

CASE 5742: GULF OIL CORP. FOR A
NON-STANDARD GAS PRORATION UNIT &
SIMULTANEOUS DEDICATION, LEA CO.

CASE NO.

5742

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

June 1, 1977

C
O
P
Y

Gulf Energy and Minerals Co.-U.S.
P. O. Box 670
Hobbs, New Mexico 88240

Attention: Mr. C. D. Borland

Re: Case No. 5742
Order No. R-5264

Dear Mr. Borland:

In accordance with the provisions of Commission Order No. R-5264, permission is hereby granted to substitute the Eunice King Well No. 15 for the Eunice King No. 5 well on the 160-acre gas proration unit approved by said order. It is understood that the substitution was made effective May 19, 1977.

Yours very truly,

JOE D. RAMEY
Director

JDR/RLS/fd

Gulf Energy and Minerals Company-U.S.

SOUTHWEST DIVISION
HOBBS AREA

C. D. Borland
AREA EXECUTIVE MANAGER

May 26, 1977

P. O. Box 870
Hobbs, NM 88240

Re: Case No. 5742
Order No. R-5264

Mr. Joe D. Ramey
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, NM 87501

Dear Sir:

Eunice King No. 5 and Eunice King No. 24, located in Units F and E, respectively, of Section 28-T21S-R37E, Lea County, New Mexico were authorized by Order No. R-5264 to produce a 160- acre gas allowable from the Blinebry Oil and Gas Pool by means of simultaneous dedication. This order also provided for the replacement of Eunice King No. 5 with Eunice King No. 15 upon proper showing by the applicant (Gulf Oil Corporation).

Eunice King No. 15 was recently recompleted as a gas well in the Blinebry Oil and Gas Pool and potentialled flowing at the rate of 26 BOPD and 1434 MCFPD with a gas-oil ratio of 55,154 on 4-18-77.

In view of the successful recompletion of well No. 15, we request permission to substitute Eunice King No. 15 for Eunice King No. 5 as provided for in Order No. R-5264.

Yours very truly,



C. D. Borland

CRK/jwm



A DIVISION OF GULF OIL CORPORATION

Gulf Energy and Minerals Company-U. S.

SOUTHWEST DIVISION
HOBBS AREA

C. D. Borland
AREA PRODUCTION MANAGER

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C. D. Borland

CRK/jwm



A DIVISION OF GULF OIL CORPORATION

Gulf Energy and Minerals Company - U. S.

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May 26, 1977

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Yours very truly,


C. D. Borland

CRK/jwm



A DIVISION OF GULF OIL CORPORATION

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
August 18, 1976

EXAMINER HEARING

IN THE MATTER OF:

Application of Gulf Oil Corporation for) CASE
a non-standard gas proration unit and) 5742
simultaneous dedication, Lea County,)
New Mexico.)

BEFORE: Richard L. Stamets, Examiner

TRANSCRIPT OF HEARINGA P P E A R A N C E S

For the New Mexico Oil Conservation Commission: Lynn Teschendorf, Esq.
Legal Counsel for the Commission
State Land Office Building
Santa Fe, New Mexico

For the Applicant: Robert H. Thomas, Esq.
Legal Counsel for Gulf Oil Corp.
Midland, Texas

Jack M. Campbell, Esq.
CAMPBELL & BINGAMAN
Attorneys at Law
Box 2208
Santa Fe, New Mexico

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I N D E X

Page

CHARLES F. KALTEYER

Direct Examination by Mr. Thomas

3

Cross Examination by Mr. Stamets

11

EXHIBIT INDEX

Offered

Admitted

Applicant's Exhibit One, Plat

4

11

Applicant's Exhibit Two, Order R-4368

5

11

1 MR. STAMETS: We will call next Case 5742.

2 MS. TESCHENDORF: Case 5742, application of Gulf Oil
3 Corporation for a non-standard gas proration unit and
4 simultaneous dedication, Lea County, New Mexico.

5 MR. THOMAS: Mr. Examiner, Robert H. Thomas, Gulf
6 Oil Corporation, Midland, Texas. Let the record reflect that
7 Jack M. Campbell of Santa Fe has entered an appearance in this
8 case.

9 I have one witness to be sworn, Mr. Kalteyer, who
10 has been sworn in the previous cases.

11 MR. STAMETS: The record will reflect that Mr.
12 Kalteyer is still sworn.

13
14 CHARLES F. KALTEYER

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

17
18 DIRECT EXAMINATION

19 BY MR. THOMAS:

20 Q Mr. Kalteyer, what is Gulf seeking in this applica-
21 tion?

22 A Gulf is seeking authority to consolidate the
23 presently assigned one-hundred-and-twenty acre non-standard
24 gas proration unit for Well No. 5 comprising the southeast
25 quarter of the northwest quarter and the west half of the

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1 northeast quarter of Section 28, Township 21 South, Range 37
2 East with the presently assigned forty-acre non-standard gas
3 proration unit for Well No. 24 comprising the southwest quarter
4 of the northwest quarter of Section 28, Township 21 South,
5 Range 37 East and to simultaneously dedicate this one-hundred-
6 and-sixty acre non-standard gas proration unit to the
7 Eunice King Wells No. 5 and 24 located respectively eighteen
8 hundred and seventy-four feet from the north and west lines of
9 Section 28 and two thousand and eighty-six feet from the
10 north and seven hundred and sixty feet from the west lines of
11 Section 28, Township 21 South, Range 37 East to produce the
12 unit allowable in any proportion between the wells and to
13 administratively substitute Eunice King Well No. 15 located
14 two thousand, eighty-six feet from the north and west lines
15 of Section 28 of Township 21 South, Range 37 East for Well No. 5
16 at some future date.

17 Q Do you have an exhibit which shows the Eunice King
18 Lease and will you please explain what is shown on the exhibit?

19 A Yes, sir, our Exhibit One shows the three-hundred-
20 and-twenty acre Eunice King Lease outlined in red. Outlined
21 in green is the proposed one-hundred-and-sixty acre non-standard
22 proration unit. You will note on the plat that the Blinebry
23 gas completions are circled in yellow. The Blinebry oil
24 completions are enclosed in red triangles and you will also
25 note that the wells which are the subject of this hearing are

1 circled in green.

2 Q What is the current status of acreage assignments on
3 the three-hundred-and-twenty Eunice King Lease in the Blinebry
4 Oil and Gas Pool?

5 A Under Case Number 4785 and Order Number R-4368,
6 which is our Exhibit Number Two, the Oil Conservation Commission
7 approved the simultaneous dedication of a one-hundred-and-
8 twenty acre non-standard gas proration unit to the Eunice King
9 Wells No. 5 and 9 located respectively in Units F and G of
10 Section 28. The Eunice King Well No. 9 was abandoned in the
11 Blinebry Pool in October of 1972 and is now water injection
12 Well No. 111 in the Central Drinkard Waterflood Project.

13 This one-hundred-and-twenty acre non-standard gas
14 proration unit comprised of the west half of the northeast
15 quarter of Section 28 and the southeast quarter of the north-
16 west quarter of Section 28, Township 21 South, Range 37 East
17 is now assigned to Eunice King Well No. 5.

18 Gulf's Eunice King No. 24 located in Unit F was
19 recently reworked in the Blinebry and assigned a forty-acre
20 non-standard gas proration unit under NSP No. 127, July 26,
21 1976.

22 The remaining hundred-and-sixty acres in the Eunice
23 King Lease are assigned to Blinebry oil Wells No. 8, 13, 19
24 and 25.

25 Q Mr. Kalteyer, will you give the history of the

1 Eunice King Well No. 5, please?

2 A. It was completed in July of 1947 through open-hole
3 interval sixty-five nineteen to sixty-five ninety-nine in the
4 Drinkard. In May of '56 it was dual completed with the
5 Blinebry through perforations fifty-five twenty to fifty-six
6 hundred. At that time a standard one-hundred-and-sixty acre
7 gas proration unit was assigned to Well No. 5 in the Blinebry
8 Gas Pool.

9 Under NSP-561 dated August 29, 1961, NSP-567 dated
10 October 2nd, 1961 and NSP-626 dated December 31st, 1962 the
11 one-hundred-and-sixty acre standard gas proration unit was
12 reduced sucessively to one-hundred-and-twenty acres, to eighty
13 acres, to a forty-acre non-standard gas proration unit.

14 Under Case Number 4785 and Order No. R-4368, the
15 non-standard one-hundred-and-twenty acre gas proration unit
16 was simultaneously dedicted to Wells No. 5 and No. 9,
17 effective September 1, 1972.

18 The Drinkard completion of the Eunice King Well No. 5
19 is currently carried on the schedule as Well No. 110 in the
20 Central Drinkard Waterflood Project.

21 On latest tests the Drinkard completion produced
22 a daily rate of eleven barrels of oil, thirty-two barrels
23 of water, forty-three MCF of gas with a gas-oil ratio of
24 thirty-nine hundred and nine to one, tubing pressure twenty-
25 five psi on pump beneath a Baker Model D packer set at sixty-

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1 three, sixty.

2 The Blinebry gas completion is currently producing
3 at a daily rate of approximately five hundred MCF.

4 Q What is the history of Eunice King Well No. 24?

5 A This well was completed in October of 1950 through
6 perforations seventy-six, seventy-two, seventy-eight, sixty
7 in the Hare Pool and after an unsuccessful plug-back attempt
8 in the Paddock the well was completed in December of '59
9 through interval seventy-one, forty-seven to seventy-two,
10 twenty in the Wantz Abo Pool.

11 In November of '64 the well was plugged back to
12 the interval fifty-seven, eighty-eight to fifty-eight, eighty-
13 six in the Blinebry Oil Pool and on June 28th, 1976 the
14 well was again reworked in the Blinebry in the interval
15 fifty-five, oh, one to fifty-six, seventy-two as a Blinebry
16 Gas Well and a forty-acre non-standard proration unit was
17 assigned under NSP-1027 dated July 26, 1976.

18 Q Why have you requested future administrative
19 authority to substitute the Eunice King Well No. 15 for the
20 Eunice King Well No. 5 as a Blinebry gas producer?

21 A The wellbore of the Eunice King Well No. 5 as
22 mentioned before is utilized as a Blinebry gas completion
23 producing through the annular space of the two-and-three-
24 eighths OD tubing and the seven inch OD casing. The two-and-
25 three-eighths inch tubing is apparently being utilized to

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1 rod on the Drinkard completion under a Baker Model D packer.

2 The Drinkard completion is a high gas-oil ratio
3 producer and difficult to pump beneath the packer.

4 Gulf is presently considering plans to complete
5 Well No. 15 in the Blinebry gas zone and abandon the Blinebry
6 completion in the Eunice King Well No. 5. This will allow
7 us to pump the Central Drinkard Unit Well No. 110 which is the
8 Eunice King No. 5 wellbore as a single completion without a
9 packer.

10 Q Would you give us the history and tell the Commission
11 what the history of the Eunice King Well No. 15 is?

12 A It was completed in 1949 in the Brunson Ellenberger,
13 dual completed, and under DC-954 in 1960 the Brunson Ellenberger
14 completion was abandoned and the well dual completed in the
15 Paddock and the Wantz Abo. The Wantz Abo completion was
16 abandoned in '62 and the Paddock last produced in April of
17 1973.

18 Q What is the current producing capability of the
19 Eunice King Well No. 5?

20 A It is currently classified as marginal and is
21 incapable of producing the top allowable that would normally
22 be assigned for the acreage dedicated to the well.

23 Q Is the Eunice King Well No. 24 capable of producing
24 its current allowable?

25 A Yes, sir, it is.

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1 Q Has a precedent been set in the immediate area of
2 Section 28 for a second well on a non-standard gas proration
3 unit?

4 A Yes, as previously pointed out our Case Number 4785,
5 Order Number R-4368 on this same property a non-standard one-
6 hundred-and-twenty acre gas proration unit was simultaneously
7 dedicated for production from the Eunice King Wells No. 5 and
8 9. The Blinbry completion of Eunice King Well No. 5 was
9 abandoned in October of '72.

10 Q You referred to Exhibit Two in this case, being the
11 Case Number 4785, the Order Number R-4368, would you please
12 explain to us what exactly the Commission authorized in that
13 order?

14 A Under that order the Commission granted authority
15 to Gulf Oil to consolidate the forty-acre non-standard gas
16 proration unit comprising the southeast quarter of the
17 northwest quarter of Section 28 assigned to Well No. 5 and
18 the eighty acre non-standard gas proration unit comprising
19 the west half of the northeast quarter of Section 28, Township
20 21 South, Range 37 East which was assigned to Well No. 5 to
21 form a one-hundred-and-twenty acre non-standard gas proration
22 unit and to dedicate the said one-hundred-and-twenty acre
23 unit to Gulf's Eunice King Wells 5 and 9. The Commission
24 further authorized Gulf to produce the allowable assigned to
25 the unit from the subject wells in any proportion.

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1 Q Will you again summarize for us what Gulf is asking
2 in this application?

3 A Gulf is seeking authority to consolidate the forty-
4 acre non-standard gas proration unit comprising the southwest
5 quarter of the northwest quarter of Section 28 currently
6 assigned to Well No. 5 with the one-hundred-and-twenty acre
7 non-standard gas proration unit comprising the west half of
8 the northeast quarter and the southeast quarter of the north-
9 west quarter of Section 28 currently assigned to the Eunice
10 King Well No. 5.

11 The first forty acres should be assigned to No. 24
12 and the hundred-and-twenty acres comprising the west half of
13 the northeast quarter and the southeast quarter of the north-
14 west quarter of Section 28 is currently assigned to Well No. 5
15 in the Blinebry Oil and Gas Pool of Lea County, New Mexico
16 to form a one-hundred-and-sixty acre non-standard gas proration
17 unit and to dedicate said one-hundred-and-sixty acres to our
18 Eunice King Wells No. 5 and No. 24. We further propose that
19 we be allowed to produce the allowable assigned to the proration
20 unit in any proportion between the two wells.

21 Gulf also requests administrative approval to
22 recomplete Eunice King Well No. 15 which is a twin to Well No.
23 5 as a replacement for No. 5 in the Blinebry Pool at some
24 future date.

25 Q Mr. Kalteyer, in your opinion and based upon your

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1 knowledge and experience will the granting of this application
 2 prevent waste and protect correlative rights?

3 A. Yes, sir.

4 Q. Was this Exhibit Number One prepared by you or under
 5 your supervision?

6 A. Yes, sir, it was.

7 MR. THOMAS: Mr. Examiner, we move that Exhibits One
 8 and Two be entered in this case and I have no further questions.

9 MR. STAMETS: These exhibits will be admitted.

10 (THEREUPON, Applicant's Exhibits One and
 11 Two were admitted into evidence.)

12
 13 CROSS EXAMINATION

14 BY MR. STAMETS:

15 Q. Mr. Kalteyer, is the southwest quarter of the
 16 northwest quarter of Section 28 currently dedicated to any
 17 Blinebry wells?

18 A. The southwest quarter of the northwest quarter to
 19 No. 24.

20 Q. Okay, that's a non-standard forty-acre proration
 21 unit?

22 A. Yes, sir.

23 Q. What order authorized that?

24 A. NSP-1027 dated July 26, 1976.

25 Q. So any order which would authorize the requested

1 non-standard unit should supercede R-4368 and NSP-1027?

2 A. Yes.

3 MR. STAMETS: Any other questions of the witness?

4 He may be excused.

5 (THEREUPON, the witness was excused.)

6 MR. STAMETS: Is there anything further in this
7 case? The case will be taken under advisement and if there is
8 nothing further the hearing will be adjourned.

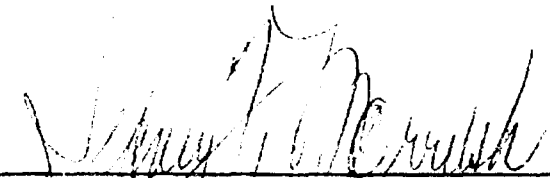
9 (THEREUPON, the hearing was adjourned.)

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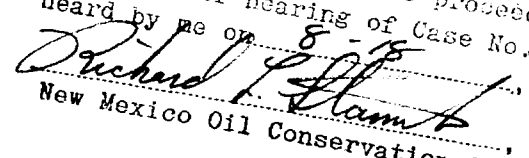
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REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand 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, C.S.R.

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Phone (505) 982-9212

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 5742,
heard by me on 8-15, 1986.

Richard L. Stamm, Examiner
New Mexico Oil Conservation Commission



OIL CONSERVATION COMMISSION

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



DIRECTOR
JOE D. RAMEY

LAND COMMISSIONER
PHIL R. LUCERO
September 1, 1976

STATE GEOLOGIST
EMERY C. ARNOLD

Mr. Jack Campbell
Campbell & Bingaman
Attorneys at Law
Post Office Box 2208
Santa Fe, New Mexico

Re: CASE NO. 5742
ORDER NO. R-5264

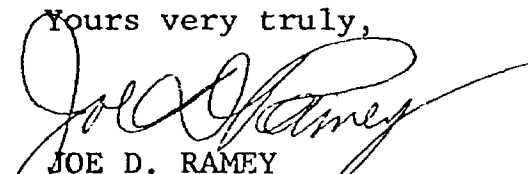
Applicant:

Gulf Oil Corporation

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
Director

JDR/fd

Copy of order also sent to:

Hobbs OCC X
Artesia OCC X
Aztec OCC

Other Bob Thomas

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. 5742
Order No. R-5264

APPLICATION OF GULF OIL CORPORATION FOR
A NON-STANDARD GAS PRORATION UNIT AND
SIMULTANEOUS DEDICATION, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 18, 1976, at Santa Fe, New Mexico, before Examiner, Richard L. Stamets.

NOW, on this 31st day of August, 1976, 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, Gulf Oil Corporation, seeks approval for a 160-acre non-standard gas proration unit comprising the S/2 NW/4 and W/2 NE/4 of Section 28, Township 21 South, Range 37 East, NMPM, Blinebry Oil and Gas Pool, Lea County, New Mexico.

(3) That the applicant seeks to simultaneously dedicate to said non-standard unit its Eunice King Wells Nos. 5 and 24, located in Units F and E, respectively, of said Section 28, with unit production to be taken from said wells in any proportion.

(4) That the proposed non-standard gas proration unit can be efficiently and economically drained and developed by the subject wells.

(5) That the applicant further seeks authority to later substitute its Eunice King Well No. 15, located 2086 feet from the North and West lines of said Section 28 for the aforesaid Well No. 5 in the above-described simultaneous dedication.

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Blinebry Oil and Gas Pool and will otherwise prevent waste and protect correlative rights.

-2-

Case No. 5742
Order No. R-5264

(7) That Commission Order No. R-4368 and Administrative Order NSP-1027, which approved the non-standard gas proration units to be consolidated by this order should be superseded.

IT IS THEREFORE ORDERED:

(1) That effective at 7:00 a.m. on September 1, 1976, the applicant, Gulf Oil Corporation, is hereby authorized to simultaneously dedicate 160-acre non-standard gas proration unit comprising the S/2 NW/4 and W/2 NE/4 of Section 28, Township 21 South, Range 37 East, NMPM, Blinbry Oil and Gas Pool, Lea County, New Mexico, to its Eunice King Wells Nos. 5 and 24, located in Units F and E, respectively, of said Section 28, with unit production to be taken from said wells in any proportion.

PROVIDED HOWEVER, that upon a proper showing by the applicant, the Secretary-Director of the Commission may substitute applicant's Eunice King Well No. 15 in Unit F of said Section 28 for the aforesaid Well No. 5 in the above-described simultaneous dedication.

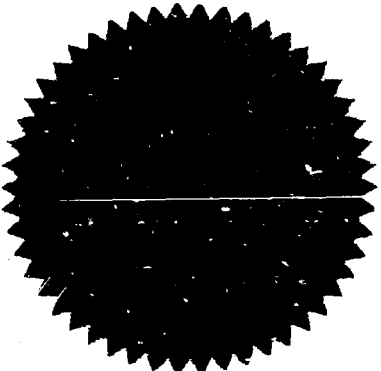
(2) That the allowable assigned to the above-described gas proration unit shall be based upon the unit size of 160-acres and that the operator may produce the allowable assigned to the unit from the subject wells in any proportion.

(3) That Commission Order No. R-4368 and Administrative Order NSP-1027 are hereby superseded.

(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 hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


Phil R. Lucero
PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member

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

S E A L

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:

BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION
EXHIBIT NO. 2
CASE NO. 1742
Submitted by Gulf Oil Corp
Hearing Date 8-10-72
~~CASE NO. 4785~~
Order No. R-4368

APPLICATION OF GULF OIL
CORPORATION FOR REDEDICATION
OF ACREAGE AND A NON-STANDARD
PRORATION 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 21st 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, Gulf Oil Corporation, is the
operator of the Eunice King Wells Nos. 5 and 9, located,
respectively, in Units F and G of Section 28, Township 21 South,
Range 37 East, NMPM, Lea County, New Mexico.

(3) That by Administrative Orders Nos. NSP-597 and NSP-626
40-acre and 80-acre non-standard gas proration units in the
Blinebry Gas Pool in Section 28 were established and dedicated
to the Eunice King Wells Nos. 9 and 5 located, respectively, in
Units G and F of said Section 28.

(4) That the applicant seeks the consolidation of the
40-acre non-standard proration unit comprising the SE/4 NW/4
of Section 28 and the 80-acre non-standard proration unit
comprising the W/2 NE/4 of Section 28, Township 21 South, Range
37 East, NMPM, Blinebry Gas Pool, Lea County, New Mexico, to
form a 120-acre non-standard proration unit.

(5) Applicant also seeks permission to produce the allow-
able 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.

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

(7) That approval of the 120-acre non-standard gas proration unit as requested by the applicant will afford the applicant the opportunity to produce its just and equitable share of the gas in the Blinebry Gas Pool, will prevent the economic loss caused by the drilling of unnecessary wells, will avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and will not violate correlative rights.

IT IS THEREFORE ORDERED:

(1) That, effective September 1, 1972, the applicant, Gulf Oil Corporation, is hereby authorized to consolidate the 40-acre non-standard proration unit comprising the SE/4 NW/4 of Section 28 and the 80-acre non-standard proration unit comprising the W/2 NE/4 of Section 28, Township 21 South, Range 37 East, Blinebry Gas Pool, Lea County, New Mexico, to form a 120-acre non-standard proration unit and to dedicate said 120-acre unit to its Eunice King Wells Nos. 5 and 9.

(2) That the allowable assigned to the above-described non-standard gas proration unit shall be in the proportion that 120 acres bears to a standard unit size of 160 acres; and that the operator may produce the allowable assigned to the unit from the subject wells in any proportion.

(3) That the cumulative overproduction/underproduction status of said consolidated unit shall be the combined cumulative overproduction/underproduction statuses as of September 1, 1972, of the two units being consolidated.

(4) That the cancellation status of said consolidated unit shall be the combined cancellation statuses as of September 1, 1972, of the two individual units being consolidated.

(5) That Administrative Orders NSP-597 and NSP-626 are hereby superseded.

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

-3-
Case No. 4785
Order No. R-4368

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

BRUCE KING, Chairman

ALEX J. ARMIJO, Member

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

S E A L

dr/

Case
5742

JUL 26 1976
OIL CONSERVATION COMMISSION
Santa Fe

Gulf Energy and Minerals Company - U.S.A.

PRODUCTION DEPARTMENT
MIDLAND DISTRICT

B. L. Choate
DISTRICT PRODUCTION MANAGER
R. F. Ward, Jr.
DISTRICT OPERATIONS MANAGER
C. E. Fields
DISTRICT SERVICES MANAGER
A. J. Evans, Jr.
DISTRICT ENVIRONMENTAL & SAFETY MANAGER
J. C. Howard
DISTRICT EMPLOYEE RELATIONS MANAGER

P. O. Drawer 1150
Midland, Texas 79701

July 23, 1976

Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 88501

Attention Mr. Joe D. Ramey

Re: Simultaneous Dedication, Eunice
King Wells 5 and 24, Blinebry
Gas Pool, Lea County, New Mexico

Gentlemen:

Gulf Oil Corporation respectfully requests that a hearing be scheduled on your August 18, 1976 docket to consider our application for simultaneous dedication of the subject wells on a non-standard 160-acre gas proration unit in the Blinebry (Gas) Pool.

The Eunice King Well No. 5, an unorthodox location in Unit F of Section 28, T-21-S, R-37-E, is a Blinebry gas well assigned a non-standard 120-acre gas proration unit. The Eunice King Well No. 24, an unorthodox location in Unit E of Section 28, T-21-S, R-37-E, is a Blinebry gas well assigned a non-standard 40-acre gas proration unit. The proposed non-standard proration unit is to be comprised of the S/2 of the NW/4 and the W/2 of the NE/4 of Section 28, T-21-S, R-37-E, Lea County, New Mexico.

The Eunice King Well No. 5 is a dual in the Blinebry (Gas) Pool and in the Drinkard Pool as Central Drinkard Unit Well No. 110. In the event that at some future date it is necessary to convert this wellbore to a single pumping producer



DIVISION OF GULF OIL CORPORATION

footages

1874' FNL & 1874' FWL
2086 FNL & 2086' FWL
2086' FNL & 760' FWL

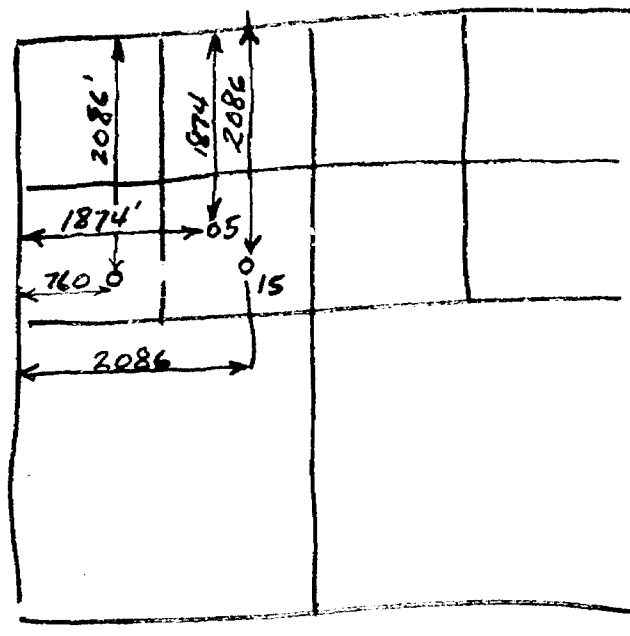
-2-

5742

Yours very truly,

R. F. WARD, JR.

cc: Mr. J. T. Sexton, Supervisor
P. O. Box 1980
Hobbs, New Mexico 88240



- CASE 5735: Application of Continental Oil Company to amend Order No. R-1234, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Rule 19 of the Special Rules for the Warren Tubb Gas Pool promulgated by Order No. R-1234, to provide for an increase in the gas-oil ratio limitation for oil wells in said pool to some figure not to exceed 10,000 to one.
- CASE 5736: Application of BCO Inc. for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Basin Dakota Gas Pool and Lybrook-Gallup Oil Pool and undesignated Greenhorn and Mancos production in the wellbore of its Dunn Well No. 2, located in Unit F of Section 10, Township 23 North, Range 7 West, Rio Arriba County, New Mexico.
- CASE 5737: Application of Howard Boatright Company for amendment of Order No. R-5203, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-5203 which authorized salt water disposal into the Delaware formation through applicant's State CS Well No. 1 located in Unit L of Section 17, Township 21 South, Range 27 East, Eddy County, New Mexico. Applicant seeks to increase the maximum wellhead injection pressure for said well from 400 psi to 800 psi.
- CASE 5709: Application of Tahoe Oil and Cattle Company for an exception to the provisions of Order No. R-3221, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks, as an exception to the provisions of Commission Order No. R-3221, permission to construct and operate an earthen salt water disposal pit in the NE/4 SW/4 of Section 2, Township 20 South, Range 30 East, Eddy County, New Mexico.
- CASE 5738: Application of Hayes Oil Company for a non-standard proration unit and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 240-acre non-standard gas proration unit comprising the NE/4 and N/2 SE/4 of Section 18, Township 20 South, Range 26 East, Eddy County, New Mexico, to be dedicated to a Morrow test well proposed to be drilled at an unorthodox location for said unit at a point 1980 feet from the South line and 660 feet from the East line of said Section 18.
- CASE 5739: Application of William G. McCoy for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox gas well location of its McCord Well No. 1 to be drilled at a point 660 feet from the North and East lines of Section 22, Township 23 South, Range 26 East, South Carlsbad-Morrow Gas Pool, Eddy County, New Mexico.
- CASE 5740: Application of Gulf 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 Section 28, Township 24 South, Range 26 East, Eddy County, New Mexico, to be dedicated to applicant's White City Penn Gas Com. Unit No. 3 Well No. 1, to be drilled at a point 2310 feet from the North and West lines of said Section 28. 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 risk involved in drilling said well.
- CASE 5741: Application of Gulf Oil Corporation for directional drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority for the directional drilling of three wells on its Central Drinkard Unit, Drinkard Pool, Lea County, New Mexico, all in Section 33, Township 21 South, Range 37 East, as follows: Well No. 406, surface location 2200 feet from the South line and 1470 feet from the East line, bottom-hole location 2390 feet from the South line and 870 feet from the East line; Well No. 407, surface location 1475 feet from the South line and 1440 feet from the East line, bottom-hole location 1110 feet from the South line and 700 feet from the East line; Well No. 420, surface location 2300 feet from the South line and 1520 feet from the East line, bottom-hole location 1790 feet from the North line and 1030 feet from the East line. All of the above wells would be bottomed within 100 feet of the above-described bottom-hole locations.
- CASE 5742: Application of Gulf Oil Corporation for a non-standard gas proration unit and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 160-acre non-standard Blinebry gas proration unit comprising the S/2 NW/4 and W/2 NE/4 of Section 28, Township 21 South, Range 37 East, Lea County, New Mexico, to be simultaneously dedicated to applicant's Eunice King Wells Nos. 5 and 24, located, respectively, 1874 feet from the North and West lines, and 2086 feet from the North line and 760 feet from the West line of said Section 28. Applicant further seeks authority to later substitute its Eunice King Well No. 15, located 2086 feet from the North and West lines of said Section 28 for the aforesaid Well No. 5 in the above-described simultaneous dedication.
- CASE 5743: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit John W. Adams, Executor of Estates of R. W. and June Adams; and Ruth McCahey, Fred McCahey and David McCahey dba Adams & McCahey, American Employers' Insurance Company, and all other interested parties to appear and show cause why the following wells located in Township 21 North, Range 30 East, Harding County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program:
- Gonzales Well No. 2, located in Unit P of Section 9; Adams & McCahey Well No. 1, located in Unit B of Section 16; and Gonzales "A" Well No. 1, located in Unit H of Section 32.

J. R. MODRALL
JAMES E. SPERLING
JOSEPH E. ROEHL
GEORGE T. HARRIS, JR.
DANIEL A. SISK
LELAND S. SEDBERRY, JR.
ALLEN C. DEWEY, JR.
FRANK H. ALLEN, JR.
JAMES A. PARKER
JOHN R. COONEY
KENNETH L. HARRIGAN
DALE W. EK
DENNIS J. FALK
JOE R. G. FULCHER
ARTHUR D. MELENDRES
JAMES P. HOUGHTON
GEORGE J. HOPKINS
PAUL M. FISH
JUDY A. FRY

LAW OFFICES OF
MODRALL, SPERLING, ROEHL, HARRIS & SISK

PUBLIC SERVICE BUILDING

P. O. BOX 2168

ALBUQUERQUE, NEW MEXICO 87103

JOHN F. SIMMS (1985-1954)
AUGUSTUS T. SEYMOUR
(1907-1985)

TELEPHONE 243-4511
AREA CODE 505

August 12, 1976

wp

Mr. Joe D. Ramey
Secretary-Director
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application of Gulf Oil Corporation -
Case No. 5742

Dear Mr. Ramey:

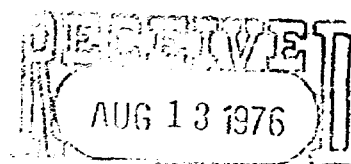
Please be advised that we inadvertently filed an Entry of Appearance on behalf of Gulf Oil Corporation in the above-captioned case which has been docketed for examiner's hearing on August 18, 1976. This letter will serve as your notification that we withdraw as local counsel for Gulf Oil Corporation in this matter.

Very truly yours,

James E. Sperling
James E. Sperling

/jev

cc: Mr. Morgan L. Copeland
Regional Attorney
The Gulf Companies



OIL CONSERVATION COMM.
Santa Fe

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF GULF OIL CORPORATION FOR A
NON-STANDARD GAS PRORATION UNIT
AND SIMULTANEOUS DEDICATION, LEA
COUNTY, NEW MEXICO

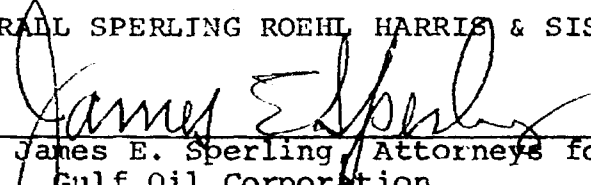
Case No. 5742

ENTRY OF APPEARANCE

The undersigned, Modrall, Sperling, Roehl, Harris & Sisk, of Albuquerque, New Mexico, hereby enter their appearance for the Applicant, Gulf Oil Corporation, with its house counsel of Midland, Texas.

MODRALL SPERLING ROEHL HARRIS & SISK

By:


James E. Sperling, Attorneys for
Gulf Oil Corporation
P. O. Box 2168
Albuquerque, New Mexico 87103
Telephone: (505) 243-4511

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

Roll in

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

5742
CASE NO. ~~5654~~
Order No. ~~R-5190~~
R-5264

Gulf Oil Corporation
APPLICATION OF ~~CONTINENTAL OIL COMPANY~~
FOR A NON-STANDARD GAS PRORATION UNIT
AND SIMULTANEOUS DEDICATION, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

Aug 18, 1976
This cause came on for hearing at 9 a.m. on ~~March 17, 1976~~,
at Santa Fe, New Mexico, before Examiner, ~~Daniel S. Nutter~~. *1325*

NOW, on this ~~30th~~ day of ~~March, 1976~~, 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:

*1/2 NW/4 and
W/4 NE/4
of Section 28,*

(1) That due public notice having been given as required
by law, the Commission has jurisdiction of this cause and the
subject matter thereof.

Gulf Oil Corporation
(2) That the applicant, ~~Continental Oil Company~~, seeks
approval for a ~~160~~-acre non-standard gas proration unit
comprising the ~~SW 1/4 of Section 28, in Township 21~~
South, Range 3 East, NMPM, ~~Eumont Gas Pool~~, Lea County, New
Mexico. *Glinibry Oil and*

(3) That the applicant seeks to simultaneously dedicate
to said non-standard unit its ~~Wells Nos. 5 and 24~~
located in Units ~~F and E~~, respectively, of said Section 28, with
unit production to be taken from said wells in any proportion.

(4) That the proposed non-standard gas proration unit can
be efficiently and economically drained and developed by the
subject wells.

(6) That approval of the subject application will afford
the applicant the opportunity to produce its just and equitable
share of the gas in the Eumont Gas Pool and will otherwise
prevent waste and protect correlative rights.

That the applicant
(5) further seeks authority to later substitute its Eunice King Well No. 15, located 2086 feet from the
North and West lines of said Section 28 for the aforesaid Well No. 5 in the above-described
simultaneous dedication.

-2-
Case No. 5654
Order No. R-5190

Commission Order No. R-4368 and

(1) That Administrative Order NSP-¹⁰²⁷~~27~~, which originally approved the above described non-standard gas proration units ~~should be consolidated by this order~~ ~~should be superseded.~~

IT IS THEREFORE ORDERED:

(1) That effective at 7:00 a.m. on ~~April 1~~ ^{September 1,} 1976, the applicant, ~~Cunice King Oil Company~~ ^{Cunice King}, is hereby authorized to simultaneously dedicate ~~the~~ 160-acre non-standard gas proration unit comprising the ~~N/2 and SE/4 of Section 28 in Township 21~~ ^{SW/4 of Section 28} South, Range 39 East, NMPM, ~~Summit Gas Pool~~ ^{Cunice King}, Lea County, New Mexico, to its ~~Summit Gas Pool~~ ^{Cunice King} Wells Nos. 5 and 24, located in Units ~~F~~ and ~~E~~ respectively, of said Section 28, with unit production to be taken from said wells in any proportion.

*5/2 NW/4 and
W/2 NE/4
of Section 28,*

Provided However, That upon a proper showing by the applicant, the Secretary Director of the Commission may substitute applicant's Cunice King Well No 15 unit F of Said Section 28 for the aforesaid Well No. 5 in the above-described simultaneous dedication.

See under

S E A L

dr/