18 South, Range 32 East, the W/2 of said Section 10 to be dedicated to the well.

CASE 6777: Application of Harvey E. Yates Company for an NGPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination for its Amoco 22 State Well No. 2 located in Unit G of Section 22, Township 23 South, Range 27 East.

CASE 6778: Application of Harvey E. Yates Company for an NGPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination for its Loco Hills Welch Well No. 2 located in Unit M of Section 4, Township 18 South, Range 29 East.

CASE 6745: (Continued from November 28, 1979, Examiner Hearing)

Application of Harvey E. Yates Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp-Pennsylvanian formations underlying the W/2 of Section 28, Township 23 South, Range 24 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6779: Application of Yates Petroleum Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Pronghorn Unit Area, comprising 5,120 acres, more or less, of State and Federal lands in Townships 22 and 23 South, Range 33 East.

CASE 6780: Application of Yates Petroleum Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Serpentine Bends Unit Area, comprising 4,802 acres, more or less, of State and Federal lands in Township 24 South, Ranges 23 and 24 East.

CASE 6781: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Morrow test well to be drilled 660 feet from the South line and 1980 feet from the East line of Section 1, Township 20 South, Range 28 East, the E/2 of said Section 1 to be dedicated to the well.

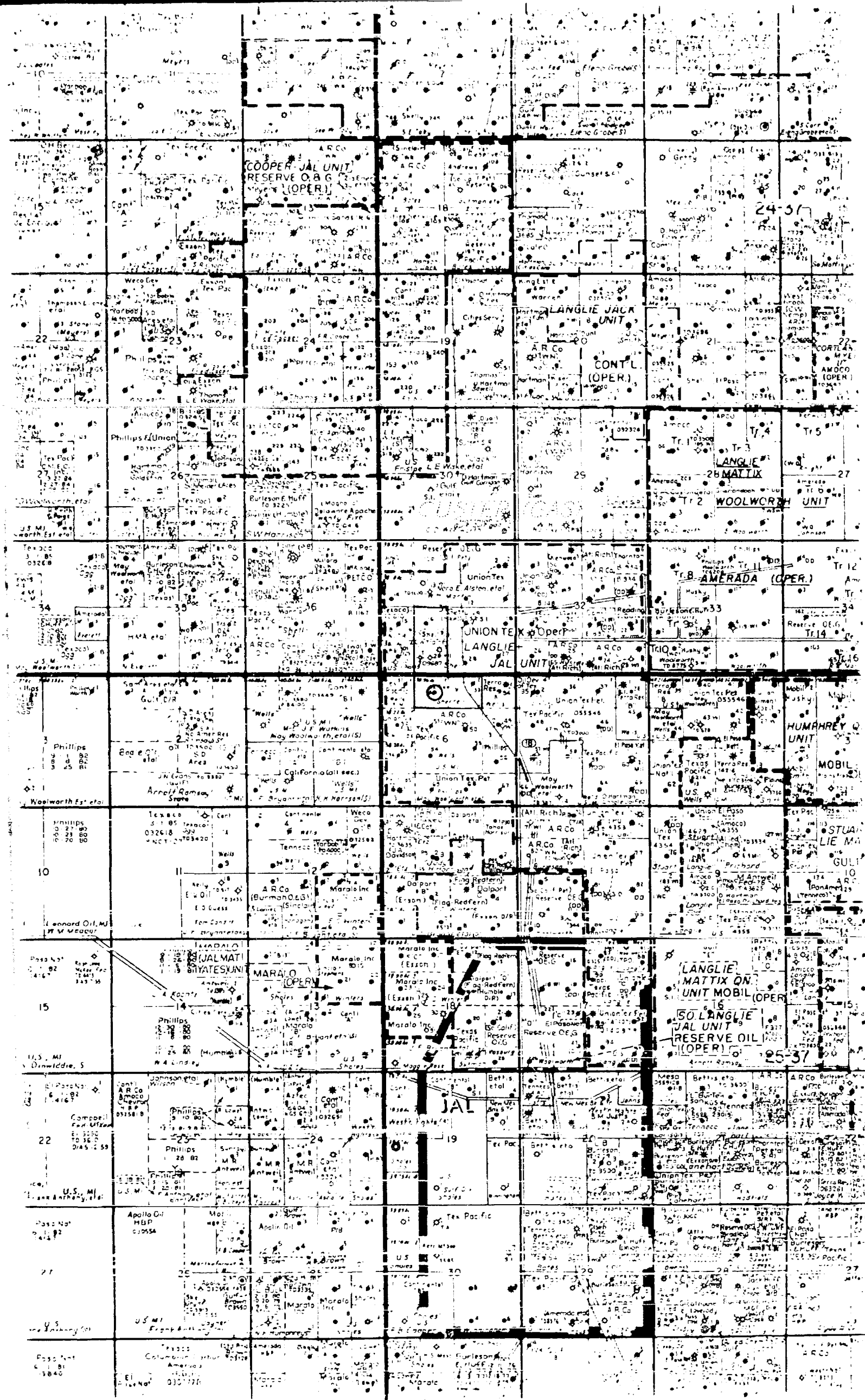
CASE 6782: Application of Inexco Oil Company for an exception to Order No. R-3221, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221 to permit disposal of produced brine into an unlined surface pit located in Unit R of Section 7, Township 19 South, Range 33 East.

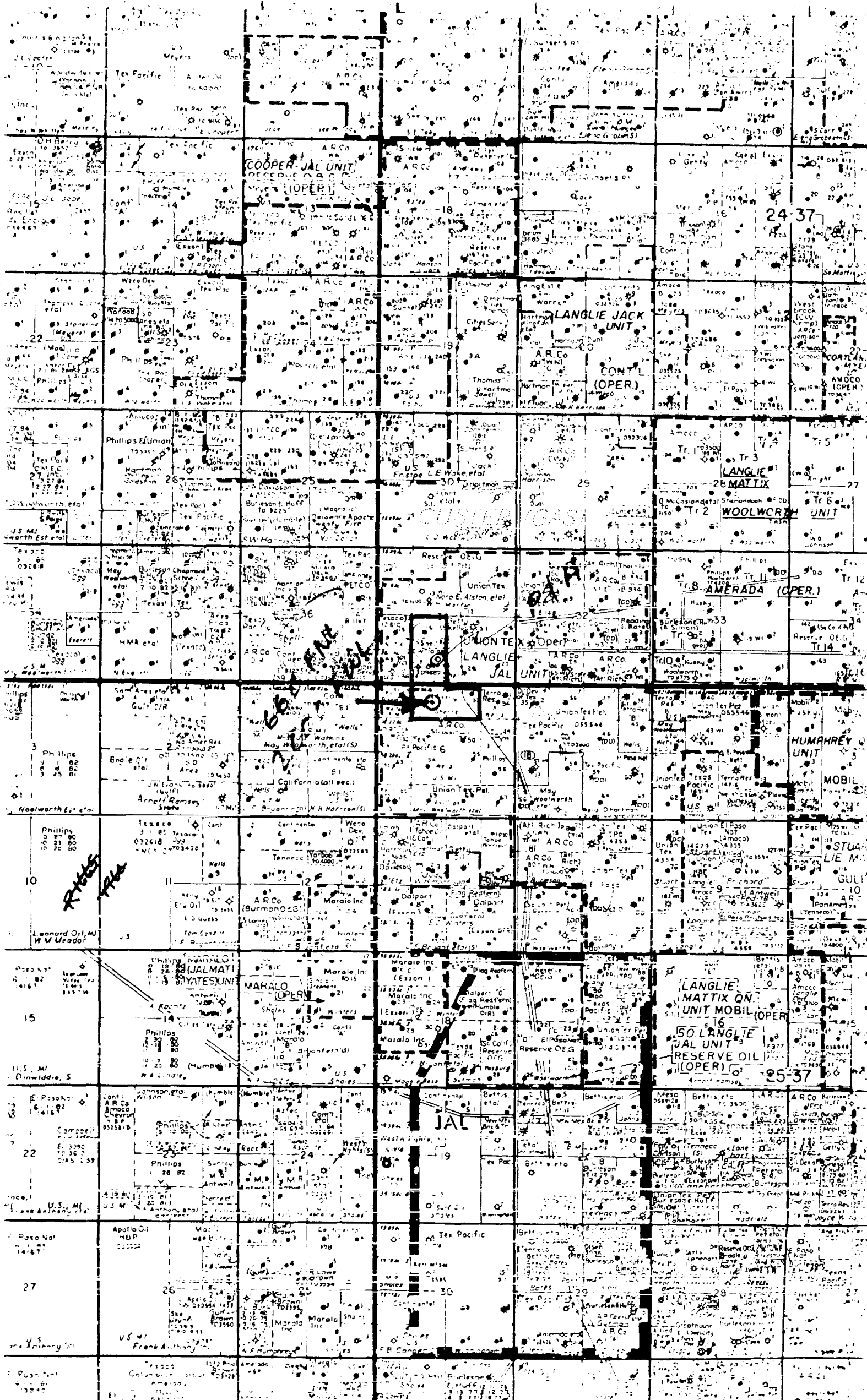
CASE 6783: Application of McClellan Oil Corporation for an unorthodox oil well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Marliss State Well No. 6 located 1155 feet from the North line and 2475 feet from the West line of Section 24, Township 14 South, Range 29 East, Double "L"-Queen Associated Pool, the NE/4 NW/4 of said Section 24 to be dedicated to the well.

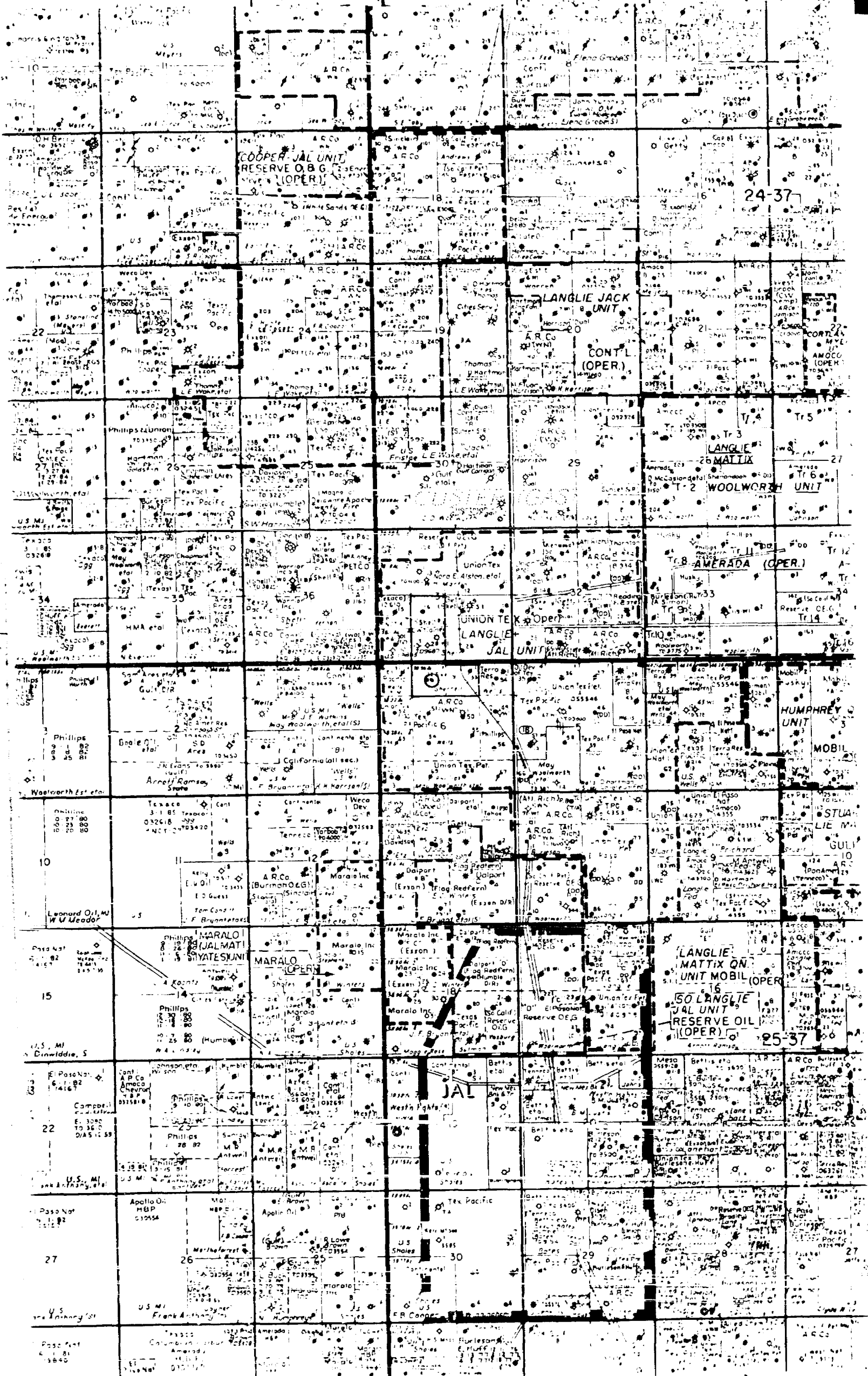
CASE 6784: Application of Merrion & Bayless for a non-standard proration unit and an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 640-acre non-standard gas proration unit comprising the W/2 of Section 18 and the W/2 of Section 19, Township 32 North, Range 14 West, Barker Creek-Paradox Pool, to be dedicated to its Ute Well No. 1 at an unorthodox location 1685 feet from the South line and 3335 feet from the East line of said Section 19.

In the alternative, applicant seeks an order force pooling all of said Section 19 to form a standard 640-acre unit.

CASE 6785: Application of The Harlow Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying the SW/4 SW/4 of Section 18, Township 8 South, Range 29 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.







24-37

LANGLIE JACK UNIT

CONT'L (OPER.)

LANGLIE MATTIX

WOOLWORTH UNIT

AMERADA (OPER.)

HUMPHREY UNIT

MOBIL

STUAR LIE M

GULI

LANGLIE MATTIX ON UNIT MOBIL (OPER.)

LANGLIE JAL UNIT RESERVE OIL (OPER.)

25-37

JAL

COOPER JAL UNIT RESERVE O.B.G. (OPER.)

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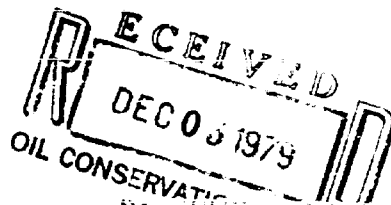
COOPER JAL UNIT

COOPER JAL UNIT

CAMPBELL AND BLACK, P.A.

LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
PAUL R. CALDWELL



December 4, 1979

POST OFFICE BOX 2208
JEFFERSON PLACE
SANTA FE, NEW MEXICO 87501
TELEPHONE (505) 988-4421

Case 6771

Mr. Joe D. Ramey
Division Director
Oil Conservation Division
New Mexico Department of Energy & Minerals
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: Non-standard Gas Proration Unit for the J.W.
Cherrell No. 10-C Well located in Section 6,
Township 25 South, Range 37 East, Lea County,
New Mexico, Jalmat Gas Pool

Dear Mr. Ramey:

Getty Oil Company has been advised that its application for administrative approval of the above-referenced non-standard gas proration unit will have to be set for hearing before a Division examiner.

Getty requests that this matter be included on the docket of the examiner hearing scheduled for January 16, 1980.

Your attention to this request is appreciated.

Very truly yours,

A handwritten signature in cursive script, appearing to read "William F. Carr".

William F. Carr

WFC:lr

cc: Mr. Herman Terry



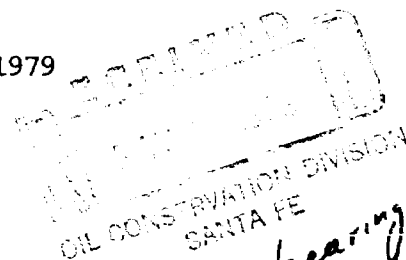
Case 6771

Getty Oil Company

Central Exploration and Production Division
P. O. Box 730
Hobbs, New Mexico 88240

November 27, 1979

Oil Conservation Division
State of New Mexico
P.O. Box 2088
Santa Fe, New Mexico 87501



Set for hearing
Send letter to Getty

Re: 160 Acre Non-Standard Gas Proration Unit
J. W. Sherrell No. 10
Jalmat Yates (Gas) Pool
Lea County, New Mexico

Gentlemen:

Getty Oil Company respectfully requests administrative approval for a 160 acre non-standard gas proration unit for the above proposed well which is to be located in Unit Letter "C", 660' FNL and 2000' FWL of Section 6, T-25S, R-37E. Attached is Form C-102 showing the proposed proration unit, a map showing the offset operators, and a list of offset operators. All offset operators listed have been furnished copies of this application by certified mail.

If administrative approval is denied, then it is requested that this matter be set for hearing at the earliest possible date.

Yours very truly,

GETTY OIL COMPANY

H. W. Long
for Dale R. Crockett
Area Superintendent

HWT/de

Attachments

c - Mr. Audra B. Cary - Midland
File

Sec 31 - T24S R37E E1/2 SW1/4
2012 SW1/4
Sec 6 - T25S - R37 E NW1/4 NE1/4
8 NE1/4 NW1/4

J. W. SHERRELL NO. 10 - OFFSET OPERATORS

Atlantic Richfield Company
P. O. Box 1710
Hobbs, New Mexico 88240

Terra Resources
3800 Buffalo Speedway
Houston, Texas 77098

Reserve Oil and Gas Company
201 First Savings Building
Midland, Texas 79701

Union Texas Petroleum
1300 Wilco Building
Midland, Texas 79701

Texas Pacific Oil Company, Inc.
P. O. Box 4067
Midland, Texas 79701

Texaco, Inc.
P. O. Box 3109
Midland, Texas 79701

Shell Oil Company
P. O. Box 1509
Midland, Texas 79702

Phillips Petroleum Company
P. O. Box 791
Midland, Texas 79701

Oil Development Co.
P. O. Box 12058
Amarillo, Texas 79100

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form O-10
Supersedes O-10A
Effective 1-1-65

All distances must be from the outer boundaries of the Section

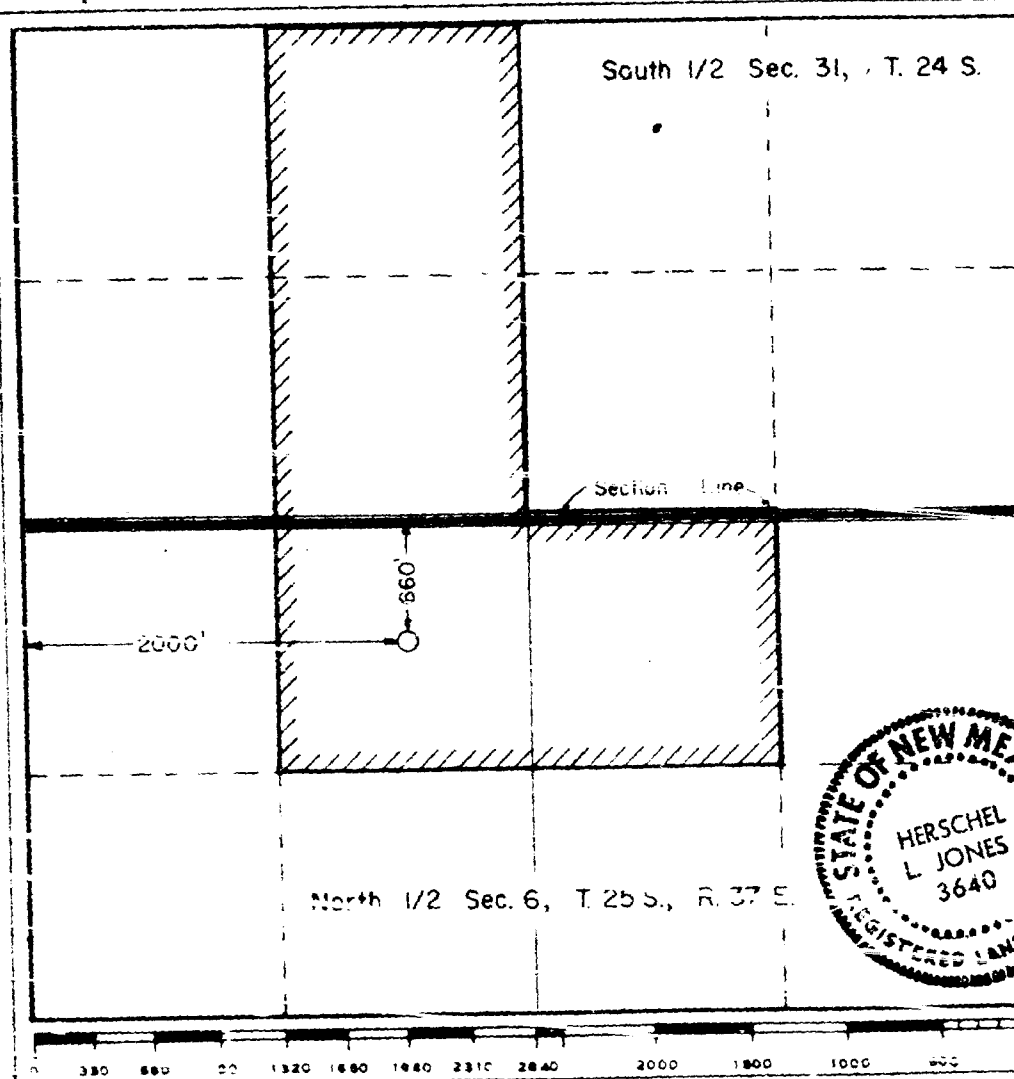
| | | | | |
|---|-------------------------------------|-----------------------------------|---------------------------------------|-----------------------|
| Operator GETTY OIL COMPANY | | Lessee JW Sherrell | | Well No. 10 |
| Unit Letter 'C' | Section 6 | Township 25 South | Range 37 East | County Lea |
| Actual Footage Location of Well: 660 feet from the North line and 2000 feet from the West line | | | | |
| Ground Level Elev. 3236 | Producing Formation Yates | Pool Jalmat Yates (Gas) | Dedicated Acreage 160 Acres | |

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

H. W. Terry
Name
H. W. Terry

Position
Area Engineer

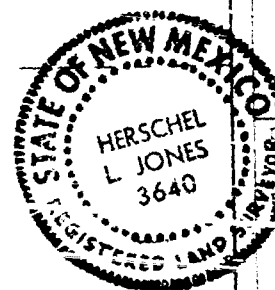
Company
Getty Oil Company

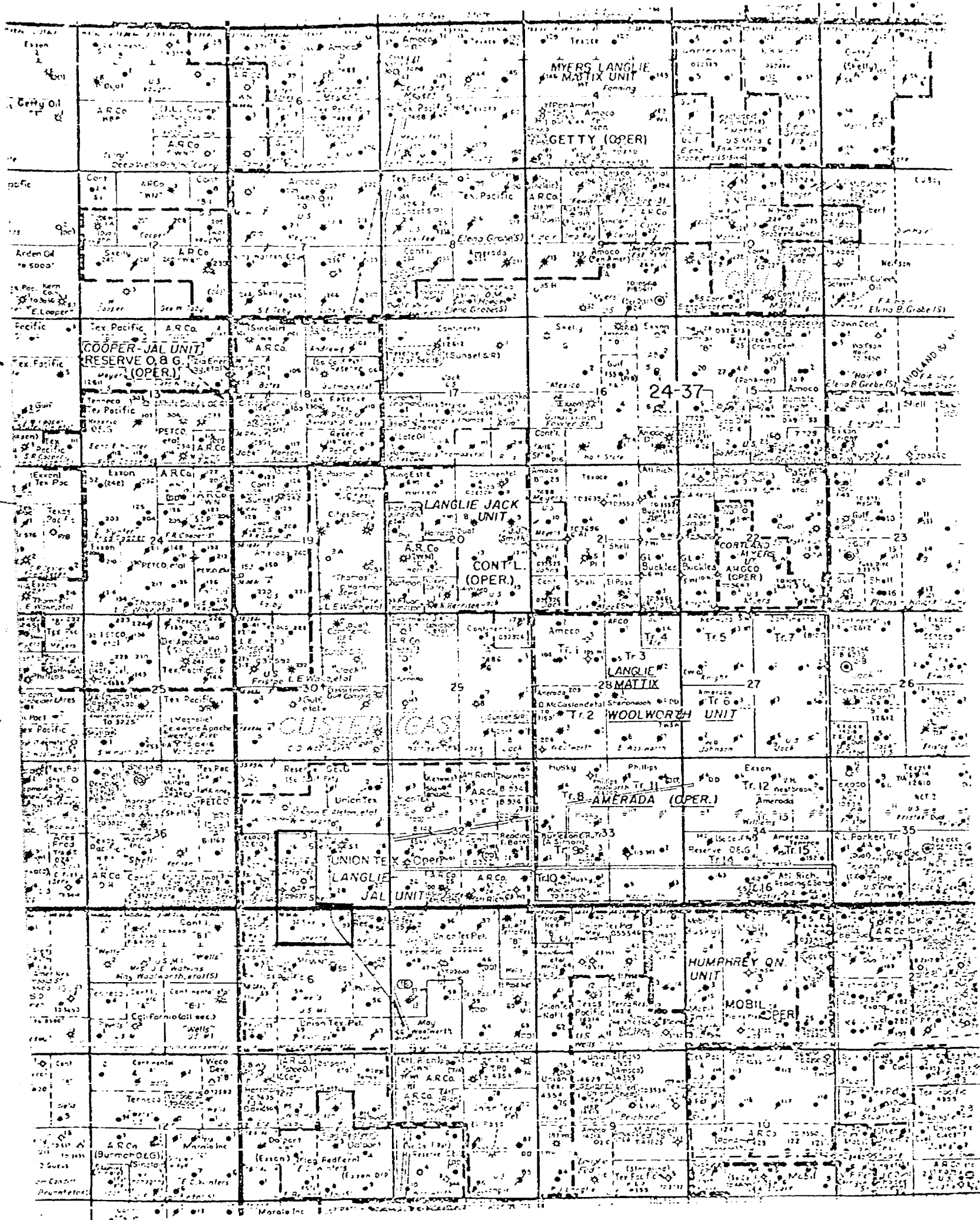
Date
11-27-79

I hereby certify that the well location shown on this plat 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.

Surveyed
November 26, 1979
Registered Professional Engineer
Land and Surveyor

Herschel L. Jones
Certificate No. **3640**





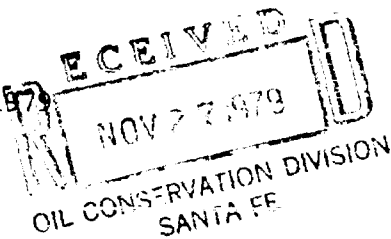
GETTY

Case 6771

Getty Oil Company

Central Exploration and Production Division
P. O. Box 730
Hobbs, New Mexico 88240

November 27, 1979



Oil Conservation Division
State of New Mexico
P.O. Box 2088
Santa Fe, New Mexico 87501

Re: 160 Acre Non-Standard Gas Proration Unit
J. W. Sherrell No. 10
Jalmat Yates (Gas) Pool
Lea County, New Mexico

Gentlemen:

Getty Oil Company respectfully requests administrative approval for a 160 acre non-standard gas proration unit for the above proposed well which is to be located in Unit Letter "C", 660' FNL and 2000' FWL of Section 6, T-25S, R-37E. Attached is Form C-102 showing the proposed proration unit, a map showing the offset operators, and a list of offset operators. All offset operators listed have been furnished copies of this application by certified mail.

If administrative approval is denied, then it is requested that this matter be set for hearing at the earliest possible date.

Yours very truly,

GETTY OIL COMPANY

H. W. Long
Dale R. Crockett
Area Superintendent

HWT/gc

Attachments

c - Mr. Audra B. Cary - Midland
File

J. W. SHERRELL NO. 10 - OFFSET OPERATORS

Atlantic Richfield Company
P. O. Box 1710
Hobbs, New Mexico 88240

Terra Resources
3800 Buffalo Speedway
Houston, Texas 77098

Reserve Oil and Gas Company
201 First Savings Building
Midland, Texas 79701

Union Texas Petroleum
1300 Wilco Building
Midland, Texas 79701

Texas Pacific Oil Company, Inc.
P. O. Box 4067
Midland, Texas 79701

Texaco, Inc.
P. O. Box 3109
Midland, Texas 79701

Shell Oil Company
P. O. Box 1509
Midland, Texas 79702

Phillips Petroleum Company
P. O. Box 791
Midland, Texas 79701

Oil Development Co.
P. O. Box 12058
Amarillo, Texas 79100

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form No. 1
Supersedes O-1126
Effective 1-1-55

All distances must be from the outer boundaries of the Section.

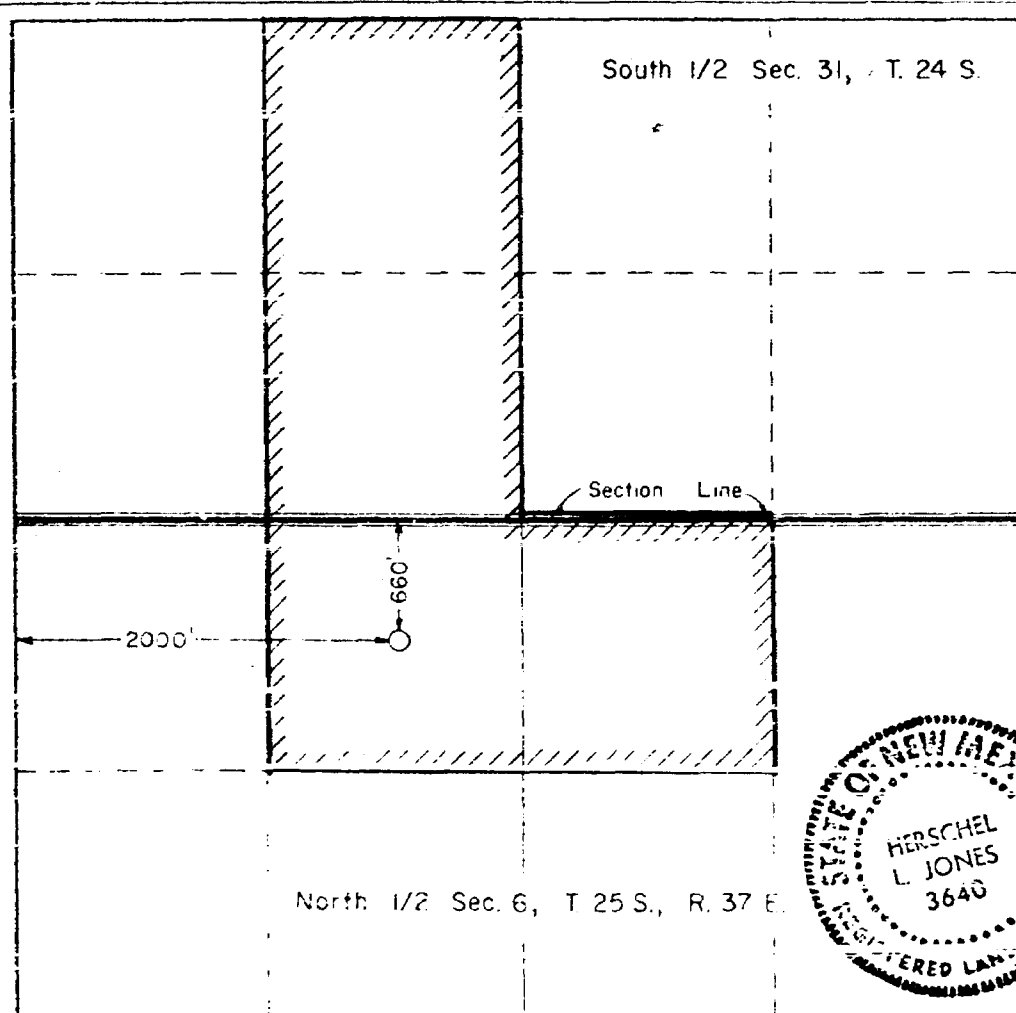
| | | | | | | | | |
|---|-------------------------------------|-------------------------|-----------------------------------|--|--|---------------------------------------|--|--|
| Owner GETTY OIL COMPANY | | | Lessee JW. Sherrell | | | Well No. 10 | | |
| Section 6 | Township 25 South | Range 37 East | County Lea | | | | | |
| Actual Footage Location of Well: 660 feet from the North line and 2000 feet from the West line | | | | | | | | |
| Ground Level Elev. 3236 | Producing Formation Vatos | | Pool Jalmat Vatos (Gas) | | | Dedicated Acreage 160 Acres | | |

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

H. W. Terry

Position
Area Engineer

Company
Getty Oil Company

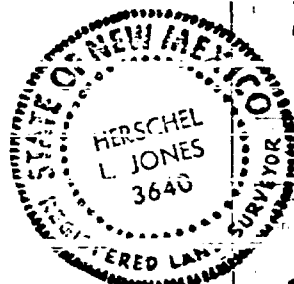
Date
11-27-79

I hereby certify that the well location shown on this plat 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.

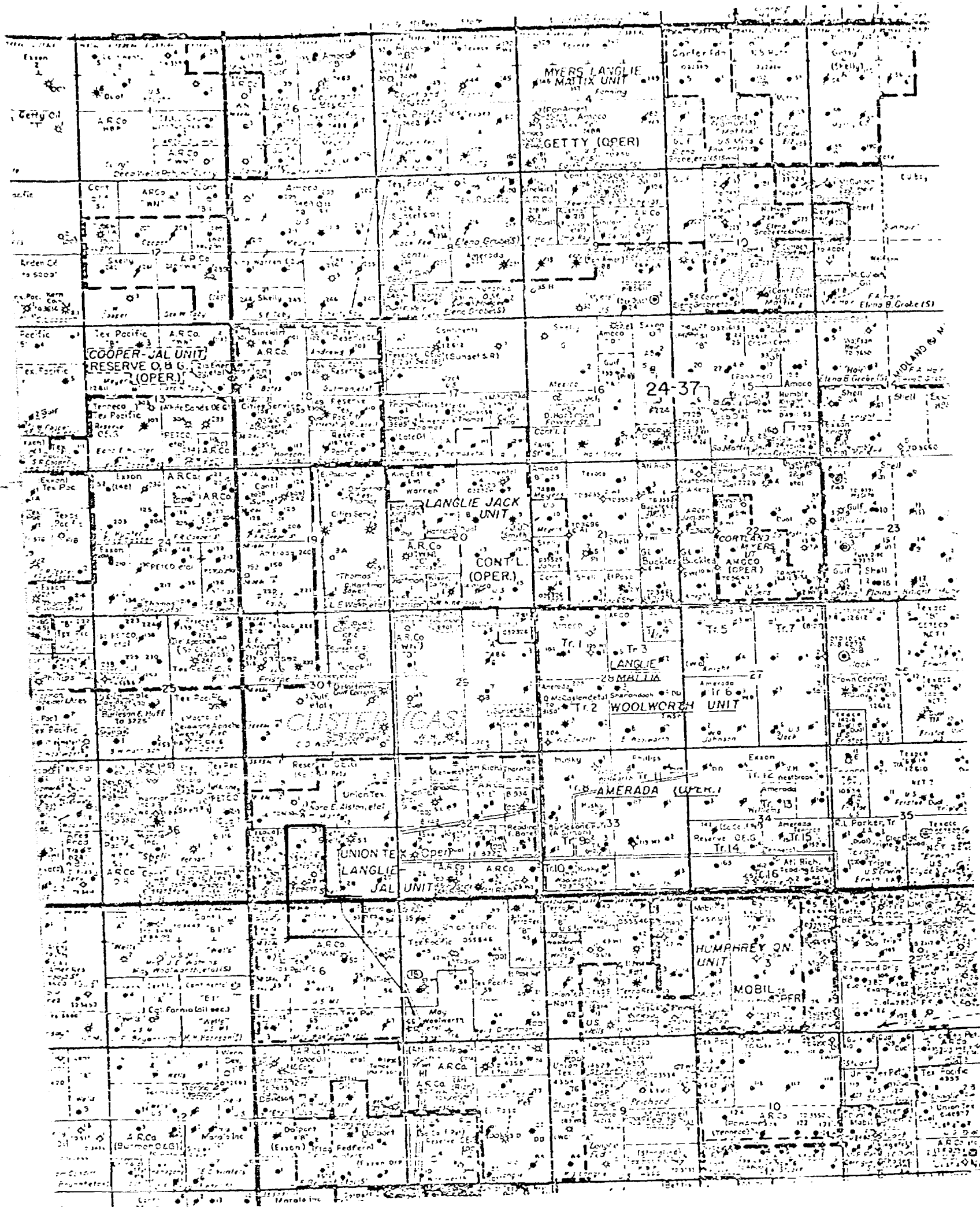
Herschel L. Jones

Surveyor
November 26, 1979

Herschel L. Jones
3640



137 852 90 1320 450 1280 2370 2840 2000 1800 1000 800 0



OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

November 29, 1979

Mr. Dale R. Crockett
Area Superintendent
Getty Oil Company
P. O. Box 730
Hobbs, New Mexico 88240

Re: Non-Standard Gas Proration Unit
J. W. Sherrell No. 10-C
Section 6, T25S, R37E
Jalmat Gas Pool
Lea County, New Mexico

Dear Mr. Crockett:

Your application for the above captioned non-standard gas proration unit cannot be approved administratively. We are setting it for hearing before an examiner on January 3, 1979.

If this is not satisfactory, please let me know.

Yours very truly,

Florene Davidson
Administrative Secretary

C
O
P
Y

DRAFT

dr/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6771

Order No. R- 6259

APPLICATION OF GETTY OIL COMPANY
GAS
FOR A NON-STANDARD PRORATION UNIT,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on January 8th,
19 80, at Santa Fe, New Mexico, before Examiner Richard L. Stamets

NOW, on this _____ day of January, 19 80, the Division
Director, 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 Division has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, Getty Oil Company,
seeks approval of a 160-acre non-standard gas proration unit
comprising the E/2 SW/4 of Section 31, Town-
ship 24 South, Range 37 East, NMPM, to be dedicated to

~~XXXXXX~~ a well to be drilled at a standard location thereon at a
point 660 feet from the north line and 2000 feet from the west line of
Unit of said Section
Said Section 6.

(3) That the entire non-standard proration unit may reasonably
be presumed productive of gas from the Jalmat Gas Pool
~~XXXXXX~~ and that the entire non-standard gas proration unit can
be efficiently and economically drained and developed by the
aforesaid well.

* South, Range 37 East, NMPM, Jalmat Gas Pool,

(4) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Jalmat Gas Pool, 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 will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That a 160-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the E/2 SW/4 of Section 31, Township 24 South, Range 37 East, and the NW/4 NE/4 and NE/4 NW/4 of Section 6, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby established and dedicated to ~~its~~ a well to be drilled at a standard location thereon, ~~located in Unit~~ *at a point 660 feet from the north line and 2000 feet from the west line of said Section 6.*

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

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