

Case Number

4790

Application

Transcripts

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
April 10, 1974

EXAMINER HEARING

IN THE MATTER OF:

Establishment of Temporary
Rules for the Dublin-
Ellenburger Gas Pool, Lea
County, New Mexico

Case No. 4790

BEFORE: Richard L. Stamets, Examiner.

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil
Conservation Commission:

Thomas Derryberry, Esq.
Legal Counsel for the
Commission
State Land Office Building
Santa Fe, New Mexico

For the Applicant:

Clarence Hinkle, Esq.
HINKLE, BONDURANT, COX & EATON
600 Hinkle Building
Roswell, New Mexico

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I N D E X

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MR. STAMETS: Call the next case, 4790.

MR. DERRYBERRY: Case 4790, in the matter of Case Number 4790, being reopened pursuant to the provisions of Order Number R-4370, which order established temporary rules for the Dublin-Ellenberger Gas Pool, Lea County, New Mexico, including a provision for six hundred and forty acre spacing.

MR. HINKLE: Mr. Examiner, Clarence Hinkle of Hinkle, Bondurant, Cox and Eaton, and appearing on behalf of the Petroleum Corporation.


The Petroleum Corporation would like to have this case continued until the first examiner's hearing in May.

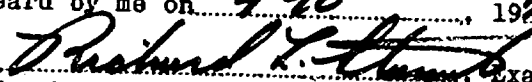
MR. STAMETS: Case 4790 will be continued until May the eighth, 1974.

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STATE OF NEW MEXICO)
)ss.
COUNTY OF SANTA FE)

I, SIDNEY F. MORRISH, Court Reporter, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.


SIDNEY F. MORRISH, Court Reporter

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 4296.
heard by me on 4-10, 1977.

Richard L. Stambaugh, Examiner
New Mexico Oil Conservation Commission

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NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date

MAY 8, 1974

TIME: 9 A.M.

| NAME | REPRESENTING | LOCATION |
|----------------------|----------------------------------|----------|
| Paul Eaton | Wentworth firm | Roswell |
| Reginald C. Keyser | Texas Pacific Oil Co | Midland |
| Joseph W. Jeffers | Mesa Petroleum Co | Midland |
| David L. Murphy | Texas International Petro. Corp. | Midland |
| Dr. Nelson | " " " " | " |
| James H. Hughes | Gulf Oil & Petro. Corp. | Roswell |
| Tom Kellahan | Kellahan & Fox | Santa Fe |
| Bob Leggett | Atlantic Richfield | Midland |
| Tolson Robertson | Atlantic Richfield | Midland |
| Kenneth H. Griffin | Griffin & Burnett, Inc. | Midland |
| Charles F. Kalltayer | Gulf Oil Corp | Midland |
| Chas. C. HAIRSTON | GULF oil corp. | Midland |
| D. Lopez | Lopez Petroleum | Artesia |
| Jack Huff | Burleson & Huff | Midland |
| Rayton Jacobs | Yates Petroleum | Artesia |

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARINGSANTA FE, NEW MEXICOHearing Date MAY 8, 1974 TIME: 9 A.M.

| NAME | REPRESENTING | LOCATION |
|-----------------|---------------------------|------------|
| Dan Word | Atlantic Richfield Co. | Denver |
| Gary Hoff | Atlantic Richfield Co. | Denver |
| Poland Hart | Atlantic Richfield Co. | Farmington |
| Ben Donegan | Leland A. Hodges, Trustee | |
| Ray Crow | General Am. Oil. | Alco Hills |
| Landell Hawkins | General Am. Oil. | Loco Hills |

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
May 8, 1974

EXAMINER HEARING

IN THE MATTER OF:)
)
)

Case No. 4790 being reopened pursuant)
to provisions of Order No. 4370,)
which order established temporary)
rules for the Dublin-Ellenburger Gas)
Pool, Lea County, New Mexico, in-)
cluding a provision for 640-acre)
spacing.)
)

Case No.
4790

BEFORE: Richard L. Stamets, Examiner.

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil
Conservation Commission:

Thomas Derryberry, Esq.
Legal Counsel for the
Commission
State Land Office Bldg.
Santa Fe, New Mexico

For the Applicant:

Clarence Hinkle, Esq.
HINKLE, BONDURANT, COX
& EATON
Hinkle Bldg.
Roswell, New Mexico

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I N D E X

PAGE

LARRY SHANNON

Direct Examination by Mr. Hinkle
Cross Examination by Mr. Stamets

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9

E X H I B I T S

Marked

Admitted

Applicant's Exhibits Nos.
1 through 4

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MR. STAMETS: First Case 4790.

MR. DERRYBERRY: Case 4790 is reopened and continued from April 10th, 1974 in the matter of Case No. 4790 being reopened pursuant to provisions of Order No. 4370, which order established temporary rules for the Dublin-Ellenburger Gas Pool, Lea County, New Mexico, including a provision for 640-acre spacing.

MR. HINKLE: Clarence Hinkle of Hinkle, Bondurant, Cox and Eaton, appearing on behalf of the Petroleum Corporation. We have one witness.

MR. STAMETS: Are there any other appearances in this case? If the Witness will stand and be sworn please.

LARRY SHANNON

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

DIRECT EXAMINATION

BY MR. HINKLE:

Q State your name, your residence and by whom you are employed.

A My name is Larry Shannon; I reside in Dallas, Texas and I am employed by the Petroleum Corporation.

Q What is your position with the Petroleum Corporation?

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A Petroleum engineer.

Q Have you previously testified before the Commission?

A Yes, I have.

Q And, your qualifications as a petroleum engineer are on record with the Commission?

A Yes, that is correct.

MR. HINKLE: Are his qualifications accepted?

MR. STAMETS: They are.

BY MR. HINKLE:

Q Have you previously testified in connection with this Case, this particular Case?

A Yes, I have.

Q At the original hearing?

A At the original hearing.

Q At which special pool rules were adopted, this 640-acre spacing?

A Yes, that is correct.

Q Have you prepared or has there been prepared under your direction, exhibits for introduction at this hearing?

A Yes, that is correct.

Q They are the ones that have been marked Exhibits 1 through 4?

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A That is correct.

Q Referring to Exhibit No. 1, would you explain what this is and what it shows?

A Exhibit No. 1, a reproduction of the exhibit we submitted last year for the original hearing, it shows the area in which we have our discovery, the Tenneco Federal, Well No. 1, located in Section 12. The Order establishing a temporary field rule for this hearing allowed us to allocate 280 acres to this well. That 480 acres is shown in yellow within the Section 12 boundary. We also show the production from different horizons in the area and it is color coded as to what depths some of the wells have been drilled to.

Q Have there been any additional well drilled since the original hearing?

A No, there has not been any other development or drilling.

Q Referring to Exhibit No. 2, will you explain that?

A Exhibit 2 is also a copy of the exhibit we submitted at the original hearing and shows the productive-pay interval of the Ellenburger Section within the Tenneco Federal, Well No. 1.

Q And that is the Section from which gas has been

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produced at the present time?

A From which gas and condensate has been produced at the present time.

Q Now I refer you to Exhibit 3, will you explain that?

A Exhibit 3 is also a duplication but we think it is a significant part of our field rules. This is the Core Laboratory report of the reservoir fluid study that shows this Ellenburger Reservoir to be retrograde in nature and that the condensate and gas were in a gas phase under reservoir pressures and temperatures.

Q Which shows it is primarily a gas reservoir?

A Which shows that it is a gas reservoir, yes, sir.

Q Now referring to Exhibit No. 4, will you explain that?

A Exhibit No. 4 is a one-year production interval. It so happens that in this well we received a one-year certificate from the Federal Power Commission to sell our gas and it covers the period from March the 27th, 1973 to March 27th, 1974, after which the well was shut in until we received another certificate just last Friday to place the well back on production, so this is in essence a one-year production history of the well showing the condensate, the

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gas production, the yield in barrels per million, the static surface pressures as obtained in the months that they were obtained and the average flowing pressure. Unfortunately we have a swab in our tubing in this well and we cannot obtain a bottom-hole pressure. As we brought the well in the swab broke and we didn't want to kill the well to retrieve this, so we have a barrier as far as obtaining bottom-hole pressures.

Q What conclusions do you reach from Exhibit No. 4?

A The conclusions are that we think the production history shows that we are satisfactorily draining the 480 acres allocated to the well, and I would like to also point out that we are restricting the deliverability from this well. We have never used more than a 11/64th choke, and our gas sells line pressure is 30 to 50 pounds, so we have quite a bit of surplus deliverability, but we are prudently holding our rates.

Q In your opinion this well will sufficiently drain the 480 acres which has been dedicated to it?

A Yes, we feel it will.

Q This acreage was originally, I believe, a farmout from Tenneco, is that right?

A That is correct.

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Q What is Tenneco's position at the present time?

A The well has paid out in the first year of production and Tenneco had the option to convert their overriding royalty to a working interest which they have notified us that they are doing, and they now have a working interest in this well rather than an override.

Q Has Tenneco voiced any objection to extending the field rules?

A No, they told me in a telephone conversation that they would support and would send a wire indicating their support; I don't believe they have done this.

Q What recommendations, if any, do you have to make to the Commission with respect to extension of the present rules?

A We asked that the temporary pay rules be made permanent for the Dublin-Ellenburger field.

Q In your opinion if these rules are made permanent, would it be in the interest of conservation and the prevention of waste and protect royalty rights?

A Yes, it will.

Q We would like to offer Exhibits 1 through 4.

MR. STAMETS: Without objection, Exhibits 1 through 4 will be admitted into evidence.

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(Whereupon, Applicant's Exhibits

1 through 4 were admitted into evidence.)

MR. STAMETS: Does that complete your direct testimony?

MR. HINKLE: That's all.

CROSS EXAMINATION

BY MR. STAMETS:

Q Mr. Shannon, do you anticipate that there will ever be another well drilled in this pool?

A I don't know. I really can't answer that; we have no other acreage ourselves. What will happen to the south of us, I'm not sure, Mr. Stamets.

Q Referring to Exhibit No. 4, if I do my map properly, it looks like you've produced about 69,000,000 cubic feet of gas for every hundred pounds of pressure drop. Does this give you any indication that you are indeed draining all of the reservoir that is there?

A I think that it is a good comparison, please bear in mind that it's difficult to collate the surface pressures with the bottomhole pressures because of the large amount of condensate that's within this gas and I think it may give us a distorted picture sometimes and it may be that the column of gas and liquids will be much

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higher and the bottomhole pressure probably is not dropping at the rate we see at the surface. We compare this in a lot of ways to the Custer-Ellenburger Field some six or seven miles north and east and it is the only two Ellenburger Gas Fields that we are aware of in Lea County, New Mexico, the other Ellenburger Fields being oil.

Q Tenneco is the owner of the off-set acreage immediately to the south, and if they thought that there was more productive acreage they could run in there and drill a well?

A Yes, that is true.

MR. STAMETS: Are there any other questions of this Witness? If not, he may be excused. Anything further in this Case? We did receive a telegram from Tenneco.


MR. DERRYBERRY: Mr. Examiner, we have here a telegram from Tenneco which states (Reading) Please be advised Tenneco Oil Company wishes to support the position of the Petroleum Corporation in that the current temporary-field rules for the Dublin-Ellenburger Gas Pool were R-4370 should be made permanent. (End of reading.) It's signed by Tenneco Oil Company by D.D. Meyers.

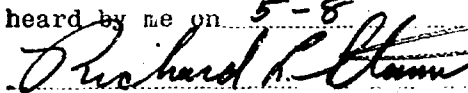
MR. STAMETS: If there is nothing further in this Case we will take the Case under advisement.

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STATE OF NEW MEXICO)
)
COUNTY OF SANTA FE) SS.

I, RICHARD L. NYE, Court Reporter, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.


RICHARD L. NYE, Court Reporter

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 4790 heard by me on 5-8-79

Examiner
New Mexico Oil Conservation Commission

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dearnley, meier & mc cormick

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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
CONFERENCE ROOM, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

August 9, 1972

EXAMINER HEARING

IN THE MATTER OF:

Application of the Petroleum
Corporation for special pool rules
and a non-standard proration unit,
Lea County, New Mexico.

Case No. 4790

BEFORE: Elvis A. Utz,
Examiner

TRANSCRIPT OF HEARING

dearnley, meier & mc cormick

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1 MR. UTZ: Case 4790.

2 MR. HATCH: Case 4790: Application of the Petroleum
3 Corporation for special pool rules and a non-standard proration
4 unit, Lea County, New Mexico.

5 MR. HINKLE: Clarence Hinkle, appearing on behalf
6 of the Petroleum Corporation. We have one witness and four
7 exhibits.

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

9 (No response)

10 MR. UTZ: You may proceed.

11 * * * *

12 HAL DEAN,

13 was called as a witness, and after being duly sworn, testified
14 as follows:

15 DIRECT EXAMINATION

16 BY MR. HINKLE:

17 Q State your name and your address.

18 A Hal Dean, my address is Midland, Texas.

19 Q Are you a petroleum engineer?

20 A No, I am a petroleum geologist.

21 Q Are you acting in a consulting capacity?

22 A Yes, for the Petroleum Corporation.

23 Q Are you employed by the Petroleum Corporation as a
24 consultant in this case?

25 A Yes, sir.

dearnley, meier & mc cormick

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1 Q Have you previously testified before the Oil
2 Conservation Commission?

3 A Yes, I have.

4 Q And have your qualifications as a petroleum geologist
5 been made a matter of record with the Commission?

6 A Yes, sir.

7 Q Have you made a study of the area which is involved in
8 Case 4790?

9 A Yes, I have.

10 Q Are you familiar with the wells that have been drilled
11 in the area?

12 A Yes, sir.

13 Q And all the other information that is available?

14 A That is correct.

15 MR. HINKLE: Are the witness's qualifications
16 acceptable?

17 MR. UTZ: Yes, they are.

18 Q (By Mr. Hinkle) Have you prepared or has there been
19 prepared under your direction exhibits for introduction
20 in this case?

21 A Yes, I prepared the exhibits.

22 Q And they are the exhibits that have been marked Exhibits
23 One through Four?

24 A Yes, sir.

25 Q Are you familiar with the application of the Petroleum

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1 Corporation in this case?

2 A Yes, I am.

3 Q What is the Petroleum Corporation seeking to accomplish?

4 A The Petroleum Corporation seeks special pool rules for
5 the Dublin-Ellenburger Gas Pool in Lea County, New
6 Mexico, including a provision for 640-acre spacing units.

7 The Petroleum Corporation further seeks approval of
8 a 480-acre non-standard unit in the Dublin-Ellenburger
9 Pool comprising the South half of the South half of the
10 Northeast quarter in the East half of the Northwest
11 quarter of Section 12, Township 26 South, Range 37 East,
12 to be dedicated to its Tenneco Federal Well Number 1
13 located in Unit N of Section 12.

14 Q Is that the discovery well in the pool?

15 A This is the discovery well in the Dublin-Ellenburger
16 Pool, yes.

17 Q Now, referring you to Exhibit Number One, will you
18 explain what this shows?

19 A Exhibit One is a land map on which the original
20 Ellenburger contours have been drawn. The Ellenburger
21 production is found in the Dublin area, located in
22 Section 12, 26 South, 37 East. Approximately three and
23 a half miles to the Northwest is the Crosby-Devonian,
24 and this map shows the contour from the sub-surface
25 formation and the seismic information on the Ellenburger

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1 formation.

2 Q It also shows the acreage ownership in the area, does
3 it not?

4 A Yes, it does. The Petroleum Corporation has obtained
5 a farm-out from Tenneco in Section 12.

6 Q Now, referring you to Exhibit Two, will you explain
7 what this shows?

8 A Exhibit Two is a diagram of the testing and completion
9 of the Humble Oil and Refinery Number 1 Federal Leonard.
10 The Dublin field was discovered by the Humble Federal

11 Leonard which is located 660 feet from the South and
12 West lines of Section 12. This was on December 20th,
13 1944, and it produced from the Ellenburger formation
14 from a depth of 11,895 to 11,933. The well potential
15 information shows 297 barrels a day on a five and three-
16 eighths inch choke. The gas-oil ratio was 1,600 to one.
17 During the drilling of this well, separate open hole
18 tests of the Ellenburger formation were made, and it
19 flowed gas at the rate of 10,000,000 cubic feet of gas
20 per day, and the oil rate was 1,848 barrels a day.

21 The gas test as shown on this diagram was from 11,870
22 to 11,891, the oil test was from 11,881 to 11,913. We
23 would like to show here that the Ellenburger formation
24 had a high flow capacity, and this was one of the
25 earliest Ellenburger wells drilled in New Mexico. The

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1 well had been penetrated below the oil-water contact,
2 and the completion interval was immediately below the
3 gas-oil contact. You can see on our production test
4 that it was attempted from 11,889 to 11,929 and water
5 was tested at 11,948. Gas was tested down to 11,891.
6 So it doesn't give them much of an interval to work in.

7 Now, after producing a total of 35,660 barrels
8 of water, the well was temporarily abandoned in October
9 of 1946. However, before plugging the well, Humble
10 attempted to squeeze the original perforation and redrill
11 the upper portion of the Ellenburger. The procedure
12 was unsuccessful and the well was plugged and abandoned
13 in January, 1947. The production information for the
14 ten month period during 1946 prior to abandonment was
15 12,759 barrels of oil and 61,558 MCF of gas, which is
16 a gas-oil ratio of 4,789 to 1.

17 A detailed study of all Humble production records
18 indicate that the well was non-commercial due to
19 mechanical producing difficulties rather than from
20 depletion of the reservoir. These mechanical difficulties
21 stemmed from poor cement jobs and repeated killing of
22 the well.

23 Twenty-five years later, the Petroleum Corporation
24 Number 1 Tenneco Federal located 1,650 feet East and
25 slightly to the North of the Humble Federal Number 1

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Well was completed. This was on February 29th, 1972, and it was completed in the Ellenburger formation from 11,634 to 11,828 with an open flow potential of 4.25 million cubic feet of gas per day and 178 barrels of condensate with a gas-liquid ratio of 5,652 to 1. The top of the Ellenburger was 177 feet high to the Humble Number 1 Leonard, and the total depth of the Petroleum Corporation Well was 11,854, which was approximately 100 feet above the oil-water contact established by open hole testing in the Humble Number 1 Leonard. The base of the perforation in the Petroleum Corporation Number 1 Tenneco was 11,828, which is 122 feet above the oil-water contact. The perforations were treated with only a total of 2,000 gallons of mud acid over a 194 foot interval, and no attempt was made to obtain a high flow rate during open hole pressure testing.

I believe the experience gained from the Ellenburger completions over the years was instrumental in designing this completion procedure to get the maximum reserves.

Now, the reservoir rock from sample analyses evidenced fractures, and the porosity determination from the electric log analyses in the Petroleum Corporation Number 1 Tenneco ranged from four to eight percent. The calculated permeability from open hole test data is 5.2 milidarcies. Studies of the pressure data and

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1 reservoir fluid conditions indicate that the flow rate
 2 is indicated to be 2,000,000 cubic feet of gas per day.
 3 The gross thickness of the gas-oil column above water
 4 is 330 feet in the pool. The calculated bottom hole
 5 pressure is 4,755 pounds, and this compares with the
 6 only bottom hole pressure we were able to find on the
 7 Humble Number 1 Leonard, which was 5,000 pounds. It
 8 is our opinion that a single well can effectively drain
 9 640 acres in this Ellenburger zone.

10 I would like to submit a structure contour map
 11 of the top of the Yates formation--

12 Q Is that Exhibit Three?

13 A Yes, sir.

14 Q Will you explain what Exhibit Three is?

15 A This is a Yates structure map, and is also a production
 16 map showing the Blinbry and Drinkard production limits
 17 approximately two miles north, which is the South end
 18 of the Justice Pool. Immediately West of Section 12
 19 are two Seven-Rivers producers and two miles South of
 20 Section 12 is the South Leonard Pool producing from the
 21 Queen formation.

22 The structure map shows a closure in the Justice
 23 Pool, a smaller closure in the Dublin field area, and
 24 a third closure in the South Leonard Pool. The Yates
 25 structure map generally reflects a deeper structure.

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1 Q Now, referring you to Exhibit Number Four, would you
2 explain that Exhibit?

3 A Exhibit Four is a structure map on the Ellenburger
4 formation. The Ellenburger formation is much more
5 structurally completed as you can see than the Yates
6 formation. This interpretation is based upon sub-surface
7 data supplemented by seismic information. As you can
8 see, the Humble Well is located in the Southwest of the
9 Southwest of Section 12, and the Petroleum Corporation
10 Number 1 Tenneco Federal is located 1,650 feet from it.

11 Now, separating this producing area are a series of
12 faults on the East side of the Dublin Pool. This fault
13 is down to the East, and the fault trend is North-South,
14 and it limits the Justice field and the Ellenburger
15 production on the East. This fault continues to trend
16 South of the Dublin area, and passes on the East side
17 of the South Leonard Pool. Displacement of this fault
18 is approximately 1,000 feet. The Dublin Pool is limited
19 on the Northeast by the fault, which is indicated on
20 our map. This fault is down to the Southwest and this
21 fault is indicated by seismic information, but more
22 readily by the difference in the fluid levels. As you
23 can see in the Northeast, the Stanley Number 2 Leonard
24 tested in the Ellenburger formation from 11,195 to
25 11,235, and recovered 1,900 feet of salt water.

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 Q How does that compare with the level in the discovery
2 well?

3 A This is approximately 800 feet high to the oil-water
4 contact established by open hole testing in the Humble
5 Number 1 Leonard Federal, and also the Stanley Number
6 1 Leonard in the Southeast of the Southeast of Section 11.

7 Q So that would also indicate the fault exists?

8 A Yes, sir, these separate fluid levels are very significant.

9 On the West side of the Dublin Pool, we have what
10 we call fault D. This fault trends Northeast and

11 Southwest, and limits the Dublin field on the West.

12 Now, this is a reverse fault, and is repeated
13 approximately 300 feet in the Humble Number 1 Leonard.

14 The drill stem test of the Humble Number 1 Leonard in
15 the Ellenburger formation recovered 4,000 feet of salt
16 water. Now, these three faults which are apparentl
17 from sub-surface and seismic information tend to limit
18 the field to the North, the West, and the East. However,
19 to the South, we have a Yates high, and we are of the
20 opinion that production could extend in this southerly
21 direction. No wells have been drilled to the Ellenburger
22 formation in this direction.

23 Q That covers Sections 13 and 24?

24 A Yes, sir.

25 Q Is that all that you have with respect to this exhibit?

dearriley, 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 A Yes, sir. From the fault pattern, it can be seen
2 that the probability exists that the West half of the
3 Northwest quarter and the North half of the Northeast
4 quarter of Section 12 are probably not productive of gas.
- 5 Q And is that the reason you are asking for a non-standard
6 unit to be dedicated to the well in Section 12?
- 7 A Yes, sir.
- 8 Q I take it from your testimony in regard to the Humble
9 Well that you consider that a better well really than
10 is indicated by the records?
- 11 A Yes, sir. From the records, it would indicate that
12 an attempt to complete an oil well in this thin oil
13 column would prove to be disastrous throughout the
14 permean basin, trying to complete immediately above
15 the water in which you get a lot of vertical water and
16 fractures, and which would also permit the gas from the
17 gas cap to penetrate in the well bore causing a lot
18 of producing problems.
- 19 Q In your opinion, has the Humble Well depleted the area
20 in which it is located, the immediate area in which
21 it is located?
- 22 A No, I do not believe it depleted that area.
- 23 Q And it is in the same reservoir in your opinion as your
24 discovery well?
- 25 A Yes, sir.

dearnley, meier & mc cormick

205 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 Are you asking for temporary pool rules for one year?
- 2 A Yes.
- 3 Q Do you have any particular recommendation as to the type
- 4 of pool rules to be adopted?
- 5 A No.
- 6 Q Only 640-spacing?
- 7 A Yes, sir.
- 8 Q With the usual location for 640 acres, and you are
- 9 requesting an exception in this case or a non-standard
- 10 unit of 480 acres to be dedicated to the producing well
- 11 in Section 12, is that right?
- 12 A That's right. To date, we have not produced this well,
- 13 and no gas contact has been made, so we do not have any
- 14 production data.
- 15 Q Are you in the process of negotiating a contract for it?
- 16 A Yes, we are in the process.
- 17 Q In your opinion, would the adoption of special pool
- 18 rules in this case be in the interest of conservation
- 19 and the prevention of waste?
- 20 A Yes.
- 21 Q And tend to protect correlative rights?
- 22 A Yes, sir.
- 23 Q And that is also true of the designation of the
- 24 non-standard unit as far as Section 12 is concerned?
- 25 A Yes, sir.

1 MR. HINKLE: We would like to offer Exhibits One
2 through Four.

3 MR. UTZ: Without objection, Exhibits One through
4 Four will be entered into the record of this case.

5 (Whereupon Applicant's Exhibits One through Four
6 were entered in evidence.)

7 MR. HINKLE: That's all we have on direct.

8 * * * *

9 CROSS EXAMINATION

10 BY MR. UTZ:

11 Q Mr. Dean, I didn't understand what kind of unit you
12 are asking for here, about how many acres?

13 A Four hundred eighty acres.

14 Q Do you anticipate more wells to be drilled in the pool?

15 A Well, we don't have any more acreage, but if we had
16 some, I think we would.

17 Q To the South?

18 A Yes.

19 MR. UTZ: Are there any other questions of this
20 witness?

21 (No response)

22 MR. UTZ: If not, the witness may be excused.

23 (Witness excused.)

24 MR. UTZ: Any statements?

25 (No response)

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 87106

dearnley, meier & mc cormick

209 SIMMS BLDG. 3 P.O. BOX 1092 • PHONE 243-6891 • ALBUQUERQUE, NEW MEXICO 87103
1216 FIRST NATIONAL BANK BLDG. EAST • ALBUQUERQUE, NEW MEXICO 87108

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MR. UTZ: Case 4790 will be taken under
advisement.

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

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

11
 12 *Richard E. McCormick*
 13 CERTIFIED SHORTHAND REPORTER
 14
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 25

I do hereby certify that the foregoing is
 a complete record of the proceedings in
 the Examiner hearing of Case No. 4780.
 heard by me on *Aug 9, 1972*
[Signature] Secretary
 New Mexico Oil Conservation Commission

dearnley, meier & mc cormick

200 SIMMS BLDG., P.O. BOX 1092, PHONE 243-6891, ALBUQUERQUE, NEW MEXICO 87103
 1216 FIRST NATIONAL BANK BLDG., EAST ALBUQUERQUE, NEW MEXICO 87108

dearnley, meier & mc cormick

209 SIMMS BLDG., P.O. BOX 1092, PHONE 243-6681, ALBUQUERQUE, NEW MEXICO 87103
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25I N D E XWITNESSPAGE

HAL DEAN

Direct Examination by Mr. Hinkle

4

Cross Examination by Mr. Utz

14

E X H I B I T SAPPLICANT'SADMITTEDOFFERED

Exhibit #1 Land map

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5

Exhibit #2 Diagram

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6

Exhibit #3 Structure contour map

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9

Exhibit #4 Structure map

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10



OIL CONSERVATION COMMISSION

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

I. R. TRUJILLO
CHAIRMAN

**LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER**

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

May 28, 1974

Mr. Clarence Hinkle
Hinkle, Bondurant, Cox & Eaton
Attorneys at Law
Post Office Box 10
Roswell, New Mexico 88201

Re: CASE NO. 4790
ORDER NO. R-4370-A
Applicant:
THE PETROLEUM CORP.

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. 4790
Order No. R-4370-A

IN THE MATTER OF CASE NO. 4790
BEING REOPENED PURSUANT TO THE
PROVISIONS OF ORDER NO. R-4370,
WHICH ORDER ESTABLISHED SPECIAL
RULES AND REGULATIONS FOR THE
DUBLIN-ELLENBURGER GAS POOL, LEA
COUNTY, NEW MEXICO, INCLUDING A
PROVISION FOR 640-ACRE PRORATION UNITS.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 8, 1974,
at Santa Fe, New Mexico, before Examiner, Richard L. Stamets.

NOW, on this 28th day of May, 1974, 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 by Order No. R-4370, dated August 22, 1972,
temporary special rules and regulations were promulgated for
the Dublin-Ellenburger Gas Pool, Lea County, New Mexico,
establishing temporary 640-acre spacing units.

(3) That pursuant to the provisions of Order No. R-4370,
this case was reopened to allow operators in the subject pool
to appear and show cause why the Dublin-Ellenburger Gas Pool
should not be developed on 320-acre spacing units.

(4) That the evidence establishes that one well in the
Dublin-Ellenburger Gas Pool can efficiently and economically
drain and develop 640 acres.

(5) That the Special Rules and Regulations promulgated
by Order No. R-4370 have afforded and will afford to the owner
of each property in the pool the opportunity to produce his
just and equitable share of the gas in the pool.

-2-
Case No. 4790
Order No. R-4370-A

(6) That in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, the Special Rules and Regulations promulgated by Order No. R-4370 should be made permanent.

IT IS THEREFORE ORDERED:

(1) That the Special Rules and Regulations promulgated by Order No. R-4370 are hereby made permanent.

(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



I. R. Trujillo
I. R. TRUJILLO, Chairman

ALEX J. ARMILLO, Member

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

S E A L

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. 4790
Order No. R-4370

NOMENCLATURE

APPLICATION OF THE PETROLEUM
CORPORATION FOR SPECIAL POOL
RULES AND A NON-STANDARD PRO-
PORTION UNIT, LEA COUNTY, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 9, 1972,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 22nd 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 sub-
ject matter thereof.
- (2) That the applicant, The Petroleum Corporation, seeks
the promulgation of special rules and regulations for the Dublin-
Ellenburger Gas Pool, Lea County, New Mexico, including a provi-
sion for 640-acre spacing units.
- (3) That the applicant further seeks approval for a 480-acre
non-standard gas proration unit comprising the S/2, S/2 NE/4
and E/2 NW/4 of Section 12, Township 26 South, Range 37 East,
to be dedicated to its Tenneco Federal Well No. 1 located in
Unit N of said Section 12.
- (4) That the applicant has established that one well in
the Dublin-Ellenburger Gas Pool can efficiently and economically
drain and develop 640 acres.
- (5) That the entire non-standard gas proration unit re-
quested by the applicant may reasonably be presumed to be
productive of gas from the Dublin-Ellenburger Gas Pool and can
be efficiently and economically drained and developed by the
aforesaid well.

Case No. 4790
Order No. R-4370

(6) That the application for the above-described non-standard proration unit should be approved.

(7) That in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, temporary special rules and regulations providing for 640-acre spacing units should be promulgated for the Dublin-Ellenburger Gas Pool.

(8) That the temporary special rules and regulations should provide for limited well locations in order to assure orderly development of the pool and protect correlative rights.

(9) That special rules and regulations should be established for a temporary period to expire one year from the date that a pipeline connection is first obtained for a well in the pool; that during this temporary period all operators in the subject pool should gather all available information relative to drainage and recoverable reserves.

(10) That this case should be reopened at an examiner hearing one year from the date that a pipeline connection is first obtained for a well in the Dublin-Ellenburger Gas Pool, at which time the operators in the subject pool should appear and show cause why the Dublin-Ellenburger Gas Pool should not be developed on 320-acre spacing units.

(11) That the first operator to obtain a pipeline connection for a well in the Dublin-Ellenburger Gas Pool should notify the Commission in writing of such fact, and that the Commission should thereupon issue a supplemental order designating an exact date for reopening this case.

IT IS THEREFORE ORDERED:

(1) That the Dublin Ellenburger Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 26 SOUTH, RANGE 37 EAST, NMPM
Section 12: N/2

(2) That temporary Special Rules and Regulations for the Dublin-Ellenburger Gas Pool, Lea County, New Mexico, are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS
FOR THE
DUBLIN-ELLENBURGER GAS POOL

RULE 1. Each well completed or recompleted in the Dublin-
Ellenburger Gas Pool or in the Ellenburger formation within one
mile thereof, and not nearer to or within the limits of another
designated Ellenburger gas pool, shall be spaced, drilled,
operated, and produced in accordance with the Special Rules and
Regulations hereinafter set forth.

RULE 2. Each well shall be located on a standard unit
containing 640 acres, more or less, consisting of a governmental
section.

RULE 3. The Secretary-Director of the Commission may grant
an exception to the requirements of Rule 2 without notice and
hearing when an application has been filed for a non-standard
unit and the unorthodox size or shape of the unit is necessitated
by a variation in the legal subdivision of the United States
Public Land Surveys, or the following facts exist and the
following provisions are complied with:

- (a) The non-standard unit consists of quarter-
quarter sections or lots that are contiguous
by a common bordering side.
- (b) The non-standard unit lies wholly within a
governmental section and contains less
acreage than a standard unit.
- (c) The applicant presents written consent in
the form of waivers from all offset operators
and from all operators owning interests in
the section in which the non-standard unit
is situated and which acreage is not included
in said non-standard unit.
- (d) In lieu of paragraph (c) of this rule, the
applicant may furnish proof of the fact
that all of the aforesaid operators were
notified by registered or certified mail
of his intent to form such non-standard
unit. The Secretary-Director may approve
the application if no such operator has
entered an objection to the formation of
such non-standard unit within 30 days
after the Secretary-Director has received
the application.

RULE 4. Each well shall be located no nearer than 1650 feet
to the outer boundary of the section and no nearer than 330 feet
to any governmental quarter-quarter section line.

RULE 5. The Secretary-Director may grant an exception to
the requirements of Rule 4 without notice and hearing when an

-4-

Case No. 4790
Order No. R-4370

application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proration unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all operators offsetting the proration unit or if no objection to the unorthodox location has been entered within 20 days after the Secretary-Director has received the application.

IT IS FURTHER ORDERED:

(1) That the locations of all wells presently drilling to or completed in the Dublin-Ellenburger Gas Pool or in the Ellenburger formation within one mile thereof are hereby approved; that the operator of any well having an unorthodox location shall notify the Hobbs District Office of the Commission in writing of the name and location of the well on or before September 1, 1972.

(2) That a 480-acre non-standard gas proration unit in the Dublin-Ellenburger Gas Pool comprising the S/2, S/2 NE/4 and E/2 NW/4 of Section 12, Township 26 South, Range 37 East, Eddy County, New Mexico, is hereby established and dedicated to The Petroleum Corporation's Tenneco Federal Well No. 1, located in Unit N of said Section 12.

(3) That this case shall be reopened at an examiner hearing one year from the date that a pipeline connection is first obtained for a well in the Dublin-Ellenburger Gas Pool, at which time the operators in the subject pool may appear and show cause why the Dublin-Ellenburger Gas Pool should not be developed on 320-acre spacing units.

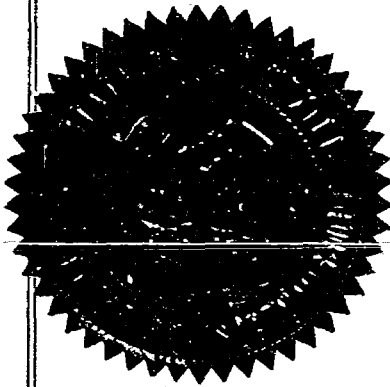
(4) That the first operator to obtain a pipeline connection for a well in the Dublin-Ellenburger Gas Pool shall notify the Commission in writing of such fact, and that the Commission will thereupon issue a supplemental order designating an exact date for reopening this case.

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

-5-

Case No. 4790
Order No. R-4370

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



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

S E A L

dr/

4790

Order R4370-12

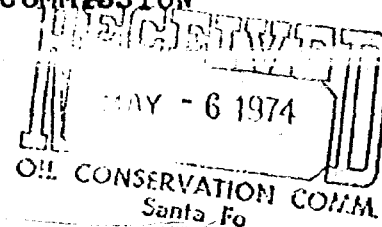
Make temporary rules
permanent

MGMABQC ABQ
2-040209E123 05/03/74
ICS IPMBNGZ CSP
3032929920 MGM TDBN DENVER CO 100 05-03 0530P EDT
ZIP 87501

 Mailgram



NEW MEXICO OIL CONSERVATION COMMISSION
ATTN A L PORTER JR BOX 2088
SANTA FE NM 87501



REFERENCE: CASE 4790

PLEASE BE ADVISED THAT TENNECO OIL COMPANY WISHES TO SUPPORT
THE POSITION OF THE PETROLEUM CORPORATION IN THAT THE CURRENT
TEMPORARY FIELD RULES FOR THE DUBLIN ELLENBURGER GAS POOL, ORDER
R-4370, SHOULD BE MADE PERMANENT.

TENNECO OIL COMPANY D D MYERS 1860 LINCOLN ST SUITE 1200 DENVER
CO 80203

1732 EDT

MGMABQC ABQ

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 8, 1974

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

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

CASE 4790: (Reopened) (Continued from April 10, 1974, Examiner Hearing)

In the matter of Case No. 4790 being reopened pursuant to the provisions of Order No. R-4370, which order established temporary rules for the Dublin-Ellenburger Gas Pool, Lea County, New Mexico, including a provision for 640-acre spacing. All interested parties may appear and show cause why said pool should not be developed on 320-acre spacing units.

CASE 5220: (Continued from the April 25, 1974, Examiner Hearing)

Application of Atlantic Richfield Company for an unorthodox gas well location and non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its McDonald State WN Well No. 24 located 1780 feet from the North line and 660 feet from the West line of Section 25, Township 22 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, to be dedicated to a 320-acre non-standard gas proration unit comprising the N/2 of said Section 25.

CASE 5229: Application of Texas International Petroleum Corporation for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Lowe-Federal Well No. 1 located in Unit H of Section 31, Township 20 South, Range 30 East, Golden Lane Field, Eddy County, New Mexico, in such a manner as to produce Strawn and Morrow gas through parallel strings of tubing.

CASE 5230: Application of Gulf Oil Corporation for the amendment of Order No. R-4079, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-4079 which authorized the commingling of Hobbs Grayburg-San Andres and Hobbs-Blinebry production from its W. D. Crimes "A" and "B" leases in Sections 32 and 33, Township 18 South, Range 38 East, Lea County, New Mexico, to include in said commingling authority Bowers-Seven Rivers production.

CASE 5231: Application of Mesa Petroleum Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Nash Unit Area comprising 5,124 acres, more or less, of State, Federal and fee lands in Township 23 South, Ranges 29 and 30 East, Eddy County, New Mexico.

CASE 5232: Application of Texas Pacific Oil Company, Inc. for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Phantom Draw Unit Area comprising 8,465 acres, more or less, of Federal, State and fee lands in Township 26 South, Range 31 East, Eddy County, New Mexico.



August 7, 1972

RECEIVED
AUG 14 1972
NEW MEXICO OIL CONSERVATION COMMISSION

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

ATTENTION: Mr. A. L. Porter

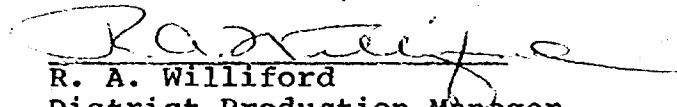
Re: Case No. 4790 - Docket No. 17-72
Special Pool Rules and Non-Standard
Proration Unit - Dublin Ellenburger
Gas Pool, Lea County, New Mexico

Gentlemen:

Tenneco Oil Company has no objections to the Petroleum Corporation's application for 640-acre spacing units with a 480-acre non-standard proration unit for their Tenneco No. 1 well. This well is in the Dublin Ellenburger Pool, at a location 990' FSL and 2310 FEL, Section 12, T26S, R37E, Lea County, New Mexico.

Very truly yours,

TENNECO OIL COMPANY


R. A. Williford
District Production Manager

MJD/dw

Memo

4/12/73

From

D. S. NUTTER
CHIEF ENGINEER

To Case File 4790

The Petroleum Corp obtained
gas well connection
for its Tennessee Fed #1
in N 12-26-51 on Mar 27, 73

Case 4790 should be
reopened in April, 1974.

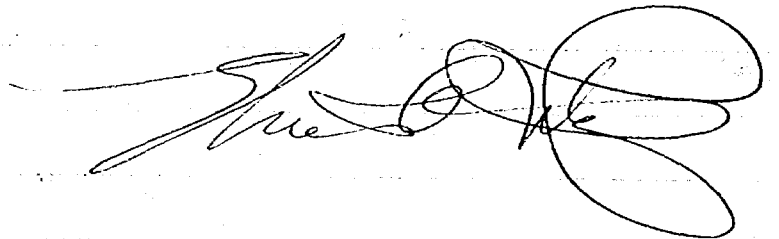
Case 4790
Lead 8-9-72
Re: 8-11-72

Grant. Pit. Corp's request for
special pool - rules for the
Dublin - Ellanburger pool.

Use std. 640 order.

Grant: 480 Aco. NSP +
NSI for the Denneo. Ded #1
unit N of 12-26-37.

The 5/2 of 12 is the pool of present
so we probably should expand the
pool to cover the 480 Aco unit.



DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 10, 1974

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

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

- ALLOWABLE: (1) Consideration of the allowable production of gas from seventeen prorated pools in Lea, Eddy, Roosevelt, and Chaves Counties, New Mexico, for May, 1974;
- (2) Consideration of the allowable production of gas from five prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, for May, 1974.

CASE 5201: Application of Mobil Oil Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the S/2 of Section 33, Township 22 South, Range 27 East, South Carlsbad Field, Eddy County, New Mexico, to form a standard 320-acre proration unit to be dedicated to a well to be drilled at a standard location for said unit. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5202: Application of El Paso Natural Gas Company for special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the West Sand Dunes-Morrow Gas Pool in Township 23 South, Range 31 East, Eddy County, New Mexico, including a provision for 640-acre spacing.

CASE 5203: Application of Jake L. Hamon for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Devonian formation in the perforated interval from 13,230 feet to 13,320 feet in his Getty State L-736 Well No. 1 located in Unit D of Section 32, Township 16 South, Range 36 East, East Shoe Bar-Devonian Pool, Lea County, New Mexico.

CASE 4790: (Reopened)

In the matter of Case No. 4790 being reopened pursuant to the provisions of Order No. R-4370, which order established temporary rules for the Dublin-Ellenburger Gas Pool, Lea County, New Mexico, including a provision for 640-acre spacing. All interested parties may appear and show cause why said pool should not be developed on 320-acre spacing units.

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 9, 1972

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

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

- CASE 4785: Application of Gulf Oil Corporation for rededication of acreage and a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the consolidation of a 40-acre non-standard proration unit comprising the SE/4 NW/4 of Section 28 and an 80-acre non-standard proration unit comprising the W/2 NE/4 of Section 28; Township 21 South, Range 37 East, Blinbry Gas Pool, Lea County, New Mexico, to form a 120-acre non-standard proration unit. Applicant also seeks permission to produce the allowable assigned to said 120-acre unit from its Eunice King Wells Nos. 5 and 9 located, respectively, in Units F and G of said Section 28 in any proportion.
- CASE 4786: Application of Highland Production 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 Delaware formation in the open-hole interval from 4378 feet to 4418 feet in its Russell Federal Well No. 6 located in Unit K of Section 20, Township 26 South, Range 32 East, East Mason-Delaware Pool, Lea County, New Mexico.
- CASE 4787: Application of Superior Oil Company for an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a gas well to test the Morrow and other formations at an unorthodox location 660 feet from the North line and 990 feet from the West line of Section 5, Township 23 South, Range 27 East, South Carlsbad Field, Eddy County, New Mexico, with the N/2 of said Section 5 to be dedicated to the well.
- CASE 4788: Application of Murphy H. Baxter for an unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a producing well approximately in the center of the SW/4 of Section 18, Township 17 South, Range 33 East, Maljamar (Grayburg-San Andres) Pool, Lea County, New Mexico. Said well to be within the area of a waterflood project approved by Order No. R-2156.
- CASE 4789: Application of Humble Oil & Refining Company for special pool rules, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special rules for the Many Gates-Abo Pool, Chaves County, New Mexico, including provisions for 80-acre spacing units and wells to be located in the approximate center of the NE/4 or SW/4 of each quarter section.
- CASE 4790: Application of The Petroleum Corporation for special pool rules and a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules

(Case 4790 continued from Page 1)

for the Dublin-Ellenburger Gas Pool, Lea County, New Mexico, including a provision for 640-acre spacing units. Applicant further seeks approval of a 480-acre non-standard unit in said pool comprising the S/2, S/2 of NE/4 and E/2 NW/4 of Section 12, Township 26 South, Range 37 East, to be dedicated to its Tenneco Federal Well No. 1 located in Unit N of said Section 12.

CASE 4791: Application of Monsanto Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Burton Flat Deep Unit Area comprising 5,808 acres, more or less, of Federal, State, and Fee lands in Township 20 South, Range 28 East, and Township 21 South, Range 27 East, Eddy County, New Mexico.

CASE 4792: Application of David Fasken for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Walker Draw Unit Area comprising 7,040 acres, more or less, of Federal, State, and Fee lands in Sections 8, 9, 10, 15, 16, 17, 20, 21, 22, 28, and 29, Township 23 South, Range 23 East, Eddy County, New Mexico.

CASE 4793: Application of Tenneco Oil Company for a pressure maintenance project and unorthodox locations, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project in the South Hospah-Lower Sand Pool by the injection of water and gas into the Lower Hospah formation through three wells located at orthodox and unorthodox locations in Section 12, Township 17 North, Range 9 West, McKinley 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 4794: Application of Green & Michaelson Producing Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface of the ground down to and including the Devonian formation underlying the N/2 of Section 2, Township 19 South, Range 23 East, Eddy County, New Mexico, to be dedicated to a wildcat Devonian well to be drilled at a standard location in the NE/4 of said Section 2.

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 4760: (Readvertised)

Application of Anadarko Production Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to institute a waterflood project by the injection of water into the

Name

Address

Ph.

Remarks:

| | | | | | |
|----|----|----|----|----|----|
| 6 | 5 | 4 | 3 | 2 | 1 |
| 7 | 8 | 9 | 10 | 11 | 12 |
| 16 | 17 | 18 | 19 | 14 | 13 |
| 19 | 20 | 21 | 22 | 23 | 24 |
| 30 | 29 | 28 | 27 | 26 | 25 |
| 31 | 32 | 33 | 34 | 35 | 36 |

T R State
or County

CORE LABORATORIES, INC.

Petroleum Reservoir Engineering

DALLAS, TEXAS 75207

March 22, 1972

RESERVOIR FLUID DIVISION

The Petroleum Corporation
3303 Lee Parkway
Dallas, Texas 75219

Attention: Mr. Larry C. Shannon

| | |
|-----------------------------|---------|
| BEFORE EXAMINER STAMETS | |
| OIL CONSERVATION COMMISSION | |
| EXHIBIT NO. | 3 |
| CASE NO. | 4700 |
| Submitted by | Shannon |
| Hearing Date | 5-8-74 |

Subject: Reservoir Fluid Study
Tenneco Federal No. 1 Well
Wildcat
Lea County, New Mexico
Our File Number: RFL 72119

Gentlemen:

Samples of separator liquid and vapor were collected from the subject well during production testing on March 6, 1972. The samples were forwarded to our Dallas laboratory to be used in the performance of a reservoir fluid study. Presented in the following report are the results of this study as requested by The Petroleum Corporation.

After correction for the factors shown on page one, the producing gas-liquid ratio was calculated to be 8774 cubic feet of primary separator gas at 14.65 psia and 60° F. per barrel of stock tank liquid at 60° F. In the laboratory this ratio was determined to be equivalent to 6504 standard cubic feet of primary separator gas per barrel of primary separator liquid at 620 psig and 60° F. The hydrocarbon composition of the well stream material was calculated on the basis of the producing gas-liquid ratio and is given on page two of the report, along with the measured separator liquid and separator vapor compositions.

The separator samples were physically recombined in their producing gas-liquid ratio and the resulting mixture was examined in a visual cell at the reported reservoir temperature of 158° F. During a constant composition expansion at this temperature, the fluid exhibited a retrograde dew point

The Petroleum Corporation
Tenneco Federal No. 1 Well

Page Two

at 4676 psig. The results of the pressure-volume measurements, as well as the measured deviation factor at the dew point pressure and above, are presented on page three of the report. Given on page four are the data concerning the retrograde liquid accumulation as reservoir pressure declines.

It has been a pleasure to perform these determinations for you. If you have any questions regarding these data or if we may be of further assistance in any manner, please feel free to contact us.

Very truly yours,

Core Laboratories, Inc.
Reservoir Fluid Analysis

P. L. Moses (JP)
P. L. Moses
Manager

PLM:JF:dl
7 cc. - Addressee

Petroleum Reservoir Engineering
DALLAS, TEXAS

File RFL 72119

| | | | |
|---------|---------------------------|--------------|---------------|
| Company | The Petroleum Corporation | Date Sampled | March 6, 1972 |
| Well | Tenneco Federal No. 1 | County | Lea |
| Field | Wildcat | State | New Mexico |

FORMATION CHARACTERISTICS

| | |
|------------------------------------|------------------------|
| Formation Name | Ellenburger |
| Date First Well Completed | _____, 19____ |
| Original Reservoir Pressure | _____ PSIG @ _____ Ft. |
| Original Produced Gas-Liquid Ratio | _____ SCF/Bbl |
| Production Rate | _____ Bbls/Day |
| Separator Pressure and Temperature | 600 PSIG 82 ° F. |
| Liquid Gravity at 60° F. | _____ ° API |
| Datum | _____ Ft. Subsea |

WELL CHARACTERISTICS

| | | |
|-------------------------|--------------------|-----------|
| Elevation | _____ | Ft. |
| Total Depth | _____ | Ft. |
| Producing Interval | 11634-11828 | Ft. |
| Tubing Size and Depth | 2-3/8 In. to 11110 | Ft. |
| Open Flow Potential | _____ | MMSCF/Day |
| Last Reservoir Pressure | 4729 PSIG @ _____ | * Ft. |
| Date | _____, 19____ | |
| Reservoir Temperature | 158 ° F. @ _____ | * Ft. |
| Status of Well | _____ | |
| Pressure Gauge | _____ | |

SAMPLING CONDITIONS

| | | |
|---|-----------------|----------------|
| Flowing Tubing Pressure | 2530 | PSIG |
| Flowing Bottom Hole Pressure | | PSIG |
| Primary Separator Pressure | 620 | PSIG |
| Primary Separator Temperature | 82 | ° F. |
| Secondary Separator Pressure | | PSIG |
| Secondary Separator Temperature | | ° F. |
| Field Stock Tank Liquid Gravity | | ° API @ 60° F. |
| Primary Separator Gas Production Rate | 985.3 | MSCF/Day |
| Pressure Base | 14.65 | PSIA |
| Temperature Base | 60 | ° F. |
| Compressibility Factor (F_{pv}) | 1.060 | |
| Gas Gravity (Laboratory) | 0.677 | |
| Gas Gravity Factor (F_g) | 0.9413 | |
| Stock Tank Liquid Production Rate @ 60° F. | 112.3 | Bbls/Day |
| Primary Separator Gas/Stock Tank Liquid Ratio | 8774 | SCF/Bbl |
| or | 113.97 | Bbls/MMSCF |
| Core Laboratories, Inc., Engineer | Teffeller, Inc. | |

REMARKS:

* DST Depth = 11706-11800 Ft.

These analyses, opinions or interpretations are based on observations and material supplied by the client to whom, and for whose exclusive and confidential use, this report is made. The interpretations or opinions expressed represent the best judgment of Core Laboratories, Inc. (all errors and omissions excepted); but Core Laboratories, Inc. and its officers and employees, assume no responsibility and make no warranty or representations as to the productivity, proper operation, or profitability of any oil, gas or other mineral well or sand in connection with which such report is used or relied upon.

CORE LABORATORIES, INC.
Petroleum Reservoir Engineering
DALLAS, TEXAS

Page 2 of 6

File RFL 72119

Well Tenneco Federal No. 1

Hydrocarbon Analyses of Separator Products and Calculated Well Stream

| <u>Component</u> | <u>Separator Liquid</u> | <u>Separator Gas</u> | <u>Well Stream</u> | | |
|------------------|-------------------------|----------------------|--------------------|---------------------|--------------|
| | <u>Mol Per Cent</u> | <u>Mol Per Cent</u> | <u>GPM</u> | <u>Mol Per Cent</u> | <u>GPM</u> |
| Hydrogen Sulfide | Nil | Nil | | Nil | |
| Carbon Dioxide | 0.06 | 0.14 | | 0.13 | |
| Nitrogen | 0.09 | 1.64 | | 1.43 | |
| Methane | 15.93 | 83.91 | | 74.63 | |
| Ethane | 7.95 | 8.48 | | 8.41 | |
| Propane | 10.24 | 3.70 | 1.012 | 4.59 | 1.256 |
| iso-Butane | 1.58 | 0.25 | 0.081 | 0.43 | 0.140 |
| n-Butane | 8.71 | 1.07 | 0.335 | 2.11 | 0.661 |
| iso-Pentane | 2.10 | 0.12 | 0.044 | 0.39 | 0.142 |
| n-Pentane | 6.74 | 0.30 | 0.108 | 1.18 | 0.425 |
| Hexanes | 6.93 | 0.13 | 0.053 | 1.06 | 0.430 |
| Heptanes plus | 39.67 | 0.26 | 0.117 | 5.64 | 3.494 |
| | <u>100.00</u> | <u>100.00</u> | <u>1.750</u> | <u>100.00</u> | <u>6.548</u> |

Properties of Heptanes plus

| | | |
|------------------------------|---------------|--------------|
| API gravity @ 60° F. | <u>52.3</u> | |
| Specific gravity @ 60/60° F. | <u>0.7698</u> | <u>0.768</u> |
| Molecular weight | <u>153</u> | <u>151</u> |

Calculated separator gas gravity (air = 1.000) = 0.677
 Calculated gross heating value for separator gas = 1168 BTU
 per cubic foot of dry gas @ 14.65 psia and 60° F.

Primary separator gas collected @ 620 psig and 82 °F.
 Primary separator liquid collected @ 620 psig and 82 °F.

Primary separator gas/separator liquid ratio 6504 SCF/Bbl @ 60° F.
 Primary separator liquid/stock tank liquid ratio 1.349 Bbls @ 60° F./Bbl
 Primary separator gas/well stream ratio 863.39 MSCF/MMSCF
 Stock tank liquid/well stream ratio 98.40 Bbls/MMSCF

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CORE LABORATORIES, INC.

Petroleum Reservoir Engineering

DALLAS, TEXAS

Page 3 of 6

File RFL 72119

Well Tenneco Federal No. 1

Pressure-Volume Relations of Reservoir Fluid at 158° F.
(Constant Composition Expansion)

| Pressure PSIG | Relative Volume | Deviation Factor Z |
|-------------------------|--------------------|-----------------------|
| 7000 | 0.8817 | 1.253 |
| 6400 | 0.9034 | 1.174 |
| 5900 | 0.9253 | 1.108 |
| 5500 | 0.9454 | 1.056 |
| 5200 | 0.9630 | 1.017 |
| 5000 | 0.9766 | 0.992 |
| 4900 | 0.9834 | 0.979 |
| 4800 | 0.9907 | 0.966 |
| 4729 Reservoir Pressure | 0.9961 | 0.957 |
| 4700 | 0.9982 | 0.953 |
| 4676 Dew Point Pressure | 1.0000 | 0.950 |
| 4650 | 1.0020 | |
| 4600 | 1.0058 | |
| 4500 | 1.0155 | |
| 4300 | 1.0368 | |
| 4000 | 1.0756 | |
| 3600 | 1.1451 | |
| 3100 | 1.2725 | |
| 2600 | 1.4744 | |
| 2100 | 1.8109 | |
| 1861 | 2.0505 | |
| 1680 | 2.2899 | |
| 1408 | 2.7707 | |
| 1200 | 3.3001 | |
| 1077 | 3.7170 | |
| 961 | 4.2027 | |

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CORE LABORATORIES, INC.
Petroleum Reservoir Engineering
DALLAS, TEXAS

Page 4 of 6

File RFL 72119

Well Tenneco Federal No. 1

Retrograde Condensation During Gas Depletion at 158° F.

| <u>Pressure</u> <u>PSIG</u> | <u>Retrograde Liquid Volume</u> <u>Per Cent of Hydrocarbon Pore Space</u> |
|--------------------------------|--|
| 4676 Dew Point Pressure | 0.0 |
| 4650 | 0.2 |
| 4600 | 0.6 |
| 4500 | 2.0 |
| 4300 | 5.5 |
| 4000 First Depletion Level | 9.5 |
| 3100 | 16.3 |
| 2100 | 17.6 |
| 1200 | 16.3 |
| 700 | 15.0 |
| 0 | 12.6 |

Core Laboratories, Inc.
Reservoir Fluid Analysis

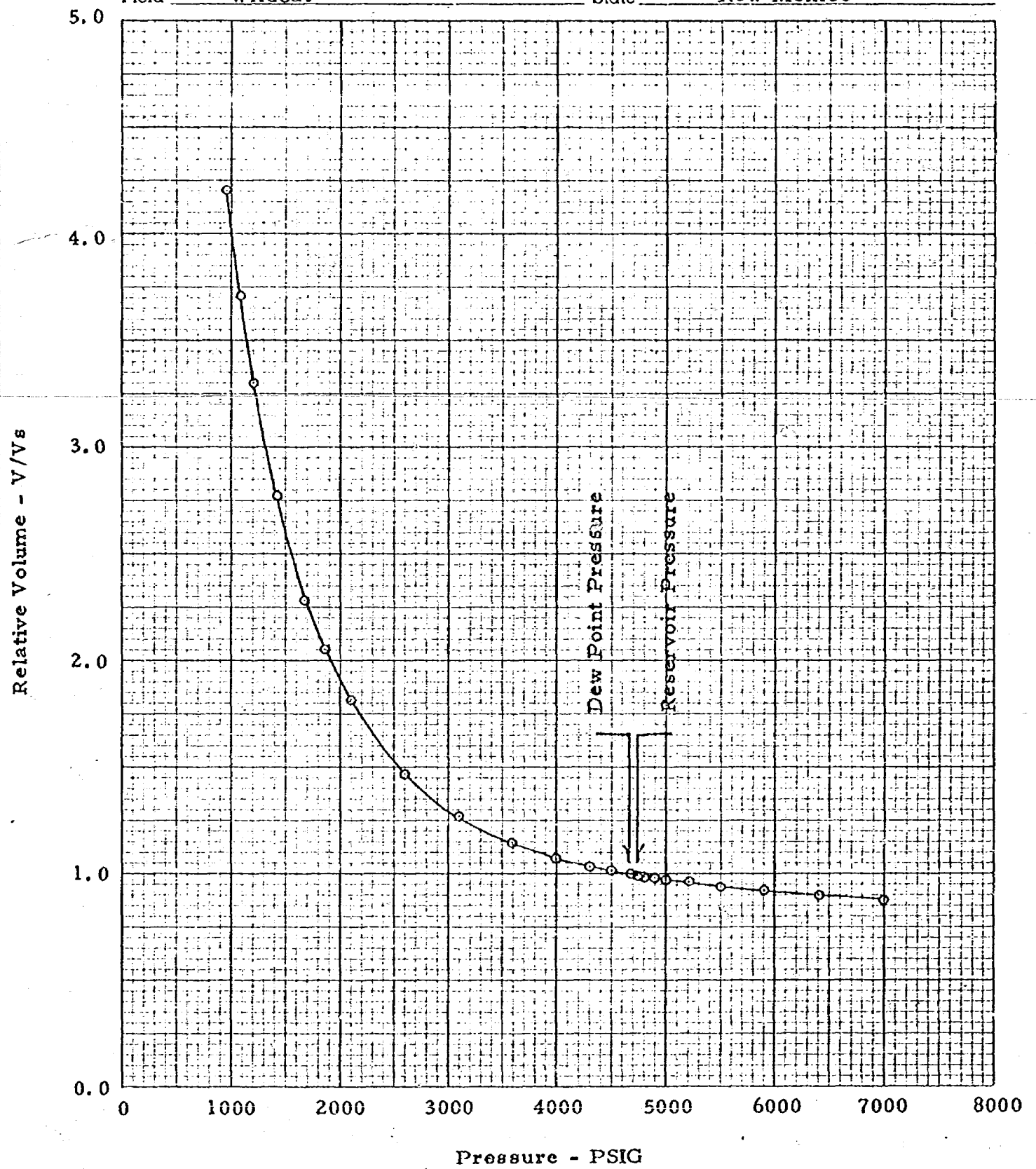
P. L. Moses (JF)

P. L. Moses
Manager

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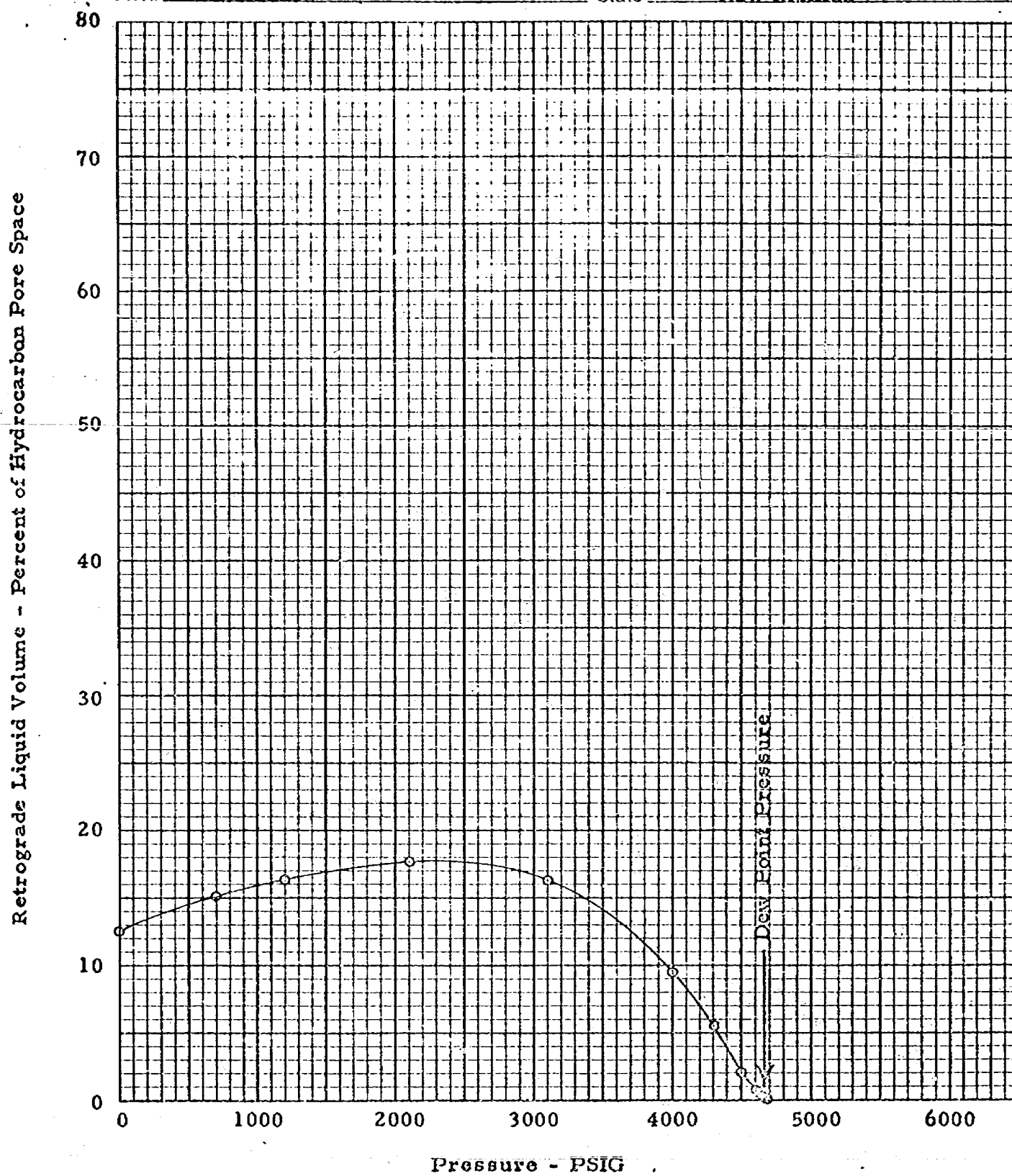
Pressure-Volume Relations of Reservoir Fluid at 158° F.

| | | | |
|---------|---------------------------|-----------|-------------|
| Company | The Petroleum Corporation | Formation | Ellenburger |
| Well | Tenneco Federal No. 1 | County | Lea |
| Field | Wildcat | State | New Mexico |



Retrograde Condensation During Depletion

Company The Petroleum Corporation Formation Ellenburger
Well Tanneco Federal No. 1 County Lea
Field Wildcat State New Mexico



REQUEST FOR PERMANENT FIELD RULES
THE PETROLEUM CORPORATION OF DELAWARE

TENNeco FEDERAL WELL NO. 1
PUBLIN ELLENBERGER POOL
LEA COUNTY, NEW MEXICO

May 8, 1974

BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION
EXHIBIT NO. 4
CASE NO. 17990
Submitted by [Signature]
Hearing Date 5-8-74

| | <u>Condensate Production</u> | <u>Gas Production</u> | <u>Cond. Yield B/M ²</u> | <u>Static Surface Pressure</u> | <u>Average Flowing Pressure</u> |
|--------------------|----------------------------------|---------------------------|---|--|-------------------------------------|
| 1973 | | | | | |
| January | | | | | |
| February | | | | 2,898 (DW) | |
| March | 951 | 5,918 | 161 | | 2,400 |
| April | 5,204 | 56,684 | 92 | 2,700 | 2,350 |
| May | 5,140 | 49,106 | 105 | | 2,325 |
| June | 4,426 | 45,078 | 98 | 2,550 | 2,300 |
| July | 4,047 | 43,698 | 93 | 2,500 | 2,275 |
| August | 4,100 | 45,136 | 91 | 2,540 (DW) | 2,200 |
| September | 4,058 | 44,353 | 92 | 2,500 | 2,100 |
| October | 4,013 | 44,598 | 90 | 2,500 | 2,100 |
| November | 2,202 | 20,467 | 108 | | 1,900 |
| December | 4,353 | 37,225 | 117 | 2,200 | 1,800 |
| 1973 Total | 38,494 | 392,263 | | | |
| 1974 | | | | | |
| January | 4,598 | 35,317 | 130 | 2,200 | 1,800 |
| February | 4,099 | 27,010 | 152 | 2,200 | 1,750 |
| March | 4,382 | 29,070 | 151 | 2,200 | 1,700 |
| 1974 Total To Date | 51,573 | 483,660 | | | |

CLARENCE E. HINKLE
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LEWIS C. COX, JR.
PAUL W. EATON, JR.
CONRAD E. COFFIELD
HAROLD L. HENSLEY, JR.
STUART D. SHANOR
C. D. MARTIN
PAUL J. KELLY, JR.
J. M. LITTLE

LAW OFFICES
HINKLE, BONDURANT, COX & EATON

600 HINKLE BUILDING
POST OFFICE BOX 10

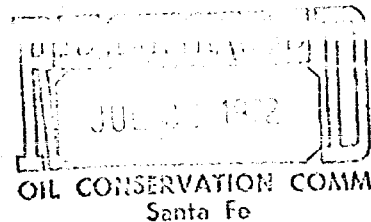
ROSWELL, NEW MEXICO 88201

July 19, 1972

TELEPHONE (505) 822-6510

Case 4790

MIDLAND, TEXAS OFFICE
521 MIDLAND TOWER
(915) 683-4691



Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

We enclose herewith in triplicate application of The Petroleum Corporation for temporary special pool rules and a non-standard proration unit in the Dublin-Ellenburger pool.

Mr. Hinkle has previously arranged with Mr. Porter and Mr. Nutter to have this matter set down for the hearing on August 9.

Yours very truly,

HINKLE, BONDURANT, COX & EATON

By *Charlotte Sanders*
for Mr. Hinkle

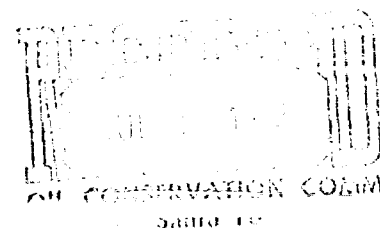
CEH:cs
Enc.
cc: Larry Shannon
cc: Hal Dean

7-27-72
Don

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

APPLICATION OF THE PETROLEUM CORPORATION
FOR THE PROMULGATION OF TEMPORARY SPECIAL
POOL RULES FOR THE DUBLIN-ELLENBURGER
GAS POOL, RESULTING FROM A DISCOVERY IN
THE TENNECO FEDERAL WELL NO. 1 LOCATED
IN UNIT N, SECTION 12, TOWNSHIP 26 SOUTH,
RANGE 37 EAST, LEA COUNTY, INCLUDING 640
ACRE SPACING AND PRORATION UNITS AND FOR
THE APPROVAL OF A NON-STANDARD UNIT TO BE
DEDICATED TO SAID WELL CONSISTING OF THE
S $\frac{1}{2}$, S $\frac{1}{2}$ NE $\frac{1}{4}$ and E $\frac{1}{2}$ NW $\frac{1}{4}$ SAID SECTION 12.



Case 4790

[Signature]

Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

Comes The Petroleum Corporation, acting by and through the undersigned attorneys, and makes application for the promulgation of temporary special pool rules for the Dublin-Ellenburger Gas Pool resulting from a discovery in the Tenneco Federal Well No. 1 located in Unit N, Section 12, Township 26 South, Range 37 East, Lea County, including 640 acre spacing and proration units and for the approval of a non-standard unit to be dedicated to said well consisting of the S $\frac{1}{2}$, S $\frac{1}{2}$ NE $\frac{1}{4}$ and E $\frac{1}{2}$ NW $\frac{1}{4}$ said Section 12, and in support thereof respectfully shows:

1. Pursuant to Order R-4321 issued on June 7, 1972 in Case No. 4684 the Commission designated the discovery made by applicant in the Ellenburger formation in the Tenneco Federal No. 1 well as a new pool to be classified as a gas pool for the production of gas from the Ellenburger formation and defined the limits of said pool as the S $\frac{1}{2}$ Section 12, Township 26 South, Range 37 East.

2. There is attached hereto, made a part hereof, and for purposes of identification marked Exhibit "A", a plat showing the location of the discovery well and the location of wells which have been drilled within 2 miles and the ownership of the leasehold interests in the area.

3. Due to faulting conditions affecting portions of said Section 12 there is a possibility that the N $\frac{1}{2}$ NE $\frac{1}{4}$ and W $\frac{1}{2}$ NW $\frac{1}{4}$ said section may not be productive of gas but applicant believes that all of the

rest of said section is productive of gas from the Ellenburger formation and that said well will effectively and efficiently drain all of the remaining acreage consisting of 480 acres. Applicant requests that a non-standard spacing and proration unit be created consisting of said lands to be dedicated to said well.

4. Except as to Section 12, applicant believes that each well drilled and completed in the Dublin-Ellenburger Gas Pool will effectively and efficiently drain 640 acres or more.

5. Applicant believes that it will be in the interest of conservation and the prevention of waste and the orderly future development of the new pool that temporary special pool rules be adopted by the Commission providing for 640 acre spacing and proration units with a non-standard 480 acre unit to be dedicated to said well.

6. Applicant further believes that such temporary special pool rules and regulations will prevent the possibility of economic loss resulting from the drilling of unnecessary wells and will tend to protect correlative rights.

7. Applicant requests that this matter be set down for the examiner's hearing to be held on August 9, 1972.

Respectfully submitted,

THE PETROLEUM CORPORATION

BY 

HINKLE, BONDURANT, COX & EATON

Attorneys for Applicant

P.O. Box 10

Roswell, New Mexico 88201

CLARENCE E. HINKLE
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CONRAD E. COFFIELD
HAROLD L. HENSLEY, JR.
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PAUL J. KELLY, JR.
J. H. LITTLE

LAW OFFICES
HINKLE, BONDURANT, COX & EATON

800 HINKLE BUILDING

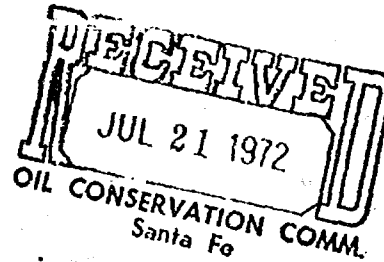
POST OFFICE BOX 10

ROSWELL, NEW MEXICO 88201

TELEPHONE (505) 822-6510

MIDLAND, TEXAS OFFICE
521 MIDLAND TOWER
(915) 653-4891

July 20, 1972



Ida Rodriguez
Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

Dear Ida:

Yesterday I filed an application for The Petroleum Corporation for temporary special pool rules and a non-standard proration unit in the Dublin-Ellenburger Pool - and guess what - I forgot to attach the plat as Exhibit "A". I am enclosing the same herewith and would very much appreciate your attaching it to the application.

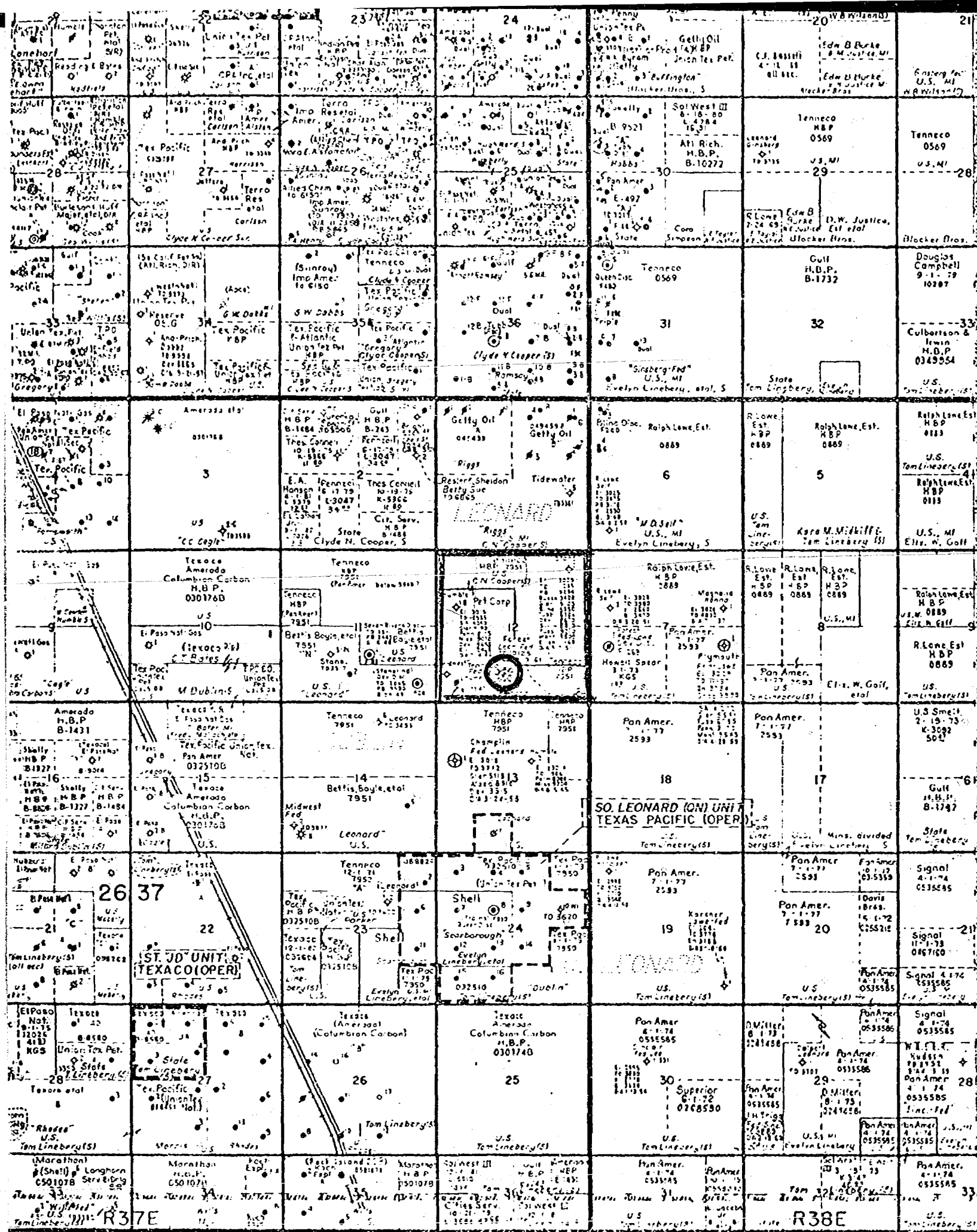
Thank you very much.

Sincerely,

A handwritten signature in cursive script that reads "Charlotte".

Charlotte Sandry

Enc.



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:

APPLICATION OF THE PETROLEUM
CORPORATION FOR SPECIAL POOL
RULES AND A NON-STANDARD PRO-
PORTION UNIT, LEA COUNTY, NEW
MEXICO.

CASE NO. 4790

Order No. R-4370

NOMENCLATURE 2

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 9, 1972,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this August 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, The Petroleum Corporation, seeks
the promulgation of special rules and regulations for the Dublin-
Ellenburger Gas Pool, Lea County, New Mexico, including a provision
for 640-acre spacing units.

(4) ~~45~~ That the applicant has established that one well in the Dublin-Ellenburger Gas Pool can efficiently and economically drain and develop 640 acres.

(3) ~~44~~ That the applicant further seeks approval for a 480-acre non-standard gas proration unit comprising the S/2, S/2 ~~NE~~ NE/4 and E/2 NW/4 of Section 12, Township 26 South, Range 37 East, to be dedicated to its Tenneco Federal Well No. 1 located in Unit N of said Section 12.

(5) That the entire non-standard gas proration unit requested by the applicant may reasonably be presumed to be productive of gas from the Dublin-Ellenburger Gas Pool and can be efficiently and economically drained and developed by the aforesaid well.

(7) ~~47~~ That in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, temporary special rules and regulations providing for 640-acre spacing units should be promulgated for the Dublin-Ellenburger Gas Pool.

(8) ~~47~~ That the temporary special rules and regulations should provide for limited well locations in order to assure orderly development of the pool and protect correlative rights.

(9) ~~48~~ That special rules and regulations should be established for a temporary period to expire one year from the date that a pipeline connection is first obtained for a well in the pool; that during this temporary period all operators in the subject pool should gather all available information relative to drainage and recoverable reserves.

(4) That the application for the above-described non-standard proration unit should be approved.

(10) ~~10~~ That this case should be reopened at an examiner hearing one year from the date that a pipeline connection is first obtained for a well in the Dublin-Ellenburger Gas Pool, at which time the operators in the subject pool should appear and show cause why the Dublin-Ellenburger Gas Pool should not be developed on 320-acre spacing units.

(11) ~~10~~ That the first operator to obtain a pipeline connection for a well in the Dublin-Ellenburger Gas Pool should notify the Commission in writing of such fact, and that the Commission should thereupon issue a supplemental order designating an exact date for reopening this case.

IT IS THEREFORE ORDERED:

(2) That temporary Special Rules and Regulations for the Dublin-Ellenburger Gas Pool, Lea County, New Mexico, are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS
FOR THE
DUBLIN-ELLENBURGER GAS POOL

RULE 1. Each well completed or recompleted in the Dublin-Ellenburger Gas Pool or in the Ellenburger formation within one mile thereof, and not nearer to or within the limits of another designated Ellenburger gas pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well shall be located on a standard unit containing 640 acres, more or less, consisting of a governmental section.

RULE 3. The Secretary-Director of the Commission may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit and the unorthodox size or shape of the unit is necessitated by a variation in the legal subdivision of the United States Public Land Surveys, or the following facts exist and the following provisions are complied with:

(1) That the Dublin Ellenburger Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:
Township 26 South Range 37 East NMPN
Section 12: N/2

- (a) The non-standard unit consists of quarter-quarter sections or lots that are contiguous by a common bordering side.
- (b) The non-standard unit lies wholly within a governmental section and contains less acreage than a standard unit.
- (c) The applicant presents written consent in the form of waivers from all offset operators and from all operators owning interests in the section in which the non-standard unit is situated and which acreage is not included in said non-standard unit.
- (d) In lieu of paragraph (c) of this rule, the applicant may furnish proof of the fact that all of the aforesaid operators were notified by registered or certified mail of his intent to form such non-standard unit. The Secretary-Director may approve the application if no such operator has entered an objection to the formation of such non-standard unit within 30 days after the Secretary-Director has received the application.

RULE 4. Each well shall be located no nearer than 1650 feet to the outer boundary of the section and no nearer than 330 feet to any governmental quarter-quarter section line.

RULE 5. The Secretary-Director may grant an exception to the requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting

the proration unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all operators offsetting the proration unit or if no objection to the unorthodox location has been entered within 20 days after the Secretary-Director has received the application.

IT IS FURTHER ORDERED:

(1) That the locations of all wells presently drilling to or completed in the Dublin-Ellenburger Gas Pool or in the Ellenburger formation within one mile thereof are hereby approved; that the operator of any well having an unorthodox location shall notify the Hobbs District Office of the Commission in writing of the name and location of the well on or before September 1,
1972.

(2) That a 480-acre non-standard gas proration unit in the Dublin-Ellenburger Gas Pool comprising the S/2, S/2 ~~NE~~ NE/4 and E/2 NW/4 of Section 12, Township 26 South, Range 37 East, *Eddy County, New Mexico, is hereby established and dedicated to the Petroleum Corporation*
~~is hereby dedicated to its~~ Tenneco Federal Well No. 1, located in Unit N of said Section 12.

(3) That, pursuant to Paragraph A. of Section 65-3-14.5, NMSA 1953, contained in Chapter 271, Laws of 1969, existing wells in the Dublin-Ellenburger Gas Pool shall have dedicated thereto 640 acres in accordance with the foregoing pool rules; or, pursuant to Paragraph C. of said Section 65-3-14.5, existing wells may have non-standard spacing or proration units established by the Commission and dedicated thereto.

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CASE NO. 4790
Order No. R-

Failure to file new Forms C-102 with the Commission dedicating 640 acres to a well or to obtain a non-standard unit approved by the Commission within 60 days from the date of this order shall subject the well to cancellation of allowable. Until said Form C-102 has been filed or until a non-standard unit has been approved, and subject to said 60-day limitation, each well presently drilling to or completed in the Dublin-Ellenburger Gas Pool or in the Ellenburger formation within one mile thereof shall receive no more than one-half of a standard allowable for the pool.

(3) 141 That this case shall be reopened at an examiner hearing one year from the date that a pipeline connection is first obtained for a well in the Dublin-Ellenburger Gas Pool, at which time the operators in the subject pool may appear and show cause why the Dublin-Ellenburger Gas Pool should not be developed on 320-acre spacing units.

(4) 151 That the first operator to obtain a pipeline connection for a well in the Dublin-Ellenburger Gas Pool shall notify the Commission in writing of such fact, and that the Commission will thereupon issue a supplemental order designating an exact date for reopening this case.

(5) 161 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 herein-
above designated.

1/72

Application of The Petroleum Corp.
for special rules for the Dredging
Hearings No. 12, Sec 12 of
the Act of 1917.

including 840 acre of mining land
from the units and approval of
a 480 acre non-standard production
Unit to be dedicated to the
James Federal No 1 Well located
in Unit N of said section 12.

C.E.H.

DRAFT

jr/

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. 4790

Order No. R-4370-A

IN THE MATTER OF CASE NO. 4790
BEING REOPENED PURSUANT TO THE
PROVISIONS OF ORDER NO. 4370,
WHICH ORDER ESTABLISHED SPECIAL
RULES AND REGULATIONS FOR THE
DUBLIN-ELLENBURGER GAS POOL, LEA
COUNTY, NEW MEXICO, INCLUDING A
PROVISION FOR 640-ACRE PRORATION UNITS.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 8, 19 74,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this day of May, 1974, 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 by Order No. R-4370, dated August 22, 1972,
temporary special rules and regulations were promulgated for
the Dublin-Ellenburger Gas Pool, Lea County, New Mexico,
establishing temporary 640-acre spacing units.

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CASE NO. 4790

Order No. R-

(3) That pursuant to the provisions of Order No. R-4370, this case was reopened to allow operators in the subject pool to appear and show cause why the Dublin-Ellenburger Gas Pool should not be developed on 320-acre spacing units.

(4) That the evidence established that one well in the Dublin-Ellenburger Gas Pool can efficiently and economically drain and develop 640 acres.

(5) That the Special Rules and Regulations promulgated by Order No. R-4370 have afforded and will afford to the owner of each property in the pool ^{THE OPPORTUNITY} to produce his just and equitable share of the gas in the pool.

(6) That in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, the Special Rules and Regulations promulgated by Order No. R-4370 should be made permanent.

IT IS THEREFORE ORDERED:

(1) That the Special Rules and Regulations promulgated by Order No. R-4370 are hereby made permanent.

(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 herein-
above designated.

For the matter of Case No. 4795 being reopened pursuant to the provisions of Order No. 4370, which order established special rules and regulations for the Dublin-Ellenburger Gas Pool, Lea County, New Mexico, including a provision for 640-acre production units.

Case No. 4795

May 8, 1973.

FINDS:

(1) Jurisdiction.

(2) That by Order No. 4370, dated August 22, 1972, temporary special rules and regulations were promulgated for the Dublin-Ellenburger Gas Pool, Lea County, New Mexico, establishing temporary 640-acre spacing units.

(3) That pursuant to the provisions of Order No. R-4370, this case was reopened to allow operators in the subject pool to appear and show cause why the Dublin-Ellenburger Gas Pool should not be developed on 320-acre spacing units.

(4) That the evidence established that one well in the Dublin-Ellenburger Gas Pool can efficiently and economically drain and develop 640 acres.

(5) That the Special Rules and Regulations

promulgated by Order No. 4370 have
afforded and will afford to the owner of
such property on the pool to produce his
just and equitable share of the gas in the
pool.

(6) That in order to prevent the economic loss
caused by the drilling of unnecessary
wells, to avoid the augmentation of risk
arising from the drilling of an excessive
number of wells, to prevent reduced re-
covery which might result from the
drilling of too few wells, and to otherwise
prevent waste and protect correlative
rights, the Special Rules and Regulations
promulgated by Order No. 4370 should
be made permanent.

ORDERED

(1) That the Special Rules and Regulations
promulgated by Order No. 4370 are here-
by made permanent.

(2) Jurisdiction