

Case Number
4783

Application

Transcripts

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
CONFERENCE HALL, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO
July 26, 1972

EXAMINER HEARING

IN THE MATTER OF:

Application of Texas Pacific
Oil Company for rededication
of acreage, Lea County, New
Mexico.

CASE NO. 4739

a n d

Application of Texas Pacific
Oil Company for a three non-
standard proration units and
rededication of acreage, Lea
County, New Mexico.

a n d

CASE NO. 4783

BEFORE: Daniel S. Nutter
Examiner

TRANSCRIPT OF HEARING

dearnley, meier & mc cormick

208 SIMMS BLDG., P.O. BOX 1092, PHONE 243-6691, ALBUQUERQUE, NEW MEXICO 87103
1210 FIRST NATIONAL BANK BLDG. EAST, ALBUQUERQUE, NEW MEXICO 87108

dearnley, meier & mc cormick

209 SIMMS BLDG., P.O. BOX 1092, PHONE 243-6691, ALBUQUERQUE, NEW MEXICO 87103
1216 FIRST NATIONAL BANK BLDG. EAST, ALBUQUERQUE, NEW MEXICO 87108

1 MR. NUTTER: We will next call Case Number 4739.

2 MR. HATCH: Case 4739, Application of Texas Pacific
3 Oil Company for rededication of acreage, Lea County, New
4 Mexico.

5 MR. RUSSELL: John F. Russell, Roswell, New
6 Mexico, and I have one witness, Mr. Dennis Chasten.

7 Prior to swearing the witness, since Case 4739
8 and 4783 are the same Applicants containing the same subject
9 matter, rededication of acreage Jalmat Pool and Exhibits
10 are basically the same, I would request that these cases be
11 combined or consolidated for the purpose of the hearing.

12 MR. NUTTER: We will now call Case 4783.

13 MR. HATCH: Case 4783: Application of Texas
14 Pacific Oil Company for a three nonstandard proration units
15 and rededication of acreage, Lea County, New Mexico.

16 MR. NUTTER: Cases 4739 and 4783 will be
17 consolidated for hearing purposes.

18 (Whereupon, Mr. Dennis Chasten was sworn)

19 * * * * *

20 DENNIS CHASTEN,

21 was called as a witness and, having been duly sworn according
22 to law, testified as follows:

23 DIRECT EXAMINATION

24 BY MR. RUSSELL:

25 Q Would you please state your name, address, name of your

dearnley, meier & mc cormick

209 SIMMS BLDG., P.O. BOX 1092, PHONE 243-6601, ALBUQUERQUE, NEW MEXICO 87103
1216 FIRST NATIONAL BANK BLDG. EAST, ALBUQUERQUE, NEW MEXICO 87108

1 employer and the capacity in which you are employed?

2 A My name is Dennis Chasten of Midland, Texas. I am
3 employed by Texas Pacific Oil Company, Inc., as a
4 petroleum engineer.

5 Q Have you previously qualified to give expert testimony
6 before this Commission?

7 A No, I have not.

8 Q Will you give a brief background of your educational
9 and practical experience?

10 A I graduated from the University of Missouri at Rolla
11 in January, 1970, as a mechanical engineer with a
12 Bachelor of Science Degree in mechanical engineering
13 and went to work for Texas Pacific thereafter and have
14 been employed by them in their Midland District Office
15 since that time.

16 Q What is the major of your work with them?

17 A I am in the development section and work as a
18 petroleum engineer responsible for various areas within
19 the district which include secondary recovery
20 operations, gas wells in the State of New Mexico and
21 several other development areas.

22 MR. RUSSELL: Are his qualifications acceptable?

23 MR. NUTTER: Yes, they are.

24 Q (By Mr. Russell) Mr. Chasten, are you familiar with
25 Case Number 4739 and Case Number 4783?

dearnley, meier & mc cormick

209 SIMMS BLDG., P.O. BOX 1092, PHONE 243-6691, ALBUQUERQUE, NEW MEXICO 87103
1210 FIRST NATIONAL BANK BLDG. EAST ALBUQUERQUE, NEW MEXICO 87108

- 1 A Yes.
- 2 Q What do you seek to do by those two Applications?
- 3 A By these two Applications we seek nonstandard proration
- 4 units in the Jalmat Pool for acreage. Under Case 4739
- 5 of our Emery B. King lease, the NW/4 of Section 1,
- 6 Township 23 South, Range 36 East, in which there are
- 7 two wells located, well Number 1-E to be simultaneously
- 8 dedicated with well 4-F for the 160 acre proration
- 9 unit.
- 10 Q Both Applications involve the realignment of present
- 11 existing proration units, do they not?
- 12 A Correct.
- 13 Q What is the purpose of this realignment?
- 14 A Our purpose in these realignments will allow us to
- 15 produce our just and equitable share of gas from these
- 16 areas in the Jalmat Pool. It will also allow us to
- 17 more uniformly deplete the reservoir under our leases
- 18 and by doing so we hope to prevent the premature
- 19 abandonment of wells in these areas and assure the
- 20 maximum recovery of gas from the Jalmat.
- 21 Q In connection with these Cases, have you prepared some
- 22 Exhibits?
- 23 A I have.
- 24 Q I will refer you first to Exhibit Number 3 and ask
- 25 you what that Exhibit reflects?

dearnley, meier & mc cormick

209 SIMMS BLDG., P.O. BOX 1092, PHONE 243-6691, ALBUQUERQUE, NEW MEXICO 87103
1215 FIRST NATIONAL BANK BLDG. EAST, ALBUQUERQUE, NEW MEXICO 87108

- 1 A This is a plat showing the subject acreage under
2 Case Number 4739, the NW Emery B. King lease on which
3 is located the two subject wells.
- 4 Q I will refer you to Exhibit 4 and ask you what that
5 Exhibit is?
- 6 A Exhibit 4 is a pertinent data sheet that was prepared
7 showing the subject wells, their completion date and
8 interval, their cumulative production and their
9 anticipated monthly capacity and their anticipated
10 monthly allowable.
- 11 Q What is the anticipated monthly capacity based upon?
- 12 A This is based on 100 psi and is based on tests, the
13 last test, deliverability test, run on these wells.
- 14 Q Now, I will refer you to Exhibit Number 1 and ask
15 you to explain that Exhibit?
- 16 A Exhibit Number 1 shows the present acreage alignment
17 under our State "A", account 1 lease, located in
18 Township 23 South, Range 36 East, of Lea County.
- 19 Exhibit Number 1 is a location and ownership plat
20 which has the present acreage allocation outlined in
21 dashed lines. These show the present proration units
22 in this acreage.
- 23 Q It shows the number of the wells to which each are
24 presently assigned?
- 25 A Correct.

dearnley, meier & mc cormick

209 SIMMS BLDG., P.O. BOX 1092, PHONE 243-6691, ALBUQUERQUE, NEW MEXICO 87103
1216 FIRST NATIONAL BANK BLDG., EAST ALBUQUERQUE, NEW MEXICO 87108

- 1 Q Going to Exhibit Number 2, what does that reflect?
- 2 A Exhibit Number 2 is also a location and ownership map.
- 3 It shows the proposed changes in acreage allocation and
- 4 the acreage to be realigned under Case Number 4783 is
- 5 shown in red on this map.
- 6 Q If your Application is approved, the same acreage as
- 7 reflected on Exhibit Number 1 will still be assigned to
- 8 the wells shown on Exhibit Number 2?
- 9 A Correct.
- 10 Q There will be no acreage left unassigned to a well;
- 11 is that correct?
- 12 A That is correct.
- 13 Q If the Application is granted, there will be no change
- 14 in allowables for the acreage involved; is that correct?
- 15 A This is correct.
- 16 Q Exhibit Number 4 under Roman Numeral II is the
- 17 pertinent data as to the wells involved in Case 4783;
- 18 is that correct?
- 19 A This is correct, Roman Numeral II, III, and IV, cover
- 20 the acreage.
- 21 Q Of the three proposed prorational alignments; is that
- 22 correct?
- 23 A That's correct.
- 24 Q Were these Exhibits prepared by you or under your
- 25 supervision and direction?

dearnley, meier & mc cormick

209 SIMMS BLDG., P.O. BOX 1092, PHONE 243-6691, ALBUQUERQUE, NEW MEXICO 87103
1216 FIRST NATIONAL BANK BLDG. EAST ALBUQUERQUE, NEW MEXICO 87106

1 A They were.

2 MR. RUSSELL: Mr. Examiner, I offer into evidence
3 Applicant's Exhibits 1 through 4 inclusive, Exhibit Number
4 4 consisting of two pages.

5 MR. NUTTER: Applicant's Exhibits 1 through 4
6 will be admitted in evidence.

7 (Whereupon, Exhibits 1 through 4 were marked
8 and admitted into evidence.)

9 MR. RUSSELL: I have no further questions of this
10 witness.

11 * * * * *

12 CROSS-EXAMINATION

13 BY MR. NUTTER:

14 Q Mr. Chasten, referring to your Exhibit Number 1 which
15 is the alignment at present of the units in Case Number
16 4783. Now, at the present time here in Section 11,
17 we have three 160 acre units; is that correct?

18 A That is correct.

19 Q They would be consolidated into one 100?

20 A 400 simultaneously dedicated to well 1639 and 24.

21 Q Coming down into Section 14, you presently have a 160
22 acre unit there in the NW/4. You would carve out 80
23 acres from the proration unit over in Section 15 and
24 add to that; is that correct?

25 A That is correct.

dearnley, meier & mc cormick

209 SIMMS BLDG., P.O. BOX 1092, PHONE 243-669, ALBUQUERQUE, NEW MEXICO 87103
1216 FIRST NATIONAL BANK BLDG. EAST, ALBUQUERQUE, NEW MEXICO 87108

- 1 Q It would be dedicated to the well Number 28?
- 2 A Correct.
- 3 Q Then, down here in Section 23, you have 260 acre units.
- 4 They are dedicated at present to wells Number 26 and
- 5 27 and you would simply combine them into one 320 acre
- 6 unit and simultaneously dedicate it to those two well?
- 7 A Correct.
- 8 Q The status of the well, whatever it may be, would be
- 9 applicable to these new units?
- 10 A Yes, sir.
- 11 Q The combined status of the wells?
- 12 A Yes, sir.
- 13 MR. NUTTER: Are there any further questions?
- 14 MR. RUSSELL: I have one further question.
- 15 * * * * *
- 16 REDIRECT EXAMINATION
- 17 BY MR. RUSSELL:
- 18 Q Is it your request that your also be authorized to
- 19 take the assigned allowable from all or any of the
- 20 wells in such proportion as in your opinion is most
- 21 equitable and profitable for draining the reservoir?
- 22 A Correct.
- 23 * * * * *
- 24
- 25

dearnley, meier & mc cormick

209 SIMMS BLDG., P.O. BOX 1092, PHONE 243-6691, ALBUQUERQUE, NEW MEXICO 87103
1216 FIRST NATIONAL BANK BLDG., EAST ALBUQUERQUE, NEW MEXICO 87108

RECROSS-EXAMINATION

BY MR. NUTTER:

Q In the other case, Mr. Chasten, it is simply a matter of do you have this proration unit already established?

A We have a 160 acre proration unit established and it is dedicated to well Number 1.

Q So what you are essentially asking for here is simply to dedicate two wells to that unit?

A Correct.

Q What is the purpose of the little green square on the Exhibit?

A This is one of Texas Pacific's methods of showing differences in ownership. Yellow would be 100 percent Texas Pacific and green would show a partial interest. We do have another party that owns a portion of this or a working interest in this.

Q That has no relationship to this case?

A No.

Q The unit you are talking about is the one that is colored green?

A Correct.

Q With the red arrow to it?

A Correct.

MR. NUTTER: Are there any further questions of the witness?

dearnley, meier & mc cormick

200 SIMMS BLDG., P.O. BOX 1002, PHONE 243-6691, ALBUQUERQUE, NEW MEXICO 87103
1216 FIRST NATIONAL BANK BLDG. EAST, ALBUQUERQUE, NEW MEXICO 87108

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

(No response.)

MR. NUTTER: He may be excused.

Do you have anything further, Mr. Russell?

MR. RUSSELL: Nothing further.

MR. NUTTER: Does anyone have anything they
wish to offer in Case 4739 or Case 4783?

We will take the cases under advisement and call
next case, Number 4780.

dearnley, meier & mc cormick

200 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO 87103
1216 FIRST NATIONAL BANK BLDG. EAST • ALBUQUERQUE, NEW MEXICO 87108

1 STATE OF NEW MEXICO)
2) ss
3 COUNTY OF BERNALILLO)

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

11 *M. J. Hughes*
12 COURT REPORTER

23 I do hereby certify that the foregoing is
24 a true and correct record of the proceedings in
25 the inquest hearing of Case No. 4739-4785
heard by me on July 26, 1972.
[Signature], Examiner
New Mexico Oil Conservation Commission

I N D E XWITNESS:PAGEDENNIS CHASTEN

Direct Examination by Mr. Russell	3
Cross-Examination by Mr. Nutter	8
Redirect Examination by Mr. Russell	9
Recross-Examination by Mr. Nutter	10

E X H I B I T SAPPLICANT'SOFFEREDADMITTED

Texas Pacific Oil Co., Inc.

Exhibit Number 1	6	8
Exhibit Number 2	7	8
Exhibit Number 3	5	8
Exhibit Number 4	6	8

dearnley, meier & mc cormick

209 SIMMS BLDG., P.O. BOX 1092, PHONE 243-6181, ALBUQUERQUE, NEW MEXICO 87103
1216 FIRST NATIONAL BANK BLDG. EAST, ALBUQUERQUE, NEW MEXICO 87108



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

.August 8, 1972

Mr. Jack Russell
Attorney at Law
Post Office Drawer 640
Roswell, New Mexico 88201

Re: Case No. 4783

Order No. R-4361

Applicant:

TEXAS PACIFIC OIL COMPANY

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 *AP*

ALP/ir

Copy of order also sent to:

Hobbs OCC x

Artesia OCC

Aztec OCC

Other _____



OIL CONSERVATION COMMISSION

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

**GOVERNOR
BRUCE KING
CHAIRMAN**

**LAND COMMISSIONER
ALEX J. ARMJO
MEMBER**

**STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR**

September 22, 1972

Re: Case No. 4783

Order No. R-4361-A

Applicant:

Texas Pacific Oil Company

Mr. Jack Russell
Attorney at Law
Post Office Drawer 640
Roswell, New Mexico 88201

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

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. 4783
Order No. R-4361-A

APPLICATION OF TEXAS PACIFIC OIL
COMPANY, INC. FOR THREE NON-STANDARD
PRORATION UNITS AND REDEDICATION OF
ACREAGE, LEA COUNTY, NEW MEXICO.

NUNC PRO TUNC

BY THE COMMISSION:

It appearing to the Commission that Order No. R-4361,
dated August 7, 1972, does not correctly state the intended
order of the Commission.

IT IS THEREFORE ORDERED:

(1) That Finding No. (2) should read in its entirety as
follows:

"(2) That the applicant, Texas Pacific Oil Company, Inc.,
seeks the rededication of certain acreage and the establishment
of the following non-standard gas proration units in Township 23
South, Range 36 East, NMPM, Jalmat Gas Pool, Lea County, New
Mexico:

1. A 480-acre unit comprising the NE/4, NW/4, and
SW/4 of Section 11, to be dedicated to its
State "A" A/1 Wells Nos. 16, 29, and 34;
2. A 240-acre unit comprising the NW/4 of Section 14
and the N/2 NE/4 of Section 15, to be dedicated
to its State "A" A/1 Well No. 28;
3. A 320-acre unit comprising the N/2 of Section 23
to be dedicated to its State "A" A/1 Wells Nos.
26 and 27;
4. A 280-acre unit comprising the SE/4 SW/4 of Sec-
tion 10 and the NW/4 and S/2 NE/4 of Section 15,
to be dedicated to its State "A" A/1 Wells
Nos. 31 and 33."

(2) That Order No. (1) should read in its entirety as
follows:

-2-

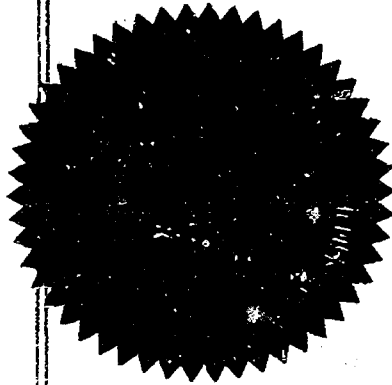
CASE NO. 4783
Order No. R-4361-A

"(1) That the following-described non-standard gas pro-
ration units in Township 23 South, Range 36 East, NMPM, Jalmat
Gas Pool, Lea County, New Mexico, are hereby created:

1. A 480-acre unit comprising the NE/4, NW/4, and SW/4 of Section 11, to be dedicated to its State "A" A/1 Wells Nos. 16, 29, and 34 located, respectively, in Units A, C, and K of said Section 11;
2. A 240-acre unit comprising the NW/4 of Section 14 and the N/2 NE/4 of Section 15, to be dedicated to its State "A" A/1 Well No. 28 located in Unit F of said Section 14;
3. A 320-acre unit comprising the N/2 of Section 23 to be dedicated to its State "A" A/1 Wells Nos. 26 and 27 located, respectively, in Units G and F of said Section 23;
4. A 280-acre unit comprising the SE/4 SW/4 of Section 10 and the NW/4 and S/2 NE/4 of Section 15, to be dedicated to its State "A" A/1 Wells Nos. 31 and 33, located, respectively, in Units H and F of said Section 15."

(3) That this order shall be effective nunc pro tunc
as of August 7, 1972.

DONE at Santa Fe, New Mexico, this 22nd day of
September, 1972.



S E A L

dr/

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Bruce King
BRUCE KING, Chairman

Alex J. Armiijo
ALEX J. ARMIJO, Member

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

160
120
280

Munc Pro Tunc

Change Finding No. (2) and from Order No.

(1)

- 1 same
- 2 same
- 3 same
- 4 & 280-acre unit comprising the SE 1/4 SW 1/4 of section 10, the NW 1/4 and S 1/2 NE 1/4 of section 15, to be dedicated to its state "A" A 1. wells Nos. 31 and 33

located respectively in Units H and F of said section 15.

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. 4783
Order No. R-4361

APPLICATION OF TEXAS PACIFIC OIL
COMPANY, INC. FOR THREE NON-STANDARD
PRORATION UNITS AND REDEDICATION OF
ACREAGE, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 26, 1972,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 7th day of August, 1972, 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, Texas Pacific Oil Company, Inc.,
seeks the rededication of certain acreage and the establishment
of the following non-standard gas proration units in Township 23
South, Range 36 East, NMPM, Jalmat Gas Pool, Lea County, New
Mexico:

1. A 480-acre unit comprising the NE/4, NW/4, and
SW/4 of Section 11, to be dedicated to its
State "A" A/1 Wells Nos. 16, 29, and 34;
2. A 240-acre unit comprising the NW/4 of Section 14
and the N/2 NE/4 of Section 15, to be dedicated
to its State "A" A/1 Well No. 28;
3. A 320-acre unit comprising the N/2 of Section 23
to be dedicated to its State "A" A/1 Wells Nos.
26 and 27.

-2-
Case No. 4783
Order No. R-4361

(3) That each of the proposed non-standard gas proration units is productive of gas.

(4) That each of the proposed non-standard gas proration units can be efficiently and economically drained and developed by the well or wells to which it is to be dedicated.

(5) That approval of the proposed non-standard gas proration units will afford the applicant the opportunity to produce its just and equitable share of the gas in the pool and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the following-described non-standard gas proration units in Township 23 South, Range 36 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico, are hereby created:

1. A 480-acre unit comprising the NE/4, NW/4, and SW/4 of Section 11, to be dedicated to its State "A" A/1 Wells Nos. 16, 29, and 34 located, respectively, in Units A, C, and K of said Section 11;
2. A 240-acre unit comprising the NW/4 of Section 14 and the N/2 NE/4 of Section 15, to be dedicated to its State "A" A/1 Well No. 28 located in Unit F of said Section 14;
3. A 320-acre unit comprising the N/2 of Section 23 to be dedicated to its State "A" A/1 Wells Nos. 26 and 27 located, respectively, in Units G and F of said Section 23.

(2) That the acreage factor for allowable purposes assigned to each of the above-described non-standard proration units shall bear the same ratio to the acreage factor for a standard gas proration unit as the acreage in said unit bears to the acreage in a standard gas proration unit in the Jalmat Gas Pool.

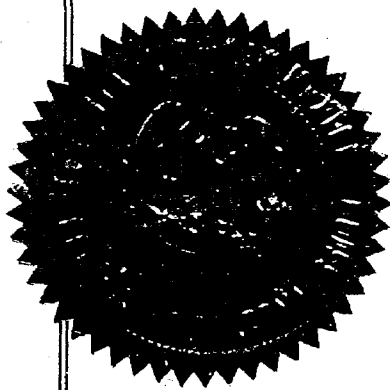
(3) That the cumulative overproduction/underproduction statuses of the above-described 480-acre and 320-acre units shall be the combined cumulative overproduction/underproduction statuses as of August 1, 1972, of the units combined to form the 480-acre and 320-acre units.

(4) That the cancellation status of the above-described 480-acre and 320-acre units shall be the combined cancellation statuses as of August 1, 1972, of the units combined to form the 480-acre and 320-acre units.

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

-3-
Case No. 4783
Order No. R-4361

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



S E A L

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

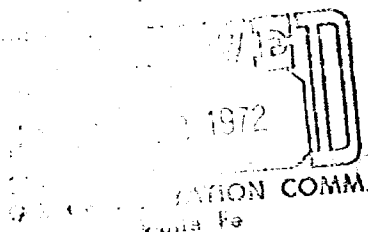
Bruce King
BRUCE KING, Chairman

Alex J. Armijs
ALEX J. ARMIJO, Member

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

dr/

Case 4783 set for July 26



LAW OFFICES OF
JOHN F. RUSSELL
412 HINKLE BUILDING
P.O. DRAWER 640
ROSWELL, NEW MEXICO 88201

TELEPHONE 622-4641
AREA CODE 505

July 11, 1972

RMH file Case

Mr. A. L. Porter
Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Mr. Porter:

Reference my letter of July 3, 1972, enclosing the application of Texas Pacific Oil Company, Inc. for the designation of three non-standard gas proration units in the Jalmat Pool; I now transmit the exhibits for that case.

At the time of hearing I will request that that case be combined with Case No. 4739 for the purpose of hearing, and the exhibits are prepared and numbered on the assumption that they can be combined. They are both in the Jalmat Pool and both seek the redication of acreage.

Cont. from June 28th

Very truly yours,

John F. Russell
John F. Russell

JFR:vj
Encl.

DOCKET 8-1-72

Date 7-14-72

(Case 4775 continued)

Applicant further seeks to extend the vertical limits of the Blinebry Pool down to the top of the Tubb Pool.

Also to be considered by the Commission on its own motion will be amendment of the special rules and regulations to require that intermediate- or low-pressure gas be charged against a well's allowable; elimination of the requirement to conduct bottom-hole pressure, gas-oil ratio, and gas-liquid tests; and to require that all gas production be reported on Form C-111.

CASE 4778: Application of David Fasken for a dual completion and amendment of Order No. R-4297, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks amendment of Order No. R-4297, to permit the dual completion (conventional) of his Arco "9" Morrison Well No. 1 located in Unit B of Section 9, Township 19 South, Range 25 East, Eddy County, New Mexico, in such a manner as to produce gas from an undesignated Cisco gas pool through the casing-tubing annulus and gas from the Boyd-Morrow Gas Pool through tubing.

CASE 4779: Application of Merrion & Bayless for a non-standard proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas proration unit comprising the SE/4 of Section 35, Township 30 North, Range 12 West, within one mile of Flora Vista-Mesaverde Pool, San Juan County, New Mexico, to be dedicated to its Carnahan Well No. 1 located in Unit P of said Section 35.

CASE 4739: (Continued from the June 28, 1972, Examiner Hearing)

Application of Texas Pacific Oil Company for rededication of acreage, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dedicate the 160-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the NW/4 of Section 1, Township 23 South, Range 36 East, Lea County, New Mexico, simultaneously to its Emery King "NW" Wells Nos. 1 and 4 located, respectively, in Units E and F of said Section 1 and to produce the allowable for the unit from either well in any proportion.

CASE 4783: Application of Texas Pacific Oil Company, Inc., for three non-standard proration units and rededication of acreage, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of the following-described non-standard gas proration units in Township 23 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico:

1. A 480-acre unit comprising the NE/4 NW/4, and SW/4 of Section 11, to be dedicated to its State "A" A/1 Wells Nos. 16, 29, and 34;

(Case 4783 continued)

2. A 240-acre unit comprising the NW/4 of Section 14 and the N/2 NE/4 of Section 15, to be dedicated to its State "A" A/1 Well No. 28;
3. A 320-acre unit comprising the N/2 of Section 23 to be dedicated to its State "A" A/1 Wells Nos. 26 and 27.

CASE 4747: (Continued from the June 28, 1972, Examiner Hearing)

Application of Union Texas Petroleum, a Division of Allied Chemical Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests below the base of the Devonian formation underlying the N/2 of Section 33, Township 25 South, Range 37 East, Crosby Field, Lea County, New Mexico. Said acreage to be dedicated to its well to be located 1650 feet from the North line and 2310 feet from the East line of said Section 33. Also to be considered will be the costs of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.

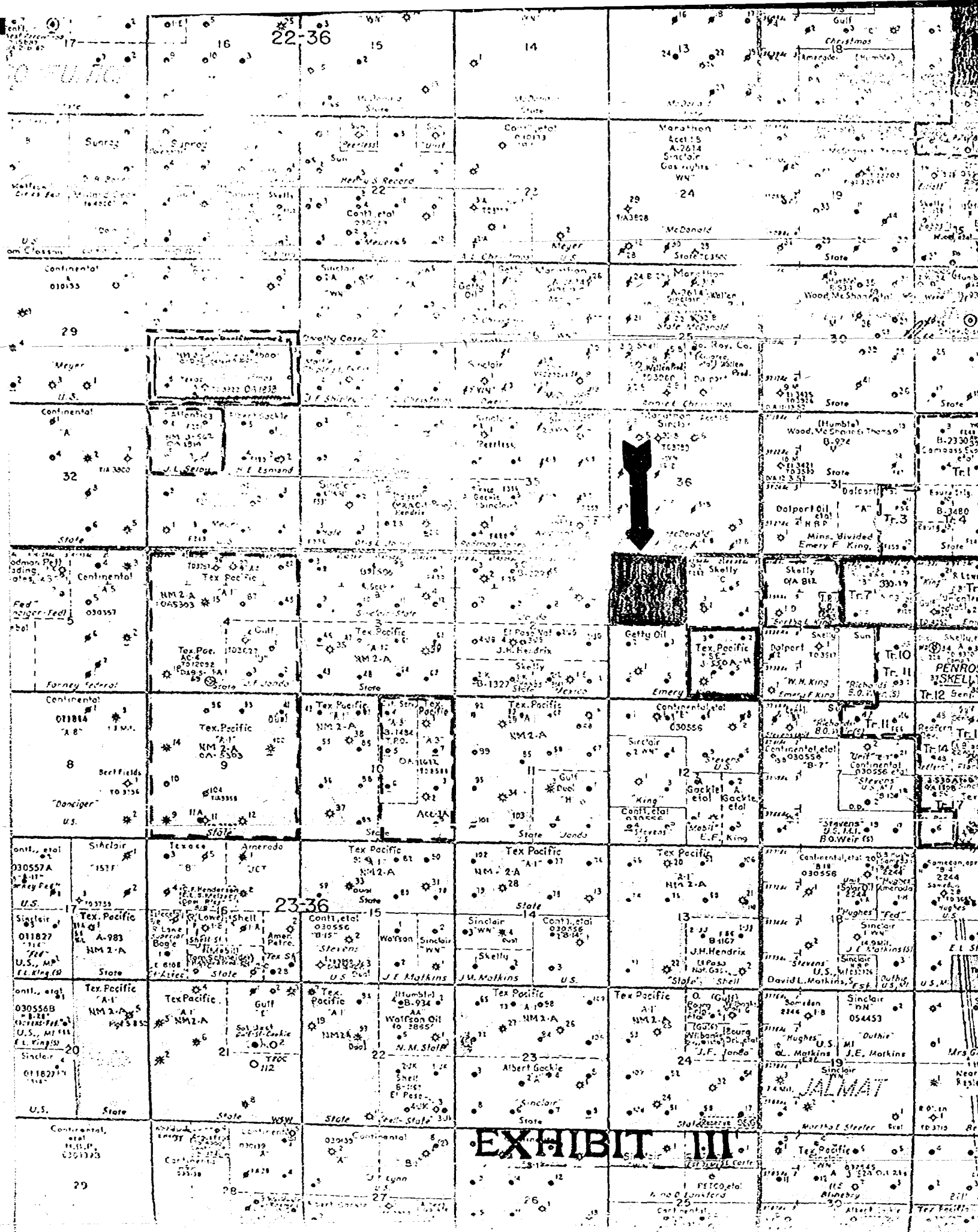
CASE 4773: Application of Union Texas Petroleum, a Division of Allied Chemical Corporation, a pressure maintenance project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project in the Cato-San Andres Pool by the injection of water into the San Andres formation through its Baskett Well No. 1 located in Unit K of Section 11, Township 8 South, Range 30 East, Chaves County, New Mexico.

Applicant further seeks a procedure whereby additional injection wells and expansion of the project area may be approved without the necessity of notice and hearing.

CASE 4780: Application of Atlantic Richfield Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Robinson-Jackson Unit Area comprising 1160 acres, more or less, of Federal lands in Sections 27, 34, and 35, Township 17 South, Range 29 East, Grayburg-Jackson Pool, Eddy County, New Mexico.

CASE 4781: Application of Atlantic Richfield Company for amendment of a waterflood order and dual completions, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-3185, as amended by Order No. R-3185-A, to permit the dual completion of its Turner "A" SP Wells Nos. 15 and 35 located in Section 19 and its Turner "B" SP Wells Nos. 41 and 78 located in Section 20, Township 17 South, Range 31 East, Grayburg-Jackson Pool, Eddy County, New Mexico, in such a manner as to permit selective injection of water into the Grayburg and San Andres zones.

CASE 4782: Application of Atlantic Richfield Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks



JALMAT GAS POOL
TEXAS PACIFIC OIL COMPANY, INC.
PERTINENT DATA SHEET

<u>Well Name & Number</u>	<u>Gas Completion Date</u>	<u>Completion Interval</u>	<u>Cumulative Production 5/1/72</u>	<u>Anticipated Monthly Capacity @ 100 psi MCF/Mo.</u>	<u>Anticipated Monthly Allowable</u>
I.					
N.W. King #1 (E) 1980' FNL, 660' FEL Sec. 1, T-23-S, R-36-E	6/20/49	3125-3253	4,375,388	4,893	
N.W. King #4 (F) 1650' FNL, 2310' FWL Sec. 1, T-23-S, R-36-E	5/4/72	3125-3353	-0-	15,250 20,143	11,378
II.					
State "A" A/c-1 #16 660' FNL, 660' FEL Sec. 11, T-23-S, R-36-E	9/4/46	3160-3550	6,091,171	20,489	
State "A" A/c-1 #29 990' FNL, 1650' FWL Sec. 11, T-23-S, R-36-E	9/26/51	3175-3600	4,647,362	35,264	
State "A" A/c-1 #34 1650' FWL, 1650' FSL Sec. 11, T-23-S, R-36-E	3/20/52	2838-3578	4,521,684	45,083 100,836	34,134

EXHIBIT IV

(Combined allowable
Well No. 16,29,34)

Jalmat Gas Pool
Texas Pacific Oil Co., Inc.
Pertinent Data Sheet

Page 2

III.

State "A" A/c-1 #28
1650' FNL, 1650' FNL
Sec. 14, T-23-S, R-36-E
(80 acres of Sec. 15 to
be assigned)

4/17/49

2935-3225

4,591,133

49,947

17,067
(240 acre unit)

IV.

State "A" A/c-1 #26
1650' FNL, 1650' FEL
Sec. 23, T-23-S, R-36-E

2/1/49

2789-3148

4,425,788

42,408

State "A" A/c-1 #27
1650' FNL, 1650' FWL
Sec. 23, T-23-S, R-36-E

3/18/49

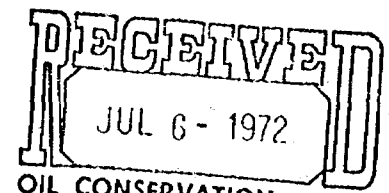
3002-3186

2,755,667

30,795
73,203

22,757
(Combined allow-
able Well No.
26 & 27)

LAW OFFICES OF
JOHN F. RUSSELL
412 HINKLE BUILDING
P. O. DRAWER 640
ROSWELL, NEW MEXICO 88201



TELEPHONE 622-4641
AREA CODE 505

July 3, 1972

Case 4783

Mr. A. L. Porter
Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Mr. Porter:

I transmit herewith the Application of Texas Pacific Oil Company, Inc. for the designation of three non-standard gas pro-ration units in the Jalmat Pool.

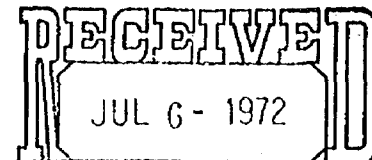
Copies of the exhibits will be forwarded to you upon their receipt.

Very truly yours,

John F. Russell
John F. Russell

JFR:vj
Encl.

Date *7-14-72*



OIL CONSERVATION COMM.
Santa Fe

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION)
OF TEXAS PACIFIC OIL COMPANY, INC.,)
FOR SEVERAL NON-STANDARD GAS PRO-)
RATION UNITS, LEA COUNTY, NEW MEXICO,)
AND FOR THE REDEDICATION OF CERTAIN)
ACREAGE AND THE ESTABLISHMENT OF)
CERTAIN NON-STANDARD GAS PRO-RATION)
UNITS IN ITS STATE "A" ACCOUNT NO. 1,)
LEASE IN SECTIONS 16, 29, 34, 14, 15)
AND 23, ALL IN TOWNSHIP 23 SOUTH,)
RANGE 36 EAST, JALMAT GAS POOL, LEA)
COUNTY, NEW MEXICO)

Case 4783

APPLICATION

COMES NOW Applicant, Texas Pacific Oil Company, Inc.,
through its attorney, John F. Russell, and requests that the
Commission enter an Order authorizing the rededication of
acreage and the establishment of the following non-standard
gas pro-ration units in Township 23 South, Range 36 East,
N.M.P.M., Jalmat Gas Pool, Lea County, New Mexico:

1. A 480 acre non-standard gas pro-ration unit com-
prising the NE $\frac{1}{4}$, NW $\frac{1}{4}$, and SW $\frac{1}{4}$, of Section 11, Township 23 South,
Range 36 East, to be dedicated to its State "A" A/1 Wells Nos.
16, 29 and 34.

2. A 240 acre non-standard gas pro-ration unit com-
prising the NW $\frac{1}{4}$ of Section 14, and the N $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 15, to
be dedicated to its State "A" A/1 Well No. 28.

3. A 320 acre non-standard gas pro-ration unit com-
prising the N $\frac{1}{2}$ of Section 23, to be dedicated to its State "A"
A/1 Wells Nos. 26 and 27.

All in Township 23 South, Range 36 East.

4. That each of the proposed non-standard gas pro-
ration units is productive of gas.

5. That each of the proposed non-standard gas pro-
ration units can be efficiently and economically drained and
developed by the well or wells to which it is to be dedicated.

6. That approval of the proposed non-standard gas pro-
ration units will afford the Applicant the opportunity to
produce its just and equitable share of the gas in the pool
and will otherwise prevent waste and protect correlative rights.

WHEREFORE, Applicant requests the Commission to set
this matter down for hearing before an Examiner, to publish
its notice as provided by law, and after hearing, to issue its
order authorizing the rededication of acreage and establishment
of certain non-standard gas pro-ration units as prayed for
herein.

Respectfully submitted,

TEXAS PACIFIC OIL COMPANY, INC.

By John D. Russell
P. O. Drawer 640
Roswell, New Mexico 88201

Attorney for Applicant

DATED: July 5, 1972

(JH)

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 MEXIC FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 4783
Order No. R-4361-A

APPLICATION OF TEXAS PACIFIC OIL
COMPANY, INC. FOR THREE NON-STANDARD
PRORATION UNITS AND REDEDICATION OF
ACREAGE, LEA COUNTY, NEW MEXICO.

NUNC PRO TUNC

BY THE COMMISSION:

It appearing to the Commission that Order No. R-4361, dated August 7, 1972, does not correctly state the intended order of the Commission.

IT IS THEREFORE ORDERED:

(1) That Finding No. (2) should read in its entirety as follows:

"(2) That the applicant, Texas Pacific Oil Company, Inc., seeks the rededication of certain acreage and the establishment of the following non-standard gas proration units in Township 23 South, Range 36 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico:

1. A 480-acre unit comprising the NE/4, NW/4, and SW/4 of Section 11, to be dedicated to its State "A" A/1 Wells Nos. 16, 29, and 34;
2. A 240-acre unit comprising the NW/4 of Section 14 and the N/2 NE/4 of Section 15, to be dedicated to its State "A" A/1 Well No. 28;
3. A 320-acre unit comprising the N/2 of Section 23 to be dedicated to its State "A" A/1 Wells Nos. 26 and 27;
4. A 280-acre unit comprising the SE/4 SW/4 of Section 10^{and} the NW/4 and S/2 NE/4 of Section 15, to be dedicated to its State "A" A/1 Wells Nos. 31 and 33."

-2-
CASE NO. 4783
Order No. R-4361-A

(2) That Order No. (1) should read in its entirety as follows:

"(1) That the following-described non-standard gas proration units in Township 23 South, Range 36 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico, are hereby created:

1. A 480-acre unit comprising the NE/4, NW/4, and SW/4 of Section 11, to be dedicated to its State "A" A/1 Wells Nos. 16, 29, and 34 located, respectively, in Units A, C, and K of said Section 11;
2. A 240-acre unit comprising the NW/4 of Section 14 and the N/2 NE/4 of Section 15, to be dedicated to its State "A" A/1 Well No. 28 located in Unit F of said Section 14;
3. A 320-acre unit comprising the N/2 of Section 23 to be dedicated to its State "A" A/1 Wells Nos. 26 and 27 located, respectively, in Units G and F of said Section 23;
4. A 280-acre unit comprising the SE/4 SW/4 of Section 10 ^{and} the NW/4 and S/2 NE/4 of Section 15, to be dedicated to its State "A" A/1 Wells Nos. 31 and 33, located respectively, in Units H and F of said Section 15."

(3) That this order shall be effective num pro tunc as of August 7, 1972.

DONE at Santa Fe, New Mexico, this _____ day of September, 1972.

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. 4783

Order No. R-4361

APPLICATION OF TEXAS PACIFIC OIL
COMPANY, INC. FOR THREE NON-STANDARD
PRORATION UNITS AND REDEDICATION OF
ACREAGE, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 26, 1972,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this day of July, 1972, 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, Texas Pacific Oil Company, Inc.,
seeks the rededication of certain acreage and the establishment
of the following non-standard gas proration units in Township 23
South, Range 36 East, NMPM, Jalmat Gas Pool, Lea County, New
Mexico:

1. A 480-acre unit comprising the NE/4, NW/4, and
SW/4 of Section 11, to be dedicated to its State
"A" A/1 Wells Nos. 16, 29, and 34;

2. A 240-acre unit comprising the NW/4 of Section 14 and the N/2 NE/4 of Section 15, to be dedicated to its State "A" A/1 Well No. 28;
3. A 320-acre unit comprising the N/2 of Section 23 to be dedicated to its State "A" A/1 Wells Nos. 26 and 27.

(3) That each of the proposed non-standard gas proration units is productive of gas.

(4) That each of the proposed non-standard gas proration units can be efficiently and economically drained and developed by the well or wells to which it is to be dedicated.

(5) That approval of the proposed non-standard gas proration units will afford the applicant the opportunity to produce its just and equitable share of the gas in the pool and will otherwise prevent waste and protect correlative rights.

~~(6) That in order to protect the correlative rights of the offset operator, applicant's _____~~

~~_____ should be allowed to produce no more than 50% of the allowable assigned to the non standard unit simultaneously dedicated to said Well No. _____ and to applicant's _____~~

IT IS THEREFORE ORDERED:

(1) That the following-described non-standard gas proration units in Township 23 South, Range 36 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico, are hereby created:

1. A 480-acre unit comprising the NE/4, NW/4, and SW/4 of Section 11, to be dedicated to its State "A" A/1 Wells Nos. 16, 29, and 34, *located, respectively, in Units A, C, and K of said Section 11;*

CASE NO. 4783
Order No. R-

2. A 240-acre unit comprising the NW/4 of Section 14 and the N/2 NE/4 of Section 15, to be dedicated to its State "A" A/1 Well No. 28 *located in Unit F of Section 14.*
3. A 320-acre unit comprising the N/2 of Section 23 to be dedicated to its State "A" A/1 Wells Nos. 26 and 27 *located, separately, G and F in Units # 26 & 27 of said Section 23.*

~~PROVIDED HOWEVER, that said Well No. _____ shall produce no more than 50% of the allowable assigned to said non-standard gas proration unit.~~

(2) That the acreage factor for allowable purposes assigned to each of the above-described non-standard proration units shall bear the same ratio to the acreage factor for a standard gas proration unit as the acreage in said unit bears to the acreage in a standard gas proration unit in the Jalmat Gas Pool.

(5) ~~That~~ 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.

- (3) That the cumulative overproduction/underproduction status of the above-described 480-acre and 320-acre units shall be the combined cumulative overproduction/underproduction statuses as of August 1, 1972, of the units combined to form each of the 480-acre and 320-acre units.
- (4) That the cancellation status of said the above-described 480-acre and 320-acre units shall be the combined cancellation statuses as of August 1, 1972, of the units combined to form the 480-acre and 320-acre units.

CASE 4784:

SOUTHEASTERN NEW MEXICO

NOMENCLATURE