

CASE 5488: TEXAS PACIFIC OIL
CO. FOR POOL CONTRACTION AND
EXTENSION, LEA COUNTY, NEW MEXICO

CASE NO.

5488

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
May 28, 1975

EXAMINER HEARING

IN THE MATTER OF:

Application of Texas Pacific Oil Co.
for pool contraction and extension,
Lea County, New Mexico,

and

Application of Texas Pacific Oil Co.,
Inc., for a waterflood expansion, Lea
County, New Mexico.

Case No.
5488

and

Case No.
5489

BEFORE: Richard L. Stamets, Examiner.

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Applicant:

John F. Russell, Esq.
412 Hinkle Building
Roswell, New Mexico 88201

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MR. STAMETS: Call Case 5488, being Application of Texas Pacific Oil Co. for pool contraction and extension, Lea County, New Mexico.

MR. RUSSELL: John F. Russell, Roswell, New Mexico, appearing on behalf of the Applicant, Texas Pacific Oil Co., Inc. I have one witness.

MR. STAMETS: Any other appearances in this Case?

MR. RUSSELL: Mr. Examiner, may we consolidate this Case with 5489 for purpose of testimony?

MR. STAMETS: If there is no objection the two cases will be consolidated. Case 5489 is the Application of Texas Pacific Oil Co., Inc., for a waterflood expansion, Lea County, New Mexico.

The Witness will stand and be sworn, please.

(Witness sworn.)

ALLEN Q. WICKE

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

DIRECT EXAMINATION

BY MR. RUSSELL:

Q Will you please state your name, address, name of your employer, and the capacity in which you are employed?

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A I'm Allen Wicke with Texas Pacific Oil Company; I live in Midland, Texas, and work with Texas Pacific as a Petroleum Engineer.

Q And you have previously qualified to give expert testimony before this Commission, have you not?

A I have.

Q And you are familiar with the Applications of Texas Pacific Oil Company, Inc., in both Cases 5488 and 5489, are you not?

A Yes.

Q One is for 5489 is for waterflood expansion in Lea County, 5488 is for pool contraction and extension in Lea County, is that correct?

A That's correct.

Q In connection with these Applications have you prepared some exhibits?

A Yes, I have.

Q I will refer you to what has been marked as Applicant, or TP Exhibit No. 1, and ask you to explain what is reflected on this Exhibit in connection with these Applications.

A Exhibit No. 1 is a plat of the area in question. The area colored in yellow represents a portion of our

State "A" Account 1 Lease.

Q Now, does this reflect the proposed expansion of your waterflood, and if so, describe the location and well designation for both your injection wells and your production wells.

A Yes. Our proposed expansion of the Langlie Mattix waterflood is represented in the red outline and the proposed injection well is Well No. 47, Unit K, and Well No. 63 in Unit I of Section 3, and Well No. 84 in Unit G of Section 23, red triangles represent them -- the proposed injection wells.

Q Does this Exhibit also reflect the offsetting floods?

A Yes. There are several floods offsetting our proposed waterflood expansion of this. Atlantic Richfield operated Seven Rivers-Queen Unit offsets. Our proposed injection well is 47 and 63 immediately to the north, and the Continental-operated Langlie Lynn Unit offsets our proposed injection well No. 84 immediately to the south, and there are other waterfloods in the area.

Q Now, referring you to Exhibit No. 2, 3, and 4; what are they?

A These three exhibits are logs of our proposed

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injection wells. Exhibit No. 2 is the log of Well No. 47, Exhibit 3 the log of Well 63, Exhibit 4 a log of Well No. 84. On the logs I have marked all the pertinent data, including tops of zones, estimated gas-oil contacts and oil-water contacts, and perforations, either present or proposed.

Q Did you give the location of the injection wells and the production wells, other than referring to them on the Exhibit? If not, will you locate them by Unit?

A The production wells?

Q Production wells from your Application and also the injection wells you propose?

A I think I pointed out the --

Q (Interrupting) I'm just trying to get them located.

A Okay. Our three proposed -- well, first, in Section 3 we are proposing two injection wells, Well No. 47 in Unit K and Well No. 63 in Unit I, and the producing wells associated with these injectors are Well No. 46 in Unit L, 43 in Unit N, 48 in Unit N, 64 in Unit O, and 69 in Unit P, and did I mention 63 in Unit J.

Q All right. Now, I refer you -- go ahead.

A In Section 23 we are proposing a injection, which is in Unit G, and the producing wells associated with this injecture are Well No. 73 in Unit C, 98 in Unit D, 109 in Unit A, 27 in Unit F, and 105 in Unit H.

Q And that's all of them?

A That's all.

Q Okay. Now I refer you to what has been marked as TP Exhibits 5, 6, and 7, and ask you what they are?

A These three exhibits are wellbore sketches of the proposed injection wells.

Q And each Exhibit shows the total depth of each well, the cementing program, tops of cement, casing size, and perforations, do they not?

A Correct. We show on all three exhibits perforations which are presently existing and proposed perforations if any, and also we show how we propose to complete the wells as injectors.

Q And how do you propose to complete them?
For example, I refer you to Well No. 47 and the schematic on it.

A Yes, sir.

Q Where is your plastic-coated tubing and so forth?

A Okay. We would set 2-3/8th-inch plastic-coated tubing and a tension packer at approximately 3600 feet.

Q And then how about Well No. 63, what is your proposed completion there?

A First of all we would squeeze off the present perforations and drill out the bridge plugs and we'd set 2-3/8th-inch plastic-coated tubing on tension packer at approximately 3620 feet.

Q And also this is injection through plastic-coated tubing, is it not?

A Correct.

Q And it indicates that bridge plugs will be set at 3635 feet?

A No, there is presently a bridge plug there.

Q That is presently there?

A And we would drill it out prior to injection.

Q All right. Now, referring to what has been marked as TP Exhibit No. 8, I ask you to explain to the Examiner what this particular exhibit reflects and the testimony on this is directly directed to Case No. 5488.

A Yes. Exhibit 8 is a cross section through the area that we are proposing to -- we're asking the Commission to revise the pool vertical limits on. This cross

section runs -- starting on the west side it takes in Well No. 96, which was a dry hole in Unit C of Section 4 -- and it runs east through Well 42 in Unit A and south to Well 45, Unit H, and southeast to Unit L in Section 3. From there it goes east up through Well 63 which is in Unit I of Section 3. On this cross section I have marked in heavy solid lines the top of Seven Rivers and the base of the Seven Rivers. Now, the heavy dashed line, which is 100 feet above the base of the Seven Rivers, represents the present top of the Langlie Mattix interval.

Also marked on the cross section is a red line at minus 150 subsea, which represents our estimate of the gas-oil content in the field, and the blue line at minus 270 feet subsea represents our estimate of the water-oil content in this area of the field. I would like to point out that the separation between these two lines is only 120 feet, which represents the growth section which is available to the production of oil, but the heavy solid line again, which represents the upper limit of the Langlie Mattix Pool, essentially runs midway between these two lines, so this reduces our interval to produce oil from -- it reduces the interval to about 60 feet as far as the Langlie Mattix Pool oil section.

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Q Now, on the basis of this Exhibit, what specifically are you asking the Commission to do in connection with these pool limits?

A As to the N/2 of the NE/4 in the SE/4, and the SE/4 of the NE/4 of Section 4, Township 23 South, Range 36 East, we're asking that the pool limits be revised by deleting from the Jalmat gas formation the lower 160 feet of the Seven Rivers and to concurrently extend the vertical limits of the Langlie Mattix Pool to include the lowermost 160 feet of the Seven Rivers Formation, and as to the NW/4 of the SW/4 of Section 3, Township 23 South, Range 36 East, we are asking that the lowermost 135 feet of the Seven Rivers formation be deleted from the Jalmat Gas Pool and that the Langlie Mattix Pool be concurrently extended to include the lowermost 135 feet of the Seven Rivers.

Q Has a similar application in the same pool been approved by the Commission?

A Yes. The vertical limits between the Jalmat Gas and the Langlie Mattix Oil Pool were revised for the Langlie-Jal Unit, which is operated by Union Texas Petroleum. The revision here was to delete the entire Seven Rivers formation from the Jalmat Gas and to include it

into the Langlie Mattix for most of the unit area.

Q In your opinion will the granting of the two Applications prevent waste and protect correlative rights?

A Yes.

Q And were Exhibits 1 through 8 prepared by you or under your direction and supervision?

A Yes. I would like to elaborate further on Exhibit 8 if I might.

Q Okay.

A The weaker dashed line on the Exhibit, which essentially coincides with the red line on most of the cross section, represents the new upper limit of the Langlie Mattix Pool which, upon approval of our Application, will end, and in this case it would place all the oil sands within the Langlie Mattix Pool. I would also like to point out that there are two gas wells which fall into the area that we're requesting this provision: The first one is the second well from the left on the cross section, which is Well No. 23 in Unit P, Section 4, and as is evident on the cross section, this well is completed entirely in the Yates formation, so there would be no interference from our producing the lowermost 160 feet of the Seven Rivers here as an oil zone. The other

gas well is Well No. 35, which is in Unit L of Section 3. With this we're asking for the lowermost 135 feet of the Seven Rivers to be included into the Langlie Mattix. This particular well was drilled down to within a few feet of the gas-oil contact, but it did not penetrate the uppermost zone, which would fall within the Langlie Mattix Pool then upon approval of our Applications, so there would be no interference with this gas well either.

Q Is there anything further you would like to point out on that Exhibit or any others that you have gone through?

A I would just like to point out here again the narrow Morrow interval we have here of 135 feet and the proximity to the gas zone and also to the water zone. We're going to have a pretty difficult flood as it is and we feel like our Application is reasonable.

Q Were Exhibits 1 through 8 prepared by you?

A Yes.

MR. RUSSELL: At this time I would like to introduce TP's Exhibits 1 through 8.

MR. STAMETS: These Exhibits will be admitted into evidence.

(Whereupon, TP's Exhibits

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1 through 8 were admitted into evidence.)

MR. RUSSELL: I have nothing further of this Witness.

CROSS EXAMINATION

BY MR. STAMETS:

Q Mr. Wicke, referring back to Exhibit No. 1, now, the Application in this Case is for water flood expansion. If I interpret this Exhibit properly, the only actual injection incurring at this time is in Well No. 42 in Unit A of Section 4, is that correct?

A Well, this injection was permitted by our previous -- by Order No. R-4819, but it has not yet been converted to injection.

Q I see. With the expansion of an approved project there?

A Right.

Q Another of the wells that you propose, though, is Well No. 84 down in Section 23, which is 2-1/2 miles or so away from Wells No. 47 and 63 which you propose and probably 3 miles away from the original injection well. That's kind of a long way to go for an expansion, isn't it?

A Well, Continental has asked us to cooperate.
They are injecting into Well No. 84, which is in --

Q (Interrupting) So, this is an expansion of
your -- what is this -- State "A" Account 1?

A Langlie Mattix State "A" flood.

Q But in actuality this Well No. 84 might be a
new flood as far as TP is concerned rather than an ex-
pansion?

A Right. It is remote from the rest of the flood.

MR. RUSSELL: May I ask a question?

REDIRECT EXAMINATION

BY MR. RUSSELL:

Q Are there plans and discussions underway for
the flood of the entire lease?

A Yes. In fact we have underway a unitization
proceeding in which we are trying to unitize most of the
area, as shown within this plat essentially between the
units on the north and the Meyer's Langlie Mattix Unit
on the south. Our full-scale water flood would follow
a unitization of this area.

MR. RUSSELL: No further questions.

RECROSS EXAMINATION

BY MR. STAMETS:

Q What you are doing now is simply injecting as an offset to protect your leases?

A Right.

Q In each of the injection wells, which are shown on the Exhibits 5, 6, and 7, you propose to load the annular space and guage this, or put some sort of a tension-tracking leak-detection devise on the annular space?

A Right. We would follow all Commission rules in that regard.

Q Your field personnel would be alert to leaks of water on the surface from around injection wells or from around producing wells?

A Yes, sir.

Q And report these to the Commission?

A Yes.

Q You mentioned the Langlie-Jal Unit taking in the entire Seven Rivers formation, and in this case you propose to take in only 160 feet in one case and 135 in another. I would assume in looking at your Exhibit No. 8 that the reason for that is to include only the oil

zone in the Seven Rivers in the Langlie Mattix in this area?

A That's correct.

Q I'm sure that you recognize that this could become an administrative problem for the Commission, dealing with a pool limit that varies radically from place to place and in the County?

A Well, yes, it has that potential.

MR. STAMETS: Any other questions of this Witness? He may be excused. Anything further in this Case?

MR. LYON: Could I make a statement?

MR. STAMETS: Yes.

MR. LYON: I'm V.T. Lyon, Continental Oil Company, and I would like to mention that both of these wells are offsetting units which are operated by Continental Oil Company. In regard to the well in Section 4, the vertical limits involved there -- this is a cooperative well with our South Eunice Unit, in which the unitized area, the unitized interval, includes both the south units and part of the Jalmat. We have requested Texas Pacific to cooperate with us in placing their well on injection in the same intervals that we are

flooding in that unit, and we would respectfully request that the Commission approve their Application.


MR. STAMETS: Does anybody else have anything to offer in the subject cases? If not, they will be taken under advisement.

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. 5488 heard by me on 5-28, 19 75.


....., Examiner
New Mexico Oil Conservation Commission

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OIL CONSERVATION COMMISSION

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

June 17, 1975

I. R. TRUJILLO
CHAIRMAN

LAND COMMISSIONER
PHIL R. LUCERO
MEMBER

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

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

Re: CASE NO. 5488
ORDER NO. R-5054

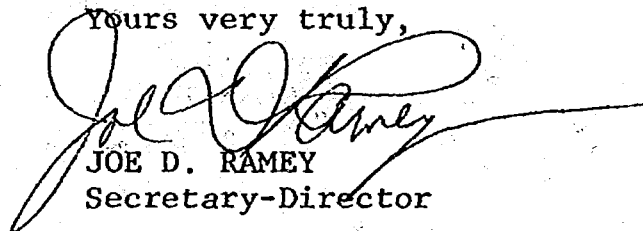
Applicant:

Texas Pacific Oil Co., Inc.

Dear Sir:

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

Yours very truly,


JOE D. RAMEY
Secretary-Director

JDR/fd

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. 5488
Order No. R-5054-A

NOMENCLATURE

APPLICATION OF TEXAS PACIFIC OIL
CO. FOR POOL CONTRACTION AND
EXTENSION, LEA COUNTY, NEW MEXICO.

NUNC PRO TUNC ORDER

BY THE COMMISSION:

It appearing to the Commission that Order No. R-5054, dated
June 17, 1975, does not correctly state the intended order of
the Commission.

IT IS THEREFORE ORDERED:

(1) That Paragraph (1) on Page 2 of Order No. R-5054, Case
No. 5488, be and the same is hereby corrected to read as follows:

"(1) That this order shall apply only to the
following described area:

LEA COUNTY, NEW MEXICO
TOWNSHIP 23 SOUTH, RANGE 36 EAST, NMPM
Section 3: NW/4 SW/4
Section 4: N/2 NE/4 and SE/4 NE/4"


(2) That the correction set forth in this order be entered
nunc pro tunc as of June 17, 1975.

DONE at Santa Fe, New Mexico, on this 17 day of July,
1975.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


PHIL R. LUCERO, Member


JOE D. RAMEY, 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. 5488
Order No. R-5054

NOMENCLATURE

APPLICATION OF TEXAS PACIFIC OIL
CO. FOR POOL CONTRACTION AND
EXTENSION, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 28, 1975,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 17th day of June, 1975, 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 vertical limits of the Jalmat Gas Pool,
Lea County, New Mexico, as previously designated and defined
by the Commission, comprise the Tansill and Yates formations,
and all but the lowermost 100 feet of the Seven Rivers
formation.

(3) That the vertical limits of the Langlie-Mattix Oil
Pool, as previously designated and defined by the Commission,
comprise the lowermost 100 feet of the Seven Rivers formation
and all of the Queen and Grayburg formations.

(4) That the applicant, Texas Pacific Oil Company, Inc.,
is the operator of the State A Waterflood Project in the
Jalmat and Langlie-Mattix Pools, Lea County, New Mexico.

(5) That the lower 160 feet of the Seven Rivers formation
underlying the NW/4 SW/4 of Section 3 and the N/2 NE/4 and
SE/4 NE/4 of Section 4, all in Township 23 South, Range 36
East, NMPM, Lea County, New Mexico, is for the most part oil-
saturated, and there are recoverable oil reserves in said
interval and area.

-2-

Case No. 5488
Order No. R-5054

(6) That secondary recovery operations are currently being conducted in the Seven Rivers formation and in the Queen formation underlying said State A Waterflood Project Area pursuant to authority of Order No. R-4819.

(7) That to increase the efficiency of said secondary recovery operations, the lowermost 160 feet of the Seven Rivers formation and the Queen formation should be treated as a common producing interval.

(8) That the contraction of the vertical limits of the Jalmat Pool to exclude the lowermost 160 feet of the Seven Rivers formation therefrom, and the concurrent extension of the vertical limits of the Langlie Mattix Oil Pool to include the lowermost 160 feet of the Seven Rivers formation therein, within the horizontal limits of the area set forth in Finding No. (5) above, will permit the more efficient operation of the aforesaid secondary recovery project, will prevent waste, will not violate correlative rights, and should be approved.

IT IS THEREFORE ORDERED:

(1) That this order shall apply only to the following described area:

LEA COUNTY, NEW MEXICO
TOWNSHIP 24 SOUTH, RANGE 36 EAST, NMPM
Section 3: NW/4 SW/4
Section 4: N/2 NE/4 and SE/4 NE/4

(2) That the vertical limits of the Jalmat Gas Pool in the above-described area are hereby defined as comprising the Tansill and Yates formations and the Seven Rivers formation except for the lowermost 160 feet thereof.

(3) That the vertical limits of the Langlie Mattix Oil Pool in the above-described area are hereby defined as comprising the lowermost 160 feet of the Seven Rivers formation and the Queen and Grayburg formations.

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

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Case No. 5488
Order No. R-5054

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

Phil R. Lucero
PHIL R. LUCERO, Member

Joe D. Ramey
JOE D. RAMEY, Member & Secretary

S E A L

dr/

Docket No. 13-75 is tentatively set for hearing on June 11, 1975. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 28, 1975

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 5468: (Continued from the April 30, 1975 Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Kenneth M. Hankins, Great American Insurance Company, and all other interested parties to appear and show cause why the Virginia Branch Well No. 1, located in Unit D of Section 9, Township 10 North, Range 25 East, Guadalupe County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5485: Application of Yates 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 Tidwell ED Well No. 1, located in Unit P of Section 22, Township 17 South, Range 26 East, Kennedy Farms Field, Eddy County, New Mexico, in such a manner as to produce gas from the Atoka and Morrow formations through the tubing-casing annulus and tubing, respectively.

CASE 5486: Application of Yates Petroleum Corp. for two unorthodox gas well locations, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox gas well locations for two proposed wells adjacent to the Atoka-Pennsylvanian Gas Pool, Eddy County, New Mexico, the first to be located in the center of Unit O of Section 25, Township 17 South, Range 25 East, the E/2 of said Section 25 to be dedicated to the well, and the second to be located in the center of Unit M of Section 31, Township 17 South, Range 26 East, the W/2 of said Section 31 to be dedicated to the well.

CASE 5487: Application of J. I. O'Neill, Jr., for salt water disposal, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval for the disposal of produced salt water by injection into the San Andres formation through the perforated interval from 4852 feet to 5001 feet in his State L Well No. 2, located in Unit N of Section 16, Township 8 South, Range 36 East, South Prairie-San Andres Pool, Roosevelt County, New Mexico.

CASE 5488: Application of Texas Pacific Oil Co. for pool contraction and extension, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order contracting the vertical limits of the Jalmat Gas Pool underlying the N/2 NE/4 and the SE/4 NE/4 of Section 4, Township 23 South, Range 36 East, Lea County, New Mexico, by the deletion therefrom of the lowermost 160 feet of the Seven Rivers formation, and the concurrent extension of the vertical limits of the Langlie Mattix Pool underlying said lands to include therein the said lowermost 160 feet of the Seven Rivers formation, further to similarly contract the vertical limits of the Jalmat Gas Pool underlying the NW/4 SW/4 of Section 3, Township 23 South, Range 36 East, by the deletion of the lowermost 135 feet of the Seven Rivers and the concurrent extension of the Langlie Mattix Pool to include the lowermost 135 feet of the Seven Rivers.

CASE 5489: Application of Texas Pacific Oil Co., Inc. for a waterflood expansion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the expansion of its Jalmat State "A" and/or its Langlie Mattix State "A" waterflood projects, Jalmat and Langlie Mattix Pools, by the injection of water into the Seven Rivers and Queen formations through its State "A" Wells Nos. 47 and 63 located, respectively, in Units K and I of Section 3 and its State "A" Well No. 84, located in Unit G of Section 23, all in Township 23 South, Range 36 East, Lea County, New Mexico.

CASE 5490: Application of Tenneco Oil Co. for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water by injection into the Strawn formation through the perforated interval from 11,164 feet to 11,470 feet in its Jones Federal "D" Well No. 1, located in Unit E of Section 24, Township 19 South, Range 31 East, Lusk-Strawn Pool, Eddy County, New Mexico.

CASE 5491: Application of Murphy H. Baxter for an unorthodox oil well location and an administrative procedure, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox oil well location for a well to be drilled 1980 feet from the North line and 1460 feet from the East line of Section 1, Township 18 South, Range 33 East, North EK-Queen Pool, Lea County, New Mexico. Applicant further seeks the establishment of an administrative procedure whereby additional wells at unorthodox locations in the North EK-Queen Unit Area could be approved without notice and hearing.

CASE 5469: (Continued and Readvertised)

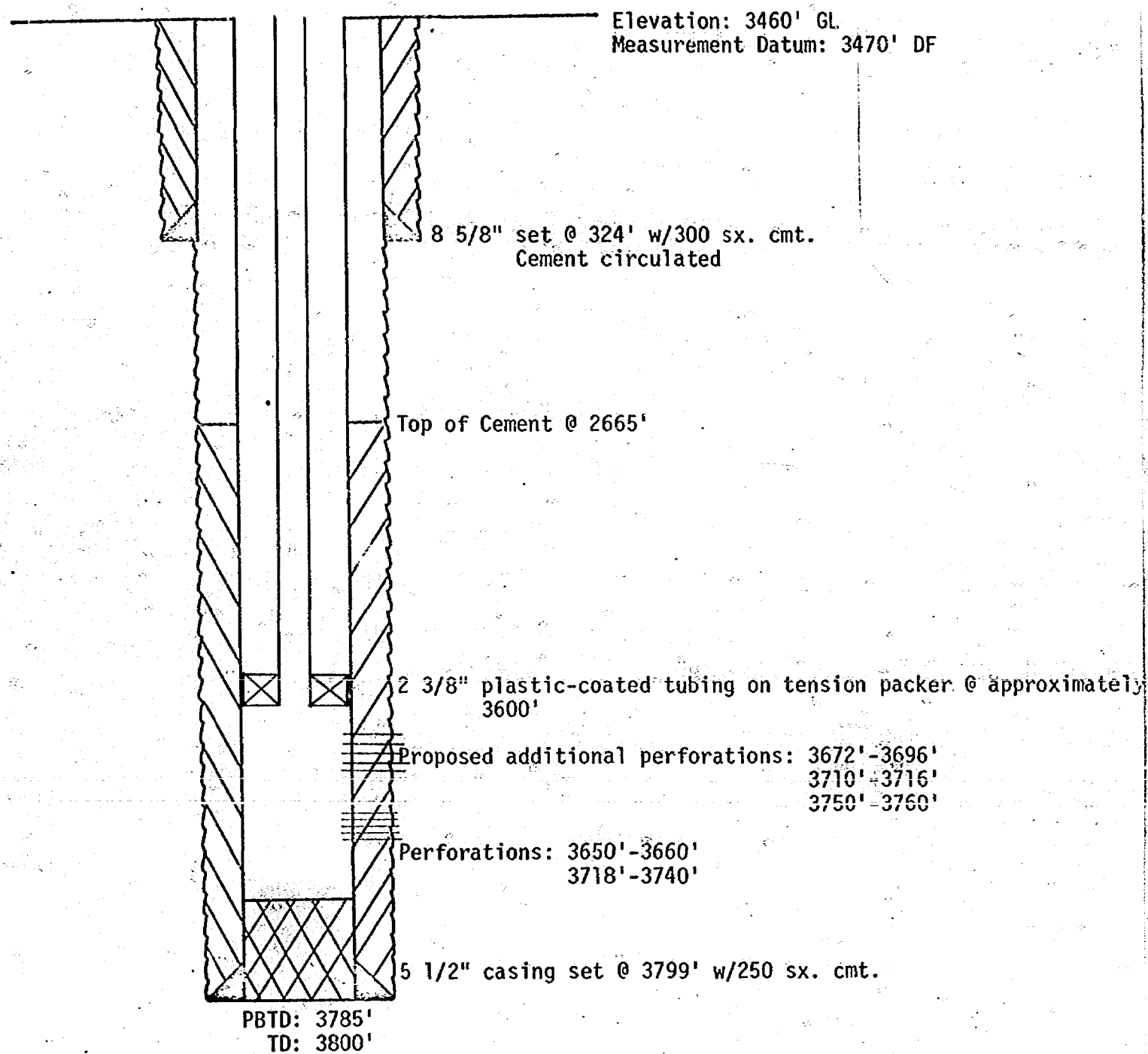
Application of Read & Stevens for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox gas well location of a well to be drilled at a point 990 feet from the South and West lines of Section 7, Township 15 South, Range 28 East, Chaves County, New Mexico, in exception to the Buffalo Valley-Pennsylvanian Gas Pool Rules.

CASE 5492: Application of David Fasken for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Canyon and Morrow production in the wellbore of his El Paso Federal Well No. 2, located in Unit M of Section 2, Township 21 South, Range 26 East, Avalon Field, Eddy County, New Mexico.

CASE 5493: Application of Texas West Oil & Gas Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the E/2 of Section 5, Township 24 South, Range 34 East, Bell Lake Field, Lea County, New Mexico, to be dedicated to a well to be drilled at an orthodox location for said unit in Unit G of said Section 5. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for the risk involved in drilling said well.

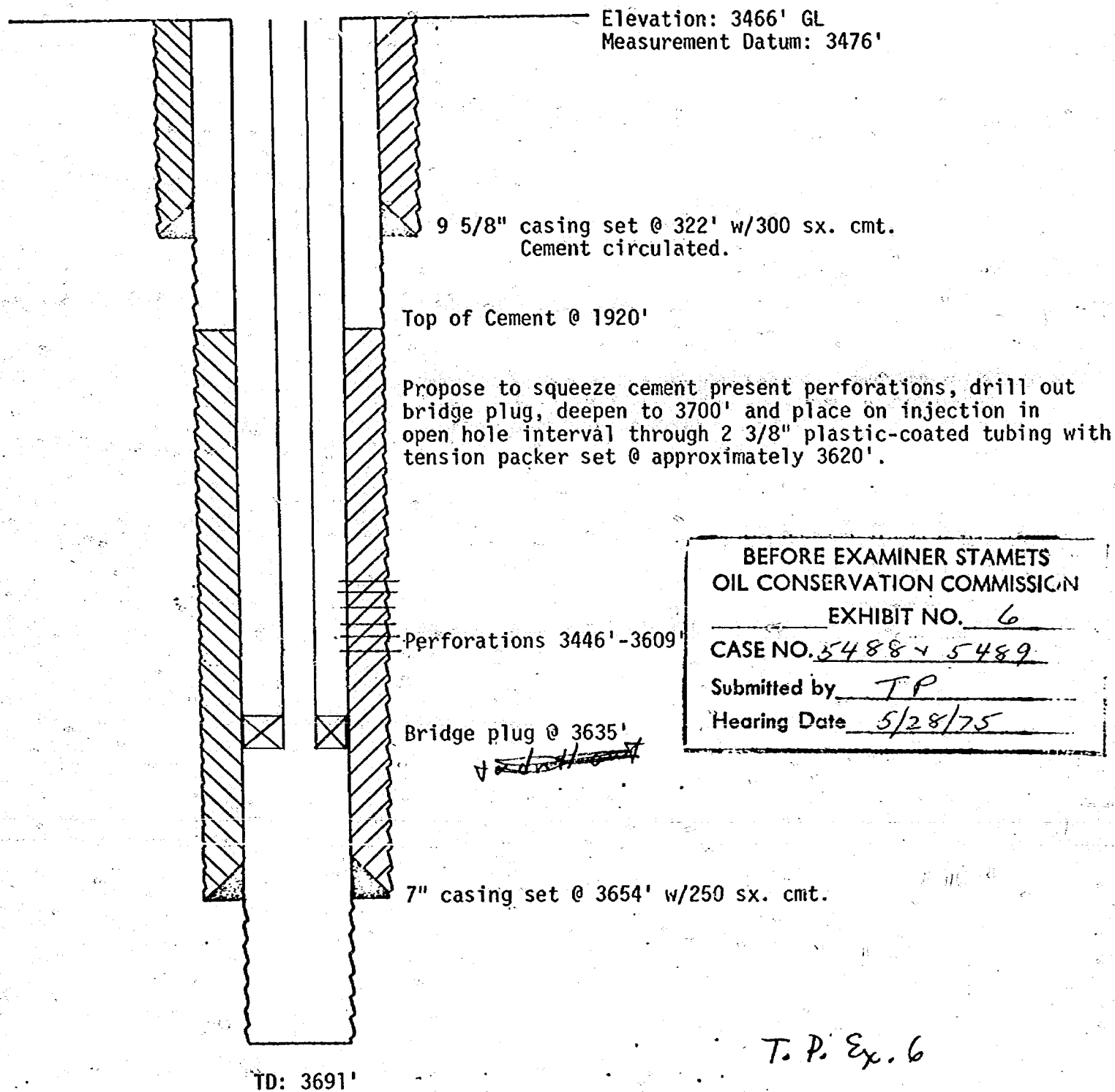
CASE 5494: Application of Burleson and Huff for compulsory pooling, a non-standard gas proration unit, and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Jalmat Gas Pool underlying the NW/4 of Section 35, Township 25 South, Range 37 East, Lea County, New Mexico, and in the Langlie Mattix Pool underlying the NW/4 NW/4 of said Section 35 to form a non-standard 160-acre Jalmat gas proration unit and a standard 40-acre Langlie Mattix oil proration unit, each to be dedicated to applicant's Dabbs Well No. 2, located at an unorthodox Jalmat gas well location 330 feet from the North line and 990 feet from the West line of said Section 35. Also to be considered will be the cost of re-entering, 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 will be the designation of the applicant as operator of the well and a charge for the risk involved in re-entering, drilling, and completing said well.

TEXAS PACIFIC OIL COMPANY, INC.
STATE "A" ACCT. 1 WELL NO. 47
SEC. 3, T-23-S, R-36-E
1980' FSL & 1980' FWL
LANGLIE MATTIX POOL
LEA COUNTY, NEW MEXICO
COMPLETION DATE: 3/15/59



T. P. Ex. 5

TEXAS PACIFIC OIL COMPANY, INC.
STATE "A" ACCT. 1 WELL NO. 63
SEC. 3, T-23-S, R-36-E
1980' FSL & 660' FEL
LANGLIE MATTIX POOL
LEA COUNTY, NEW MEXICO
COMPLETION DATE: 8/17/59



BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION

EXHIBIT NO. 6

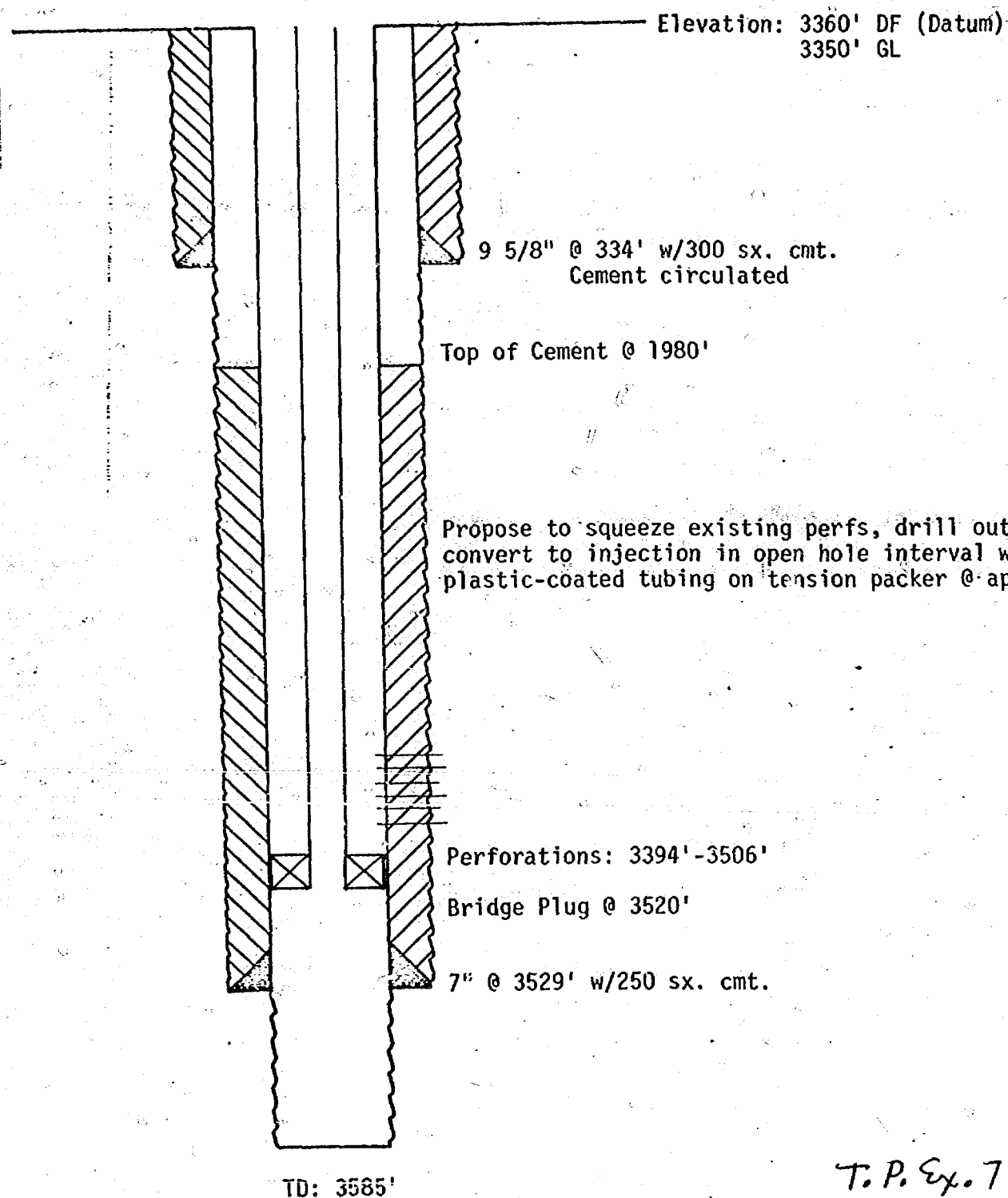
CASE NO. 5488 & 5489

Submitted by TP

Hearing Date 5/28/75

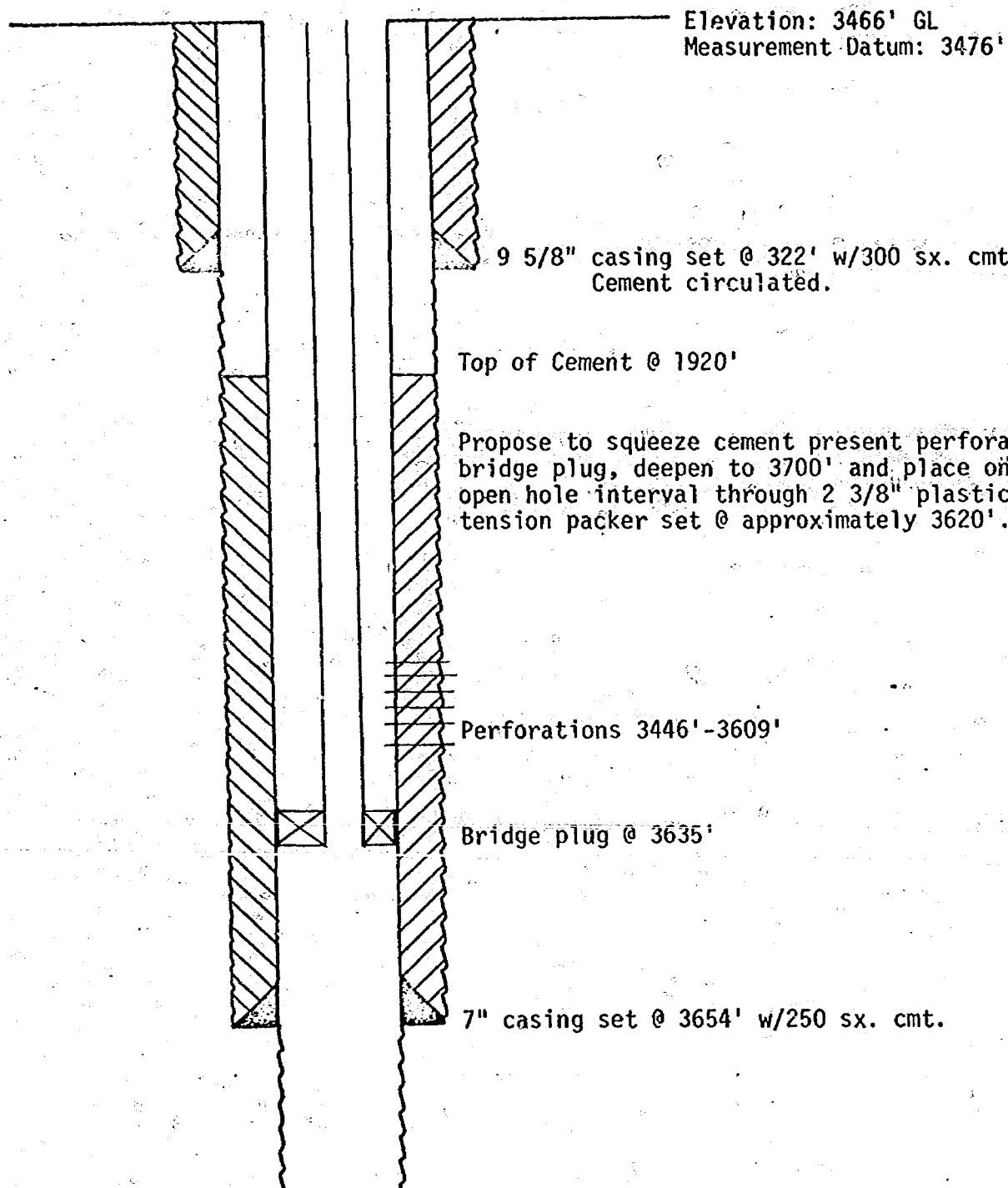
T. P. Ex. 6

TEXAS PACIFIC OIL COMPANY, INC.
STATE "A" ACCT. 1 WELL NO. 84
SEC. 23, T-23-S, R-36-E
1980' FNL & 2310' FEL
LANGLIE MATTIX POOL
LEA COUNTY, NEW MEXICO
COMPLETION DATE: 3/15/60



T. P. Ex. 7

TEXAS PACIFIC OIL COMPANY, INC.
STATE "A" ACCT. 1 WELL NO. 63
SEC. 3, T-23-S, R-36-E
1980' FSL & 660' FEL
LANGLIE MATTIX POOL
LEA COUNTY, NEW MEXICO
COMPLETION DATE: 8/17/59



Elevation: 3466' GL
Measurement Datum: 3476'

9 5/8" casing set @ 322' w/300 sx. cmt.
Cement circulated.

Top of Cement @ 1920'

Propose to squeeze cement present perforations, drill out
bridge plug, deepen to 3700' and place on injection in
open hole interval through 2 3/8" plastic-coated tubing with
tension packer set @ approximately 3620'.

Perforations 3446'-3609'

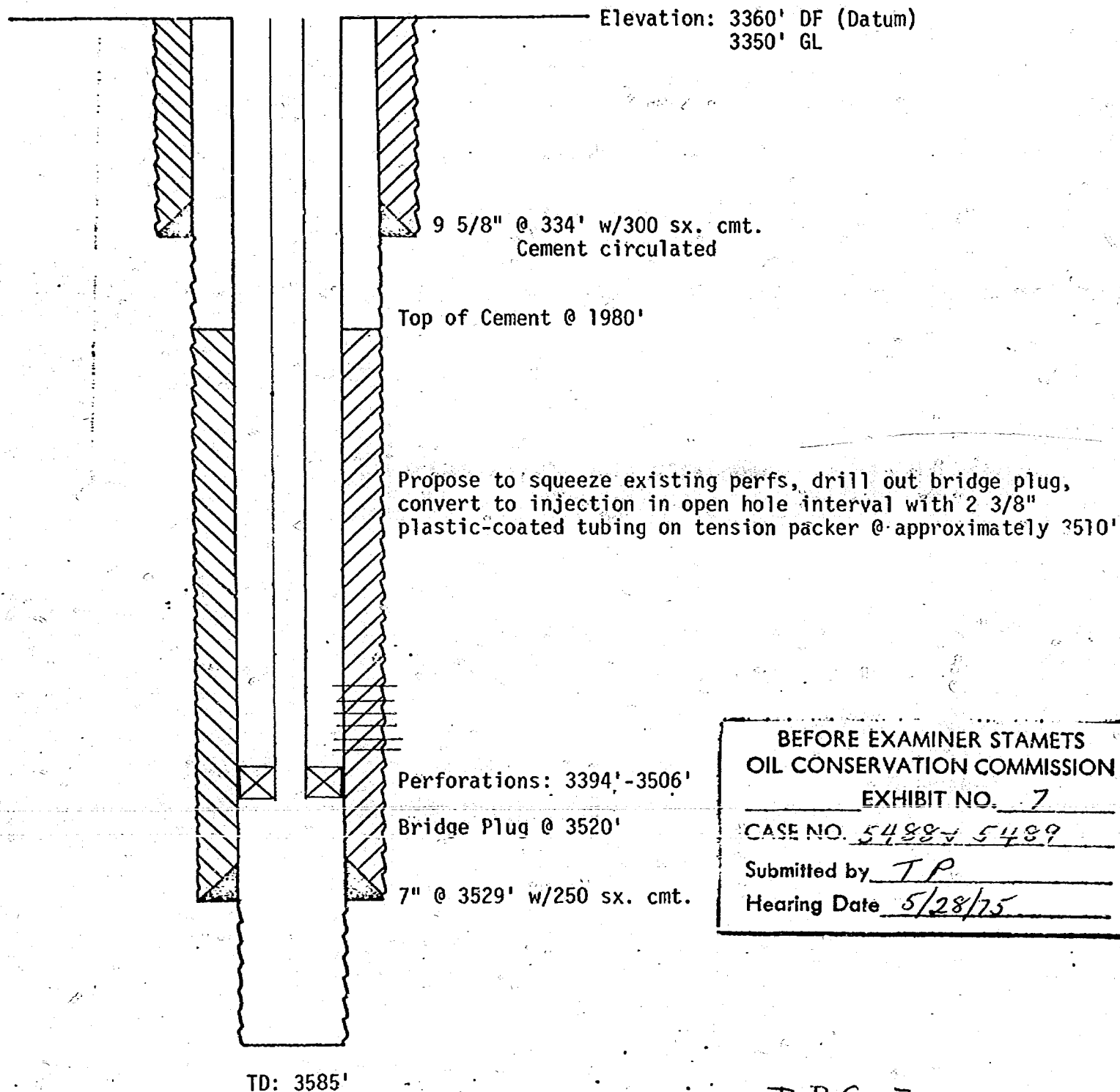
Bridge plug @ 3635'

7" casing set @ 3654' w/250 sx. cmt.

TD: 3691'

T. P. Ex. 6

TEXAS PACIFIC OIL COMPANY, INC.
STATE "A" ACCT. 1 WELL NO. 84
SEC. 23, T-23-S, R-36-E
1980' FNL & 2310' FEL
LANGLIE MATTIX POOL
LEA COUNTY, NEW MEXICO
COMPLETION DATE: 3/15/60

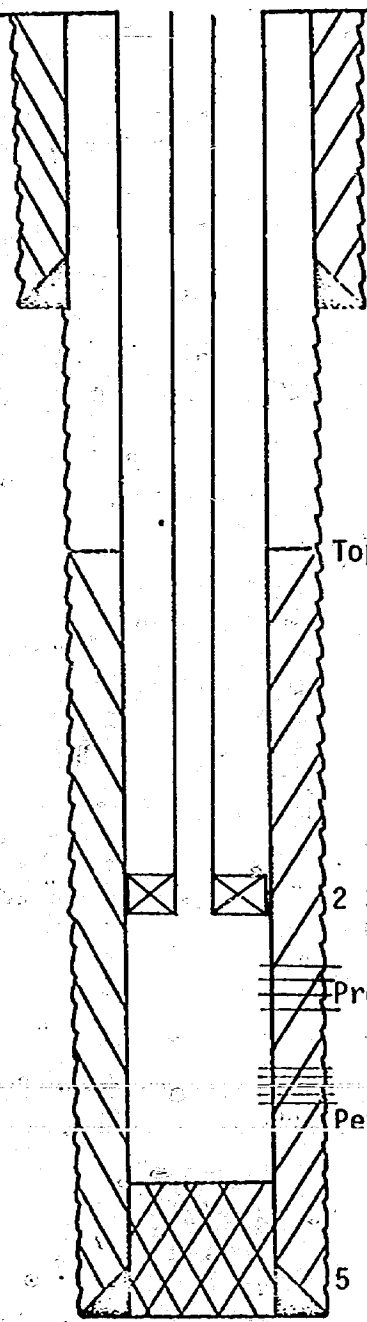


BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION
EXHIBIT NO. 7
CASE NO. 5488 & 5489
Submitted by TP
Hearing Date 5/28/75

T.P. Ex. 7

TEXAS PACIFIC OIL COMPANY, INC.
STATE "A" ACCT. 1 WELL NO. 47
SEC. 3, T-23-S, R-36-E
1980' FSL & 1980' FWL
LANGLIE MATTIX POOL
LEA COUNTY, NEW MEXICO
COMPLETION DATE: 3/15/59

Elevation: 3460' GL
Measurement Datum: 3470' DF



8 5/8" set @ 324' w/300 sx. cmt.
Cement circulated

Top of Cement @ 2665'

BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION

EXHIBIT NO. 5

CASE NO. 5488 & 5489

Submitted by TP

Hearing Date 5/28/75

2 3/8" plastic-coated tubing on tension packer @ approximately
3600'

Proposed additional perforations: 3672'-3696'
3710'-3716'
3750'-3760'

Perforations: 3650'-3660'
3718'-3740'

5 1/2" casing set @ 3799' w/250 sx. cmt.

PBTD: 3785'
TD: 3800'

T.P. Ex. 5

LAW OFFICES OF
JOHN F. RUSSELL
412 HINKLE BUILDING
P. O. DRAWER 640
ROSWELL, NEW MEXICO 86201

TELEPHONE 622-4641
AREA CODE 505

May 21, 1975

MAY 23 1975
OIL CONSERVATION COMMISSION
Santa Fe

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

Re: Cases Nos. 5488 and 5489

Dear Mr. Porter:

I transmit herewith a Set of the Exhibits which will be presented at the hearing on the above captioned cases.

Very truly yours,

John F. Russell
John F. Russell

JFR:bs

Enclosure

Docket No. 13-75 is tentatively set for hearing on June 11, 1975. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 28, 1975

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 5468: (Continued from the April 30, 1975 Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Kenneth M. Hankins, Great American Insurance Company, and all other interested parties to appear and show cause why the Virginia Branch Well No. 1, located in Unit D of Section 9, Township 10 North, Range 25 East, Guadalupe County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5485: Application of Yates 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 Tidwell ED Well No. 1, located in Unit P of Section 22, Township 17 South, Range 26 East, Kennedy Farms Field, Eddy County, New Mexico, in such a manner as to produce gas from the Atoka and Morrow formations through the tubing-casing annulus and tubing, respectively.

CASE 5486: Application of Yates Petroleum Corp. for two unorthodox gas well locations, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox gas well locations for two proposed wells adjacent to the Atoka-Pennsylvanian Gas Pool, Eddy County, New Mexico, the first to be located in the center of Unit O of Section 25, Township 17 South, Range 25 East, the E/2 of said Section 25 to be dedicated to the well, and the second to be located in the center of Unit M of Section 31, Township 17 South, Range 26 East, the W/2 of said Section 31 to be dedicated to the well.

CASE 5487: Application of J. L. O'Neill, Jr., for salt water disposal, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval for the disposal of produced salt water by injection into the San Andres formation through the perforated interval from 4852 feet to 5001 feet in his State L Well No. 2, located in Unit N of Section 16, Township 8 South, Range 36 East, South Prairie-San Andres Pool, Roosevelt County, New Mexico.

CASE 5488: Application of Texas Pacific Oil Co. for pool contraction and extension, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order contracting the vertical limits of the Jalmat Gas Pool underlying the N/2 NE/4 and the SE/4 NE/4 of Section 4, Township 23 South, Range 36 East, Lea County, New Mexico, by the deletion therefrom of the lowermost 160 feet of the Seven Rivers formation, and the concurrent extension of the vertical limits of the Langlie Mattix Pool underlying said lands to include therein the said lowermost 160 feet of the Seven Rivers formation, further to similarly contract the vertical limits of the Jalmat Gas Pool underlying the NW/4 SW/4 of Section 3, Township 23 South, Range 36 East, by the deletion of the lowermost 135 feet of the Seven Rivers and the concurrent extension of the Langlie Mattix Pool to include the lowermost 135 feet of the Seven Rivers.

CASE 5489: Application of Texas Pacific Oil Co., Inc. for a waterflood expansion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the expansion of its Jalmat State "A" and/or its Langlie Mattix State "A" waterflood projects, Jalmat and Langlie Mattix Pools, by the injection of water into the Seven Rivers and Queen formations through its State "A" Wells Nos. 47 and 63 located, respectively, in Units K and I of Section 3 and its State "A" Well No. 84, located in Unit G of Section 23, all in Township 23 South, Range 36 East, Lea County, New Mexico.

CASE 5490: Application of Tenneco Oil Co. for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water by injection into the Strawn formation through the perforated interval from 11,164 feet to 11,470 feet in its Jones Federal "D" Well No. 1, located in Unit E of Section 24, Township 19 South, Range 31 East, Lusk-Strawn Pool, Eddy County, New Mexico.

CASE 5491: Application of Murphy H. Baxter for an unorthodox oil well location and an administrative procedure, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox oil well location for a well to be drilled 1980 feet from the North line and 1460 feet from the East line of Section 1, Township 18 South, Range 33 East, North EK-Queen Pool, Lea County, New Mexico. Applicant further seeks the establishment of an administrative procedure whereby additional wells at unorthodox locations in the North EK-Queen Unit Area could be approved without notice and hearing.

CASE 5469: (Continued and Readvertised)

Application of Read & Stevens for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox gas well location of a well to be drilled at a point 990 feet from the South and West lines of Section 7, Township 15 South, Range 28 East, Chaves County, New Mexico, in exception to the Buffalo Valley-Pennsylvanian Gas Pool Rules.

CASE 5492: Application of David Fasken for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Canyon and Morrow production in the wellbore of his El Paso Federal Well No. 2, located in Unit M of Section 2, Township 21 South, Range 26 East, Avalon Field, Eddy County, New Mexico.

CASE 5493: Application of Texas West Oil & Gas Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the E/2 of Section 5, Township 24 South, Range 34 East, Bell Lake Field, Lea County, New Mexico, to be dedicated to a well to be drilled at an orthodox location for said unit in Unit G of said Section 5. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for the risk involved in drilling said well.

CASE 5494: Application of Burleson and Huff for compulsory pooling, a non-standard gas proration unit, and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Jalmat Gas Pool underlying the NW/4 of Section 35, Township 25 South, Range 37 East, Lea County, New Mexico, and in the Langlie Mattix Pool underlying the NW/4 NW/4 of said Section 35 to form a non-standard 160-acre Jalmat gas proration unit and a standard 40-acre Langlie Mattix oil proration unit, each to be dedicated to applicant's Dabbs Well No. 2, located at an unorthodox Jalmat gas well location 330 feet from the North line and 990 feet from the West line of said Section 35. Also to be considered will be the cost of re-entering, 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 will be the designation of the applicant as operator of the well and a charge for the risk involved in re-entering, drilling, and completing said well.

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

IN THE MATTER OF THE
CONCURRENT CONTRACTION
AND EXTENSION OF THE
JALMAT GAS POOL AND
LANGLIE MATTIX OIL POOL

Case No. 5488

A P P L I C A T I O N

COMES NOW John F. Russell, Attorney for Texas Pacific Oil Company, Inc., and respectfully requests the Commission to authorize the following contractions of the Jalmat Gas Pool and extensions of Langlie Mattix Oil Pool in the following respects:

1. To exclude the lower 160 feet of the Seven Rivers Formation from the Jalmat Gas Pool and to concurrently extend the vertical limits of the Langlie Mattix Oil Pool to include the lower 160 feet of the Seven Rivers Formation covering the N $\frac{1}{2}$ of the NE $\frac{1}{4}$ and the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 4, all in Township 23 South, Range 36 East, Lea County, New Mexico.

2. To exclude the lower 135 feet of the Seven Rivers Formation from the Jalmat Gas Pool and concurrently to extend the vertical limits of the Langlie Mattix Oil Pool to include the lower 135 feet of the Seven Rivers Formation as to the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 3, Township 23 South, Range 36 East.

3. The granting of this application will permit the more efficient operation of the secondary recovery project located thereon and will prevent waste and will not violate correlative rights.

WHEREFORE, Applicant prays that this matter be set down for hearing before its examiner and that the relief requested herein be granted.

Respectfully submitted,

DOCKET MAILED

By

John F. Russell
John F. Russell

P. O. Box 640

Roswell, New Mexico 88201

Applicant's Attorney

DATED:

DRAFT
RLS/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. 5488

Order No. R- 5054
NOMENCLATURE

APPLICATION OF TEXAS PACIFIC OIL CO.
FOR POOL CONTRACTION AND EXTENSION,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 28, 1975,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this June day of June, 1975, 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 vertical limits of the Jalmat Gas Pool, Lea County
New Mexico, as previously designated and defined by the Commission,
comprise the Tansill and Yates formations, and all but the lowermost
100 feet of the Seven Rivers formation.

-2-

Case No. 5488

Order No. R-

(3) That the vertical limits of the Langlie-Mattix Oil Pool, as previously designated and defined by the Commission, comprise the lowermost 100 feet of the Seven Rivers formation and all of the Queen and Grayburg formations.

(4) That the applicant, Texas Pacific Oil Company, Inc., is the operator of the State A Waterflood Project in the Jalmat and Langlie-Mattix Pools, Lea County, New Mexico.

(5) That the lower 160 feet of the Seven Rivers formation underlying the NW/4 SW/4 of Section 3 and the N/2 NE/4 and SE/4 NE/4 of Section 4, all in Township 23 South, Range 36 East, NMPM, Lea County, New Mexico, is for the most part oil-saturated, and there are recoverable oil reserves in said interval and area.

(6) That secondary recovery operations are currently being conducted in the Seven Rivers formation and in the Queen formation underlying said State A Waterflood Project Area pursuant to authority of Order No. R-4819.

(7) That to increase the efficiency of said secondary recovery operations, the lowermost 160 feet of the Seven Rivers formation and the Queen formation should be treated as a common producing interval.

(8) That the contraction of the vertical limits of the Jalmat Pool to exclude the lowermost 160 feet of the Seven Rivers formation therefrom, and the concurrent extension of the vertical limits of the Langlie Mattix Oil Pool to include the lowermost 160 feet of the Seven Rivers formation therein, within the horizontal limits of the area set forth in Finding No. (5) above, will permit the more efficient operation of the aforesaid secondary recovery project, will prevent waste, will not violate correlative rights, and should be approved.

-3-

Case No. 5488

Order No. R-

IT IS THEREFORE ORDERED:

(1) That this order shall apply only to the following described area:

LEA COUNTY, NEW MEXICO
TOWNSHIP 24 SOUTH, RANGE 36 EAST, NMPM
Section 3: NW/4 SW/4
Section 4: N/2 NE/4 and SE/4 NE/4

(2) That the vertical limits of the Jalmat Gas Pool in the above-described area are hereby defined as comprising the Tansill and Yates formations and the Seven Rivers formation except for the lowermost 160 feet thereof.

(3) That the vertical limits of the Langlie Mattix Oil Pool in the above-described area are hereby defined as comprising the lowermost 160 feet of the Seven Rivers formation and the Queen and Grayburg formations.

(4) 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.

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:

CASE NO. 5488
Order No. R-5054-A

NOMENCLATURE

APPLICATION OF TEXAS PACIFIC OIL
CO. FOR POOL CONTRACTION AND
EXTENSION, LEA COUNTY, NEW MEXICO.

NUNC PRO TUNC ORDER

BY THE COMMISSION:

It appearing to the Commission that Order No. R-5054, dated
June 17, 1975, does not correctly state the intended order of the
Commission,

IT IS THEREFORE ORDERED:

(1) That Paragraph (1) on Page 2 of Order No. R-5054, Case
No. 5488, be and the same is hereby corrected to read as follows:

"(1) That this order shall apply only to the
following described area:

LEA COUNTY, NEW MEXICO
TOWNSHIP 23 SOUTH, RANGE 36 EAST, NMPM
Section 3: NW/4 SW/4
Section 4: N/2 NE/4 and SE/4 NE/4"

(2) That the correction set forth in this order be entered
nunc pro tunc as of June 17, 1975.

DONE at Santa Fe, New Mexico, on this _____ day of July,
1975.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

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:

CASE NO. 5487

Order No. R- 5037

APPLICATION OF J. I. O'NEILL, JR.,
FOR SALT WATER DISPOSAL, ROOSEVELT
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 28, 195,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this day of July, 195, 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. 5487 is hereby dismissed.

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