

CASE 4524: Application of TEXACO
FOR REINSTATEMENT OF CANCELLED
UNDERPRODUCTION, LEA COUNTY.

Case Number
4524

Application

Transcripts

Small Exhibits

ETC.

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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
April 28, 1971

EXAMINER HEARING

-----)
)
IN THE MATTER OF:)
)

Application of Texaco Inc.)
for reinstatement of)
cancelled underproduction,)
Lea County, New Mexico)
-----)

Case No. 4524

BEFORE: Elvin A. Utz, Examiner

TRANSCRIPT OF PROCEEDINGS

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1 MR. UTZ: Case 4524.

2 MR. HATCH: Case 4524, application of
 3 Texaco, Incorporated, for reinstatement of cancelled
 4 underproduction, Lea County, New Mexico.

5 MR. UTZ: Are there other appearances in this
 6 case?

7 MR. KELLY: Booker Kelly of White, Gilbert, Koch
 8 and Kelly appearing on behalf of the Applicant.

9 I have one witness, and ask that he be
 10 sworn.

11 (Witness sworn.)

12 (Whereupon, Applicant's
 13 Exhibits 1 through 4 were
 marked for identification.)

14 CURTIS COOK

15 called as a witness, having been first duly sworn, was
 16 examined and testified as follows:

17 DIRECT EXAMINATION

18 BY MR. KELLY:

19 Q Would you state your name, position and
 20 employer, please?

21 A Curtis Cook, District Production Engineer with
 22 Texaco, Incorporated, Hobbs.

23 Q Have you previously qualified as an expert
 24 witness before this Commission?

25 A No, I have not.

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1 Q Would you give the Examiner a brief resume
 2 of your educational and professional experience?

3 A I graduated from Texas A & M with a Bachelor's
 4 Degree in Petroleum Engineering in 1965, and have worked
 5 in various capacities in the Permian Basin for Texaco
 6 since then.

7 Q Are you familiar professionally with the well
 8 in this subject application?

9 A Yes, I am.

10 MR. KELLY: Are the witness' qualifications
 11 acceptable, Mr. Examiner?

12 MR. UTZ: Yes sir, they are.

13 Q (By Mr. Kelly) Now, referring to what has
 14 been marked Exhibit One, a plat of the area, would
 15 you briefly state what Texaco seeks by this application?

16 A Yes, Exhibit One is simply a plat showing
 17 Texaco's acreage and our wells and offset operators, and
 18 we seek reinstatement of cancelled under-production for
 19 this well. It was cancelled at the end of 1970, and we
 20 seek reinstatement for the E. E. Blinebry "A", Tank One,
 21 Number Two.

22 Q And what is this producing from?

23 A It's producing from the Jalmat Yates.

24 Q Now, referring to what has been marked as

25 ~~Exhibit Two, would you explain the geology of this well?~~

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1 A Yes, Exhibit Two is simply a structural map
 2 of the field, showing that it's a combination structural
 3 stratigraphic trap with the structure falling off to the
 4 west and a stratigraphic permeability disappearance to the
 5 east.

6 Q Now, Exhibit Number Three is your production
 7 history over the period involved. Could you go through
 8 that for the Examiner to show how you reached the position
 9 you are in now?

10 A The well was producing at about half a million
 11 for the first half of 1970, and right in the -- at the
 12 first part of June in 1970, the pipeline pressure was
 13 dropped a hundred pounds and productive capacity of the
 14 well increased. However, it had not had sustained high
 15 capacity through the period and it was classified as
 16 marginal at the end of the first half balancing period.

17 Now, when we had good production history for
 18 July, which we received about the middle of August, we
 19 asked for a return to non-marginal status and reinstatement
 20 of the cancelled underage, and in October, on October
 21 the 14th, we had not received the requested reinstatement
 22 of underage and we continued on marginal status since we
 23 could not assume reinstatement of the underage, and we
 24 were -- it was apparent that we were going to be in excess
 25 of six times over, so we shut the well in pending assignment

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1 of allowable.

2 When the allowable was assigned, we put
 3 the well back on the line, and it floated to -- at
 4 capacity.

5 Q Now, just a second. Going back to the
 6 balancing period from January through June of 1970, as I
 7 understand, you were -- your pipeline pressure was three
 8 hundred pounds?

9 A That's correct, a little over three hundred pounds.

10 Q And that pipeline pressure continued at that
 11 rate until about the middle of June?

12 A Right at the first of June.

13 Q The first of June?

14 A Yes, along about the first.

15 Q And so it was due to the high pipeline pressure
 16 that this well was classified as a marginal well?

17 A That's correct.

18 Q And as soon as your pipeline pressure increased,
 19 then you were able to produce at a rate that a non-
 20 marginal well would be producing?

21 A That's correct, as soon as it decreased.

22 Q And then it wasn't until you had your July
 23 figures, which was sometime in mid-August, that you were
 24 aware that this well would be capable of producing at a
 25 non-marginal rate?

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1 A That's correct. We knew that we would then
 2 need to have reinstatement of the underage.

3 Q Now, as soon as Texaco was aware of that,
 4 did they apply in writing for the reinstatement of this
 5 underage and for reclassification of the well?

6 A That's correct.

7 Q And that letter was dated when?

8 A August the 20th.

9 MR. KELLY: Mr. Examiner, do the Commission's
 10 files reflect that letter? We don't have a copy of it,
 11 but I think there's --

12 MR. UTZ: They don't here, no. I am sure
 13 we've got it, probably in my file back there at the
 14 office. Is it necessary that we have it --

15 MR. KELLY: I was just wondering whether we
 16 could ask you to take administrative notice of that
 17 letter. I think we have the correct dates, but we were
 18 unable to find our copy.

19 MR. UTZ: Well, this letter of October the 20th
 20 from me is in response to that request?

21 MR. KELLY: Yes. We are going to introduce that
 22 as an exhibit, but I -- I didn't know whether that had
 23 the date on it.

24 Q (By Mr. Kelly) But anyway, that date was
 25 August 20th, ours was August 20th, is that correct?

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1 A That's correct.

2 MR. UTZ: I suspect we fooled around so long
 3 trying to make a decision on this that I was embarrassed
 4 to put the date of your letter on it.

5 Q (By Mr. Kelly) Now then, going back, sometime
 6 in October you became aware that you would necessarily go
 7 finish the balancing period with an over-production?

8 A That's correct.

9 Q Now, did you have a request from your pipeline
 10 company to shut in the well at that period rather than
 11 in the -- at the peak demand period in January?

12 A Right. We were contacted by the pipeline company,
 13 and they'd rather shut the well in October, in -- in October
 14 instead of accumulating in excess of six times and having
 15 to shut the well in January, which is a high demand month
 16 for them, and we cooperated with them in that respect.

17 MR. UTZ: This was the pipeline's suggestion then,
 18 to shut the well down?

19 A Yes sir, because they also were aware of the
 20 fact that we were approaching -- that we would be in excess.
 21 Now, I have some numbers on this. When we shut the well
 22 in, we -- assuming that we returned to a non-marginal
 23 status, we did get the reinstatement, we -- on October 14th,
 24 we were about eighty-seven million over, and we were acquiring
 25 overage at the rate of 11.212 in million cubic feet per

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1 day.

2 And at the first of the year, 1/1/71, we would
 3 have been a hundred eighty-two million over, and six times
 4 the current monthly allowable would have been a hundred
 5 twenty-eight million, which would have put us fifty-four
 6 million over, and we would have been shut in for probably
 7 all of January, and we -- they did not want to be -- to
 8 have this well off the line during that period.

9 Q (By Mr. Kelly) Now, what was your average
 10 daily production rate prior to shut-in?

11 A About two million. It was a little bit over
 12 two million prior to that.

13 Q And after shut-in, it was --

14 A About two million.

15 Q So you were shut in how many days?

16 A Twelve days.

17 Q And Exhibit Number Four is a copy of the letter
 18 that Texaco received --

19 A That was mailed October 20th, granting the --

20 Q The reinstatement of the underage, is that
 21 correct?

22 A That's correct.

23 Q And immediately upon receipt of that letter,
 24 did Texaco turn the well back on?

25 A That's correct.

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1 Q So you would -- in your opinion, you would
 2 have been able to produce in excess of -- slightly in excess
 3 of two million MCF a day?

4 A That's correct.

5 Q Which would have allowed you to produce the -- most
 6 of this under-production during that shut-in period?

7 A We would have been able to make in excess of
 8 twenty-four million. I don't know how much more, and I
 9 don't know how fast the well came back on the line, but
 10 we would have been able to produce in excess of twenty-four
 11 million extra cubic feet had we not been shut in.

12 Q Now, the procedure that you followed in requesting
 13 the reinstatement of this underage was the procedure that
 14 Texaco had followed during that period for other wells, is
 15 that correct?

16 A Right, we simply wrote a letter to the OCC
 17 asking reinstatement.

18 Q And in other cases, you would have received
 19 written or oral response to that request?

20 A That's correct.

21 Q Now, what is your production history on this
 22 well for the balancing period that will end July 1st,
 23 1971?

24 A Of this year, we are -- we can make overage. We
 25 currently have excess capacity.

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1 Q So you feel that you can -- if this application
2 is granted, you can make up any overage by June 30th?

3 A That's correct.

4 Q Were Exhibits One through Three prepared by you
5 or under your supervision?

6 A Yes, they were.

7 MR. KELLY: At this time, I move the introduction
8 of Exhibits One through Three, and Exhibit Four, which is
9 a copy of your letter, Mr. Examiner.

10 MR. UPZ: Exhibits One, Two, Three and Four
11 will be entered into the record of this case.

(Whereupon, Applicant's
Exhibits 1 through 4 were
received in evidence.)

12
13
14 MR. KELLY: One other question.

15 Q (By Mr. Kelly) Are there other gas wells in
16 this zone?

17 A Yes.

18 Q Offsetting you?

19 A Quite a few.

20 Q In your opinion, would denial of this
21 application have any adverse effect on Texaco's correlative
22 rights as far as you are concerned?

23 A If we are not allowed to produce the gas, we
24 will suffer some reserve loss.

25 MR. KELLY: That's all we have on direct.

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CROSS EXAMINATION

BY MR. UTZ:

Q Now, Mr. Cook, what did the pipeline pressure drop to in June?

A To a hundred pounds.

Q To a hundred pounds?

A Yes, it's on the plat there.

Q Was this well connected to El Paso?

A Yes.

Q Was this a low pressure system that they have on approval that they can change to?

A No sir, they just -- just drop the line pressure. They may have a set double compressor, I don't know how they brought the pressure down, but they didn't change systems.

Q Don't they have three pressure systems in Jalmat, low, intermediate and high?

A I don't know.

Q Well, they used to. I have no idea whether they do now or not.

A I don't know what their pipeline system is.

Q At any rate, they dropped the pressure down to a hundred pounds in June?

A Yes, sir.

Q The well all through -- from June on through 1970

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1 produced at a substantially higher rate?

2 A Yes, sir.

3 Q I have noticed some figures here regarding
 4 this well. In June -- at the first part of July, rather,
 5 it had a hundred and fifty-six million under-production.
 6 At the end of December 31, 6/14, is that in accordance
 7 with your records?

8 A The hundred and fifty-six at the end of the
 9 period is -- agrees with what I have, but I -- I didn't
 10 catch that first number.

11 Q A hundred and fifty-six was July the 1st,
 12 according to our ledger, a hundred fifty-six million under-
 13 produced.

14 A It was a hundred and three, I believe, under-
 15 produced.

16 Q A hundred and three?

17 A Yes sir, that was --

18 Q This figure must include some redistribution --

19 A There was some redistribution and then we backed
 20 out some cancellation from this second half of '69.

21 Q A hundred and three then --

22 A Yes.

23 Q -- at the end of -- the 31st?

24 A Yes, sir.

25 Q Which would certainly indicate the well was

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1 capable of over-producing during that period --

2 A Yes, sir.

3 Q -- would it not?

4 A Yes, sir.

5 Q You state that the well was shut in twelve
 6 days in October?

7 A Yes, sir.

8 Q I believe you stated the reason for that as
 9 being at the suggestion of the purchases, is that correct?

10 A Well, it was -- we had an option of shutting
 11 in then -- shutting in in October or January, and --

12 Q And this was based on your own figures, not
 13 our figures?

14 A That's correct, we were apparently going to be
 15 in excess of six times over and we had the option of
 16 shutting in then or later, and at their request, we closed
 17 it earlier, at the earlier date because January is a high
 18 demand month, much more than is October. As it turned out,
 19 it was needed badly in January.

20 Q Now, our records show the well produced over
 21 sixty-one million in September?

22 A Yes, sir.

23 Q Thirty-seven million in October?

24 A Yes, sir.

25 Q And fifty-one million in November?

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1 A Yes.

2 Q And then you are saying then that the thirty-seven
 3 million, or the lower production in October than on each
 4 of the month on each side was due to the twelve-day shut-in?

5 A Yes, sir.

6 Q Now, how much could you have produced in that
 7 twelve days?

8 A We could have made at least twenty-four million.
 9 I don't know how much more, or how fast the well came back
 10 on the line. We don't have daily gauges on it.

11 Q So then am I correct in that you are saying
 12 that twenty-four million out of the thirty-one million
 13 could have been made up had you not shut the well down?

14 A Yes, sir.

15 Q Do you know what the average allowable was for
 16 the last period in 1970?

17 A I could calculate it, I have the numbers here.
 18 It looks like it's about twenty-two, somewhere around
 19 there.

20 Q On a daily basis, it would be on the order of
 21 seven hundred forty?

22 A That would be about right, yes sir.

23 Q What is your current producing ability of the
 24 well?

25 A About one and a half million.

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1 Q So the well is capable of producing more than
 2 its allowable?

3 A Yes sir, now.

4 Q So actually it kind of boils down to the
 5 situation that -- well, I don't know whether it does or not,
 6 now that I think of it. Actually, you produced the well,
 7 all except these twelve days, all that the purchaser would
 8 take?

9 A Yes, sir.

10 Q And is it your contention that -- well, let me
 11 ask this question first: Had we been more prompt in
 12 reinstating or reclassifying your well from marginal to
 13 non-marginal, would that have prevented this twelve-day
 14 shut-in?

15 A Yes sir, exactly.

16 Q Why was that?

17 A Well, we --

18 Q This would have had --

19 A We would have known that we'd have the underage
 20 reinstated. We knew that we were non-marginal, there was
 21 no question about that, but we did not know that we would
 22 get the underage reinstated.

23 Q Your calculation did not include what the
 24 underage might have been?

25 A Yes, sir.

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1 Q I see.

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

4 REDIRECT EXAMINATION

5 BY MR. KELLY:

6 Q It is true that this well was producing for some
 7 period of time prior to shut-in at slightly in excess of
 8 two million a day, is that correct?

9 A Yes.

10 Q And that was the rate that you went back to after
 11 you went back on the line?

12 A It went back just the way it went off, as it
 13 had been in September.

14 Q But your production situation would certainly
 15 indicate that the two million would have been produced
 16 during that twelve days?

17 A That's correct.

18 MR. KELLY: Mr. Examiner, I'd just like to state
 19 that I think the reason here is clear, but that Texaco was
 20 following the procedure that was set out in the rules at
 21 that time, and that they had followed that procedure in
 22 other situations.

23 We are aware that there has been a rule change
 24 now, but it didn't affect this period, and ~~that~~ because of
 25 the pressure that was put on them by El Paso to make sure

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1 that we would be in production during January, they did
 2 cooperate with El Paso in shutting the well off because
 3 they had no word from the Commission.

4 And we think we have clearly shown that at least
 5 twenty-four of the thirty-one would have been able to be
 6 produced during that period, and if they had had more
 7 prompt action from the Commission, we wouldn't have this
 8 hearing today.

9 MR. UTZ: What was your figure that you contended
 10 you could have made in that twelve days, was it the twenty-four
 11 million even?

12 A A minimum of twenty-four million, yes sir.

13 MR. UTZ: Then you are basing your case here on
 14 the fact that your well was shut in twelve days rather
 15 than the fact that the line pressure was lowered, or
 16 which --

17 A Certainly the line pressure has nothing to do
 18 with it. It's just that the well did not go back to non-
 19 marginal capacity.

20 MR. UTZ: Other questions?

21 MR. KELLY: Nothing further.

22 (Witness excused.)

23 MR. UTZ: The case will be taken under
 24 advisement.

25 Perhaps I should ask for statements, other

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1 statements?

2 There are none.

3 The case will be taken under advisement.
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1 STATE OF NEW MEXICO)
2 : ss
3 COUNTY OF MCKINLEY)

4 I, Jerry Martinez, Court Reporter in and for the
5 County of McKinley, State of New Mexico, do hereby certify
6 that the foregoing and attached Transcript of Hearing before
7 the New Mexico Oil Conservation Commission was reported by
8 me and that the same is a true and correct record of the said
9 proceedings, to the best of my knowledge, skill and ability.

10 
11 Court Reporter

22 I do hereby certify that the foregoing is
23 a true and correct copy of the transcript of the
24 hearing held at 10:00 A.M. on 5/24/61
25 at the New Mexico Oil Conservation Commission



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

**GOVERNOR
BRUCE KING
CHAIRMAN**

**LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER**

**STATE GEOLOGIST
A. L. PORTER, JR.**

SECRETARY - DIRECTOR

May 13, 1971

Mr. Booker Kelly
White, Gilbert, Koch & Kelly
Attorneys at Law
Post Office Box 787
Santa Fe, New Mexico

Re: Case No. 4524
Order No. R-4144
Applicant:
Texaco Inc.

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

ALP/ir

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. 4524
Order No. R-4144

APPLICATION OF TEXACO INC. FOR
REINSTATEMENT OF CANCELLED UNDER-
PRODUCTION, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 28, 1971, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 13th day of May, 1971, 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, Texaco Inc., is the operator of the E. E. Blinebry "A" Federal (NCT-1) Well No. 2 located in Unit I, Section 31, Township 23 South, Range 37 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico.
- (3) That during the gas proration period ending December 31, 1970, the E. E. Blinebry "A" Federal (NCT-1) Well No. 2, a non-marginal well, failed to produce accrued underproduction amounting to 31,614 MCF of gas which was consequently cancelled January 1, 1971.
- (4) That the applicant seeks, as an exception to Rule 14 (A) of the General Rules and Regulations for the prorated gas pools of Southeastern New Mexico, the reinstatement of the above-described unproduced allowable that was cancelled.

-2-

CASE NO. 4524

Order No. R-4144

(5) That 23,500 MCF of the said cancelled underproduction would have been produced by the subject well prior to December 1, 1970, but for certain inadvertent delay upon the part of the Commission.

(6) That in order to afford the applicant the opportunity to recover its just and equitable share of the gas in the subject pool, the applicant should be authorized to produce during the make-up period from January 1, 1971 to June 30, 1971, 23,500 MCF of the underproduction accrued to the subject well and cancelled January 1, 1971, in addition to the allowable regularly assigned to the well.

(7) That approval as set forth in Finding (6) above will neither cause waste nor violate the correlative rights of other operators in the pool.

BE IT THEREFORE ORDERED:

(1) That during the make-up period from January 1, 1971, to June 30, 1971, the applicant, Texaco Inc., is hereby authorized to produce 23,500 MCF of gas from its E. E. Blinbry "A" Federal (NCT-1) Well No. 2 located in Unit I, Section 31, Township 23 South, Range 37 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico, in addition to the regularly assigned allowable for the well.

(2) That the Secretary-Director of the Commission, upon proper application, may approve an extension of time during which the said 23,500 MCF of gas may be produced.

(3) That to obtain administrative approval for an extension of time in which to make up cancelled underproduction, the operator shall submit in triplicate a request for such authority, stating the amount of underproduction produced to date and describing the conditions preventing complete make up of underproduction by June 30, 1971.

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

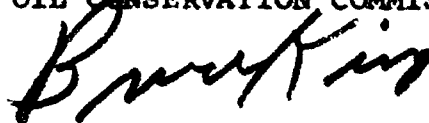
-3-

CASE NO. 4524

Order No. R-4144

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

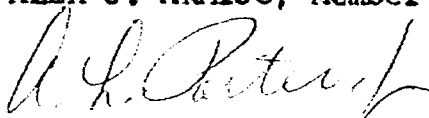
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



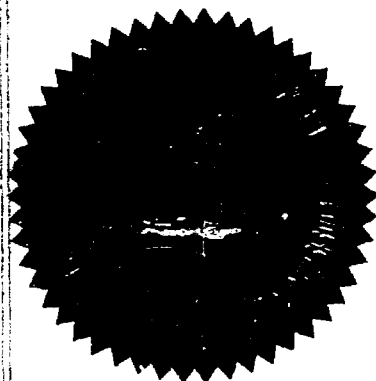
BRUCE KING, Chairman



ALEX J. ARMIJO, Member



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



dr/

Case 45-24
 Heard 4-28-71
 Rec. 5-3-71

After due consideration of the facts of this case I recommend that Texaco be allowed 12 days estimated production for their E.E. Blumby A NCT-1 #2 of Almat Pool. Texaco's request came to me in the latter part of Aug. 1970. Due to the nature of the confusion in the Dept. which was as all familiar. I did not answer & give a ruling on his request for Classification - until Oct. 20, 1970. Texaco - that they were 6 times O/P so they shall be well in from the 14th to the 26th. My letter notifying them of the reclassification arrived on the 26th. I consider their act one of conforming to our rules and one which was necessitated by my delay in notifying them. My act of the Prod. that could have been produced is 23,500 Mcf.

23,500 Mcf. 12 days = 2723.

[Signature]

Prod. 51,130

51,130	12 days	2611
51,130		1706
		2157
		1573
		12
		22176

3'
19

DOCKET: EXAMINER HEARING - MONDAY - APRIL 28, 1971

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

The following cases will be heard before Steve A. Utz, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 4352: (Reopened) Continued from the April 14, 1971 hearing. This case will again be continued - to the May 19, 1971 hearing.

In the matter of Case 4352 being reopened by the Oil Conservation Commission upon its own motion to give all interested persons an opportunity to appear and present evidence as to whether the Double L-Queen and Suble-Queen Pools, Chaves County, New Mexico, are in fact separate reservoirs or one common reservoir. Further, in the event it is found that the two pools comprise one common reservoir, the Commission will consider the adoption of special rules and regulations to provide for the classification of oil and gas wells, spacing and well location requirements for oil and gas wells, and an allocation formula for withdrawals from the gas wells and oil wells.

CASE 4523: Application of Texas Pacific Oil Company, Inc., for the re-dedication of acreage, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the rededication of a 160-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the SE/4 of Section 31, Township 25 South, Range 37 East, Lea County, New Mexico, to its Legal Wells Nos. 1 and 2, located, respectively, in Units P and I of said Section 31. Applicant further seeks authority to produce the allowable assigned to said unit from either of said wells in any proportion.

CASE 4524: Application of Texaco Inc. for reinstatement of cancelled underproduction, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the general rules and regulations for the prorated gas pools of Southeastern New Mexico to permit the reinstatement of accumulated underproduction cancelled for its Blinbry "A" Federal (NCT-1) Well No. 2 located in Unit I, Section 21, Township 23 South, Range 37 East, Jalmat Gas Pool Lea County, New Mexico.

CASE 4525: Application of Wolfson Oil Company for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 280-acre non-standard gas proration unit comprising the SW/4, S/2 NW/4, and NE/4 NW/4 of Section 20, Township 22 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, to be dedicated to its

June 30, 1970 - Classified marginal

Aug - made app. to reclassify as
NM.

Oct. 20 - reclassified NM

SF 3375 —

effective July 1, 1970

U. S. Geological Survey
Department of Interior
Federal Building
Roswell, New Mexico 88201

Amerada Division - Amerada Hess Corporation
P. O. Box 591
Midland, Texas 79701

Amoco Production Company
P. O. Box 68
Hobbs, New Mexico 88240

Gulf Oil Company - U.S.
P. O. Box 670
Hobbs, New Mexico 88240

Mobil Oil Company
P. O. Box 1800
Hobbs, New Mexico 88240

Reserve Oil & Gas Company
301 First Savings Building
Midland, Texas 79701

Shell Oil Company
P. O. Box 1509
Midland, Texas 79701

Jan 45 27



PETROLEUM PRODUCTS

TEXACO INC.
DRAWER 728
HOBBS, NEW MEXICO 88240

March 22, 1971

REQUEST FOR EXAMINER HEARING

Gas Allowable Re-Assignment

E.E. Blinebry "A" Fed. (NCT-1) Well No. 2
Jalmat Yates Gas Field
Lea County, New Mexico

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

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

Gentlemen:

It is requested that an examiner hearing be scheduled for April 28, 1971 at Santa Fe, New Mexico to consider the application of TEXACO Inc. for re-assignment of gas allowable in the Jalmat Yates Gas Field, Lea County, New Mexico.

At this hearing TEXACO will request that 31,614 MCF of gas allowable cancelled December 31, 1970 be re-assigned to TEXACO's E.E. Blinebry "A" Fed. (NCT-1) Well No. 2. The well was shut-in for twelve (12) days in October of 1970 awaiting a gas allowable assignment and was not able to make up all of its underproduction in that balancing period of July through December of 1970. Since the well was capable of making up all of its underproduction had it not been necessary to shut the well in, the subject underage is requested for the January through June, 1971 balancing period.

Included with this request for a hearing is a copy of the following exhibits:

1. Plat of the area with the subject well indicated.
2. Structure map of the Jalmat Field.
3. Production performance curve for the subject well for 1970.

DOCKET MAILED

Date 4-16-71

Mr. A. L. Morter, Jr.

-2-

March 22, 1971

Copies of this letter and exhibits are being sent
to all offset operators and the U. S. Geological Survey.

Yours very truly,

A handwritten signature in cursive script, appearing to read "W. E. Morgan".

W. E. Morgan
District Superintendent

CPC:jg

MAS
U.S.G.S.
OFFSET OPERATORS

DRAFT

GMH/dr

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. 4524

Order No. R- 4144

APPLICATION OF TEXACO INC. FOR
REINSTATEMENT OF CANCELLED UNDER-
PRODUCTION, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 28, 1971,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this _____ day of _____, 1971, 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, Texaco Inc., is the operator of the
E. J. Blinbry "A" Federal (NCT-1) Well No. 2 located in Unit I, Sec-
tion 31, Township 23 South, Range 37 East, NMPM, Jalmat Gas
Pool, Lea County, New Mexico.

-2-

CASE NO. 4524

Order No. R-

(3) That the ^{E.E.} Blinebry "A" Federal (NCT-1) Well No. 2, a non-marginal well, failed to produce during the gas proration period ending December 31, 1970, accrued underproduction amounting to 31,614 MCF of gas which was consequently cancelled

January 1, 1971.

(4) That the applicant seeks, as an exception to Rule 14(A) of the General Rules and Regulations for the prorated gas pools of Southeastern New Mexico, the reinstatement of the above-described unproduced allowable that was cancelled.

(5) That 23,500 MCF of the said cancelled underproduction would have been produced by the subject well prior to December 1, 1970, but for ^{certain inadvertent delay} ~~dawdling~~ upon the part of the Commission.

(6) That in order to afford the applicant the opportunity to recover its just and equitable share of the gas in the subject pool, the applicant should be authorized to produce during the make-up period from January 1, 1971 to June 30, 1971, 23,500 MCF of the underproduction accrued to the subject well and cancelled January 1, 1971, in addition to the allowable regularly assigned to the well.

(7) That approval ~~of the application~~ as set forth in Finding (6) above will neither cause waste nor violate the correlative rights of other operators in the pool.

BE IT THEREFORE ORDERED:

(1) That during the make-up period from January 1, 1971, to June 30, 1971, the applicant, Texaco Inc., is hereby authorized to produce 23,500 MCF of gas from its ^{E.E.} Blinebry "A" Federal (NCT-1) Well No. 2 located in Unit 1, Section 31,

-3-

CASE NO. 4524

ORDER NO.

Township 23 South, Range 37 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico, in addition to the regularly assigned allowable for the well.

(2) That the Secretary-Director of the Commission, upon proper application, may approve an extension of time during which the said 23,500 MCF of gas may be produced.

(3) That to obtain administrative approval for an extension of time in which to make up cancelled underproduction, the operator shall submit in triplicate a request for such authority, stating the amount of underproduction produced to date and describing the conditions preventing complete make-up of underproduction by June 30, 1971.

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

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

END OF ROLL

107

ROLL NUMBER

DOCUMENT TYPE

NM OIL CONSERVATION DIVISION

DATE OF FILMING

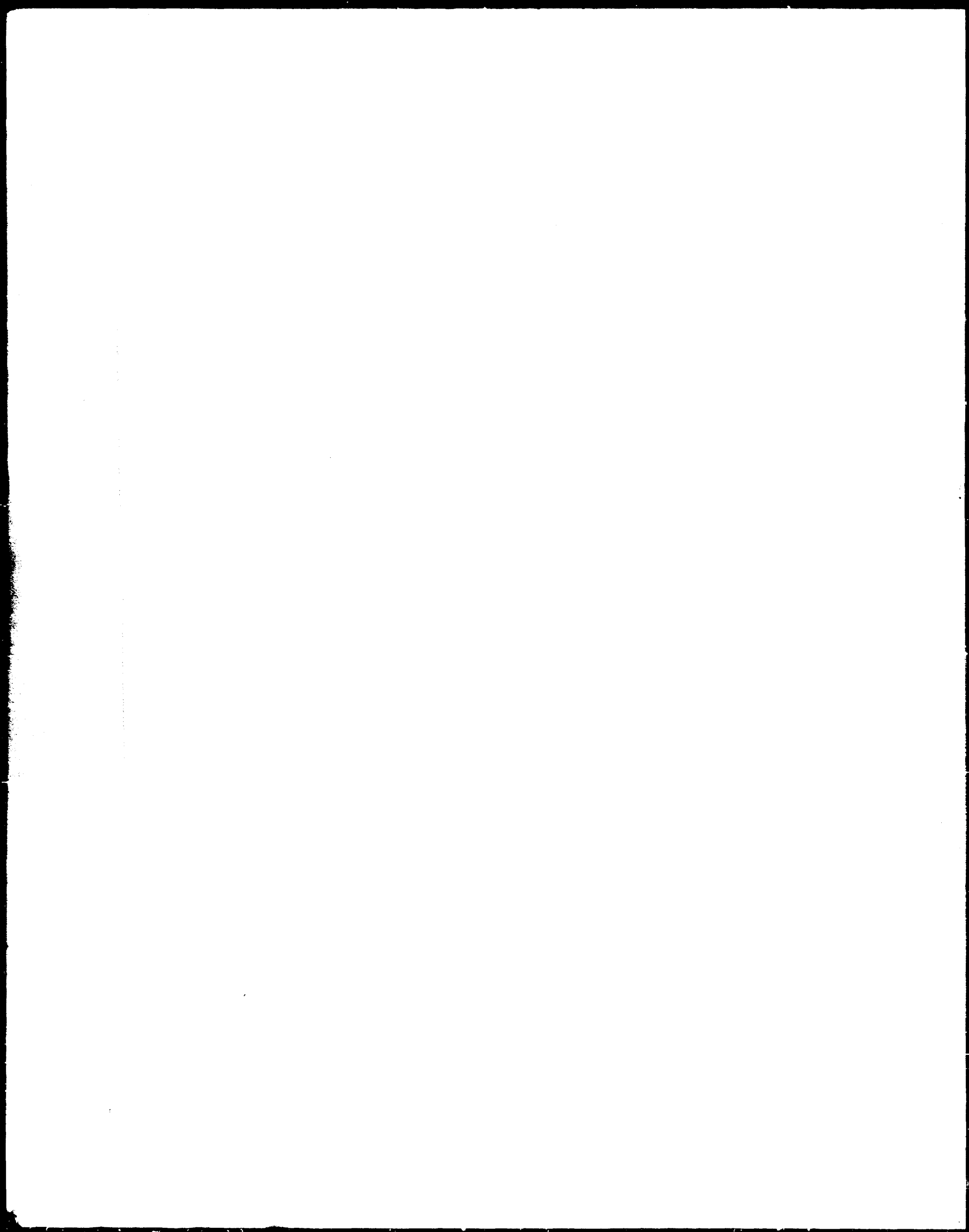
AUGUST 22ND, 1985

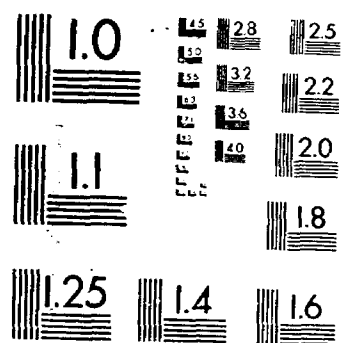
CAMERA OPERATOR

PHIL A. WILDE

ENDING DOCUMENT

Box 16 of 17 / CASE # 4524 - Appl. of TEXACO.





MICROCOPY RESOLUTION TEST CHART
NATIONAL BUREAU OF STANDARDS
STANDARD REFERENCE MATERIAL 1010a
(ANSI and ISO TEST CHART No. 2)

STATEMENT OF DOCUMENT CERTIFICATION

All microphotographics images of documents following this certificate are of authorized documents in the possession of this Agency. These documents are routinely microfilmed as a necessary operation in the generation of an inviolate document file.

R. David Ortiz
SUPERVISOR

STATE OF NEW MEXICO)
) SS.
COUNTY OF VALENCIA)

Sworn and Subscribed to me, A Notary Public,

This 1st day of December, 19 93

Stephen A. Brown
NOTARY PUBLIC

MY COMMISSION EXPIRES: 10-2-86

CERTIFICATE OF AUTHENTICITY

THIS IS TO CERTIFY that the microphotographs appearing on this Roll of Film are accurate and complete reproductions of the records of the, NM OIL CONSERVATION DIV. as delivered in the regular course of business for Micro Filming.

Philip A. Wible
CAMERA OPERATOR

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R. David Ortiz
SUPERVISOR

STATE OF NEW MEXICO)
) SS.
COUNTY OF VALENCIA)

Sworn and Subscribed to me, A Notary Public,

This 1st day of December, 19 93

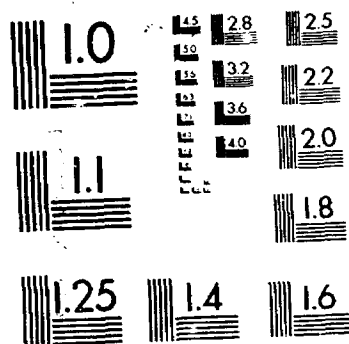
Lynda Rios
NOTARY PUBLIC

MY COMMISSION EXPIRES: 10-2-86

CERTIFICATE OF AUTHENTICITY

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Philip A. Wilde
CAMERA OPERATOR



MICROCOPY RESOLUTION TEST CHART
 NATIONAL BUREAU OF STANDARDS
 STANDARD REFERENCE MATERIAL 1010a
 (ANSI and ISO TEST CHART No. 2)

START OF ROLL

107 B

ROLL NUMBER

DOCUMENT TYPE

NM OIL CONSERVATION DIVISION

DATE OF FILMING

AUGUST 22ND 1985

CAMERA OPERATOR

PHIL A. WILDE

BEGINNING DOCUMENT

Box 16 of 17 / CASE # ~~11111~~ 4525 - Appl. of Wolfson.