

CASE No.

4965

Application,

Transcripts,

Small Exhibits

ETC.

dearnley, meier & mc cornick

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

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
OIL CONSERVATION COMMISSION CONFERENCE ROOM
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO
May 9, 1973

EXAMINER HEARING

IN THE MATTER OF:

Application of Read & Stevens, Inc.
for a dual completion, contraction
of vertical limits, creation of a new
pool and special pool rules,
Chaves County, New Mexico.

Case No. 4965

BEFORE: Daniel S. Nutter
Examiner

TRANSCRIPT OF HEARING

1 MR. NUTTER: We will call next Case No. 4965.

2 MR. CARR: Case 4965, Application of Read & Stevens,
3 Inc. for a dual completion, contraction of vertical limits,
4 creation of a new pool and special pool rules, Chaves County,
5 New Mexico.

6 MR. NUTTER: We have received communication from the
7 Applicant in Case 4965 requesting that this hearing be dis-
8 missed. Case No. 4965 will be dismissed.

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

3 I, JOHN DE LA ROSA, a Certified Shorthand Reporter, do
4 hereby certify that the foregoing and attached Transcript of
5 hearing before the New Mexico Oil Conservation Commission was
6 reported by me; and that the same is a true and correct record
7 of the said proceedings, to the best of my knowledge, skill and
8 ability.

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11 CERTIFIED SHORTHAND REPORTER
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I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 4965-
heard by me on 5/9, 1923.


Examiner
New Mexico Oil Conservation Commission

Western Union
Telegram
Tok

File Case 4965
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OIL CONSERVATION COMM.
Santa Fe

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PMS NEW MEXICO OIL CONSERVATION COMMISSION, DLR
SWIA FE NM

ATTENTION A. L. PORTER REFERENCE CASE 4965 READ AND STEVENS BUFFALO VALLEY PENNSYLVANIAN POOL CHAVES COUNTY CREATION OF NEW POOL AND AUTHORITY TO DUALY COMPLETE NUMBER ONE LANGLEY COM CITIES SERVICE OBJECTS TO THE EXISTING BUFFALO VALLEY PENN POOL BEING SEPARATED VERTICALLY INTO TWO POOLS IT IS RECOGNIZED THAT MORE THAN ONE PRODUCTIVE SAND EXISTS, HOWEVER WE FEEL THAT THE LATERAL EXTENT OF ANY GIVEN SAND CAN NOT BE CORRELATED ACROSS THE ENTIRE RESERVOIR. FOR THIS REASON THE PRODUCTIVE PENN GAS SANDS IN OUR OPINION SHOULD BE CONSIDERED AS A COMMON SOURCE SHOULD NMOCC DEEM IT ADVISABLE TO CREATE TWO SEPARATE BUFFALO VALLEY PENN POOLS CITIES SERVICE REQUESTS THE EXISTING WELLS SHOULD NOT BE REQUIRED TO ALTER THERE PRESENT COMPLETION, OR IN THE ALTERNATIVE THESE PRESENT COMPLETIONS BE ALLOWED TO COMMINGLE ANY PENNSYLVANIAN PRODUCTION IN THE WELL BORE.
E F MOTTER REGENT ENGINEERING MANAGER SOUTHWESTERN REGION
MIDLAND TEXAS

1623 EST

IPMFEXA SANA



OIL CONSERVATION COMMISSION

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

May 21, 1973

**GOVERNOR
BRUCE KING
CHAIRMAN**

**LAND COMMISSIONER
ALEX J. ARRIJO
MEMBER**

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

Mr. Donald G. Stevens
Attorney at Law
Post Office Box 1797
Santa Fe, New Mexico

Re: Case No. 4965 & 4497

Order No. R-4510 & R-4102-D

Applicant:

Rand & Stevens & (OCC) Twinlakes)

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. Foster, 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. 4965
Order No. R-4530

APPLICATION OF READ & STEVENS INC.
FOR A DUAL COMPLETION, CONTRACTION
OF VERTICAL LIMITS, CREATION OF A
NEW POOL AND SPECIAL POOL RULES,
CHAVES COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 9, 1973,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 17th day of May, 1973, the Commission, a
quorum being present, having considered the record and the
recommendations of the Examiner, and being fully advised in
the premises,

FINDS:

That the applicant's request for dismissal should be granted.

IT IS THEREFORE ORDERED:

That Case No. 4965 is hereby dismissed.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


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

Alex J. Armlgo
ALEX J. ARMLGO, Member

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

S E A L

dr/

DONALD G. STEVENS · ATTORNEY AT LAW

P. O. Box 1797
101 W. MARCY
SANTA FE, NEW MEXICO 87501
—
AREA CODE 505
942-8583



May 7, 1973

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

Attention: Ida Rodriguez

Re: Case #4965

Gentlemen:

The applicant is N.M.O.C.C., Case 4965, Read and Stevens, Inc., respectfully requests that said application for hearing be dismissed.

Yours very truly,


Donald G. Stevens

DGS:dmc

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 9, 1973

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

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

- ALLOWABLE: (1) Consideration of the allowable production of gas for June, 1973, from seventeen prorated pools in Lea, Eddy, Roosevelt and Chaves Counties, New Mexico;
- (2) Consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, for June, 1973.

CASE 4943: (Continued from the April 11, 1973 Examiner Hearing)

Application of M. W. Staples for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to produce oil from his Vanderventer Well No. 2 located 1310 feet from the North line and 1330 feet from the East line of Section 20, Township 18 South, Range 28 East, Artesia Pool, Eddy County, New Mexico. Said well was drilled as an injection well at said location pursuant to authority granted by Order No. R-3341.

CASE 4928: (Continued from the April 11, 1973, Examiner Hearing)

Application of Union Oil Company of California for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying all of Section 11, Township 21 South, Range 25 East, Catclaw Draw-Morrow Gas Pool, Eddy County, New Mexico, to be dedicated to the Atlantic Richfield Oil Company Pure-Federal Well No. 11 located in Unit K of said Section 11. Applicant further seeks a provision for the payment of proper costs to be borne by applicant for such well and the related well equipment, a provision for allocation of actual operating costs, and the establishment of charges for supervision of such well and the designation of an operator thereof; and for such other relief as proper. Also to be considered will be the risk involved in drilling the subject well.

CASE 4932: (Continued from the April 11, 1973, Examiner Hearing)

Application of Atlantic Richfield Company for a non-standard proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 340.94-acre non-standard gas proration unit comprising the W/2 of Section 11, Township 21 South, Range 25 East, Catclaw Draw-Morrow Gas Pool, Eddy County, New Mexico, to be dedicated to its Pure Federal Well No. 1 located in Unit K of said Section 11.

CASE 4959: Application of Tamarack Petroleum Company, Inc. for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Bronco Wolfcamp Unit Area, comprising 762 acres, more or less, of fee lands in Section 35, Township 12 South, and Section 2, Township 13 South, both Range 38 East, Lea County, New Mexico.

CASE 4960: Application of Tamarack Petroleum Company, Inc. for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Wolfcamp formation through three wells in its Bronco Wolfcamp Unit Area, Bronco-Wolfcamp Pool, Lea County, New Mexico.

CASE 4961: Application of Amoco Production Company for down-hole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Blinebry and Drinkard Oil Pools and the Tubb Gas Pool in the well-bore in its Southland Royalty "A" Well No. 4 located in Unit X of Section 4, Township 21 South, Range 37 East, Lea County, New Mexico.

CASE 4962: Application of Amoco Production Company for special pool rules, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Peterson-Pennsylvanian Pool, Roosevelt County, New Mexico, including a provision for classification of oil wells and gas wells, 160-acre spacing for oil wells, 320-acre spacing for gas wells, and a limiting gas-oil ratio of 4,000 to one.

CASE 4963: Application of Texaco Inc. for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the North Benson Queen Unit Area comprising 1800 acres, more or less, of Federal and State lands in Township 18 South, Range 30 East, Eddy County, New Mexico.

CASE 4964: Application of Texaco Inc. for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its North Benson Queen Area, North Benson-Queen Pool, Eddy County, New Mexico, by the injection of water into the Queen formation through 20 wells in said unit area.

CASE 4965: Application of Read & Stevens, Inc. for a dual completion, contraction of vertical limits, creation of a new pool and special pool rules, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the vertical limits of the Buffalo Valley-Pennsylvanian Pool, Chaves County, New Mexico, to exclude the producing interval from 8548 feet to 8578 feet as found in its Langley Com Well No. 1 located in Unit C of Section 13, Township 15 South, Range 27 East, and to redesignate said pool as the Buffalo Valley Lower-Pennsylvanian Gas Pool, and for the creation of a new pool for the

(Case 4965 continued from page 2)

above-described producing interval to be designated Buffalo Valley Upper-Pennsylvanian Gas Pool. Applicant also seeks the adoption of special rules for said proposed new pool similar to the pool rules for the presently existing pool; applicant further seeks approval for the dual completion of the above-described well to produce from both of the aforesaid two pools.

CASE 4966: Application of Read & Stevens, Inc. for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the N/2 of Section 36, Township 12 South, Range 30 East, Chaves County, New Mexico, to be dedicated to a well to be drilled to the Queen formation in Unit B of said Section 36, in the Southeast Chaves Queen Gas Area. 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 200 percent charge for risk involved in drilling said well.

CASE 4967: Application of John M. Etcheverry for dissolution of a standard proration unit and the creation of two non-standard proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the dissolution of the standard 160-acre proration unit comprising the SW/4 of Section 29, Township 14 South, Range 34 East, West Tres Papalotes-Pennsylvanian Pool, Lea County, New Mexico, dedicated to the Mark Production Company Etcheverry Well No. 1 located in Unit L of said Section 29, and the creation of two non-standard 80-acre proration units, one comprising the N/2 and the other the S/2 of the SW/4 of said Section 29; the first unit would be dedicated to the aforesaid Etcheverry Well No. 1 and the second unit would be dedicated to a well proposed to be drilled in Unit P of said Section 29.

CASE 4968: Application of Benjamin K. Horton for the amendment of Order No. R-1814, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-1814 to provide for the dissolution of the 344.28-acre non-standard unit approved by paragraph 4 of said order which unit comprises all of partial Section 11 plus Lot 4 and the SW/4 SW/4 of partial Section 12, Township 28 North, Range 13 West, Basin-Dakota Pool, San Juan County, New Mexico. Applicant proposes the creation of a 275.36-acre non-standard unit comprising all of the aforesaid partial Section 11 only to be dedicated to his Federal Well No. 2 located 1190 feet from the South line and 2210 feet from the East line of said Section 11.

CASE 4946: (Continued and Readvertised)

Application of Union Texas Petroleum for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks

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8626-46 ✓

Case 4965
5-9-73

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

APPLICATION OF READ & STEVENS, INC. TO
AMEND THE SPECIAL RULES AND REGULATIONS
FOR THE BUFFALO VALLEY PENNSYLVANIAN GAS
POOL, CHAVES COUNTY, NEW MEXICO TO EXCLUDE
THE PRODUCING INTERVAL FROM 8548 FEET TO
8578 FEET IN WHICH THE READ & STEVENS, INC.
LANGLEY COM. NO. 1 WELL LOCATED IN UNIT C,
SECTION 13, TOWNSHIP 15 SOUTH, RANGE 27 EAST
IS BEING COMPLETED AS A GAS WELL, AND WHICH
APPEARS TO BE A SEPARATE RESERVOIR FROM
WHICH OTHER WELLS IN THE POOL ARE COMPLETED
AND WHICH SHOULD BE DESIGNATED AS A NEW POOL.
APPLICANT ALSO SEEKS APPROVAL OF THE DUAL
COMPLETION OF THE WELL FOR PRODUCTION OF GAS
IN THE PENNSYLVANIAN FORMATION THROUGH PERFOR-
ATIONS FROM 8548 FEET TO 8578 FEET AND IN THE
LOWER PENNSYLVANIAN FORMATION FROM 8626 FEET
TO 8646 FEET, SAID WELL AS TO EACH ZONE TO BE
SUBJECT TO SEPARATE POOL RULES AND SEPARATE
ALLOWABLES.

No. 4945

APPLICATION

COMES NOW READ & STEVENS, INC., acting by and through the under-
signed attorney and hereby makes application to amend the special rules
and regulations for the Buffalo Valley Pennsylvanian Gas Pool, Chaves
County, New Mexico to exclude the producing interval from 8548 feet to
8578 feet in which the Read & Stevens, Inc. Langley Com. No. 1 well
located in the Unit C Section 13, Township 15 South, Range 27 East is
being completed as a gas well, and which appears to be a separate reservoir
from which other wells in the pool are completed and which should be
designated as a new pool. Applicant also seeks approval of the dual
completion of the well for production of gas in the Pennsylvanian formation
through perforations from 8548 feet to 8578 feet and in the Pennsylvanian
formation from 8626 feet to 8646 feet, and said well as to each zone to be
subject to separate pool rules and separate allowables, and in support
thereof respectfully shows:

DOCKET MAILED

Date 4/26/73

DONALD G. STEVENS - ATTORNEY AT LAW

P. O. Box 1787, 101 W. MARCY

SANTA FE, NEW MEXICO 87501

(505) 662-6563

1. Applicant is completing its Langley Com. No. 1 well located 660 feet from the North line and 1980 feet from the West line (Unit C) Section 13, Township 15 South, Range 27 East, Chaves County, New Mexico. This well encountered gas in the pay zone in which other wells located in the Buffalo Valley Pennsylvanian Gas Pool are producing and also encountered gas in a separate zone from which other wells are not producing and which is believed to constitute a new discovery and a separate reservoir. This well is being dually completed for the production of gas from both zones through perforations for the Pennsylvanian zone from approximately 8548 feet to 8578 feet and through perforations in the Pennsylvanian zone from approximately 8626 feet to 8646 feet.

2. There is a considerable differential in the pressures encountered in the two zones, indicating that the upper zone is separate and distinct from the lower zone from which other wells are producing.

WHEREFORE, APPLICANT PRAYS:

1. That the Commission set this matter down for hearing before it on May 8, 1973.
2. That notice be given as required by law.
3. That upon hearing, an order be issued setting out the Pennsylvanian zone from 8548 feet to 8578 feet as a separate pool and grouting rights to dually complete all as applied for above.

DONALD G. STEVENS

P. O. Box 1797,
Santa Fe, New Mexico 87501

Attorney for Applicant

DONALD G. STEVENS - ATTORNEY AT LAW
P. O. Box 1797, 101 W. MARCO
SANTA FE, NEW MEXICO 87501
(505) 952-0993

(da)
DRAFT

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:

ASP
CASE No. 4965

Order No. R- 4530

APPLICATION OF READ & STEVENS,
INC. FOR A DUAL COMPLETION,
CONTRACTION OF VERTICAL LIMITS
CREATION OF A NEW POOL AND SPECIAL
POOL RULES, CHAVES COUNTY, NEW
MEXICO.

SK
ORDER OF THE COMMISSION

7/2/73
BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 9, 1973,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this day of May, 1973, the Commission,
a quorum being present, having considered the record and the recom-
mendations of the Examiner, and being fully advised in the premises,

FINDS:

That the applicant's request for dismissal should be
granted.

IT IS THEREFORE ORDERED:

That Case No. 4965 is hereby dismissed.

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