

CASE 4525: Application of WOLFSON  
OIL CO. FOR A NON-STANDARD GAS  
PRORATION UNIT, LEA COUNTY, N.M.

Case Number

4525

Application

Transcripts

Small Exhibits

ETC.

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

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



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

EXAMINER HEARING

-----)  
IN THE MATTER OF: )  
 )  
Application of Wolfson ) Case No. 4525  
Oil Company for a )  
non-standard gas proration )  
unit, Lea County, New Mexico )  
 )  
-----)

BEFORE: Elvin A. Utz, Examiner

TRANSCRIPT OF PROCEEDINGS

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 FIRST NATIONAL BANK BLDG. EAST • ALBUQUERQUE, NEW MEXICO 87108

1 MR. UTZ: Case 4525.

2 MR. HATCH: Case 4525, application of Wolfson Oil  
 3 Company for a non-standard gas proration unit, Lea County,  
 4 New Mexico.

5 MR. KELLAHIN: If the Examiner please,  
 6 Jason Kellahin, Kellahin and Fox, Santa Fe, appearing for  
 7 the Applicant.

8 We have one witness I would like to have  
 9 sworn.

10 (Witness sworn.)

11 (Whereupon, Applicant's  
 12 Exhibits One and Two were  
 marked for identification.)

13 MR. UTZ: Are there other appearances?

14 HAROLD G. FREIDMAN

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

17 DIRECT EXAMINATION

18 BY MR. KELLAHIN:

19 Q Would you state your name, please?

20 A My name is Harold G. Freidman.

21 Q By whom are you employed and in what position,  
 22 Mr. Freidman?

23 A I am a petroleum engineer with Wolfson Oil  
 24 Company.

25 Q All right; have you ever testified before the

1 Oil Conservation Commission of New Mexico and made your  
2 qualifications as an engineer a matter of record?

3 A Yes sir, I have.

4 MR. KELLAHIN: Are the witness' qualifications  
5 acceptable?

6 MR. UTZ: Yes sir, they are.

7 Q (By Mr. Kellahin) Mr. Freidman, are you  
8 familiar with the application of Wolfson Oil Company in  
9 Case 4525?

10 A Yes, sir.

11 Q Briefly, what does the applicant propose in this  
12 case?

13 A The applicant desires a non-standard gas  
14 proration unit. The well was originally drilled as a  
15 South Eunice field well, and extensive testing in the  
16 South Eunice field zone proved unsuccessful. Subsequent  
17 testing of the Jalmat Oil proved unsuccessful, and the  
18 well was put back on Jalmat as a gas well.

19 Q And it is now completed as a Jalmat gas  
20 well?

21 A Yes, sir.

22 Q Was the well originally projected to the Queen  
23 Formation?

24 A Yes, sir.

25 Q And what is the location of the well?

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1 A The well is 330 from the west line and 310 from  
 2 the south line of Section 20, 22 South, 36 East.

3 Q Referring to what has been marked as the  
 4 Applicant's Exhibit Number One, is that a plat showing  
 5 the area in which this well is located?

6 A Yes, sir.

7 Q Have you outlined on that the proposed non-  
 8 standard unit?

9 A Yes sir, I have.

10 Q And what does it consist of?

11 A It consists of 280 acres, with the exception  
 12 of the northwest of the northwest quarter. It's 320 from  
 13 the northwest and northwest quarter.

14 Q In other words, actually, it's a half section  
 15 with one-quarter deleted from it?

16 A Yes, sir.

17 Q And who is the operator of that?

18 A Cities Service.

19 Q And is there a well located on that acreage?

20 A Yes sir, there is a Jalmat oil well on that  
 21 acreage.

22 Q And they declined to commit their acreage to  
 23 your gas well, is that correct?

24 A Yes, sir.

25 Q And is that the reason you are unable to form a

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1 non-standard 320 acre unit?

2 A Yes sir, that's correct.

3 Q And now referring to what has been marked as  
 4 Exhibit Number Two, would you identify that exhibit?

5 A Number Two is a structural map on top of the  
 6 Yates.

7 Q No, that's Number One --

8 A Oh --

9 Q Go ahead, excuse me, that's the structural map --

10 A This structural map indicates the Yates to be  
 11 productive throughout that half section.

12 Q And that structure is on top of the Yates, is that  
 13 correct?

14 A Yes sir, it is.

15 Q Now, Exhibit Number Two, is that a log of the  
 16 subject well?

17 A That is a log of the well showing the perforations  
 18 in the South Eunice Queen Zone and the subsequent bridge  
 19 plugs and the perforations and testing in the Jalmat oil,  
 20 subsequent bridge plug.

21 Q Did you set a bridge plug above the Jalmat oil  
 22 zone?

23 A Yes sir, we did.

24 Q And does it show the perforations in the Jalmat  
 25 gas zone?

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1 A Yes sir, it does.

2 Q And does it give the footagelocations of those  
 3 perforations?

4 A Yes sir, it does.

5 Q There is another well shown on your Exhibit  
 6 Number One in the proposed unit. What is that well?

7 A That well is the Cities Service well. The  
 8 whole 320 acres was formerly dedicated to that well  
 9 until the water broke on the well and it has not produced  
 10 since 1964. It was a Jalmat gas well.

11 Q Does the fact that water broke into that well  
 12 indicate that all that acreage is non-productive of gas  
 13 in the Jalmat?

14 A No sir, it does not, in my opinion.

15 Q What do you think occasioned the water encroachment  
 16 at that time?

17 A I believe it came from the lower South Eunice  
 18 Zone. The well that was originally completed there  
 19 in the South Eunice Queen Zone has an extensive water  
 20 drive and high pressure water, and I believe it broke  
 21 through.

22 Q You do not think it was Jalmat gas Zone water  
 23 then, is that correct?

24 A No sir, I don't.

25 Q Were exhibits One and Two prepared by you or under



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1 your supervision?

2 A Yes, sir.

3 Q In your opinion, will the approval of this  
 4 application result in the prevention of waste and give  
 5 Wolfson Oil Company an opportunity to produce its share  
 6 of the gas underlying this acreage?

7 A Yes, sir.

8 MR. KELLAHIN: At this time, I'd like to offer  
 9 in evidence Exhibits One and Two.

10 MR. UTZ: Without objection, Exhibits One and  
 11 Two will be entered into the record of this case.

(Whereupon, Applicant's  
 Exhibits One and Two were  
 received in evidence.)

14 MR. UTZ: Mr. Kellahin, was this an exhibit --

15 A It's identical with the other exhibit, except  
 16 it does not have the contours on it.

17 MR. UTZ: I see.

18 CROSS EXAMINATION

19 BY MR. UTZ:

20 Q Mr. Wolfson, up in Section 17 in the southwest  
 21 quarter of the well, noted as Number Five plus 395, that's  
 22 plus 395 above the Yates datum, I presume. Is that a  
 23 Jalmat gas well?

24 A Will you repeat that, sir? I didn't have it in  
 25 front of me.

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- 1 Q In Section --
- 2 A Oh, Section Five --
- 3 Q Seventeen.
- 4 A Yes sir, it was at one time.
- 5 Q Section 17, we're looking at the same --
- 6 A Yes.
- 7 Q -- Number Five well?
- 8 A Yes, sir.
- 9 Q It's not producing any longer?
- 10 A Not to my knowledge, sir.
- 11 Q Is there any wells producing to the east of
- 12 this unit?
- 13 A Yes sir, there's Cities Service directly east.
- 14 Q Yes.
- 15 A Not in the Section 20, sir.
- 16 Q Is there any wells producing on the plus four
- 17 contour?
- 18 A I believe there are further south, sir, that
- 19 Continental has one located in the section south that
- 20 I believe is still producing. In fact, they have two
- 21 in the section south of 20.
- 22 Q You may have stated this, but I don't recall.
- 23 Is this an old well or recompletion or what?
- 24 A No sir, this is a new well.
- 25 Q A new well?

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1 A Yes, sir.

2 Q When was the well completed?

3 A February 21st of this year.

4 Q You drilled on down to the South Eunice, is that

5 correct?

6 A Yes, sir.

7 Q And plugged it back at Jalmat?

8 A Yes, sir.

9 MR. UTZ: Questions of the witness?

10 The witness may be excused.

11 (Witness excused.)

12 MR. UTZ: Statements?

13 The case will be taken under advisement.

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I N D E X

WITNESS

PAGE

HAROLD G. FREIDMAN

Direct Examination by Mr. Kellahin

2

Cross Examination by Mr. Utz

7

EXHIBIT

MARKED

OFFERED AND RECEIVED

Applicant's  
1 and 2

2

7





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. 4525  
Order No. R-4139

APPLICATION OF WOLFSON OIL  
COMPANY FOR A NON-STANDARD GAS  
PRORATION UNIT, 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 6th 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, Wolfson Oil Company, seeks approval of 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, NMPM, Lea County, New Mexico, to be dedicated to its Cities-Federal Well No. 1 located 2310 feet from the South line and 330 feet from the West line of said Section 20.

(3) That the entire non-standard proration unit is productive of gas from the Jalmat Gas Pool and that the entire non-standard proration unit can be efficiently and economically drained and developed by said Cities-Federal Well No. 1.

(4) That approval of the subject application will afford the applicant the opportunity to produce its 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

-2-

CASE NO. 4525  
Order No. R-4139

augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

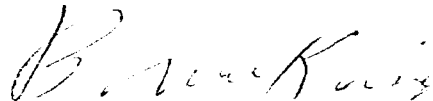
IT IS THEREFORE ORDERED:

(1) That a 280-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the SW/4, S/2 NW/4 and NE/4 NW/4 of Section 20, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby established and dedicated to the Wolfson Oil Company Cities-Federal Well No. 1, located 2310 feet from the South line and 330 feet from the West line of said Section 20.

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

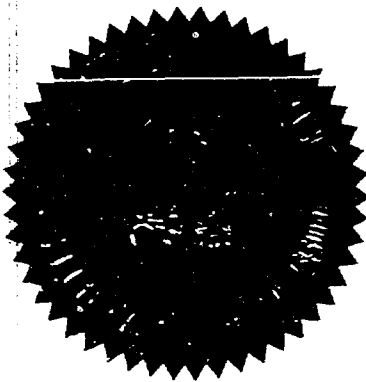
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
BRUCE KING, Chairman

  
ALEX J. ARMIJO, Member

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



dx/



Case 4525

Recd 4-28-71

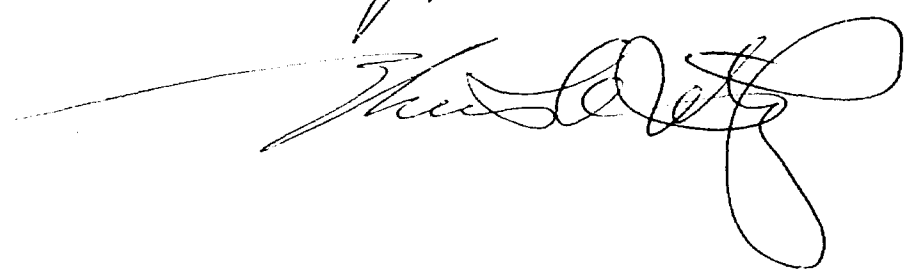
Recd 5-3-71

Grant Nelson oil Comp. request  
for a 250 Ac. NSP in Federal  
Gas Pool. Unit to consist of  
22S-36E.

Sec. 20 NE 1/4 NW 1/4, SW 1/4 NW 1/4,  
SW 1/4. 250 Ac.

Unit to be dedicated to these  
Cities. - Fed. #1, 2310/S, 338/W lines

of Sec. 20.  
Make unit effective May 1 1971.



OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

March 23, 1971

*From 4.5-2.5*

C  
O  
P  
Y

Wolfson Oil Company  
311 Midland National Bank Building  
Midland, Texas

**DOCKET MAILED**

*4-16-71*

Attention: Mr. H. G. Freedman

~~Date~~

Re: Cities - Federal Well No. 1  
located 2310 FSL oil 330 FWL  
of Section 20, Township 22  
South, Range 36 East, NMPM,  
Jalmat Gas Pool, Lea County,  
New Mexico

Gentlemen:

In response to your request of March 19, 1971,  
your application for a non-standard proration unit  
will be amended to dedicate 280 acres.

Very truly yours,

GEORGE M. HATCH  
Attorney

GMH/dr

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

# Memo

From  
Melba  
~~XXXXXXXXXX~~

Deputy Oil & Gas Inspector

To George Hatch

Please note attached revision in  
proposed non-standard unit.  
Can you get it changed for the  
April hearing?

*Case 4525*

WOLFSON OIL COMPANY

OIL PRODUCERS

3200 REPUBLIC NATIONAL BANK TOWER  
DALLAS, TEXAS 75201

311 MIDLAND NATIONAL BANK BUILDING  
MIDLAND, TEXAS

March 19, 1971

Oil Conservation Commission  
Box 1980  
Hobbs, New

*Case 2-25*  
Re: Citicor-Federal No. 1  
2310' FSL 330' FWL 20-22-36  
Lea Co., New Mexico

Attn: Mr. Joe Ramsey

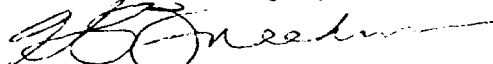
Dear Mr. Ramsey;

In our letter of March 3, 1971 we submitted a plat dedicating 160 acres to the above captioned well.

We wish to submit an amended plat dedicating 280 acres to our Jalnat gas well.

Yours very truly,

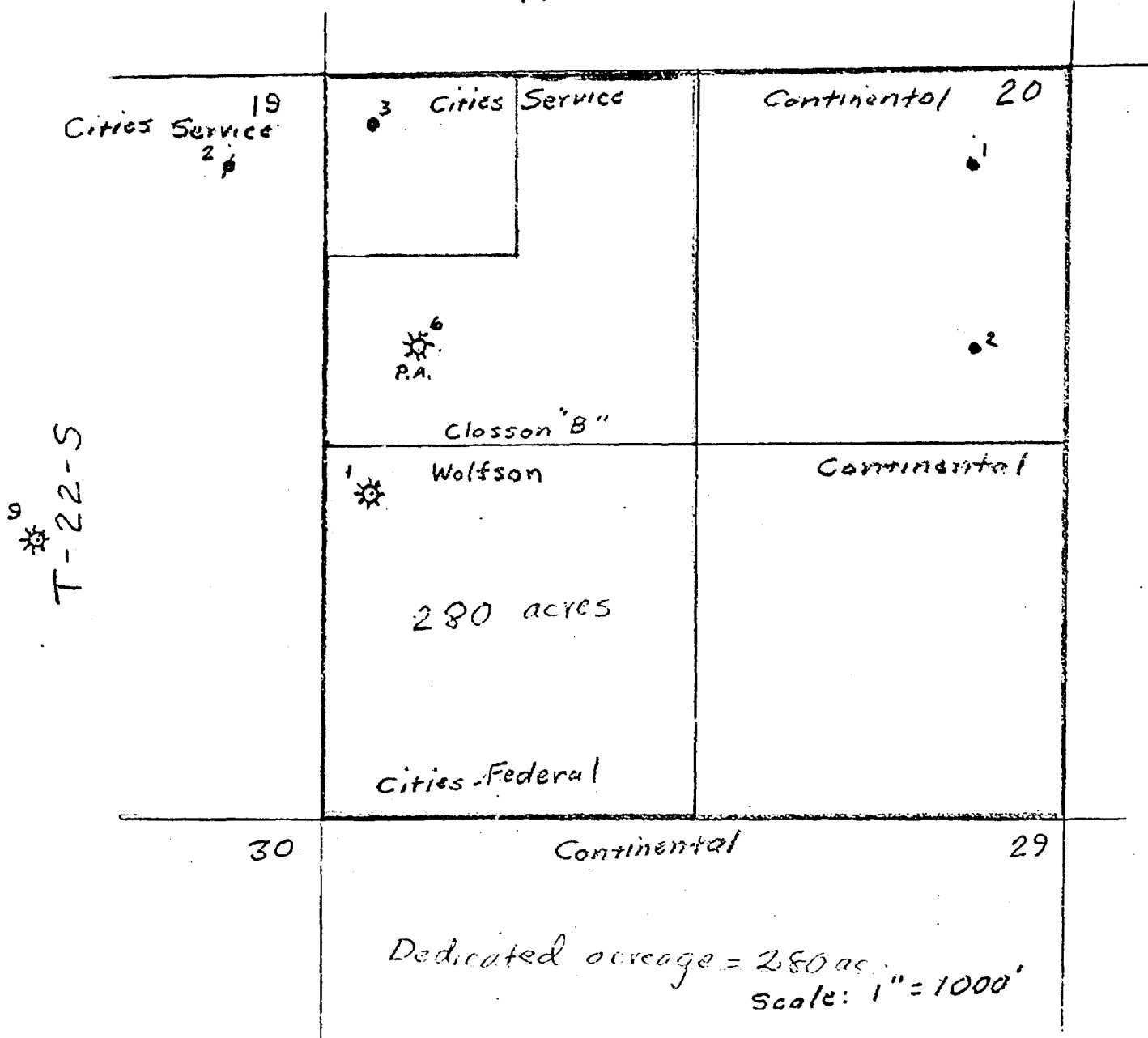
Wolfson Oil Company

  
H.G. Freedman

Case 4-5-2-5

WOLFSON OIL COMPANY  
OIL PRODUCERS  
6000 REPUBLIC NATIONAL BANK TOWER  
DALLAS, TEXAS 75201

R-36-E



OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

March 19, 1971

*Case 4525*

C  
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Y

Wolfson Oil Company  
311 Midland National Bank Building  
Midland, Texas

Attention: Mr. H. G. Freedman

Re: 160-acre non-standard proration unit  
comprising the SW/4 of Section 20,  
Township 22 South, Range 36 East,  
Jalmat Gas Pool, Lea County, New Mexico

Gentlemen:

As the Wolfson Oil Company Cities-Federal Well No. 1  
is located closer than 660 - 660 feet to the nearest  
boundary lines of the proposed gas unit, it will be nec-  
essary for the matter to be set for hearing before an  
examiner on April 28, 1971, in Santa Fe, New Mexico.

Very truly yours,

GEORGE M. HATCH  
Attorney

GMB/esr

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

DOCKET: EXAMINER HEARING - BUREAU OF LANDS - APRIL 23, 1971

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

The following cases will be heard before Elias 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 31, 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

Cities-Federal Well No. 1 located 2310 feet from the South line and 330 feet from the West line of said Section 20.

- CASE 4526: Application of Pennzoil United, Inc., for the creation of a new pool and promulgation of special pool rules, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new pool for the production of gas from the San Andres formation for its Superior State Well No. 1 located in Unit L of Section 8, Township 7 South, Range 35 East, Roosevelt County, New Mexico, and for the promulgation of special rules therefor, including a provision for 320-acre spacing units.
- CASE 4527: Application of Big "6" Drilling Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Bone Springs formation in the interval from 10,062 feet to 10,119 feet in its Ora Jackson "A" Well No. 1 located in Unit M of Section 5, Township 19 South, Range 35 East, Scharb-Bone Springs Pool, Lea County, New Mexico.
- CASE 4528: Application of Franklin, Aston & Fair, Inc., for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, to dispose of water produced by its Coppedge Well No. 1-C located in Unit H of Section 5, Township 18 South, Range 30 East, Loco Hills-Grayburg-San Andres Pool, Eddy County, New Mexico, in an unlined pit in the vicinity of said well.
- CASE 4529: Application of El Paso Natural Gas Company for 320-acre spacing, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks 320-acre spacing for the Grayburg-Atoka Gas Pool, Eddy County, New Mexico. Said pool was created prior to June 1, 1964, and therefore is not automatically eligible for 320-acre spacing. In the absence of evidence to the contrary, 320-acre spacing will be established for the pool.
- CASE 4530: Application of Amoco Production Company for down-hole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle oil production from the Blinebry and Drinkard Pools in the well-bore of its Southland Royalty "A" Well No. 2, a triple completion, located in Unit B of Section 9, Township 21 South, Range 37 East, Lea County, New Mexico.





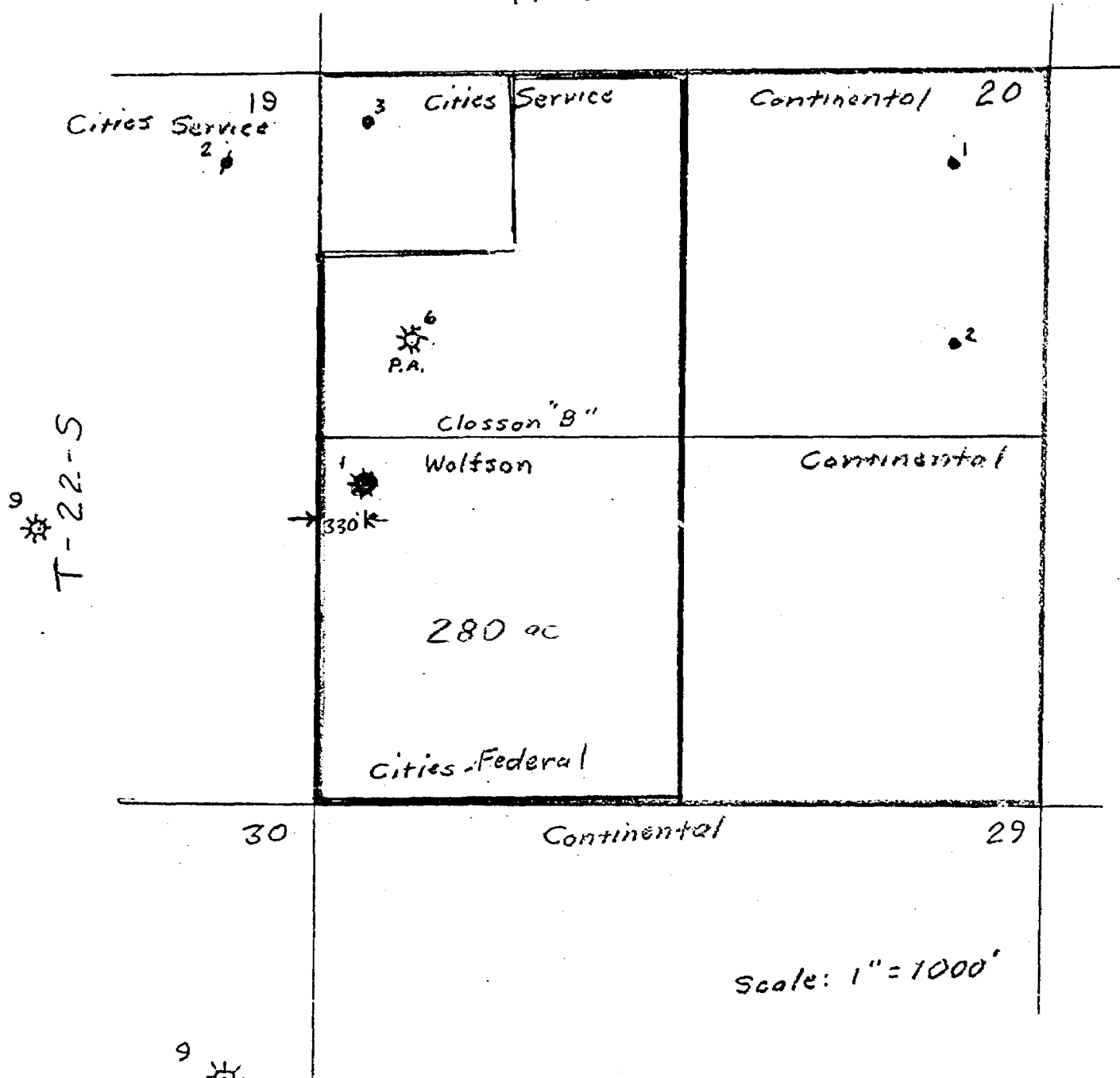
WOLFSON OIL COMPANY

OIL PRODUCERS

6906 REPUBLIC NATIONAL BANK TOWER

DALLAS, TEXAS 75201

R-36-E



*WSP -  
Set for hearing as  
the rule is only a 330-330  
location.*

**WOLFSON OIL COMPANY**  
OIL PRODUCERS  
3206 REPUBLIC NATIONAL BANK TOWER  
DALLAS, TEXAS 75201

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March 3, 1971

Oil Conservation Commission  
Box 1980  
Hobbs, New Mexico

*Case 4575*

Re: Cities - Federal No. 1  
2310' FSL 330' FWL Section 20-22S-36E,  
S/Eunice (7-Rivers Queen) Field  
Lea County, New Mexico

ATTN: Mr. Joe Ramey

Dear Mr. Ramey:

The above captioned well was filed in the Eunice, South, Seven Rivers, Queen Field and was drilled to a total depth of 3800 feet.

Possible producing zones in the Eunice, South Field from 3767 - 3790 were perforated, acidized, and found non-productive.

Possible producing zones in the Jalmat oil zone from 3498-3508 were perforated, acidized, and found non-productive.

The well was plugged back to the Jalmat gas zone and perforated from 3222 - 3442 and completed as a gas well. In as much as the location is only 330' from the West line, we respectfully request an approval for a non-standard gas location.

Yours very truly,

WOLFSON OIL COMPANY

*H. G. Freedman*  
H. G. Freedman

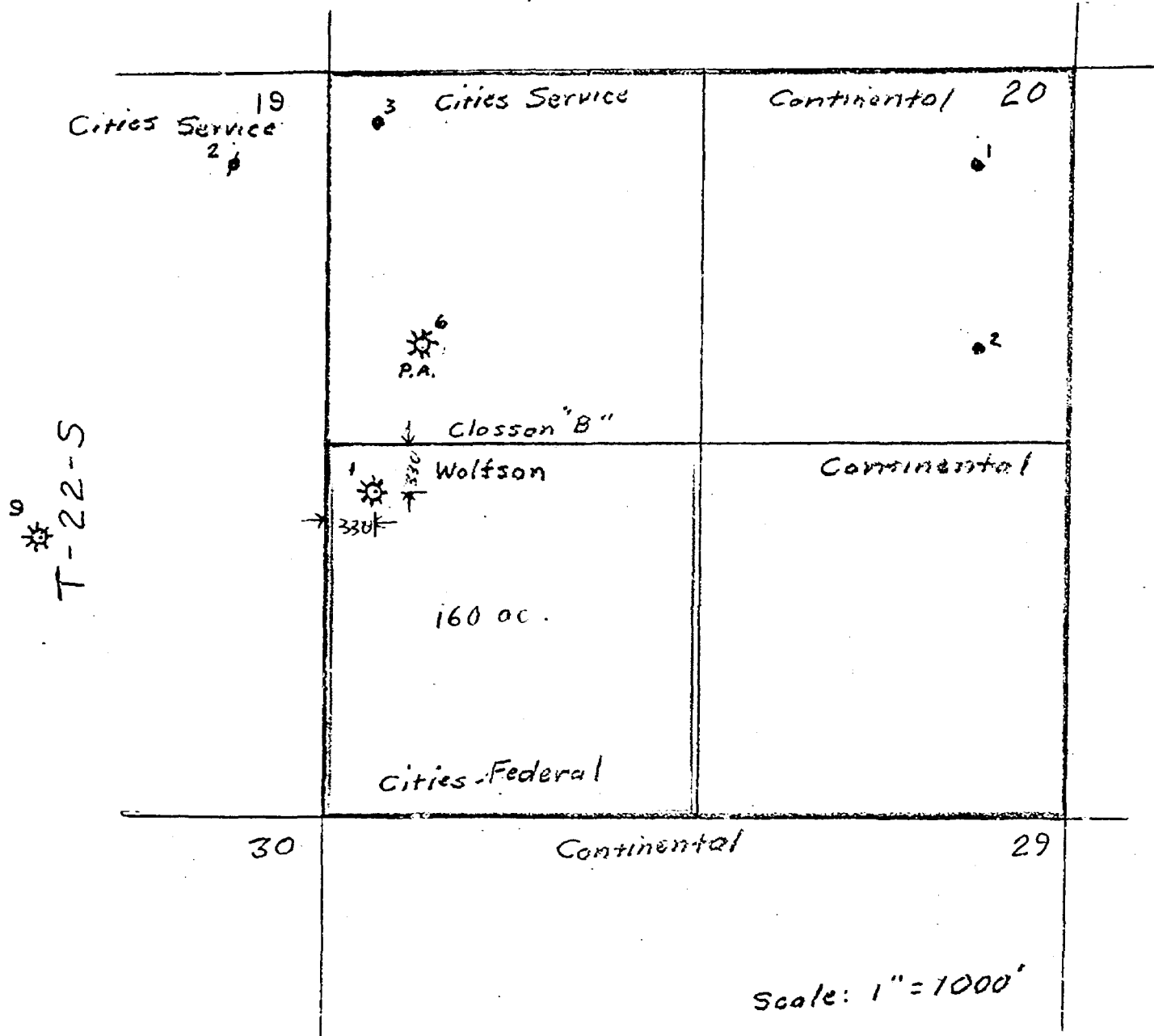
CC: Continental Oil - Hobbs, New Mexico  
Cities Service Oil Corporation - Midland, Texas

HGF/hbh

4525

WOLFSON OIL COMPANY  
OIL PRODUCERS  
3206 REPUBLIC NATIONAL BANK TOWER  
DALLAS, TEXAS 75201

R-36-E



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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. 4525

Order No. R- 4129

APPLICATION OF WOLFSON OIL COMPANY  
FOR A NON-STANDARD GAS PRORATION UNIT,  
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 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, Wolfson Oil Company, seeks approval  
of 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, NMPM, Lea County, New Mexico, to be dedicated to its  
Cities-Federal Well No. 1 located 1650 feet from the north line  
of said

~~Section 20.~~

and 330 feet from the west line of said  
Section 20.

-2-

CASE NO. 4525

Order No. R-

(3) That the entire non-standard proration unit is productive of gas from the Jalmat Gas Pool formation and that the entire non-standard proration unit can be efficiently and economically drained and developed by said Cities-Federal Well No. 1.

(4) That approval of the subject application will afford the applicant the opportunity to produce its 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 280-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the SW/4, S/2 NW/4 and NE/4 NW/4 of Section 20, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby established and dedicated to the Wolfson Oil Company Cities-Federal Well No. 1, located in Unit <sup>930 feet from the</sup> ~~in Unit~~ <sub>South north line and 330 feet from the west line</sub> of said Section 20.

(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.