

STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 10440
Order No. R-9639

APPLICATION OF OXY USA, INC. FOR
EXTENSION OF THE VERTICAL LIMITS FOR
A PORTION OF THE LANGLEIE-MATTIX POOL
AND THE CONCOMITANT CONTRACTION OF A
PORTION OF THE JALMAT GAS POOL, LEA
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on February 6, 1992, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 14th day of February, 1992, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, OXY USA, Inc., seeks the contraction of the vertical limits of the Jalmat Gas Pool and the concomitant upward extension of the vertical limits of the Langlie-Mattix Pool to a subsurface depth of 3387 feet (3400 feet K.B.), underlying the SW/4 SE/4 (Unit O) of Section 19, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) The vertical limits of the Jalmat Gas Pool as defined by Order No. R-520, dated August 12, 1954, include the Tansill and Yates formations and all but the lowermost 100 feet of the Seven Rivers formation.

(4) The vertical limits of the Langlie-Mattix Pool, as defined by said Order No. R-520, include the lowermost 100 feet of the Seven Rivers formation and all of the Queen formation.

(5) There has been some disparity among some geologists as to the actual base of the Seven Rivers formation and the top of the Queen formation and hence as to the location of the 100-foot marker separating the Jalmat and Langlie-Mattix Pools.

(6) As a result of this disparity, certain wells in the general area which are classified as Langlie-Mattix wells have perforations extending across the aforesaid 100-foot marker in the Seven Rivers formation and into the Jalmat Gas Pool.

(7) Such crossing over from one pool into the other in such wells appeared to be an unintentional error and the vertical limits of said pools have been altered by the Division from time to time to permit said wells to continue to produce in the common wellbore.

(8) According to applicant's evidence and testimony, its Thomas "A" Well No. 4, located 990 feet from the South line and 1880 feet from the East line (Unit O) of said Section 19 is currently classified as a Langlie-Mattix oil well.

(9) The applicant has recently added perforations in the Thomas "A" Well No. 4 in the interval from 3401 feet to 3406 feet, which, according to the Division, is in the Jalmat Gas Pool.

(10) The applicant was under the impression that the SW/4 SE/4 of said Section 19 was within an area for which the vertical limits had previously been altered by the Division.

(11) The Thomas "A" Well No. 4 is in fact offset by several wells for which the vertical limits have been altered, however, such excepted area does not contain the SW/4 SE/4 of said Section 19.

(12) The evidence indicates that the interest within the Jalmat and Langlie-Mattix Pools on the Thomas "A" Lease is common.

(13) No interest owner and/or offset operator appeared at the hearing in opposition to the application.

(14) The proposed amendment of the vertical limits of said pools underlying the SW/4 SE/4 of Section 19 will permit the applicant to produce its just and equitable share of the hydrocarbons therefrom, will promote the prevention of waste, and will not violate correlative rights.

(15) The application should be approved.

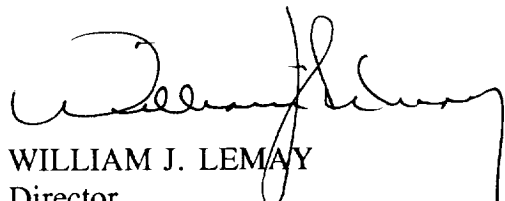
IT IS THEREFORE ORDERED THAT:

(1) The lowermost vertical limit of the Jalmat Gas Pool underlying the SW/4 SE/4 of Section 19, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby contracted to a subsurface depth of 3387 feet (3400 feet K.B.), and the uppermost limit of the Langlie-Mattix Pool underlying said tract is hereby extended upward to the same subsurface depth.

(2) Jurisdiction is hereby 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


WILLIAM J. LEMAY
Director

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